



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: June 9, 2015 (Continued from May 12, 2015)
SUBJECT: Zone Text Amendment No. 19-15
APPLICANT: City of Carson
REQUEST: To consider adoption of a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308
PROPERTY INVOLVED: City-wide

COMMISSION ACTION

Concurred with staff
 Did not concur with staff
 Other

COMMISSIONERS' VOTE

<u>AYE</u>	<u>NO</u>		<u>AYE</u>	<u>NO</u>	
		Chairman Diaz			Mitoma
		Vice-Chair Madrigal			Post
		Andrews			Schaefer
		Faletogo			Thomas
		Gordon			

Item 11A

I. Introduction

This staff report includes the most up-to-date version of the proposed Oil and Gas Code. A redline version of the code is attached which identifies all changes as compared to the version included in the May 12, 2015 staff report, refer to Exhibit 5. These changes represent a refinement to the oil code as directed by the Planning Commission during its meeting of May 12, 2015, and as a result of comments received during and after the Planning Commission, as well as a meeting with stakeholders with an interest in oil and gas, refer to Exhibit 1.

II. Background

This matter was considered by the Planning Commission on February 24, 2015, April 14, 2015, and May 12, 2015, refer to Exhibits 2 and 3. At the May 12, 2015 hearing, the Planning Commission again took public testimony and continued this matter to June 9, 2015, along with the following direction to staff:

- Provide a report regarding certain regulatory items in a confidential memo or closed session;
- Provide a report relating to the Petroleum Administrator (PA) position, with options how the PA could be added back in to the Ordinance and the types of items that would be subject to an appeals process;
- Provide a report considering the impacts of increasing the 500-foot setback to 750 feet with options how the Ordinance could revisit this issue;
- Provide a draft resolution and ordinance for consideration and potential approval by the Planning Commission; and
- Direct staff to continue dialogue and meeting with the community and all interested parties.

Reports will be provided as part of the presentation to the Planning Commission. Staff also continued dialogue with interested parties as directed by the Planning Commission.

As requested by the Planning Commission, the May 4, 2015, version of the Oil and Gas Code has been attached with showing all strike-outs; there are no other changes, refer to Exhibit 4.

The most up to date version of the Oil and gas Code is dated June 1, 2015, and includes additional recommendations from staff as a result of a continuing dialog with interested parties, refer to Exhibit 5. The June 1, 2015 version is drafted to allow modifications to the Petroleum Administrator position and the 750 foot setback item to be included if the Commission is so inclined.

Staff's recommendation is for the Planning Commission to make a final recommendation to the City Council and not continue the item.

III. Analysis

Existing Regulations

Existing regulations are identified as a component to the attached Ordinance. Proposed amendments and deletions are identified in strike-out.

Oil and gas Code May 4, 2015 Version

There have not been any changes from the prior version except that strike-outs have been shown. As originally directed by the Planning Commission last April, City staff refined the proposed Oil and Gas Code into a May 4, 2015 draft as follows:

- Adjusted setbacks to start at 500 feet from residential and other defined uses. Operations starting at 500 feet setbacks will be subject to heightened regulation, such as odor and health risk assessments, that will be phased out as the distance increases to 1,500 feet or more from the prohibited zone.
- Eliminated the position of a Petroleum Administrator. Instead, the City Manager, or designee, will generally be responsible for overseeing compliance with the Ordinance. Also, eliminated the uncertainty related to the responsibilities of the City Manager (previously Petroleum Administrator).

Staff, the City Attorney's office, and MRS also continued to carefully review comments from the Planning Commission, and the public, including representatives of oil and gas interests and environmental groups, and proposed refinements to the proposed oil code to further clarify the intent of the legislation. In general, the proposed refinements based on the meeting with industry included:

- Clarify that conventional drilling methods and operations can continue;
- Refine definitions to reduce the likelihood of regulatory conflicts;
- Definition of High Risk operator;
- Duplication with State Regulations;
- Exceptions for Exploratory Wells;
- Acidizing definitions/Acid volume thresholds;
- Added many exclusions for industrial areas; and
- Simplified some code requirements.

Oil and gas Code June 1, 2015 Version

The May 4, 2015 draft was further refined into the June 1, 2015 version of the Oil and Gas Code, based on community input and staff analysis, to address various issues. The June 1, 2015 version proposes refinements including the following:

- Add "Good Neighbor" Provisions. Representatives of oil and gas interests in the City have expressed a willingness to have "good neighbor" provisions included in the Ordinance that would apply to all operators - including existing operators. These include provisions related to noise, odor, lighting, signage, safety assurances and emergency/hazard management and other operational restrictions.
- Provide a provision for High Risk operators to have the right to appeal decisions of the Petroleum administrator to the Planning Commission, and clarify the process for City's recovery of expenses.
- Refine guidelines for Development Agreements and process.
- Clarify re-drills of existing wells do not count toward new development, but legally nonconforming uses are limited to no more than 5 re-drills every 5 years.
- Adds a grace period for entitlements or permits that may expire to allow the operator to acquire a new entitlement, thereby reducing the potential for impacts related to mandatory abandonment of the site. Revoked entitlements or permits must immediately cease operations.
- Refine insurance and bonding requirements.
- Provide Richter measurements as a standard to determine when inspection shutdown is required after an earthquake.
- Makes clear the operator will pay for reasonable costs of auditing compliance with conditions of approval/ordinance requirements not more than once every 5 years; removes provision City can unilaterally change conditions.

All proposed refinements have been highlighted in a revised consolidated Oil and Gas Code update that includes both proposed comprehensive update of the City's oil and gas ordinance regulating petroleum operations and facilities, and the proposed prohibition of hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation ordinances to facilitate review, refer to Exhibit 5.

Options Regarding Petroleum Administrator Position

The Planning Commission requested a report relating to the Petroleum Administrator position, with options how the Petroleum Administrator could be added back in to the Ordinance and the types of items that would be subject to an appeals process.

There are essentially three options available to the Commission:

- Option 1 (City Manager): Consistent with the Planning Commission's prior direction, this the option proposed in the most recent versions of the Ordinance. This option provides flexibility for the City as the City Manager has authority it designate staff or to hire experts to address the issues related to specific oil and gas operations as they may be proposed. The City Manager's discretion remains limited, and would be mostly focused on processing applications, ministerial approvals and enforcement

oversight. Certain discretionary decisions, such as those related to high-risk operations, are appealable to the Planning Commission.

- Option 2 (Petroleum Administrator – Limited Discretion): This option would involve the creation of a Petroleum Administrator position to implement the Ordinance. Given the volume of oil and gas operations in the City, the position would likely be filled by an appointed staff member, with consultants being retained on an as-needed basis to address the specific issues of a particular project. The Petroleum Administrator would have limited discretion as compared to earlier versions of the Ordinance, and would be mostly focused on processing applications, ministerial approvals and enforcement oversight. To the extent the Petroleum Administrator has discretion for certain items, those items would typically be subject to appeal to the Planning Commission.
- Option 3 (Petroleum Administrator – Broad Discretion): This option would involve the creation of a Petroleum Administrator position with boarder authority and discretion to implement the Ordinance. While broader authority potentially provides more flexibility for the unique factual circumstances of particular operations, it also provides less certainty for operators and the public as to what discretionary standards could potentially be authorized.

If the Planning Commission is inclined to select any of the Options, it may do so as follows:

- Option 1 (City Manager): Recommend approval of the current version of the Ordinance. No further action is necessary.
- Option 2 (Petroleum Administrator – Limited Discretion): Recommend approval of the current version of the Ordinance with the following modifications: i) “Petroleum Administrator” shall be substituted for “City Manager;” and ii) a definition for Petroleum Administrator, including appointment by the City Manager, is to be re-inserted in a Section to be identified by staff.
- Option 3 (Petroleum Administrator – Broad Discretion): Recommend the hearing be continued and staff return with an updated version of the Ordinance for consideration that both i) re-inserts a definition for Petroleum Administrator; and ii) expands the discretion of the Petroleum Administrator, consistent with the February version of the Ordinance, to the extent those provisions are still applicable to the June 1, 2015 version of the Ordinance. The Planning Commission also has the option to direct an appeals process be included for all non-ministerial decisions by the Planning Administrator.

Additional detail can be provided as part of the staff presentation.

Option for Adjusted Setbacks

The Planning Commission directed staff to provide a report considering the impacts of increasing the 500-foot setback to 750 feet with options how the Ordinance could revisit this issue. This issue will be presented in greater detail during the public hearing, including a diagram showing how extension of the setback to 750 feet will affect development of future oil and gas uses.

If the Planning Commission is inclined to adjust the setback from 500 feet, it may do so by amending Section 9521(A)(1) and (2) of the June 1, 2015 draft Ordinance to delete references to 500 feet and to add the desired level of setback. If the Planning Commission also desires to change the setback from 500 feet from defined commercial uses, Section 9521(A)(3) should be amended as well.

Additional Outreach

As directed by the Planning Commission, staff held another meeting with several representatives of oil and gas interests on May 26, 2015. The meeting lasted over five hours, and involved discussion and feedback to staff regarding a wide variety of issues. As a result of this process, staff recommends some refinements to the Oil and Gas Ordinance to provide additional clarity, etc., as noted above.

Any additional comments, studies and recommendations that may have been received by staff will be included in the administrative record and are available on at <http://ci.carson.ca.us/departments/communitydevelopment/oilcodeupdate.asp>.

Conclusion

Approval of the Text Amendment will provide a comprehensive update to the City's Municipal Code regulations of petroleum operations and facilities, and will establish additional regulatory authority to address operational and environmental impacts related to oil and gas extraction in the City of Carson, refer to Exhibit 6.

IV. Environmental Review

Staff performed a preliminary environmental assessment of this project and has determined that it falls within the Class 8 Categorical Exemption set forth in CEQA Guidelines section 15308, which exempts actions by regulatory agencies for the protection of the environment. This Categorical Exemption is applicable as the proposed Oil and Gas Code Ordinance addresses the maintenance, restoration, enhancement and protection of the environment and the public health, safety, welfare of the citizens of Carson as related to potential impacts from petroleum operations and facilities within the City. The variety of environmental issues addressed include air, water, soil, geology, storm water and wastewater infrastructure, transportation, noise, emergency response,

aesthetic issues, and petroleum operations near potentially sensitive receptors. The Ordinance does not provide for the relaxation of standards as compared to the current regulations in the Carson Municipal Code. Instead, the Ordinance strengthens environmental standards related to petroleum operations and facilities, and thereby advances the protection of environmental resources within the City of Carson. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

V. Recommendation

If the Planning Commission is inclined to recommend approval of the June 1, 2015 version of the Ordinance and the associated CEQA finding to the City Council, staff recommends Planning Commission:

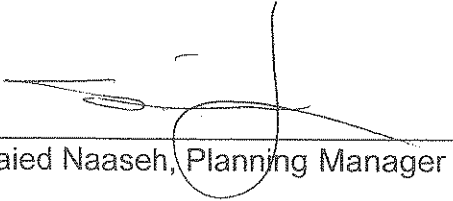
- **ADOPT RESOLUTION NO. _____:**
 - **RECOMMENDING APPROVAL** of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308, as the Ordinance is an action taken by a regulatory agency for the protection of the environment; and
 - **RECOMMENDING APPROVAL** to the City Council an Ordinance to adopt Zone Text Amendment No. 19-15, an Oil and Gas Ordinance for regulation of petroleum facilities and operations, by adding Chapter 5 to Article IX, consisting of sections 9500 through 9537, amending sections 9121.1, 9121.12, 9123, 9131.1, 9133, 9141.1, 9146.3, 9146.7, and 9151.12, and repealing sections 9128.6 and 9138.10 of the Carson Municipal Code

VI. Exhibits

1. Comment letters and correspondence received since May 12, 2015 Planning Commission meeting
2. May 12, 2015 Planning Commission Minutes
3. May 12, 2015 Planning Commission Staff Report
4. May 4, 2015 Oil and Gas Code with redline and strikeout (Consolidated Version)
5. June 1, 2015 Oil and Gas Code with redline and strikeout (Consolidated Version)
6. Draft Resolution including the Draft Ordinance based on the consolidated June 1, 2015 Oil and Gas Code

Note: Additional comment letters, studies, and other written materials can be found at: <http://ci.carson.ca.us/department/communitydevelopment/oilcodeupdate.asp>.

Prepared, Reviewed and Approved by:


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LATHAM & WATKINS LLP

May 12, 2015

BY EMAIL & HAND DELIVERY

Honorable Chair Faletogo & Honorable Planning
Commissioners
City of Carson Planning Commission
701 East Carson Street
Carson, CA 90745

Re: Proposed Ordinance to Ban Hydraulic Fracturing, Acidizing and Well
Stimulation, Planning Commission Meeting, May 12, 2015, Agenda Item Nos.
10-A, 10-B

Dear Honorable Chair Faletogo and Honorable Planning Commissioners:

We are writing on behalf of our client, Californians for Energy Independence, to once again express our strong opposition to the proposed ban on hydraulic fracturing, acidizing and well stimulation methods included in the proposed Carson Oil Code Update ("Proposed Ban").

The Proposed Ban is entirely unnecessary to protect the City's interests, citizens, or the environment. It is preempted by state law. The state's Division of Oil, Gas and Geothermal Resources ("DOGGR") has exclusive authority over all subsurface aspects of oil and gas production. The Proposed Ban exposes the City to significant liability for takings of private property without compensation, and, at the very least, the City would spend valuable and scarce resources fighting challenges to the Proposed Ban.

The Proposed Ban also would discourage future oil and gas production activity in the City and could result in a complete shutdown of all existing production, costing hard-working Carson residents their jobs and doing significant harm to the City's economy and its budget.

The Proposed Ban was first contemplated a year ago, following a debate over a temporary moratorium on oil production. On May 20, 2014, the City Council asked staff to update to the City's oil code and asked that staff include a prohibition on well stimulation, including hydraulic fracturing, in the update.

Much has changed in the year since this direction was given. The Planning Commission should take into account what has changed in making its recommendation to the City Council. The Planning Commission should recommend against the Proposed Ban.



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All of the developments in the past year clearly demonstrate that the state has fully occupied the field of subsurface regulation, and that hydraulic fracturing and well stimulation pose no risk to Carson, further obviating the need for a blanket ban.

DOGGR Permanent Regulations Finalized. When the initial discussion over the Carson Oil Code update occurred, DOGGR had only adopted interim well stimulation regulations pursuant to Senate Bill (SB) 4. Since that time, DOGGR completed and adopted permanent regulations for hydraulic fracturing and well stimulation. These new regulations will become effective on July 1 of this year. The permanent regulations supplement existing law, and together with existing laws, well stimulation activities in California will be subject to the strongest well construction and operation standards in the nation. They go further than any other jurisdiction in providing rigorous protection for health, safety, and the environment. The new regulations for well stimulation activities do the following:

- **Well Stimulation Permits Required.** Operators must obtain a permit from DOGGR before performing a well stimulation treatment.
- **Neighbor Notification and Water Testing Required.** Required notification to neighboring property owners before activities and neighbors may request baseline and follow-up water quality testing at operator's expense.
- **Monitoring During Well Stimulation Treatment Required.** Operators must monitor numerous benchmarks during well stimulation.
- **Seismic Monitoring Required.** Operators must track seismic activity during and after well stimulation treatment.
- **Monitoring After Well Stimulation Treatment Required.** Operators must perform ongoing well monitoring after well stimulation treatment, take all measures to prevent contamination of water resources or loss of hydrocarbon resources, and provide reports to DOGGR.
- **Substantial Disclosure Required.** Within 60 days of well stimulation treatment, operators must report to DOGGR the source, volume, and composition and disposition of well stimulation fluids and this information will be made public.
- **Post-Well Stimulation Treatment Report Required.** Within 60 days of well stimulation treatment operators must submit report to DOGGR covering results, pressures encountered, and how operations differed from what was anticipated in treatment design.
- **Extensive Evaluation Prior to Well Stimulation Treatment Required.** Operators must study cement, pressure testing, well stimulation treatment area analysis, and well stimulation treatment design.



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State Environmental Impact Report Released. On January 14, 2015, DOGGR released a Draft Environmental Impact Report for the use of oil and gas well stimulation treatments, including hydraulic fracturing, in California, pursuant to the requirements of SB 4. The Draft EIR made several key findings:

- All environmental impacts of hydraulic fracturing and well stimulation relating to groundwater resources and surface water resources would be *less than significant* with implementation of mitigation measures.
- Hydraulic fracturing and well stimulation would not cause earthquakes.
- Numerous mitigation measures recommended in the Draft EIR would further reduce environmental impacts of hydraulic fracturing and well stimulation.

The state's Draft EIR makes clear that while oil and gas production does have some environmental impacts, those impacts can largely be mitigated. The types of impacts which sparked the bulk of the discussion during previous Planning Commission hearings on the Proposed Ban, such as impacts to water resources and seismic risks, are simply not a concern with respect to hydraulic fracturing and well stimulation.

Independent Scientific Studies Released. The California Council on Science and Technology, in partnership with Lawrence Berkeley National Laboratory, is preparing two separate independent scientific studies on well stimulation, including hydraulic fracturing, in California. The first of these studies was commissioned by the federal Bureau of Land Management. The second was commissioned by the state Natural Resources Agency, pursuant to requirements imposed by SB 4. The studies assess current and potential future well stimulation practices in the state, including the likelihood that well stimulation technologies could enable extensive new petroleum production in the state, evaluate the impacts of well stimulation technologies and gaps in the data that preclude this understanding, identify risks associated with current practices, and identify alternative practices which might limit these risks. These studies make several important findings, including the following:

- In California, the direct environmental impacts of well stimulation practice appear to be relatively limited.
- Current hydraulic fracturing operations in California require a minuscule fraction of statewide water use.
- There are no publicly reported instances of potable water contamination from subsurface releases in California.
- Well stimulation technologies, as currently practiced in California, do not result in a significant increase in seismic hazard.

* * *



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The developments in the past year represent significant advancements in the regulation of hydraulic fracturing and well stimulation in California. The state continues its assertive role in regulating these practices, while also encouraging the use of these practices where they are feasible in California. These developments have made it more clear than ever that local attempts to ban extraction methods are unnecessary to protect health or safety, and only serve to expose local municipalities to substantial litigation risk. Local bans also arbitrarily curtail the economic benefits and jobs that the energy industry supports.

For all of these reasons, we again strongly urge the Planning Commission to recommend against the Proposed Ban. Thank you for your consideration.

Very truly yours,



Benjamin J. Hanelin
of LATHAM & WATKINS LLP

cc: Saied Naaseh, City Planner
Sunny Soltani, City Attorney
Shannon L. Chaffin, Aleshire & Wynder LLP
George J. Mihlsten, Latham & Watkins LLP



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May 12, 2015

VIA EMAIL ONLY
dbothe@carson.ca.us

Planning Commission
City of Carson
701 East Carson Street
Carson, CA 90745

Re: Zone Text Amendment Nos. 19-15 and 20-15

Dear Honorable Members of the Planning Commission:

We represent E&B Natural Resources Management Corp. ("E&B"), and are writing regarding the City of Carson's proposed Oil and Gas Ordinance (dated May 4, 2015) and Ordinance to ban well stimulation, also referenced as Text Amendments No. 19-15 and No. 20-15, to be heard by the Planning Commission on May 12, 2015. These ordinances were heard by the Commission on April 14, 2015, who provided direction to City staff in revising the ordinances. We submitted a letter, dated April 13, 2015, identifying many concerns regarding the ordinances, and suggested a further dialogue between the City and E&B and others with oil and gas interests in the City.

The proposed Oil and Gas Ordinance is lengthy regulatory program (over 60 pages), including provisions for the permitting process (Conditional Use Permit and Development Agreement) as well as detailed provisions regarding operational standards. As explained in our April 13, 2015 letter, we had many questions regarding how these provisions were to be interpreted, particularly with respect to those with existing oil and gas operations and vested rights.

After the last Planning Commission meeting, the City convened a meeting with the oil and gas interests, held April 28, 2015, and we made important progress in understanding the City's objectives and in conveying our thoughts regarding the proposed ordinances. Nonetheless, with many companies in attendance, not all issues were discussed, and several of the issues that were discussed required follow up action items. (For example, we were reviewing the insurance provision to determine the commercial availability of certain insurance coverage.)





ALASKA CALIFORNIA FLORIDA MID-PACIFIC NORTHEAST NORTHERN ROCKIES
NORTHWEST ROCKY MOUNTAIN WASHINGTON, D.C. INTERNATIONAL

May 11, 2015

Saied Naaseh
Planning Manager
City of Carson
701 East Carson Street
Carson, California 90745
T: (310)952-1770
snaaseh@carson.ca.gov

Re: Proposed Revisions to Regulations Dealing with Oil and Gas Drilling Operations

Dear Mr. Naaseh –

This letter is submitted on behalf of the Carson Coalition, and comments on the further proposed revisions to the municipal code sections dealing with oil and gas drilling operations in the City of Carson (the "City"). This letter follows up on the comments provided by Robert Lesley prior to the comment deadline.

The Carson Coalition is dedicated to protecting the health and well-being of the citizens of Carson, and is concerned about the harmful effects that continued oil and gas drilling operations will have on the community. They have been involved with the City's process for revising the municipal code, and they note that while some progress has been made in strengthening prohibitions on oil and gas development, the code revisions do not provide adequate protections to city residents. Therefore, the Coalition urges the City to take a stronger stance in prohibiting oil and gas development within City boundaries.

As the Coalition has pointed out in previous letters, other municipalities such as San Benito County and Mendocino County have enacted zoning laws prohibiting harmful extraction techniques like fracking and future oil and gas development. Such prohibitions are well within the legal authority of local governments, and the City should use its authority to enact a similarly comprehensive ban.

In San Benito County, in recognition of the dangers posed by "high-intensity petroleum operations" such as fracking, acid fracking, acid matrix stimulation, and cyclic steam injection, the county supported placing a popular initiative banning land use for new high-intensity

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petroleum operations on the November 2014 ballot.¹ The initiative amended the county's General Plan to prohibit land uses supporting high-intensity petroleum operations, stating:

The development, construction, installation, or use of any facility, appurtenance, or above-ground equipment, whether temporary or permanent, mobile or fixed, accessory or principal, in support of High-Intensity Petroleum Operation(s) is prohibited, and is not a permitted use in any zoning districts, specific plan areas, or planned development areas. No application for a building permit, use permit, variance, or any other entitlement authorizing the development, construction, installation, or use of any facility appurtenance, or above-ground equipment in support of High-Intensity Petroleum Operations shall be approved by, or deemed to be approved through inaction by, the County of San Benito or any officer or employee thereof.

(Measure J, at p. 9.)² While the initiative allowed operators with vested rights to continue operations, it required that they bring their operations into conformity with the initiative's land use requirements within a year, ceasing high-intensity operations after that time. (*Ibid.* at p. 7.) The initiative is now in effect, after passing during the November 2014 election, and after Citadel Exploration withdrew its legal challenge to the initiative.³

Other local governments have taken similarly strong stances against fracking and other types of dangerous well stimulation treatments. In May 2014, Santa Cruz County enacted a ban on fracking and other types of extraction operations, adopting amendments to its general plan prohibiting:

[D]evelopment, construction, installation, or use of any facility necessary for or intended to support oil or gas exploration or development from any surface location within the unincorporated area of the County of Santa Cruz... This prohibition applies to facilities directly involved in oil and gas exploration, production, and refinement such as wells, pipelines and pumps.

¹ The text of "Protect Our Water and Health: Ban Fracking Initiative" ("Measure J") can be found here:

<https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnczYW5iZW5pdG9yaXNpbmcyfGd4OjE1NTNINTIwNTU3YTM3NTU>

² A similar initiative was voted on in the March 2015 election in the City of La Habra Heights, and failed to pass. If passed, it would have amended the local land use plan to prohibit high-intensity operations: "[i]n light of serious concerns related to air, water, health, and quality of life no land within the City may be used for the development, construction, installation, or use of any facility, appurtenance, or above-ground equipment, whether temporary or permanent, to support new High-Intensity Petroleum Operations, drilling new oil and gas wells or reactivation of Idle Wells..." See

http://www.lhhcity.org/index.php?option=com_docman&task=doc_details&gid=875&Itemid=27

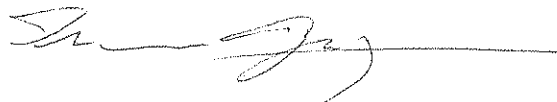
³ See, <http://www.ksbw.com/news/-1-billion-lawsuit-dropped-against-san-benito-county/32241288>



(Santa Cruz County, General Plan Amendment attachment 2.)⁴ In November 2014, a popular initiative in Mendocino County passed, banning "hydraulic fracturing 'fracking', directional and horizontal drilling, and waste injection wells."⁵

As shown by the successes of other municipalities in using local land use laws to prohibit dangerous extraction techniques, the City of Carson has the ability to ban well-stimulation treatments like fracking, and to require existing uses to ultimately be phased out. The City should use its regulatory powers in a similar manner here, to prohibit and phase-out the use of dangerous techniques like fracking.

Sincerely,

A handwritten signature in black ink, appearing to be "Shirley", written over a horizontal line.

Earthjustice,
On behalf of the Carson Coalition

⁴ Available at http://sccounty01.co.santa-cruz.ca.us/BDS/Govstream2/Bdsvdata/non_legacy_2.0/agendas/2014/20140520-623/PDF/038.pdf; see also, <http://www.reuters.com/article/2014/05/21/california-fracking-idUSL1N0O700J20140521>

⁵ <http://web.archive.org/web/20140716005100/http://www.crnofmc.org/ordinance.html>; see also [http://ballotpedia.org/Mendocino_County_Community_Bill_of_Rights_Fracking_and_Water_Use_Initiative_Measure_S_\(November_2014\)](http://ballotpedia.org/Mendocino_County_Community_Bill_of_Rights_Fracking_and_Water_Use_Initiative_Measure_S_(November_2014))



May 12, 2015

41509-033

BY EMAIL

Members of the City Planning Commission
City of Carson
City Hall
701 East Carson Street
Carson, California 90745

Re: Proposed Zone Text Amendments 19-15 and 20-15 re Petroleum Operations, Hydraulic Fracturing and Acidizing (collectively, the "Amendment")

Ladies and Gentlemen:

We represent certain of the holders of mineral and related rights with respect to oil and gas resources located under the City of Carson, who would be seriously adversely affected by adoption of the Amendment. While we have written to the Commission previously on this subject, we are aware that new Commissioners have been appointed, and want to be sure the new Commissioners have the benefit of our perspective.

There is No Need for the Amendment

At the Commission's March and April hearings on the Amendment, some sincere speakers urged adoption of the Amendment because they assumed that enhanced methods of oil production would be dangerous to the community. They are not, as has been demonstrated in the City of Carson over the last sixty or seventy years that over one hundred oil wells have used enhanced production methods to produce oil from wells in the City, without harm to any person or any property.

The Amendment is a draconian solution searching for a problem. The City is not proposing the Amendment because of any damage it has ever suffered from fracking. The soils underlying the City are not suitable for fracking, so there has not been and will be no fracking in Carson whether or not the City adopts a ban on fracking.

Acidization, on the other hand, has been used in oil production in Carson for over fifty years without known incident. Again, the City is not proposing the Amendment because acidization has created any nuisance or hurt any person or any property, because it has not.

Acidization consists of putting acids such as hydrochloric acid or fluoric acid down a well for either of two purposes (aside from fracking, which is not relevant here): 1) to wash minerals from the well and its associated equipment, and 2) to help dissolve minerals at the bottom of the well that are clogging the well and impeding the flow of oil into the well.



Members of the City Planning Commission
May 12, 2015
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imposing regulations that go far too far in regulating—in effect banning—the production of oil and gas and thereby completely destroying the value of those rights.

The most recent draft attempts to protect the City from these claims by dropping the decision in the lap of the City Manager, who quite obviously will not have the expertise to evaluate the complex matters regulated by the hundreds of experts in the State's Division of Oil and Gas. And if, as seems likely given the impossibility of the task, the City Manager does not permit the production of oil and gas, the City will be on the hook for the damages.

What is Needed

It appears to us that the consultants preparing the Amendment were instructed to prepare the most restrictive possible regulations, and in that they have succeeded. But they have not yet come close to a draft that is comprehensible, practical or legally defensible.

As noted above, the City should not attempt to regulate down-hole activities, which are thoroughly regulated by the State, and which the City does not have the expertise to regulate.

The City may need an update to those land use regulations governing surface activities, such as screening of production facilities—but only if and to the extent the City's existing land use regulations are inadequate. For example, as noted at the last hearing, the City doesn't need special measures to restrict noise at oil production sites when the City's existing rules are perfectly adequate for this.

Any Amendment ultimately adopted should be a balanced ordinance that protects the people of Carson from surface nuisances and allows without unnecessary burdens the continuation of the production of oil and gas that has been going on in the City without problem since 1923.

We urge you to send this draft Amendment back to staff with instructions to start fresh and prepare a balanced, protective and reasonable ordinance.

Sincerely,


Tom Muller

cc: Sunny Soltani, Esq.
Shannon L. Chaffin, Esq.
James D. Flynn
John W. Hawkinson
Edward G. Burg, Esq.
Michael M. Berger, Esq.
Craig A. Moyer, Esq.



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Monday, May 11, 2015 6:17 PM
To: Saied Naaseh
Subject: RE: Question

How small does it need to be to not have to do an EIR? What I am seeing drilling will be allowed to be 500 ft from our homes, schools and business? And the City Manager to determine if stimulation is needed?

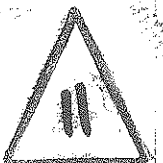
From: Saied Naaseh [<mailto:snaaseh@carson.ca.us>]
Sent: Monday, May 11, 2015 6:04 PM
To: Lori Noflin
Subject: RE: Question

If you are referring to future drilling project, yes they will be required to comply with CEQA. Larger projects will require an EIR. The adoption of the code does not change environmental review of future projects.

Thanks
Saied Naaseh
Planning Manager
City of Carson
Community Development Department
701 E. Carson Street
Carson, CA 90745
Phone: (310) 952-1770
FAX: (310) 835-5749

From: Lori Noflin [<mailto:lnoflin@att.net>]
Sent: Monday, May 11, 2015 6:01 PM
To: Saied Naaseh
Subject: Question

If this oil & gas code passes there will be no DEIR process in regards to oil and gas, is that correct?



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Tuesday, May 12, 2015 5:44 PM
To: Saied Naaseh
Subject: Oil & Gas Code

I would like the below letter read for the record and entered with the oil and gas code documentation.

As it stands if we don't allow new drilling and we regulate existing wells to conventional drilling Watson Land, Carson Companies, Carson Estates, Occidental Petroleum and other interested parties would have no case against the City of Carson, if we show their property has any other use. We are not responsible for their expected profit. This would uphold the true purpose and history of Carson to the best of our ability.

If the Oil & Gas code is passed as presented, it gives our rights over to the drilling interests and makes us responsible for their expected profit. It gives the city manager the right to allow well stimulation under our homes and each well to use up to 25,000 gallons of water a day and 100,000 a week. A recent report shows Oklahoma going from 2 to 875 earthquakes a year because of water flooding near a fault. It in many cases hands our right to regulate to what is appropriate for our populated communities here in Carson over to DOGGR. Attached is the Oklahoma report. This would completely go against the true purpose and history of Carson.

You not only have the right to determine any part or all of oil drilling is unsafe for our populated communities you have the responsibility to protect the residents and City of Carson. A lawsuit won't kill us but the oil industry does and will continue to kill.

Carson residents will join together to file a class action suit both jointly and severely against anyone who participated in this assault on the people and City of Carson.

Sincerely,

Lori Noflin
310 885-5860



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Tuesday, May 12, 2015 6:47 PM
To: Saied Naaseh
Subject: Oil & Gas Code
Attachments: OGS_Statement-Earthquakes-4-21-15.pdf

I would like the Oklahoma report to be presented with my letter. See attached.

Lori Noflin
310 885-5860





Oklahoma Geological Survey
Richard D. Andrews
Interim Director and State Geologist
Dr. Austin Holland, State Seismologist
Statement on Oklahoma Seismicity
April 21, 2015

Based on observed seismicity rates and geographical trends following major oil and gas plays with large amounts of produced water, the rates and trends in seismicity are very unlikely to represent a naturally occurring process. Historically, the Oklahoma Geological Survey (OGS) recorded on average about 1 ½, magnitude three or greater (M3+) earthquakes each year, within Oklahoma. During 2013, the OGS observed on average about 2, M3+ earthquakes each week on average, and this rate continued to increase during 2014. Currently, the OGS is reporting on average about 2 ½, M3+ earthquakes each day. The OGS considers it very likely that the majority of recent earthquakes, particularly those in central and north-central Oklahoma, are triggered by the injection of produced water in disposal wells.

The primary suspected source of triggered seismicity is not from hydraulic fracturing, but from the injection/disposal of water associated with oil and gas production. Produced water is naturally occurring water within the Earth that is often high in salinity and co-exists with oil and gas in the subsurface. As the oil and gas is extracted/produced, so is the water. This water is then separated from the oil and gas and re-injected into disposal wells, often at greater depth from which it was produced. However, it is often stated that disposed water is wastewater from hydraulic fracturing. While there are large amounts of wastewater generated from hydraulic fracturing, this volume represents a small percentage of the total volume of wastewater injected in disposal wells in Oklahoma.

The observed seismicity of greatest concentration, namely in central and north-central Oklahoma, can be observed to follow the oil and gas plays characterized by large amounts of produced water. Seismicity rates are observed to increase after a time-delay as injection volumes increase within these plays. In central and north-central Oklahoma, this time-delay can be weeks to a year or more.

The OGS can document the following geological and geophysical characteristics related to the recent earthquake activity within Oklahoma.

- The seismicity rate in 2013 was 70 times greater than the background seismicity rate observed in Oklahoma prior to 2008. While unlikely, this rate could have been potentially explained by natural variations in earthquake rates from naturally occurring swarms. The seismicity rate is now about 600 times greater than the background seismicity rate, and is very unlikely the result of a natural process.
- The majority of earthquakes in central and north-central Oklahoma occur as earthquake swarms and not in the typical foreshock-mainshock-aftershock sequences that are characteristic of naturally occurring earthquake sequences throughout the world in a variety of tectonic settings. However, it is recognized that naturally occurring earthquake swarms do occur and have occurred within the region.



Oklahoma Geological Survey

Richard D. Andrews
Interim Director and State Geologist
Dr. Austin Holland, State Seismologist

- These earthquakes swarms are occurring over a large area, about 15% of the area of Oklahoma, that has experienced significant increase in wastewater disposal volumes over the last several years.
- The earthquakes are primarily occurring on faults that are optimally and sub-optimally oriented within Oklahoma's tectonic stress regime.
- Both triggered and naturally occurring earthquakes release accumulated tectonic stress on these faults.
- Most of the earthquakes in Oklahoma are occurring within crystalline basement, deeper than most oil and gas operations. However, reactivation of deeper basement faults from water injection/disposal at shallower depths is often observed in cases of triggered seismicity.
- The majority of wastewater disposal is targeted for injection in the Arbuckle formations, which closely overlie the crystalline basement.
- As a result of high bulk permeability within sections of the Arbuckle, pressure from water injection/disposal may be transmitted several miles from an injection site.
- The high density of injection wells in central and north-central Oklahoma combined with the high permeabilities within the Arbuckle makes identifying relationships between specific wells and seismic activity difficult.

The OGS endeavors to accurately document seismicity within Oklahoma, and is increasing its capability to improve earthquake monitoring and data products. This includes the addition of staff, as well as updating and adding seismic equipment to improve seismic monitoring coverage throughout the state. In addition, the OGS is compiling a database of known fault locations within Oklahoma from published scientific literature and voluntarily fault data contributions from the Oklahoma Independent Petroleum Association (OIPA). The OGS also participates in projects with the United States Geological Survey (USGS) and other researchers worldwide in the ongoing investigation of Oklahoma seismicity.

The OGS also works closely with the Oklahoma Corporation Commission (OCC) to provide information on Oklahoma seismicity and research publications on triggered and induced seismicity. The OGS collaborates with the Interstate Oil and Gas Compact Commission and Ground Water Protection Council States First Initiative Workgroup on Induced Seismicity in multi-state efforts to better understand the problem and develop a regulatory framework.

The OGS continues to make its data and data products publicly available in a timely manner, and to contribute to research and the public discussion of earthquakes in Oklahoma. As communicated in the joint USGS/OGS statement dated May 2, 2014, the earthquake hazard in Oklahoma has increased due to the increased rate of seismicity. It is important for Oklahomans to learn what to do during a significant earthquake, and be prepared. The OGS and the Oklahoma Office Emergency Management provide such information on their respective websites.



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Monday, May 11, 2015 1:52 PM
To: Saied Naaseh
Subject: RE: Question

Can you tell me what happened to the petroleum administrator? Are you expecting the commissioners to vote on the redline?

From: Saied Naaseh [<mailto:snaaseh@carson.ca.us>]
Sent: Monday, May 11, 2015 11:45 AM
To: Lori Noflin
Subject: RE: Question

Oil code page has a redline copy. Are you asking for a version with no redline?

Thanks
Saied Naaseh
Planning Manager
City of Carson
Community Development Department
701 E. Carson Street
Carson, CA 90745
Phone: (310) 952-1770
FAX: (310) 835-5749

From: Lori Noflin [<mailto:lnoflin@att.net>]
Sent: Saturday, May 09, 2015 9:12 AM
To: Saied Naaseh
Subject: Question

Where can I find a clean copy of the code the commissioners are being asked to consider?

Lori Noflin



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Monday, May 11, 2015 1:58 PM
To: Saied Naaseh
Subject: RE: Question

Was the water flooding limitations moved to another section? I need to be able to search the document please send me a copy in word.

From: Saied Naaseh [<mailto:snaaseh@carson.ca.us>]
Sent: Monday, May 11, 2015 11:45 AM
To: Lori Noflin
Subject: RE: Question

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Subject: Question

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Lori Noflin



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Monday, May 11, 2015 2:35 PM
To: Saied Naaseh
Subject: RE: Question

I found the statement regarding the water. I just need the contact info for the new commissioners.

From: Saied Naaseh [mailto:snaaseh@carson.ca.us]
Sent: Monday, May 11, 2015 2:27 PM
To: Lori Noflin
Subject: RE: Question

The version on the oil code webpage is clean and is with color:

http://ci.carson.ca.us/content/files/pdfs/planning/oilcodeupdate/CityofCarsonOilCodeDraft_PlanningCommHearing05122015.pdf

Thanks
Saied Naaseh
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Phone: (310) 952-1770
FAX: (310) 835-5749

From: Lori Noflin [mailto:lnoflin@att.net]
Sent: Monday, May 11, 2015 2:07 PM
To: Saied Naaseh
Subject: RE: Question

I need time to be able to work on this, you have changed it in ways that are unacceptable and you and you are not providing an expectable copy for me to view.

Please send me the files requested.

From: Saied Naaseh [mailto:snaaseh@carson.ca.us]
Sent: Monday, May 11, 2015 11:45 AM
To: Lori Noflin
Subject: RE: Question

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Saied Naaseh



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Lori Noflin



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Monday, May 11, 2015 2:33 PM
To: Saied Naaseh
Subject: RE: Question

I could not find it anywhere. But this copy is good. What happened to the limitation on water flooding 25,000 a day and 100,000 a week?

Can you send me contact information on the new commissioners?

From: Saied Naaseh [mailto:snaaseh@carson.ca.us]
Sent: Monday, May 11, 2015 2:27 PM
To: Lori Noflin
Subject: RE: Question

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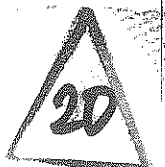
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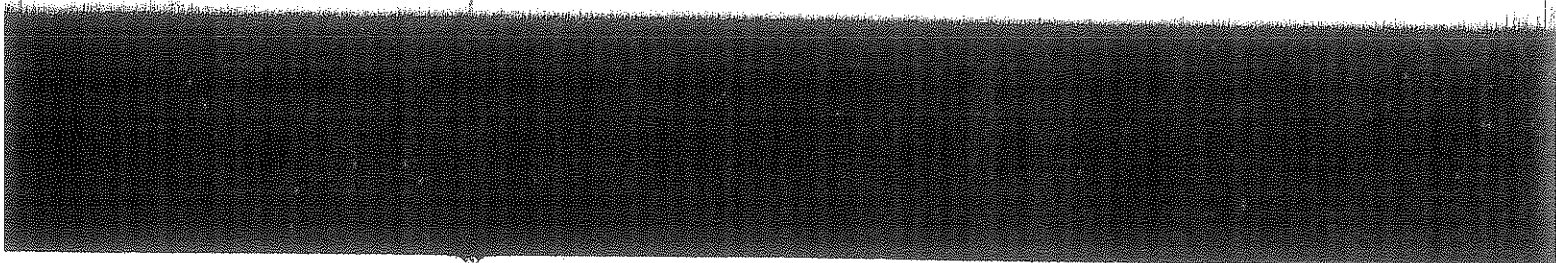


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Subject: Question

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Lori Noflin



MINUTES

CITY OF CARSON
REGULAR MEETING OF THE PLANNING COMMISSION

*Helen Kawagoe City Council Chambers, 2ND Floor
701 East Carson Street, Carson, CA 90745*

May 12, 2015 – 6:30 P.M.

1. **CALL TO ORDER**

There being no Chairman, the Secretary called the meeting to order at 6:41 P.M. with the assistance of the City Attorney's Office for the purposes of selecting an Acting Chairman.
2. **PLEDGE OF ALLEGIANCE**

Commissioner Faletogo was elected Acting Chairman, and the meeting was turned over to him.

Acting Chairman Faletogo led the Salute to the Flag.
3. **ROLL CALL**

Planning Commissioners Present: Faletogo, Madrigal, Post, Schaefer, Thomas, Alternates Gordon and Andrews

Planning Commissioners Absent: Diaz (excused)

Planning Staff Present: Planning Manager Naaseh, Assistant City Attorney Chaffin, Associate Planner Rojas, Planning Technician Alexander, Recording Secretary Bothe
4. **AGENDA POSTING CERTIFICATION**

Recording Secretary Bothe indicated that all posting requirements had been met.
5. **AGENDA APPROVAL**

Commissioner Schaefer moved, seconded by Commissioner Madrigal, to approve the Agenda as presented.

Planning Manager Naaseh requested that Agenda Item Nos. 11C, A, and B be considered before Agenda Item Nos. 10A and B.

Acting Chairman Faletogo moved, seconded by Commissioner Thomas, to accept staff's request. No objection was noted, and the approval of the amended Agenda

was approved (absent Commissioner Diaz.

6. INSTRUCTIONS TO WITNESSES

Acting Chairman Faletogo requested that all persons wishing to provide testimony stand for the oath, complete the general information card at the podium, and submit it to the secretary for recordation.

7. SWEARING OF WITNESSES

Assistant City Attorney Chaffin

8. ORAL COMMUNICATIONS

For items NOT on the agenda. Speakers are limited to three minutes. None

9. CONSENT CALENDAR

A) Selection of Chair and Vice-Chair

Commissioner Madrigal moved, seconded by Commissioner Andrews, to elect Commissioner Diaz to serve as the Planning Commission Chair.

Commissioner Schaefer moved, seconded by Commissioner Gordon, to elect Commissioner Faletogo to serve as the Planning Commission Chair.

Commissioner Schaefer expressed her confidence in Commissioner Faletogo's leadership and encouraged a yes vote for his reappointment as Chair, believing that with the new appointments to this Commission, it would be helpful to have this continuity/stability.

Commissioner Madrigal expressed his confidence in Commissioner Diaz' leadership and encouraged a yes vote for his appointment as the Chair, noting he also has a great deal of experience as a Planning Commissioner.

Commissioner Post echoed Commissioner Madrigal's comments and encouraged a yes vote for Commissioner Diaz.

Commissioner Diaz was selected as the Planning Commission Chair as follows:

- AYES: Andrews, Madrigal, Post, Thomas
- NOES: Faletogo, Gordon, Schaefer
- ABSTAIN: None
- ABSENT: Diaz

Commissioner Post moved, seconded by Commissioner Thomas, to elect Commissioner Madrigal to serve as the Planning Commission Vice-Chair. This motion carried, 7-0 (absent Chairman Diaz).



9. CONSENT CALENDAR

B) Minutes: April 28, 2015

Motion: Commissioner Faletogo moved, seconded by Commissioner Schaefer, to approve the April 28, 2015, Minutes as submitted. Motion carried without objection, 7-0 (absent Chairman Diaz).

(Agenda Item Nos. 10 A and B were discussed as the last order of business this evening.)

10. CONTINUED PUBLIC HEARING

A) Zone Text Amendment No. 19-15

Applicant's Request:

The applicant, city of Carson, is requesting the Planning Commission consider Text Amendment No. 19-15, to Adopt a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308. Properties involved are citywide.

Staff Report and Recommendation:

Planning Manager Naaseh presented staff report and the recommendation to identify additional refinements or items, if any, to include in the recommendation; and Direct staff to prepare an updated resolution and ordinance consistent with that direction and return for final approval by the Planning Commission at the regular meeting scheduled for June 9, 2015.

Planning Manager Naaseh highlighted various meetings with the community and/or industry representatives that have been conducted since the last public hearing, noting that the code has gone through more revisions that will be addressed this evening; and advised that an industry meeting was conducted this afternoon and that it is staff's recommendation to continue this matter to June 9th so a final version with those revisions to the code can be incorporated.

Luis Perez, MRS, explained that the City hired MRS to perform an update of the oil code that includes a number of items that had to be addressed, noting this lengthy code is essentially a response to a lengthy request for proposals that included a comprehensive outline of all the things the City wanted to have addressed; advised that the approach MRS is implementing is two-fold: 1) to provide a comprehensive code update that addresses the main issues that oil and gas production could bring to the City, particularly in urbanized areas, to protect the health and safety of the residents as much as possible; and 2) to ensure the new code would have a fracking ban included, as directed by City Council. He noted that MRS has provided within this update three different things: 1) administrative procedures; 2) development standards; and 3) development standards for abandonment and restoration.



With regard to administrative procedures, Mr. Perez advised that they attempted to provide the procedural requirements for someone trying to obtain a permit; noted there are a number of financial obligations for oil and gas facility operators which are proposed and also are protective of the City; that there are fines and fees for violators; and that there is a set of requirements to ensure if there is any new development of oil and gas facilities within the City, those facilities would be required to conform to the new code. With the aid of a power point presentation, he highlighted various administrative procedures, such as site abandonment, site restoration, high risk operator, operational noticing requirements, monetary compensation of violations, fines, nuisance issues resulting from operations, financial assurances, periodic reviews, and monitoring of code compliance.

With regard to development standards, Mr. Perez addressed potential environmental impacts, potential public health impacts, air quality, odors, noise, all involving standards found throughout California and from Carson's own experience with oil and gas operations in urbanized areas. He mentioned that his firm has a lot of oil and gas project experience within the southland and within urban areas and that they used some of this experience they have obtained throughout these communities to try and come up with these development standards that make sense in this community and alleviate the potential environmental impacts of oil and gas development. Other issues he highlighted were restrictions, setback requirements for residential/commercial and sensitive use areas within the community, noise impact restrictions, aesthetics restrictions, steaming standards, water quality, general environmental program, safety assurances/measures, emergency measures, leak detection, test requirements, air quality monitoring/testing, standards for wells and pipelines, site/well abandonment, site restoration and redevelopment, remediation. He stated that their approach to this oil code update essentially takes these operations from cradle to grave.

Mr. Perez highlighted the changes to the code since the last meeting stemming from Planning Commission direction, such as definition of acidification, modified applicability, clarified definition of new development, simplified change of ownership provisions, construction hour limitations, simplified requirements for signage and submittal of plan copies, removed requirements for fugitive dust control and an annual drilling plan, simplified pipeline requirements and the elimination of the Petroleum Administrator (PA).

Mr. Perez noted for Commissioner Gordon that the redlines are updates from the previous Planning Commission meeting, minus the strikeouts; explained that they chose not to highlight the knockout text because it is a cumbersome read for users, but noted they have included a line on the side where something has changed or may have been deleted from the previous version; and that anything added is shown as underlined.

Commissioner Thomas requested a copy of the redlined strikethroughs version, with all the changes to date.

Mr. Perez advised that there are 19 different updated versions of the code as they have moved forward with the refinements.

Assistant City Attorney Chaffin advised that they can provide a redline version as compared to the changes that were looked at by the Planning Commission from the last



meeting, explaining that they are not working off an original version but had started from scratch; and that what is before the Commission this evening is a consolidated new code that's being proposed.

Mr. Perez highlighted the Planning Commission's direction from the last meeting, noting they were directed to remove the PA position; that they have stricken the PA position and also in some cases have replaced the PA latitude to the City Manager; and he explained there are a number of requirements that still have to have a responsible party within the City. He added there were some areas where the PA had a lot of latitude of what they could do and that a lot of the language that included the latitude for the PA has been removed; and that there is now a lot more certainty as to what the City Manager can now do. He stated that part of the motion from the Planning Commission at the last meeting was to change the setback to 500 feet from the proposed 1,500 feet from residential use, which has been changed to reflect the Commission's direction. He noted that another part of that direction was to meet with other industry representatives and affected businesses, noting they have had a couple more meetings with industry representatives; and he added that some desire from the Planning Commission was expressed to simplify the code somewhat, but added that no specific direction was given. He expressed his belief they have simplified the code somewhat.

Mr. Perez noted that questions were posed from the Planning Commissioners regarding the availability of data; stated there are some requirements which have been placed within the code that current monitoring results/data availability is to be posted in real time and available on the City's website and/or on the operator's website; and stated that if Section 9535 is retained, the City can continue to include water usage limitations.

Mr. Perez highlighted other areas that were refined, such as including fines up to \$100,000 as part of the code. He advised that there are a total of 67 wells within Carson, noting they are not aware of any violations/fines regarding the existing facilities; pointed out that this code does not apply to these existing 67 wells because they have a vested right, they are currently operating and continue to operate under the provisions they have unless modifications or additional wells are proposed; and he added that only then they would fall under the new code. Responding to further inquiries, he explained that this code update was not put in place because of questions of any violations of the existing operators or because there are many wells, but only because City Council wanted to move forward with updating its oil code.

Mr. Perez noted some comments with the redundancy of other agency inspection responsibilities, stating that while there are a number of other state regulatory agencies that have responsibilities with oil and gas facilities, the inspection responsibility the City will have will be in addition to those responsibilities; and advised that they will be looking at different things these state agencies will be addressing. He added that in response to this concern, they have provided a hard copy (of record) of a comparison of how Carson's proposed regulations match up with state law.

Mr. Perez stated that the requirement for submersible pumping mechanisms is for aesthetics and noise reasons, but added that submersibles are not required within industrial zones; and advised that submersibles are not workable for every specific case and that they would not help much in an industrial zone.

Mr. Perez commented on emails received from the public related to concerns of earthquakes and faults in this area and questioning whether the operations are causing earthquakes; he advised that the United States Geological Survey (USGS) agency has commented about the depth of those earthquakes and the depth of which those oil wells are drilled and that they have concluded there was no opportunity for interaction between the faults, the depth of those faults, the earthquakes and the oil and gas operations. He added this was specific to the Inglewood fault which is sufficiently within the geographical area to be comparable to what is here for seismic activity.

Mr. Perez added that some in the community expressed a desire to have an outright ban on drilling; and he explained there are a number of vested rights issues, takings issues that are part of that type of a ban and a number of liability issues with an outright ban. He stated there was concern with possible dangers of drilling in Carson; noted the concern is not with existing operators because they have yet to see any problems; and stated that because the City currently has no application for any projects, it would be difficult to study/determine what dangers may exist at this point without any application.

Mr. Perez noted that industry representatives had some concerns regarding the definition of high risk operator and whether anybody can be called a high risk operator, requesting the City create a better definition; advised that they have made some modifications to the definition for high risk operator to ensure the industry concern is addressed while still retaining the opportunity to declare an operator high risk if need be. He noted that the industry representatives were concerned with a duplication of state regulations, such as fugitive/dust emissions, regulations that exist within the Air Quality Management District (AQMD), noting those have been removed from the code because of that duplication. He stated that while plans would require agency review, where the City no longer has the ability to approve those plans, the City will still be able to look at the plans and comment to an agency if the need arises, noting there was a slight change of that language. He stated that some issues are still being worked out with regard to exceptions for exploratory wells, the need for a Development Agreement (DA) and a Conditional Use Permit (CUP); and stated that the direction they currently have received is anything above three wells requires a DA and anything below three wells requires a CUP.

Mr. Perez advised that the industry is currently in the process of submitting additional language regarding insurance and bonding requirements from their own brokers as to how they will apply and whether are they workable; and advised that they are continuing to work with the industry to ensure the changes make sense but are still protective of the City's interest. With regard to industry concerns about the acidizing definition and acid volume thresholds for the wells, he noted they have made changes to those definitions to ensure those things the industry wants to do that are part of their regular operations can continue to be done, such as using acid to clean up the scale in the wells, which is not a substantial use of acid.

Mr. Perez stated that where possible, they have added in some flexibility of those requested changes; he reiterated that the changes to the oil code update do not affect the existing operations because those are grandfathered in and have vested rights; and that they would become legal, nonconforming if they were outside the setbacks or outside of the different regulatory framework of the new code and would have to come into conformance with that code if they propose any new development.



Commissioner Gordon questioned how has this been simplified.

Planning Manager Naaseh explained that it's going to be difficult to make this code simplified and is not possible to put everything that is required in a few pages.

Mr. Perez stated they did a number of different things to simplify the code; that they deleted reference to access roads and exploratory wells from the applicability section; that various duplicative requirements were deleted, such as submittal of plans that are required/approved by state agencies, and that copies of those plans will now be given to the City; deletion of the duplicative annual drilling plan, CUP and the DA requirements; and deletion of a fugitive dust control plan which was a duplicate of AQMD's requirements. He reiterated that there really was little direction from the Planning Commission on what specific modifications were to be made.

Commissioner Gordon stated that one direction was to simplify the code by not piecing it together from other codes in various municipalities; and another direction was to indicate how long will it take for someone to go through this entire process.

Planning Manager Naaseh explained that Planning deals with complicated codes all the time; stated it is sometimes necessary to have application requirements and submittal requirements and procedures that are set up to make it easier to go through the process; he stated that the City's zoning code is very long and not easy to figure out; and he noted that after a code adoption, there are ways to set up procedures that implement the code to make it easier for operators to provide projects that meet code.

Commissioner Gordon stated he would like to protect the public without making it overly complicated and burdensome on the applicants. He stated that another question was what is the cost of implementing this resolution, stating he does not want to see this effort tied up in expensive litigation when the whole purpose is to protect the public. With regard to the authority of the PA, he asked what's been redacted, noting the concern with one person having too much authority. He stated the Commission wanted the position eliminated altogether or the power greatly reduced, and asked staff to show him where the authority of the PA has been reduced.

Planning Manager Naaseh stated that the next version of the code will include the strikeouts. He added that somebody has to have the authority to implement this code.

Mr. Perez stated they were directed to either significantly cut back on the PA's authority or eliminate the position altogether; advised that they have completely removed the PA position but charged the City Manager with some of the responsibility that is required to be in place; and he highlighted various areas where the reference to the PA had been deleted, such as the responsibilities of the PA, the definition of a PA; in addition, 9507.1, CUP filing requirements, Sections H, I, and J, all of those references to the PA and requirements no longer exist, noting that a lot has been removed from the code to simplify it.

