



CITY OF

NEWPORT BEACH

City Council Staff Report

December 9, 2025
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Review of Proclamation of Local Emergency, Resolution No. 2025-75

ABSTRACT:

A local emergency was declared on October 22, 2025, following the detection of methane seepage and oil intrusion at 3606 Marcus Avenue on the Balboa Peninsula, believed to be related to a historic orphan oil well beneath 3606 and/or 3602 Marcus Avenue. The City Council ratified the Proclamation of Local Emergency on October 28, 2025, by adopting Resolution No. 2025-75 (Attachment A). In coordination with the California Geologic Energy Management Division (CalGEM), which has obtained emergency funding and approvals, the City of Newport Beach (City) is supporting an expedited effort to drill an intercept well at Marcus Avenue and 36th Street and re-plug the orphan well approximately 800 feet below ground surface. Although the City does not own the well, staff from Police, Fire, Public Works and Utilities Departments are actively coordinating with CalGEM and its contractor to address immediate public safety and environmental risks. Mobilization, 24-hour drilling operations, and demobilization are expected to occur through December, resulting in temporary neighborhood impacts including loss of on-street parking, restricted access, and continuous construction related noise.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15269(c), 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Review the continued need for the local emergency as required by Newport Beach Municipal Code Section 2.20.065 and, if emergency conditions remain, receive and file the report.

DISCUSSION:

On October 22, 2025, a local emergency was declared after methane seepage was detected at a residence located at 3606 Marcus Avenue on the Balboa Peninsula, believed to be caused by oil intrusion from an abandoned private oil well beneath the

home. On October 28, 2025, the City Council ratified the Proclamation of Local Emergency by adopting Resolution No. 2025-75.

City staff and State representatives believe that a historic oil well located under 3606 and/or 3602 Marcus Avenue may be leaking. The well was plugged in 1929 in accordance with the standards of that era and has no known responsible owner and is therefore considered an “orphan” oil well. Staff have secured an emergency response from CalGEM, which has regulatory oversight of all oil and natural gas wells in the State and administers several programs, including an orphan well abandonment program. Due to the active leakage and the associated threat to public safety and the environment, CalGEM has responded and obtained funding and approvals to attempt to re-plug the orphan well. The City does not own the well and responsibility for the well rests with the private property owners; however, in the interest of public health and safety, the City has taken an active role in coordinating and expediting the response.

City staff from the Police, Fire, Public Works and Utilities Departments have been working closely with CalGEM to expedite the emergency re-plugging activities. CalGEM has engaged an emergency oil drilling contractor. Work is planned to begin on Monday, November 24, with full mobilization anticipated by December 1, at which point operations will transition to a 24-hour schedule. The plan is to drill an intercept well from the intersection of Marcus Avenue and 36th Street to locate and intersect the orphan well several hundred feet below ground surface. From there, the contractor will re-plug the well, approximately 800 feet deep. Staff and technical experts believe that re-capping the orphan well at its source will stop the above-ground oil and gas intrusion; however, due to subsurface uncertainties, this outcome cannot be guaranteed.

The overall timeline for mobilization, drilling, re-capping and demobilization is expected to extend through the month of December. Staff has been proactively informing nearby residents about the emergency oil well repair activities and associated impacts. The work will require removal of on-street parking, limited or no access to some garages, restricted pedestrian access, and continuous construction and equipment noise on a 24-hour basis. Continuous drilling is considered best practice for this type of operation, as daily start-and-stop cycles can increase technical risk and extend the duration of work. Staff recognize that these emergency repairs will be disruptive, particularly given the nighttime noise that may carry several blocks, and will continue to coordinate with the contractor to minimize impacts where feasible while completing the work as quickly and safely as possible.

FISCAL IMPACT:

The adopted budget includes sufficient funding for the City to expend staff, material, and contractor resources to facilitate the emergency construction. This will be a small portion of the overall expenditure and will be funded from various operational and emergency accounts within the Utilities, Public Works, Police and Fire Department accounts. The State is preparing to spend a few million dollars on this emergency with their planning and construction efforts. In the event the project or the emergency exceeds annual budget appropriations, a budget amendment would be brought to City Council.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15269(c) (the activity is necessary to prevent or mitigate an emergency), 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Resolution No. 2025-75