Commissioner Gordon stated he had asked for data on the largest setback requirement currently in effect in California.



Assistant City Attorney Chaffin advised that staff does not currently have that information as to what is the largest setback requirement in California because there is no central repository as to every single jurisdiction's codes/ordinances; explained that what staff has done is provided a statistical sampling with regard to oil industry areas where they are more than likely to occur, but to conclusively determine which has the greatest setback, staff does not have the resources available to do that and that it is a logistical challenge of determining that. He expressed his belief that what is before the Commission on this slide is a fairly decent representation of the setback requirements which typically range from 100 to 500 feet as a setback from residential units. He added there are some exceptions with regard to Bakersfield that have higher units and also had some environmental assessments that have assessed certain impacts, for example, those uses associated with oil, up to a total of 1,500 feet.

Commissioner Thomas asked if abandonment of a well is akin to new development and would be under the new oil and gas code once this is enacted and under the new regulations.

Planning Manager Naaseh indicated yes.

Commissioner Thomas requested a copy of the power point presentation.

Vice-Chairman Madrigal opened the public hearing.

Benjamin Hanelin, representing Californians for Energy Independence, stated that they agree with staff recommendation to continue this item; expressed his belief this is complicated and more time is needed to get it right, more time is needed to eliminate unnecessary and duplicative regulations, and more time is needed to draft a code that protects existing operations and the many jobs they support while ensuring that the City and its residents know what is needed, and that more time is needed to draft a code that provides certainty for everyone. He stated there is no need to rush because there are no pending projects. He stated that the code proposes a ban on well stimulation, including hydraulic fracturing; stated that this ban is unnecessary and that it exposes the City to substantial liability; and he urged the Planning Commission to recommend against the ban. He stated that the ban was proposed over a year ago; that much has changed since then that confirms the ban is not needed; and expressed his belief the City cannot ban these well stimulation methods.

Mr. Hanelin announced that the state's regulations on well stimulation have been finalized and will take effect on July 1st; stated that these regulations are the most stringent in the nation; that they require permits and extensive study and monitoring of hydraulically fractured wells; and that the state's EIR on well stimulation confirms there are no significant impacts to water resources and that fracking does not cause earthquakes. He stated that two separate scientific studies confirm that no water contamination has been caused by hydraulic fracturing in California and that well stimulation has no seismic impacts; and advised that these two reports were commissioned by the Bureau of Land Management and by the state of California (providing a copy of the executive summary). He added that these significant advancements obviate the need for any action; that local efforts to ban well stimulations are unwise and unnecessary; and asked that the Planning Commission recommend against the ban and recommend continuing this matter.



Michael Bowles, member of Californians for Energy Independence, a coalition comprised of hundreds of organizations throughout the state, expressed his belief the City's oil and gas code hinders energy production in this community; that it will jeopardize thousands of jobs and tax revenues which support critical services such as police, fire, parks, and schools; and he urged the City not to adopt the ban.

Cesar Avalos, resident, urged a vote against this ban, stating the oil industry is good for the local economy and working families in Carson.

Nick Gomez, resident, stated that Carson has a long history of providing good jobs; noted the importance of keeping jobs local; and he urged the City not to jeopardize jobs and not to place a ban on this industry.

Cruz Gonzalez, resident and member of Californians for Energy Independence, stated that he cares about this community; expressed his belief the updated code will have a negative local impact on tax revenues and services to residents; and he urged the City to take its time reviewing these updates and not to adopt a ban that will hurt local residents.

Germain Lopez, resident, advised that oil production in California is heavily regulated by state law; that this regulation is put in place to protect the health and safety of residents; he stated it is necessary to continue to have oil production in California, providing good jobs, vital tax revenues and help the residents of California achieve energy independence; and he expressed his opinion that enacting this code locally will interfere with the state's ability to enact comprehensive statewide regulations that protect all Californians.

Dr. Rita Boggs, resident, commented on the dangerous potential of methane gas; and stated that residents should not live anywhere near these facilities.

Cheryl Branch, resident, urged the City not to adopt the ban; she urged the City to talk to a wide range of citizens and community leaders to obtain their opinions regarding this effort; and stated that she is a member of a 7-month-old group called African Americans Organized for Better Petroleum Policies, a group which believes that reducing or banning oil production will increase prices, decrease jobs, and reduce revenues that are needed both locally and statewide. She stated that Carson can continue to benefit from the revenues generated from these operations to help the City balance its budget and provide necessary services such as police, fire, and schools; and she noted her support of continuing this item.

Tom Muller, Manatt, Phelps & Phillips, representing some of the owners of the mineral rights in Carson, noted that he provided a letter today to the Commission (of record); pointed out that the Planning Commission does not have an oil code before it for consideration because of any problems that have erupted with oil wells in Carson; advised that there are 67 oil wells in the City, noting that most of them have been here for decades; and stated that neither he nor the City's consultants have been able to find any problems associated with any of those wells, expressing his belief this is a solution searching for a problem. He expressed his belief the genesis of this effort stems from a national concern with fracking and the impacts it may or may not have, but stated it is irrelevant in Carson because the geological structures under the city of Carson are not



frackable. He added that in this atmosphere of fear over well enhancement methods, a lot of other things have gotten swept into this mix; expressed his belief that the consultants and staff, to some extent, have gotten the impression they should draft the most extreme anti-oil ordinance that's ever been encountered in California, noting that the mission has been accomplished with the first draft; but since then, he pointed out that staff has listened to all the stakeholders on all sides and there has been some progress. He stated that staff and the consultants need some clear direction. He expressed his belief that this can be simplified a lot, noting that much of what is in the ordinance is what happens below the surface of the earth; stated that is extensively governed by state regulations and with the expertise for this complex set of issues, noting he is doubtful the City has this same expertise; and stated that staff and the consultants should focus on the above-ground issues that could affect residents, believing that would be much more balanced in their approach.

Ralph Black, Rolling Hills resident and Carson property owner, suggested going very slow in this effort; stated that Hermosa Beach recently settled one of their oil/gas problems but they also are now being asked for a tax increase, questioning if that's what the City's residents want. He urged the City to be careful with its decision. He pointed out that many of Carson's residents cannot afford expensive fuel and that this is a working class community that is benefitting from the lower fuel prices.

Ted Cordova, E&B Natural Resources, Carson, advised that this company has been safely operating in Carson without incident; noted his appreciation in having the opportunity to attend the meetings and provide input, believing that some progress is being made; stated that he believes in and supports smart regulation; pointed out that California has some of the strictest oil and gas regulations in the world; and he urged the City to continue its dialogue with the industry representatives.

Al Sattler, RPV resident, congratulated the City on this process of protecting its residents, stating that the list of background publications on the City's website related to this issue is quite impressive; reminded those that this issue came to a head/start when Oxy Oil was initially proposing oil drilling and fracking; and that Oxy later withdrew their interest in fracking, but expressed his belief that is what started this process. He stated that the code needs to be explicit enough to protect the City in court while avoiding being overly complex. He asked that the City revisit the thresholds on odors, believing it needs to be more stringent.

Robert Lesley, resident, noted the need for an enforceable ordinance with fines and assessments in place; stated there is data available which indicates these operations can cause earthquakes; and expressed his belief that very few permanent jobs are created by this industry.

Alexandra Nagy, Los Angeles resident, member of Food & Water Watch, stated that Carson currently is in the top 15 percent of the most polluted cities in California, asking that be taken into consideration when adopting this code; expressed her disappointment this evening in the weakening of this code as a result of the recent changes since the beginning of this process; and she noted her opposition to backing down on the 1,500-foot setback, stating that residents are exposed to volatile organic compounds within a half-mile away of oil and gas operations, causing cancer, respiratory disease, and heart problems. She noted her concern that oil and gas operations are high risk and yet they



are allowed two violations before they are considered high risk; and reminded everyone that the safety and health of the residents should take top priority. She stated that New York just banned fracking; and she noted her concern with E&B Natural Resources not keeping up-to-date information on their website.

Diane Thomas, resident, urged the Planning Commission not to water down this code; asked that the PA provisions be put back into the code; stated that the PA is a much needed watch dog position, believing the City Manager should not be responsible for this position. She stated there are daily toxins being released into the atmosphere that are impacting the residents; advised that a nurse's union has indicated a high incidence in patients being impacted by environmental toxins; and she stated that this code needs to be understood but it also needs enough teeth to be effective. Ms. Thomas stated that she read the seismologist's report wherein it indicated those earthquakes were not caused by fracking, but she went on to say the report indicated they have not studied the issue enough. She advised that reports from Oklahoma and Texas state that fracking does cause earthquakes in those areas where there were no earthquakes before fracking activities and that they are becoming more intense.

Pilar Hoyos, representing Watson Land Company and Dominguez Energy, stated that this company is over 100 years old; advised that Dominguez Energy operated the oil field where today Dominguez Technology Center has approximately 100 buildings, both from Carson Companies and Watson Land Company; and stated that when she joined this company, there were over 200 wells that operated at that site for almost 70 years without incident. She stated this update to the code was brought about because of a project being proposed by Occidental Petroleum; noted it is unfortunate there was so much misinformation and outside forces who came in with an anti-oil message that caused a lot of fear and created a division within the community; and stated that Watson believes the Oxy project had a lot of benefits for this community, both in jobs and revenue. She pointed out that as the owner of all those buildings with Carson Companies and the surrounding industrial areas, Watson Land Company would not take risks to jeopardize those holdings. She added that a lot of work has been done to try and address the interests of the community, the concerns that have been raised over almost 3 years since the Oxy project was going through the EIR process, and it is unfortunate the message has been sent that someone cannot even go through an EIR process in this community.

Ms. Hoyos mentioned that Occidental Petroleum is being honored by the city of Long Beach; that they've had a positive long-term relationship with Long Beach for many years; and noted it's important to work together to come up with a reasonable ordinance that will protect the City but also understands the liabilities and the need to protect the mineral rights owners and operators.

Latrise Cotter (no card submitted) resident, stated it is time to update the oil code.

Vice-Chairman Madrigal closed the public hearing.

Planning Commission Motion:

Commissioner Faletogo moved to concur with staff recommendation to continue this matter to June 9, 2015; he urged staff and the consultants to continue to move things



forward and work with all interested parties; and directed staff to clearly identify all the issues and items of discussion that are consistent with state regulations/laws, asking how the City mitigates those issues and how the City amends the proposed code to be in compliance and not in conflict with state regulations.

Assistant City Attorney Chaffin suggested that with regard to the comment to identify all the issues, items of discussion that are in conflict with state regulations/laws, it would be an item more appropriate for either a confidential memo or a closed session, if there were any such laws; and that he would not recommend those be identified - if there were any conflicts - in a manner to expose the City to any legal liability. Instead, he suggested that the City could identify other regulatory requirements that are associated with the code as it currently has, articulating what those are; he pointed out that the consultants have already provided a regulatory requirements list; and stated that if Commissioner Faletogo would like additional information, that could be provided through that mechanism.

Commissioner Faletogo amended his motion to what was just stated by Assistant City Attorney Chaffin to identify other regulatory items in a confidential memo or a closed session.

Commissioner Schaefer seconded the motion.

Assistant City Attorney Chaffin responded to Commissioner Thomas' inquiry, stating that staff's recommendation is not to adopt this code this evening but to direct staff to return with a resolution for final consideration and amendments if desired by the Commission.

Commissioner Thomas stated that he would not like to see any further modifications to the existing ordinance than what has already been done to the 19 versions; that he would like a report relating to the PA, specifically, how can the City achieve the goals of minimizing the discretion of the PA, to discuss an appeals process that can be built into the process, would like a report as it relates to the applicability of that PA; and stated that he wants a better understanding of how the PA discussion has matured over these 19 versions. He added that he would like to see if there are any examples of this PA structure in other ordinances in California.

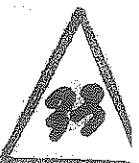
Assistant City Attorney Chaffin stated there are a couple options available, either to be done through the friendly amendment process or to direct staff to return with that information, that it wouldn't necessarily be part of the new resolution/ordinance, but a report of the requested information.

Commissioner Thomas opted for the friendly amendment.

Commissioner Faletogo accepted the friendly amendment.

Commissioner Schaefer asked that Commissioner Thomas' friendly amendment be clarified.

Assistant City Attorney Chaffin noted his understanding of Commissioner Thomas' friendly amendment is for there not to be any additional modifications to the



ordinance/resolution as provided today; that the Planning Commission is to direct staff to return with a report discussing the roles of the PA regarding how staff got to this point in this process; and to identify what the minimum steps are that can be taken to minimize the discretion of the PA and what steps could be taken for an appeals process from the decision of the PA. He concluded that from Version R-19, if staff added back in the position of the PA, how would that be done and what sort of items would be sought for an appeals process. He explained that providing this report with additional information would enable the Planning Commission to assess the report, and the Commission can either approve the resolution as it is today as a final resolution or amend the resolution at that time, making additional changes based on the contents of that report or other information provided.

Commissioner Thomas stated that is a correct understanding of his objective, reiterating he'd like to get a better understanding as a new Commissioner. He highlighted the concerns with the unlimited discretion of the PA and that he wants to know if there is a way to achieve that without eliminating the PA position in its entirety.

Commissioner Schaefer expressed her concern with any meetings that may take place between now and the next Commission meeting wherein this matter will be addressed, stating she would anticipate some changes as a result of those meetings; and stated that since Commissioner Thomas' motion was not to make any further changes to the resolution, she would be inclined to withdraw her second of this motion as amended.

Commissioner Thomas clarified that he is not suggesting the PA be added back into the document; that if there are other changes which are going to happen as a matter of course from any upcoming meetings with other interested parties, other constituents, he stated he is not opposed to that; and that he is not saying do not change this document at all. He added that rather than modify the document and add PA back in, he'd like to understand if there is another approach other than the approach that has been taken by this body by just taking out PA, turning it into the City Manager's responsibility and eliminating all the discretionary items within the document; and that he'd like to know if there is another way to achieve the same goals.

Commissioner Post offered a friendly amendment to revisit the 500-foot setback, asking that consideration be given to increasing that setback distance to 750 feet. She noted her support for the PA position to be reconsidered.

Commissioner Schaefer asked for confirmation that this resolution will continue to be a work in progress as a result of these amendments.

Commissioner Thomas indicated his amendment is for the resolution to be a work-in-progress document.

Commissioner Schaefer stated that she will maintain her second on the amended motion for a work-in-progress document to be returned to the next hearing on this matter.

Following brief discussion, Commissioner Faletogo noted his support of the friendly amendments by Commissioners Thomas and Post for a report on the PA position and giving consideration to increasing the 500-foot setback to 750 feet.



Assistant City Attorney Chaffin stated his understanding of the amended motion is as follows: continue the meeting to June 9th; to identify all the regulatory items in greater detail; provide a draft resolution and proposed ordinance at that meeting; that the draft resolution and proposed ordinance should revisit the PA position, but with greater ability to appeal from the decisions of the PA; and that the setback could be up to 750 feet from the 500 feet being proposed this evening.

Commissioner Faletogo added that staff continue their dialogue and meetings with the community and all interested parties.

Assistant City Attorney Chaffin stated that motion would hopefully result in a resolution that would be returned to the Planning Commission, including the current/existing ordinances for Commissioner Thomas; and that the Planning Commission at that time could approve it on June 9th if the Commission desired or the Commission could engage in further dialogue.

Staff confirmed for Vice-Chairman Madrigal that the suggestion/amendment for increasing the setback to 750 feet is to be revisited for discussion purposes, yes.

Motion carried, 7-0 (absent Chairman Diaz).

10. CONTINUED PUBLIC HEARING

B) Zone Text Amendment No. 20-15

Applicant's Request:

The applicant, city of Carson, is requesting the Planning Commission consider adoption of an Ordinance prohibiting hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation, and the associated CEQA finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308. Properties involved would be citywide.

Staff Recommendation:

Identify additional refinements or items, if any, to include in the recommendation; and DIRECT staff to prepare an updated resolution and ordinance consistent with that direction and return for final approval by the Planning Commission at the regular meeting scheduled for June 9, 2015.

Assistant City Attorney Chaffin noted that with the late hour and with many people having provided testimony this evening on the oil matter, he suggested this public hearing be opened and noted that Vice-Chair Madrigal has the option to direct staff to incorporate the discussion of the previous item into this matter. He added that there have been no substantial changes from the last meeting; that there are only two sections which deal with this aspect; stated that those have been included in the consolidated code update that was provided with Item No. 10A; that staff has not received any additional direction or changes; noted that those items did not substantially involve the PA; but to the extent the PA would be involved, anything that staff would come back with would also have those items included in this matter; and that it is staff's recommendation to continue this matter to June 9th.

Vice-Chairman Madrigal opened the public hearing.



Latrise Cotter, (no card submitted) resident, expressed her belief that underground drilling has affected her livelihood since Oxy has come in with its project, noting she can hear the operations in the evening.

Lori Lewis (no card submitted) resident, urged the Commission to take its responsibility seriously; and noted her opposition to oil drilling in Carson.

Vice-Chairman Madrigal closed the public hearing.

Planning Commission Decision:

Vice-Chairman Madrigal moved, seconded by Commissioner Faletogo, to continue this matter to June 9th. Motion carried, 7-0 (absent Chairman Diaz).

Vice-Chairman Madrigal and Commissioner Thomas noted they had made site visits for Item Nos. 11 A&B. Vice-Chairman Madrigal stated that he spoke with the applicant, Mr. Gonzalez.

11. PUBLIC HEARING

A) Conditional Use Permit No. 974-15

Applicant's Request:

The applicant, Robert Gonzalez, is requesting to approve a conditional use permit for an existing second dwelling unit located within the RS (Residential, Single-Family) zoning district. The subject property is located at 2558-2560 East Madison Street.

Staff Report and Recommendation:

Planning Technician Alexander provided staff report and the recommendation to APPROVE Conditional Use Permit No. 974-15 subject to the conditions of approval attached as Exhibit "B" to the Resolution; and WAIVE further reading and ADOPT Resolution No. 15-2541, entitled, "A Resolution of the Planning Commission of the city of Carson approving Conditional Use Permit No. 974-15 for an existing second dwelling unit for a property located at 2558-2560 East Madison Street."

Vice-Chairman Madrigal opened the public hearing.

Robert Gonzalez, applicant, noted his concurrence with the conditions of approval.

Vice-Chairman Madrigal closed the public hearing.

Planning Commission Decision:

Commissioner Faletogo moved, seconded by Commissioner Schaefer, to approve the applicant's request, thus adopting Resolution No. 15-2541. Motion carried, 7-0 (absent Chairman Diaz).



11. PUBLIC HEARING

B) Conditional Use Permit No. 967-15

Applicant's Request:

The applicant, Michael Chandler, is requesting to approve a conditional use permit for an existing second dwelling unit located within the RS (Residential, Single-Family) zoning district. The subject property is located at 2722-2724 East Madison Street.

Staff Report and Recommendation:

Planning Technician Alexander presented staff report and the recommendation to APPROVE Conditional Use Permit No. 967-15 subject to the conditions of approval attached as Exhibit "B" to the Resolution; and WAIVE further reading and ADOPT Resolution No. 15-2542, entitled, "A Resolution of the Planning Commission of the city of Carson approving Conditional Use Permit No. 967-15 for an existing second dwelling unit for a property located at 2722-2724 East Madison Street."

Vice-Chairman Madrigal opened the public hearing.

Michael Chandler, applicant, noted his concurrence with the conditions of approval.

Vice-Chairman Madrigal closed the public hearing.

Planning Commission Decision:

Commissioner Post moved, seconded by Commissioner Thomas, to approve the applicant's request, thus adopting Resolution No. 15-2542. Motion carried, 7-0 (absent Chairman Diaz).

11. PUBLIC HEARING

**C) General Plan Amendment No. 96-15; Zone Change No. 173-15;
Specific Plan No. 13-15; Design Overlay Review No. 1569-15;
Parcel Merger No. 273-15**

Applicant's Request:

The applicant, Chris Earl, Affirmed Housing, is requesting approval of the Sepulveda and Panama Specific Plan to develop a mixed-use project consisting of 65 senior residential units and 3,000 square feet of commercial uses. The subject property is located at 402 E. Sepulveda Boulevard.

Staff Report and Recommendation:

Associate Planner Rojas presented staff report and the recommendation to APPROVE Design Overlay Review No. 1569-15 and Parcel Merger No. 273-15 subject to the conditions of approval attached as Exhibit "B" to the Resolution and contingent upon City Council approval of General Plan Amendment No. 96-15, Zone Change No. 173-15, Specific Plan 13-15; RECOMMEND APPROVAL of General Plan Amendment No. 96-15, Zone Change No. 173-15, Specific Plan 13-15 and adoption of the Mitigated Negative Declaration for the Sepulveda and Panama Project to the City Council; WAIVE



further reading and ADOPT Resolution No. 15-2543, entitled, "A Resolution of the Planning Commission of the city of Carson approving Design Overlay Review No. 1569-15 and Parcel Merger No. 273-15 and recommending that the City Council adopt General Plan Amendment No. 96-15, Zone Change No. 173-15, Specific Plan No. 13-15 and Mitigated Negative Declaration for the construction of a 65-unit residential mixed-use development for property located at 402 E. Sepulveda Boulevard."

Commissioner Schaefer asked if only one elevator is being provided, questioning if the City has any requirements related to the number and location of elevators.

Associate Planner Rojas advised that two elevators are being provided in the same location; and stated that the City's current code does not have specific guidelines on the number of elevators based upon building height.

Commissioner Schaefer asked if the City ever requires the use of solar panels.

Associate Planner Rojas stated that mandatory solar panel requirements are not currently within the City's zoning code.

Planning Manager Naaseh explained that the building codes are getting more stringent; stated that he believes the updates to the building codes will address these issues; mentioned that this developer has constructed another project on Figueroa Street which has solar panels; and he encouraged the Commission to request that this developer install solar panels on this project where feasible.

Commissioner Faletogo asked what was the reaction of the approximate 20 people who attended the community meeting regarding this project; asked how many notices were sent; and asked for input on the financial rent thresholds for affordability of this project.

Associate Planner Rojas stated that most of the attendees were pleased with the proposed project, one stating they were happy that something was being done with this blighted, vacant lot; advised that all residents/owners within 500 feet of this project site were notified; and stated that 44 of the units will be available to very low-income seniors and 21 of the units will be available to low-income seniors.

Vice-Chairman Madrigal asked if the income guidelines were set by HUD.

Commissioner Thomas echoed the concerns with two elevators being located in one location, noting the plans for a very long corridor; and he expressed his concern with adequate emergency evacuation provisions for these seniors. He noted his concern with only four wheel-chair accessible units being provided out of 65 units; and with only four wheelchair parking spaces out of 52 in the residential portion in comparison with 2 wheelchair accessible spaces being provided out of 15 parking spaces in the commercial area.

Associate Planner Rojas advised that this project has been circulated for input by the City's traffic engineer, water quality, and building and safety staff to ensure it meets code requirements, noting that each department had no issue with the location of the two elevators in the same bank. He added that the ADA parking spaces meets code.



Commissioner Thomas asked for input on the alley access way at the southeast side of the building.

Associate Planner Rojas explained that this exit stairway was included to address fire code requirements and is only intended to be used to exit the building, not enter the building.

Commissioner Thomas asked what keeps the door from being propped open; and he asked for further input on the reasoning for increasing the density on this site, asking if the Specific Plan is approved, can they add more units.

Planning Manager Naaseh explained that Planning has several other projects they are looking at with higher densities and that the 65 units per acre is a General Plan designation they have come up with that will address the needs of other projects as well. Planning Manager Naaseh added that the applicant could add more units, but they would have to come back before the Commission for approval. He added that this Specific Plan and General Plan Amendment would have to be approved by City Council; and that if City Council makes any significant changes to those approvals, then that would impact the design of this project, and the applicant would have to come back before this Commission to obtain approval for any revision. He mentioned that the plans will go through the Building and Safety Department before a building permit is issued to ensure the project meets all codes.

Commissioner Thomas asked for further input on the parking plan, questioning the recommendation for 5 motorcycle parking spaces for this senior facility.

Vice-Chairman Madrigal asked if the power lines in the alleyway will be placed under ground; and he asked if the Commission can require the applicant to improve the alleyway, noting it needs a lot of work.

Associate Planner Rojas advised that a condition is included to underground the utilities near the alley; and that a condition has been added to require the applicant improve the quality of the alleyway surface after construction activities have been completed, noting the heavy equipment could damage a new surface.

Commissioner Thomas questioned whether the community room, laundry room and computer room accommodations are sufficient for 65 units.

Vice-Chairman Madrigal asked what, if any, commercial uses are being proposed.

Associate Planner Rojas advised that no retail tenant has been identified at this time.

Vice-Chairman Madrigal opened the public hearing.

Chris Earl, Affirmed Housing applicant, stated that he has been involved in designing, funding, and developing six housing communities in the southland; and noted this is an affordable housing community that will take advantage of low-income housing tax credits; that they are specifically required to meet gold or green Leadership in Energy and Environmental Design (LEED) standards; that they will put as many solar panels on this project rooftop where feasible, noting they have approximately \$300,000 allocated



for those solar panels; and happily announced that their Carson Harbor Green community on Figueroa Street recently received a Platinum LEED award. He advised that 220 mailers were sent out to the residents/owners within a 500-foot radius. He confirmed that there are two elevators in one bank/tower, noting this meets code and is typical with this size project.

Mr. Earl noted that this senior community will be for people 62 years old and up; that the rents start at \$443 for a one-bedroom unit and go up to a maximum of \$845 a month for a two-bedroom unit; stated that there are 4 units which have ADA grab bars in the restrooms; and that all the units are handicapped accessible, which is a requirement. He explained that there will be some protective fencing to separate the alleyway to this site which will be controlled by FOB key access; and advised that Solari Management Company will be managing this property, noting this is a very experienced property management organization specializing in multifamily, affordable housing. He stated there will be no motorcycle spaces but they are providing bicycle spaces. Mr. Earl explained that the ratio of one washer/dryer for every 10 units has served their communities very well; and noted that they might be able to squeeze in one or two more computer areas.

Vice-Chairman Madrigal asked if they will provide grab bars for any other units if requested, free of charge to the residents.

Mr. Earl stated yes. Mr. Earl stated a parking management plan that has successfully been used at other senior housing communities will be applied at this site; that they are permitted to ask how many vehicles a potential resident will be bringing to this site; and that if they do not have the parking spaces to allocate to their potential clients, then they will let them know they cannot service their needs and they may have to look elsewhere for housing.

Commissioner Post noted her concurrence with the concerns for the safety and ease of access to the four stories, noting her concern for access to the elevators during an emergency; stated that she is pleased this long-time vacant and blighted property is being developed, believing it will be an asset to this area; and she asked that all steps be taken to protect the seniors onsite.

Diane Thomas, resident, echoed the concerns for ease of access for the seniors, noting that seniors will have too long of a walk if they live on the opposite side of the building from the elevator bank; and she requested that the units be comfortably sized, pointing out that the units across the street from City Hall are beautifully sized. She asked that the developer not just meet the minimum fire code requirements.

Charlotte Brimmer, resident, stated that this is a beautiful project, but urged the City to not forget providing housing for workforce clients when addressing the Housing Element; noted her support for applying solar panel requirements; asked if there will be a full-time property manager onsite; and she suggested a workshop on the Housing Element for the new Commissioners.

Mr. Earl indicated that a property manager will live on site.

There being no further input, Vice-Chairman Madrigal closed the public hearing.



Assistant City Attorney Chaffin explained that if the Commission is inclined to approve the project this evening, it will be contingent on City Council's approval of the Mitigated Negative Declaration, General Plan Amendment, rezoning, and Specific Plan; that if the Design Overlay Review and Parcel Merger being potentially/contingently approved by the Planning Commission this evening becomes inconsistent with the General Plan Amendment or rezoning and/or the Specific Plan conditions that is ultimately adopted by the City Council, there are already conditions incorporated to require the applicant to file a modification to the items that are before the Commission this evening; additionally, he suggested that if it is inconsistent, that any motion should also give staff the option to return directly to the Planning Commission for any further modifications that can be done at that point in order to provide maximum flexibility to staff.

Commissioner Andrews noted his desire for the plan to be modified to address the concerns with the location of the two elevators.

Assistant City Attorney Chaffin advised that Vice-Chairman Madrigal may call upon the applicant's representative to answer more questions.

Ricky De La Rosa, project architect, advised that the building follows all codes for the number of units being provided; and explained that he would have to study how any modification to the elevators would impact the design of the stacked units and the parking layout and how any modification would affect this application. In response to the concerns with emergencies, such as fire, he pointed out that elevators should never be used during those kinds of emergencies, only the stairways; and advised that this building will be fully sprinklered and designed to meet all safety requirements.

Commissioner Andrews noted his concern with seniors having to walk too far in this development, asking that the project meet more than just the minimum requirements.

Mr. De La Rosa reiterated that he will take a look at the design and the elevator location; advised that he also designed the senior/market rate housing across the street from City Hall that Ms. Thomas had referred to this evening, noting it has a similar layout and one bank of elevators as well; and stated he is very familiar with the demands of senior housing. He added that the units at this proposed project are larger than the ones across the street from City Hall; and he mentioned that an affordable housing project and design guidelines for tax credit allocations require a minimum of 550 square feet for a one-bedroom unit and 650 square feet minimum for a two-bedroom unit.

Commissioner Faleto go asked that the applicant take into consideration the concerns expressed by the Planning Commission this evening; and noted that this is a beautiful project that will make a significant and beautiful addition to that area.

Planning Commission Decision:

Commissioner Faleto go moved, seconded by Commissioner Schaefer, to approve staff recommendation, incorporating Assistant City Attorney Chaffin's comments with regard to City Council approval: "If the Planning Commission is inclined to approve the project this evening, it will be contingent on the City Council approval of the Mitigated Negative Declaration, General Plan Amendment, rezoning, and Specific Plan; noted that if the



Design Overlay Review and Parcel Merger being potentially/contingently approved by the Planning Commission this evening becomes inconsistent with the General Plan Amendment or rezoning and/or the Specific Plan conditions that is ultimately adopted by the City Council, there are already conditions incorporated to require the applicant to file a modification to the items that are before the Planning Commission this evening; additionally, if it is inconsistent, that any motion should also give staff the option to return directly to the Planning Commission for any further modifications that can be done at that point in order to provide maximum flexibility to staff."

Commissioner Thomas offered a friendly amendment to the motion to reduce the distance of the elevator at least by half, believing this gives the architect enough flexibility for a redesign.

Planning Manager Naaseh suggested language to require the applicant to provide a study of alternative locations for the elevators per the Planning Commission's direction, noting the alternative study may potentially require some changes to the site plan; and requested that staff be authorized to approve the amended site plan if it's in conformance to the approved site plan; he explained that the applicant is under very tight timelines for funding this project through the state, believing this should alleviate any concern with meeting state funding deadlines; and he encouraged the Planning Commission to also include the installation of solar panels where possible.

Commissioner Faletogo accepted the friendly amendment and the comments by Planning Manager Naaseh.

Commissioner Thomas asked what will happen if the applicant says they cannot move the location of the elevators.

Planning Manager Naaseh explained that if it requires a major redesign of the project and it has to come back to the Planning Commission, it may have an impact on this project going forward.

Commissioner Thomas stated he'd like to give staff all the discretion to move this proposal forward without having to come back to the Planning Commission, but that he would like the elevator distances to meet the concerns voiced this evening, stating he does not want the seniors to have to walk too far to use the elevators.

Planning Manager Naaseh stated that unless the applicant has an issue with the condition that's been posed, staff will work with the applicant to address that concern.

Commissioner Schaefer accepted the amendments to the original motion.

Motion passes, 7-0 (absent Chairman Diaz).

Vice-Chairman Madrigal recessed the meeting at 8:20 P.M. and reconvened the meeting at 8:30 P.M.



12. WRITTEN COMMUNICATIONS

Provided this evening (of record) related to the Oil Code Update:

- Alston & Bird, letter dated May 12, 2015
- Latham & Watkins, letter dated May 12, 2015
- Manatt, Phelps, Phillips, letter dated May 12, 2015

13. MANAGER'S REPORT None

14. COMMISSIONERS' REPORTS

Commissioner Schaefer welcomed the new Commissioners, noting she is looking forward to working with them; she thanked staff for all the reports this evening; and thanked Mr. Perez for answering her questions. She asked that a future agenda item include discussion about changing the City's zoning code for installation of solar panels on new projects.

Commissioner Thomas thanked staff and the consultants for their fantastic/helpful reports this evening.

Commissioner Faletogo congratulated Chairman-Elect Louie Diaz and Vice-Chairman Madrigal, believing each will do a good job; and stated it has been an honor serving as the Chairman of the Planning Commission for the past several years and that it is an honor to continue working on this Commission.

Vice-Chairman Madrigal welcomed all the Commissioners, noting he is looking forward to working with them and staff again, noting he served on this Commission from 1985 to 1998; and expressed his belief that Chairman-Elect Diaz will do a good job.

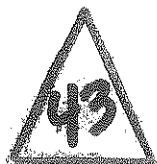
15. ADJOURNMENT

At 10:55 P.M., the meeting was formally adjourned to Tuesday, May 26, 2015, 6:30 P.M., Helen Kawagoe City Council Chambers.

Chairman

Attest By:

Secretary





CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: May 12, 2015 (Continued from April 14, 2015)
SUBJECT: Zone Text Amendment No. 19-15
APPLICANT: City of Carson
REQUEST: To consider adoption of a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308
PROPERTY INVOLVED: City-wide

COMMISSION ACTION

- Concurred with staff
 Did not concur with staff
 Other

Cont'd June 9, 2015

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
<i>Absent</i>		Diaz	✓		Schaefer
✓		Faletogo	✓		Thomas
✓		Madrigal	✓		Gordon
		Mitoma	✓		Andrews
✓		Post			

EXHIBIT NO. 03
Item 10A



I. Introduction

This staff report includes the most up-to-date version of the proposed Oil and Gas Code. A redline version of the code is attached which identifies all changes as compared to the version included in the April 14, 2015 staff report, Exhibit 5. These changes represent a refinement to the oil code as directed by the Planning Commission during its meeting of April 14, 2015, and as a result of comments received during and after the Planning Commission, as well as a meeting with stakeholders with an interest in oil and gas.

II. Background

On February 24, 2015, the Planning Commission took public testimony and continued this matter to the April 14, 2015 hearing, refer to Exhibits 2, 3 and 4. At the April 14, 2015 hearing, the Planning Commission again took public testimony and continued this matter to May 12, 2015 along with direction to staff to return with a revised Ordinance. The revised Ordinance was to adjust setbacks starting at 500 feet from residential and other defined uses, subject to heightened regulations such as odor and health risk assessments that would be phased out as the distance increased from the prohibited zone. Additionally, the role of the Petroleum Administrator was to be eliminated or reduced in scope. Planning Commissioners were invited to submit questions they may have to staff. Finally, the Planning Commission expressed interest in staff meeting with stakeholders with an interest in oil and gas production.

Staff have revised the proposed Ordinance as directed by the Planning Commission. The revisions also include additional recommendations from staff to clarify certain portions of the Ordinance in response to comments from interested stakeholders, refer to Exhibit 1. These revisions were made available to the public and the Planning Commission on May 6, 2015. Stakeholders with an interest in oil and gas production have made a request this item be continued.

Staff's recommendation is for the Planning Commission to continue this matter until June 9, 2015, provide any additional directions to staff, and direct staff to return with a resolution and ordinance for final consideration at that time.

III. Analysis

Proposed Refinements to the Ordinance

As directed by the Planning Commission, City staff have refined the proposed Ordinance as follows:

- Adjusted setbacks starting at 500 feet from residential and other defined uses. Operations starting at 500 feet setbacks will be subject to heightened regulation, such as odor and health risk assessments, that will be phased out as the distance increases to 1,500 feet or more from the prohibited zone.



- Eliminated the position of a Petroleum Administrator. Instead, the City Manager, or designee, will generally be responsible for overseeing compliance with the Ordinance. Also, eliminated the uncertainty related to the responsibilities of the City Manager (previously Petroleum Administrator).

Staff, the City Attorney's office, and MRS also continue to carefully review comments from the Planning Commission, and the public, including representatives of oil and gas interests and environmental groups, and are proposing refinements to the proposed oil code to further clarify the intent of the legislation. In general, the proposed refinements based on the meeting with industry included:

- Clarify that conventional drilling methods and operations can continue;
- Refine definitions to reduce the likelihood of regulatory conflicts;
- Definition of High Risk operator
- Duplication with State Regulations
- Exceptions for Exploratory Wells
- Acidizing definitions/Acid volume thresholds
- Added many exclusions for industrial areas
- Simplified some code requirements

The Planning Commission provided a series of questions addressing the following issues:

- Monitoring Results and availability of data
- Water limits as part of Section 9535
- Fines up to \$100,000
- Existing drilling operations and history
- Inspection responsibility
- Comparison with State law
- Submersible pumps requirements

Members of the public submitted emails with comments addressing the following issues:

- Earthquakes and the mapping of faults
- Outright ban on drilling
- Dangers of drilling in Carson

All proposed refinements have been highlighted in a revised Oil and Gas Code update that includes both proposed ordinances to facilitate review, refer to Exhibit 5.

Additional Outreach

As directed by the Planning Commission, staff held another meeting with several representatives of oil and gas interests on April 28, 2015. The meeting lasted in excess of five hours, and involved discussion and feedback to staff regarding a



wide variety of issues. As a result of this process, staff have recommended some refinements to the Oil and Gas Ordinance to provide additional clarity, etc., as noted above. Representatives of oil and gas interests have also requested a continuance in order to review the latest refinements to the Ordinance. A second meeting has been scheduled with the oil and gas interests for May 12, 2015.

Staff have also received additional comments, studies and recommendations from a variety of sources, which have been included in the administrative record and are available on the City's website for review at <http://ci.carson.ca.us/departments/communitydevelopment/oilcodeupdate.asp>.

Conclusion

Approval of the Text Amendment will provide a comprehensive update to the City's Municipal Code regulations of petroleum operations and facilities, and will establish additional regulatory authority to address operational and environmental impacts related to oil and gas extraction in the City of Carson.

IV. Environmental Review

Staff performed a preliminary environmental assessment of this project and has determined that it falls within the Class 8 Categorical Exemption set forth in CEQA Guidelines section 15308, which exempts actions by regulatory agencies for the protection of the environment. This Categorical Exemption is applicable as the proposed Oil and Gas Code Ordinance addresses the maintenance, restoration, enhancement and protection of the environment and the public health, safety, welfare of the citizens of Carson as related to potential impacts from petroleum operations and facilities within the City. The variety of environmental issues addressed include air, water, soil, geology, storm water and wastewater infrastructure, transportation, noise, emergency response, aesthetic issues, and petroleum operations near potentially sensitive receptors. The Ordinance does not provide for the relaxation of standards as compared to the current regulations in the Carson Municipal Code. Instead, the Ordinance strengthens environmental standards related to petroleum operations and facilities, and thereby advances the protection of environmental resources within the City of Carson. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

V. Recommendation

Staff have received requests to continue the matter from oil and gas interests to allow additional time to review the latest draft. In addition, the Planning Commission has several new members that are not familiar with the proposed update. If the Planning Commission is inclined to continue this matter, staff and the consulting team are available for the regular meeting scheduled for June 9, 2015. Additionally, staff recommends the Planning Commission:



- Identify additional refinements or items, if any, it would like to include in its recommendation; and
- Direct staff to prepare an updated resolution and ordinance consistent with that direction and return for final approval by the Planning Commission at the regular meeting scheduled for June 9, 2015.

VI. Exhibits

1. Comment letters and correspondence received since April 14, 2015 Planning Commission meeting
2. February 24, 2015 Planning Commission Minutes
3. April 14, 2015 Planning Commission Minutes
4. April 14, 2015 Planning Commission Staff Report
5. City of Carson Oil and Gas Update (with tracked changes) dated May 5, 2015

Note: Additional comment letters, studies, and other written materials can be found at: <http://ci.carson.ca.us/departments/communitydevelopment/oilcodeupdate.asp>.

Prepared, Reviewed and Approved by:


Saied Naaseh, Planning Manager



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Thursday, April 30, 2015 7:47 AM
To: Saied Naaseh; 'Sunny Soltani'; Lula Davis Holmes; Louiediaz@local848.net; 'Alexandra Nagy'; albert@albertrobes.com; Elito Santarina's Yahoo; 'Janice Schaefer'; 'Olivia Verrett'; ppls100@aol.com; William Wynder; josephlpinon@gmail.com; jjoseph162@gmail.com; Louiediaz@local848.net; hc45loa@yahoo.com; amadorsaenz@aol.com
Subject: Newport Inglewood Fault

I guess God decided to show you where the Newport/Inglewood fault is. It is under our homes. Stop the assault on the City of Carson. This is the second earthquake caused by the Oxy Project!!!

You have all the evidence you need to stop the destruction of Carson or you will be responsible for the damage your actions cause.

Sincerely,

Lori Noflin
Carson Connected
310 885-5860

Exhibit No. 1



Saied Naaseh

From: Lori Noflin <lnoflin@atl.net>
Sent: Thursday, April 30, 2015 8:15 AM
To: Saied Naaseh
Subject: Question

Are the Oxy wells using any kind of stimulation?



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Thursday, April 30, 2015 9:39 AM
To: Saied Naaseh
Subject: Question

The residents spoke against drilling when you were pushing the fraudulent Oxy DEIR, are those comments and statements being considered for the Oil & Gas Code?



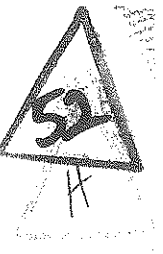
Saied Naaseh

From: Lori Noffin <lnoffin@att.net>
Sent: Thursday, April 30, 2015 1:10 PM
To: Saied Naaseh
Subject: Question

What type of well stimulation are they using at the Oxy project? How much water are they flooding our ground with each day?

Would like an answer before you leave for the weekend.

Lori



Saied Naaseh

From: Lori Noffin <lnoffin@att.net>
Sent: Tuesday, April 28, 2015 6:06 PM
To: Saied Naaseh
Subject: Oil & Gas Code Comments and Evidence

I would like the evidence of destruction included in with the documentation you are compiling for the Oil & Gas Code. I have not seen any of my emails or letters included, which I was expecting to see happen. Your not including them does not mean you have not been fore warned. **If the city passes an ordinance that allows new oil drilling and/or well stimulation the residents will file a class action suit against any and all persons who have participated in the unethical and illegal actions.**

The residents do not want drilling back in full force in our city!!!

The biggest thing I am aware of that was meant to deceive the residents of Carson is you submitted a fraudulent DEIR which moved the Newport/Inglewood fault out of Carson. This is detrimental to the people and their property. Another lie that needs to be corrected and publicly announced at the planning commission meeting is, **we do have a right to determine oil drilling is not safe for our populated areas and create an ordinance that will protect the people.** There are many more lies told by city staff and we have documented everyone we were made aware of.

The Draft Oil and Gas Code presented will allow oil and gas drilling, the injection of water into the ground beneath our homes and other well stimulation. Much of the city of Carson has a propensity to liquefy, former city manager David Biggs is dealing with the destruction caused by an earthquake in a city that has a propensity to liquefy give him a call. Hercules, CA, City Manager Phone 510 799-8200, Email dbiggs@hercules.ca.us. We want no new drilling and no stimulation on existing wells.

Each well is given the right to utilize up to 25,000 gallons of water in a 24 hour period, or 100,000 gallons per week. It has been proven the injection of water causes earthquakes, much like well stimulation along a fault.

A Petroleum Administrator (one person) decides well stimulation is necessary to recover the owner/operators reasonable investment backed expectation. What about the expectation of our property value? There should be not new drilling and for existing wells a petroleum administrator needs to make recommendations to the Planning Commission and the Commission make recommendations to the City Council. This is too important of an issue to allow one person to make the decisions.

This ordinance is riddled with exceptions, loopholes and is allowing dangerous activities to go on under our homes. The residents do not want drilling under our homes!!!

We have over 800 petition signatures on our No New Drilling petition and we will continue to fight for those people and all of Carson.

Below are links to articles that need to be included into your report to the planning commission.

Link to article <http://www.nbcbayarea.com/news/local/60-Preliminary-Magnitude-Earthquake-Strikes-Near-Napa-272467621.htm>



Link to Showtime's Years of Living Dangerously hosted by America Ferrera Episode 6 Widespread of Change homepage. In this episode, it is proven oil and gas drilling leaks high levels of methane.

California faces serious risk of Nepal-strength earthquake

U.S. Maps Pinpoint Earthquakes Linked to Quest for Oil and Gas

The United States Geological Survey on Thursday released its first comprehensive assessment of the link between thousands of earthquakes and oil and gas operations, identifying and mapping 17 regions where quakes have occurred.

Oil, gas drilling triggers earthquakes in over a dozen areas in the US

Man-made earthquakes increasing in central and eastern U.S., study finds

Gas Drilling May Be Leaking Twice as Much Gas as Previously Thought, Study Finds

Sincerely,

Lori Noflin
Carson Connected
310 885-5860



Saied Naaseh

From: Lori Noflin <lnoflin@att.net>
Sent: Thursday, April 23, 2015 11:38 AM
To: Lula Davis Holmes; albert@albertrobes.com; Elito Santarina's Yahoo; 'Sunny Soltani'; William Wynder; Saied Naaseh; 'Olivia Verrett'; josephpinon@gmail.com; j.joseph162@gmail.com; ppls100@aol.com; Louiediaz@local848.net; hc45loa@yahoo.com; amadorsaenz@aol.com; 'Janice Schaefer'
Subject: Earthquakes

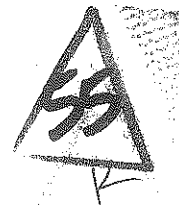
Drilling does not belong in Carson!!! Please take a look at the LA Times and/or Daily Breeze articles. Do you want to be responsible for inviting this kind of destruction into Carson? It is your responsibility to protect Carson and it's residents. Our true purpose and history is to stop bad projects that would contaminate our communities that fact alone would carry a tremendous amount against any law suit filed against the City of Carson.

<http://www.latimes.com/visuals/graphics/la-me-quake-frack-20150423-htm1story.html>

<http://www.dailybreeze.com/general-news/20150423/oil-gas-drilling-triggers-earthquakes-in-over-a-dozen-areas-in-the-us>

Sincerely,

Lori Noflin
310 885-5860



Man-made earthquakes increasing in central and eastern U.S., study finds

By RONG-GONG LIN II, JON SCHLEISS AND THOMAS BETH LAUDER

APRIL 28, 2015, 6:00 AM

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For the first time, the U.S. Geological Survey has unveiled a map of earthquakes thought to be triggered by human activity in the eastern and central United States.

Oklahoma is by far the worst-hit state recently, according to the USGS study released Thursday. The state last year had more earthquakes magnitude 3 or higher than California, part of a huge increase recorded in recent years.

Seismic activity in Texas near the Dallas-Fort Worth area has also increased substantially recently. Kansas, Colorado, New Mexico and Ohio have all experienced more frequent quakes in the last year >

ENTERTAINMENT WEEKLY: California earthquakes

All of the areas highlighted on the map "are located near deep fluid injection wells or other industrial activities capable of inducing earthquakes," the study said.

Mark Petersen, chief of the USGS' National Seismic Hazard Project, said the pattern of increased quakes is troubling.

These earthquakes are occurring at a higher rate than ever before, and pose a much greater risk and threat to people living nearby," Petersen said.

The release of the map comes as officials are coming to terms with the idea that wastewater disposal following oil and gas extraction is causing more earthquakes. Hydraulic fracturing, or fracking, involves shooting a high-pressure mix of water, sand and chemicals deep underground to extract oil and natural gas. The resulting wastewater is often forced underground as well, but can trigger earthquakes on faults that haven't moved in a very long time.

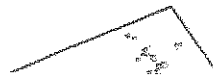
Earthquakes: 1960-2012 2013 2014

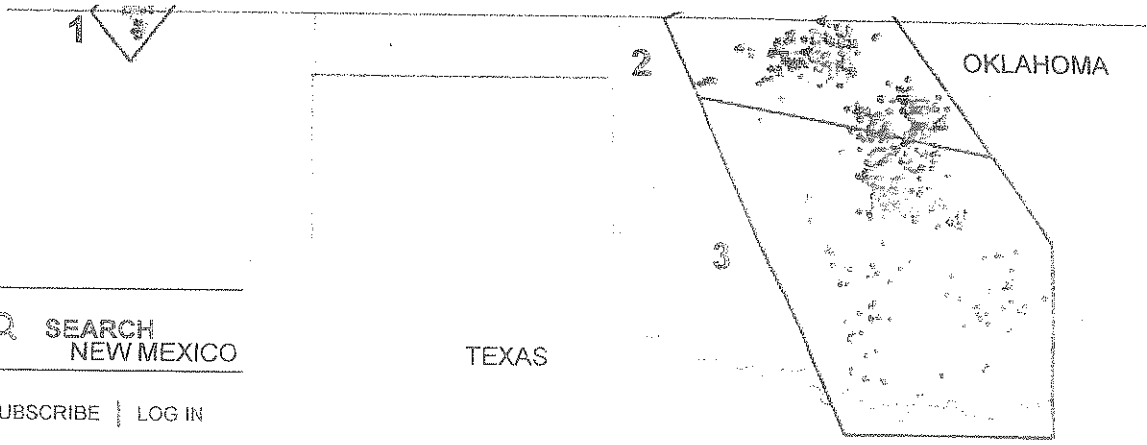
GREAT READS



COLORADO

KANSAS





SEARCH NEW MEXICO

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MEMBER CENTER

PLACE AN AD

An older methodology was used to count earthquakes from 1960-2012

LOCAL

1 New Mexico, Raton

CALIFORNIA

SPORTS

ENTERTAINMENT

BUSINESS

OPINION

TRAVEL

AUTOS

REAL ESTATE

PHOTOS & VIDEO

GREAT READS

2 Oklahoma-North; Kansas-South

1000

800

600

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1970 1990 2010

3 Oklahoma-South

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1970 1990 2010

4 New Mexico, Dagger Draw

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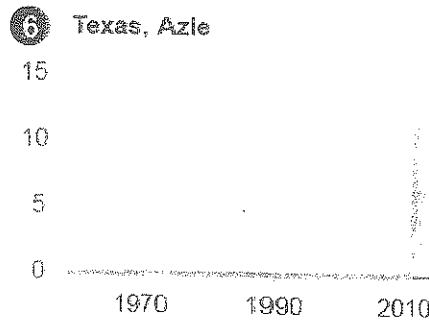
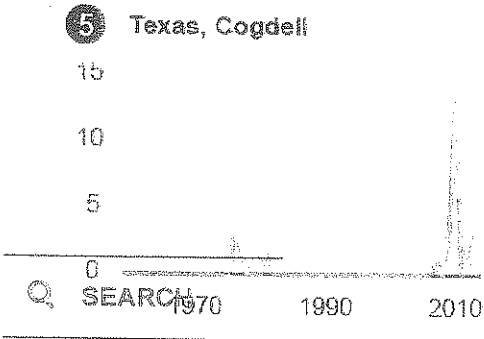
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1970 1990 2010



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7 Texas, Dallas-Fort Worth

MEMBER CENTER

PLACE AN AD

LOCAL

CALIFORNIA

The Oklahoma Geological Survey said Tuesday that the sharp rise in quakes in that state is "very unlikely to represent a naturally occurring process," since they are occurring over the same area that saw a huge jump in wastewater disposal in the last several years.

The seismicity rate in 2013 was 70 times greater than the background seismicity rate observed in Oklahoma prior to 2008, state officials said.

Human-induced earthquakes have troubled scientists because they pose a risk to public safety — and because they have become larger. A magnitude 5.6 earthquake believed to have been caused by wastewater injection hit near Prague, Okla., in 2011, injuring two people and destroying 14 homes. That same year, a 5.3 earthquake struck a remote part of Colorado, near the town of Trinidad close to the New Mexico border, which the USGS said was also triggered by wastewater injection.

History suggests that even larger earthquakes could be in store.

"We know, for example, in Oklahoma that there was an earthquake of about magnitude 7 about 1,500 years ago," said USGS geophysicist William Ellsworth. "We have to be guided with what we have seen in the past."

The idea that injecting water deep into the ground can trigger earthquakes has been talked about for decades.



In the 1960s, many scientists concluded that injection of chemical-waste fluid in the Denver Basin triggered seismic activity, according to a study at the time in the journal Science.

Earthquakes: 1960-2012 2013 2014

9

SEARCH 11

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10

MEMBER CENTER 1

PLACE AND NEW MEXICO

LOCAL > 4

CALIFORNIA >

SPORTS >

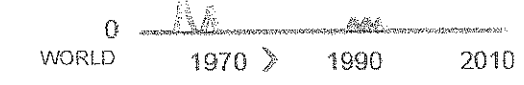
ENTERTAINMENT >

8 Colorado, Rangely

BUSINESS 15

OPINION 10 >

NATION 5 >

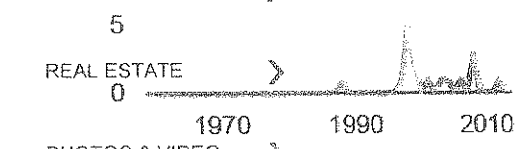


10 Colorado, Paradox

TRAVEL 15 >

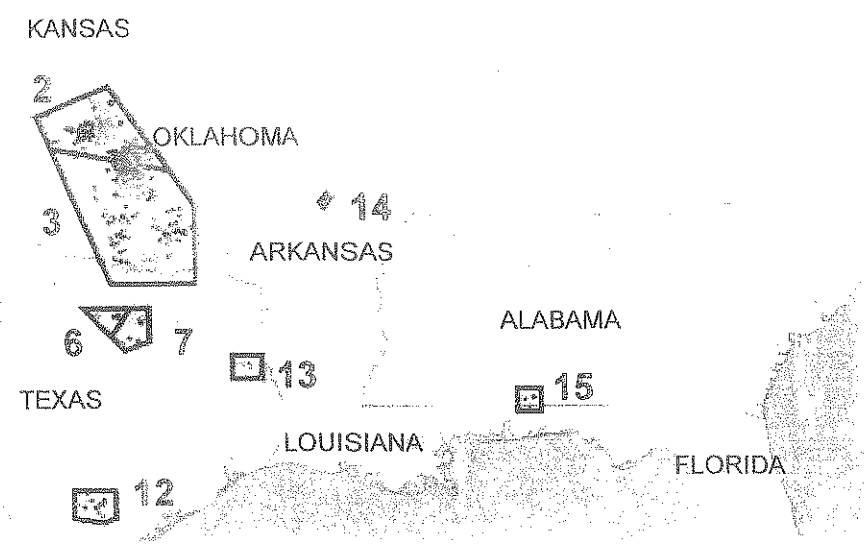
AUTOS 10 >

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PHOTOS & VIDEO >

GREAT READS

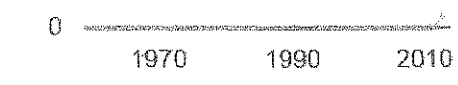


9 Colorado, Greeley

15

OPINION 10 >

NATION 5 >

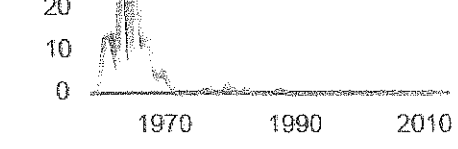


11 Colorado, Rocky Mtn. Arsenal

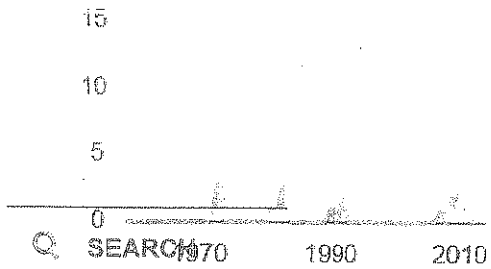
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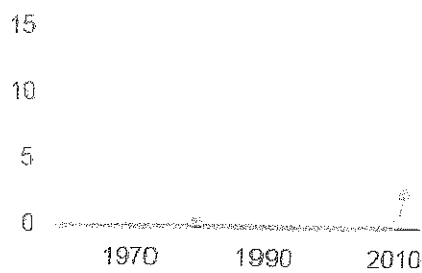
REAL ESTATE 5 >



12 Texas, Fashing

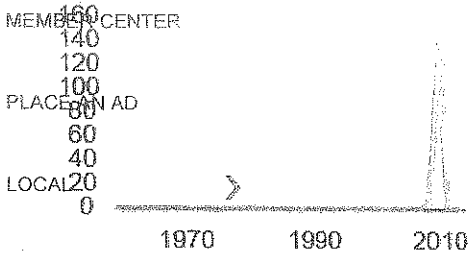


13 Texas, Timpson

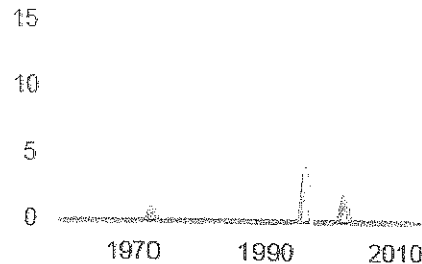


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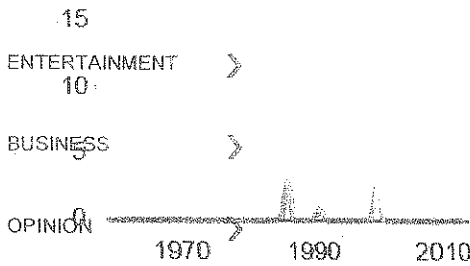
14 Arkansas, Guy-Greenbrier



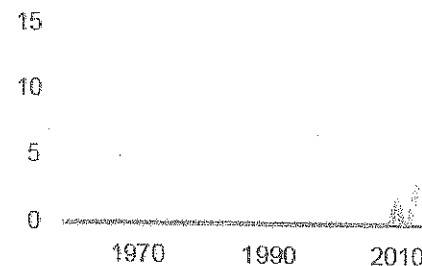
15 Alabama, Brewton



16 Ohio, Ashtabula



17 Ohio, Youngstown



Before 1976, earthquakes were rare in the desert town of Gazli in the former Soviet republic of Uzbekistan. Like Oklahoma, this Soviet region was far away from the boundaries of the giant tectonic plates whose crashes create the huge quakes well known in places such as California.

Then two big earthquakes hit the Gazli area that year, and a magnitude 7 quake struck in 1984, killing one person and injuring more than 100. Scientists writing in the Bulletin of the Seismological Society of America at the time suggested that the quake could have been induced by human activity at the gas field.

Now that the USGS maps have been released, one big question is what to do about the man-made quakes.

USGS geophysicists Art McGarr and Andy Michael called for better monitoring of regions with increased seismic activity. Some areas rely on relatively crude seismic sensors that can't



precisely identify the location of quakes that are smaller than a magnitude 3. But that knowledge could help scientists identify areas where seismic pressure is building up.

It would also aid them in determining the size of unmapped faults in these areas.

"It's a bit frustrating when we don't have really good earthquake locations," Michael said.

Q SEARCH
And better data could help scientists manage the quake risk. Not all wastewater injection causes earthquakes, Ellsworth said, and regulators in some areas may opt to restrict wastewater injection in places where the risk is high.

SPECIAL REPORT: California earthquake safety

MEMBER CENTER
PLACE AN AD
Officials in Kansas have already ordered a reduction in wastewater injections in certain areas, and authorities are observing whether it will be followed by a reduction in quakes.

LOCAL >
"We think society can manage the hazard," Ellsworth said. "We don't have to stop production of oil and gas, but we think we can do so in a way that will minimize the earthquake hazard."

SPORTS
ENTERTAINMENT
For instance, the risk could be reduced by placing new wastewater injection sites further away from cities or critical facilities where large earthquakes are a big worry, Ellsworth and McGarr wrote in an essay published in the journal Science in February.

BUSINESS
OPINION
The general public is the most important stakeholder because they may be exposed to potential injury and damage," the pair and their colleagues wrote. "If an induced earthquake sequence results in damage, then blame can be assigned with legal implications for liability.

NATION
The question of whether an earthquake sequence was induced or natural is of more than academic interest."

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Oil, gas drilling triggers earthquakes in over a dozen areas in the US

By Alicia Chang, The Associated Press

Posted: 04/23/15, 6:40 AM PDT |

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LOS ANGELES >> More than a dozen areas in the United States have been shaken in recent years by small earthquakes triggered by oil and gas drilling, a government report released Thursday found.

The man-made quakes jolted once stable regions in eight states, including parts of Alabama, Arkansas, Colorado, Kansas, New Mexico, Ohio, Oklahoma and Texas, according to researchers at the U.S. Geological Survey.

Experts said the spike in seismic activity is mainly caused by the oil and gas industry injecting wastewater deep underground, which can activate dormant faults. A few instances stem from hydraulic fracturing, in which large volumes of water, sand and chemicals are pumped into rock formations to free oil or gas.

Many studies have linked the rise in small quakes to the injection of wastewater into disposal wells, but the Geological Survey's report takes the first comprehensive look at where the man-made quakes are occurring.

"The hazard is high in these areas," said Mark Petersen, who leads the agency's national mapping project.

Oklahoma lately has been rocked by more magnitude-3 quakes than California, the most seismically active of the Lower 48 states, Petersen said.



Oklahoma was not on scientists' radar until recently when the state experienced a spate of quakes, the largest registering a magnitude-5.6 in 2011. Earlier this week, the Oklahoma Geological Survey acknowledged that it is very likely most of the recent shaking is from wastewater disposal.

Many faults awakened by drilling have not moved in millions of years, Geological Survey geophysicist William Ellsworth said.

"They're ancient faults," Ellsworth said. "We don't always know where they are."

A message to the American Petroleum Institute was not immediately returned. The industry group has said efforts are made to map fault lines where drilling occurs.

A group of experts met last year in Oklahoma to pinpoint seismic hotspots around the country caused by induced quakes. Scientists initially identified 14 regions affected by quakes linked to drilling. They later added three other high-risk areas — northern Oklahoma-southern Kansas; Greeley, Colorado; and Azle, Texas.

The findings were released at a Seismological Society of America meeting in Pasadena, California.

Seismic hazard maps produced by the Geological Survey and used for building codes and insurance purposes don't include quakes caused by the oil and gas industry. Scientists said it's difficult to know what jobs will trigger shaking.

Researchers study man-made quakes in the affected areas to determine how often they are expected to occur in the next year and how much shaking they would produce.

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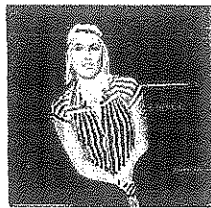
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Saied Naaseh

From: Jan <jjschaef@ca.rr.com>
Sent: Tuesday, April 21, 2015 12:44 PM
To: Saied Naaseh
Subject: RE: Oil Code 4-14-15 PC PowerPoint Presentation

Follow Up Flag: Follow up
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Hi,
I have a couple of questions / concerns.
I would like more information regarding the existing drilling operations / operators.
How many are there?
Do they have permits from Carson? Cost?
Do they have business license for Carson? Cost?
Have there been any violations? If so, what are the violations?
What techniques to they use? Such as acidation?
Who/what agency does the inspections? Carson? SCAQMD? DOGGR?
I am concerned about the proposed code requiring a CUP or DA that would not "grandfather" in the existing wells, if there have been no violations.

If we adopt an oil and gas code are we (Carson) responsible for all the inspections or would we rely on the state and regional agencies? Or is it both? If it is both, why?

It would be helpful to have a "side by side" fact sheet of some sort that would compare the requirements and restrictions under State law to what is in the proposed code.

Is that possible?

Or, at least, what is in the proposed code that is not already covered by State Law?

I am concerned that we will be duplicating efforts and/or arbitrarily adding conditions (as alluded to by industry representative) that do not necessarily protect the environment, improve safety, etc.

For instance, 9532.K. requiring "submersible downhole pumping mechanisms". Is this for protection or esthetics?

Thank you,
Jan.

From: Saied Naaseh [mailto:snaaseh@carson.ca.us]
Sent: Wednesday, April 15, 2015 4:11 PM
To: amadorsaenz@aol.com; hc45loa@yahoo.com; j.joseph162@gmail.com; jjschaef@ca.rr.com; Joseph Pifion; Louiediaz@local848.net; oliivaverrett@sbcglobal.net; ppls100@aol.com
Cc: Denise Bothe
Subject: Oil Code 4-14-15 PC PowerPoint Presentation

Dear Commissioners
Per you request, attached is the PowerPoint.

Please note that the May 12th PC meeting will have the oil code as well as the following project. This project is an affordable housing project that has strict deadlines for funding cycles; therefore, it has to be considered on the 12th.
http://ci.carson.ca.us/department/communitydevelopment/sepulveda_mixeduse.asp



Please let me know if you have any questions.

Thanks

Saied Naaseh

Planning Manager

City of Carson

Community Development Department

701 E. Carson Street

Carson, CA 90745

Phone: (310) 952-1770

FAX: (310) 835-5749



u

Saied Naaseh

From: Joseph L. Pifon <josephipifon@gmail.com>
Sent: Sunday, April 26, 2015 11:08 PM
To: Saied Naaseh
Subject: Oil Code questions and comments

Hello Saied,

Here are a few after questions and comments I have after going through the latest draft again:

1. Under 9531.1 subsection B it says "current monitoring results and data" will be provided to the public. How current is "current" approximately? Is there an industry standard of what current is?
2. Given our discussion in closed session about what we as a city can and can not regulate are we going to see water quantity limits in the next draft? With water limits we can prevent less desirable oil extraction method(s) previously discussed, rather than putting an outright ban that would not be legally defensible.
3. Under 9536.1 subsection A the operator can pay a fine of "\$100,000 or more" at the discretion of the Petroleum Administrator (PA). Is there a cap on the amount the PA can fine operators? Do you know if any other operators have paid this amount or more in a single fine recently in the U.S.? In the state of California at any time?
4. I am happy with the setbacks. If staff decides to reduce the setbacks in the next draft I hope they are not reduced by more than a 1/3.



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LATHAM & WATKINS LLP

April 17, 2015

BY EMAIL

Honorable Chair Faletogo and
Honorable Planning Commissioners
City of Carson Planning Commission
701 East Carson Street
Carson, California 90745

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Re: Proposed Oil Code Update

Dear Honorable Chair Faletogo and Honorable Planning Commissioners:

On behalf of Californians for Energy Independence, we want to thank you for your very thoughtful discussion regarding the draft Oil Code Update at this past Tuesday's Planning Commission hearing.

We are in full agreement that the draft is not ready to move forward to the City Council. We also strongly agree with Commissioner Schaeffer's and others' statements about the draft update being too complicated and onerous for Carson. The City Council gave the following basic direction to staff in May 2014: "[H]ire all necessary experts and immediately commence a complete and comprehensive review and update [of] our Municipal Code regarding oil and gas extraction." (Carson City Council Minutes, May 20, 2014.)

The draft update goes well beyond what the City Council directed. A simpler and much more streamlined approach, as suggested by the Commission, is needed. As the Commission recognized, there is already substantial regulatory oversight of the oil and gas industry. Let's not, as Commissioner Schaeffer suggested, impose additional rules for driving a car in Carson. The draft ordinance, unfortunately, does just that—it requires new tests and creates new rules to "drive" in Carson.

We look forward to continuing to work with staff on identifying the key components of the ordinance and refining them for Carson's needs and to be consistent with what the City Council directed staff to do. We respectfully request that you direct staff to work with the Commission and all stakeholders to do so.

Very truly yours,



Benjamin J. Hanelin
of LATHAM & WATKINS LLP



Associate Planner Rojas stated that the existing landscaping will be refreshed/cleaned and explained that because this is a temporary use, staff wrestled with balancing the need for upgrades at this site.

Planning Manager Naaseh explained that because no change is being proposed for the use of this site, staff determined after much consideration that refreshing the landscaping and cleaning it up for this temporary use is a good compromise.

Diane Thomas, resident, stated that there are too many trucks in this area.

Chairman Faletogo closed the public hearing.

Associate Planner Rojas noted that Traffic Engineer Garland pointed out that 223rd Street is a designated truck route; that this use is no different from what is currently approved for this site; and that the proposed use is not intensive enough to trigger a traffic analysis or EIR.

Planning Commission Decision:

Commissioner Goolsby moved, seconded by Commissioner Schaefer, to approve the applicant's request, thus adopting Resolution No. 15-2537. The motion carried, 7-2, as follows:

- AYES: Faletogo, Goolsby, Gordon, Piñon, Saenz, Schaefer, Verrett
- NOES: Brimmer, Diaz
- ABSTAIN: None
- ABSENT: None

12. PUBLIC HEARING

(B) Zone Text Amendment No. 19-15

Applicant's Request:

The applicant, city of Carson, is requesting to consider Text Amendment No. 19-15, to Adopt a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 for properties citywide.

Staff Report and Recommendation:

Commissioner Verrett noted her concern with receiving a large volume of letters at this evening's meeting, noting there has not been enough time to review the paperwork.

City Attorney Soltani stated that staff has no control over what communications come in from the public, noting that it is staff's duty to forward the communications on to the Commissioners; stated she will attempt to address the concerns in the letters that were submitted; and noted that the Commission always has the option to continue its meetings to a future date. She clarified that Zone Text Amendment Nos. 19-15 and 20-15 will be included as part of the same discussion tonight.

Luis Perez, project manager with MRS, commented on the company's experience in providing environmental documents for oil and gas projects for over 30 years; stated that within the company, there are 150 years of combined oil and gas experience; and highlighted various projects they have done in multiple cities and counties. He advised that they created a Frequently Asked Questions flyer for this evening's meeting, noting it incorporates questions put forth at the community meetings. He noted that Carson's



current oil and gas code is antiquated and that it allows for permitting of oil and gas facilities by right; and he described the general approach taken to develop this update.

With the aid of a power point presentation, Mr. Perez addressed various components of the proposed oil and gas code update, providing brief input on the administrative procedures and development standards; advised that within the development standards, there's a separate code that would be adopted to ban fracking altogether; and noted that the development standards will address when facilities need to be decommissioned, abandoned, restored, and/or remediated. He highlighted the portion of the ordinance that bans fracking, acidizing and other well stimulation; noted that the administrative procedures essentially provide direction as to how one would permit a project if they were to come to the planning counter; stated it contains a robust/complete set of standards for an applicant; advised that the document addresses financial obligations, provides information on violations/fines for development of oil and gas facilities, requirements for conditional use permits for all drilling projects, development agreement requirements for multiple wells; and noted that in addition to the discretionary permits, there will also be a requirement for a drilling permit that allows a petroleum administrator who will oversee compliance.

Mr. Perez addressed some of the highlights for the administrative procedures; stated that a petroleum administrator will be designated by the City Manager to oversee all the drilling matters; and advised that the petroleum administrator will be funded by the oil company that happens to be applying for a permit, sharing the pro rata share of that cost.

Planning Commissioner Brimmer requested, and received, clarification on the moratorium and the various community meetings in 2014 regarding the oil and gas update.

City Attorney Soltani explained that the issues raised by the community at those meetings have all been analyzed in connection with updating the code; stated that the issues have not changed; that the community spoke at those meetings about the same environmental concerns; and that the code has been drafted to address those environmental issues.

Planning Commissioner Brimmer asked if the comments from the most recent community meeting on February 18, 2015, are included in the draft update.

Planning Manager Naaseh explained that staff report was written prior to and released on February 17th, so the comments are not incorporated into the draft that was released to the Planning Commission; however, he pointed out that the ordinance which is currently posted on the City's website has clarifications that were included from the last community meeting on February 18th.

Mr. Perez stated that while there were a lot of comments made at the February 18th community meeting, there were no comments from that meeting that required any changes to the code update; and advised that with the additional written materials distributed to the Commission this evening, they do include some comments in writing from members of the public that MRS is looking into and considering, but pointed out that some of them are grammatical and/or language clarifications and not substantial and that any change made/incorporated will not change the overall requirements proposed.



City Attorney Soltani pointed out that MRS will go over those changes this evening; and reminded the Commission they can continue this matter to a future meeting.

Mr. Perez continued addressing various restrictions and requirements within different zoned districts; advised that there will be no permits given for oil and gas facilities located within residentially zoned districts; commented on requirements for change of company ownership, high-risk operators, noticing requirements, requirement for monetary compensation for code violations, compliance monitoring component, provisions for periodic review, financial assurance and operator responsibility, securities and bonds for wells – highlighting the requirement of \$50,000 minimum per well, which can be adjusted; operator liability insurance, which includes injury and property damage for \$25 million and \$25 million for environmental impact; violations and fines, violations with fines starting at \$5,000 to \$10,000 per day, every day the violation occurs; and mitigation measures related to pipelines, wells, drilling facilities, storage facilities and setback requirements.

City Attorney Soltani clarified that this code will not allow any drilling in residentially zoned areas.

Mr. Perez addressed the 1,500-foot setback for no drilling to occur within that setback, noise impact restrictions, construction time limits, landscape and signage requirements, steaming, reclaimed versus potable water usage, environmental program for water quality control, ground water, greenhouse gas emissions, energy efficiency measures, emergency standards for blowout prevention and testing, operator responsibility for maintenance/restoration of public roads, transportation of chemicals, management prevention program, leak detection for pipelines and tanks, air quality monitoring testing, construction of pipeline/wells, well and site abandonment protocols/standards.

City Attorney Soltani summarized the arguments in the letters received this evening; stated that the letters received from Manatt, Phelps & Phillips are written on behalf of Carson Companies as one of the mineral rights owners; and she added that these same arguments were raised during the moratorium and that the City had responded in writing at that time to those same arguments. She noted that one of their arguments is that the ordinance constitutes a compensable taking of the mineral rights from operators, owners and holders of minerals rights and their royalty interest; they claim that the local regulations governing the petroleum operations will make it commercially impractical to extract oil and gas in Carson; she advised that the City does not agree that its regulations are going to make it impractical to extract oil and gas; and added that one of the letters submitted from Latham & Watkins at 5:00 p.m. today does not make that allegation, noting that Latham & Watkins represents Californians for Energy Independence, a statewide coalition of energy producers.

City Attorney Soltani added that in order to show there is a taking of a property right, you have to either show that a regulation deprived a private property of 100 percent of the total economic value of their property, stating this clearly does not; or you have to show that there's a significant diminution in value of property rights; advised that there are cases where a 95-percent loss in value has still not been found to be a regulatory taking of a property right; and she stated that here, you're not going to have 95-percent loss in the value of oil extraction by the regulations that you're putting in place. She asked those to keep in mind that when courts look at regulatory taking issues, they look at the rights of the entire parcel as a whole, not just look at mineral rights, to determine economic effects of economic taking; that 100 percent taking of mineral rights, even if you had a 100 percent taking of mineral rights, which you don't, is not 100 percent



taking of the whole parcel; and she noted her belief that the proposed ordinance is legally defensible, and there is no solid grounds for a taking challenge to this proposed ordinance.

City Attorney Soltani stated that the letters from Manatt, Phelps & Phillips also try to argue that the City is preempted by state law; noted that local governments routinely regulate and zone oil and gas uses; that the law has long sustained a City's right to regulate land use, including oil and gas operations; and that state laws may preempt regulations in certain instances, but the way this oil code is drafted, it's been carefully drafted to avoid those situations. She stated there is no evidence that the legislature has ever explicitly intended to preempt local control over oil and gas operations, and state oil and gas laws continue to express preemption clauses; and stated there's no implied preemption here. She noted that state oil and gas laws, including SB 4, actually fall short of "fully and completely"; explained that when stated regulations fully and completely cover a subject matter, then there could be an implied preemption; but added there are many zoning codes that deal with oil and gas uses, and the state has not intended to occupy the field. She advised that staff has put provisions in the ordinance to try to address potential preemption issues if a court were to find there are any preemption issues.

City Attorney Soltani explained that the ordinance basically has what they refer to as a savings clause; and that if there is a preemption issue on a particular issue, the ordinance recognizes that such state law regulation will prevail over any contradictory provision in the ordinance. She addressed the letter from Earth Justice wherein it alleges that the savings clause the City has should not be in there, and that Earth Justice is saying the exemption should only apply if the applicant has a vested right; and she advised that the City Attorney's Office disagrees with that statement because they are not going to worry about regulatory taking issues as the City would, as a regulatory body, so that group has different considerations than the City does. She stated they also argue that because the savings clause says that before an activity can move forward, the petroleum administrator must determine if the activity creates a nuisance or not; that they're encouraging the City that this gives too much discretion to the petroleum administrator; but advised that staff believes that given the uncertainty about what's going to happen in the future, that's a good thing; that the City is going to have a qualified person with an environmental background who is going to become the City's petroleum administrator; and she added there is nothing wrong with giving them that discretion so they can make a case-by-case analysis should these issues come up.

City Attorney Soltani added that they also argue the ordinance allows an exception to ban acid matrix stimulation and should phase out the use of this material; she stated it's important to note that as Mr. Perez presented, acid matrix stimulation is generally prohibited under this ordinance and before an exception to the prohibition can occur, the petroleum administrator must determine the activity does not create a nuisance or adversely impact persons or property within the City; and she stated that, again, the City needs to have these flexibilities in its code to make it a practical code that can work. She added that since the reasonable investment-backed expectations must be made before approval of an ordinance, it needs to effectively phase out the uses over time as property is sold or otherwise transferred, noting this is exactly what the ordinance does.

City Attorney Soltani stated that Earth Justice argues the update does not provide an adequate buffer necessary for protection of public health; noted they don't make a recommendation as to what is a recommended buffered distance; but stated they have



seen a buffer as large as 300 feet, noting this proposal sets the buffer at 1,500 feet, one of the most significant buffers in the state that she has seen; stated this is reasonable under the circumstances because this is an urban area; and that staff and the consultant believe it is a good, safe buffer zone.

City Attorney Soltani stated that in conjunction with the buffers, the ordinance also requires active monitoring of emissions and the petroleum operations; explained that if the monitors are triggered, it could require the operations to be shut down completely, noting there are other protections in place; and explained that if you had a buffer area and no other protections in place, you wouldn't be accomplishing anything if you're not monitoring the emissions. She stated that this code takes an approach from all different environmental aspects and tries to provide a meaningful way of monitoring oil and gas operations and addressing any environmental concerns out of the operations.

City Attorney Soltani stated that the Earth Justice letter also ignores the fact that the ordinance provides for air quality monitoring; stated that the petroleum administrator and other individuals are going to have active monitoring, which also helps to address any issues if they arise; she reiterated that if it's proven an oil operator is in violation of any provisions of the ordinance, there are heavy penalties, including from \$10,000 to \$100,000 per day depending on the violation; and there's also a penalty wherein their operations can be shut down for violating the code. She stated that their letter says there's not adequate enforcement in place, stating she does not know how one gets more adequate protections/enforcement in place when you can shut down their operation. She stated they also ask for the City to create a citizen prosecution process, noting her office would have to look into that because there may be potential due process or legal concerns.

City Attorney Soltani referred to the last letter from Latham & Watkins received today, written on behalf of Californians for Energy Independence, believing the main point they are raising is to urge the City not to advance the proposed ban on fracking; and that they argue it's not permitted under state law, noting she has already addressed those issues.

Vice-Chairman Piñon questioned if this ordinance proposal is going too fast through the process, pointing out the last community meeting was just last week; and stated that the Environmental Commission should also be involved in this process.

Planning Manager Naaseh stated that this item can be continued if this Commission believes more time is needed for document review, pointing out that staff has no control over the late submittals of public letters; and stated that staff will share these reports with the Environmental Commission at its March meeting. He suggested that this matter return to the Planning Commission on April 14th.

Mr. Perez noted for Vice-Chairman Piñon that in situ means in place/on site.

Vice-Chairman Piñon noted that the ordinance states the decisions of the petroleum administrator are final, questioning whether there is an appeal process.

Mr. Perez stated yes, that is the intent of the petroleum administrator; and that they will deal with the technical issues and they have the knowledge/leeway as to know when the applicants are in compliance.



Planning Manager Naaseh explained that this is only after the Planning Commission and City Council have approved a project; and that this is just implementing the project and is similar to any other development project the Commission and City Council approves.

Vice-Chairman Piñon asked what other cities have petroleum administrators.

Mr. Perez stated that Santa Barbara County, Signal Hill, and Long Beach all have petroleum administrators, with different levels of obligations; that with this code, it has been used as a person responsible for all aspects of the code; and explained that the code has delegated responsibility, which means as a petroleum administrator is making a decision, that person can also go back up the chain of command to determine if they are exercising the desires of the City.

Vice-Chairman Piñon asked how staff came up with the proposed distances/setbacks.

Mr. Perez explained that they have used a number of other setbacks; that the setbacks they had used for specific projects have shown them that once you get away from 300 to 400 feet, the air quality, odor, and safety impacts begin to diminish; that they believed 300 to 400 feet was a comfortable setback; however, he advised that the City wanted the more restrictive setbacks, so while the 1,500 feet presents an overabundance of caution by the City, it is responsive to the residents who expressed a desire to have a setback that was as stringent/protective as possible.

Vice-Chairman Piñon asked why the Commission had not been provided a copy of the setback boundary map.

Mr. Perez stated it was only produced today and stated that a copy will be provided to the Commission.

Commissioner Gordon noted that the Lathan & Watkins letter prohibits banning of fracking; stated that state law does not prohibit the regulation of oil and gas production; and he questioned whether fracking is considered an oil and gas regulation or a separate issue.

City Attorney Soltani explained that when looking at state law preemptive issues, there has to be either an expressed preemption, noting there's no evidence that the legislature here explicitly intended to preempt local control over any oil and gas operations; or that there needs to be an implied preemption. She stated that what the oil and gas industry will argue is that because there is a comprehensive regulation of actual oil operations under the subsurface, they will argue that that is the preemption argument, that local agencies are not then allowed to ban fracking and that the Department of Oil, Gas and Geothermal Resources (DOGGR) has the authority to regulate issues such as fracking. She stated she is not aware of any courts that have addressed this issue; and that she is not aware of any legal authority/decisions that are on point.

Commissioner Gordon asked for input on the assertion of depriving a person of their property rights even if they only own the mineral rights and not the property.



City Attorney Soltani stated it is her legal position the rights of the entire parcel as a whole must be evaluated when you look at property rights and not just mineral rights to determine the economic effects of economic taking; and that in her opinion, the fact that the mineral rights may be owned separately from the surface parcel does not affect this analysis. City Attorney Soltani stated that the courts would look at the entire parcel as a whole regardless of how the ownership is divided; stated that the code as drafted is not depriving anyone of their mineral rights; and that it allows for operations that will allow them to get a return on their investment rights.

Chairman Faleto go read into the record the following: "City of Carson Oil and Gas Code Update: FAQ Community Handout, 2) Can the City place an outright ban on all drilling? An outright ban on all operations cannot be approved as part of the current update process. The City Council directed staff to prepare an update of the oil and gas code, with a ban on hydraulic fracturing and other extraction processes. City staff have complied with the process, noticing and environmental analysis for the update of the oil and gas code. At a minimum, an outright ban on all petroleum operations would be required to go through a separate initiation process, environmental review, notice and other procedures before it could be considered by the Planning Commission and City Council. Adoption, or denial, of the oil and gas code will not have any impact on the City's ability to explore other options in the future."

Chairman Faleto go called a recess at 8:51 P.M. and reconvened the meeting at 8:56 P.M.

Vice-Chairman Piñon asked why fracking is banned absolutely, no appeal, but acidizing is banned unless the petroleum administrator deems it fit.

Mr. Perez explained that this is something added to allow some discretion of the petroleum administrator in the event there was a takings issue which was somehow convincing enough that the City would have the opportunity to have that out, to be able to provide that exception, noting there are limitations to it; and added that staff wanted to have that flexibility.

City Attorney Soltani stated there are currently some operators in the City that may have certain practices wherein they have vested rights, so the City needs to give that flexibility to the petroleum administrator to be able to assess all of that; and she stated that with respect to fracking, staff is not aware of any fracking taking place in Carson at this time.

Vice-Chairman Piñon asked if acidizing is a vested right but not fracking.

City Attorney Soltani noted her understanding that there is some maintenance that occurs with certain acidizing, and currently, those approaches are being used.

Mr. Perez explained that there is a use of acid which is a typical use down hole when they need to clean up some material, and that use of acid is not attempted to be banned; that what is attempted to be banned by the City at this point is the use of acid to help fracture a reservoir and allow it to become fluid through the use of that acid on the surface; that there are other areas within the code that relate to the use of acid and how that can be done without any issue; he stated that there is no issue, that the



quantities are very small and they're regularly used throughout versus the use of acid for the purposes of fracturing the reservoir, where there are much higher quantities of acid that remains there for a specific period of time, this being what they are attempting to ban. He stated that as they continue to look at this and take into consideration Vice-Chairman Piñon's comment, this is something that may need to be revisited.

Commissioner Diaz asked why an EIR is not being conducted for this oil and gas code update.

Mr. Perez explained that what typically happens when you start a project, such as this oil code project, you go through all different layers of what can be done with CEQA; in this particular case, they looked at the potential notice of exemption to see if the project could be exempt; that because the regulations proposed here are all intended to improve the environment, they're all intended to provide a series of standards within which any oil company can come in and apply for a project, but that it is actually strengthening the environmental standards versus creating an opportunity for things to be negatively impacted environmentally; and that they found it could apply within Categorical Exemption No. 15308, Actions by Regulatory Agencies for Protection of the Environment. He explained that this is a series of actions the City is intending to take for the protection of the environment; and that the code as proposed is replete where requirements and development standards exist that will protect the environment, and it applies to that for that exception. He stated that, therefore, they did not look beyond that to see if any other layers would be applicable to the code that the City was attempting to adopt, such as any other requirement; and stated this fits within the categorical exception, and there is no necessity to go beyond that.

Chairman Faletogo opened the public hearing.

Richard Vaughn, resident, stated that cities throughout Southern California are implementing total bans on oil drilling, such as Hermosa Beach and Whittier; noted his belief that Carson has received second class status; and noted his confusion with comments made tonight of whether the City can or cannot ban all future oil drilling. He addressed a comment by City Attorney Soltani that the City is currently left defenseless because of its weak ordinance in effect now; and he suggested putting in place a temporary freeze on new permits until a new ordinance can be adopted -- not to deny anyone their rights, but simply say that the safety of the community has to take precedence.

Mr. Vaughn stated that with regard to MRS, he asked why there isn't a second consultant firm onboard, noting there may be a conflict of interest with this one because their website indicates they do a lot of work for oil companies. He asked if there were other consultants brought into this mix; and mentioned that Whittier used more than one consultant for their endeavors. He noted that many states across the United States are overruling local authority regarding fracking bans; that the Supreme Courts are ruling that local, special bans on fracking are void; and advised that there are a great number of current cases in the nation where local municipalities are losing in the court system.

Benjamin Hanelin, Latham & Watkins representing Californians for Energy Independence, noted he did submit two letters to this Commission this afternoon, and he apologized for the late submittals and noted his hope additional time is given for the



Commissioners to read the important points made in these two letters. Mr. Hanelin stated that the first issue relates to the proposed ban on well stimulation; advised that the state has exclusive jurisdiction over all subsurface aspects of oil and gas regulation banning particular types of oil and gas production; that it is the state's exclusive regulatory territory; and that the state legislature made clear this was the case when it adopted SB 4, which allows well stimulation and directs DOGGR to closely regulate the practices. He stated that Carson's proposed ban would be preempted and it would be void; and that the City should not take on this risk, as there is no reason to do so.

Mr. Hanelin noted that the question was asked whether there is expressed preemption in the City's statute; stated he agrees with City Attorney Soltani's comment that the state's statute does not explicitly preempt activities by the City of regulation of down hole activities; he mentioned that in 1975, the Attorney General's opinion stated, "We observe that statutory administrative provisions appear to occupy fully the underground phases of oil and gas activity." He stated there are two questions when you are looking at preemption: is there an express preemption or is there an implied preemption; has there been an occupation of the field; he noted his belief there is no question that the state has occupied the field with respect to down hole regulation, which is what a ban on well stimulation attempts to do, that it attempts to regulate down hole activities; stated that they think the law is clear on this point, that the City cannot do that; and that if the City does, it is inviting litigation they will have to defend and stated the City will lose.

Mr. Hanelin stated that they believe the ordinance creates substantial taking liability against the City; advised that many of the oil rights here are held in split estates, meaning the mineral rights are held separately from the surface rights; stated that the scope of the oil and gas code is so extensive that they believe it makes it impractical to recover those resources; and that adopting the oil and gas code and banning well stimulation would open up the City to liability from mineral owners, from operators and from land owners within the City. He stated that specifically on the oil and gas code itself, it appears to be regulation for regulation's sake; and noted there are extensive regulations on the state level for oil and gas operators, and there is no reason for the City to step into this arena. He noted that the point has been made the oil and gas code has not been updated for 20 years; and advised that there have been no instances of upset in Carson in the last 20 years and there is no reason to undertake this effort now.

Alexandra Nagy, representing Food and Water Watch, urged the City to slow down on its adoption of this code update, encouraging the City to look at the Earth Justice recommendations listed in their letters. She stated they are concerned with the acidizing aspect and how that seems to be allowed by the petroleum engineer; and she quoted the following from the Earth Justice letter, "The exemption of well stimulation, other than hydraulic fracturing, is necessary to recover the owners'/operators' reasonable investment backed by expectation established through investment," noting that is where they are at issue. She stated that it needs to be connected to vested rights; and that if the petroleum administrator is the only one with the authority to say this company or this operator can use acidizing, if other vested rights claims are going before a judge, this should go before a judge as well and it should be connected to state law. She referred to Measure J, which was passed in San Benito, a recent fracking ban, noting it's a much narrower definition of what vested rights are and is connected to



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property rights; and that they would have to prove they would need to use acidizing to continue to claim property rights and their constitutional rights.

Ms. Nagy referred to setback limits, asking to see a rendering of the map which includes the 500-foot setback limit to commercial property, noting she is unclear on what that means; when talking about 50-foot setbacks for public roadways, walkways, railways, she stated she is concerned about accidents, spills, blowouts if those areas are near public avenues, believing this setback to be insufficient; and stated that even though recommendations were not made, she suggested working together to figure that sum out as well. She referred to where the wells exist that are within the 1,500-foot setback range, asking when those wells will be phased out; stated she does not believe this proposed code addresses that; and she stated that the 1,500-foot setback should retroactively apply to all wells and phased out over time. She highlighted a report prepared by the California Office of Environmental Health Assessment, saying that Carson ranges in the top 15 percent of the most polluted communities in the state; and she urged the City to please take that into consideration when looking at increasing setbacks, stating that the environmental injustice in this community needs to be addressed.

Daryl Gale, Los Angeles, requested the City slow down and consider the health issues of this code update; stated that at least 80 percent of known fossil fuels must stay in the ground if there is any chance of averting catastrophic climate change; noted there is no rational justification for more oil exploration and more drilling; noted her concern with contaminating more homes and communities; pointed out that more clean energy jobs are needed; and that society must move away from its use/dependence of fossil fuels. She impressed upon the oil and gas company people in the audience that it is time to diversify their businesses; advised that the price of photovoltaics keeps declining and the technology is continuously improving; that the price of electric cars keeps decreasing; that battery storage technology is also becoming more sophisticated for heating and cooling our homes; that California is increasingly leading in clean energy jobs; and stated she looks forward to a more comprehensive amendment of this update in the future.

Robert Lesley, resident, stated that the Earth Justice letter references California drilling, fracturing, specifying reports of incidents; that the letter addresses the potential for down hole drilling blowouts; and commented on the recent Torrance refinery explosion that was felt miles away, noting that a 1,500-foot setback is not sufficient. He stated that a refinery representative told him that abandoned wells can explode and that many still contain an excessive amount of oil. He expressed his belief that the violation provisions in this ordinance do not address true violations; that it should carry a punishment of a misdemeanor at the least, not just a fine, nor does it specify enforcement or show who will be a litigant; and he stated that it should address what qualifications and job duties are required of the petroleum administrator.

Michael Bowles, resident and also on behalf of Californians for Energy Independence, asked the Commission not to adopt this ordinance, stating that energy production activities in this community would jeopardize thousands of jobs and local tax revenues that support essential services, such as police, fire and schools; pointed out that local energy operations in Carson have generated millions of dollars in local tax revenues each year funding vital services that are crucial to the Carson residents' way of life,



noting this includes maintaining neighborhoods, police and fire protection, money to improve local schools, parks, libraries, and roads; and stated that without this tax revenue from local energy operations, Carson would be forced to make devastating cuts to critical services. He stated that for decades, energy operations have directly and indirectly created and sustained hundreds of good paying jobs for Carson residents and have generated millions of dollars in economic activity; and highlighted a recent independent economic report which stated that a single proposed energy project in Carson would provide \$25 million in paychecks to local workers every year while creating more than \$1 billion in economic activity over the next 15 years. He urged this body to recognize that the state is moving forward with the strictest regulations in the nation for hydraulic fracturing and other well stimulation activities; and urged this body not to adopt this ordinance.

Frank Zavala, Building and Construction Trades Council, urged caution in adopting this ordinance and to allow some reworking of the proposed oil and gas code; and noted his confusion with all of the conflicting information and asked to have more time to read the letters and information that has been submitted late this week. He advised that the Trades Council is closely working with many refineries to improve the safety standards of the workforce, referring to the passing of SB 54; and he stated they seek safety for not only the workforce but also for those who live in and around the surrounding communities of refinery operations. He urged this City to take its time to fully understand what is being proposed.

Ed Rendon, Southern California Political Director for Teamsters Council Local 42, stated that because of Carson's proximity to the port, hundreds of teamsters and their families live here in Carson, noting that he is here representing those members; stated that oil policy is important to California, as thousands of jobs depend on this industry for their families' livelihood; and he stated it is important to carefully consider this update and not create a precedent that will negatively affect the industry's willingness and ability to continue to do business in California, noting the job loss alone would be devastating as will the loss of billions of dollars this industry contributes to important state and local services. He advised that Governor Brown has put together a task force to look at the oil extraction activities in California, urging this body to allow the governor to lead the way when it comes to policies affecting extraction; stated that they have the resources to properly and scientifically assess the risk of different types of extraction; and noted the high potential for local policy makers to bow to public pressure that might not always be based in accurate science. He urged this City to do what is best for the community at large.

Chris Hannon, Los Angeles/Orange County Construction Trades Council, stated that he represents 140,000 hardworking men and women working in Orange and Los Angeles Counties; stated that many of these members live in Carson, which has been a working class community for generations and earning a living working in the oil and construction industry; and he urged this Commission to delay action on this item and to do a thorough job in evaluating the entire proposal. He expressed his belief that SB 4, which regulates oil and gas stimulation, adequately regulates this industry; advised that SB 4 directed an independent study be done, noting it won't be completed until July 2015; and that he believes this update is being rushed. He pointed out that City documents from August 2014 regarding the selection process of the contractor to prepare this report indicate that one of the contractors was excluded because they couldn't keep up



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with the accelerated schedule of this project; and he urged this City to allow time for this project to be done correctly. He added he is not saying any amendments are necessary, but if amendments are to be made, they should be thought out completely. He pointed out that this industry is already tightly regulated and it does not need more regulation that will harm workers and harm the recovery of working families in California.

Tommy Faava, resident and representing IBEW Local 11, urged this body not to make a decision this evening and to continue it, believing the proposed update is filled with flaws; and he stated that all interested parties should be involved in this entire process.

John Hawkinson, chief financial officer for the Carson Companies, advised that the Carson Companies and its shareholders have owned mineral rights in Carson and surrounding areas for hundreds of years; that this company and its affiliates have been involved in oil production since the 1920's; noted that despite the amount of production over that period of time, there are still significant amounts of recoverable oil and gas in the ground; expressed his belief that the proposed language in the ordinance would effectively make oil and gas production economically and physically impossible, thus cutting off their access to the minerals they own; and that passing this ordinance would constitute a taking of their property without just compensation. He stated that if this update happens, it will force them to seek restitution from Carson through the legal system, noting that the broad, over-reaching language of this ordinance would leave them no choice.

Tom Muller, Manatt, Phelps, & Phillips, representing the Carson Companies, noted that he submitted a letter today; and stated he respectfully disagrees with some of City Attorney Soltani's comments related to her understanding of the letters provided to this body. He explained that the mineral estate is different from the surface estate; he provided an example, stating that if the only thing he owns is the minerals and the City is attempting to ban time-honored, long-used production techniques, such as acidization, the City is preventing him from using those minerals, and therefore the City has taken his minerals. He advised that these minerals are worth hundreds of millions of dollars; that it is a huge value to the hundreds of mineral owners who own these materials; advised that the people who own these rights are going to have to vindicate these rights, thus exposing Carson to a lot of expensive litigation; and stated that Carson will not win that fight.

Mr. Muller stated that the second issue is the preemption issue; stated that acidizing has been used for 120 years in the oil business, a long-standing technique; and noted that tonight, he has not heard anything about what's wrong with that technique. He stated it is not harmful; and that it is less harmful than many of the industrial processes that are currently going on within a mile or two of this property. He stated it's very clear that while he agrees with the City that many cities do regulate the surface activities which surround oil production, he does think there is not much of a problem with what's proposed in that area; but pointed out that they do not regulate the down hole aspects of oil production itself. He added that this is not a localized Carson issue, that it is a nationwide issue; and pointed out that this nation needs to produce oil.

Harry Wilson, resident, asked why this ordinance does not address any emergency routes or monitoring system to warn the community of accidents or emergency situations; highlighted a recent incident in Carson, noting a number of residents were



concerned there were no sirens, horns relating to that incident; and stated that several residents' properties were affected by that incident. He urged the City to adopt the most restrictive ordinance as possible and take into consideration the health and welfare of the residents; and he stated that the ordinance should be so restrictive that it discourages all oil companies from seeking to drill for oil in Carson.

David Noflin, resident, noted his concern the ordinance does not address slant drilling and the running of pipelines under homes and those safety aspects; asked how the slant drilling works and how it affects the safety of the residents; and questioned if the rights of the mineral owners exceed the rights of the residents.

Diane Thomas, resident, expressed her belief the oil companies only care about profits and not the health and welfare of the residents; and she stated that she likes the proposed ordinance, but noted there are some areas that need to be tightened. She cautioned the City not to work too slowly in adopting the update though, noting that there will be future interest when the price of oil increases; and she stated that Carson has a responsibility to keep its residents safe.

Alfred Sattler, congratulated Carson for this draft ordinance, noting it is one of the best in California thus far; and he asked that the City allow more time to review the late communications. He invited the construction trades to join in supporting construction of renewable energy and energy conservation facilities in Carson.

Pilar Hoyos, representing Watson Land Company, expressed concern with this proposed oil code; urged serious consideration in the deliberations; stated that outside forces with an anti-oil, anti-drilling agenda have been creating unwarranted fear with misleading information; and that those pushing for a ban on oil drilling have kept quiet the fact that the city of Compton recently rescinded its ordinance after facing a costly legal challenge. She stated that the proposed oil code is fueled by the fervor to stop the Oxy/CRC efforts to reopen the Dominguez Oil Field which had been operated for almost 70 years without incident; advised that some residents have been misled about the potential dangers from oil drilling in the center of Dominguez Technology Center, a 450-acre industrial park; and pointed out that no one would have more to lose from any purported dangers than Watson Land Company, which owns hundreds of millions of dollars in this master planned center. She pointed out that Watson Land Company does not own the oil and gas mineral rights; and that those are owned by the Dominguez Energy Company, made up of individuals and a number of charities serving the most needy.

Ms. Hoyos expressed her belief that the proposed oil code seems to be an exercise in punishing the industry that outside interests don't like rather than providing any necessary or well-reasoned protections. She noted that with the Oxy/CRC project EIR now moving forward, they question what urgency exists to hastily adopt an ordinance that will put the City in serious financial risk; pointed out that it stands to reason the mineral rights owners, as heard this evening, will not idly sit by and allow the taking of their oil and gas, as it represents significant value; and noted that the Constitution of the United States does not allow anyone's property rights to be taken by government action without just compensation. She added that the outside anti-oil forces have no real stake or interest in this community; that they want the Carson citizens to take on their national battle against the use of fossil fuels, yet they will not be the ones impacted by costly



litigation; and stated that the significant costs cannot be borne by Carson. She noted that Watson's holdings and investments in Carson are significant; and for this reason, they are very concerned about the potential negative impacts on the community and are urging the Commission to act with caution to protect the community and not rush to adopt this ill-advised and unnecessary ordinance and to reject the proposed oil code and direct staff to work with the industry, the community, and the mineral rights owners' representatives to develop reasonable regulations that do not put the City at risk and provide well-reasoned protections for the community.

Chairman Faletofo closed the public hearing.

Commissioner Verrett moved, seconded by Commissioner Brimmer, to continue this matter to the Planning Commission meeting on April 14th, directing staff to compartmentalize the proposals and to consider each item separately, at different meetings if necessary.

City Attorney Soltani clarified her understanding of the motion is to continue the public hearing to April 14th; for staff to break down the issues in the oil code into three categories to simplify the issues and put together responses to the issues raised this evening; and to provide the Commission packets earlier. City Attorney Soltani stated that all the issues should be taken up at one time when it comes back to the Commission, that it should be looked at comprehensively; and stated she does not recommend separating the health and environmental issues at different hearings. She stated that staff will try to further simplify the three components and work with the consultants to put together handouts that keep the three issues separate.

By way of a friendly amendment, Vice-Chairman Piñon asked that this item be the only issue on the April 14th agenda.

The makers of the motion accepted the friendly amendment.

City Attorney Soltani also requested this hearing be held in the Council Chambers at City Hall.

Commissioner Brimmer asked that the comments be clearly responded to and incorporated into the documents.

City Attorney Soltani invited the Commissioners to contact her office or City staff for clarifications.

Commissioner Brimmer asked whether an analysis of local city ordinances was performed.

Planning Manager Naaseh urged the Commissioners to contact staff with specific questions or clarifications on any matter, reiterating that this offer applies to all the Planning Commission agenda items.

Chairman Faletofo asked that slant drilling be addressed and for staff to work with the community and industry to develop other regulations for consideration.

Commissioner Gordon stated that the document should point out why this City is proposing to ban fracking, providing accurate/comprehensive information on what impacts this ban will create.



Planning Manager Naaseh stated that if the Commission is willing, staff and the consultant can conduct small group meetings with the Commissioners, conduct workshops, or meet one-on-one with the Commissioners to provide clarifications, agreeing that the issues are very complex/detailed.

The motion to continue this matter to April 14th carried, 9-0.

12. PUBLIC HEARING

C) Zone Text Amendment No. 20-15

Applicant's Request:

The applicant, city of Carson, is requesting the Planning Commission consider adoption of an Ordinance prohibiting hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation and the associated CEQA finding for properties citywide.

13. WRITTEN COMMUNICATIONS None

14. MANAGER'S REPORT None

15. COMMISSIONERS' REPORTS

Vice-Chairman Piñon stated that on February 10th, there was an open tryout for a women's football league at Carriage Crest Park; and that he met with the league president and discussed the possibility of having the Los Angeles team play at the StubHub Center. He added that on February 20th, he attended the press conference announcement at the Community Center for the NFL stadium proposal; and that on February 21st, he moderated an election debate at Colony Cove Mobile Home Park.

16. ADJOURNMENT

At 10:15 P.M., the meeting was formally adjourned to Tuesday, March 10, 2015, 6:30 P.M., Helen Kawagoe City Council Chambers.

Chairman

Attest By:

Secretary



10. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

1. Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) and (e) in one case.

The Closed Session was called at 6:35 P.M., and the regular meeting was resumed at 8:13 P.M.

Assistant City Attorney Chaffin provided the Closed Session report, noting there were no items to report on the Closed Session. All Planning Commission members present participated in the Closed Session.

11. CONTINUED PUBLIC HEARING

A) Zone Text Amendment No. 19-15

Applicant's Request:

The applicant, city of Carson, is requesting the Planning Commission consider Text Amendment No. 19-15, to Adopt a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308. The properties involved would be citywide.

Staff Recommendation:

Staff recommends the Planning Commission open public hearing, take testimony, close public testimony, discuss, provide additional refinements to the proposed Oil and Gas Code update, if any, and direct staff to prepare an updated resolution and ordinance consistent with the Planning Commission's direction and return for final action by the Planning Commission at the next meeting.

Chairman Faleto go opened the public hearing.

Mike Mitoma, resident, urged the Planning Commission to take into consideration the safety of the residents and address all health concerns when making its decision; and stated that all discussions should be held in open forums concerning this update. He noted that Hermosa Beach recently turned down oil drilling even being faced with a large lawsuit. He expressed his belief oil drilling operations put residents at risk of harm and stated that these operations should not be located in residential areas. He commented on the explosions at local refineries; and he noted his skepticism with the industry's assertion that they don't need to do any fracking to get the materials they are seeking.

Benjamin Hanelin, Latham & Watkins representing Californians for Energy Independence, noted that this evening, they have provided a letter, dated April 14, 2015, to the Planning Commission, urging the Commission to deny the proposed ban on hydraulic fracturing and to deny the proposed code update; stated that the letter highlights why the City should not get into the business of regulating the oil and gas industry as the ordinance proposes; noted that there are already state agencies in place that are equipped and allowed to regulate this industry; and stated that the City should not duplicate the important regulatory roles these state agencies play. He noted the



letter this evening includes a number of memorandums from other governmental officials/municipalities (City of Los Angeles, Compton, Monterey and Alameda Counties, Santa Barbara County, La Habra Heights) backing off from their attempts to regulate this industry due to legal advice that costly litigation is imminent and could bankrupt a municipality. He explained that the Baldwin Hills Community Services District ordinance was adopted to address specific issues arising out of the existing operations; that the ordinance was preceded by a lengthy EIR; that the regulations there were also shaped by litigation; that a settlement came out of that litigation; and he noted that Carson has none of those specific issues here. He stated there are existing operations in Carson; that these ordinances will put these existing operators out of business and cost Carson residents their jobs; that it is time for Carson to stop this process and to evaluate more fully what role the City can and should play as a land use regulator; and that it is time to draft an ordinance that will not destroy jobs and an ordinance that does not subject the City to substantial litigation risks.

Tom Muller, Manatt, Phelps, & Phillips, representing Carson Energy and the owners of the mineral rights underlying this land in Carson, noted that he provided a letter this evening for the Planning Commission, dated April 14, 2015; stated that if the City adopts an ordinance which denies his clients their right to millions of dollars of mineral rights, it stands to reason the people who own those mineral rights will sue to protect their constitutional rights, which will cost the City millions of dollars in legal fees trying to defend an ordinance that is unconstitutional and unnecessary. He stated that Carson should make sure it believes this ordinance is necessary.

Mr. Muller stated that nobody has fracked here and nobody is proposing to frack here because the underground structures are not suitable for fracking; and stated that his clients are concerned with the proposed impediments to any kind of oil production, oil exploration, and particularly acidization. He advised that acidization has been used in Carson and most other places where oil is produced since the 1930s without incident; he explained how far down the acid is pumped into the wells, thousands of feet below the ground surface; and stated that it does not get anywhere near people to do any harm, noting that the process of using the acids with a base dissolves the minerals and neutralizes the acid into salt and water. He stated that these acids here are not persistent like most of the other industrial chemicals used in this community. He noted his opposition to this draft piecemeal ordinance which has been created from various ordinances across the state; and he urged the Commission to instruct staff to remove any proposed ban on acidization and to come back with a balanced, fair, protective and reasonable ordinance.

Thomas Walker, representing some of the mineral rights owners, stated he is a registered professional petroleum engineer; and advised that he and his family live within two miles of two different oil drilling sites in Huntington Beach, noting he is very comfortable raising his family there. He advised that he has been hired to look at this ordinance and determine what, if any, impact on operations this ordinance will have. He expressed his belief this ordinance and its conditions will preclude an operator from developing their field; and stated that this ordinance gives the petroleum administrator (PA) the right to impose additional conditions upon an annual review and could cause operations to cease, noting there is too much uncertainty in this proposed ordinance. He noted that not all parties were given notice, stating that both the surface and mineral rights owners should receive notice of this process, addressing his concern with potential liability issues for all involved.



Mr. Walker explained that this technology is and has been used in Dominguez for many years; advised that the Dominguez field was discovered in 1923; that acidization was started worldwide in 1933; that water flooding began in 1944; that hydraulic fracturing was first commercially utilized in 1949; that massive hydraulic fracturing, which was not being used in this field, was started in 1968; that all those milestones occurred during the period this field was operated; and stated he is not aware of any major problems with operating the oil fields with those techniques.

Mr. Walker stated he is also concerned with the language in the ordinance regarding definitions; explained that when you drill a well, it is possible and common to have formation damage, noting this is cleaned up with small acid washes; and stated that the proposed language in this ordinance could prevent completion and production of wells. He added that state regulations are continually being generated in this industry.

Nicki Carlsen, Alston & Bird, representing E&B Natural Resources Management Corp. (E&B), stated that E&B has substantial oil and gas interests in Carson and that the company has recently decided to become more actively involved in this process; and advised that they have submitted a letter to the Planning Commission, dated April 13, 2015. She stated that the letter catalogs what they believe is the majority of their concerns with the proposed oil and gas code; advised that they are requesting to have further dialogue with the City; that the City should reach out to all the oil and gas interests for some input; and that they believe there needs to be more working sessions on specific sections and a better understanding on how the proposal impacts their client.

Eunice Langford, resident, urged the City to recognize that the state has in place adequate restrictions and regulations for this industry which have been designed to protect the health, environment and safety of the community; and expressed her belief what the City has drafted is unnecessary. She noted her concern with the loss of revenues for this community if this is to be adopted.

Nick Gomez, resident, member of Californians for Energy Independence, noted this group is opposed to the proposed oil and gas code update; and stated it will hurt this community's tax revenues, jobs, and services the residents receive.

Cruz Gonzalez, resident, stated it is important to protect California's right to energy independence; noted that energy production in California helps keep the cost affordable to all Californians; that it creates jobs across a wide range of sectors and generates significant revenues; and he urged the Commission to not approve this proposed ban, noting these are proven energy extraction techniques.

Steven Crump, resident, stated that tax revenues generated from oil production benefit this community in many important ways, such as funding schools, police, fire and many other community services Carson residents depend on and value; that banning proven oil extraction methods will result in economic inconveniences for Carson residents; and he urged the Commission to consider these issues.

Cliff Coatney, resident, stated that through the years, local energy operations in Carson have generated millions of dollars in local tax revenues each year funding vital services that are crucial for Carson's residents, such as police protection, fire, neighborhood maintenance, improvement of local schools, parks, libraries, and roads; and he urged the Commission to reject the proposed oil and gas code update, including the ban on oil production techniques.



Cesar Avalos, resident, stated that this industry provides good jobs and tax revenues; noted that this proposal will hurt the local economy; and he urged the Commission to reject this proposal.

Edwin Caballero, stated that he is currently training to be a diesel technician and expressed his belief this code, if adopted, would hurt the energy industry and the good jobs this industry creates; and he urged the Commission to not adopt the update.

Jeff Cooper, Cooper & Brain, 901 East Lomita Boulevard, stated that he only became aware of this proposal on Friday through an industry contractor, noting he did not receive any notice about this process. He stated that Cooper & Brain is a small business in Carson that produces oil; that they have five wells at their facility located on the southern end of Carson near Lomita Boulevard and Wilmington Avenue; and he noted they operate three wells inside the Tesoro Refinery tank farm. He stated that because he just became aware of this issue, he has not had adequate time to study what is being proposed and to provide input; he addressed his concern with not receiving notice of these hearings, stating that all impacted oil-related businesses in Carson should have been contacted; and he stated he would like to be involved in the dialogue with staff concerning this issue. He added that all these businesses want their operations to run safely. He noted that this business has been in operation since the 1960s.

Planning Manager Naaseh advised that notices were sent to all residents and businesses in Carson.

Rey Javier, V.P. Brea Canon Oil, noted that Brea Canon, a small family-owned company, currently owns and operates 22 existing wells; advised that out of those 22 wells, 11 are currently in pumping operation; and that they have 5 injectors (one idle), and one submersible. He stated that the City needs to consider the location of these wells, which are located inside the Los Angeles County Sanitation District property; that all other wells are west of Figueroa Street, south of Sepulveda Boulevard, with the exception of the one well in the parking lot of Target at the corner of Figueroa/Sepulveda; and he urged the Commission to continue this matter so the Commission can learn more about these technicalities.

Mr. Javier addressed his concern with converting the 11 existing pumps to submersible systems, stating this would put their company out of business; and stated that submersible pumps cost approximately \$100,000 each, which would cost them in total \$1.1 million. He advised that this company is only producing 82 barrels of oil per day in Carson at this time and that they would like to continue doing business in Carson; that they have 87 royalty owners who depend on those checks every month; stated that their annual Carson business license is \$20,000; and that their property taxes are \$420,000 annually. He asked to be involved in this process; and he urged a continuance of this matter.

Mike Kutchak, Director of Veterans Affairs with IBEW Local 11, stated that he served in the Marine Corps for 32 years and that he has dedicated his retirement life to serving veterans and helping returning combat veterans obtain decent jobs. He urged Carson to continue its dialogue with all interested parties and to not make rash decisions that could potentially close down and cease job opportunities for the returning veterans from active duty; and he pointed out that the military forces are being drastically and rapidly downsized. He stated that California is cutting back on its oil production; that the vast majority of California's oil comes from imports, which drive up the cost to California



consumers; and he noted his concern with outsourced jobs and lost revenues in this industry that can be maintained in California; and he urged the Commission to reject the updates, believing it is bad for California's economy and energy independence. He pointed out that Carson has openly and publically recognized its veterans; stated that the veterans deserve to be reintegrated into the workforce; and he highlighted the need to ensure they have the opportunities and options for good middle class jobs and incomes.

Tommy Faavae, representing IBEW Local 11, expressed his belief this process is moving backwards, referring to the moratorium from last April; stated that there are flaws in this oil and gas code; and noted his concern with the comments from a speaker this evening that his oil-related business had not received notice of this process, noting that all affected parties should be contacted. He stated that many jobs are going to be affected by the City's decision; and he urged the City to bring the affected parties to the table to develop a comprehensive oil and gas update that works for business, labor, and the community.

Joe Galliani, organizer of the South Bay Climate Action group, stated that he cares about the veterans and union workers, but noted he has higher aspirations for these people to obtain clean jobs that do not cause cancer and asthma. He stated there is 400 ppm of CO₂ in our atmosphere, noting we are pumping more carbon into the air than our atmosphere can handle. He explained that there is a carbon budget of about 535 million tons of more carbon that we can burn until we reach the danger zone of 2 degrees centigrade which scientists have warned us is the point where we don't want to go beyond; and pointed out that scientists from around the world agree with this 2-degree warning. He added that according to scientists, at our current burning rate of oil, coal and gas, we are 12 to 15 years away from reaching that 2-degree mark; and stated that 80 percent of our oil, coal and gas must be kept in the ground if we don't want to reach the danger zone and get past the point of no return.

Mr. Galliani stated that there are new, clean energy jobs for everyone; and advised that there is a new solar jobs program in Los Angeles County, with UCLA indicating if solar is put on just 5 percent of the roofs and buildings in our county, that would create 29,000 new jobs that don't cause cancer and asthma. He noted that Hermosa Beach just recently rejected a proposal from the oil industry because they don't want the health risks and danger associated with this industry. He added that the state has called for a 50-percent reduction in the use of petroleum by the year 2030, noting that SB-350 has the support of the Governor, the Assembly, and the Senate. He stated that over the next 15 years, the market for coal, gas and oil in this state will be cut in half; and he urged the City to study these scientific and political facts and to continue working on regulating this field.

Mr. Galliani noted for Commissioner Schaefer that there is a program in the County of Los Angeles which allows a homeowner to borrow money on their property taxes to put solar on their home and pay it off over 20 years as part of its Los Angeles County Energy Program.

Alexandra Nagy, Southern California organizer with Food and Water Watch, noted she is fighting against the exploitation of the oil and gas industry in Carson; highlighted her disappointment with Oxy's EIR, believing it is one of the worst EIR's drafted; pointed out there is a small number of people employed in this industry compared to the rest of the population; and noted the need to protect the environment and health of those living in this community. She expressed her belief that this industry is a dying and



nonrenewable industry and that solar and other renewable energy is our future and is a growing industry. She stated that this update is beneficial for the City; that the City needs to address what it wants to see in its community, what makes this community healthy; and she urged the City to put in regulations that are necessary to protect the community from a dangerous and toxic industry. She stated that the oil and gas industry has the highest death rates than any other industry; and she urged the City not to back down from the legal threats.

Steve Carr, employee at E&B Natural Resources, noted he has worked for both Brea Canon Oil and Cooper & Brain; stated that he has worked in the oil industry for 20 years in Carson, and he has witnessed increased safety measures being implemented throughout the years in these oil-producing facilities; and he stated that these companies represented this evening have been paying attention to the neighbors and addressing their concerns and that they go beyond what is required of them. He advised that these properties are well maintained; and he urged the Commission to take more time and consider what the oil companies have said about wanting to have open dialogue.

Chairman Faletogo read into the record a statement from Carl Edwards: "This ordinance will eliminate all growth in the oil sector in Carson. Green Compass is a service firm that relies on work generated at E&B's Carson facility. We have serviced this field for many years. Please reconsider this idea. It is not in our best interest as a community."

Chairman Faletogo read into the record a statement from Lori Noflin, resident: "I feel the city of Carson should not approve this ordinance as written. Carson is a densely populated residential and commercial city. Carson is not an oil field. When we incorporated as a city, it was to stop the bad projects that cause contamination. I don't know where in Carson you could allow new drilling that would not impact the health and safety of our community. This ordinance should stop any new drilling and strongly regulate existing drilling in Carson. We have an opportunity to pass a meaningful ordinance that could stop this assault on our communities. That would stop our children and grandchildren from having to fight this battle again. Carson is not an oil field for investors and oil companies to be deciding where they are going to set up the next well."

Pilar Hoyos, representing Watson Land Company, asked: "Why is this ordinance necessary? What is the urgency to adopt the ordinance now that the CRC project has been withdrawn? Who is driving and pushing this ordinance and why?" She expressed her belief that outside forces came into this community and fed fear and created an environment of distrust; and she highlighted one example of that coming from a speaker present this evening who indicated that Oxy came in here with 200 fracking wells. She pointed out that is a factually incorrect statement; that Oxy never needed to frack; and that Oxy so stated and agreed they would enter into a development agreement that would not allow them to frack. She stated that was just one statement made to create a divide within the community by outside groups that have a different agenda.

Ms. Hoyos asked the following questions: "Does this ordinance go too far and effectively preclude all oil operations, including small business operators heard from this evening? What are the costs to the local economy, to jobs, families, and the community? If the intent of the ordinance is to ban drilling, then what are the risks to the City for the cost of litigation?" She highlighted the citing of various court cases posed by



the lawyers, asking, "If you own mineral rights, what do you do; do you have a right to those mineral rights and the value of that oil and gas?"

Ms. Hoyos pointed out that the state has the expertise needed to regulate and to protect all communities; and she urged the City to please consider the far-reaching impacts and the legal risks to the City and don't be fooled by outside groups that have a different agenda. Speaking to Tom Walker's reference this evening relating to the timing of the different types of drilling and how long they've been in operation, she pointed out that a lot of those oil fields were here before homes were built and they operated without all the negative impacts that have been thrown out in this evening's comments.

There being no further input from the audience, Chairman Faletogo closed the public hearing. He thanked the audience members for their participation this evening.

Chairman Faletogo noted that a memo was received from Robert Lesley, resident, noting his support of amending the ordinance.

Planning Manager Naaseh advised that following the February 24th hearing, staff met with the Planning Commissioners in three separate small groups to provide additional details on the proposed ordinance; and that staff and the consultants also met with industry representatives and community members who have shown interest in this process. He stated that four letters were received for this evening's meeting: two letters received from Manatt/Phelps/Phillips, dated April 13, 2015 and April 14, 2015; one received from Alston & Bird, dated April 13, 2015; and one received from Latham & Watkins, dated April 14, 2015 (of record).

Luis Perez, MRS, with the aid of a power point presentation, provided an update on the progress since the last meeting; and stated that this evening's presentation is part of the direction given to MRS by the Commission from that last meeting. He added that staff and he met in small groups with members of the Planning Commission since the last meeting; and that they also met with industry representatives and community stakeholders on Wednesday, April 8th, noting that a number of revisions have been made to the code arising from those meetings, which will be addressed this evening.

Mr. Perez commented on the following community/industry issues of concern:

- With regard to slant drilling allowed, he explained that slant drilling is predicated by property rights; in order for a company to drill, they have to obtain easements, mineral rights, and property rights for access to those wells and that slant drilling is not something the City is able to regulate;
- With regard to potential exceptions to a fracking ban, he stated that the fracking ban language has been put in place to protect the City from potential litigation;
- With regard to a requirement for ambient air monitors, he explained that the requirement is only for air monitors that cover hydrogen sulfide monitoring; that it is very expensive and not viable to monitor all the different components/types of toxic materials the public addressed, and therefore, no change is proposed;
- With regard to the appeal process, he explained that the appeal process would range from the PA, Planning Commission, and then on to the City Council;
- With regard to abandoned wells within the City, he stated there is a map which shows where all the abandoned wells are located; and added there is a requirement within the code that if somebody is doing drilling within an area that



has existing abandoned wells, they would have to ensure those previously abandoned wells have been abandoned/plugged properly; and

- With regard to existing wells and how those will continue to operate without new regulation, he explained that the proposal does not cover existing wells; and that the new regulations would only cover existing wells if an operator were to obtain a permit for new development within that area which requires them to obtain a conditional use permit (CUP) and a development agreement (DA).

Chairman Faletogo asked if a PA is necessary; and is there anything wrong with the current situation of using staff and the City Council.

Mr. Perez stated that the code would require the City administrator to appoint someone as the PA; he stated if there were no proposed projects, there probably would not be any need for a PA; but if there was a wave of new development/proposals for oil and gas projects, the City manager would appoint a PA to handle the issues of the code. He added that the intent of the PA would be to have a specific clearing house, a go-to person that is in charge of all the petroleum activities within a jurisdiction. He stated this is done in other jurisdictions.

Commissioner Brimmer asked for clarification on the appeal process.

Assistant City Attorney Chaffin stated that an appeal process depends on the type of activity involved; that the way the code is proposed, some matters will be decided directly by the PA; that some may be appealed to the Planning Commission and City Council; and that there are other legal remedies available to them if the City's appeal process is not in their favor, noting a court would have to determine if the City acted reasonably, that it would involve a lawsuit to challenge the City's decision.

Commissioner Brimmer asked if any written handouts were distributed to those present at the April 8th meeting, noting the technical information needs to be uncomplicated as possible. She stated the City needs to make sure all interested parties are informed of this process and these meetings.

Assistant City Attorney Chaffin noted for the record that legal notices were given in compliance with the Brown Act and City requirements.

Commissioner Gordon noted his concern with the PA and their authority under the proposed ordinance, Page 108 of staff report, first paragraph, "The decisions of the PA in enforcing, interpreting, or in exercising the authority delegated by the provisions of this ordinance and of the codes adopted hereby shall be deemed final," stating this means to him there is no chance of appeal following the PA's decision; he noted his concern with interpreting this code; and stated there is no criteria for the qualifications of the PA.

Assistant City Attorney Chaffin explained that Section 9505A, Page 108 of staff report, is intended to provide finality for the applicant by saying the decision is final and they don't need to go to another body for relief; and explained that this Commission has the discretion to deny or support this proposed language.

Commissioner Gordon asked what other jurisdictions have PA's and has the power and authority this is proposing.

Assistant City Attorney Chaffin explained that there are other jurisdictions which have PA's, but added those authority rights vary from each jurisdiction; and that the City has



the authority to designate and determine how it interprets its own ordinances as long as that interpretation is reasonable.

Commissioner Gordon expressed his belief that not everything needs to be solved in a court of law, that the City should be able to develop an appeal process that avoids lawsuits. He highlighted staff report Page 112, "Findings, The project shall not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area," asking if that determination is left to the interpretation of the PA, what would be considered "comfort, convenience" of the community.

Planning Manager Naaseh explained that this is a finding for the CUP and is under the purview of the Planning Commission.

Assistant City Attorney Chaffin stated that Section 9507.3 says the Planning Commission is the deciding body to approve/deny a CUP, not the PA.

Mr. Perez referred to industry issues that were discussed at their meeting:

- With regard to the timing of the code/impetus, he explained that this was initiated by City Council in May of last year; that City Council provided direction to return to them with an oil code that is as protective as possible to the health, safety, and environment; and in addition to that, City Council also was in favor of a ban on fracking as part of that oil code update;
- With regard to legal, non-conforming uses, he stated that any concerns with regard to legal, non-conforming uses relate to those existing facilities, noting that they could potentially be subject to amortization at some point and required to cease operations;
- With regard to acidizing definitions/acid volume thresholds, he explained that the two definitions used in the letter for acidizing and acid volume thresholds say to flush minerals from the well and its associated equipment, to help dissolve minerals at the bottom of the well that are plugging the well and impeding the flow of oil into the well, noting these are not contemplated within the ban on well stimulation techniques, and they would not be affected; that those two things can continue to be done as a matter of course as far as their operation is concerned; and he stated the language is very clear with regard to that particular issue, noting this process has been used for many years;
- With regard to a requirement of submersible pumps in industrial zones, he noted they are in agreement that there should not be a requirement for submersible pumps in industrial zones, noting they are sufficiently far away enough from any potential sensitivity receptors and there is no necessity for them; and noted the code has been amended to include an exclusion for submersible pumps within industrial zones;
- With regard to requirements for pipelines inside oil fields, he stated the intent of the code was not to have requirements for leak detection systems inside the oil fields, that it's only for the pipelines that leave the oil fields; and advised that they have made that clarification as part of the revised code; and
- With regard to the overlap with AQMD (fugitive dust), he stated they are in agreement with the concern of overlapping with AQMD on fugitive dust issues;



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and that they would suggest removing that language from the code because that is already contemplated within AQMD's regulations.

Mr. Perez commented on how the oil and gas code update will affect existing operations; stated that if an operator wants to add wells or do something that would trigger the requirements of the oil code by way of needing to obtain a CUP or DA, those actions would then require the existing facilities to be brought up to the requirements of the updated oil code; but if an existing operator continues to operate/produce without making any substantial changes and not require a permit, they can continue to do so. He stated that by virtue of the code, that property would become a legal, nonconforming use, and they could continue to operate for a period of years before Carson's 20-year amortization process kicks in; and that if an operator was to consider continuing their operations after that amortization period, they could request to obtain an exemption from the requirements of the code as an existing operator.

Greg Chittick, engineer with MRS, commented on EIRs from other jurisdictions and the impact distances, with mitigations, highlighting issues of aesthetics, air quality, odors, noise, and safety; and noted these were studied in order to understand what impacts oil and gas operations might produce:

- With regard to issues concerning aesthetics, he stated that aesthetics can be very subjective and dependent on the location of a project;
- With regard to air quality, he addressed the issues related to AQMD's localized thresholds as well as cancer and chronic/acute health impacts, noting that all the numbers reflected on the power point chart have mitigation measures in place; and
- With regard to odor, he noted that Carson's proposed 1,500 setback addresses all of the impacts, with the exception of completely mitigating odors; noted there are advantages/disadvantages to this proposed setback; and advised that the disadvantages are it is very restrictive on current operators and is less legally defensible, noting there are very few codes that are as restrictive, none they are aware of in California. He explained that if this setback were reduced to 500 feet, it would be less restrictive for current operators; would address most of the public health issues, including noise, air quality; and most of the odors and safety issues would likely require added mitigation. He explained that if this setback is further reduced to 300 feet, it would be minimally restrictive for current operators and mitigation measures would be put in place, but leaves open the potential for odors, accidents, or unmitigated noise and air quality issues. He stated that the current code sets residential at 300 feet, which is the least restrictive of the proposed.

Commissioner Piñon referred to staff report Page 107, Subsection A, asking what are the legal parameters of the PA, "the PA shall have the powers of a law enforcement officer."

Assistant City Attorney Chaffin explained that various public safety officials have some of the powers of law enforcement officers; that this would allow certain rights of inspection and enforcement; that it would allow monitoring of a facility and the ability to shut down the operations; and he stated that he is not familiar with the exact enforcement parameters at this time. He stated he does not believe they will have the authority to arrest anyone.



Mr. Perez noted the intent was not to provide arresting powers, but in cases where there may be an incident, to allow the PA right of entry into a facility where there needs to be monitoring and assurance of compliance; in addition to that, if there's a need because of public health and safety, it would authorize the PA to require a shutdown of facilities.

Commissioner Piñon asked why submersibles would be required, questioning if it has to do with safety or aesthetics.

Assistant City Attorney Chaffin stated that is a current requirement in the City's code, and noted his belief it is largely for aesthetics.

Mr. Chittick added that if an above-ground pump is not working well, it could become a noise issue.

Commissioner Schaefer referred to staff report Page 151, asking what a meteorological station is, whether it is manned and is the requirement standard industry practice.

Mr. Chittick explained that the meteorological station records wind speed and direction, temperature, a whole range of things; but this site-specific requirement is for the recording of wind speed and direction, believing that having this information is advantageous in understanding where an odor might come from or if there are other issues related primarily to odors. He mentioned that this requirement was taken from the Baldwin Hills Community Standards District, and noted it is not a state requirement.

Commissioner Schaefer expressed her belief this ordinance needs a lot more work; pointed out that there are state agencies already in place to regulate this industry; and noted her concern with Carson attempting to set its own rules/regulations from the rest of the state's regulations. She requested that the code be revised to a smaller version that is parallel with what the state requires, noting the state is continually updating these regulations to keep up with the industry; and to include a few regulations that specifically relate to Carson's uniqueness. She stated that it is not necessary to completely revise the rules/regulations; and stated it needs to be reworked and made more simplistic.

Commissioner Gordon noted his concurrence with Commissioner Schaefer's comments. He stated he would like to see a couple options concerning the PA: 1) the complete elimination of a PA; and 2) a reduction in the scope of authority for a PA and provide some comparatives to the authority they have in other municipalities and how they operate. He expressed his belief this is going forward too quickly with such drastic changes being proposed; and he asked what is the problem the City is trying to solve that requires such a drastic change in this ordinance and what is the urgency in moving this along so quickly.

Assistant City Attorney Chaffin explained that Carson's City Council is the body that initiated this process/task and gave direction to staff with regard to the scope of the ordinance; that staff is merely acting consistent with the direction they've been given by City Council; and that it would be the City Council's determination as to why this matter is moving forward. He added that as far as the comment about this ordinance item going too quickly, ordinances are typically passed much more quickly than what is happening here, though acknowledging this is a complicated issue. He noted this update has been available to the public since February; stated that as the process goes forward, there are further requested refinements being made; and highlighted staff's



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recommendation this evening for the item to be continued for additional review and additional recommendations.

Commissioner Gordon stated that more time is necessary to understand the ramifications of the update's implementation. He asked, "Who really has authority on regulating fracking? Is it local or state?" He stated that somewhere the line seems to be crossed, and that this question has not been satisfactorily answered in this report. He added that the answer should be put in relation to SB-4.

Assistant City Attorney Chaffin stated that SB-4 does not specifically ban fracking nor does it expressly preclude the City from banning fracking; and that currently, there is no law which expressly prohibits Carson from banning fracking.

Commissioner Gordon asked if SB-4 gives this authority to the Division of Oil, Gas, and Geothermal Resources (DOGGR).

Assistant City Attorney Chaffin explained that DOGGR has certain regulatory authority, part of that regulatory authority being granted under the direction of SB-4; and that under SB-4 direction, DOGGR was to address certain well stimulation technique impact studies to develop regulations.

Chairman Faletogo agreed that legal ramifications need to be considered.

Commissioner Gordon asked with regard to the takings issue, is this proposed regulation so onerous and so restrictive that it deprives a person of their rights.

Assistant City Attorney Chaffin explained that the way the ordinances are currently structured, they do not ban oil and gas operations, they regulate oil and gas operations; and that this is within the purview of the City. He noted that to the extent the ordinances may come to the point where they inadvertently and could potentially result in a taking, both the ordinances include a savings clause, which is a provision wherein the oil industry or applicant can come in and say under my unique circumstances associated with my case, if you apply this ordinance, it will result in a taking unless you grant me an exception; and as proposed, the PA has the authority to grant that exception which would mean there would not be a compensable taking.

Commissioner Gordon stated he is concerned with the burdensomeness of this regulation; and asked how long it will take for a business to get through this process.

Assistant City Attorney Chaffin stated there are too many variables to accurately answer that question, but if he had to estimate, it could take a year to a year and a half to complete the environmental process.

Commissioner Gordon asked the following questions: "What will it cost a business to go through this process from start to drilling a hole in the ground? What is the maximum setback in place in any jurisdiction in California for this industry?"

Assistant City Attorney Chaffin stated that throughout most jurisdictions, it can range from 100 to 500 feet and noted that a maximum range of 500 to 600 feet would not be uncommon. He added there are a range of options and to know for sure, it would require an extensive overview of each jurisdiction. He highlighted the power point sample given this evening of various jurisdictions ranging from 100 to 500 feet.

Commissioner Gordon highlighted the proposed 1,500-foot setback, questioning what is the risk to the City of having a setback which far exceeds any other jurisdiction.



Assistant City Attorney Chaffin pointed out that the Planning Commission has the discretion to make a recommendation for a shorter setback and explained that lessening that distance would likely require added mitigation measures; and stated that the Planning Commission could direct staff to return with language that reduces that setback.

Commissioner Brimmer requested a copy of this evening's power point presentation. She urged staff to meet with all interested parties before the next meeting. She requested that the PA's scope of work be broken down and clarified; and noted her belief that in order to save money, a qualified planner could be assigned the duties of a PA.

Commissioner Schaefer asked if there have been any violations recorded on the current operators in Carson and if so, what has been done about those violations.

Commissioner Verrett asked if the draft ordinance will be sent to DOGGR and other regulatory agencies for input.

Chairman Faleto go asked what would happen if no PA is required.

Planning Commission Motion:

Commissioner Gordon moved to continue this matter to May 26th; to direct staff to answer the questions posed this evening; to return with two options for the PA, to eliminate or reduce the power/authority. (This motion was ultimately rescinded.)

Commissioner Verrett seconded the motion.

Commissioner Brimmer expressed her belief the motion needs to have clarity and asked if she is able to submit further written questions for staff's consideration.

Assistant City Attorney Chaffin noted the consultant will not be available on May 26th.

By way of a substitute motion, Commissioner Verrett moved to continue the matter; and that the discussion and motions be broken into segments until the Commissioners are satisfied with each section. This motion died due to the lack of a second.

By way of an amended motion, Commissioner Gordon moved to continue this matter to May 12th; that this evening's questions/concerns be addressed; that the ordinance be tailored to Carson and not a consolidation from other jurisdictions; and to return with two options for the PA – to eliminate or to reduce the power/authority.

Commissioner Verrett reiterated her desire to see each section taken in an organized fashion.

Chairman Faleto go seconded Commissioner Gordon's amended motion.

Assistant City Attorney Chaffin asked if the motion includes setback issues.

Commissioner Gordon stated it should, yes, that it is to direct staff to address reducing that setback from 1,500 down to 500 feet, or scaling it downward. He added that there should be communication with all affected businesses in Carson; and that the Planning Commissioners submit any further questions in writing to staff.

Chairman Faleto go noted his support of reducing the setback to 500 feet.

Mr. Perez asked that any written questions be submitted no later than next week so they can include the answers at the May 12th meeting.



Commissioner Verrett asked for further clarification on the pipeline, transportation and storage issues.

Assistant City Attorney Chaffin noted his understanding of the motion as follows: to continue this hearing to May 12th; staff is directed to return with alternative language to either eliminate the position of the PA or significantly reduce the authority of the PA; staff is directed to return with language setting up a 500-foot setback for residential uses instead of the 1,500-foot setback; that there can be a scaling down involved, up to 1,500 feet, the closer one is to residences, the more requirements necessary; and that the Planning Commission is to submit within the next week any questions they have.

The amended motion passes, 7-0 (absent Commissioners Diaz, Goolsby).

(Commissioner Brimmer departed the meeting after the motion.)

Assistant City Attorney Chaffin suggested incorporating all the public testimony and Commission comments that were offered this evening for Zone Text Amendment No. 19-15 as if it were stated for this item; advised that staff does not have any additional publications or report to offer on this matter; and he suggested the hearing be opened/closed for public testimony. He added that all items posted on the City's website related to this matter have been printed out and are available at this evening's meeting.

11. CONTINUED PUBLIC HEARING

B) Zone Text Amendment No. 20-15

Applicant's Request:

The applicant, city of Carson, is requesting the Planning Commission to consider adoption of an Ordinance prohibiting hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation, and the associated CEQA finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 for properties. The properties involved would be citywide.

Staff Recommendation:

Continue.

Chairman Faleto go opened the public hearing. There being no further input, Chairman Faleto go closed the public hearing.

Planning Commission Motion:

Commissioner Verrett moved, seconded by Commissioner Schaefer, to concur with the attorney's direction, continuing this item to May 12, 2015. Motion carried, 6-0 (absent Commissioners Brimmer, Diaz, Goolsby).

12. WRITTEN COMMUNICATIONS None





CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING: April 14, 2015

SUBJECT: Zone Text Amendment No. 19-15

APPLICANT: City of Carson

REQUEST: To consider adoption of a Comprehensive Update of the City's Oil and Gas Ordinance Regulating Petroleum Operations and Facilities, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308

PROPERTY INVOLVED: City-wide

COMMISSION ACTION

- Concurred with staff
 Did not concur with staff
 Other

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Chairman Faletogo			Gordon
		Vice-Chairman Piñon			Saenz
		Brimmer			Schaefer
		Diaz			Verrett
		Goolsby			

Exhibit No. 4

Item 11A



I. Introduction

This staff report includes the most up-to-date version of the proposed Oil and Gas Code. A redline version of the code is attached which identifies all changes as compared to the version included in the February 24, 2015 staff report, refer to Exhibit 6. These changes represent a refinement to the oil code as result of comments received during the Planning Commission meeting and the comments received after the staff report was released.

On February 24, 2015, the Planning Commission took public testimony and continued this matter to the April 14, 2015 hearing. This staff report provides a progress report to the Planning Commission on staff's responses to the letters provided to the Planning Commission on February 24th and the meetings held with the Environmental Commission, and with the Planning Commissioners. Staff is also planning to meet with two separate groups including a group of community members and a group representing the oil and gas interest groups. These meetings will be held on April 8, 2015.

The community members include a group of Carson residents who have shown continued interest in the code's progress. The residents have also invited individuals associated with various environmental groups to these meetings. Over time, as more community members have shown interest, staff has extended the invitation to them, as well. The group representing the oil and gas interest groups includes land and/or mineral owners, oil and gas company representatives, and their associated attorneys.

Staff will present the results of these two meetings at the Planning Commission hearing, which may provide additional information to the Planning Commission and could potentially result in further recommended refinements to the Oil and Gas Ordinance update at the night of the hearing. As such, staff recommendation is for the Planning Commission to provide additional refinements to the proposed Oil and Gas Code update, if any, and direct staff to prepare an updated resolution and ordinance consistent with the Planning Commission's direction and return for final approval by the Planning Commission at a regular meeting next month. This will require the item to be continued.

II. Background

The City Council held several meetings regarding fracking and other petroleum-related issues on March 18, 2014, April 15, 2014, April 29, 2014, and May 20, 2014, refer to Exhibits 5, 7, and 9 for links to the City Council staff reports and Exhibits 6, 8, and 10 for City Council minutes.

On May 20, 2015, the City Council directed staff to commence a complete and comprehensive review to update the Municipal Code regarding oil and gas operations and to study and address all modern-day drilling issues and applications. The City Council also directed City Staff to address regulation of hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation in



conjunction with the production or extraction of oil, gas or other hydrocarbon substances in the City. In addition, staff was also directed to hold two workshops with the community to receive community input and feedback. The Community Development Department also initiated this text amendment to facilitate this process.

City staff have engaged in several meetings and informational briefings since the last Planning Commission meeting. These meetings are in addition to three large community meetings, multiple small group meetings, various communications with a wide variety of stakeholders, comments received in conjunction with four City Council meetings leading to the initiation of this update, and additional comments received during and after the last Planning Commission hearing on this item.

Environmental Commission: The Planning Commission directed staff to present this matter to the Environmental Commission. Staff noticed and presented this matter to the Environmental Commission at the next regular meeting held on March 4, 2015. The Environmental Commission reviewed the items, did not raise any concerns or take any official action. Subsequently, representatives for Californians for Energy Independence expressed concern that they did not receive special notice of the Environmental Commission meeting in addition to the notice provided under the Brown Act. Staff offered to hold another meeting with the Environmental Commission to allow additional opportunity for comment, which Californians for Energy Independence declined.

Informational Briefings: Staff offered informational-only briefings to Planning Commissioners regarding the proposed Oil and Gas Ordinance and Zone Text Amendment No. 20-15, which proposes to prohibit fracking. Most Planning Commissioners took advantage of these informal briefings at three various times throughout the day on March 30th. None of the meetings included more than four commissioners. No documents were provided to the Planning Commissioners during these informal informational sessions.

Oil and Gas Interest Groups: In addition to the various written and oral comments received from various oil and gas, staff is scheduled to meet with various oil and gas interest groups on April 8, 2015. Staff will present the result of this meeting at the Planning Commission hearing.

Environmental and Community Groups: Just before release of this staff report, a group that has previously met with staff requested an additional meeting. This additional meeting is scheduled for April 8, 2015. Staff will present the result of this meeting at the Planning Commission hearing.



III. Analysis

Refinements to the Proposed Oil and Gas Ordinance

Staff, the City Attorney's office, and MRS have carefully reviewed comments from the Planning Commission, and the public, including representatives of oil and gas interests and environmental groups, and are proposing refinements to the proposed Ordinance to further clarify the intent of the legislation. In general, the proposed refinements:

- Clarify that conventional drilling methods and operations can continue;
- Note that certain heightened requirements for odor, health risk assessments, etc., apply to sites within 1,500 of a prohibited zone (refer to Exhibit 11 for setback examples from other jurisdictions);
- Refine definitions to reduce the likelihood of regulatory conflicts;
- Add requirements for storage tank monitoring, safety measures and emergency response plans; and
- Add additional language to reduce the likelihood of a "taking" that would require the City to pay compensation.

The proposed refinements have been highlighted in a revised Oil and Gas Code update that includes both proposed ordinances to facilitate review, refer to Exhibit 13

Letter and Responses to Comments

The City Attorney's Office has prepared written responses to comments received from legal counsel for entities having interests in oil and gas during and after the Planning Commission meeting on February 24, 2015, refer to Exhibit 1 and 2 for the letters and Exhibit 3 for the responses.

Additional Documents

Additional studies and reports regarding oil and gas impact have also been added to the record for consideration. Due to the volume of documents, these records have been posted and are available on the City's website for review at <http://ci.carson.ca.us/departments/communitydevelopment/oilcodeupdate.asp>.

These documents are in addition to those provided at the prior Planning Commission meetings and the four City Council meetings leading to the initiation of the Ordinances.

IV. Environmental Review

Staff performed a preliminary environmental assessment of this project and has determined that it falls within the Class 8 Categorical Exemption set forth in CEQA Guidelines section 15308, which exempts actions by regulatory agencies



for the protection of the environment. This Categorical Exemption is applicable as the proposed Oil and Gas Code Ordinance addresses the maintenance, restoration, enhancement and protection of the environment and the public health, safety, welfare of the citizens of Carson as related to potential impacts from petroleum operations and facilities within the City. The variety of environmental issues addressed include air, water, soil, geology, storm water and wastewater infrastructure, transportation, noise, emergency response, aesthetic issues, and petroleum operations near potentially sensitive receptors. The Ordinance does not provide for the relaxation of standards as compared to the current regulations in the Carson Municipal Code. Instead, the Ordinance strengthens environmental standards related to petroleum operations and facilities, and thereby advances the protection of environmental resources within the City of Carson. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

V. Conclusion

The adoption of the proposed Text Amendment will provide a comprehensive update to the City's Municipal Code regulations of petroleum operations and facilities, and will establish additional regulatory authority to address operational and environmental impacts related to oil and gas extraction in the City of Carson.

VI. Recommendation

Staff recommends the Planning Commission to open public hearing, take testimony, close public testimony, discuss, provide additional refinements to the proposed Oil and Gas Code update, if any, and direct staff to prepare an updated resolution and ordinance consistent with the Planning Commission's direction and return for final action by the Planning Commission at the next meeting.


VII. Exhibits

1. Comment letters Received Between February 13, 2015 and February 24, 2015
2. Comment Letter from Manatt, Phelps, Phillips, Dated March 23, 2015
3. Response to Comment Letters from Aleshire and Wynder, Dated April 6, 2015
4. City of Carson Oil and Gas Code Update: FAQ Community Handout
5. March 18, 2014 City Council Staff Report, Drilling Moratorium
http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59098/AS59110/AS59118/AI59166/DO59198/DO_59198.pdf
6. March 18, 2014 City Council Minutes
7. April 29, 2014 City Council Staff Report, Drilling Moratorium Extension:
http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59374/AS59386/AS59391/AI59400/DO59402/DO_59402.pdf
8. April 29, 2014 City Council Minutes
9. May 20, 2014 City Council Staff Report, Banning Hydraulic Fracturing:
http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59593/AS59605/AS59613/AI59651/DO59682/DO_59682.pdf



10. May 20, 2014 City Council Minutes
11. Setback Examples from other Jurisdictions
12. Additional studies, reports, and other written materials can be found at <http://ci.carson.ca.us/department/communitydevelopment/oilcodeupdate.asp>.
13. City of Carson Oil and Gas Update (with tracked changes) dated April 7, 2015

Prepared, Reviewed and Approved by:



Saied Naaseh, Planning Manager



19421 Belshaw Ave.
Carson, CA. 90746^{bll}
February 13, 2015

cc
1

Saied Nasseh, Planning Manager
Planning Division
701 East Carson, St.
Carson, CA. 90745

Dear Mr. Nasseh,

L.A. Times recently published an article concerning the very issue we are pondering now. The gist of the article states, "Drilling reinjection wells near into, or through aquifers well eventually contaminate these aquifers."

Oil companies will say, "We reinject a solution cleaner than your drinking water". Then why are potable water wells near reinjection well areas becoming contaminated?

It is a documented fact that Fracking and reinjection wells cause water contamination, earthquakes, and air pollution.

* Thus updates to the city's Oil and Gas Code should include

- ① Prohibition of hydraulic Fracturing.
- ② Prohibition of highly toxic chemicals to extract oil from regular/standard drill wells.
- ③ Prohibition of reinjection of the toxic mix, used by standard well drills, back into the ground through reinjection wells.
- ④ Prohibition of the release of toxic emmisions into the air, at night, in residential areas by refineries.
- ⑤ Prohibition of high density well drilling in established residential areas.
- ⑥ Provision of a bond to compensate residents in drill areas who experience hardship of health and property due to proximity to oil well drilling and refineries.

"over"

EXHIBIT NO. 01



Saied Naaseh

From: Audrey Wilson <ammwilson@att.net>
Sent: Tuesday, February 17, 2015 9:50 PM
To: Saied Naaseh
Subject: Fracking and Airborne Benzene Concerns

Dear Mr. Naaseh,

I oppose fracking anywhere, especially in Carson, where I live and breathe.

My concerns about fracking are based on my professional knowledge and experience. Before I moved to Carson, I was an environmental engineer with the U.S. Environmental Protection Agency responsible for controlling industrial pollution and conducting research on the health effects of organic compounds. I was also a water resources engineer with the U.S. Army Corps of Engineers responsible for controlling ground water pollution and soils erosion.

I will not take the risk of attending the community meeting to present my concerns in person because doing so risks my exposure to more benzene than I can safely tolerate.

I am already disabled by Toxic Encephalopathy (TE), a degenerative neurological condition, and we believe it was caused by my daily exposure to benzene and other volatile organic chemicals in the cleaning solutions used by others. There is no treatment that will prevent additional neurological damage for those of us with TE, other than to avoid the chemicals that caused it. My medical problem is more common than many realize; it's just that some people who actually have TE get diagnosed with Multiple Sclerosis if they and their doctors don't realize their condition was caused by breathing toxins.

Benzene is an airborne by-product of fracking and the prognosis for those who live near fracking, especially those already suffering from TE, is irreversible brain damage and paralysis. Many others may develop degenerative neurological conditions if they live near fracking. Ever since I moved to Carson, I have used some of the same indoor air pollution control techniques in my home that I recommended to industry years ago and that keeps the air in my home clean enough for me to breathe safely ... so far. I'm doing all that can possibly be done to clean the air in my home and my survival will be in jeopardy if I continue living here if fracking comes to Carson.

Don't let Carson be like Baldwin Hills and Oklahoma and have earthquakes and ground water problems caused by fracking. Let Carson be like New York State and ban fracking in Carson permanently.

Very truly yours,
Audrey M. Wilson
1322 E Kramer Drive
Carson 90746
310.604.0410



Saied Naaseh

To: Saied Naaseh
Subject: FW: Carson Code Review
Attachments: City of Carson Oil Code-R9TWTC.docx

From: Tom Williams [mailto:ctwilliams2012@yahoo.com]
Sent: Thursday, February 19, 2015 10:42 AM
To: Saied Naaseh
Subject: Re: Carson Code Review

LOTS of issues

*I leave tomorrow and return on 02/28 from Texas oil and gas conference.
I will not attend the planning commission.*

See current status of review in tracked changes.
Based on this vers. i will use a cleanup vers....out of tracked changes and look at the general reorganization of the whole thing - ToC and all headings

All pipelines must be included under a pipeline franchise amendment not here...dividing line should be at the flange on the discharge side of the pumps/compressors, OR site boundaries, OR entering public easements or lands..

All tanks, site piping, gas plant, steaming plant must have IMPERVIOUS secondary containment (HDPE spray-on or sheet lining).

Nothing is mentioned regarding secondary or tertiary containment for tanks, process units/piping, facilities, and site.

No discussion is provided for Well Cellars - with impervious containment - standard for LACity and SCAQMD.

Emergency/Environmental plans are confused....and must be integrated to real-time video and sensor monitoring.

References to Owners is redefined-as the City has no jurisdiction of subsurface property owners (who own everything, not just mineral rights) the city must define and delineate properties - surface/subsurface.

Well ownership must be tied to the well, esp. those abandoned, as the operator must have a lease or ownership of the subsurface before they put in the conductor casing and the operator may no longer be available.

MRS does not know O&G and DOGGR

They don't seem to know the DOGGR permits and applications especially

, and does not understand Pre-emption issues with Gas Plant, Casing testing, Steaming Plant, etc.



The code does not flow well - permits > CUP > DA process is not coordinated
Permits must have a procedure for processing the city's jurisdiction for single isolated wells to be reworked, redrilled, and plugged/abandon - all have notices of intent and permits for DOGGR and require local approvals...

Editorially inconsistent word use - petroleum vs Oil & Gas, facility vs site.....
Just use oil and gas everywhere
Just use site

Can have more later before meeting next week

Dr. Tom Williams, Sr. Techn.Advis., CCSC
323-528-9682
ctwilliams2012@yahoo.com



Saied Naaseh

From: Tom Williams <ctwilliams2012@yahoo.com>
Sent: Monday, February 23, 2015 8:02 AM
To: Saied Naaseh
Subject: Fw: Planning Commission and Oil and Gas Ordinance -
Attachments: City of Carson Oil Code-R9TWTC03.doc

Categories: Red Category

I won't be at the Tuesday meeting, in TX for Soc.Petrol.Engrs. conference, boring-but not wells !!!

Considerations need to be continued

Needs to be reorganized and cleaned-up technically and editorial changes (see attached)
Readability is key to consistent and continuing enforcement and implementation

Ask DOGGR District 1, SCAQMD, and LARWQCB to review and comment before City final consideration

Definitions are inconsistent and do not reference DOGGR/Glossary=FedOSHA or Schlumberger for typical definitions

Differences between Site and Facility and Facilities - chose one and use thru-out
between Petroleum and Oil and Gas - Is it for petroleum or oil and gas - chose one and use thru-out

Exploration and Drilling must be defined as also including Reworking Redrilling and Plugging

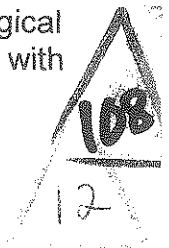
Should avoid word drilling and just talk about the wellhead and surface facilities ONLY
Pipelines vs piping -Outside vs inside site boundaries - reference Pipeline Franchise Code sections

No clear relationships between City Permits, CUPs, and DAs and DOGGRs subsequent/following notices, applications, permits, DOGGR can hold a Notice/Application until the local agency has approved before their considerations.

Permits needs to be redone is same style as CUP and DA and show connections between permits and CUP and between CUP and DA

Need separate requirements for
Gas Plant **Special Permit** vs OWG separators vs dehydration
Gas for sales-distribution/delivery offsite vs for pipeline to others for for use on site
Steam Plants - **Special permit**
Piping

FRACKING: Any artificial activities and equipment for increasing the permeability of the geological formations (fracture permeability); including acid fracs, frac packs, and fracing and acidization with application pressures/flows of 500psig/500gpm



Prohibit any temporary industrial activities requiring pumps or pumping systems which develop pressures of more than 200 psig and flows of more than 200 gpm for injection into the ground

Emergency, Health, Safety, and Environmental issues, requirements, plans, etc should be cover in one integrated section

Should be signed off on by Fire Dept., SCAQMD, LARWQCB, etc. before codified

9521.E Refers to "Area of Review" which is a DOGGR term for their Underground Injection Program and permits and has been delegated to DOGGR by EPA. Either delete or change and apply only to surface properties,

Delete any reference to leases which is either a County or DOGGR jurisdictional realm or clarify by adding surface or subsurface.

9530.2 and elsewhere refers to Blowout testing, etc. which is the jurisdiction of DOGGR

9530.4/9501.1 Tank bottoms and containment walls must be lined beneath monitoring with impervious membranes/spray coatings.

9530.61 is out of place as NGLs are salable products and NOT chemicals nor wastes

9531.4/others Gas Plant is more than a Oil/Water/Separator and is a processing facility for a directly salable product and must be considered as a "refining facility" as salable product must meet SCGasCo. specifications.

9532 refers to Test Well while DOGGR has NO SUCH Category and is equivalent to DOGGR Exploratory Well, also proprietary well, some times.

9533 pipelines are not appropriate for this section

Oil and gas lines beyond the site boundaries should be covered in the city franchised pipeline code not here

All piping within an O&G site should be above ground





February 23, 2015

Saied Naaseh
Planning Manager
City of Carson
701 East Carson Street
Carson, California 90745
T: (310)952-1770
snaaseh@carson.ca.gov

Re: Proposed Revisions to Regulations Dealing with Oil and Gas Drilling Operations

Dear Mr. Naaseh –

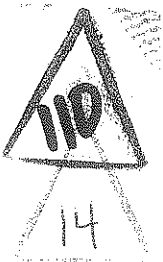
This letter is submitted on behalf of the Carson Coalition, Center for Biological Diversity, Communities for a Better Environment, and Food and Water Watch, and comments on the proposed revisions to the municipal code sections dealing with oil and gas drilling operations in the City of Carson (the “City”).

These organizations are all dedicated to protecting the health and well-being of the citizens of Carson, and are particularly concerned about the harmful effects that continued oil and gas drilling operations will have on the community. They believe that the proposed revisions fail to take the necessary measures to protect the community, and now suggest additional revisions to the code to provide additional, needed protections.

The bottom line is that oil and gas development is inherently dangerous and poses a serious risk to our air, water, climate, and health. No amount of regulation will eliminate these risks. And environmental harms do not adhere to zoning boundaries, so restricting oil and gas activity to certain areas of the city is not a substitute for real protections. We encourage you and the Planning Commission to consider a prohibition on these harmful activities, rather than asking the community to continue to bear the risks of exposure. Local governments have the legal authority to use local laws to ban oil and gas activity within their jurisdictions. Carson should use this authority to prohibit all oil and gas activity within the city and move toward a cleaner and healthier future.

1. The Revisions to Oil and Gas Code Permit Harmful Well-Stimulation Treatments

While the proposed revisions to the Oil and Gas Code ban hydraulic fracturing, the revisions would allow the use of other harmful well-stimulation treatments like acidizing, and fail in safeguarding citizens from the effects of such treatments.



The Oil and Gas Code requires the City to regulate extraction activities in a manner that protects the public health and environment. The stated purpose of the proposed revisions to the oil and gas code are: “[t]o protect the health, safety, public welfare, physical environment and natural resources of the city by the reasonable regulation of petroleum facilities and operations, including but not limited to: exploration; production; storage; processing; transportation; disposal; plugging, abandonment and re-abandonment of wells; of operations and equipment accessory and incidental thereto and development and redevelopment of oil fields/sites.” (Proposed Revisions to Carson Oil and Gas Code, Section 9500.)¹ Furthermore, the code requires to Planning Commission to approve a Conditional Use Permit allowing drilling activity only if it “will not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area.” (Section 9507.3.)

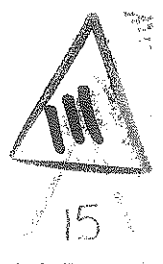
However, the proposed revisions to the Oil and Gas Code do not fulfill these mandates to protect the public health, since they still would allow well stimulation treatments (other than hydraulic fracturing) to be done, if the permittee demonstrates that: (1) “well stimulation, other than hydraulic fracturing, is necessary to recover the owner/operator’s reasonable investment backed expectation established through investment made before the effective date of this ordinance”; and (2) that such well stimulation will not create a nuisance. (Section 9536.)

This exemption for well stimulation treatments is flawed, since the phrase “owner/operator’s reasonable investment backed expectation” is vague, and does not conform to the “vested rights” exemptions used in other jurisdictions to preserve operators’ property and constitutional rights. Thus, operators in Carson could be allowed by the City to continue operations, even if they have no actual legal entitlement to continue drilling operations using well stimulation treatment. By contrast, in San Benito County, where the “Protect Our Water and Health: Ban Fracking Initiative” (“Measure J”) banning “high-intensity petroleum operations” passed in the November 2014 election, the exemption for operators’ “vested rights” is described in more narrowly tailored terms.² The initiative states that it “includes reasonable provisions to protect property rights and any vested rights,” and describes “vested rights” as those that are recognized by “State law.” (Measure J, pp. 7-8.) Here, the City of Carson unnecessarily creates ambiguity, and the City of Carson should tie the “vested rights” exemption to entitlements recognized by State law.

In addition, the proposed revisions ban hydraulic fracturing, but would allow operators to continue using other dangerous types of well stimulation treatments such as acid matrix stimulation. These types of well-stimulation treatments cause a number of harmful effects,

¹ The Proposed Revisions are available at http://ci.carson.ca.us/content/files/pdfs/planning/oilcodeupdate/oil_code_draft_02102015.pdf

² Available at <https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnczYW5iZW5p dG9yaXNpbmcyfGd4OjE1NTNINTIwNTU3YTMTMNTU>.



ranging from: (1) air pollution from volatile organic compounds, nitrogen oxides, particulate matter, hydrogen sulfide, and other substances released during the process; (2) the contamination of drinking water and soils by chemicals utilized during the process and wastewater produced during the process; and (3) an increased risk of seismic activity and ground disturbance.³ Exposure to the pollutants released during the oil development process has been linked to numerous harmful health effects including respiratory and neurological problems, cardiovascular damage, endocrine disruption, birth defects, cancer and premature mortality.⁴

Local governments in places like San Benito County have provided for the phasing out of dangerous high-intensity petroleum operations like acid matrix stimulation, and steam- and carbon- flooding. (See Measure J, pp. 6-7.) To provide the fullest possible protection from high-intensity petroleum operations for city residents, the City of Carson should not just ban hydraulic fracturing, but should adopt language similar to that used in San Benito County, phasing out the use of other risky well stimulation treatments.

2. The Revisions Do Not Require Buffers Necessary for Protection of Public Health

In addition to allowing operators to continue using risky well stimulation treatments, the proposed ordinance allows operations to be conducted in close proximity to schools, residences, businesses, and public rights of way. Therefore, when venting and flaring associated drilling and production operations occur, and in the event of any well site accident, residents will be directly impacted. The City of Carson should widen the buffers required by the ordinance, to limit the risks to residents' health.

³ See Natural Resources Defense Council, *Drilling in California: Who's at Risk* (October 2014) at pp. 6-8, available at <http://www.nrdc.org/health/files/california-fracking-risks-report.pdf>; Clean Water Action, *In the Pits* (November 2014); available at <http://cleanwateraction.org/files/publications/In%20the%20Pits%20-%20Oil%20and%20Gas%20Wastewater%20in%20California.pdf>; Wei Gan, Cliff Frolich, *Gas Injections May Have Triggered Earthquakes in the Cogdell Oil Field, Texas*, Proceedings of the National Academy of Sciences, Vol. 110 no. 47 (November 19, 2013), available at <http://www.pnas.org/content/110/47/18786.abstract>; NextGeneration, *Distracted by Fracking* (August 8, 2013), available at <http://thenextgeneration.org/blog/post/monterey-shale-series-distracted-by-fracking>, *The Most Dangerous Chemical You've Never Heard Of* (August 15, 2013), available at <http://thenextgeneration.org/blog/post/monterey-shale-series-the-most-dangerous-chemical>; Jueren Xie, *Analysis of Casing Deformations in Thermal Wells* (2008); David Kulakofsky, *Achieving Long-Term Zonal Isolation in Heavy-Oil Steam Injection Wells, a Case History* (20008).

⁴ See *Drilling in California* at pp. 6-8; *In the Pits* at Appendix A; Center for Biological Diversity, *Dirty Dozen: The 12 Most Commonly Used Air Toxics in Unconventional Oil Development in the Los Angeles Basin*, available at http://www.biologicaldiversity.org/campaigns/california_fracking/pdfs/LA_Air_Toxics_Report.pdf



The proposed revisions would prohibit “oil and gas facility sites and associated operations” from being located within: (1) Fifteen hundred feet of any “public school, public park, hospital, long-term health care facility”; (2) Fifteen hundred feet of “any residence or residential zone,” except “the residence of the owner of the land on which a well might be located and except a residence located on the land which, at the time of the drilling of the well, is under lease to the person drilling the well”; (3) Five hundred feet of any commercially designated zone; (4) Fifty feet of any “dedicated public street, highway, public walkway, or nearest rail of a railway being used as such, unless the new well is located on an exciting drill site and the new well would not present a safety issue or cause conflicts with a right of way.” (Section 9521.)

Various studies and reports have called into question whether these types of buffers are sufficient to insulate surrounding communities from the risks of oil and gas drilling. Studies have found that there are substantial exposures to volatile organic compounds among residents living half a mile or less from well sites, when compared to residents greater than half a mile from wells.⁵ In evaluating whether 625 foot buffers around drilling sites served as an adequate safety measure, researchers at the West Virginia University School of Public Health found that there were elevated levels of particulate matter and benzene within that zone, at levels which could cause potential health effects.⁶ Hydrofluoric acid, a chemical used to corrode rock in acidizing treatments, turns into vapor at room temperature and is highly toxic and can cause severe skin and respiratory system burns.⁷ In filings submitted to the Environmental Protection Agency, BP and Marathon reported that accidental hydrofluoric releases from their refining facilities could vaporize and travel for over 20 miles.⁸ Studies have shown that proximity to well sites affects fetal development, increasing the prevalence of low birth weight and premature birth, as well as increasing the risk of fetal heart and neural tube defects.⁹

Locating drilling operations close to community residents would add to the environmental and health burdens already being suffered by the community. According to the CalEnviroScreen

⁵ See New York State Department of Health, *A Public Health Review of High Volume Hydraulic Fracturing for Shale Gas Development* at 35 (December 2014); available at, http://www.health.ny.gov/press/reports/docs/high_volume_hydraulic_fracturing.pdf

⁶ Michael McCawley, West Virginia University School of Public Health; *Air, Noise, and Light Monitoring Results for Assessing Environmental Impacts of Horizontal Gas Well Drilling Operations* (May 3, 2013); available at <http://wvri.org/wp-content/uploads/2013/10/A-N-L-Final-Report-FOR-WEB.pdf>.

⁷ Earthworks, *Acidizing*, <http://www.earthworksaction.org/issues/detail/acidizing#.VOPPIvnIYgo>

⁸ The Center for Public Integrity, *Use of Toxic Acid Puts Millions at Risk* (February 24, 2011); available at <http://www.publicintegrity.org/2011/02/24/2118/use-toxic-acid-puts-millions-risk>

⁹ Elaine Hill, *The Impact of Oil and Gas Extraction on Infant Health in Colorado* (2013); Lisa McKenzie, *Birth Outcomes and Maternal Residential Proximity to Natural Gas Development in Rural Colorado*, *Environmental Health Perspectives* (2014).



database¹⁰ prepared by California's Office of Environmental Health Hazard Assessment (OEHHA), the City of Carson ranks in the top 15% of most-polluted communities in the state.¹¹ Community members in Carson are at greatest risk for exposure to toxic releases from industrial facilities (92 percentile), polluted groundwater (93 percentile), impaired water bodies (95 percentile), fine particulate matter and diesel particulate matter (72 percentile and 79 percentile).¹² In addition, the residents of Carson are mostly from minority groups – the city is 23.8% African American, 25.6% Asian, and 38.6% Hispanic/Latino.¹³ The city's per capita income in 2012 was \$23,650.¹⁴

In order to protect city residents, who already suffer disproportionately high environmental and health risks when compared to the rest of the state, the City of Carson should increase the buffers required by the proposed ordinance.

3. The Revisions Do Not Provide for Adequate Enforcement

The proposed revisions to the oil and gas code provide some limited methods for enforcement, and in the event an operator violates the provisions of the code: citizens may complain to the City's Petroleum Administrator or bring an action for nuisance, and the City may seek injunctive relief or impose fines against an operator in violation of the code. (Sections 9512-9515.)

The code does not explicitly provide for civil actions brought by citizens against operators, nor does it provide for the imposition of criminal fines or penalties against operators. These omissions make citizens rely on the City to take action against rogue operators, and make it difficult for citizens to seek relief if the City does not act promptly or vigorously to hold operators accountable. In addition, the absence of criminal fines and penalties diminishes the deterrent effect of the code and enables operators to simply build civil fines into their costs of doing business.

¹⁰ CalEnviroScreen is an Environmental Health interactive screening tool prepared by OEHHA, and compiles information about the pollution burdens faced by communities around the state. See Report on Draft California Communities Environmental Health Screening Tool, Version 2.0 (April 2014); available at <http://oehha.ca.gov/ej/pdf/CES20PublicReview04212014.pdf>.

CalEnviroScreen looks at factors such as ozone, particulate matter and other air quality risks; pesticides, air toxics, groundwater and other environmental health risks; as well as socioeconomic factors such as education levels, linguistic isolation and poverty. *Id.* at 15.

¹¹ CalEnviroScreen is available at <http://oehha.ca.gov/ej/ces2.html>

¹² *Id.*

¹³ United States Census Bureau QuickFacts on Carson, California, available at <http://quickfacts.census.gov/qfd/states/06/0611530.html>

¹⁴ *Id.*



In addition, the proposed revisions allow an operator two violations before it is considered "high risk." All oil and gas activity is high risk, and it is unacceptable to allow operators two free passes before stricter oversight begins.

The City should include citizen and criminal enforcement provisions into the proposed revisions, to ensure that community residents have the ability to hold operators accountable for violations of the terms of the ordinance and for the harms they impose on the community.

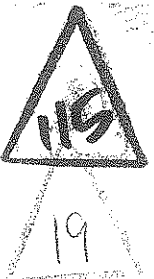
4. Conclusion

As set out above, the oil and gas code should be revised to ensure the enhanced protection of public health and the environment. We therefore respectfully request that the City adopt the revisions proposed in this letter, and incorporate them into the latest version of the oil and gas code.

Sincerely,

A handwritten signature in black ink, appearing to be "Dr. Jay", written over a horizontal line.

On behalf of the Carson Coalition,
Center for Biological Diversity,
Communities for a Better Environment,
and Food and Water Watch



February 23, 2015

Client-Matter: 41509-033

BY EMAIL

Members of the City Planning Commission
City of Carson
City Hall
701 East Carson Street
Carson, California 90745

Re: Proposed Zone Text Amendments 19-15 and 20-15 re Petroleum Operations, Hydraulic Fracturing and Acidizing (collectively, the "Amendment")

Ladies and Gentlemen:

I am writing on behalf of our client, The Carson Companies ("TCC"), to provide the City of Carson with information concerning potential legal repercussions of the Amendment's proposed changes to local regulation of petroleum operations, hydraulic fracturing and acidizing. TCC, its affiliates and owners own very substantial mineral rights to lands lying within the City of Carson which would be severely economically impacted if the Amendment were to be adopted. Our clients have reviewed the draft Amendment and are strongly opposed to it.

We believe that the draft Amendment poses very significant legal issues that must be much better understood before this matter is taken up by the City. Important among those issues are whether such an Amendment, if enacted, would result in a taking of property requiring compensation by the City, and in any event be preempted by State law.

Regulations Making it Commercially Impracticable to Exploit Natural Resources, or Enjoy Beneficial Use of the Surface Land, Give Rise to a Claim For Just Compensation

The Amendment being considered by the City purports to address hydraulic fracturing and acidizing, but by its broad and vague language in effect would render impracticable most forms of oil production on land within the City. Any form of regulation that severely limits the use of acidizing, a process in wide use in the oil industry, risks forcing the curtailment of oil exploration and exploitation within the City, resulting in the loss of hundreds of millions of dollars to mineral rights holders over time.

For the reasons set forth below, we believe that those who lose the value of their mineral assets as a result of City action will have a claim against the City for just compensation under



both the federal and state Constitutions. The restrictions contemplated by this Amendment will not only impact companies such as The Carson Companies, but also thousands of individuals and entities, as well as many charitable organizations, that are entitled to royalties from development of these resources.

The state and federal Constitutions prohibit government from taking private property for public use without just compensation. (Cal. Const., art. I, § 19; U.S. Const., 5th Amend.) As long ago as 1922, in the seminal case on regulatory inverse condemnation, a case remarkably similar to that posed by the proposed Amendment, the United States Supreme Court stated that the right to a natural resource necessarily includes the right to extract it, and that a statute making it “commercially impracticable to” extract the resource has essentially “the same effect for constitutional purposes as appropriating or destroying it.” *Penna. Coal Co. v. Mahon* (1922) 260 U.S. 393, 414-415 (*Penna. Coal*). The court stated that where “a regulation goes too far it will be recognized as a taking” (*id.* at 415).

The Amendment would give rise to a claim for just compensation by oil well operators and owners as well as holders of mineral rights and royalty interests. The Amendment seeks to ban certain uses of acid associated with oil production, despite acid having been used safely in the Dominguez Hills Oil Field in Carson for many decades. The proposed Ordinance will thereby effectively prevent the exploitation of these mineral resources, very substantially impairing the mineral rights held by hundreds of individuals and charities. Thus under *Penna. Coal*, the proposed Amendment would constitute a taking of those mineral rights and royalty interests.

The long running litigation between the City of Hermosa Beach and MacPherson Oil shows how a regulatory overreach results in repercussions that could financially destroy a municipality. The City of Hermosa Beach adopted an ordinance that effectively prohibited oil production operations within the city limits. Using standard industry valuation techniques, Macpherson Oil was able to show that the financial loss resulting from the actions of Hermosa Beach could be as much as \$850,000,000. When a court confirmed that Hermosa could be liable for that amount of compensation, the City was forced to settle the matter. Note that in the MacPherson Oil dispute with Hermosa Beach, the reserves at issue, like those of The Carson Companies, had not yet been developed.

There are undoubtedly City residents that are royalty holders with financial interests in the mineral rights that would be impacted by the proposed Amendment. While their interests range in amount, any action that results in a decrease in current production would financially harm many of the City’s own citizens.



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The current proposal fails to adequately address the concerns of those who will lose property and production rights, and ignores potentially disastrous claims against the City for just compensation.

While the draft Amendment proposes certain safeguards intended to protect it from Constitutional challenge, the only relief that can be given to make this Amendment constitutional is the awarding of just compensation. The City has no authority to carve out exceptions to an unconstitutional law that only apply to individuals who can risk the substantial time, cost and effort required to vindicate their rights, and the Amendment's proposed standards for granting constitutional relief are so vague as to leave both the proposed Petroleum Administrator and the owners of the mineral rights completely up in the air as to what to do. Obviously, the Petroleum Administrator would have to allow reasonable well enhancement techniques in order to protect the constitutional rights of the mineral owners and the City's economic welfare, but that puts the Petroleum Administrator in a very difficult position.

Similarly, and equally unconstitutionally, the Amendment would attempt to directly and indirectly deprive surface owners of all rights to develop their properties where the properties had been used for oil and gas production. As many of you will know, building over closed oil wells is extremely common, particularly in Cities such as Carson, with a long history of oil and gas production. State regulations on well closures and other safeguards make this an essentially risk-free process, as demonstrated by the lack of problems in Carson and elsewhere where buildings have been built over closed wells. In fact, given that well are closed with materials far denser than the adjoining soils, it is likely that the portions of buildings built over closed wells are less likely to be subject to vapor intrusions than the parts that are built on native soils.

Keep in mind also that the owners of mineral rights and the surface owners are usually different entities. Thus, a surface owner whose property is used by mineral owners for oil and gas production would lose all economic use of his property, without even enjoying the benefits of the oil and gas production. This part of the Amendment thus also fails the test of *Penna. Coal.*

California Law Preempts Local Regulation

State law comprehensively addresses oil and gas operations, including the drilling, construction, and operation of oil and gas wells, and the technical question of whether to inject fluids to improve reservoir productivity (Pub. Resources Code, § 3000 *et seq.*; Tit. 14, Cal. Code Regs., § 1712 *et seq.*). To the extent that issues associated with oil and gas operations have not been fully covered by State law, the Legislature has vested discretion over technical decisions with a State Oil and Gas Supervisor ("Supervisor"), who, in contrast to the City Engineer, does have the training and resources to make such decisions (Pub. Resources Code, §§ 3013, 3222).



Moreover, State law evidences “as a policy of the state” an intent to maximize the productivity of oil and gas operations, while fully addressing potential environmental effects thereof (Pub. Resources Code, § 3106). That provision authorizes the Supervisor of the State Division of Oil, Gas and Geothermal Resources—rather than a City official—to approve well stimulation methods and create a consistent statewide program to “further the elimination of waste by increasing the recovery of underground hydrocarbons.” State law has therefore extensively covered the field of oil and gas operations as it relates to downhole oriented matters such as well stimulation, including hydraulic fracturing and acidizing.

By itself, this body of law shows the State’s intention to occupy this field. That intent was strengthened by the passage of SB 4 (Pavley) which formalizes the scope of the state’s regulation of well stimulation and further confirms that this subject has become exclusively a matter of State concern. Therefore, local regulation on this subject is preempted. (*Morehart v. City of Carson* (1994) 7 Cal.4th 725, 751 [citations omitted]).

Under California law, local government regulations that conflict with State general law are preempted (Cal. Const., Art. XI, § 7). The preemption may be express or by implication (*Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885). Express preemption exists where the Legislature has included in a statute a statement of intent to preempt local regulations (52 Ops.Cal.Atty.Gen. 166, 168 (1969)). Implied preemption exists under any of the following circumstances: (1) the subject matter has been so fully and completely covered by the State general law as to clearly indicate that it has become exclusively a matter of state concern; (2) the subject matter has been partially covered by State general law, but the context clearly indicates that State concerns will not tolerate local regulation of the same subject; or (3) the subject matter has been partially covered by State general law, and the subject is of such a nature that the adverse effects of local regulation outweigh the possible benefits to the local government (*Morehart, supra*, 7 Cal.4th 725 at 751 [citations omitted]). In determining whether the Legislature intended to occupy the entire field to the exclusion of all local regulation, a court will look to the “whole purpose and scope of the legislative scheme,” not just the language used in the statute (*Tolman v. Underhill* (1952) 39 Cal.2d 708, 712). A local regulation that is preempted by State law is void and unenforceable (*People ex rel. Deukmejian v. City of Mendocino* (1984) 36 Cal.3d 476, 484). As discussed below, California’s quite extensive state regulatory program satisfies all of the three routes to implied preemption.

Because of its strong interest in oil and gas resources and intent to maximize the productivity of oil and gas wells consistent with minimization of environmental impacts, California has adopted statutes and regulations that comprehensively address oil and gas operations. The statutory provisions for oil and gas law are contained within Division 3 (“Oil and Gas”) of the Public Resources Code, encompassing sections 3100 through 3865. These statutes address oil and gas operational issues in detail, including notice of intent to drill and



abandon (§§ 3202, 3229); bonding (§§ 3204- 3207); abandonment (§ 3208); recordkeeping (§§ 3210-3216); blowout prevention (§ 3219); casing (§ 3220); protection of water supplies (§§ 3222, 3228); repairs (§ 3225); regulation of production facilities (§ 3270); waste of gas (§§ 3300-3314); subsidence (§ 3315 *et seq.*); spacing of wells (§§ 3600-3609); unit operations (§§ 3635-3690); and regulation of oil sumps (§§ 3780-3787).

Importantly, State law already addresses operational activities that involve the use of well stimulation. For example, unless prohibited in an applicable lease or contract, State law authorizes a lessee or operator, with the approval of the Supervisor, to use reasonable and prudent methods to explore for and remove all hydrocarbons, including “the injection of air, gas, water, or other fluids into the productive strata, the application of pressure heat or other means for the reduction of viscosity of the hydrocarbons, the supplying of additional motive force, or the creating of enlarged or new channels for the underground movement of hydrocarbons into production wells” (Pub. Resources Code, § 3106, subd. (b)). State oil and gas law also contains provisions to address potential effects from hydraulic fracturing, including requirements pertaining to well casings, blowouts, and bore hole integrity (*e.g.*, cementing) (Pub. Resources Code §§ 3208, 3219, 3220, 3270, 3300-3314, 3600-3609). State law includes extensive regulation of possible environmental effects from oil and gas operations, including provisions that would address potential impacts from well stimulation. For example, the Supervisor is directed to prevent, as far as possible, damage to life, health, property and natural resources, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances (Pub. Resources Code, § 3106(a)).

As further evidence of California’s desire to keep the regulation of oil production at the State level, the California legislature enacted SB 4 (Pavley), a law that establishes a statutory framework for the regulation of hydraulic fracturing and other well stimulation techniques. As set out in recently released regulations, all the requirements of the legislation are to be carried out at the State level including the development of regulations on hydraulic fracturing and other well stimulation techniques, the undertaking of a scientific study overseen by the Secretary of the Natural Resource Agency to ascertain the health and environmental impacts of these activities, and the development of a State permitting program to govern them.

Thus, the State has already fully addressed the issues that the proposed Amendment attempts to address, but with the required resources, expertise and perspective necessary to do it properly.

Conclusion

In summary, under both the federal and state Constitutions, local regulations that have the effect of stopping or impacting oil production at wells currently in service give rise to claims for

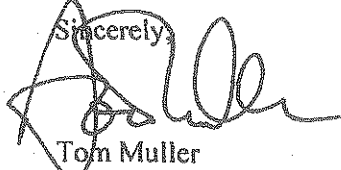


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compensation from both well owners and royalty holders. Based on anticipated production levels for our clients' mineral rights, claims for diminution of value against the City could easily be hundreds of millions of dollars—or more.

State law comprehensively covers the subject of oil and gas operations, including whether to use methods to stimulate reservoir productivity. This comprehensive regulation of oil and gas operations is consistent with the State's strong interest in oil and gas resources, its intent to maximize the recovery of hydrocarbons from oil and gas reservoirs and its mandate to protect our environment. The recent passage of SB 4, which creates a State regulatory framework for hydraulic fracturing and other well stimulation techniques confirms the State's continued desire to regulate issues related to oil and gas production at the State level. Thus, when looking at the "whole purpose and scope of the legislative scheme," it is obvious that the Legislature intended to preempt local regulation on the subject of oil and gas operations¹ (*Tolman v. Underhill* (1952) 39 Cal.2d 708, 712). A local regulation that attempts to impose a ban on the use of hydraulic fracturing or other forms of well stimulation, is preempted by State law and unenforceable, and would most certainly be challenged on such basis.

We appreciate the opportunity to provide our input on this topic and look forward to addressing this issue cooperatively. Should you have any questions regarding the above analysis, please give me a call at (310) 312-4171.

Sincerely,

Tom Muller

cc: City Clerk Donesia L. Gause (cityclerk@carson.ca.us)
City Attorney Sunny Soltani (ssoltani@awattorneys.com)
James D. Flynn, Carson Estate Trust
John W. Hawkinson, Carson Estate Trust

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¹ *The California Office of the Attorney General reached a similar conclusion when considering the issue of State preemption of local regulation of oil and gas operations in the mid-1970s. (59 Ops.Cal.Atty.Gen. 461, 478 (1976) [“Where the statutory scheme or Supervisor specifies a particular method, material, or procedure by a general rule or regulation or gives approval to a plan of action with respect to a particular well or field or approves a transaction at a specified well or field, it is difficult to see how there can be any room for local regulation . . . We observe that these statutory and administrative provisions appear to occupy fully the underground phases of oil and gas activity.”].)*

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BY EMAIL

February 24, 2015

Honorable Chair Faletogo &
Honorable Planning Commissioners
City of Carson Planning Commission
701 East Carson Street
Carson, CA 90745

Re: Carson Oil Code Update; Planning Commission Meeting February 24, 2015,
Agenda Item No. 12-B

Dear Honorable Chair Faletogo and Honorable Commissioners:

We are writing on behalf of our client, Californians for Energy Independence, a statewide coalition of energy producers, business associations, and local government leaders and agencies, among others, formed to educate the public about proven, safe oil extraction technologies, regarding the proposed Carson Oil Code Update.

Having reviewed the current regulations and the proposed regulations, we are confident that the proposed regulations are entirely unnecessary to protect the City's interests and its residents. The City's proposed regulations do nothing more than duplicate existing state and federal oil and gas regulations and, more importantly, create unnecessary litigation risk for the City. We strongly urge this Commission to recommend against their adoption.

While existing oil and gas regulations in Carson have been adopted over time and have not been consolidated, they have served the City well with regard to regulating oil and gas development and protecting the City's residents. The state and its agencies, including the Division of Oil, Gas and Geothermal Resources and the Air Resources Board, have developed and implemented a comprehensive body of regulations that address all of the issues surrounding oil and gas development. The City's proposed regulations, if adopted, would largely be duplicative of state regulations, and would intrude in many respects onto regulatory territory already claimed by the state. The proposed new regulations, therefore, are not only unnecessary, they are largely preempted by state law, and would only serve to discourage development of oil and gas resources in Carson. Oil and gas development could be an important part of Carson's economy, and the City should not pursue new regulations that could hinder the growth of this industry. More importantly, these types of unnecessary and overreaching regulations show Carson as unfriendly to business and would discourage investment in Carson.



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Nevertheless, if the City decides to move forward, changes must be made to the current draft of the proposed regulations to make them workable from industry's perspective. As an initial matter, the proposed ban on hydraulic fracturing, acidizing, and well stimulation treatments is preempted by state law and should be stricken. We will submit separate comments on this issue.

In addition, and putting aside the proposed prohibition on hydraulic fracturing, acidizing, and well stimulation treatments, numerous changes to the current draft regulations are required to bring them in line with existing state regulations and to relieve the unnecessary burden imposed on future oil and gas operators. Below is a summary of our concerns and attached are line edits to the proposed regulations showing how they could be addressed.

Overly Burdensome Regulations With No Public Benefit. The proposed regulations should be revised to address unnecessary regulations. Many of the regulations go far beyond the City's purported goals of protection of public health and safety, and would impart little or no benefit to the City or its residents. Instead, many of the regulations seem drafted so as to layer duplicative requirements on an industry so that the City can say it is doing something. These regulations, however, would make it harder to conduct business in Carson and impart no public benefit. Many of these regulations can and should be revised to reduce burdensome and unnecessary requirements on operators. Examples include the requirement that operators maintain a meteorological station at each project site (proposed Sec. 9531.2.E), the requirement that oil well abandonment only be performed by contractors licensed to do business in Carson (proposed Sec. 9510.3.3.D.1), and the requirement that operators submit an annual drilling, re-drilling, and workover plan to the Petroleum Administrator for review (proposed Sec. 9532.C). None of these provisions would result in any meaningful benefits to the City or its residents, but each would significantly increase the costs and burdens of producing oil and gas, not seen in other jurisdictions. These subsections, among many others, should be revised to remove unnecessary and costly burdens that will discourage future oil and gas development.

The Proposed Regulations are Preempted. The proposed regulations should be revised so as to avoid the regulatory authority of state agencies, including the Division of Oil, Gas and Geothermal Resources and the South Coast Air Quality Management District. DOGGR has exclusive jurisdiction over the regulation of all subsurface activities. Thus, for example, the proposed regulations of the subsurface aspects of abandonment of oil and gas wells, pipelines and leak testing, and re-drilling of wells are preempted by DOGGR regulations and should be removed. Likewise, the AQMD imposes extensive regulation of air quality issues and has responsibility for carrying out the state's greenhouse gas emission reduction programs. Again, the proposed regulations need not address these topics, as they are duplicative of AQMD regulations and are therefore preempted.

Avoid Duplication of CEQA. In too many places, the proposed regulations duplicate required environmental review and mitigation monitoring that is already imposed on oil and gas projects under the California Environmental Quality Act (CEQA). Any new drilling project in California must be reviewed under CEQA before it may be approved, and nearly all will be subject to a mitigated negative declaration or environmental impact report. With either level of review, the City studies a wide range of potential environmental impacts and imposes mitigation



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measures to reduce those impacts to a level of insignificance. The proposed regulations should not duplicate those efforts, because overlapping evaluation, mitigation, and monitoring requirements are overly burdensome on operators and will discourage future development. Accordingly, the Petroleum Administrator should be able to rely on CEQA review of a project's impacts relating to surface and groundwater quality when approving plans related to those topics, which the Petroleum Administrator cannot do now. In addition, the proposed compliance monitoring section (proposed Sec. 9516) is unnecessary because it is duplicative of the mitigation monitoring and reporting program required for all new oil and gas projects under CEQA.

Petroleum Administrator Powers Are Overbroad and Its Decisions Must be Appealable. The powers of the "Petroleum Administrator" under the proposed regulations should be restrained and the decisions of the Petroleum Administrator should be appealable. Under the proposed regulations, the Petroleum Administrator would be an unelected official appointed by the City Manager who would have vast power over the evaluation, approval, and monitoring of oil and gas projects in the City. The proposed regulations vest too much authority in the Petroleum Administrator in several places, such as the discretion to impose additional conditions on existing, operating projects (proposed Sec. 9509) and to impose any conditions, without guidance, on "high-risk" operations (proposed Sec. 9510.3.5.B.2.iii). The Petroleum Administrator's duties should be more clearly delineated and appropriate guidance must be provided. In addition, we have proposed several new provisions which would make clear that operators have the right to appeal decisions of the Petroleum Administrator.

The attached redline contains numerous other changes to the proposed regulations for clarity and internal consistency. These include deletions of defined terms that are not actually used in the regulations and other changes necessary to have a clear and unambiguous code under which the City and the oil and gas industry can operate.

We appreciate your consideration of our proposed revisions to the proposed regulations. The current proposed draft is a good start, and we look forward to working with the City to improve on this draft moving forward. Please don't hesitate to contact us if you have any questions.

Very truly yours,



Benjamin J. Hanelin
of LATHAM & WATKINS LLP

Attachment

cc: Mr. Saied Naaseh, Planning Manager
Ms. Sunny Sultani, City Attorney
Mr. George J. Mihalsten, Latham & Watkins LLP



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BY EMAIL

February 24, 2015

Honorable Chair Faletogo &
Honorable Planning Commissioners
City of Carson Planning Commission
701 East Carson Street
Carson, CA 90745

Re: Proposed Ordinance to Ban Hydraulic Fracturing, Acidizing, and Well Stimulation; Planning Commission Meeting, February 24, 2015, Agenda Item No. 12-C

Dear Honorable Chair Faletogo and Honorable Commissioners:

We are writing on behalf of our client, Californians for Energy Independence, a statewide coalition of energy producers, business associations, and local government leaders and agencies, among others, formed to educate the public about proven, safe oil extraction technologies, regarding the draft proposal to prohibit hydraulic fracturing, acidizing, and well stimulation treatments within the City of Carson ("Proposed Ban").¹

We strongly urge the Planning Commission *not* to advance the Proposed Ban. The Proposed Ban is not permitted under state law, and adopting the Proposed Ban would subject the City to significant liability.

The City previously considered such a ban and, after much deliberation, the City decided not to enact it. There is no reason to act differently now.

Last year, the City Council adopted a temporary moratorium on *all* oil and gas drilling. Rather than extend the 45-day moratorium, the City Council allowed it to expire. The Council appropriately decided not to extend the moratorium because the moratorium was bad public policy and served no real public purpose.

¹ We are providing a companion letter that provides comments and proposed revisions to the entirety of the Oil Code Update.



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Oil production has been a part of Carson's economy for over 90 years. The first well was drilled in Carson in 1921, and the Dominguez Field was discovered shortly thereafter in 1923. In the nearly 100 years since then, oil drilling has occurred continuously and safely, producing approximately 274 million barrels of oil from 605 wells in the Dominguez Field.

Oil production activities in Carson have provided good jobs, revenues for the City and the County, and increased economic activity. These are real and tangible benefits for all of the City's residents and the City Council recognized the importance of these benefits when it refused to extend last year's temporary moratorium.

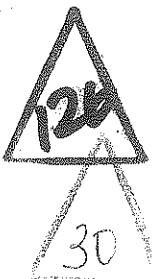
The current proposal to ban ordinary and widely used extraction techniques is no different than the expired temporary ban. Banning particular types of extraction techniques is bad public policy because the regulation will affect more production activities than is intended, state law already regulates these activities, and a ban will only serve to retard much needed investment in Carson's local economy.

As bad as the proposal to ban hydraulic fracturing and other well-stimulation activities is from a public policy and economics perspective, it is similarly improper from legal perspective. The proposal is not only preempted, it exposes the City to substantial liability.

The Proposed Ban is preempted by state law. The state has fully occupied the field relating to the methods of oil and gas production. The state's comprehensive regulatory scheme leaves no room for local regulations that are conflicting or duplicative. In light of the state's occupation of the field, it is clear the City may not single out particular methods of oil and gas production as prohibited.

The Proposed Ban exposes the City to significant liability because the Proposed Ban would affect an unconstitutional taking. Under the Proposed Ban, both existing and future oil and gas projects would be prohibited from utilizing hydraulic fracturing, acidizing, and well stimulation treatments to access petroleum reserves in the City. To the extent that the Proposed Ban would prevent companies, landowners, and holders of mineral rights from extracting those reserves, the City would be liable for damages, which could be many millions of dollars. The "savings clause" in the Proposed Ban, which would empower the Petroleum Administrator to grant limited exceptions to the Proposed Ban to those with "investment-backed expectations" where the use of banned techniques would not pose a nuisance, is an unworkable and ultimately fatally flawed attempt to cure the measure's constitutional defects. In all events, the City will be forced to expend substantial sums defending the ordinance.

The potential for unconstitutional takings is compounded by the proposed Code's vague and imprecise definitions. Although the Proposed Ban is framed as one targeting hydraulic fracturing, acidizing, and well stimulation treatments, it would reach far beyond those techniques to prohibit a much broader range of common oil extraction methods. The Oil Code Update's definitions of the prohibited techniques differ from those used by the state, particularly with regard to the definition of well stimulation treatment. These variant definitions create substantial uncertainty as to the specific types of extraction techniques (e.g., water flooding, cyclic steam



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injection) that are intended to be covered by the Proposed Ban's prohibition. The exception written into the Proposed Ban for "normal maintenance work" is similarly insufficient.

Lastly, the City has not complied with the California Environmental Quality Act. Consideration and adoption of the Proposed Ban is subject to review under the California Environmental Quality Act because the Proposed Ban is a discretionary project under CEQA that could potentially result in significant environmental effects. The Planning Division Staff Report states that the Proposed Ban is exempt from CEQA but presents no evidence to support such an assertion. There has been no CEQA clearance provided for the Proposed Ban, and environmental review must take place before the Proposed Ban may be considered for adoption by the City Council.

These issues are discussed in greater detail in Attachment A.

We appreciate your consideration of these issues and respectfully urge your Commission not to move the proposal forward.

Please do not hesitate to contact us should you have any questions or need further information.

Very truly yours,



Benjamin J. Hanelin
of LATHAM & WATKINS LLP

Attachment

cc: Mr. Saied Naaseh, Planning Manager
Ms. Sunny Sultani, City Attorney
Mr. George J. Muhlsten, Latham & Watkins LLP



ATTACHMENT A

I. THE PROPOSED BAN IS PREEMPTED BY STATE LAW

The state has fully occupied the field concerning oil and gas production and extraction activities. Therefore, there is no room for the Proposed Ban.

Where local legislation conflicts with the state's general laws, the local legislation is preempted and is void and unenforceable. (See, e.g., *Sherwin-Williams Co. v. City of Los Angeles* (1993) 4 Cal.4th 893, 897.) A conflict between local and state legislation exists where the local legislation duplicates, contradicts, or enters into an area fully occupied by state law. (*Id.* at 897-98.)

Preemption by state law may either be express or implied. Implied preemption exists where the state has fully occupied the field that a lower body seeks to regulate. Implied preemption can take three forms: (1) the subject matter has been so fully and completely covered by state law as to clearly indicate that it has become exclusively a matter of statewide concern; (2) the subject matter has been partially covered by state law couched in terms that indicate clearly that a paramount state concern will not tolerate further or additional local action; or (3) the subject matter has been partially covered by state law, and the subject is of such a nature that the adverse effect of a local ordinance on the transient citizens of the state outweighs the possible benefit to the locality. (See, e.g., *Sherwin-Williams*, *supra*, 4 Cal.4th at 897-98.)

A review of the relevant and long-standing statutes and authorities makes clear that the Proposed Ban is preempted by state law.

First, the Public Resources Code has long assigned the State Division of Oil, Gas and Geothermal Resources exclusive responsibility for regulating subsurface activities. (See, e.g., Pub. Res. Code, § 3106(a) [State Oil & Gas Supervisor has authority over "the drilling, operation, maintenance, and abandonment of wells"].)

The legislature declared, as a policy of the state to eliminate waste by increasing the recovery of underground hydrocarbons, that an oil and gas lessee or operator has the right to conduct "the injection of air, gas, water, or other fluids into the productive strata, the application of pressure heat or other means for the reduction of viscosity of the hydrocarbons, the supplying of additional motive force, or the creating of enlarged or new channels for the underground movement of hydrocarbons into production wells, when these methods or processes employed have been approved by the [State Oil and Gas Supervisor]."

Subjects regulated under the Public Resources Code include well stimulation, well bonding, abandonment of wells, orphan wells, recordkeeping, blowout prevention, well casing, protection of water supplies, repairs, regulation of production facilities, unreasonable waste of gas, subsidence, spacing of wells, management and development of unit operations, and regulation of oil sumps. (See generally Pub. Res. Code, §§ 3000 – 3865.) Subjects regulated under the California Code of Regulations include CEQA exemptions for oil and gas activities, well testing, well plugging and abandonment, casing and cementing requirements, blowout



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prevention, pipeline and tank requirements, and the maintenance and filing of well records. (See Cal. Code Reg. §§ 1681 *et seq.*) Local ordinances that seek to ban or restrict well stimulation techniques conflict with the state's express policy in the Public Resources Code.

Second, Senate Bill 4 (Stats. 2013, ch. 313) ("SB 4") expanded DOGGR's pre-existing comprehensive regulatory program by adding more detailed requirements for well stimulation treatment activities including hydraulic fracturing. Among other things, SB 4 defined terms related to hydraulic fracturing, required specific studies and reports on hydraulic fracturing, mandated additional regulations which DOGGR has already implemented on an interim basis, further delineated regulatory authority over well stimulation treatment activities, required specific permits to utilize hydraulic fracturing, required notice and disclosures, established water quality monitoring requirements, imposed stiffer penalties for noncompliance, and authorized new fees. DOGGR promulgated final regulations pursuant to SB 4 in December 2014 that address reporting and operational requirements for the use of hydraulic fracturing and other well stimulation techniques in greater detail. (See Pub. Res. Code, §§ 3150-3161; see also SB 4 (Pavley, Chapter 313, Statutes 2013).) DOGGR's SB 4 regulations reinforced DOGGR's regulatory authority over all "downhole" activities, demonstrating further that the field is fully covered by the extensive state regulations. DOGGR's final SB 4 regulations will go into effect on July 1, 2015.

Third, the state has fully occupied the field regarding "downhole" regulations of oil extraction. A 1976 opinion from the California Attorney General is unequivocal on this point, finding that "Where the statutory scheme or Supervisor specifies a particular method, material, or procedure by a general rule or regulation or gives approval to a plan of action with respect to a particular well or field or approves a transaction at a specified well or field, it is difficult to see how there can be any room for local regulation...We observe that these statutory and administrative provisions appear to occupy fully the underground phases of oil and gas activity." (59 Ops. Cal. Atty. Gen. 461, 478 (1976).)

DOGGR regulations are broadly applicable to specific downhole activities and issues, including casing, cementing, blowout prevention, drilling fluids, plugging and abandonment of wells, well spacing, testing of idle wells, underground injection and disposal projects, and many others. It is quite clear that DOGGR's regulations preempt local authority on the subject of "downhole" activities, and, indeed, we are aware of no municipality in California that attempts to regulate "downhole" activities.

Even if the City may determine the location of surface oil and gas facilities, the City cannot regulate the "downhole" business of drilling and operating wells in zones where those uses are permitted. As set forth above, that is wholly within DOGGR's purview. A local government may not use its police power over zoning and land use of the surface of the land to regulate technical, subsurface methods and means. In other words, while the City may be able to determine *where* oil wells may be operated, DOGGR has the exclusive power over *how* they are operated. (See *Braly v. Board of Fire Commissioners* (1958) 157 Cal.App.2d 608, 616 [municipal regulations on technical aspects of oil production such as the size of the property and distance from public streets required to allow the siting of an oil well imposed an unconstitutional taking of plaintiffs' right to drill on their own land in a jurisdiction that allowed



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such drilling].) The City's Proposed Ban would intrude onto regulatory territory claimed in full by the state legislature.

The Oil Code Update includes definitions of acidizing, hydraulic fracturing, and well stimulation treatment that would be added to the Carson Municipal Code. While there are some similarities to the definitions of these techniques used in SB 4, there are also significant differences, particularly with regard to the definition of well stimulation treatment. The Proposed Ban's departure from the definitions in SB 4 creates regulations that are inconsistent with and preempted by state law, and the discrepancies also create a separate legal problem: uncertainty about what types of other extraction techniques (e.g., water flooding, cyclic steam injection) may be covered by the Proposed Ban and what would still be permitted in the appropriate zones.

Thus, in addition to the incurable defect of being preempted by state law, the Proposed Ban also creates confusion as to its applicability to other extraction techniques. The Proposed Ban creates regulations that are inconsistent with state law and must give way to it. The state long ago fully occupied the field of regarding oil and gas regulations. The state further expressed its intent to continue to occupy the field when it enacted SB 4. SB 4 directs DOGGR to develop final regulations that are even more comprehensive than those that existed prior to SB 4's passage. Those regulations are now final and will soon become effective. Any effort by the City to regulate activities such as hydraulic fracturing and other well stimulation treatments covered by SB 4 is preempted.

II. THE PROPOSED BAN WOULD SUBJECT THE CITY TO LIABILITY FOR EFFECTING AN UNCOMPENSATED TAKING

The Proposed Ban would effect a regulatory taking without just compensation, in violation of the U.S. and California Constitutions.

The Takings Clause to the U.S. Constitution and its counterpart in the California Constitution (Art. I, § 19) prohibit the taking of private property absent just compensation. These prohibitions apply equally to physical takings as well as regulatory ones.

A regulatory taking may occur when, as here, a regulation works an economic detriment on property rights of owners and interferes with their "distinct investment-backed expectations," thereby requiring the payment of just compensation. (See, e.g., *Penn Central Transp. Co. v. New York City*, 438 U.S. 104 (1978).) Takings may also occur where a government regulation deprives a property owner of all "economically viable use of his land." (*Agins v. Tiburon*, 447 U.S. 255, 260 (1980).) Oil and gas operators and mineral rights holders in the City have hundreds of millions of dollars in investment-backed expectations regarding the extraction of oil and gas from land in the City, and deprivation of the right to use their properties for oil and gas extraction would not leave any other economically viable use of those properties.

A regulatory taking of mineral rights may also be found where a broad prohibition makes it "commercially impracticable to mine..." (*Keystone Bituminous Coal Ass'n v. DeBenedictis*, 480 U.S. 470, 507 (1987) (citing *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 414 (1922)).)



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While the Supreme Court has held that a regulation depriving a property owner of all economically beneficial use of his property may not constitute a taking if the proscribed use constitutes a public nuisance or “harmful or noxious use[]” of property (see *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1022 (1992)), California courts have required that government demonstrate that such uses pose an “undoubted menace to public health, safety, or morals” to sustain the regulation without payment of just compensation. (See *Sunset Amusement Co. v. Board of Police Commissioners* (1972) 7 Cal.3d 64, 80 (citing *Jones v. City of Los Angeles* (1930) 211 Cal. 304, 315)) (emphasis in original.) Given that oil and gas projects in the City are all subject to extensive review and mitigation of environmental impacts under the California Environmental Quality Act and the City has proposed an overhaul of its Oil Code to provide further oversight of such projects, and given the examples of “public nuisance” provided in *Lucas* (i.e., a landfilling operation that floods others’ land, a nuclear generating plant sitting astride an earthquake fault (see *Lucas*, 505 U.S. at 1029)), no showing of “an undoubted menace to public health, safety, or morals” can be made for oil and gas extraction uses in the City.

California law recognizes mineral rights as separate, cognizable interests from surface estates (see Civil Code, § 883.110), and California courts have held that mineral rights are cognizable property rights separate from surface estates. (See *In re Walz* (1925) 197 Cal. 263, 268 [a mineral estate is a “fee simple” giving the holder the right to mine such lands, in no way affecting the fee simple title of the owner of the surface of the land]; *Nevada Irrigation Dist. v. Keystone Copper Corp.* (1964) 224 Cal.App.2d 523 [severance of the mineral estate from the surface of the land creates two estates with equal status].) Federal courts have also held that a regulation prohibiting issuance of permits for mining effects a regulatory taking of the separate mineral estate, requiring just compensation. (See *Whitney Benefits, Inc. v. U.S.* (1991) 926 F.2d 1169 [enactment of the Surface Mining Control and Reclamation Act precluded issuance of a permit for coal mining and thereby was a regulatory taking requiring just compensation].)

The Proposed Ban, if adopted, would effect a taking in several ways.

First, it would prohibit the use of hydraulic fracturing, acidizing, or any other well stimulation treatment in the City under the guise of a land use regulation, thereby precluding the use of land in the City for these uses and depriving property owners and royalty owners of investment-backed expectations and economically viable use of land for extraction where recovery of resources using these techniques is the only feasible means of recovery.

Second, the Proposed Ban would go much further than banning hydraulic fracturing, due to the expansive and unclear drafting of the definitions for “acidizing” and “well stimulation treatment” in Section 9503 of the City’s proposed Oil Code Update.

The Code Update would define “acidizing” in the first instance as a well stimulation treatment, which could mean, by definition, that all acidizing is prohibited. The exception drafted in the definition of “acidizing” that encompasses “standard maintenance work or other routine activities that do not affect the integrity of the well or the natural porosity or permeability of an underground geologic foundation” is entirely vague and difficult to adjudicate. How would operators know if a standard, routine application of acid they use to clean out wellbores will pass



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muster or be prohibited? Who at the City would decide whether a particular application of acid was exempted?

The definition of “well stimulation treatment” is even more unclear and vague. This definition takes leave of the definition of the exact same term found in SB 4, and introduces a great deal of technical language to define what is and is not a well stimulation treatment. The definition passes responsibility to DOGGR to decide whether a particular technique “does not enhance oil and gas production or recovery by increasing the permeability of the formation” and therefore qualifies as a well stimulation treatment. Requiring a DOGGR determination is an entirely unworkable system in the context of a local operator seeking an exemption from the City to perform routine work on an existing well. The definition also creates a presumption that any treatment that involves placing acid in a well “and that uses a volume of fluid equal to or greater than the Acid Volume Threshold (as defined by DOGGR)” is a well stimulation treatment. Without further guidance from DOGGR, this presumption would be very difficult to overcome, and operators very well may not be able to use any routine well cleanout methods that involve application of acids.

Implementing the ban on “well stimulation treatment” as it is written would, in effect, result in the complete shutdown of all existing oil and gas wells in the City. This is so despite the Proposed Ban’s “savings clause,” which purports to exempt those with “reasonable investment backed expectation established through investment made before the effective date” of the Proposed Ban from its effects. As explained below, this “savings clause” is illusory and will not protect operators from a taking.

Since the Proposed Ban would deprive current and potential future operators of all economic value of their property, the Initiative would effect a regulatory taking and subject the City to the risk of substantial damages. (See, e.g., *Chandis Securities v. City of Dana Point*, 52 Cal.App.4th 475, 484 (1996) (where a land use initiative constitutes a taking, the local jurisdiction will be required “to pay compensation to plaintiffs”).)

III. THE PROPOSED BAN’S PURPORTED “SAVINGS CLAUSE” DOES NOT SHIELD THE CITY FROM LIABILITY

The purported savings clause included in the Proposed Ban does not move the constitutionality needle. The Proposed Ban’s savings clause reads:

“However, to the extent that any permittee demonstrates to the Petroleum Administrator, that (1) well stimulation, other than hydraulic fracturing, is necessary to recover the owner/operator’s reasonable investment backed expectation established through investment made before the effective date of this ordinance; and (2) that such well stimulation will not create a nuisance due to an adverse impact on persons or property within the City, then the Petroleum Administrator may authorize such well stimulation treatment pursuant to a permit issued pursuant to this ordinance.”
(Proposed Oil Code Update, section 9536.)



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Any protections offered by this purported savings clause are undermined in at least two ways.

First, any protection is illusory, at best, as the exception is subject to the discretion of the Petroleum Administrator not once but twice. To grant an exemption, the Petroleum Administrator must find (a) that the owner/operator had a “reasonable investment backed expectation” established prior to the ordinance’s effective date, and (b) that the proposed treatment would not create a “nuisance.” This provision leaves enormous, if not unfettered, discretion in the hands of the Petroleum Administrator – an official not equipped to evaluate a takings claim from a legal standpoint – and offers no guidance or set criteria as to how to evaluate such a claim.

Second, the Proposed Ban does not provide any definition of its key terms: “reasonable investment backed expectation” and “nuisance.” Will the Petroleum Administrator follow any set of principles in interpreting these terms? Or will he/she simply rule on exemption claims on a case-by-case basis? In any event, these provisions at most would transform a facial takings challenge into an as-applied one, without alleviating these constitutional concerns.

The U.S. Supreme Court has made clear that public entities are liable for damages caused by regulatory takings, even temporary takings, from the moment the regulation causing the taking goes into effect, and public entities must pay property owners for the value of the property use during the period of deprivation. (See *First English Evangelical Lutheran Church of Glendale v. Los Angeles County*, 482 U.S. 304, 319 (1987) (“The value of a leasehold interest in property for a period of years may be substantial, and the burden on the property owner in extinguishing such an interest for a period of years may be great indeed...Where this burden results from governmental action that amounted to a taking, the Just Compensation Clause of the Fifth Amendment requires that the government pay the landowner for the value of the use of the land during this period. [Cf. *United States v. Causby*, 328 U.S. 256, 261 (1946) (“It is the owner’s loss, not the taker’s gain, which is the measure of the value of the property taken”)].)

While there has been no determination of the full extent of damages in the City that would result from the regulatory taking effected by enactment of the Proposed Ban, those damages could be enormous, and the City would be liable for the costs of defending any and all challenges to the Proposed Ban. If the Proposed Ban goes into effect, the City would be required to compensate producers and mineral rights holders for these losses, with damages accruing the moment the Proposed Ban goes into effect. The purported exemptions contained in the Proposed Ban to protect the interests of owners of “reasonable investment backed expectations” are highly suspect, as explained in this letter, and even immediate implementation of these purported exemptions would not save the City from financial exposure.

IV. THE PROPOSED BAN IS NOT EXEMPT FROM CEQA

The Planning Commission Staff Report concludes that the Proposed Ban is categorically exempt from CEQA as a regulatory action to protect the environment under Section 15308 of the CEQA Guidelines. Section 15308 exempts only “actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or



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protection of the environment where the regulatory process involves procedures for protection of the environment.” (CEQA Guidelines, § 15308.)

The Staff Report presents no evidence that the Proposed Ban is necessary to protect the environment. In fact, the Staff Report fails to identify the existence of any pending applications for any oil and gas projects involving hydraulic fracturing, acidizing, or well stimulation treatments, and it fails to identify any existing or past application of those techniques within the City. The Staff Report lists a litany of alleged negative impacts of these techniques (Staff Report, pp. 3-4), but provides no evidence that these techniques are causing or contributing to any of those impacts in the City. Instead, the Staff Report simply concludes, without support, that the Proposed Ban “strengthens environmental standards related to the prohibited uses, and thereby advances the protection of environmental resources within the City of Carson.” (Id. at p. 4.)

Section 15308’s exemption for regulatory acts is narrow and cannot be stretched to include the Proposed Ban. A municipality cannot “circumvent CEQA merely by characterizing its ordinances as environmentally friendly and therefore exempt” under the exemption. (*Save the Plastic Bag Coalition v. County of Marin* (2013) 218 Cal.App.4th 209, 219-220.) Rather, a municipality claiming that a project need not undergo CEQA review because it is a regulatory action intended to protect the environment must first marshal substantial evidence establishing that the project falls within the exempt category of projects. (See *Davidon Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 115.)

In *Dunn-Edwards Corp. v. Superior Court* (1992) 9 Cal.App.4th 644 (disapproved on other grounds by *Western States Petroleum Assn. v. Superior Court* (1995) 9 Cal.4th 559), for example, the court rejected an air district’s argument that regulations imposing emission standards for volatile organic compounds contained in architectural coatings were categorically exempt under CEQA Guidelines Sections 15307 and 15308 because the regulations were more stringent and “cannot be said to have created an adverse change.” (Id. at 657.) The court held the agency’s conclusion that the regulations would not result in a net increase in emissions was not supported by any evidence on the record and was therefore “predicated on lack of the very information which would be provided by an EIR.” (Id. at 658.)

Here, there is no evidence, much less substantial evidence, to support a determination that the Proposed Ban falls within the narrow exemption under Section 15308. The Staff Report merely concludes, without further explanation, that the exemption applies. This is not enough. The City cannot simply assert, without any support, that the Proposed Ban is categorically exempt from CEQA under Section 15308. (*Save the Plastic Bag Coalition*, 218 Cal.App.4th at 219-220.) Because the City has no evidence to support its conclusion that the Proposed Ban is exempt from CEQA, the City has not met its burden of establishing that the Proposed Ban falls within Section 15308’s exemption for regulatory actions to protect the environment. Therefore, the Proposed Ban must undergo CEQA review.



March 23, 2015

41509-033

BY EMAIL

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Re: Proposed Carson Restrictions on Oil Production

Dear Ms. Soltani:

At the Carson Planning Commission hearing on February 24, 2015, you advised the Commission that an ordinance effectively banning oil production in the City of Carson would not constitute an unconstitutional taking because the legislation under consideration does not unduly limit the rights of the surface owners.

As I noted in my comments at the hearing, on behalf of certain subsurface mineral rights owners, that position is not correct. Where, as here, the subsurface mineral rights are owned separately from the surface lands, a taking of all that my clients own—the subsurface mineral rights—*would* constitute a compensable unconstitutional taking. If these rights are overregulated, the City will be liable for a taking of the mineral owners' valuable property rights.

In fact, the classic case in this area is exactly on point. In *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393 (1922), Pennsylvania Coal deeded the surface rights but retained the right to remove subsurface coal from the property in question. The state adopted the Kohler Act, which prohibited coal mining in such a way as to cause subsidence to occupied structures. The Supreme Court found the Kohler Act exceeded the State's police power and overregulated Pennsylvania Coal's property interest by "abolish[ing] what is recognized in Pennsylvania as an estate in land—a very valuable estate." (*Pennsylvania Coal*, 260 U.S. at 414.) The Court wrote:

"The general rule at least is, that while property may be regulated to a certain extent, if regulation goes too far it will be recognized as a taking. . . . We are in danger of forgetting that a strong public desire to improve the public condition is not enough to warrant achieving the desire by a shorter cut than the constitutional way of paying for the change." (*Pennsylvania Coal*, 260 U.S. at 415-416.)



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Pennsylvania Coal involved the situation where the property owner's *sole* property interest was in the subsurface.

This critically distinguishes the quite different situation where an owner owns the *entire fee* interest—including both the surface estate and the subsurface mineral estate—and tries to segment its property by focusing only on the latter. In that situation, the law will look to "the property as a whole" in analyzing whether there has been a taking by overregulation—*i.e.*, whether the regulation goes "too far" in depriving the property owner of what it actually owns. For example, in *Penn Central Transportation Co. v. New York City*, 438 U.S. 104, Penn Central was the fee owner of a city block on which the Grand Central Terminal, an 8-story building, was located. The City declared the Terminal a landmark, and denied Penn Central's plan to build a 55-story building atop it. Penn Central sued on the theory that the City had taken its air rights above the Terminal. Because Penn Central owned the entire property and other adjoining properties to which the air rights could be transferred, the Supreme Court denied Penn Central's attempt to divide its single parcel into segments; the focus is on the extent of the interference with rights "in the parcel as a whole." (*Penn Central*, 438 U.S. at 130).

Penn Central did not deal with the situation where a property owner owns *less than the fee* and the regulation damages the owner's *entire* property interest. The Supreme Court made this clear in the careful language it used in a subsequent case, *Andrus v. Allard*, 444 U.S. 51 (1979). In *Andrus*, the Court upheld Congress' right to limit the sale of bird artifacts that had been lawfully obtained before passage of the legislation under review. The owner tried to segment its property interests and focus solely on a "taking" of its right to profit from the sale of its property. This was improper under *Penn Central*, as the Supreme Court explained:

"At least *where an owner possesses a full 'bundle' of property rights*, the destruction of one 'strand' of the bundle is not a taking because the aggregate must be viewed in its entirety." (*Andrus*, 444 U.S. at 65-66, emphasis added.)

The Court then added a citation as follows: "Compare *Penn Central* . . . with *Pennsylvania Coal*." (*Andrus*, 444 U.S. at 65-66.) This demonstrates that the Court recognized the distinction between factual scenarios in which an owner was trying to artificially limit its holdings by "segmenting" out but one of its interest (as in *Penn Central*), on the one hand, from the scenario where an owner was alleging that its *entire* property interest was being taken (as in *Pennsylvania Coal*). The Supreme Court has reiterated the conditional statement in *Andrus* on several occasions. See, e.g. *Keystone Bituminous Coal Assn. v. DeBenedictis*, 480 U.S. 470, 497 (1987); *Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency*, 535 U.S. 302, 327 (2002).



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The distinction between *Pennsylvania Coal* and *Penn Central* recognized in the regulatory takings area is the same as that recognized in direct condemnation. The government must pay for the owner's *particular* property interest that it takes, even where the owner owns less than the fee. See, e.g., *United States v. Virginia Elec. & Power Co.*, 365 U.S. 624, 633 (1961) ("The guiding principle of just compensation is reimbursement to the owner *for the property interest taken.*") (emphasis added); *People ex rel. Dept. of Public Works v. Lynbar*, 253 Cal. App. 2d 870 (1967) ("[T]he property must be valued as the condemnor finds it, including without limitation thereby, the state of its title. . .").

State courts applying *Penn Central* have recognized that the nature of the property owner's particular interest is critical to analysis of the regulatory takings issue. For example, in *Western Energy Company v. Genie Land Company*, 227 Mont. 74 (1987), the Supreme Court of Montana was reviewing a claim by a lessee of coal interests that a statute requiring consent of the surface owner to mine was unconstitutional. Reviewing the Supreme Court's decisions in *Pennsylvania Coal*, *Penn Central*, and *Andrus*, the Court honed in on the "full bundle" issue:

"At issue in this case is destruction of Western's entire bundle of rights in the minerals beneath the surface owned by Genie." (*Western Energy*, 227 Mont. At 81, emphasis added.)

Another similar case is *Machipongo Land and Coal Company, Inc. v. Commonwealth of Pennsylvania*, 569 Pa. 3 (2002). Certain lands were designated as "unsuitable for mining" and the owners of the mineral rights sought compensation for a taking. In analyzing the owners' claims for a *per se* taking of all use under *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003 (1992), the Court found a distinction between the claims of those owners who owned *only* the mining rights, and those owners who owned *both* the mining rights and the surface rights. The latter (owners of the fee simple) could not, under *Penn Central*, segment their fee simple interest to focus only on the subsurface mining rights. But the fact that the former group owned only the mining interests "would appear to distinguish them" from the fee simple owners. (*Machipongo*, 569 Pa. at 35.) See also, *State ex rel. Shelly Materials, Inc. v. Clark County Board of Commissioners*, 115 Ohio St. 3d 337, 344 (Oh. 2007) (mineral estate may be considered the relevant parcel for regulatory takings analysis if it was purchased separately); *Whitney Benefits, Inc. v. United States*, 926 F. 2d 1169, 1172 (Fed. Cir. 1991) (affirming \$60.2 million judgment for taking where "the only property here involved is the right to surface mine a particular deposit of coal.").

Thus, where an owner's property interest is limited to the subsurface mineral rights, a regulatory takings claim must assess whether *those* property interests have been taken. As the Supreme Court has recognized, property ownership has various dimensions. It is limited *horizontally* by the amount of acres owned – e.g., by the metes and bounds of the interest. It may be limited

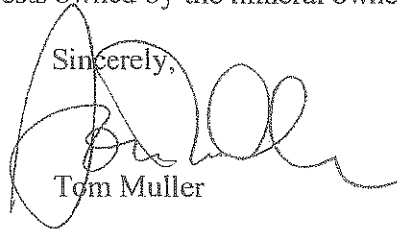


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March 23, 2015
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vertically by the particular property interest owned – *e.g.*, air rights or surface rights or subsurface rights. And it may be limited *temporally* by the length of the estate – *e.g.*, a leasehold for a stated period of time. *Tahoe-Sierra*, 535 U.S. at 331-332. When a claimant pursues a regulatory takings claim, the court always considers the dimensions of the owner's holdings. There may be issues as to whether all or just a part of the holdings should be placed in the denominator; but the question is never whether *somebody else's* property should be added to the denominator. In short, a regulatory takings claim is always limited by the *amount* of property that the claimant owns. The vertical dimension is treated in the same manner as the horizontal: where the owner's interest is limited to just part of the vertical dimension, its regulatory takings claim must be assessed based on that ownership interest — not by adding *someone else's* property to the denominator.

Here, the mineral owners own only the subsurface oil and gas rights in the properties in question. If the City destroys or damages that property interest, it will owe compensation to the mineral owners, regardless of whether the surface interests owned by somebody else still retain some economically beneficial use. The City needs to recognize this before it adopts any legislation that would damage the limited property interests owned by the mineral owners.

Sincerely,



Tom Muller

cc: James D. Flynn
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April 6, 2015

VIA ELECTRONIC MAIL

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Re: Carson Oil Code Update: Proposed Zone Text Amendment 20-15 (Hydraulic Fracturing Prohibition)

Dear Mr. Hanelin:

Thank you for your input provided by correspondence on behalf of Californians for Energy Independence in connection with proposed Zone Text Amendment 20-15 (Ordinance). The purpose of this response is to address and provide clarification to the issues you raised.

I. Proposed Ordinance Does Not Prohibit Common Oil Extraction Methods

As a preliminary matter, the proposed Ordinance does not prohibit common oil extraction methods, nor would it result in "a complete shutdown of all existing oil and gas wells in the City." Oil and gas uses – including new operations - can continue to operate a variety of routine matters that have been traditionally associated with extraction of hydrocarbons.¹ Even if Zone Text Amendment 19-15 and the proposed Ordinance are both adopted, legally existing oil and gas uses may continue. If these uses are non-conforming, they would be subject to regulations and ordinances governing non-conforming uses, much in the same manner as other legally nonconforming uses may continue that do not involve petroleum uses.

As there is apparently misunderstanding regarding this issue, we will be recommending modifications to the proposed Ordinances to make this even more explicit.

///

¹ These include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient. Steam flooding, cyclical steaming, certain types of workovers and other traditional operations are also not precluded.



II. Proposed Ordinance Is Not Preempted By State Law

The proposed Ordinance is not preempted by State law. Under California law, local government regulations that conflict with State general law are preempted.² The preemption may be express or by implication.³

State law is devoid of any express preemption regarding a city's ability to regulate zoning and land uses with regard to oil and gas. The law is also devoid of any express preemption regarding hydraulic fracturing and related items.

Next, preemption by implication of legislative intent may not be found when the Legislature has expressed its intent to permit local regulations or when the statutory scheme recognizes local regulations.⁴ Likewise, when local government regulates in an area over which it traditionally has exercised control, such as the location of particular land uses, California courts will presume that such regulation is not preempted by state statute unless there is a clear indication of preemptive intent from the Legislature.⁵ Local entities may make further regulations on phases of the matter not covered by the state legislation in furtherance of the purpose of the state law, provided such local regulations are not in themselves unreasonable. In such cases it is said that there is no conflict.⁶ A city has broad discretion in determining what is reasonable in endeavoring to protect public health, safety, morals, and general welfare of the community.⁷ The Legislature has specified certain minimum standards for local zoning regulations but has carefully expressed its intent to retain the maximum degree of local control.⁸

State statutes and regulations do not implicitly preempt the City from adopting zoning and land use regulations related to oil and gas drilling. In at least one provision in the State's oil and gas laws the State Legislature stated:

This chapter *shall not be deemed a preemption* by the state of any existing right of cities and counties to enact and enforce laws and regulations regulating the conduct and location of oil production activities, including, but not limited to, zoning, fire prevention, public safety, nuisance, appearance, noise, fencing, hours of operation, abandonment and inspection.⁹

² Cal. Const., art. XI, § 7.

³ *Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885 [218 Cal.Rptr. 303].

⁴ *Candid Enterprise v. Grossmont Union, supra*, 39 Cal.3d 878, 888 [218 Cal.Rptr. 303].

⁵ *Big Creek Lumber Co. v. County of Santa Cruz* (2006) 38 Cal.4th 1139, 1149 [136 P.3d 821], as modified (Aug. 30, 2006).

⁶ *Baron v. City of Los Angeles* (1970) 2 Cal.3d 535, 541 [86 Cal.Rptr. 673].

⁷ *Carlin v. City of Palm Springs* (1971) 14 Cal.App.3d 706, 711 [92 Cal.Rptr. 535].

⁸ *IT Corp. v. Solano County Bd. of Supervisors* (1991) 1 Cal.4th 81, 89 [2 Cal.Rptr.2d 513], see also Gov. Code, §§ 65800, 65802 and 65850 *et seq.*

⁹ Pub. Resources Code, § 3690 (emphasis added).



Note, the statute recognizes a city is restricted to adopting laws and regulations limited to just “where” these oil production activities may occur, but also includes the conduct “how,” operations must take place. This includes “how” loud, “how” safe, “how” the use may operate during certain periods of time, “how” oil production activities must be abandoned, etc.¹⁰

Likewise, California cities and counties have been validly regulating oil and gas operations since the early 1900’s.¹¹ Early regulations included zoning ordinances restricting oil drilling and production to certain zones, etc.¹² They also included limitations, safeguards, and controls on how oil and gas operations could be conducted.¹³ As early as 1925, the California Supreme Court held that local governments have “the unquestioned right to regulate the business of operating oil wells within [their] limits, and to prohibit their operation within delineated areas and districts, if reason appears for so doing.”¹⁴

Today, local regulation of oil and gas operations is widespread.¹⁵ Local government routinely zone oil and gas uses.¹⁶ Some have also codified detailed processes for permitting and overseeing such operations and regulate matters such as well spacing and location, grading, piping, fire prevention and control equipment, signage and liability insurance.¹⁷ Jurisdictions have also adopted zoning regulations specific to fracking.¹⁸

As a final consideration, the Ordinance is being considered concurrently with Zone Text Amendment 19-15, a comprehensive update of the City’s Oil and Gas Code. If that Code and this proposed Ordinance are both adopted, the Ordinance would subject to Section 9504, which includes a mechanism to prevent inadvertent preemption as the law evolves. That section provides that in all cases where there is conflict with state laws or regulations, “such state laws or

¹⁰ See *id.*

¹¹ See, e.g., *Pac. Palisades Ass’n v. City of Huntington Beach* (1925) 196 Cal. 211. For a general discussion, see also Minner & Broderick, *Local Control of Oil and Gas Operations: Getting a Handle on Fracking and Cyclic Steaming Through Land Use Prohibitions, Moratoria, Discretionary Permits, and Citizen Initiatives* (2014) 23 *Env’tl Law News* 2.

¹² See, e.g., *Beverly Oil Co. v. City of Los Angeles* (1953) 40 Cal.2d 552, 557-58; *Trans-Oceanic Oil Corp. v. City of Santa Barbara* (1948) 85 Cal.App.2d 776, 780; *Higgins v. City of Santa Monica* (1964) 62 Cal.2d 24, 27.

¹³ See, e.g., *Friel v. County of Los Angeles* (1959) 172 Cal.App.2d 142, 145; *Wood v. City Planning Comm’n of San Buenaventura* (1955) 130 Cal.App.2d 356, 361.

¹⁴ *Pac. Palisades Ass’n v. City of Huntington Beach*, *supra*, 196 Cal. 211, 217.

¹⁵ The following is a sample of counties that regulate or restrict land uses involving oil and gas drilling in some form: Butte County, Colusa County, Glenn County, Humboldt County, Imperial County, Kern County, Kings County, Los Angeles County, Marin County, Merced County, San Diego County, San Joaquin County, San Luis Obispo County, Santa Cruz County, Solano County, Sonoma County, Stanislaus County, Sutter County, Tehama County, Venture County, and Yolo County. Numerous municipalities in California have similar regulations.

¹⁶ See, e.g., County of Glenn County Codes, §§ 15.440.020, 15.450.060 (2014) (oil and gas wells allowed in industrial zone and allowed with conditional use permit in timberland preserve zone).

¹⁷ See, e.g., San Benito County Code of Ordinances, Ch. 19.21 (2014) (“Oil and Gas Wells”).

¹⁸ See, e.g., Santa Barbara County Code of Ordinances (County Land Use & Development Code), §§ 35.52.040, 35.52.050 (2014).



regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance.”

Under these circumstances there is no express or implied preemption posed by the proposed Ordinance.

III. Proposed Ordinance Does Not Give Rise To A Compensable Taking

The proposed Ordinance does not give rise to a compensable taking under either a facial challenge or an as-applied challenge.

A. No facial taking

Facial claims assert that the action took the property even without an inquiry into its circumstances because under any conceivable scenario there was a taking. Facial regulatory takings challenges are disfavored due to the highly factual nature of the court’s inquiry in each case.¹⁹ A facial claim does not appear to be asserted by your correspondence, nor does the proposed Ordinance give rise to a facial taking.

B. No as-applied taking

As to as-applied challenges, there are two subtypes. The first subtype is a “per se” taking, where the regulation deprives the property owner of 100% of the total economic value of the property.²⁰ The second subtype type of as-applied regulatory taking can occur where the property value is severely diminished as analyzed under a three-prong test set forth in *Penn Central Transportation Company v. City of New York* (1978) 438 U.S. 104.

i. No “per se” taking

Here, there is no “per se” taking as proposed Ordinances do not deprive the property owner of 100% of the total economic value of the property for a variety of reasons. As noted above, common oil extraction methods can continue to be used to extract petroleum. Legally existing oil and gas uses may continue as nonconforming uses even if both the proposed Ordinance and Zone Text Amendment 19-15 are adopted. Landowners are not prohibited from other uses of the property recognized by the zoning ordinance. The proposed Ordinance also recognizes and provides a specific exception for those extraordinary circumstances where such a “per se” taking may occur. Regardless, the proposed Ordinance serves to address nuisances associated by oil and gas operations – which is an exception to a claim of compensable “per se” regulatory taking.²¹

¹⁹ See *Hodel v. Virginia Surface Min. and Reclamation Ass’n, Inc.* (1981) 452 U.S. 264, 294-295 ; see also *Keystone Bituminous Coal Ass’n v. DeBenedictis* (1987) 480 U.S. 470, 495-96.)

²⁰ *Lucas v. South Carolina Coastal Council* (1992) 505 U.S. 1003.)

²¹ *Lucas v. South Carolina, supra*, 505 U.S. 1003, 1029-1030.



ii. No taking for diminution of value under *Penn Central*

There is also not a compensable taking under a “diminution of value” theory.

The Supreme Court has established a three-prong diminution in value test 1) the character of the governmental regulation; (2) the economic impact of the regulation on the claimant; and (3) the regulation’s interference with distinct, and reasonable, investment-backed expectations.²² California courts may reject a takings claim based on any one of the three factors.²³

Generally, regulatory takings claims based on the “diminution of value” theory rarely succeed. The California Supreme Court has noted that, “Even a significant diminution in value is insufficient to establish a confiscatory taking.”²⁴ Mere diminution in property value, short of a complete reduction of all value, cannot by itself establish a taking.²⁵

A taking has not occurred even when one of the rights in a property owner’s “bundle” of rights is “destroyed” because this does not prohibit all economic benefit.²⁶ If a property owner retains certain rights, like the rights to possess or devise, then there is no taking.²⁷ The Supreme Court’s takings jurisprudence requires that total takings be judged “by the property as a whole” and not just a portion of the total rights associated with the property.²⁸ The Court reaffirmed the vertical parcel-as-a-whole concept in *Keystone Bituminous Coal* with regard to a plaintiff who owned both a surface and mineral estate – despite state-law recognition of mineral estates as a separate property interest.²⁹ As a result, when owners of a severed coal estate without surface rights claimed a ban affected a total taking, the Supreme Court of Pennsylvania relied upon U.S. Supreme Court precedent to reject the claim and held the relevant parcel at issue “cannot be vertically segmented and must be defined to include both the surface and mineral rights.”³⁰

Here, the mineral rights cannot be separated from the other rights of the “parcel as a whole.” Even assuming for the sake of argument there was a complete destruction of access to all mineral rights, there would still not be a compensable taking because the aggregate must be viewed in light of the entire parcel. Landowners with rights in the “property as a whole” are not prohibited from other uses recognized by the zoning ordinance. In fact, even if just the mineral rights were considered, the proposed Ordinance would not result in a compensable destruction of

²² *Penn Central Transportation Company v. City of New York* (1978) 438 U.S. 104, 124-125; *Palazzolo v. Rhode Island* (2001) 533 U.S. 606, 617.

²³ *Allegretti & Co. v. County of Imperial* (2006) 138 Cal.App.4th 1261, 1277.

²⁴ *Galland v. City of Clovis* (2001) 24 Cal.4th 1003, 1026.

²⁵ See *Concrete Pipe & Prods. of Cal., Inc. v. Constr. Laborers Pension Trust* (1993) 508 U.S. 602, 645.

²⁶ *Andrus v. Allard* (1979) 444 U.S. 51, 65-66.

²⁷ *Ibid.*

²⁸ *Penn Central v. City of New York*, *supra*, 438 U.S. 104, 130-131; see *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Regional Planning Agency* (2002) 535 U.S. 302, 331.

²⁹ *Keystone Bituminous Coal Ass’n v. DeBenedictis* (1987) 480 U.S. 470, see also *Machipongo Land & Coal Co., Inc. v. Commonwealth* (Pa. 2002) 799 A.2d 751.

³⁰ *Machipongo Land v. Commonwealth*, *supra*, 799 A.2d 751, 766.



the mineral right. The proposed Ordinance still enables an owner of a mineral estate to engage in conventional oil and gas extraction. The regulations also contain language to preclude an inadvertent taking. Simply stated, there is no reasonable basis for concluding the proposed Ordinance will result in any sort of a compensable taking.

C. "Savings Clause" not "Illusory" or Ambiguous

The correspondence also raises concerns that the "savings clause" is "illusory," and certain terms such as "reasonable investment backed expectation" and "nuisance" are ambiguous. No legal authority was provided regarding these issues.

The proposed Ordinance provides an exception under circumstances where 1) an owner/operator can establish a reasonable investment backed expectation before the effective date of the Ordinance; and 2) such well stimulation would not create a nuisance due to an adverse impact on persons or property within the City. Definitions for "reasonable investment backed expectation" and "nuisance" are not required in the proposed Ordinance, as the learned justices of the United States Supreme Court, etc., have already established parameters for these terms in a "takings" context.³¹ As such, the exception in the proposed Ordinance is neither vague or illusory on its face.

IV. Ordinance Complies With CEQA

Finally, the correspondence raises concerns whether the proposed Ordinance is "necessary" to protect the environment, and whether the "Staff Report" is sufficient to provide substantial evidence in support of the proposed Ordinance.

No authority is cited for the novel premise a local agency is precluded from adopting regulations to protect the environment until it becomes "necessary" due to a pending application. Nor is there any legal authority for the premise that there must be a past record of well stimulation techniques within the City that have resulted in harm to the environment. Instead, CEQA Guidelines section 15308 only requires the protections act to "assure the maintenance, restoration, enhancement of the environment..."

There is also no authority to support the assumption that substantial evidence in support of the finding of a Categorical Exemption must only appear in the Staff Report. Instead, substantial evidence also include all facts, reasonable assumptions predicated upon facts, and expert opinion supported by the facts.³² In other words, evidence may be found in light of the whole record.

³¹ See, e.g., *Penn Central v. City of New York*, *supra*, 438 U.S. 104; *Palazzolo v. Rhode Island*, *supra*, 533 U.S. 606, 617; and *Lucas v. South Carolina*, *supra*, 505 U.S. 1003, 1029-1030.

³² CEQA Guidelines Section 15384.



Benjamin J. Hanelin
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Here, the record includes not only the Planning Commission Staff Report itself, but all the documents, studies, records, etc., included and referenced in the Staff Report, as well as power point presentations, public testimony, etc., provided during the Planning Commission hearing. Additionally, all public documents, comments and testimony provided in connection with the City's discussions of petroleum operations on March 18, 2014, April 15, 2014, April 29, 2014, and May 20, 2014 are also part of the record and may constitute "substantial evidence." Finally, additional evidence may continue to be added to the record at the continued hearing of the Planning Commission and at the City Council hearing.

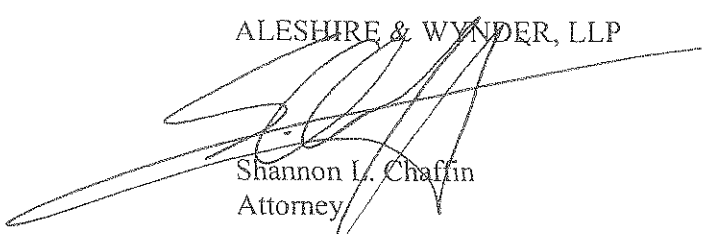
Once the record as a whole is considered, there is substantial evidence to support a finding of Categorical Exemption under CEQA Guidelines section 15308.

V. Conclusion

We thank you for this opportunity to address your client's concerns and look forward to any additional input you may have on this topic.

Very truly yours,

ALESHIRE & WYNTER, LLP


Shannon L. Chaffin
Attorney

SLC/rkk





April 6, 2015

VIA ELECTRONIC MAIL

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Re: Proposed Zone Text Amendments 19-15 and 20-15 re Petroleum Operations

Dear Mr. Muller:

Thank you for your input provided by correspondence dated February 23, 2015, on behalf of The Carson Companies (TCC) in connection with proposed Zone Text Amendments 19-15 and 20-15 (Ordinances). The purpose of this response is to address and provide clarification to the issues you raised.

I. Proposed Ordinances Do Not Prohibit Legal Uses Already Operating

As a preliminary matter, the proposed Ordinances do not prohibit legally operating oil and gas uses already in existence. As a result, legally existing oil and gas uses may continue, subject to regulations and ordinances governing non-conforming uses, much in the same manner as other legally nonconforming uses may continue that do not involve petroleum uses.

What this means is legally operating oil and gas uses already in existence can continue to do a variety of routine matters to continue petroleum operations.¹ As there is apparently some misunderstanding regarding this issue, we will be recommending modifications to the proposed Ordinances to make this even more explicit.

That having been said, certain types of new development, expansion, change in intensity of use, modification or similar changes proposed in the nature of the existing oil and gas uses or site would be subject to the Municipal Code in effect at the time of the proposed change. For example, if the proposed Ordinances are adopted, an existing oil and gas use would be subject to the new requirements if the operation sought to expand the number of wells on a site, or if it

¹ These include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient. Steam flooding, cyclical steaming, certain types of workovers and other traditional operations are also not precluded.



sought to commence hydraulic fracturing operations. Applying the Municipal Code standard in effect at the time of the proposed change of use is consistent with its application to other types of legally nonconforming uses within the City of Carson that do not involve oil and gas uses.

II. Proposed Ordinances Do Not Give Rise To A Compensable Taking

The proposed Ordinances do not give rise to a compensable taking under either a facial challenge or an as-applied challenge.

A. No facial taking

Facial claims assert that the action took the property even without an inquiry into its circumstances because under any conceivable scenario there was a taking. Facial regulatory takings challenges are disfavored due to the highly factual nature of the court's inquiry in each case.² A facial claim does not appear to be asserted by your correspondence, nor do the proposed Ordinances give rise to a facial taking.

B. No as-applied taking

As to as-applied challenges, there are two subtypes. The first subtype is a "per se" taking, where the regulation deprives the property owner of 100% of the total economic value of the property.³ The second subtype type of as-applied regulatory taking can occur where the property value is severely diminished as analyzed under a three-prong test set forth in *Penn Central Transportation Company v. City of New York* (1978) 438 U.S. 104.

i. No "per se" taking

Here, there is no "per se" taking as proposed Ordinances do not deprive the property owner of 100% of the total economic value of the property for a variety of reasons. As noted above, legally existing oil and gas uses may continue as nonconforming uses even if the proposed Ordinances are adopted. Landowners are not prohibited from other uses of the property recognized by the zoning ordinance. The proposed Ordinances also recognize and provide exceptions for those extraordinary circumstances where such a "per se" taking may occur. Regardless, the proposed Ordinances serve to address nuisances associated by oil and gas operations – which is an exception to a claim of compensable "per se" regulatory taking.⁴

ii. No taking for diminution of value under *Penn Central*

There is also not a compensable taking under a "diminution of value" theory.

² See *Hodel v. Virginia Surface Min. and Reclamation Ass'n, Inc.* (1981) 452 U.S. 264, 294-295 ; see also *Keystone Bituminous Coal Ass'n v. DeBenedictis* (1987) 480 U.S. 470, 495-96.)

³ *Lucas v. South Carolina Coastal Council* (1992) 505 U.S. 1003.

⁴ *Lucas v. South Carolina, supra*, 505 U.S. 1003, 1029-1030.



The Supreme Court has established a three-prong diminution in value test 1) the character of the governmental regulation; (2) the economic impact of the regulation on the claimant; and (3) the regulation's interference with distinct, and reasonable, investment-backed expectations.⁵ California courts may reject a takings claim based on any one of the three factors.⁶

Generally, regulatory takings claims based on the "diminution of value" theory rarely succeed. The California Supreme Court has noted that, "Even a significant diminution in value is insufficient to establish a confiscatory taking."⁷ Mere diminution in property value, short of a complete reduction of all value, cannot by itself establish a taking.⁸

A taking has not occurred even when one of the rights in a property owner's "bundle" of rights is "destroyed" because this does not prohibit all economic benefit.⁹ If a property owner retains certain rights, like the rights to possess or devise, then there is no taking.¹⁰ The Supreme Court's takings jurisprudence requires that total takings be judged "by the property as a whole" and not just a portion of the total rights associated with the property.¹¹ The Court reaffirmed the vertical parcel-as-a-whole concept in *Keystone Bituminous Coal* with regard to a plaintiff who owned both a surface and mineral estate – despite state-law recognition of mineral estates as a separate property interest.¹² As a result, when owners of a severed coal estate without surface rights claimed a ban affected a total taking, the Supreme Court of Pennsylvania relied upon U.S. Supreme Court precedent to reject the claim and held the relevant parcel at issue "cannot be vertically segmented and must be defined to include both the surface and mineral rights."¹³

Here, the mineral rights cannot be separated from the other rights of the "parcel as a whole." Even assuming for the sake of argument there was a complete destruction of access to all mineral rights, there would still not be a compensable taking because the aggregate must be viewed in light of the entire parcel. Landowners with rights in the "property as a whole" are not prohibited from other uses recognized by the zoning ordinance. In fact, the proposed Ordinances would not result in a compensable destruction of even just the mineral rights. Both proposed Ordinances, including the restriction on hydraulic fracturing, still enable an owner of a mineral estate to engage in conventional oil and gas extraction. The regulations also contain a built-in safety mechanism to preclude an inadvertent taking. Simply stated, there is no reasonable basis for concluding the proposed Ordinances will result in any sort of a compensable taking.

⁵ See *Penn Central Transportation Company v. City of New York* (1978) 438 U.S. 104, 124-125, *Palazzolo v. Rhode Island* (2001) 533 U.S. 606, 617.

⁶ *Allegretti & Co. v. County of Imperial* (2006) 138 Cal.App.4th 1261, 1277.

⁷ *Galland v. City of Clovis* (2001) 24 Cal.4th 1003, 1026.

⁸ See *Concrete Pipe & Prods. of Cal., Inc. v. Constr. Laborers Pension Trust* (1993) 508 U.S. 602, 645.

⁹ *Andrus v. Allard* (1979) 444 U.S. 51, 65-66.

¹⁰ *Ibid.*

¹¹ *Penn Central v. City of New York*, *supra*, 438 U.S. 104, 130-131; see *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Regional Planning Agency* (2002) 535 U.S. 302, 331.

¹² *Keystone Bituminous Coal Ass'n v. DeBenedictis* (1987) 480 U.S. 470, see also *Machipongo Land & Coal Co., Inc. v. Commonwealth* (Pa. 2002) 799 A.2d 751.

¹³ *Machipongo Land Co. v. Commonwealth*, *supra*, 799 A.2d 751, 766.



III. Proposed Ordinances Are Not Preempted By State Law

The proposed Ordinances are also not preempted by State law. Under California law, local government regulations that conflict with State general law are preempted.¹⁴ The preemption may be express or by implication.¹⁵

State law is devoid of any express preemption regarding a city's ability to regulate zoning and land uses with regard to oil and gas. The law is also devoid of any express preemption regarding hydraulic fracturing and related items.

Next, preemption by implication of legislative intent may not be found when the Legislature has expressed its intent to permit local regulations or when the statutory scheme recognizes local regulations.¹⁶ Likewise, when local government regulates in an area over which it traditionally has exercised control, such as the location of particular land uses, California courts will presume that such regulation is not preempted by state statute unless there is a clear indication of preemptive intent from the Legislature.¹⁷ Local entities may make further regulations on phases of the matter not covered by the state legislation in furtherance of the purpose of the state law, provided such local regulations are not in themselves unreasonable. In such cases it is said that there is no conflict.¹⁸ A city has broad discretion in determining what is reasonable in endeavoring to protect public health, safety, morals, and general welfare of the community.¹⁹ The Legislature has specified certain minimum standards for local zoning regulations but has carefully expressed its intent to retain the maximum degree of local control.²⁰

Here, state statutes and regulations do not implicitly preempt the City from adopting zoning and land use regulations related to oil and gas drilling. In at least one provision in the State's oil and gas laws the State Legislature stated:

This chapter *shall not be deemed a preemption* by the state of any existing right of cities and counties to enact and enforce laws and regulations regulating the conduct and location of oil production activities, including, but not limited to, zoning, fire prevention, public safety, nuisance, appearance, noise, fencing, hours of operation, abandonment and inspection.²¹

¹⁴ Cal. Const., art. XI, § 7.

¹⁵ *Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885 [218 Cal.Rptr. 303].

¹⁶ *Candid Enterprises v. Grossmont Union, supra*, 39 Cal.3d 878, 888 [218 Cal.Rptr. 303].

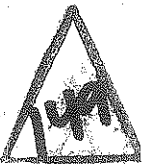
¹⁷ *Big Creek Lumber Co. v. Cnty. of Santa Cruz* (2006) 38 Cal.4th 1139, 1149 [136 P.3d 821], as modified (Aug. 30, 2006).

¹⁸ *Baron v. City of Los Angeles* (1970) 2 Cal.3d 535, 541 [86 Cal.Rptr. 673].

¹⁹ *Carlin v. City of Palm Springs* (1971) 14 Cal.App.3d 706, 711 [92 Cal.Rptr. 535].

²⁰ *IT Corp. v. Solano County Bd. of Supervisors* (1991) 1 Cal.4th 81, 89 [2 Cal.Rptr.2d 513], see also Gov. Code §§ 65800, 65802 and 65850 *et seq.*

²¹ Pub. Resources Code, § 3690 (emphasis added).



Likewise, California cities and counties have been validly regulating oil and gas operations since the early 1900's.²² Early regulations included zoning ordinances restricting oil drilling and production to certain zones, etc.²³ They also included limitations, safeguards, and controls on how oil and gas operations could be conducted.²⁴ As early as 1925, the California Supreme Court held that local governments have "the unquestioned right to regulate the business of operating oil wells within [their] limits, and to prohibit their operation within delineated areas and districts, if reason appears for so doing."²⁵

Today, local regulation of oil and gas operations is widespread.²⁶ Local government routinely zone oil and gas uses.²⁷ Some have also codified detailed processes for permitting and overseeing such operations and regulate matters such as well spacing and location, grading, piping, fire prevent and control equipment, signage and liability insurance.²⁸ Jurisdictions have also adopted zoning regulations specific to fracking.²⁹

As a final consideration, proposed Section 9504 provides a mechanism to prevent inadvertent preemption as the law evolves. That section provides that in all cases where there is conflict with state laws or regulations, "such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance."

Under these circumstances there is no express or implied preemption .

//

²² See, e.g., *Pac. Palisades Ass'n v. City of Huntington Beach* (1925) 196 Cal. 211. For a general discussion, see also Minner & Broderick, *Local Control of Oil and Gas Operations: Getting a Handle on Fracking and Cyclic Steaming Through Land Use Prohibitions, Moratoria, Discretionary Permits, and Citizen Initiatives* (2014) 23 *Env't'l Law News* 2.

²³ See, e.g., *Beverly Oil Co. v. City of Los Angeles* (1953) 40 Cal.2d 552, 557-58; *Trans-Oceanic Oil Corp. v. City of Santa Barbara* (1948) 85 Cal.App.2d 776, 780; *Higgins v. City of Santa Monica* (1964) 62 Cal.2d 24, 27.

²⁴ See, e.g., *Friel v. County of Los Angeles* (1959) 172 Cal.App.2d 142, 145; *Wood v. City Planning Comm'n of San Buenaventura* (1955) 130 Cal.App.2d 356, 361.

²⁵ *Pac. Palisades Ass'n v. City of Huntington Beach*, *supra*, 196 Cal. 211, 217.

²⁶ The following is a sample of counties that regulate or restrict land uses involving oil and gas drilling in some form: Butte County, Colusa County, Glenn County, Humboldt County, Imperial County, Kern County, Kings County, Los Angeles County, Marin County, Merced County, San Diego County, San Joaquin County, San Louis Obispo County, Santa Cruz County, Solano County, Sonoma County, Stanislaus County, Sutter County, Tehama County, Venture County, and Yolo County. Numerous municipalities in California have similar regulations.

²⁷ See, e.g., County of Glenn County Codes, §§ 15.440.020, 15.450.060 (2014) (oil and gas wells allowed in industrial zone and allowed with conditional use permit in timberland preserve zone).

²⁸ See, e.g., San Benito County Code of Ordinances, Ch. 19.21 (2014) ("Oil and Gas Wells").

²⁹ See, e.g., Santa Barbara County Code of Ordinances (County Land Use & Development Code), §§ 35.52.040, 35.52.050 (2014).



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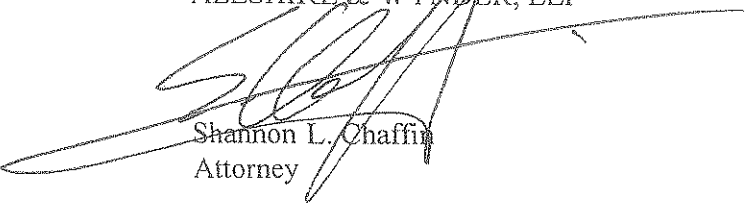
IV. Conclusion

The Ordinances would neither result in a prohibition of existing lawful uses, a taking of property, nor be preempted by State law.

We thank you for this opportunity to address your client's concerns and look forward to any additional input you may have on this topic.

Very truly yours,

ALESHIRE & WYNDER, LLP



Shannon L. Chaffin
Attorney

SLC/rkk





April 6, 2015

VIA ELECTRONIC MAIL

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Re: Proposed Zone Text Amendments 19-15 and 20-15 re Petroleum Operations

Dear Mr. Muller:

Thank you for your additional input provided by correspondence dated March 23, 2015 in connection with proposed Zone Text Amendments 19-15 and 20-15 (Ordinances). The purpose of this response is to address and provide clarification to the issues you raised.

I. Proposed Ordinances Do Not Ban Oil and Gas Production in Carson

There appears to be an underlying assumption that adoption of the proposed Ordinances would effectively ban oil production in the City of Carson. This is simply not the case.

The proposed Ordinance does not prohibit common oil extraction methods, nor would it "effectively ban[] oil production in the City of Carson." As explained in greater detail in response to your correspondence of February 23, 2015, the proposed Ordinances do not prohibit legally operating oil and gas uses already in existence. Oil and gas uses can continue to operate a variety of routine matters that have been traditionally associated with extraction of hydrocarbons.¹ Even if the proposed Ordinances are both adopted, legally existing oil and gas uses may continue. If these uses are non-conforming, they would be subject to regulations and ordinances governing non-conforming uses, much in the same manner as other legally nonconforming uses may continue that do not involve petroleum uses.

Likewise, new development of oil and gas sites within designated zoned districts would continue to be able to engage in traditional operations including steam flooding, cyclical

¹ These include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient. Steam flooding, cyclical steaming, certain types of workovers and other traditional operations are also not precluded.



steaming, and certain types of workovers. In other words, the proposed Ordinances regulate oil and gas operations, but do not “effectively ban[] oil production in the City of Carson.”

In this regard, California cities and counties have been validly regulating oil and gas operations since the early 1900’s.² Early regulations included zoning ordinances restricting oil drilling and production to certain zones, etc.³ They also included limitations, safeguards, and controls on how oil and gas operations could be conducted.⁴

II. Proposed Ordinances Do Not Give Rise To A Compensable Taking

As discussed in greater detail in response to your correspondence of February 23, 2015, the proposed Ordinances do not give rise to a compensable taking.

Assuming for the sake of argument the “parcel as a whole” analysis only applies when there is an entire fee interest, there is still not a compensable taking as there has not been a regulatory taking of the entire subsurface mineral estate. As noted above, the proposed Ordinances do not ban all oil or gas operations in Carson. Even if the “bundle” of property rights could be artificially constricted to just subsurface mineral estates, there is still no taking when one or a portion of the rights in this “bundle” of rights is removed because this does not prohibit all economic benefit.⁵

Both proposed Ordinances, including the restriction on hydraulic fracturing, still enable an owner of a mineral estate to engage in conventional oil and gas extraction within the City. The Ordinances also contain language to preclude an inadvertent taking. Finally, the nature of the Ordinances is to address nuisances and threats to public health, safety, welfare and environmental impacts.

California courts have long rejected claims by property and mineral rights owners that zoning ordinances prohibiting oil and gas drilling effect a taking of private property.⁶ Under these conditions there is no reasonable basis for concluding the proposed Ordinances will result in any sort of a compensable taking.

² See, e.g., *Pac. Palisades Ass’n v. City of Huntington Beach* (1925) 196 Cal. 211. For a general discussion, see also Minner & Broderick, *Local Control of Oil and Gas Operations: Getting a Handle on Fracking and Cyclic Steaming Through Land Use Prohibitions, Moratoria, Discretionary Permits, and Citizen Initiatives* (2014) 23 *Env’tl Law News* 2.

³ See, e.g., *Beverly Oil Co. v. City of Los Angeles* (1953) 40 Cal.2d 552, 557-58; *Trans-Oceanic Oil Corp. v. City of Santa Barbara* (1948) 85 Cal.App.2d 776, 780; *Higgins v. City of Santa Monica* (1964) 62 Cal.2d 24, 27.

⁴ See, e.g., *Friel v. County of Los Angeles* (1959) 172 Cal.App.2d 142, 145; *Wood v. City Planning Comm’n of San Buenaventura* (1955) 130 Cal.App.2d 356, 361.

⁵ *Andrus v. Allard* (1979) 444 U.S. 51, 65-66.

⁶ *Friel v. County of Los Angeles*, *supra*, 172 Cal.App.2d 142, 148; *Beverly Oil Co. v. City of Los Angeles*, *supra*, 40 Cal.2d 552, 559.



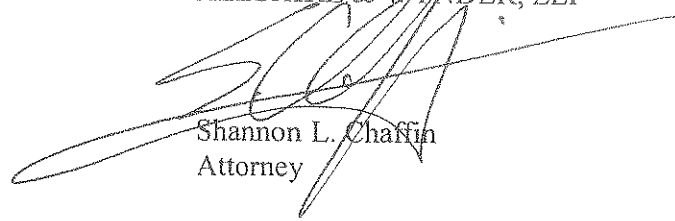
Tom Muller
April 6, 2015
Page 3

IV. Conclusion

We thank you for this opportunity to address your client's concerns and look forward to any additional input you may have on this topic.

Very truly yours,

ALESHIRE & WYNDER, LLP



Shannon L. Chaffin
Attorney

SLC/rkk





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ORANGE COUNTY | LOS ANGELES | RIVERSIDE | CENTRAL VALLEY

AWATTORNEYS.COM

April 6, 2015

VIA ELECTRONIC MAIL

Benjamin J. Hanelin
Latham & Watkins, LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Benjamin.Hanelin@lw.com

Re: Carson Oil Code Update: Proposed Zone Text Amendment 19-15
(Comprehensive Update of the City's Oil and Gas Ordinances)

Dear Mr. Hanelin:

Thank you for your input provided by correspondence on behalf of Californians for Energy Independence in connection with proposed Zone Text Amendment 19-15 (Ordinance). The purpose of this response is to address and provide clarification to the issues you raised.

I. Proposed Ordinance Is Not Preempted By State Law

The proposed Ordinance is not preempted by State law. Under California law, local government regulations that conflict with State general law are preempted.¹ The preemption may be express or by implication.²

State law is devoid of any express preemption regarding a city's ability to regulate zoning and land uses with regard to oil and gas. The law is also devoid of any express preemption regarding hydraulic fracturing and related items.

Next, preemption by implication of legislative intent may not be found when the Legislature has expressed its intent to permit local regulations or when the statutory scheme recognizes local regulations.³ Likewise, when local government regulates in an area over which it traditionally has exercised control, such as the location of particular land uses, California courts will presume that such regulation is not preempted by state statute unless there is a clear indication of preemptive intent from the Legislature.⁴ Local entities may make further regulations on phases of the matter not covered by the state legislation in furtherance of the purpose of the state law, provided such local regulations are not in themselves unreasonable. In

¹ Cal. Const., art. XI, § 7.

² *Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885 [218 Cal.Rptr. 303].

³ *Candid Enterprises v. Grossmont Union, supra*, 39 Cal.3d 878, 888 [218 Cal.Rptr. 303].

⁴ *Big Creek Lumber Co. v. County of Santa Cruz* (2006) 38 Cal.4th 1139, 1149 [136 P.3d 821], as modified (Aug. 30, 2006).



such cases it is said that there is no conflict.⁵ A city has broad discretion in determining what is reasonable in endeavoring to protect public health, safety, morals, and general welfare of the community.⁶ The Legislature has specified certain minimum standards for local zoning regulations but has carefully expressed its intent to retain the maximum degree of local control.⁷

Here, state statutes and regulations do not implicitly preempt the City from adopting zoning and land use regulations related to oil and gas drilling. In at least one provision in the State's oil and gas laws the State Legislature stated:

This chapter *shall not be deemed a preemption* by the state of any existing right of cities and counties to enact and enforce laws and regulations regulating the conduct and location of oil production activities, including, but not limited to, zoning, fire prevention, public safety, nuisance, appearance, noise, fencing, hours of operation, abandonment and inspection.⁸

Likewise, California cities and counties have been validly regulating oil and gas operations since the early 1900's.⁹ Early regulations included zoning ordinances restricting oil drilling and production to certain zones, etc.¹⁰ They also included limitations, safeguards, and controls on how oil and gas operations could be conducted.¹¹ As early as 1925, the California Supreme Court held that local governments have "the unquestioned right to regulate the business of operating oil wells within [their] limits, and to prohibit their operation within delineated areas and districts, if reason appears for so doing."¹²

Today, local regulation of oil and gas operations is widespread.¹³ Local government routinely zone oil and gas uses.¹⁴ Some have also codified detailed processes for permitting and

⁵ *Baron v. City of Los Angeles* (1970) 2 Cal.3d 535, 541 [86 Cal.Rptr. 673].

⁶ *Carlín v. City of Palm Springs* (1971) 14 Cal.App.3d 706, 711 [92 Cal.Rptr. 535].

⁷ *IT Corp. v. Solano County Bd. of Supervisors* (1991) 1 Cal.4th 81, 89 [2 Cal.Rptr.2d 513], see also Gov. Code §§ 65800, 65802 and 65850 *et seq.*

⁸ Pub. Resources Code § 3690 (emphasis added).

⁹ See, e.g., *Pac. Palisades Ass'n v. City of Huntington Beach* (1925) 196 Cal. 211. For a general discussion, see also Minner & Broderick, *Local Control of Oil and Gas Operations: Getting a Handle on Fracking and Cyclic Steaming Through Land Use Prohibitions, Moratoria, Discretionary Permits, and Citizen Initiatives* (2014) 23 *Env'tl Law News* 2.

¹⁰ See, e.g., *Beverly Oil Co. v. City of Los Angeles* (1953) 40 Cal.2d 552, 557-58; *Trans-Oceanic Oil Corp. v. City of Santa Barbara* (1948) 85 Cal.App.2d 776, 780; *Higgins v. City of Santa Monica* (1964) 62 Cal.2d 24, 27.

¹¹ See, e.g., *Friel v. County of Los Angeles* (1959) 172 Cal.App.2d 142, 145; *Wood v. City Planning Comm'n of San Buenaventura* (1955) 130 Cal.App.2d 356, 361.

¹² *Pac. Palisades Ass'n v. City of Huntington Beach*, *supra*, 196 Cal. 211, 217.

¹³ The following is a sample of counties that regulate or restrict land uses involving oil and gas drilling in some form: Butte County, Colusa County, Glenn County, Humboldt County, Imperial County, Kern County, Kings County, Los Angeles County, Marin County, Merced County, San Diego County, San Joaquin County, San Louis Obispo County, Santa Cruz County, Solano County, Sonoma County, Stanislaus County, Sutter County, Tehama County, Venture County, and Yolo County. Numerous municipalities in California have similar regulations.

¹⁴ See, e.g., County of Glenn County Codes, §§ 15.440.020, 15.450.060 (2014) (oil and gas wells allowed in industrial zone and allowed with conditional use permit in timberland preserve zone).



overseeing such operations and regulate matters such as well spacing and location, grading, piping, fire prevention and control equipment, signage and liability insurance.¹⁵ Jurisdictions have also adopted zoning regulations specific to fracking.¹⁶

As a final consideration, proposed Section 9504 provides a mechanism to prevent inadvertent preemption as the law evolves. That section provides that in all cases where there is conflict with state laws or regulations, “such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance.”

Under these circumstances there is no express or implied preemption posed by the proposed Ordinance.

II. Ordinance Does Not Unlawfully Duplicate CEQA Requirements

You also expressed concerns the Ordinance duplicates required environmental review and mitigation monitoring under the California Environmental Quality Act (CEQA). No legal authority was provided regarding this issue.

There is no indication the Ordinance is inconsistent with the requirements of CEQA or that the requirements will result in inconsistent obligations under the law. In fact, CEQA Guidelines Section 15308 recognizes the role of a local ordinance in the regulatory process to establish standards and procedures for protection of the environment. Here, the findings and standards required by the proposed Ordinance harmonize with, and reinforce, the requirements of CEQA.

CEQA also does not apply to many of the situations regulated by the proposed Ordinance. For example, certain petroleum operations could have been in use before CEQA was even adopted. As a result, the environmental impacts of those operations were not assessed. If the operation wanted to expand – even by a single structure or well – the existing, unassessed operations would be considered the “baseline” for the purposes of CEQA and would not be assessed as part of the expansion. This means compliance monitoring would generally be limited to just the impacts caused by the expansion; not the entire site. The proposed Ordinance would ensure appropriate protections were in place for the entire site for defined operations.

Last of all, the City is not prohibited from adopting standards to protect against the impacts of uses. As noted above, California cities and counties have been validly regulating oil and gas operations since the early 1900’s.

III. Role And Authority Of The Petroleum Administrator

¹⁵ See, e.g., San Benito County Code of Ordinances, Ch. 19.21 (2014) (“Oil and Gas Wells”).

¹⁶ See, e.g., Santa Barbara County Code of Ordinances (County Land Use & Development Code), §§ 35.52.040, 35.52.050 (2014).



Another concern raised was the proposed Ordinance would vest the Petroleum Administrator with too much authority and there was no right of appeal from the Administrator's decision.

While this is largely a policy decision within the discretion of the City Council, not a legal issue, there appear to be some potential misconceptions regarding the scope of the Petroleum Administrator's authority. For example, proposed section 9509 does not authorize the Petroleum Administrator to unilaterally impose additional conditions on existing, operating projects. Instead, the Petroleum Administrator may make "recommendations" to the Planning Commission or City Council if the Administrator concludes corrective action is warranted.

Additionally, the Petroleum Administrator would not be acting "without guidance" to address "high risk" operations under proposed Section 9510.3.5.B.2. The Petroleum Administrator is generally authorized to "consult experts qualified in fields related to the subject matter of this ordinance ... as necessary to assist the Petroleum Administrator in carrying out duties."¹⁷ Further, the purpose of proposed Section 9510.3.5 is to address "high risk" operations in order to bring them within normal, safe operating standards and protect the public safety, health and environment. As part of this process, the proposed Ordinance requires a procedure (including a declaration based on facts and an appeal process), provides investigation authority, etc. Under these circumstances, the Petroleum Administrator cannot be said to be operating "without guidance." In contrast, the proposed revisions submitted by Californians for Energy Independence would establish a process that could effectively preclude enforcement until all appeals and litigation had been resolved. Such a process could last years, during which time the "high risk" operation may still be operating in an unsafe manner or otherwise posing a threat to public safety, health and the environment.

The City has discretion whether to establish an appeal process from certain decisions of the Petroleum Administrator. The Ordinance proposes a process to the Planning Commission or City Council for many of these items. Even for those limited items for which no additional process is proposed, operators and other interested persons still have other avenues of appeal if they believe there is inadequate support for the Petroleum Administrator's decisions.

IV. Proposed Ordinance Not Overly Burdensome

Finally, the proposed Ordinance is not overly burdensome without any public benefit.

A land use restriction lies within the public power if it has a reasonable relation to the public welfare.¹⁸ The courts may differ with the zoning authorities as to the necessity or propriety of an enactment, but so long as it remains a question upon which reasonable minds might differ, there will be no judicial interference with the municipality's determination of policy. In short, as stated by the Supreme Court in *Euclid v. Ambler Co.*, "If the validity ... be

¹⁷ Proposed Ordinance, Section 9505(a).

¹⁸ *Associated Home Builders etc., Inc. v. City of Livermore* (1976) 18 Cal.3d 582, 604, [135 Cal.Rptr. 41].



fairly debatable, the legislative judgment must be allowed to control.”¹⁹ It is neither the province nor the duty of courts to interfere with the discretion with which such bodies are invested in the absence of a clear showing of an abuse of that discretion.²⁰

Each of the requirements articulated in your letter serve as part of a unified whole to protect the public health, safety and welfare. For example, maintaining a meteorological station at the project site allows for the identification of climatic patterns and for the collection of real-time meteorological data that can be used to assist in the investigation of odor events, in providing data for emergency response, and for the use in updating health risk assessments.

Likewise, requiring contractors licensed to do business in the City assures that the contractors have gone through local approval to do business in the city and through that licensing process ensure that they have the capability to conduct the required technical work for proper, technically sound and safe abandonment of facilities.

Last of all, an annual drilling and workover plan helps ensure that information is provided on what drilling, redrilling, well abandonment and pad restoration work will be occurring at the oil field over the next calendar year. This information is important in ensuring that the City has up to date information on all drilling expected to go on within the city for the upcoming year. It also helps assure that all proposed wells meet the applicable requirements of the ordinance. Finally, it helps promote the use of new technology, which is commercially available that could reduce impacts associated with drilling, in use at the oil and gas site.

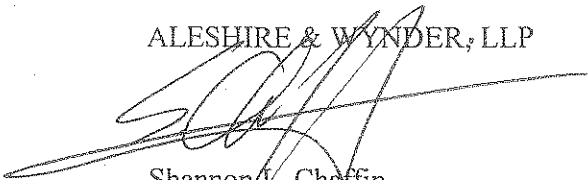
The totality of the record establishes the basis and benefits to public health, safety and welfare in greater detail.

V. Conclusion

We thank you for this opportunity to address your client’s concerns and look forward to any additional input you may have on this topic. Your proposed revisions to the Ordinance will be made available to the Planning Commission and City Council for their consideration.

Very truly yours,

ALESHIRE & WYNDR, LLP



Shannon L. Chaffin
Attorney

SLC/rkk

¹⁹ *Id.*, 18 Cal.3d at p. 605, citing *Euclid v. Ambler Co.* (1926) 272 U.S. 365, 388 [47 S.Ct. 114]

²⁰ *Consolidated Rock Products Co. v. City of Los Angeles* (1962) 57 Cal.2d 515, 533 [20 Cal.Rptr. 638].



City of Carson Oil and Gas Code Update: FAQ Community Handout

1. Will the oil and gas Code update ban hydraulic fracturing 'fracking' in the City of Carson?

Yes. Section 9536 and 9536.1 of the proposed oil and gas Code update ban any hydraulic fracturing 'fracking', acidizing, or any other well stimulation treatment in conjunction with the production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City. The oil and gas Code update will also ban surface activities associated with well stimulation, including the operation of injection pumps above a defined pressure as well as the pumping of acids above a certain volume.

2. Can the City place an outright ban on all drilling?

An outright ban on all operations cannot be approved as part of the current update process. The City Council directed staff to prepare an update of the oil and gas Code, with a ban on hydraulic fracturing and other extraction processes. City staff have complied with the process, noticing, and environmental analysis for the update of the oil and gas Code. At a minimum, an outright ban on all petroleum operations would be required to go through a separate initiation process, environmental review, notice, and other procedures before it could be considered by the Planning Commission and City Council. Adoption, or denial, of the oil and gas Code will not have any impact on the City's ability to explore other options in the future.

3. What is the difference between 'fracking', a production well, an exploratory well, and directional well?

A 'well' that is "fracked" is a production well that has hydraulic fracturing fluid (which can be a mix of water, sand, chemicals or other materials) injected into an underground geologic formation containing oil or gas resources at pressures high enough to fracture the formation and enhance movement of the oil or gas through the well to the surface.

A production well is a term commonly used to describe wells from which oil and gas is actively flowing and being processed.

An exploratory well is a well drilled in the initial phase in petroleum operations that includes generation of a prospect or play or both, and drilling of an exploration well. Appraisal, development and production phases follow successful exploration. In most cases, exploratory wells will become production wells.



A directional well or 'directional drilling' is a drilled wellbore that requires the use of special tools or techniques to ensure that the wellbore path hits a particular subsurface target located away from (as opposed to directly under) the surface location of the well. A directionally drilled well can be an exploratory well, which would then become a production well.

4. What rights do oil and gas companies have to drill underneath my house? What can the City do to regulate this activity?

Unless you own the oil and gas rights under your property, the owners of those mineral rights have the right to access their property – even if they are below your house. Additionally, there are certain limitations on a city's ability to regulate subsurface/underground areas. However, a city may regulate land uses, such as which parcels of land can be used for drilling oil and gas wells. The current code requires drilling operations to be set back at least 300 feet from residences. However, the oil and gas Code update would require oil drilling to be at least 1,500 feet from residences.

5. Why can't the City use eminent domain to buy up all of the mineral rights/oil and gas properties within the City of Carson?

In order to pursue eminent domain, the land must be taken for "public use" and the private property owners must receive "just compensation." If the City tried to use eminent domain and could make a "public use" argument, it and the residents of Carson would still be required to pay for all of the rights and properties they were taking. For example, the population of Carson is approximately 100,000 people. Assuming the value of the mineral rights was 1 billion dollars, this would effectively mean the proportionate share for every man, woman and child would be about \$10,000 each. The owners of the mineral rights could establish an even higher amount, which would require even more money to be paid. If the City were to pursue this option, it would either have to acquire more money from the residents, or cut services to its residents, or both. Adoption, or denial, of the oil and gas Code will not have any impact on the City's ability to explore this option in the future.

6. What types of noticing will I receive for oil and gas projects within the City if the oil and gas Code update is adopted?

The proposed oil and gas Code update requires any permits for oil and gas drilling, operations, facilities, site or well abandonment, re-abandonment, or restoration be noticed to the public consistent with the requirements set forth in the City's existing municipal Code (within 500'). Additionally, the Code update requires that all results and data from environmental monitoring at oil and gas sites or facilities (including air quality, odors, water quality, pipeline



monitoring, leak testing, etc.) be reported and posted online at a site that will be accessible to the public.

7. How far away from my residence can oil and gas companies drill and/or construct facilities (a) under the City's current Municipal Code and (b) if the oil and gas Code update is adopted?

(a) Currently, oil and gas companies can drill within **300 feet of any residence** in the City.

(b) Under the proposed oil and gas Code update, all **oil and gas drilling and sites/facilities** will be required to be setback **1,500 from residential zones within the City**. This setback requirement creates a 1,500 foot buffer area around each entire residential zone, which will create a much larger separation than the current Code between any residentially zoned neighborhoods (and the homes located within them) and oil and gas drilling or operations.

8. What is the difference between an active, idle and abandoned well?

An active well is a production or exploratory well that is actively being used to extract oil or gas resources.

An idle well is a well that may have been active in the past and can easily become active again in the future, but is currently standing idle and not actively producing any oil or gas resources.

An abandoned well is a well that is not active and has been plugged or capped according to specific standards of DOGGR to prevent any oil or gas from leaking out.

9. How and where can I find out if there are any wells- active, idle, or abandoned- near or underneath my house?

The City has posted a link on their website at the website indicated below which will allow residents to search on the Division of Oil and Gas and Geothermal Resources' (DOGGR) website for any wells- active, idle, or abandoned- which might be located below or in close proximity to their homes.

<http://maps.conservation.ca.gov/doggr/index.html#close>

10. Where can I find the most up-to-date information about the City's Oil Code Update?

The City has developed a webpage specifically for the Oil Code Update that can be reached by the following link:

<http://ci.carson.ca.us/departments/communitydevelopment/oilcodeupdate.asp>



**March 18, 2014 City Council Staff Report,
Drilling Moratorium:**

http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59098/AS59110/AS59118/AI59166/DO59198/DO_59198.pdf



ITEM NO. (31)

**CONSIDER ADOPTING INTERIM URGENCY ORDINANCE NO. 14-1534U
IMPLEMENTING A MORATORIUM ON NEW OIL AND GAS
DEVELOPMENT IN THE CITY OF CARSON PENDING A STUDY OF THE
SCOPE OF THE CITY'S REGULATORY AND/OR LAND USE AUTHORITY
OVER SUCH ACTIVITIES (CITY MANAGER)**

Item No. 31 was heard after Oral Communications – Members of the Public portion of the meeting at 9:50 P.M.

City/Agency/Authority Attorney Wynder presented the staff report and recommendation and requested that the Council incorporate the entire contents of the staff report as part of the record of the proceedings of the Council and as the evidentiary basis in addition to the testimonies that has been given this evening upon which the Council will act on the urgency ordinance. He referred to Government Code Section No. 65858 regarding the implementation of a moratorium.

He referred to two letters from law firms received who questioned the appropriateness of the moratorium and discussed the 45-day process. He referred to pages 13 and 14 of the staff report regarding Senate Bill 4; referred to Senate Bill 1132; referred to what the moratorium does not do; and referred to Triangle Page 23, Section 2-Moratorium, of what the moratorium does do for 45 days.

He referred to the letter received from Alston & Bird, LLP, representing Oxy, discussed the letter and discussed the findings outlined in the urgency ordinance, discussed the six additional elements set forth in the staff report which would support the adoption of the urgency moratorium ordinance and was of the legal opinion that it was lawful to do so. Additionally, he stated that the City Attorney did not believe that the issue as the authority to adopt the moratorium is preempted by State Law or DOGGR regulations.

City/Agency/Authority Attorney Wynder stated that to adopt an interim urgency ordinance and to implement a moratorium requires four affirmative votes of the City Council.

Mayor/Agency Chairman/Authority Chairman Dear ordered that the entire staff report be made part of the record. He ordered that the letter from the law firm of Alston & Bird LLP, representing Oxy, be made part of the record. City/Agency/Authority Attorney Wynder reported on another letter received late today by a law firm of Manatt/Phelps/Phillips representing the Carson Estate Trust. Mayor/Agency Chairman/Authority Chairman Dear stated for the record that the Carson Estate Trust is one of the families who are heirs of the Spanish land grant. Whereupon, Mayor/Agency Chairman/Authority Chairman Dear ordered that the Manatt/Phelps/Phillips letter be made part of the record.

Mayor/Agency Chairman/Authority Chairman Dear stated for public information that under State law, the California State Department of Conservation has a division known as DOGGR which stands for Division of Oil, Gas & Geothermal Resources. He reemphasized what City Attorney Wynder stated that the moratorium issue before us is not preempted by State law as some people have implied and stated that this chapter states we should not be deemed preemption by the State of any existing right of cities including the City of Carson or counties to enact and enforce laws and regulations regulating the conduct and location of oil production activities including but not limited

EXHIBIT NO. 05



to zoning, fire prevention, public safety, nuisance, appearance, noise, fencing, hours of operation, abandonment, and inspection.

Council Member/Agency Member/Authority Commissioner Robles thanked all the residents for coming this evening and coming at the previous City Council meeting and staying on top of this issue and offered comments in support of this item.

RECOMMENDATION for the City Council:

- 1. CONSIDER and PROVIDE direction.

ACTION: WITH FURTHER READING WAIVED, Interim Urgency Ordinance No. 14-1534U, was PASSED, APPROVED, and ADOPTED, as read by title only, on motion of Robles and seconded by Santarina.

During discussion of the motion, Council Member/Agency Member/Authority Commissioner Davis-Holmes offered a friendly amendment to the motion to Direct, by minute order, City staff to stay all on-going or future negotiations of any possible Development Agreement No. 04-11 with OXY USA, Inc. ("OXY") until such time as the new owner of its California operations is in place and has presented appropriate financial and other appropriate *bona fides* to the City which was accepted by the maker and second.

Mayor/Agency Chairman/Authority Chairman Dear thanked everyone for coming this evening.

The motion, as amended, was unanimously carried by the following vote:

Ayes:	Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Santarina, Council Member/Agency Member/Authority Commissioner Davis-Holmes, Council Member/Agency Member/Authority Commissioner Gipson and Council Member/Agency Member/Authority Commissioner Robles
Noes:	None
Abstain:	None
Absent:	None

~~RECESS:~~

~~The City Council, Successor Agency, and Housing Authority were recessed at 10:13 P.M., by Mayor/Agency Chairman/Authority Chairman Dear for Council Closed Session only.~~

~~RECONVENE:~~

~~The City Council, Successor Agency, and Housing Authority were reconvened at 11:00 P.M., by Mayor/Agency Chairman/Authority Chairman Dear with all members previously noted present, except Davis-Holmes absent.~~

~~REPORT ON CLOSED SESSION~~

~~City Attorney Wynder provided the Council Closed Session report as follows:~~

~~(Council Member/Agency Member/Authority Commissioner Davis-Holmes reentered the meeting at 11:01 P.M.)~~



April 29, 2014 City Council Staff Report,
Drilling Moratorium Extension:

[http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59374/
AS59386/AS59391/AI59400/DO59402/DO_59402.pdf](http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59374/AS59386/AS59391/AI59400/DO59402/DO_59402.pdf)



~~ORAL COMMUNICATIONS – MEMBERS OF THE PUBLIC (LIMITED TO ONE HOUR) (None)
The public may at this time address the members of the City Council/Housing Authority/Successor Agency on any matters within the jurisdiction of the City Council/Housing Authority/Successor Agency and/or on any items on the agenda of the City Council/Housing Authority/Successor Agency, prior to any action taken on the agenda. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than three minutes each, speaking once. If you would like to address the City Council/Housing Authority/Successor Agency, please complete the SPEAKER'S CARD. The card is available at the speaker's podium or from the City Clerk. Please identify on the card your name, address, and the item on which you would like to speak, and return to the City Clerk. The SPEAKER'S CARD, though not required in order to speak, assists the Mayor in ensuring that all persons wishing to address the City Council/Housing Authority/Successor Agency are recognized, time permitting. Oral communications will be limited to one hour unless extended by order of the Mayor/Chair with the approval of the City Council/Housing Authority/Successor Agency.~~

~~NEW BUSINESS CONSENT (None)~~

~~These items are considered to be routine items of COUNCIL business and have, therefore, been placed on the CONSENT CALENDAR. If COUNCIL wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.~~

~~DEMANDS (None)~~

~~SPECIAL ORDERS OF THE DAY (Item 2)~~

~~Public testimony is restricted to three minutes per speaker, speaking once (excepting applicants who are afforded a right of rebuttal, if desired), unless extended by order of the Mayor with the approval of the City Council.~~

ITEM NO. (2)

CONSIDER ADOPTING URGENCY ORDINANCE NO. 14-1538U EXTENDING THE 45-DAY MORATORIUM ADOPTED BY INTERIM URGENCY ORDINANCE NO. 14-1534U, ON THE DRILLING, REDRILLING OR DEEPENING OF ANY NEW OR EXISTING WELLS WITHIN THE JURISDICTION OF THE CITY OF CARSON THAT ARE ASSOCIATED WITH OIL AND/OR GAS OPERATIONS (CITY MANAGER)

Item No. 2 was heard at 7:03 P.M.

Mayor Dear asked the City Clerk to enter into the record letters and/or emails that were received in the City Clerk's Office in support or opposed to the moratorium.

Council Member Davis-Holmes inquired how many people are Carson residents.

Mayor Dear directed the Carson residents in the audience to stand and announced that a vast majority were Carson residents.

At 7:14 P.M., Mayor Dear opened the Public Hearing.

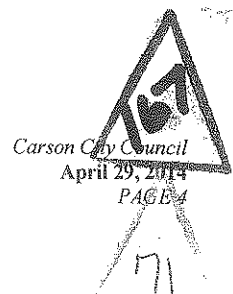


EXHIBIT NO. 03

Mayor Dear requested that all persons wishing to testify to stand and take the Oath, which was administered by City Clerk Gause.

The following persons offered comments in opposition of Council Item No. 2:

Ron Miller, Executive Secretary of the LA-Orange County Building and Constructions Trade Council, Riverside, California

Representing 140,000 hard-working men and women in Los Angeles and Orange County, 1,500 of which live in Carson.

Marvin Kropke, Business Manager/Financial Secretary for IBEW Local 11

Representing Electricians with 11,000 members; 300 members were Carson residents. He submitted 1,500 signed postcards by Carson residents in support of the Oxy project.

The following persons offered comments in support of Council Item No. 2:

Dianne Thomas, 20219 Nestor Avenue, Carson, California 90746

Robert Lesley, Carson, California

Provided handouts from Congress of the United States dated April 1, 2014, and OSHA Fact Sheet

Willie Cravin, 19326 Belshaw, Carson, California 90746

Vivian Hatcher, Annalee Avenue, Carson, California

Provided letter addressed to City Council, staff and everyone

Lori Noflin, 19309 Tillman Avenue, Carson, California 90746

David Noflin, 19309 Tillman Avenue, Carson, California 90746

Miriam Vazquez, Carson, California

Dr. Tom Williams, 4117 Barrett Road, Los Angeles, California 90032

Michelle Kinman, 1200 Opel Street, No. 22, Torrance, California 90277

Barbara Post, Carousel Tract resident, Carson, California

Bob Bowcock

Ezell Waters, 19615 Galway, Carson, California 90746

Jackie Stewart, 1860 E. Cashdan Street, Carson, California 90746

Karell Campbell, 401 220th Street, Carson, California 90745

Golda Copeland, 19116 S. Kemp Avenue, Carson, California 90746

Submitted petition to the City Clerk

Rosa Banuelos, 17700 S. Avalon Boulevard, No. 66, Carson, California 90746

Roye Love, 19402 S. Cliveden Avenue, Carson, California 90746

Harry L. Wilson, 19006 Scobey Avenue, Carson, California 90746

Referred to correspondence dated March 11, 2014, mailed to Mayor and Council Members.

Norma Jackson, Carson, California

Urged Mayor and Council Members for a lifetime ban on fracking.

Jennifer Vazquez, Carson, California

Jack Graves, 1046 Helmick Street, Carson, California 90746

At 7:58 P.M., Mayor Dear announced that he would allow four additional speakers in support of the moratorium then the opposing side would have a chance to speak for 45 minutes.

Marvin J. Stovall

Rebecca Tuttle, 11659 McDonald Street, Culver City, California 90230

Chris Bradley, Kramer Driver, Carson, California 90746

Jane Brockman, 4260 La Salle Avenue, Culver City, California 90232

At 8:08 P.M., the following persons offered comments in opposition of Council Item No. 2:

Mayor Dear announced the order of speakers as follows: 1) Henry Tillman; 2) representatives of the NAACP of the LA Chapter; 3) Maria Elena Durazo; and 4) James Drew Lawson.

Henry Tillman, 21625 S. Avalon Boulevard, Carson, California 90745

Leon Jenkins and Joseph Alford, representatives of the NAACP, LA Chapter

Mila E. Boyer, 520 E. Carson Street, No. 40, Carson, California 90745

(Council Member Davis-Holmes exited and reentered the meeting at 8:15 P.M.)

Maria Elena Durazo, Federation of Labor-AFL-CIO

(Council Member Robles exited the meeting at 8:18 P.M.)

James Drew Lawson, 426 W. Carson Street, No. 2, Carson, California 90745

(Council Member Davis-Holmes exited the meeting at 8:19 P.M.)



(Council Member Robles reentered the meeting at 8:20 P.M.)

Dean L. Jones, 1844 E. Fernrock Street, Carson, California 90746

Matthew De Los Santos, 452 E. 230th Street, Carson, California 90745

(Council Member Davis-Holmes reentered the meeting at 8:21 P.M.)

Bob Levenson, 211 E. 222nd Street, Carson, California 90745

Kevin McCall, Carson High School Football Coach

David McHugh, 2710 E. Madison Street, Carson, California 90810

Roberto with Spanish translator, 1415 235th Street, Carson, California

Peter Estrada, 24418 Marine Avenue, Carson, California 90745

Scott Roque, 753 N. Arnel Drive, Covina, California 91722

Richard DeMello, 17040 Benbow, Covina, California 91740

JF Doc Holiday, 678 W. Heber Street, Glendora, California 91741

David Crow, 5060 California Avenue, No. 1150, Bakersfield, California 93309

Submitted letter dated April 29, 2014 to the City Clerk for distribution to the Mayor and Council Members

Richard Hernandez, 108 W. 226th Place, Carson, California 90745

Virginia Deroux, 341 E. 220th Street, Carson, California 90745

David Englin, 1000 N. Alameda, Los Angeles, California 90017

Pastor Josh Canales on behalf of Pastor Isaac Canales, Mission Ebenezer Family Church, 415 W. Torrance Street, Carson, California 90745

Elizabeth Warren, Box 768, San Pedro, California 90733

Andrew Davis, Sr., 357 E. Centerview Drive, Carson, California 90746

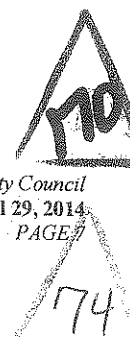
James Fritz, 1625 E. 218th Street, Carson, California 90745

Joey Cinco, 405 W. 235th Street, Carson, California 90745

Amir Zendehtoum, 11346 Iowa Avenue, Los Angeles, California 90025

Michael David

Male speaker, 217 Hurley Avenue, Carson, California

A handwritten signature, possibly 'MA', is written inside a triangle. Below the triangle, the number '74' is written.

Salvador Carillo, 1053 East Renton Street, Carson, California 90745

At 8:54 P.M., Mayor Dear announced that he would allow three additional speakers in opposition of the moratorium then the supporting side would have a chance to speak for 45 minutes.

Christine Halley, 1025 W. 190th, Los Angeles, California 90248

Antonio Valadez, 1250 E. 222nd Street, Carson, California 90745

Jerald Alvarado Nunag, 22419 Marine Avenue, Carson, California 90745

Sergio Alvarez, 1229 ½ W. Anaheim Street, Harbor City, California 90710

The following persons offered comments in support of Council Item No. 2:

Male speaker

Provided handout to the City Clerk entitled, "Impeach of Fracking Bastards and Fracking is Genocide".

Female speaker, Carson, California

Lavonda Brown, 1307 E. Fernrock Street, Carson, California

Margurite A. Carter, 18805 Grambling Place, Carson, California 90746

Mamie Burleson, Carson, California

Lauren Steiner, 1725 Clear View Drive, Beverly Hills, California 90210

Kent Minault

Male speaker

Latrice Carter, Carson, California

David Fields, representing Society of St. Vincent de Paul, 210 North Avenue, No. 21, Los Angeles, California 90031

R L Miller, Chair of California Democratic Parties Environmental Caucus

Joe Galliani, 668 Calle Miramar, Redondo Beach, California 90277

Wendy R. Howlett, 19421 Kemp Avenue, Carson, California 90746

Faye Walton, Carson, California 90746

Joseph Roberts, Carson, California

Glenn White, 750 E. Carson Street, No. 84, Carson, California 90745



Karen Edmond, Carson, California

Shaaron MacLeod

(Council Member Davis-Holmes exited the meeting at 9:40 P.M.)

Female speaker, Los Angeles County resident

(Council Member Robles exited the meeting at 9:42 P.M.)

Patrice LeFleur, Carson, California

Freeman Watkins, 840 E. Cyrene Drive, Carson, California 90746

Amy Yuelapwan, representing Food and Water Watch

(Council Member Robles reentered the meeting at 9:46 P.M.)

(Council Member Davis-Holmes reentered the meeting at 9:48 P.M.)

Walker Foley, representing Food and Water Watch

Ty'Nesha Brown

Del Huff, 868 E. Meadbrook Street, Carson, California 90746

Male speaker, Hermosa Beach, California

At 9:51 P.M., Mayor Dear announced that he would allow three additional speakers.

Lia Dillard

Al Satler

Dr. Barbara Palmer, 1520 Cyrene Drive, Carson, California 90746

The following persons offered comments in opposition of Council Item No. 2:

Jesus Griffith, Carson, California

(Council Member Gipson exited the meeting at 10:01 P.M.)

Kevin Norton, Assistant Business Manager, representing IBEW Local 11

(Council Member Gipson reentered the meeting at 10:04 P.M.)

Gary L. Cook, 1111 West James M. Wood, Los Angeles, California 90015

Eunice Langford, 149½ E. 220th, Carson, California 90745

Ignacio Ramirez, 1502 E. Carson Street, No. 88, Carson, California 90745

Raymond Robago, 243 E. 220th Street, Carson, California 90745

Alyssia Clark, 17916 Tamcliff Avenue, Carson, California 90745

Tommy Fa'avae, Carson, California

Jessica Canlapan, 555 E. Carson Street, No. 52, Carson, California 90745

Dermon Cabs, 412 North Morie, Compton, California 90220

Diana, Carson, California

John Mitchell, Carson, California

Walter Neil, Chairman of the Board, Carson Chamber of Commerce

Mr. Montez, 548 E. Pacific Street, Carson, California 90745

Ed Rendon, 981 Corporate Center Drive, Pomona, California 91768

Dan Kurtz, Bakersfield/Kern County resident

(Council Member Robles exited the meeting at 10:22 P.M.)

Gary Kennedy, Carson, California

Frank Zavala

Tom Demoore

Tim DeBarr

Male speaker

Hugo Rivero

David Canedo, 21702 Acarus Avenue, Carson, California 90745

(Council Member Robles reentered the meeting at 10:28 P.M.)

Carson business owner

Jeff Davis, La Habra, California

Makecia Williams

Shenae Warren, 19003 Nestor Avenue, Carson, California 90746

Pilar Hoyos representing Watson Land Company, 22010 Wilmington Avenue, Carson, California 90745

Provided a copy of a letter from Children's Hospital dated April 25, 2014, to the Mayor and Council.

Bill McFarland, Human Resource Manager, Occidental Petroleum

George J. Mhlsten, 355 S. Grand Avenue, Los Angeles, California 90071

Joe Sullivan, 100 E. Carson Street, Pasadena, California 91103

David Cloud, Hawthorne, California

(Mayor Pro Tem Santarina exited the meeting at 10:40 P.M.)

Gary Tomlind, Long Beach, California

(Mayor Pro Tem Santarina reentered the meeting at 10:42 P.M.)

Michael Scott, Huntington Beach, California

Manuel Hernandez, South Los Angeles, California

Julio C. Franco, 1138 W. 127th Street, Los Angeles, California 90044

Steve Ramirez, Local 11 IBEW union member

Ronald Becerra, 5355 N. Persimmon Avenue, Temple City, California 91780

Morgan Karr, Whittier, California

Sharmaree Davis, Pasadena, California

Pat Stewart

Male Speaker

Gary Parker

Mitch Ponce, Long Beach, California

Larry Langford, Carson, California

Greg Jensen, Long Beach, California

Bill Baxter

At 10:57 P.M., Mayor Dear closed the Public Hearing.

City Attorney Wynder summarized the staff report.

RECESS:

The City Council was recessed at 10:57 P.M., by Mayor Dear.

RECONVENE:

The City Council was reconvened at 11:18 P.M., by Mayor Dear, with all members previously noted present.

City Clerk Gause noted the following:

Council Members Present:

Mayor Jim Dear, Mayor Pro Tem Elito Santarina, Council Member Mike Gipson, Council Member Lula Davis-Holmes and Council Member Albert Robles

Council Members Absent: None

Other Elected Officials Present:

Donesia Gause, City Clerk and Karen Avilla, City Treasurer

Other Elected Officials Absent: None

Also Present:

Jacquelyn Acosta, Acting City Manager; William Wynder, City Attorney; Sunny Soltani, Assistant City Attorney; and Kathy Phelan, Special Counsel, and staff:

Bruce Barrette, Interim Assistant City Manager; Cedric Hicks, Director of Community Services; Barry Waite, Acting Director of Community Development; Gilbert Marquez, Acting Director of Public Works; Robert Eggleston, IT Manager; Glenn Turner, Computer Systems Support Technician; Lisa Berglund, Principal Administrative Analyst; Sylvia Rubio, Council Field Representative; Regina Ramirez, Supervisor, Community Center; Joy Simarago, Deputy City Clerk; and Yolanda Chavez, Senior Clerk

City Attorney Wynder commented on the goodwill among opposing views. He announced the overall process was initiated by Council Member Robles due to concerns raised in the nature of the business of Occidental Petroleum. He continued to clarify that a moratorium does not permanently ban anything; it is an opportunity to study important issues. He summarized the staff report to clarify the purpose of tonight's meeting was to analyze the 10-day report findings: 1) Identified questions regarding the risks of oil and gas drilling and/or the use of well stimulation technologies which could raise public health, safety, or otherwise environmental concerns; 2) Issues include the study of the activities involved in oil and gas production on existing wells; 3) Identified regulatory or enforcement gaps in the Carson Municipal Code. State law permits to extend the moratorium for the first time for a period of ten months and fifteen days which when combined with the initial 45-day period equals one year.

City Attorney Wynder requested that all staff reports, beginning with the initial report, all actions oral and written communications that the Council received in opposition and support formally be entered into the record and made part of the administrative record.

Mayor Dear ordered all said documents made part of the record, with no objections heard.

City Attorney Wynder announced that the City received a letter today from the Law Firm of Latham & Watkins advising the City that Occidental Petroleum has committed to a particular method of oil and gas drilling. He clarified that the City was not targeting a specific project; the moratorium was citywide. He stated the City's ordinance was over twenty years old and the moratorium provides the opportunity to update the ordinance even though the City could do so without it. He summarized the Council's options.

City Attorney Wynder introduced the lawyers from his office who have worked extensively on this issue, Special Counsel Kathy Phelan and Assistant City Attorney Sunny Soltani.

At 11:36 P.M., Mayor Dear announced that the meeting has reached the deliberation session.

Deliberation

Council Member Robles apologized to the residents of Carson for what he has done and would do. He disclaimed the item for discussion tonight had nothing to do with the Oxy Project even though most speakers referred to the Oxy project. He reiterated what City Attorney Wynder stated earlier regarding the moratorium which has absolutely nothing to do with the Oxy Project or the EIR Process which was continuing and not halted by the moratorium. Also, the moratorium was only for 10 months and 15 days. He has seen flyers being disseminated with misinformation to residents. He stated that he has not formed any opinions on the Oxy Project, neither for nor against thus has not disqualified himself from this item. He referred to a meeting he attended in downtown Los Angeles; and prior to his departure, he was advised by a union leader that if he did not oppose the moratorium, they would find another candidate to run against him. He quoted his hero, Emiliano Zapata, "Prefiero morir de pie que vivir de rodias" and translated means, "I prefer to die standing than live on my knees." He referred to a letter from the Law Firm of Olsen and Burg, Oxy's other attorney, which stated that it was their position that any City proposed regulations of oil and gas activities are preempted by the State.

Main Motion

RECOMMENDATION for City Council

1. CONSIDER and PROVIDE direction.

ACTION: WITH FUTHER READING WAIVED, it was moved to ADOPT by 4/5ths vote Urgency Ordinance No. 14-1538U, "AN INTERIM URGENCY ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, EXTENDING THE 45-DAY MORATORIUM ESTABLISHED BY ORDINANCE NO. 14-1534U, ON THE DRILLING REDRILLING OR DEEPENING OF ANY WELLS WITHIN THE JURISDICTION OF THE CITY OF CARSON THAT ARE ASSOCIATED WITH OIL AND/OR GAS OPERATIONS, AND DECLARING THE URGENCY THEREOF," to ensure the public health, safety to and welfare is protected during the period of the extension for a period of 10 months and 15 days on motion of Council Member Robles and seconded by Council Member Davis-Holmes.

During discussion of the motion, Mayor Dear agreed with Council Member Robles but added that he supported Development Agreements to protect the people of Carson. He reiterated that the moratorium was on oil drilling and Carson sits on two oil fields which would be absurd to stop drilling in Carson or across America. He was completely against fracking and believed that any Development Agreement entered into with the City should clearly state that no fracking would

occur; he would vote no on the extension of the moratorium. The City could use the Development Agreement process which the City has control over and could be enforced through court to create tools and resources for addressing the contamination within the City; he suggested a \$50 million bond or trust account be established to protect residents; in a Development Agreement and a contract have the authority to prohibit fracking where a City ordinance was triumphed by State law. The Preliminary Environmental Impact Report was distributed to and reviewed by the Mayor and Council.

Mayor Pro Tem Santarina thanked Council Member Robles for the facts shared and citizens for staying late; he added the Development Agreement would guarantee for a fair share to protect the citizens.

Council Member Davis-Holmes thanked Council Member Robles; she stated that she was elected to serve the residents of the City of Carson. Oxy has not referenced the environmental concerns; and her concern was if the moratorium was not passed, then the Development Agreement would not be able to be enforced and directed her question to the City Attorney.

City Attorney Wynder replied that if the moratorium was not extended it would expire on May 2, 2014.

Council Member Davis-Holmes further stated if passed, the moratorium could be cancelled. She referenced the Carousel Tract issues due to oil companies; the moratorium had nothing to do with jobs. Directed the residents to vote for someone who had their voice; and stated that she was elected to protect the residents of Carson.

Council Member Gipson expressed empathy for Council Member Robles; he acknowledged receiving numerous emails from both sides. He asked City Attorney Wynder if the moratorium does not receive sufficient votes and do we still have control over the project.

City Attorney Wynder shared their considered opinion that the moratorium does not affect the EIR process.

Council Member Gipson asked what the projected time frame was.

City Attorney Wynder consulted with staff and the period was three to five months from today. He addressed the issues if the moratorium expired then a two-fold process would occur. Staff would ask Council to rescind the minute order to direct staff to no longer negotiate a Development Agreement and to direct staff to negotiate contractual terms, important note the Development Agreement only applied to single project, not citywide. If Council was of mind to update the current ordinance and regulatory scheme, any application received prior to final approval would be processed under existing law. The EIR report would be heard before the Planning Commission, then the Council before a Public Hearing on the certification process; the Development Agreement would be brought before Council for public consideration and a formal action by Council to be approved and the Development Agreement would vest the rights to the parties and impose conditions. If the moratorium were to be extended, the only part of the process that would not move forward would be the Development Agreement. Staff would request additional studies, the assistance from scientific experts, other consultants, reach out to oil industries, Chamber of Commerce, homeowner

associations and a new 10-day report would need to be issued prior to expiration of the existing moratorium then staff would provide specific recommendations for Council's consideration.

Council Member Gipson thanked City Attorney Wynder. A discussion ensued among Council Member Gipson and City Attorney Wynder wherein Council Member Gipson requested clarification about the project not involving fracking and could a no fracking stipulation be added to a Development Agreement. City Attorney Wynder confirmed that legal representation from Oxy and from the City Attorney's perspective was that there was to be no fracking, however, City Attorney Wynder would prefer to have the language in writing and the project description amended. The Development Agreement would be negotiated between parties and if agreed, may be other well stimulation technologies studied which have not been explored per the minute order.

At 12:45 A.M., on Wednesday, April 30, 2014, Mayor Dear reopened the Public Hearing.

George J. Mhlsten, Latham and Watkins

Confirmed Council Member Gipson's understanding that no fracking would be used in this project and further agreed not to use other well stimulation methods and Oxy was willing to put this in writing as a commitment for Occidental Petroleum.

(Council Member Davis-Holmes exited the meeting at 12:47 A.M., on Wednesday, April 30, 2014.)

Council Member Gipson

Stated that based on what the City Attorney stated, if the project moved forward, the City needs protection and a Development Agreement would need to be negotiated and the City not surrender its authority over the project.

(Council Member Davis-Holmes reentered the meeting at 12:48 A.M., on Wednesday, April 30, 2014.)

Leticia Ortega, Carson, California

Stated that even though there was no fracking in the Carousel Tract when the telephone company dug into the ground, oil arose. She was of the opinion that drilling still has the same effect.

At 12:49 A.M., on Wednesday, April 30, 2014, Mayor Dear closed the Public Hearing.

Council Member Gipson stated that the Carson City Council was extremely supportive to the Carousel Tract and was not of the opinion that the Oxy Project was the same. If the moratorium does not pass tonight, then safe guards need to be in place. He requested that the City Attorney find out how many jobs would arise from the project, if approved. City Attorney Wynder did not have the information readily available.

Mayor Pro Tem Santarina requested the Public Hearing reopened.

At 12:51 A.M., on Wednesday, April 30, 2014, Mayor Dear reopened the Public Hearing.

Mayor Pro Tem Santarina asked Mr. Mhlsten if the issues of impact to air quality, water quality, water use and impact to wildlife have been addressed.

George J. Mhlsten, Latham and Watkins

On behalf of Occidental Petroleum, they agreed that all issues would be addressed thoroughly in the environmental review process, in the context of the negotiations of the Development Agreement, and the litigation measures be included as enforceable obligations.

Mayor Pro Tem Santarina expressed concerns if risks to the environment arose such as transportation, drilling, pumping, and disposal activities.

George J. Mhlsten, Latham and Watkins

State that all activities would be addressed through the environmental review process, the mitigation measures with respect to those issues would become part of the mitigation program and fully enforceable by the City. He would expect that the City would hire an environmental monitor to ensure compliance as the project proceeds.

Council Member Robles asked about acidization or use of other stimulants.

George J. Mhlsten, Latham and Watkins

Responded that acidization was not anticipated in this project; fully compliant with SB 4. Legislation was passed last year, SB 4 defining well stimulation techniques and agreed that they would not use those techniques at this facility.

Council Member Gipson confirmed with Mr. Mhlsten that the City would not expend any of the taxpayer's money to hire a consultant; the expense would be paid for by Occidental Petroleum.

Allen Smith

Expressed concern that Council was discussing a contract when the purpose of tonight's meeting was solely to extend the moratorium.

At 12:57 A.M., on Wednesday, April 30, 2014, Mayor Dear closed the Public Hearing.

Mayor Dear inquired if there was a legal problem with the City enforcing a Development Agreement that would include no fracking at any time during the life of the project, to include a bond or fees coming to the Carson residents to guarantee that Occidental complied with the City, if any drilling.

City Attorney Wynder confirmed no problem would arise provided all issues were negotiated and binding commitments to each other were properly documented of all enforcement tools and ultimately the Development Agreement would be enforceable according to its terms.

Mayor Dear asked if Occidental or other company would conduct oil drilling at the proposed site without a City permit and/or without a Development Agreement.

City Attorney Wynder stated that it would require the review of the terms of the current status of their specific plan was and whether it had expired.

Mayor Dear stated the 20-year time period had expired.

RECESS:

The City Council was recessed at 1:01 A.M., on Wednesday, April 30, 2014, by Mayor Dear.

RECONVENE:

The City Council was reconvened at 1:08 A.M., on Wednesday, April 30, 2014, by Mayor Dear, with all members previously noted present.

City Attorney Wynder consulted with staff and legal counsel understood that the particular applicant's vested right to drill had expired, however, the existing specific plan on the site grants, the right to drill as a matter of the right of zone. The specific plan was subject to the Council's discretion to amend; the Council may amend the specific plan to prohibit hence the applicant wishes to negotiate with the City a new Development Agreement which would grant them a vested right irrespective of whatever land use amendments the Council may enter into. There were advantages to the City in developing and negotiating a Development Agreement and advantages to the applicant in negotiating a Development Agreement.

Mayor Dear thanked City Attorney Wynder for the confirmation.

Council Member Davis-Holmes inquired if negotiations transpired, how would she ensure that the bond agreement be a part of the Development Agreement.

City Attorney Wynder stated that it would be negotiated as part of the Development Agreement, mutually agreed to by the parties.

Vote on Main Motion

The motion failed to carry by the following vote:

Ayes: Council Member Davis-Holmes and Council Member Robles
Noes: Mayor Dear and Mayor Pro Tem Santarina
Abstain: Council Member Gipson
Absent: None

Council Member Davis-Holmes asked the City Attorney if it was appropriate to request the City ordinance be developed to ban all fracking in the City of Carson.

City Attorney Wynder stated that it would be appropriate to request the topic be agenzied at a future City Council meeting.

Council Member Davis-Holmes requested to be a topic on a future City Council agenda.

Mayor Dear concurred with his colleague and directed staff to add item to the agenda at the earliest opportunity to ban fracking which was hydraulic fracturing in the City of Carson.

A discussion ensued regarding other stimulation methods including acidization and the earliest date staff would have report available.

~~UNFINISHED BUSINESS (None)~~

~~NEW BUSINESS DISCUSSION (None)~~

~~SECOND ORDINANCE READING (None)~~

~~CONCLUDING ORAL COMMUNICATIONS (MEMBERS OF THE PUBLIC)~~

~~The public may at this time address the members of the City Council/Housing Authority/Successor Agency on any matters within the jurisdiction of the City Council/Housing Authority/Successor Agency. No action may be taken on non-agendized items except as authorized by law. Speakers are requested to limit their comments to no more than five minutes each, speaking once.~~

~~At 1:12 A.M., on Wednesday, April 30, 2014, Mayor Dear reopened Oral Communications- Members of the Public.~~

~~Diane Thomas~~

~~Thanked the residents of the City of Carson who came to voice their concerns; thanked Council Members Davis-Holmes and Robles for an outstanding job.~~

~~Male speaker~~

~~Thanked Council Members Davis-Holmes and Robles.~~

~~Latrice Carter~~

~~Thanked everyone to be able to see democracy in action; thanked the Mayor for never failing the residents and continuing to win; thanked Council Member Robles and Council Member Davis-Holmes for an outstanding job.~~

~~Female speaker~~

~~Thanked the City Attorney and staff for an outstanding job and was happy for their representation but she was sorry that not all the Council Members followed their recommendations and guidelines.~~

~~Robert Lesley~~

~~Agreed with the previous speakers and thanked Council Members Davis-Holmes and Robles for their courage. He was not sure what the other parties have said about the definition of conventional drilling; stated his definition and if the oil companies chose to not abide, the City Council had no recourse.~~

~~Francis Haywood~~

~~Thanked Council Members Davis-Holmes and Robles; reported that in 2011 or 2012 the Mayor came to her Homeowners Association meeting, Dominguez Hills Village, to talk about drilling that would be beneficial to the community which prompted her to conduct research; contacted the Mayor's office but did not receive a response and should have known the outcome.~~

May 20, 2014 City Council Staff Report,
Banning Hydraulic Fracturing:

[http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59593/
AS59605/AS59613/AI59651/DO59682/DO_59682.pdf](http://ci.carson.ca.us/MeetingAgendas/AgendaPacket/MG59593/AS59605/AS59613/AI59651/DO59682/DO_59682.pdf)



4. APPOINT a chairperson to each City Council Committee.

ACTION: It was moved to create an Ad Hoc Advisory Committee of the City Council relative to the selection of the next Assistant City Manager on motion of Dear, seconded by Robles and unanimously carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Santarina, Council Member/Agency Member/Authority Commissioner Davis-Holmes, Council Member/Agency Member/Authority Commissioner Gipson, and Council Member/Agency Member/Authority Commissioner Robles

Noes: None
Abstain: None
Absent: None

Mayor/Agency Chairman/Authority Chairman Dear appointed Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Santarina and Council Member/Agency Member/Authority Commissioner Davis-Holmes to the Ad Hoc Advisory Committee who both accepted.

It was moved ratify the Mayor's appointments on motion of Dear, seconded by Robles and unanimously carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Santarina, Council Member/Agency Member/Authority Commissioner Davis-Holmes, Council Member/Agency Member/Authority Commissioner Gipson, and Council Member/Agency Member/Authority Commissioner Robles

Noes: None
Abstain: None
Absent: None

ITEM NO. (22) CONSIDERATION OF CITY-AFFILIATED ORGANIZATIONS (CITY CLERK)

Item No. 22 was heard after Council Item Nos. 21 and 25 at 12:32 A.M., on Wednesday, May 21, 2014.

RECOMMENDATION for the City Council:

- 1. Mayor Dear to REAFFIRM, RE-DESIGNATE and/or DESIGNATE delegates and alternates to the City-Affiliated Organizations listed on Exhibit No. 1, respectively.

ACTION: Mayor/Agency Chairman/Authority Chairman Dear ordered Item No. 22 continued until further notice, with no objections heard.

ITEM NO. (23) CONSIDER ADOPTING ORDINANCE NO 14-1540 BANNING HYDRAULIC FRACTURING, COMMONLY KNOWN AS "FRACKING," OR ACIDIZING IN CONJUNCTION WITH THE PRODUCTION OR EXTRACTION OF OIL, GAS OR OTHER HYDROCARBON SUBSTANCES WITHIN THE CITY OF CARSON (CITY MANAGER)

EXHIBIT NO. 182 87



Item No. 23 was heard after the Break at 11:09 P.M.

City/Agency/Authority Attorney Wynder summarized the staff report.

(Council Member/Agency Member/Authority Commissioner Gipson exited and reentered the meeting at 11:11 P.M.)

He reported that he received letters in opposition to the draft ordinance and further stated that he addressed the concern raised by one of the opponents dealing with inverse claims.

RECOMMENDATION for the City Council:

1. CONSIDER and PROVIDE direction.

ACTION: It was moved to 1) Direct staff and the City Attorney to hire all necessary experts and immediately commence a complete and comprehensive review and update our Municipal Code regarding oil and gas extraction and that we also study and address all modern day drilling issues and applications; 2) Direct staff and the City Attorney to return to the City Council with these comprehensive amendments to the City code within the next 90 days; and 3) If for any reason the amendments were not ready in 90 days, then provide a full and detailed explanation and status report brought back in 90 days on motion of Robles and seconded by Davis-Holmes.

During discussion of the motion, Council Member/Agency Member/Authority Commissioner Davis-Holmes offered a friendly amendment to the motion as part of the Code amendments requested that staff and the City Attorney have at least two workshops with the community to receive community input feedback on the proposed amendment and make it perfectly clear that the proposed amendment contain a ban on fracking and the use of other stimulants or acidizing consistent with the SB 4 definitions which was accepted by the maker and the second of the motion.

George Mihilsten, representing Latham & Watkins LLP on behalf of Oxy Petroleum

Upon inquiry, Mr. Mihilsten clarified that the Oxy project could proceed without fracking and without well stimulation as defined in Senate Bill 4 and as indicated in their letter disagreed with the City Attorney that there were legal infirmities with a ban on fracking but moving forward do not need fracking for their project and fracking and well stimulation was not involved in their project. He further stated that the issues with respect to the proposed ban were broader than their project and comments made by legal counsel and others with respect to it deal with those fundamental issues that were not related to the project itself.

Upon inquiry, City/Agency/Authority Attorney Wynder clarified with Senate Bill 4 that there was no preemption to the City and would regulate.

Council Member/Agency Member/Authority Commissioner Gipson requested the City Attorney to clarify with SB 4 if would preempt anything that the City was doing regarding this time today. Whereupon, City/Agency/Authority Attorney Wynder believed that there was no preemption and would regulate.

Mayor/Agency Chairman/Authority Chairman Dear clarified for the record that Item No. 23 was continued under the main motion and additional work was needed as outlined by Council Member/Agency Member/Authority Commissioner Robles.



Mayor/Agency Chairman/Authority Chairman Dear clarified that the maker of the motion was continuing Item No. 23 indefinitely and instead directing staff to bring back further action which the maker and seconder of the motion concurred.

The motion, as amended, was unanimously carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice
Chairman/Authority Vice Chairman Santarina, Council Member/Agency
Member/Authority Commissioner Davis-Holmes, Council Member/Agency
Member/Authority Commissioner Gipson, and Council Member/Agency
Member/Authority Commissioner Robles
Noes: None
Abstain: None
Absent: None

At 11:28 P.M., Mayor/Agency Chairman/Authority Chairman Dear reopened Oral Communications –
Members of the Public.

Raul Murga

Offered the following comments: 1) Offered comments in support of Council Item Nos. 3, 4, and 14; and 2) Referred to Council Item No. 7 for a video presentation but had technical difficulty. Whereupon, Council Member/Agency Member/Authority Commissioner Gipson requested to move forward to another item until technical difficulty was resolved.

**ITEM NO. (24) CONSIDER RESCINDING THE COUNCIL DECISION TO NAME THE
CARSON DOMINGUEZ ROOM AFTER KAY A. CALAS (CITY MANAGER)**

Item No. 24 was heard after Council Item No. 22 at 12:33 A.M., on Wednesday, May 21, 2014.

City Manager/Agency Executive Director/Authority Executive Director Hernandez summarized the staff report and recommendation.

RECOMMENDATION for the City Council:

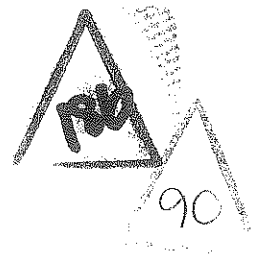
1. DISCUSS and PROVIDE direction.

ACTION: It was moved to rescind the March 18, 2014 action of the City Council naming the Carson Dominguez Senior Hall of the Community Center after Kay A. Calas and keep Kay Calas letter signs exactly to remain the way it is on motion of Santarina, seconded by Dear and unanimously carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice
Chairman/Authority Vice Chairman Santarina, Council Member/Agency
Member/Authority Commissioner Davis-Holmes, Council Member/Agency
Member/Authority Commissioner Gipson, and Council Member/Agency
Member/Authority Commissioner Robles
Noes: None
Abstain: None
Absent: None



JURISDICTION	RESIDENTIAL SETBACK	COMMERCIAL SETBACK	PUBLIC INSTITUTION SETBACK	PUBLIC ROADWAY SETBACKS
Huntington Beach	100ft.	100ft.	300ft.	25ft.
Bakersfield	500-1000 ft. depending on class of permit, with a 100ft. minimum setback from dwelling not incidental to drilling	500-1000 ft. depending on class of permit, with a 100ft. minimum setback from dwelling not incidental to drilling	100ft.	75ft.
Ventura County	500ft. unless waiver issued- 100ft. min	500ft. unless waiver issued- 100ft. min	500ft.	100ft.
Santa Barbara County	500ft. (from residence not zone)	200ft.	200ft.	200ft.
Signal Hill	100ft.	100ft.	300ft.	75ft.
Santa Fe Springs	300ft. except in certain circumstances- 100 ft. minimum	35-300 ft. depending on zoning	—	300ft.
Orange County	150ft.	Varies widely on zoning	300ft.	150-210ft. with provisions for different setbacks based on width of public streets
San Benito County	500ft.	500ft.	500ft.	500ft. (100 ft. from county road or state hwy)



Additional Studies, Reports, and Other Written Materials Can Be
Found at:

<http://ci.carson.ca.us/department/communitydevelopment/oilcodeupdate.asp>



City of Carson Oil & Gas Code Update

~~April~~ May 74, 2015

01007.0018/242552.2

EXHIBIT NO. 04



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CHAPTER 5

OIL AND GAS CODE

Part 1. Administrative Procedures

9500 Purpose

- A. This Chapter shall be known as the Oil and Gas ordinance of the City of Carson.
- B. It is the purpose of this ordinance, amongst other things, to protect the health, safety, public welfare, physical environment and natural resources of the city by the reasonable regulation of oil and gas facilities, equipment, and operations, including but not limited to: exploration; production; storage; processing; transportation; disposal; plugging abandonment and re-abandonment of wells; of operations and equipment accessory and incidental thereto and development and redevelopment of oil and gas sites. It is further the intent of the City that oil and gas operations shall be permitted within this city (except where expressly prohibited herein), subject to the application of this ordinance and all other applicable laws, regulations and requirements.
- C. It is not the intent of this ordinance to regulate public utility operations for the storage or distribution of natural gas under the jurisdiction of the California Public Utilities Commission (CPUC). Any well or site related operations, however, shall be subject to this ordinance.

9501 Ordinance Applicability

The regulations in this ordinance shall apply to oil and gas production and related sites and facilities, equipment, structures, or appurtenances including, but not limited to:

- A. Drilling, and abandonment operations of any new or existing well or re-entry of a previously abandoned well for the production of oil and gas.
- B. Sites, infrastructure, structures, equipment, and/or facilities necessary and incidental to either processing of oil, produced water, gas, and condensate obtained from an oil and gas field, zone, subsurface lease or area.
- C. Injection wells and incidental equipment necessary for enhanced oil recovery or disposal of produced water.



- D. Equipment and facilities necessary for enhanced oil recovery including waterflooding, steam flooding, air injection, carbon dioxide injection, or introduction of polymers, or other techniques.
- E. Pipelines located within an oil and gas lease area that are necessary for oil and gas production operations.
- F. Pipelines that transport oil or gas to another location for sale or transfer to a third party
- G. Storage tanks and equipment necessary or incidental to gathering, separation/ or treatment of oil, water, and gas, and/or temporary storage of separated fluids and gases, and transfer of the produced hydrocarbons to pipelines or tanker trucks.
- H. Access roads.
- I.H. Oil spill containment and recovery equipment, and facilities including offices, storage spaces, and vehicles for the storage of floating oil and water separators, pumps, generators, hosing, assorted absorbent materials, steam cleaners, storage tanks, and other land and wildlife cleanup and recovery equipment.
- J. Exploratory wells, including existing exploratory wells that have been in place and functioning prior to City adoption of this ordinance.

9502 Allowable Uses

Table 1-1 below specifies what City zoning designations allow for oil and gas sites and, if allowable, what type of authorization is required for the use.



TABLE 1-1

* In addition to the zones listed in the table below, oil and gas sites shall be permitted in any specific plan area where such uses are specifically allowed in accordance with the requirements of this ordinance.

**CUP indicates a requirement for a Conditional Use Permit, while DA indicates the requirement for a development agreement.

Zoning Designation	Oil and Gas Facility/Site Permit Required by Zone
Residential	
RS Residential Single Family	Not Permitted
RM Residential Multi-Family	Not Permitted
RA Residential Agricultural	Not Permitted
Commercial	
CN Commercial Neighborhood Center	Not Permitted
CR Commercial Regional Center	CUP & DA ¹
CG Commercial General	CUP & DA ¹
CA Commercial Automotive	Not Permitted
MU-CS Mixed Use-Carson Street	Not Permitted
MU-SB Mixed Use-Sepulveda Blvd.	Not Permitted
Industrial	
ML Manufacturing Light	CUP & DA ¹
MH Manufacturing Heavy	CUP & DA ¹
Open Space & Special Uses	
Open Space	Not Permitted
Special Uses	Not Permitted

¹ Development agreement required only for 3 or more total wells on an oil and gas site in indicated zones above. See Section 9508. Re-drilling of wells shall be considered a new well for purposes of determining total wells.



9503 Definitions

Unless the context otherwise requires, the definitions hereinafter set forth shall govern the construction of this ordinance.

~~"Acid Fracturing" means a well stimulation treatment that, in whole or in part, includes the pressurized injection of acid into an underground geologic formation in order to fracture the formation, thereby causing or enhancing, the production of oil or gas from a well.~~

"Acid Well Stimulation Treatment" means a well stimulation treatment that uses, in whole or in part, the application of one or more acids to the well or underground geologic formation. The acid well stimulation treatment may be at any applied pressure and may be used in combination with hydraulic fracturing treatments or other well stimulation treatments. Acid well stimulation treatments include acid matrix stimulation treatments and acid fracturing treatments. Acid Fracturing means an acid well stimulation treatment that, in whole or in part, includes the pressurized injection of acid into an underground geologic formation in order to fracture the formation, thereby causing or enhancing, the production of oil or gas from a well.

~~"Acid Matrix Stimulation Treatment" means is an acid well stimulation treatment conducted at pressures lower than the applied pressure necessary to fracture the underground geologic formation.~~

"Acid Volume Threshold" means a volume per treated foot of well stimulation treatment, calculated as per DOGGR calculations contained in 1761.

~~"Air injection" is an enhanced oil recovery process utilizing compressed air that is injected into a reservoir. Oxygen in the gas reacts exothermically with some of the oil, producing highly mobile flue gas. The flue gas advances ahead of the reaction front and achieves an efficient displacement of the in situ oil.~~

"API" refers to the American Petroleum Institute.

"ASTM" ASTM shall mean the American Society of Testing and Materials.

~~"City Manager Petroleum Administrator" (PA) is the City's administrative official, and the City Manager's Petroleum Administrator's designated assistants, inspectors and deputies having the responsibility for the enforcement of this ordinance.~~

~~"DOGGR" is that particular division in the Department of Conservation, Division of Oil, Gas and~~



Geothermal Resources which is part of the, of the State of California. Department of Conservation of the State of California. DOGGR oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

"Drill" or "Drilling" is to bore a hole in the earth, usually to find and remove subsurface formation fluids such as oil and gas. Drilling, under this ordinance, includes re-drilling and re-working of wells.

"Enforcement action" is any administrative, injunctive, or legal action (either civil or criminal), to enforce, cite or prosecute a violation or efforts to abate or correct a violation (or dangerous or hazardous situation caused by a violation), including investigation, research, legal action, physical abatement, law enforcement and other necessary acts.

"Enhanced oil recovery" is the injection of steam, gas, or other chemical compounds into hydrocarbon reservoirs to stimulate the production of usable oil beyond what is possible through natural pressure, water injection, and pumping at the wellhead.

"EPA" refers to the U.S. Environmental Protection Agency.

"Exploratory Well" means any well drilled to extend a field or explore a new, potentially productive reservoir.

"Facilities" include tanks, compressors, pumps, vessels, and other equipment or structures pertinent to oil field operations sited-located at a single-an oil and gas site.

"Gas" means any natural hydrocarbon gas coming from the earth.

"Gas Plant" means processing equipment for produced gas to separate, recover, and make useful natural gas liquids (condensate, natural gasoline [e.g., pentenes], and liquefied petroleum gas, etc.), to separate, remove, and dispose of other non-hydrocarbon substances, such as water, sulfur, carbon dioxide, ammonia, etc., and to produce utility-grade gas suitable for delivery and sale.

"High risk operation" means an oil or gas production, processing or storage facility which: (a) has been in violation of any applicable section of this ordinance for more than 30 consecutive days and resulted in the issuance of a notice of determination of fines pursuant to Section 9510.3.5 of this ordinance during the preceding twelve months; or (b) -has had ~~two~~three separate unauthorized releases of oil, produced water and/or other hazardous materials of a quantity not



less than fifteen barrels (six hundred thirty gallons) other than within secondary containment for each incident during the preceding twelve months

"Hydraulic Fracturing" means a well stimulation treatment that, in whole or in part, includes the pressurized injection of hydraulic fracturing fluid into an underground geologic formation in order to fracture, or with the intent to fracture, the formation, thereby causing or enhancing, for the purposes of this ordinance, the production of oil or gas from a well.

"Idle well" is any well that has not produced oil or natural gas or has not been used for injection for six consecutive months of continuous operation during the last five or more years. An idle well does not include an active observation well.

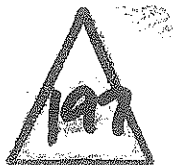
"Natural gas liquids" (NGLs) means ~~include propane, butane, pentane, hexane and heptane, but not methane and ethane, since these hydrocarbons need refrigeration to be liquefied these hydrocarbons in natural gas that are separated from the gas as liquids through the process of absorption, condensation, adsorption, or other methods in gas processing or cycling plants. Natural gas liquids include natural gas plant liquids (primarily ethane, propane, butane, and isobutane) and lease condensate (primarily pentanes produced from natural gas at lease separators and field facilities).~~

"NFPA" refers to the National Fire Protection Agency.

"New Development" means the placement or erection of ~~any solid material or new buildings or structures; change in the density or intensity of use of land, including, but not limited to any other division of land, including lot splits; substantial increases in the intensity of use; the change in the intensity of use of water, or of access thereto; and the construction, reconstruction, demolition, or alteration of the size of any structure~~drilling of wells; restarting of operations after 6 months of discontinued use; or any other use which increases impacts such as noise, traffic, or air quality. New development does not include workovers or other maintenance, including replacement-in-kind, conducted between the hours of 7 a.m. and 7 p.m, ~~except in cases unless it is an of~~ emergency as approved by the Petroleum Administrator City Manager.

"Active Observation well" is a well used to monitor the operational integrity and conditions in a gas storage reservoir, the reservoir protective area or strata above or below the gas storage horizon.

"Oil" is a simple or complex liquid mixture of hydrocarbons that can be refined to yield gasoline, kerosene, diesel fuel, and various other products.



"**Oil and Gas Site**" or "**Site**" is a primary oil drilling site and all associated operations and equipment attendant to oil and gas production or injection operations including but not limited to, pipelines, tanks, exploratory facilities (including exploratory wells), flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, drilling facilities, and production facilities.

"**Oil and Gas Operations**" are all activities in connection with the exploration, drilling for and the production of oil and gas and other hydrocarbons, together with all incidental equipment and appurtenances thereto. "**Operator**" means the person, who by virtue of ownership or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.

"**OSHA**" refers to the California Occupational Safety and Health Administration.

"**Person**" encompasses any individual, firm, association, corporation, joint venture or any other group or combination acting as an entity.

"**Petroleum**" is (1) A substance occurring naturally in the earth in a solid, liquid, or gaseous state and composed mainly of mixtures of chemical compounds of carbon and hydrogen, with or without other nonmetallic elements such as sulfur, oxygen, and nitrogen. In some cases, especially in the measurement of oil and gas, "petroleum" refers only to oil, a liquid hydrocarbon, and does not include natural gas or gas liquids such as propane and butane. (2) A general term for all naturally occurring hydrocarbons, whether gaseous, liquid, or solid.

"**Pipelines**," for the purposes of this ordinance, shall mean all flow lines associated with wells located within the City of Carson used for the transportation of petroleum or petroleum by-products or of materials used in the production of petroleum.

"**Produced water**" is a term used to describe the water that is produced along with crude oil and gas.

"**PSM**" refers to process safety management.

"**Pure Tones**" is noise in which a single frequency stands out contains a "pure tone." A pure tone shall exist if the one-third octave band sound pressure level in the band with the tone exceeds the arithmetic average of the sound pressure levels of the two contiguous one-third



octave bands by 5 dB for center frequencies of 500 Hertz and above, and by 8 dB for center frequencies between 160 and 400 Hertz, and by 15 dB for center frequencies less than or equal to 125 Hertz. Sources that produce pure tones are often described as being "tonal" and tend to be more noticeable, and potentially annoying, to humans than sources that do not contain pure tones.

"**Redevelopment**" for the purposes of this ordinance is the development of all of a portion of a current or former oil or gas site to another authorized use other than petroleum operations.

"**Re-drilling**" is the deepening of an existing well or the creation of a partial new well bore including plugging of the original bore and casings and the re-drilling of abandoned wells.

"**Re-entry**" is the process of cleaning a plugged and abandoned well by drilling, jetting, or other method.

"**Re-work**" means any operation subsequent to initial drilling that involves deepening, redrilling, plugging, or permanently altering in any manner the casing of a well or its function and requires the filing of a notice of intent to rework/redrill a well with DOGGR. Altering a casing includes such actions as a change in well type, new or existing perforations in casing, running or removing of cement liners, placing or drilling out any plug (cement, sand, mechanical), running a wireline tool that has the ability to drill through a cased borehole, or any other operation which permanently alters the casing of a well.

"**Refining**" shall mean any industrial process facility where crude oil is processed and refined into more useful products and sold to others without further treatment or processing.

"**Regional Water Quality Control Board**" shall mean the Los Angeles Regional Water Quality Control Board.

~~"RMP" refers to a Resource Management Plan.~~

"**Secondary recovery**" means 1. the use of water-flooding or gas injection to maintain formation pressure during primary production and to reduce the rate of decline of the original reservoir drive; 2. water-flooding of a depleted reservoir; and 3. the first improved recovery method of any type applied to a reservoir to produce oil not recoverable by primary recovery methods.

"**Secondary containment**" means containment, which is external to and separate from the primary containment, typically constructed of masonry block or poured concrete walls and must which incorporates an impervious barrier, including but not limited to dikes, berms, or retaining walls sufficiently impervious to contain oil.



"Shut down" or "Shut Down Order" is an order by the ~~Petroleum Administrator~~City Manager, California State Fire Marshall, or DOGGR official, to restrict or prohibit certain (or all) functions or operations at a facility or by an ~~owner or operator~~ pursuant to authority of this ordinance.

"SPCC" refers to Spill Prevention, Control, and Countermeasures.

"Steam Flooding" is a thermal oil and gas recovery method in which steam is injected into a reservoir through injection wells and driven toward production wells. The steam reduces the viscosity of crude oil, causing it to flow more freely. The heat vaporizes lighter hydrocarbons; as they move ahead of the steam, they cool and condense into liquids that dissolve and displace crude oil. The steam provides additional gas drive. This method is also used to recover viscous oils. The technique is also called Continuous Steam Injection or Steam Drive. Consistent with Section 3157(b) of Public Resources Code Division 3, steam flooding is not considered to be a well stimulation treatment.

"Steaming" or "Cyclic Steaming" shall mean a production method with alternating steam flooding and subsequent oil production from the same well. Consistent with Section 3157(b) of Public Resource Code Division 3, Steaming or cyclic steaming is not considered to be a well stimulation treatment.

"Structure" anything constructed or erected which requires location on the ground or is attached to something having a location on the ground, except outdoor areas such as walks, paved areas, tennis courts, and similar open recreation areas. This definition includes buildings is any object that is built or constructed, a tank, edifice or building of any kind or any piece of work artificially built up or composed of parts jointed together in some definite manner.

"Supervisor" means the DOGGR Supervisor.

"Toxic Air Contaminants" means an air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health. Reference as defined in California Public Health and Safety Resources Code Section 9300039655, as may be amended from time to time. Title 17, Section 93000, of the California Code of regulations, lists substances defined as Toxic Air Contaminants.

"USEPA" refers to the United States Environmental Protection Agency.

"Regional Water Quality Control Board" shall mean the Los Angeles Regional Water Quality Control Board.

"Waterflooding" is a method of secondary recovery in which water is injected into the reservoir



formation to displace residual oil. The water from injection wells physically sweeps the displaced oil to adjacent production wells. Consistent with Section 3157(b) of Public Resource Code Division 3, waterflooding is not considered to be a well stimulation treatment.

"Well" means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

~~means the hole made by a drilling bit, which can be open, cased, or both. Wells holes may also be called Boreholes, Holes, or Well Bores.~~

"Well stimulation treatment" means any treatment of a well designed to enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation treatments include, but are not limited to, hydraulic fracturing treatments and acid well stimulation treatments. A treatment at pressures exceeding the formation fracture gradient or a treatment that involves emplacing acid in a well and that uses a volume of fluid equal to or greater than the Acid Volume Threshold for the operation, shall be presumed to be a well stimulation treatment unless it is demonstrated to DOGGR's satisfaction that the treatment, as designed, does not enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation does treatments do not include steaming flooding, water flooding or cyclic steaming and do not include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient.

"Workover" is the process of major maintenance or remedial treatments on an oil or gas well without changing the physical design of the well and regulated by DOGGR without requirements for notices of intent or permits.

9504 Copies of Adopted Codes and Referenced Publications

This ordinance, insofar as it regulates oil and gas operations also regulated by the California



Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), is intended to supplement such state regulations and to be in furtherance and support thereof. In all cases where there is conflict with state laws or regulations, such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance. Additionally, the approving body, whether the Petroleum Administrator, City Manager, Planning Commission or City Council, may grant an exception or modification to the requirements of this ordinance to the minimal extent necessary to prevent a compensable taking. Such exception or modification shall be as consistent with the intent and purpose of this ordinance as possible given the specific factual circumstances of the particular project.

9505 Reserved Position of Petroleum Administrator

~~The Petroleum Administrator is authorized and directed to enforce the provisions of this ordinance and the codes adopted by reference herein. For such purpose, the Petroleum Administrator shall have the powers of a law enforcement officer. The Petroleum Administrator shall be appointed by the City Manager and subject to the City Manager's authority under Section 2107 of this Code. The Petroleum Administrator is hereby authorized to consult experts qualified in fields related to the subject matter of this ordinance and codes adopted by reference herein as necessary to assist the Petroleum Administrator in carrying out duties. The decisions of the Petroleum Administrator in enforcing, interpreting, or in exercising the authority delegated by the provisions of this ordinance and of the codes adopted hereby shall be deemed final.~~

~~The Petroleum Administrator shall have the primary responsibility for enforcing the provisions of this ordinance. In the event the Petroleum Administrator is unable to obtain compliance with any of the terms and provisions of this ordinance, or of any resolution of the City Council adopted pursuant thereto, the Petroleum Administrator may order immediate cessation of operations. If such operations are not stopped within twenty-four (24) hours or if resumed prior to written approval of the Petroleum Administrator, the Petroleum Administrator may request civil action by the City Attorney as authorized by this Code or law, or criminal prosecution by the office of the district attorney, or both.~~

~~The Petroleum Administrator shall be authorized to appoint such number of officers, inspectors, assistants and other employees for the petroleum unit as shall be authorized by the City Manager subject to Section 2107 of this Code. The Petroleum Administrator may deputize such employees as may be necessary to carry out the functions of the petroleum unit.~~



9506 Well Drilling Permit

Prior to any drilling or physical changes of any oil and gas wells the operator must receive a well drilling permit from the Petroleum Administrator, which indicates that the Petroleum Administrator has reviewed and approves of the operator's proposed drilling or abandonment plans. Well permits shall be integrated within the appropriate Conditional Use Permits (CUP) and Development Agreements (DA).

9507 Required Procedures for Conditional Use Permits

A. Each project to which this ordinance applies (see Section 9501) shall be required to receive a Conditional Use Permit (CUP), from the City Planning Commission in order to receive authorization for, and proceed with, the construction and operation of an oil and gas site, including but not limited to any site development, or resource extraction. No well permits shall be considered or approved without such permits being consistent with provisions of the CUP.

B. All procedures for CUPs to which this ordinance applies shall be consistent with the Article IX, Chapter 1, Part 7 of the Code as well as with the following additional requirements:

9507.1 Conditional Use Permit (CUP) Filing Requirements

In addition to the filing requirements required by Section 9173.1 (Applications) of this Code, for projects within the City to which this ordinance is applicable, the following materials are also required as part of a CUP application for the consideration of the Planning Commission, or the City Council on appeal:

- A. A complete statement of the proposed project including, but not limited to, activities, facilities, and sites.
- B. A new or updated emergency response plan to deal with potential consequences and actions to be taken in the event of floods, earthquakes, hydrocarbon leaks or fires for the site. The emergency response plan shall be approved by the City's Public Safety and Community Services Manager and the Los Angeles County Fire Department.
- C. A phasing plan for the staging of development that includes the estimated timetable for project construction, operation, completion, restoration, and, where applicable, the location and amount of land reserved for future expansion.
- D. A site plan showing:



1. Surface property, easement, rights-of-way and pipeline right-of-way boundaries within the site.
 2. Proposed access road constructions or modifications and connections with City streets and roads and any existing private roads.
 3. Areas to be used for construction.
 4. Areas to be used for access and maintenance during pipeline operation within and adjacent to the site.
 5. Existing roads, watercourses, and pipelines within the pipeline rights-of-way.
 6. Location and type of existing and proposed structures within 50 feet of pipeline right-of-way.
 7. Location of existing and proposed wells and oil or gas containing equipment and their measured distance from nearby uses, including the closest residential or school property line.
 8. Location of all abandoned or idle wells in the site.
 9. Proposed alteration of surface drainages within the site.
 10. A contour map showing existing and proposed contours.
 11. A plan for parking on or off site.
 12. A map of all known, historic, or suspected oil and gas wells or wellheads within 1500 feet of the site boundaries.
- E. Site operations plan containing process flow diagrams, piping and instrumentation diagrams, expected process flows (rates, pressures, composition, and shut-down/start-up procedures, quarterly/annual production, disposition, injection, and disposal).
- F. Plans with measures to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, air pollutants, and vibration) and to prevent danger to life, environmental quality, and property.
- ~~If construction is involved in the proposed project, a construction Best Management Practices (BMP) plan.~~



- G. Estimates of the amount of cut and fill required by the proposed project.
- H. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a plan for a community alert system to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.
- I. If any grading is proposed that results in the loss of vegetated, sandy, permeable ground areas, which could alter surface runoff at the site a site-specific hydrologic analysis shall be completed by the operator and submitted to the Petroleum Administrator to evaluate anticipated changes in drainage patterns and associated increased runoff at the site.
- J. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a quiet mode operation plan which includes, but is not limited to, the following noise reduction measures:
1. Using signalers for all backup operations instead of backup alarms and turning off backup alarms;
 2. Using radios instead of voice communication;
 3. Minimizing crane use and pipe handling operations, pipe offloading from trucks and board loading to the maximum extent feasible and nighttime loading only for safety reasons;
 4. Prohibiting material and supply deliveries to the Project Site between the hours of 6 p.m. and 8 a.m. on weekdays and prohibiting deliveries on weekends and holidays, with exceptions only for safety; and
 5. Limiting process alarms and communications over the broadcast system to the maximum extent feasible during all operations and use only for safety reasons.
- K. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a photometric analysis, which compares the baseline of the existing light measurements with the proposed light spill that will result from the oil and gas site.
- L. An Environmental Quality Assurance Program ("EQAP"). (Ref. Section 9529.1).
- M. ~~Other information as deemed reasonably necessary by the Petroleum Administrator.~~



9507.2 Processing and Review

Processing of CUP's shall be consistent with California's Permit Streamlining Act requirements, consistent with Sections 9170 through 9179 of this Code.

- A. The applicant may apply for:
1. The drilling operations only;
 2. The production facilities only; or
 3. Both the drilling and production facilities.
- B. The ~~Petroleum Administrator~~ City Manager will review the submitted application(s) for completeness in compliance with the filing requirements of Section 9507.1 and any other applicable sections of the Code, and shall refer the filed CUP to appropriate City departments or local and state agencies, as appropriate, for review and comment.

9507.3 Findings and Permitting Conditions

- A. In addition to the requirements of Section 9172.21D (Commission Findings and Decision), the Planning Commission shall approve a Conditional Use Permit only if it is able to make affirmative findings of the following criteria:
1. The proposed project shall be in conformance with requirements of other local, regional, or State entities;
 2. The project shall not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area;
 3. The project shall be in compliance with the Development Standards contained in Part 2 of this ordinance, commencing with Section 9521; and
 4. The project shall not result in an increased level of freshwater pollution or groundwater contamination in the immediate area or cause regulatory water standards at an existing water production well to be violated as defined in the California Code of Regulations, Title 22, Division 4, Chapter 15 and in the Safe Water Drinking Act, as they may be amended.
 5. Any existing non-conforming oil and gas sites located on the proposed project site shall already be in conformity, or will be brought into conformity, with all applicable provisions of this ordinance.



- B. As a condition of approval of CUP, the Planning Commission shall consider and impose appropriate conditions as deemed reasonable and necessary to find consistency with the findings 1 through 5 above.

9507.4 Modifications and Extensions

- A. The provisions of Section 9172.21 shall apply for all modifications or extensions requested for oil and gas operations.
- B. Any oil and gas operation in existence and lawfully operating when this ordinance becomes effective, that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance for any new development at the existing oil and gas site that would require a permit, a CUP or a development agreement.

9507.5 Change of Ownership/Operators Criteria

- A. ~~Listing on Permit. Any person who owns or operates an oil or gas site that is subject to this ordinance shall be listed as a permittee on the permit(s) issued for that facility. Any guarantor for such facility shall be listed on the applicable permit(s), identifying its responsibilities as guarantor. If any owner, operator, or guarantor is a partnership, all partners shall be listed on the permit and the managing partner shall be identified in this list.~~
- B. ~~Acceptance of Permit. Prior to being listed on a permit, any owner or operator of a oil or gas facility that is subject to this ordinance shall provide the City with a letter from a authorized agent or officer of the owner or operator formally accepting all conditions and requirements of the permit. This provision shall not apply to fractional interest owners that are not managing partners.~~
- C. ~~Permits Not Transferable. Any CUP issued or authorized pursuant to this Code, for a oil or gas site that is subject to this ordinance shall not be transferable, whether by operation of law or otherwise, from any existing owner, operator, or guarantor to a new owner, operator, or guarantor, except in accordance with this Code.~~
- D. ~~Ongoing Notification. All owners, operators, and guarantors shall, as an ongoing requirement, notify the Petroleum Administrator/City Manager in writing of any change in the information required by this Section within thirty days of such change.~~

~~Change of Owner. Any change of owner, merger of the owner with another company, or change of form of business organization, shall require application and approval as provided in this ordinance. Until a change of owner is approved pursuant to this ordinance, the former owner(s)~~



shall continue to be liable for compliance with all terms and conditions of the permit and any applicable requirements of this Code.

E. Change of Operator. A change of operator shall require an application filed with the City within thirty days prior to a change of operator. An application is not required when the change of operator does not entail a substantive change to operations or personnel of the oil or gas site as determined by the ~~Petroleum Administrator~~City Manager, and the same operator is retained by DOGGR.

F. Change of Guarantor. Any change of guarantor, including merger of the guarantor with another company or change of form of business organization, shall require application and approval as provided in this ordinance. Until a change of guarantor is approved pursuant to this ordinance, the former guarantor(s) listed on the permit shall continue to be liable for compliance with all terms and conditions of the permit and any applicable Section of the Code.

G. Liability for Compliance with Permit Conditions. Any ~~owner, operator~~ or guarantor listed on a permit pursuant to this ordinance shall comply with all conditions of such permit, as applicable, to ~~owners, operators~~ and guarantors. Failure to comply with such permit conditions shall subject the ~~owner, operator~~ or guarantor to the applicable penalty and enforcement provisions of this Code or other applicable ordinance for such permits.

H. Liability for Abandonment. The current ~~owner or operator~~, as determined by the records of the ~~Petroleum Administrator~~City Manager, of a facility subject to this ordinance shall be responsible for the proper abandonment of the facility. If the ~~City Manager~~ Petroleum Administrator determines that the current ~~owner or operator~~ does not have the financial resources to fully cover the cost of abandoning the facility, the immediately preceding ~~owner or operator~~ shall also be responsible for the cost of abandoning the facility.

If the immediately preceding ~~owner or operator~~ also does not have sufficient financial resources, the ~~City Manager~~ Petroleum Administrator may continue to look seriatim to previous ~~owners or operators~~ until an ~~owner or operator~~, or a combination of ~~owners or operators~~, is found that the ~~City Manager~~ Petroleum Administrator determines have the financial resources to cover the cost of abandoning the facility.



9508 Procedures for Development Agreements

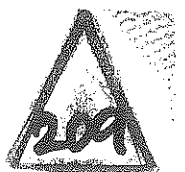
Each drilling project to which this ordinance applies that includes 3 or more total wells¹ on an oil and gas site will require a development agreement (DA) between either the owner or operator, or both, and the City. Any re-drilling of wells shall be considered a new well for the purposes of calculating total wells subject to the requirements for a DA. The procedures for development agreements will comply with Government Code Division 1, Chapter 4, Article 2.5 and the following additional requirements:

9508.1 Filing Requirements

A. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person(s) who has the entire legal interest in the real property of the oil or gas site, or a person(s) who has the entire equitable interest in the real property for the gas or oil site and is joined by the legal interest holder in the application. The qualified applicant shall provide proof of ownership interest, including any oil and gas leases, in any mineral rights associated with the petroleum operation. The applicant shall provide to the City Manager ~~Petroleum Administrator~~ proof of interest in the real property in the form of a title report by a California title insurance company and proof of the authority of the agent or representative, to act for the applicant. Said proof of interest and proof of authority shall be subject to review and approval by the City Attorney.

B. The City Manager ~~Petroleum Administrator~~ shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of development agreements. The applicant shall complete and submit such an application form to the City Manager ~~Petroleum Administrator~~, along with a deposit for the estimated direct and indirect costs of processing the development agreement. The applicant shall deposit any additional amounts for all costs and fees to process the development agreement, including all legal fees, within 15 days of request by the City Manager ~~Petroleum Administrator~~. Upon either completion of the application process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the costs of processing.

¹ For purposes of this Section "total wells" shall mean the cumulative number of existing and proposed wells on an oil and gas facility site.



C. The City Manager ~~Petroleum Administrator~~ shall require an applicant to submit such information and supporting data as the City Manager ~~Petroleum Administrator~~ considers necessary to process the application.

D. A community benefit assessment to evaluate the benefits the DA will provide to the community.

9508.2 Processing and Review

A. The City Manager ~~Petroleum Administrator~~ shall endorse on the application the date it is received. An application or related document shall not be complete until an estimated deposit for the cost of processing has been paid to the City. If within 30 days of receiving the application the City Manager ~~Petroleum Administrator~~ finds that all required information has not been submitted or the application is otherwise incomplete or inaccurate, the processing of the application and the running of any limits shall be suspended upon written notice to the applicant and a new 30 day period shall commence once the required material is received by the City Manager ~~Petroleum Administrator~~. If the City Manager ~~Petroleum Administrator~~ finds that the application is complete it shall be accepted for filing and the Applicant so notified. The City Manager ~~Petroleum Administrator~~ shall review the application and determine the additional requirements necessary to complete processing of the agreement. After receiving the required information and the application is determined to be complete, the City Manager ~~Petroleum Administrator~~ shall prepare a staff report and recommendation to the Planning Commission and City Council stating whether or not the agreement as proposed or in an amended form would be consistent with policies of the City, this ordinance and any applicable general or specific plan. The City Attorney shall review the proposed development agreement as to legal form.

B. Notice of a hearing regarding the development agreement shall be given by the ~~Petroleum Administrator~~ City Manager and shall comply with the requirements of Government Code Section 65867, as may be amended, as well as in the manner set forth in Section 9173.22 Article IX, Chapter 1, Part 7 of the Code, except that the City Manager ~~Petroleum Administrator~~, not the Director, shall be responsible for providing notice.

C. The Planning Commission shall review the proposed development agreement and provide a recommendation to the City Council to approve, approve with modifications or deny the proposed development agreement. If the Planning Commission fails to take action within 60 days of opening the hearing on the matter, such failure shall be deemed to have made a recommendation of denial to the City Council unless the applicant has requested an extension of time, either in writing or on the record, which has been approved by the Planning Commission prior to the running of the 60th day.



D. The proposed development agreement shall be set for hearing and consideration before the Council within 60 days of the recommendation of the Planning Commission, unless the applicant agrees in writing to an extension of time with the City Manager Petroleum Administrator prior to the matter being heard by the Council.

E. Within 10 calendar days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder. If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder.

9508.3 Findings and Development Agreement Conditions

A. After the City Council completes the public hearing, the Council may not approve the development agreement unless it finds that the provisions of the agreement:

1. Are consistent with the goals, objectives, and policies of the general plan and any applicable specific plan;
2. Are compatible with the uses authorized in, and the regulations prescribed for the zoned district in which the real property is located;
- ~~3. Are in conformity with public convenience, general welfare and good land use practice;~~
- ~~4.3. Will not be detrimental to the health, safety, environmental quality, and general welfare of the community;~~
- ~~5.4. Will not adversely affect the orderly development of property or the preservation of property valued; or~~
- ~~6.5. Provides for a penalty for any violation of the development agreement consistent with the provisions of Section 9514.~~

9508.4 Modifications and Extensions

A. The provisions of Government Code Section 65868 shall apply for all modifications, extensions or other amendments of the terms of a development agreement subject to this ordinance.



- B. Any oil and gas site operation in existence and lawfully operating prior to the adoption of this ordinance, that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance for any new development at the existing oil and gas site that would require a permit, a CUP or a development agreement.
- C. Either party may propose an amendment or termination of an approved development agreement subject to the following:
1. The procedure for amending or terminating, the development agreement is the same as the procedure for entering into an agreement in the first instance.
 2. If the City initiates the proposed amendment to or cancellation in whole or in part of the development agreement, the City shall first give notice to the parties to the development agreement of the City's intention to initiate such proceedings at least 30 calendar days in advance of the giving of notice of intention to consider the amendment or cancellation.

9509 Periodic Review

The City may choose to conduct a comprehensive review of any oil or gas drilling permit, CUP or DA every five years from the date of approval to determine if the project and the associated CUP or DA are adequately mitigating significant environmental impacts caused by the drilling and operations, and consider adding reasonable conditions, which incorporate proven technological advances, as deemed appropriate through City review. Nothing in this section shall limit the City's authority to conduct a review at more frequent intervals, engage in mitigation monitoring as required by CEQA, or otherwise act as directed or authorized by law.

- A. Within 30 days from the request by the City, the operator shall deposit to the City the funds necessary for the City to retain a third party entity to prepare a periodic review, which includes all records, drawings, specifications, permits from state agencies, and analysis of the effectiveness of this ordinance, enforcement activity, and any other issues associated with potentially adverse effects of and complaints about oil and gas site operations. A periodic review will be funded by the operator every 5 year period following approval, or before if the City so requests. If the periodic review identifies significant deficiencies in an oil and gas drilling permit, a CUP or DA that are resulting in unmitigated adverse impacts then the Petroleum Administrator/City Manager may identify these deficiencies and bring forward recommendations of corrective actions to the Planning Commission or City Council for consideration and prospective amendments of oil and gas drilling permits, CUP, and/or DA.



B. A well drilling permit, CUP, or DA may also be reviewed by the ~~Petroleum Administrator~~City Manager at any time, if more than three violations occur within a twelve month period and the ~~Petroleum Administrator~~City Manager determines that resolution of the violations may be addressed by a new drilling permit and/or an amendment to the CUP or DA. The ~~Petroleum Administrator~~City Manager shall make a recommendation of amendments to the Planning Commission for CUPs and the City Council for DAs, as deemed necessary.

9510 Site or Well Abandonment, Well re-abandonment, Restoration and Redevelopment of the Site Procedures

The following provisions and procedures shall be implemented for oil or gas site, or well abandonment, well re-abandonment, restoration and redevelopment of site procedures:

9510.1 Purpose and Intent

A. Section 9510 et seq. establishes procedures and provisions to achieve the timely abandonment of applicable oil and gas related activities and land uses, and following the abandonment, the timely and proper removal of applicable oil and gas facilities (including wells, equipment and gas-related structures), reclamation and remediation of host sites, and final disposition of pipelines, in compliance with applicable laws and permits. This Section also establishes procedures for abandonment and re-abandonment of individual well(s), in compliance with applicable laws and permits, where oil and gas operations will be continuing at the oil and gas site. Finally, this Section establishes redevelopment procedures for non-oil and gas activities.

B. The procedures ensure appropriate due process in differentiating idled from abandoned facilities and protecting the vested rights of permittees while also ensuring that sites with no reasonable expectation of restarting are removed, in compliance with the intent of abandonment permits. These procedures also ensure a process for abandoning or re-abandonment of sites where oil and gas operations will continue on the site, as well as procedures for restoration and redevelopment of a site to other uses.

9510.2 Applicability

Oil and gas development, sites, and activities subject to this ordinance shall include all permitted uses identified in Section 9502 of this Code, or those sites that at one time handled, natural gas, natural gas liquids, oil, produced water, or waste water that originated from a petroleum reservoir, regardless of whether these uses were permitted in compliance with this ordinance or any preceding ordinance. This includes, all pipeline systems, except for public utility natural gas transmission and distribution systems, that either transport or at one time transported natural gas,



oil, produced water, or waste water that originated from a reservoir, regardless of whether these uses were permitted in compliance with this Code or any preceding ordinance.

9510.3 Application Process

The procedures for processing an abandonment, re-abandonment, and site restoration permit shall utilize the notice, hearing and appeal process for a Conditional Use Permit as detailed in Article IX, Chapter 1, Part 7 of the Code. For any item required to be submitted less than 180 days in advance, the ~~Petroleum Administrator~~ City Manager has the discretion to process and approve the application. Any person may submit an appeal to the ~~Petroleum Administrator~~ City Manager or the Planning Commission within 15 days of the ~~Petroleum Administrator~~ City Manager's notice of decision consistent with Section 9173.4. Mandatory requirements of the Code are not subject to appeal. All procedures shall be consistent with the following requirements:

9510.3.1 Requirement to File an Application

- A. Complete Abandonment of oil and gas operations: The ~~owner or operator~~ shall submit an application to the ~~Petroleum Administrator~~ City Manager upon intentional abandonment of the entire oil and gas operation or site. The application for abandonment and site restoration proceedings shall be submitted 180 calendar days prior to the planned shutdown of all the facilities.
- B. Partial Abandonment of oil and gas operations: If any portion of the oil or gas site is being abandoned, or if a well is being re-abandoned, the ~~owner or operator~~ shall submit an application to the ~~Petroleum Administrator~~ City Manager for partial abandonment of oil or gas operations. Said application shall be submitted not later than 30 calendar days prior to abandonment or re-abandonment of wells involving less than 10% of the total number of wells on site or 10 wells, whichever is more; all other applications shall be submitted not later than 180 calendar days prior to abandonment, re-abandonment or restoration.
- C. Redevelopment of a Former Oil and Gas Site: If redevelopment of a use other than an oil and gas operation is proposed at a completely or partially abandoned oil or gas site, the ~~owner or applicant~~ shall submit an application to be processed as a Conditional Use Permit consistent for that use under Chapter 1, Article IX of this Code. Said application shall include the content required by Section 9510.3.2, and the Conditional Use Permit shall comply with the development standards of Section 9537.



D. Other Events Requiring an Application. The ~~owner or operator~~ land use shall submit an application for abandonment, re-abandonment, and site restoration proceedings to the ~~Petroleum Administrator~~City Manager upon any of the following:

1. Any event or condition designated in an existing City permit or entitlement that would require consideration of abandonment. The Application shall be submitted 90 days in advance of the event or condition. If the event or condition cannot be known until after it occurs, the application must be submitted within 15 days of the event or condition.
2. The permitted land use or an independent business function of a permitted land use has become idle in that it has not been used for six consecutive months of continuous operations during a five year period or longer. The application shall be submitted 180 days prior to the expiration of the five year period.
3. Upon the revocation, expiration, or failure to obtain or maintain in full force and effect permits required by the provisions of this ordinance. The application shall be submitted within 30 days of the revocation, expiration or failure to obtain or maintain such a required permit.
4. Upon order of DOGGR. The application shall be submitted within 30 days of a DOGGR order to abandon, re-abandon, and restore the site.
5. Detection of a leak of an abandoned or re-abandoned well. The application shall be submitted as soon as possible, but not later than 30 days of knowledge of the leak by the ~~owner or operator~~, regardless whether notice is obtained through a leak test conducted consistent with Section 9537(C) or through other means.

9510.3.2 Content of Application

The application shall be in a form and content specified by the ~~Petroleum Administrator~~City Manager and this Section. The application shall contain the following:

- A. Name, address, and contact information for the permittee.
- B. Name, address, and general description of the permitted land use.
- C. Gross and net acreage and boundaries of the subject property.
- D. Location of all structures, above and underground, proposed to be removed.



- E. Location of all structures, above and underground, proposed to remain in-place.
- F. Locations of all structures, above and underground, proposed for development, if any.
- G. Location of all wells, including active, idled, abandoned or re-abandoned wells, including distances from site boundaries, and existing and proposed structures. Each well shall include the DOGGR well name and number, as well as the American Petroleum Institute (API) well number. If available, the location of the wells shall be identified with the name of the operator and well designation. Redevelopment of all or a portion of a former gas or oil site for use other than an oil and gas operation shall also require a licensed survey of all wells within the area of development and include the North American Datum of 1983 (NAD 83) well location or equivalent.
- H. An American Land Title Association (A.L.T.A) survey of the site, showing all improvements, easements, rights-of-way, and other elements impacting the ownership of land.
- I. Location of all utilities on the subject property.
- J. Location of all easements on or adjacent to the subject property that may be affected by demolition or reclamation.
- K. To the extent known, the type and extent of all contamination and proposed remedial actions to the level of detail that can be assessed through environmental review. This information does not require a new or modified Phase 2 site assessment in advance of any requirement by the Fire Department or State agencies with regulatory oversight of site assessments.
- L. Location of areas of flood, geologic, seismic, and other hazards.
- M. Location of areas of archeological sites, habitat resources, prime scenic quality, water bodies, and significant existing vegetation.
- N. Location and use of all structures within 100 feet of the boundaries of the subject property.
- O. A proposed abandonment, re-abandonment and restoration plan that details the activities for the proposed action, including the following details: hours of operation, estimated number of workers required on site to decommission facilities and structures or to otherwise abandon or re-abandon wells, disposition of equipment and structures proposed for decommissioning, projected method and routes of transporting equipment, structures, and estimated debris from



the site to the place of disposition as well as the number of trips required, and an estimated schedule for decommissioning the facilities or completion of the work.

- P. A proposed waste-management plan to maximize recycling and minimize wastes.
- Q. Other permit applications that may be required by the Code to retain any existing structures, roadways, and other improvements to the property that were ancillary to the oil or gas operations and are proposed to be retained to support other existing or proposed uses of the property following abandonment of the oil or gas operations.
- R. A proposed grading and drainage plan.
- S. A proposed plan to convert the site to natural condition or convert to other proposed land use, including a detailed schedule for restoring the site. In the latter case, include other applicable permit applications required, if any, for the proposed land use.
- T. A statement of intent regarding the disposition of utilities that served the oil and gas operations, including fire protection, power, sewage disposal, transportation, and water.
- U. Measures proposed to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, smoke, traffic congestion, vibration) and to prevent danger to life and property.
- V. A copy of DOGGR approval to abandon, re-abandon or remediate well(s).
- W. A leak test report for each abandoned or re-abandoned well(s) on the site that meets the requirements of Section 9537(C) and has been accepted by the ~~Petroleum Administrator~~City Manager within the past 24 months.
- X. For abandonment, re-abandonment or restoration in any circumstances where the permit is approved by the ~~Petroleum Administrator~~City Manager, proof of mailed notice of intent to seek a permit to abandon, re-abandon or restore to the owner of record on the latest assessment roll for neighboring parcels within 500 feet of the oil and gas site property boundaries. The notice shall generally describe the scope of the activity being proposed.
- Y. Any other information deemed reasonably necessary by the ~~Petroleum Administrator~~City Manager to address site-specific factors.



9510.3.3 Permitting Specifications

A. Application Filing. The ~~Petroleum Administrator~~City Manager shall process complete applications for permits after determining the applications to be complete in compliance with Section 9510.3.2 of this ordinance, and submit applications subject to initial Planning Commission review to the Planning Commission with a recommendation regarding approval if the findings in Section 9510.3.4 are met. An application shall not be complete unless the applicant has made a deposit for the estimated direct and indirect costs of processing the application. The applicant shall deposit any additional amounts for the costs to process the application, including legal review, within 15 days of request by the ~~Petroleum Administrator~~City Manager. Upon either completion of the permitting process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the direct and indirect costs of processing.

B. Independent or concurrent processing of applications. For applications subject to initial Planning Commission review, the Planning Commission shall process complete applications for abandonment and site restoration permits independently of any other permit applications to develop the site in question, unless the ~~Petroleum Administrator~~City Manager makes the determination that the concurrent processing of abandonment and site restoration permits and development permits for the same site do not unduly hinder timely restoration of abandoned sites or result in long delays in securing approval of development permits.

C. Demolition and restoration permit shall supersede. Upon approval of a demolition and restoration permit subject to initial approval by the Planning Commission, or upon abandonment of operations, whichever occurs later, the demolition and reclamation permit shall supersede any discretionary permit approved for construction and operation of the facilities.

D. Conditions of Permit. In addition to any other requirements of this Code, any permit for abandonment, re-abandonment or restoration shall be subject to the following requirements regardless whether initially approved by the ~~Petroleum Administrator~~City Manager or the Planning Commission:

1. Oil well abandonment shall be performed by oil service company contractors licensed to do business in the city.
2. All equipment and surface installations used in connection with the well which are not necessary, as determined by the ~~Petroleum Administrator~~City Manager or Planning Commission, for the operation or maintenance of other wells or on the drill or operation site shall be removed from the site.



3. The abandoned or re-abandoned well site or portions of the oil and gas site shall be restored to its original condition or as nearly as is practical given the nature of the location and continuing uses for an oil and gas site.
4. All sumps, cellars, and ditches which are not necessary for the operation or maintenance of other wells on the oil or gas site shall be cleaned out and all oil, oil residue, drilling fluid, and rubbish shall be removed or bio-remediated to reduce hydrocarbons to standards acceptable to federal, state, or local agencies. All sumps, cellars, and ditches shall be leveled or filled. Where such sumps, cellars, and ditches are lined with concrete, the owner or operator shall cause the walls and bottoms to be broken up and all concrete shall be removed.
5. The portions of the site not necessary for continuing oil or gas site operations shall be cleaned and graded and left in a clean and neat condition free of oil, rotary mud, oil-soaked earth, asphalt, tar, concrete, litter, and debris.
6. All public streets, alleys, sidewalks, curbs and gutters, and other places constituting public property which may have been disturbed or damaged in connection with any operation, including operations for the abandonment or re-abandonment of the well shall be cleaned, and, except for ordinary wear and tear, shall be repaired and restored to substantially the same condition thereof as the same existed at the time of issuance of the permit, or at the time operations were first commenced in connection with the drilling, operation, or maintenance of the well.
7. A copy of written approval of DOGGR confirming compliance with all state abandonment proceedings for all abandoned facilities must be furnished to the ~~Petroleum Administrator~~ City Manager.
8. Proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property.
9. Prior to issuance of the permit, the owner shall record declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the site have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-



abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the City.

9510.3.4 Findings Required for Approval

In addition to the findings specified in 9172.21 of the Code, for permits the Petroleum Administrator ~~City Manager~~ or Planning Commission shall also make affirmative findings based on the following criteria:

- A. The subject site will be restored and remediated to its pre-project natural conditions unless areas within the site are subject to approved development, in which case restoration and landscaping of these areas will conform to the permitted development. In cases where development is proposed but not yet permitted, restoration of affected areas to natural conditions may be waived by the Planning Commission; provided, the development is permitted within five years and the permittee has posted financial assurances acceptable to the Petroleum Administrator ~~City Manager~~ to ensure restoration to natural conditions if the proposed development is not permitted.
- B. The proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property
- C. The permit conditions comply with Section 9510.3.3 and contain specific enforceable requirements to ensure the timely completion of any abandonment or re-abandonment of wells, restoration activities or cessation of other oil and gas site operations subject to the permit.

9510.3.5 High-risk Operations

A. Upon determination that any oil and gas production, processing or storage operation meets the definition of high risk operation from Section 9503, the Petroleum Administrator ~~City Manager~~ shall give the owner and operator written notice of the Petroleum Administrator ~~City Manager~~'s intent to declare the operation a high risk operation under this Section. The intent of this Section shall be to remediate the high-risk operation and bring the oil or gas site and the operator within normal, safe operating standards and protect the public safety, health and environment. The written notice of the intent to declare the operation a high-risk operation shall include:

- 1. Facts substantiating the declaration; and



2. An advisory regarding the right to appeal the declaration.

B. Along with the determination of the site being a high risk operation, the ~~Petroleum Administrator~~City Manager may take either or both of the following actions:

1. An investigation of the causes leading up to the high risk designation;
2. Require a mandatory restoration plan submitted by the operator. Such plan shall include, but is not limited to:
 - i. A mandatory restoration schedule for bringing the site and operator within normal, safe operating standards. Such schedule does not supersede any timeline for abatement otherwise established for individual outstanding violations.
 - ii. An audit of overall site operation(s):
 - a. The audit shall be conducted by an independent third party approved by the ~~Petroleum Administrator~~City Manager. Costs associated with the audit shall be borne by the operator;
 - b. The audit shall identify and analyze the root causes leading to the high risk designation;
 - c. The audit shall further identify and analyze other potential areas in overall site operation that could impact the site's ability to operate within safe and normal standards (e.g. personnel training, operational policies, internal procedures, etc.);
 - d. Provide a plan for remediating all issues identified in the audit, including a mandatory schedule for remediating those issues. Such restoration plans shall be subject to approval by the ~~Petroleum Administrator~~City Manager.
 - e. The audit may be ordered in lieu of, or in addition to the investigation undertaken by the ~~Petroleum Administrator~~City Manager.
 - iii. Any other requirements the ~~Petroleum Administrator~~City Manager deems necessary to bring the site and operation within normal, safe operating standards for the purposes of protecting the public safety, health and environment.



- C. The owner or operator of the high risk operation shall carry out the approved restoration plan and shall be responsible for paying all reasonable costs associated with the implementation of the plan, including:
1. City staff time in enforcing these provisions at an hourly rate that provides for full cost recovery of the direct and indirect costs. Staff time shall include, but is not limited to, the ongoing monitoring and verification of compliance with the approved restoration plan;
 2. Investigative, research (including legal research) and consulting costs associated with preparation of the restoration plan;
 3. Third party costs for investigation, consultation, engineering, clean-up, operator staff training, operations and all other related costs necessary to carry out the restoration plan;
 4. Any other costs necessary to remediate the high risk operation as ordered by the ~~Petroleum Administrator~~City Manager.
- D. At the sole discretion of the ~~Petroleum Administrator~~City Manager, at any time during which a site or operator is subject to this Section, the ~~Petroleum Administrator~~City Manager may require a bond be posted to cover the cost of remediating the causative problems of the high risk operation.
- E. The designation of high risk operations or high risk operator shall continue to apply until the goals and guidelines of the restoration plan established hereunder is achieved. The high risk operator shall notify the ~~Petroleum Administrator~~City Manager when a milestone in the restoration plan has been satisfied. The ~~Petroleum Administrator~~City Manager may conduct independent verification of the compliance upon such notification. The restoration plan may be amended from time to time as necessary to achieve the purposes of this Section.
- F. Failure of the owner or operator of a high risk operation to post a bond required under this Section, prepare the restoration plan within a reasonable timeframe as ordered by the ~~Petroleum Administrator~~City Manager, or to reasonably achieve the goals and guidelines of an approved restoration plan under this Section, may be cause for a shutdown of the high risk operation(s) or any other petroleum operations located in the City that are co-owned or co-operated by the high risk operator, at the discretion of the ~~Petroleum Administrator~~City Manager.



G. The ~~owner or~~ operator of a high risk operation shall compensate the City for any costs associated with the enforcement of this Section within 30 days of written demand by the ~~Petroleum Administrator~~ City Manager. Any City costs associated with enforcement of this Section, which are not promptly paid by the ~~owner or~~ operator shall be subject to enforcement by tax bill lien or other collection methods at the discretion of the City.

H. The City may institute legal proceedings to require compliance provisions with this Section.

9511 Operational Noticing

A. Each operator shall submit copies of all notices provided to or received from DOGGR, to the ~~Petroleum Administrator~~ City Manager, within ten business days of transmission or receipt of such notices, as applicable.

B. The operator of (or any person who acquires) any well, property, or equipment appurtenant thereto, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall each notify the ~~Petroleum Administrator~~ City Manager within ten business days of the transaction closing date. The notice shall contain the following:

1. The names and addresses of the person from whom and to whom the well(s) and property changed.
2. The name and location of the well(s) and property.
3. The date of acquisition.
4. The date possession changed.
5. A description of the properties and equipment transferred.
6. The new operator's agent or person designated for service of notice and his address.

C. The operator of any well shall notify the ~~Petroleum Administrator~~ City Manager, in writing, of the suspension of any well operations greater than five days. The operator shall notify the ~~Petroleum Administrator~~ City Manager in writing upon the resumption of operations giving the date thereof.

D. The operator shall report any violations of state or federal laws that occur on an oil and gas site to the ~~Petroleum Administrator~~ City Manager within 30 days of their date of documentation by a state or federal agency.



9512 Compliance with City Codes and Ordinances

All complaints related to activities regulated by this ordinance received by the operator shall be reported within one business day to the ~~Petroleum Administrator~~City Manager. If the complaint is received after normal business hours, it shall be reported to the ~~Petroleum Administrator~~City Manager at the opening of the next business day. In addition, the operator shall maintain a written log of all complaints and provide that log to the ~~Petroleum Administrator~~City Manager on a quarterly basis. Depending upon the nature of the complaint and determination from the ~~Petroleum Administrator~~City Manager, the operator shall report the complaint to the SCAQMD, DOGGR, and any other appropriate agencies with oversight authority regarding the complaint at issue.

9513 Injunctive Relief

In addition to any administrative remedies or enforcement provided in this Code, the City may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation or mandate compliance with this Code. All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

9514 Notice of Violation and Administrative Fines

A. The operator shall also be subject to a fine for violation of any requirement of a CUP or this ordinance as determined by the ~~Petroleum Administrator~~City Manager, subject to the following:

1. Depending on the specific type and degree of the violation, the operator in violation may be penalized at a rate of \$5,000 to \$10,000 per day, per violation, until it is cured, but in no event, in an amount beyond that authorized by state law. The ~~Petroleum Administrator~~City Manager will develop a violation fee schedule for Council for approval to specifically identify the fees associated with oil or gas site violations. This violation fee schedule may also include nuisance violations.
2. In the event of a violation of any of the City's permitting actions, a written notice of violation and the associated fine determination will be sent to the operator by the ~~Petroleum Administrator~~City Manager. The operator shall deposit the sum of \$100,000 in an interest-bearing trust fund with the City within thirty days of the date of the second violation notice sent to the operator by the ~~Petroleum Administrator~~City Manager, to establish a draw down account. If the noted violation is not corrected within thirty calendar days to the satisfaction of the ~~Petroleum Administrator~~City Manager, or if steps satisfactory to the ~~Petroleum Administrator~~City Manager have



not been initiated during that period to affect a cure or to seek modification of the condition, the fine amount cited in the written notice will be deducted from the account.

- B. Nothing in this Section or ordinance shall limit the City's ability to pursue other enforcement procedures, including CUP revocation proceedings, actions to enforce a DA, or other legal or equitable remedies provided by this Code or available under the law.

9515 Nuisance Procedures

Any violation of this ordinance is hereby declared to be a public nuisance for the purposes of Section 5702, and may be abated pursuant to the procedures set forth in Article V, Chapter 7 (Property Maintenance) of this Code. The procedures for abatement shall not be exclusive, and shall not in any manner limit or restrict the City from otherwise enforcing this ordinance or abating public nuisances in any other manner as provided by law, including the institution of legal action by the City Attorney to abate the public nuisance at the request of the Director in charge of enforcing Chapter 7 of this Code.

9516 Compliance Monitoring

A. Environmental Compliance Coordinator(s). The City may hire Environmental Compliance Coordinators as needed to oversee the monitoring and condition compliance requirements of the City's permitting actions subject to regulation under this ordinance, the costs of which shall be reimbursed by operator. The number of Environmental Compliance Coordinators shall be determined by the City and shall take into account the level of oil and gas operations associated with the project site. The Environmental Compliance Coordinator(s) shall be approved by, and shall report to, the ~~Petroleum Administrator~~ City Manager consistent with the City Manager's authority under Section 2107 of this Code. The responsibilities of the Environmental Compliance Coordinator(s) shall be determined by the City for the project site and shall generally include:

1. On-site, day-to-day monitoring of construction, drilling, operational or abandonment and site restoration activities as determined by the ~~Petroleum Administrator~~ City Manager.
2. Taking steps to ensure that the operator, and all employees, contractors and other persons working in the project site, have knowledge of, and are in compliance with all applicable provisions of the conditional use permit or development agreement.
3. Evaluating the adequacy of drilling, -construction and redevelopment impact mitigations, and proposing improvements to the operator or contractors, and the City.



4. Reporting responsibilities to the various City departments with oversight responsibility at the project site, as well as other agencies such as DOGGR, and SCAQMD.

B. Compliance Deposit Account. An applicant must establish a compliance deposit account with the City within 30 days of receiving authorization for a CUP or DA from the City. The compliance security deposit amounts shall be determined by the ~~Petroleum Administrator~~City Manager, and shall be based on the nature and extent of the compliance actions required.

9517 Financial Assurances Applicability

A. Sections 9518 through 9520 shall apply to any person who owns, operates or guarantees performance for or who seeks to own, operate or guarantee performance for any oil or gas site involved in exploration, production, processing, storage or transportation of oil or gas extracted from reserves in the City of Carson:

B. This ordinance shall not apply to the change of ~~owner, operator or guarantor~~ of the following:

1. Sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission;
2. A change of ownership consisting solely of a change in percentage ownership of a site and which does not entail addition or removal of an owner or affect any financial guarantee or bonds for a permit, CUP, and/or DA.

9518 Operator's Financial Responsibilities

The applicant shall be fully responsible for all reasonable costs and expenses incurred by the City or any City contractors, consultants, or employees, in reviewing, approving, implementing, inspecting, monitoring, or enforcing this ordinance or any CUP, DA, or permit, including but not limited to, costs for permitting, permit conditions implementation, mitigation monitoring (including well abandonment and re-abandonment), reviewing and verifying information contained in reports, undertaking studies, research and inspections, administrative support, and including the fully burdened cost of time spent by City employees, City Attorney, or third-party consultants and contractors on such matters.

9519 Securities and Bond Requirements

The operator or any contractor of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the securities and bond requirements described below



A. The operator shall file a faithful performance bond with the ~~Petroleum Administrator~~City Manager consistent with the following bonding requirements:

1. The ~~Petroleum Administrator~~City Manager shall determine the amount of the bond based on the total number of wells, proposed operations, size and nature of the property, appropriate environmental studies on the property, including a Phase I, II or Human Health Risk Assessment Reports and other relevant conditions related to the proposed wells or operations at a specific oil or gas site.
2. The amount of the bond shall be sufficient to assure the completion of the abandonment, necessary re-abandonment, site restoration, and remediation of contamination of the oil or gas site if the work had to be performed by the City in the event of forfeiture. The performance bond shall be inflation indexed to ensure the amount of the bond shall be sufficient to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site. The bond shall be available within a time frame to allow the City to undertake related activities in a timely manner, including at least half for immediate access and use in the event of an emergency as determined by the ~~Petroleum Administrator~~City Manager.
3. Prior to expansion of an oil or gas site, the operator shall apply to the ~~Petroleum Administrator~~City Manager for a determination of the amount of the bond necessary to ensure completion for both the existing and expanded operations. In addition, every bond shall be re-assessed by the ~~Petroleum Administrator~~City Manager every 5 years to ensure the amount is sufficient to ensure the completion of the abandonment, site restoration, and remediation of contamination of the oil or gas site.
4. Upon application by the owner or operator, the ~~Petroleum Administrator~~City Manager may reduce bonding amounts based upon change of physical circumstances, completion or partial completion of work, or significant reduction in cost to perform the work. In no event shall the amount of the bond be reduced to an amount insufficient to complete any remaining work, nor shall the bond be reduced due to economic hardship or similar considerations.
5. After completion of all abandonment and site restoration requirements, the bond shall be maintained in a sufficient amount to ensure remediation of contamination at the oil or gas site for a period not less than 15 years.
6. In no event shall the bonding amount be less than \$50,000 per well.



7. The bond may be drawn only from a qualified entity without any economic interests or relationship with the owner and/or operator and any related economic entities related thereto. The ~~Petroleum Administrator~~City Manager shall receive all pertinent information related to the bond and bonding entity prior to issuance of a final approved permit, CUP, or DA.

B. In lieu of these bonding requirements, an operator may also submit any other legally adequate and binding financial mechanism, subject to City Attorney approval, to satisfy the monetary assurance requirements set by the ~~Petroleum administrator~~City Manager to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site.

C. For any evaluation of bonding amounts by the ~~Petroleum Administrator~~City Manager in this Section, or evaluation of a financial mechanism proposed in lieu of a bond by the City Attorney, the operator shall deposit the estimated costs with the ~~Petroleum Administrator~~City Manager with the application, and shall also make any additional deposit(s) within 30 days of written request by the ~~Petroleum Administrator~~City Manager. The ~~Petroleum Administrator~~City Manager may retain consultants or other experts in the industry to assist in deriving a bond amount.

95199520 Operator Liability Insurance

The operator or any contractor of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the insurance described below for each well, and shall maintain such insurance until the well is abandoned and the site restored. The operator or contractor must provide to the City sufficient documentation that the insurance complies with the minimum requirements and coverage amounts of this Section before a permit may be issued.

A. General provisions regarding insurance:

1. The operator or any contractor shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized the ~~Petroleum Administrator~~City Manager.
2. In the event any policy is due to expire, the operator or any contractor shall provide a new certificate evidencing renewal of such policy not less than 30 calendar days prior to the expiration date of the expiring policy. Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, operator or any contractor shall file with



the ~~Petroleum Administrator~~City Manager a new certificate and all applicable endorsements for such policy.

3. Liability policies shall name as "additional insured" the City, including its officers, officials, agents, employees and authorized volunteers.
4. All policies shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage.
5. The operator shall present to the ~~Petroleum Administrator~~City Manager copies of the pertinent portion of the insurance policies evidencing all coverage and endorsements required by this Section before the issuance of any permit subject to this ordinance, and the acceptance by the City of a policy without the required limits or coverage shall not be deemed a waiver of these requirements. The City may, in its sole discretion, accept a certificate of insurance in lieu of a copy of the pertinent portion of the policy pending receipt of such document by the City. After the issuance of the permit, the City may require the operator to provide a copy of the most current insurance coverage and endorsements for review at any time. The operator will be responsible for paying an administration fee to cover the costs of such review as may be established by the City's fee schedule.
6. Claims-made policies shall not be accepted except for excess policies and environmental impairment (or seepage and pollution) policies.
7. Insurance coverage amounts set forth shall be reviewed by the ~~Petroleum Administrator~~City Manager as required by Section 9509 to ensure adequate insurance is maintained.

B. Required insurance coverage:

1. Commercial or comprehensive general liability insurance:
 - i. Bodily injury and property damage coverage shall be a minimum combined single limit of \$10,000,000 per occurrence with an annual general aggregate coverage of \$25,000,000. This coverage must include premises, operations, blowout or explosion, products, completed operations, blanket contractual liability, underground property damage, underground reservoir (or resources) damage,



broad form property damage, independent contractor's protective liability and personal injury.

- ii. Underground reservoir (or resources) damage coverage shall be on an occurrence basis, shall not be limited to sudden and accidental occurrences, shall not have a discovery or reporting limitation and shall not exclude damage to water tables, formation or strata.
 - iii. Environmental impairment (or seepage and pollution) coverage shall be either included in the comprehensive general liability coverage or as separate coverage. Such coverage shall not exclude damage to the lease site. If environmental impairment (or seepage and pollution) coverage is written on a "claims made" basis, the policy must provide that any retroactive date applicable precedes the effective date of the issuance of the permit. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, oil and gas, waste material, or other irritants, contaminants or pollutants. Such policy shall provide for minimum combined single limit coverage of \$25,000,000.00 per occurrence. A discovery period for such peril shall not be less than ten years after the occurrence.
2. Commercial automobile liability insurance: Minimum combined single limit of \$10,000,000.00 per occurrence for bodily injury and property damage. The policy shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto")
 3. Worker's compensation insurance: In addition to the minimum statutory requirements, coverage shall include employer's liability limits of at least \$1,000,000.00 for each accident, \$1,000,000.00 for each employee, and \$1,000,000.00 for occupational disease, and the insurer shall agree to waive rights of subrogation against the City, its officers, officials, agents, employees and authorized volunteers, for any work performed for the City by the operator.
 4. Excess (or umbrella) liability insurance: Minimum limit of \$25,000,000.00 providing excess coverage for each of the perils insured by the preceding liability insurance policies.



5. Control of well insurance:

- i. Minimum limit of \$10,000,000.00 per occurrence, with a maximum deductible of \$250,000.00 per occurrence.
- ii. Policy shall cover the cost of controlling a well that is out of control, drilling or restoration expenses, and seepage and pollution damage. Damage to property in the operator's care, custody and control with a sub-limit of \$500,000.00 may be added.

C. Failure to maintain coverage: Upon failure of the owner, operator, or contractors to provide that proof of insurance as required by this Section when requested, the ~~Petroleum Administrator~~ City Manager may order the suspension of any outstanding permits and petroleum operations of the operator until the operator provides proof of the required insurance coverage.

Part 2. Development Standards for Petroleum Operations

95209521 Setback Requirements

- A. The surface locations of oil and gas sites and associated operations facilities shall not be located within:
1. ~~Fifteen-Five~~ Five hundred feet (4,500 feet) of the property boundaries of any public school, public park, clinic, hospital, long-term health care facility.
 2. ~~Fifteen-Five~~ Five hundred feet (4,500 feet) of the property boundaries of any residence or residential zone, as established in this Code, except the residence of the owner of the surface land on which a well might be located and except a residence located on the land which, at the time of the drilling of the well, is under lease to the person drilling the well.
 3. Five hundred feet (500 feet) of the property boundaries of any the commercially designated zone CN, CA, MU-CS or MU-SB (see Table 1-1), as established by this Code.
 4. Fifty feet (50 feet) of any dedicated public street, highway, public walkway, or nearest rail of a railway being used as such, ~~unless the new well is located on an existing drill~~



~~site and the new well would not present a safety issue or cause conflicts with a right-of-way.~~

B. ~~For all new wells associated with oil and gas production, including injection wells, the Applicant shall provide a copy of the area of an review (AOR) study, consistent with the requirements of Title 14 California Code of Regulations Section 1724.7, as per DOGGR to identify any potential conduits that may allow migration of reservoir fluids outside of the intended zone of injection. The AOR study shall define setbacks from abandoned wells or include re-abandonment of abandoned wells to minimize conduits. Leak testing of all abandoned or re-abandoned wells within the AOR or as designated by the Petroleum Administrator, shall be performed consistent with the standards of Section 9534, and any leaking wells shall be re-abandoned consistent with this ordinance. The AOR shall be submitted prior to the Petroleum Administrator's approval of a drilling permit. This requirement shall remain effective for all new wells associated with oil and gas production until DOGGR formally adopts an Area of Review (AOR) requirement, at which time the applicant will only be required to demonstrate to the PA (through submittal of appropriate documentation) that it has complied with DOGGR AOR requirements.~~

95219522 Site Access and Operation

The following measures shall be implemented throughout the operation of any oil and gas site or project subject to this ordinance:

9521.19522.1 Deliveries

~~For oil and gas sites located in non-industrial areas or for delivery routes that pass through or adjacent to prohibited zones as listed in Table 1-1, d~~Deliveries to the oil or gas sites shall not be permitted after 6:00 p.m. and before 8:00 a.m., except in cases of emergency. No deliveries shall be permitted on Saturdays, Sundays or legal holidays, except in cases of emergency.

9521.29522.2 Construction Time Limits

~~Construction of permanent structures shall not be permitted after 7:00 p.m. and before 7:00 a.m., or during Saturdays, Sundays, or legal holidays. The drilling or re-drilling of wells is not considered construction of permanent structures and is not subject to construction time limits.~~

9521.39522.3 Oil and Gas Site Parking

The following measures shall be implemented throughout the operation of any oil and gas site subject to this ordinance:



- A. At all times during the construction and operation of the project, parking facilities shall be provided for all vehicles associated with the oil or gas site. If approved as part of a permit, CUP or a DA, parking for vehicles of employees or workers engaged in any oil or gas site activities can also be provided by the operator at off-site parking lots or in parking facilities, other than public streets, at locations other than the oil or gas site. The operator shall prohibit personal parking on City streets by operator, owner, permittees, contractors, or consultant staff. If the parking lot or parking facilities are not located within a reasonable walking distance of the controlled drill site, the operator shall provide transportation to and from the parking site for employees and workers.
- B. At all times vehicular access to an controlled-oil and gas drill site shall be provided in accordance with the plans for vehicular access reviewed and approved by the City Engineer.
- C. All entrances to an controlled-drilloil and gas site shall be equipped with sliding gates which shall be kept closed at all times except when authorized vehicles are entering or leaving the oil and gas site.
- D. When traffic lanes on any public street are closed or impaired by the operator's operations, flagmen, and safety officers as required by the L.A. County Sheriff's office shall be provided by the operator at all such times to control traffic and maintain traffic flow.

95229523 Lighting

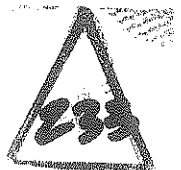
Except for oil and gas sites located within industrial zones, and located farther than 1,000 feet from any prohibited zone as listed in table 1-1, all point-lighting sources that may be introduced on a site in support of nighttime operations, at the onset and throughout all operations at an oil and gas site shall be screened and directed to prevent light or glare from passing beyond site boundaries. Outdoor lighting shall be restricted to only those lights that are required by Article VIII of this Code for lighting building exteriors and safety and security needs.

95239524 Aesthetics

The following measures shall be implemented for all projects that are subject to this ordinance:

9523.19524.1 Landscaping/Visual Resources

- A. Prior to commencement of operations at an oil or gas site, the operator shall implement a landscaping plan prepared by a licensed landscape architect, that has been approved as part of a CUP or a DA, which provides adequate screening and blending of the facilities so that the site shall not appear unsightly or aesthetically deficient compared with the surrounding character of the area. Except for oil and gas sites located within industrial zones, All tanks shall be



depressed so that the top of any tank and other equipment and appurtenances shall not extend more than twenty feet above the surface of any site, unless otherwise approved in a CUP or DA.

B. Within six months after the completion of the well related activities and the removal of the drilling well mast/rig, any drill oil and gas site shall be landscaped with suitable shrubbery and trees in accordance with a plan approved by the Planning Commission, unless the site is to be otherwise developed in such a manner that would preempt re-vegetation requirements.

C. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary~~, if any drilling masts are in place on an oil and gas site for a time period of more than one year and are visible from public viewing points, then the operator shall wrap all such masts to reduce their visibility prior to the onset of operations at an oil and gas site.

9523.29524.2 Walls

Prior to commencement of operations at an oil or gas site the following development standards shall be satisfied:

A. All oil and gas sites shall be enclosed with a wall not less than six feet (6 feet) high, which shall be of a material and texture that blends in with the surrounding environment and is not visually obtrusive. There shall be no aperture below the fence larger than one foot (1 foot) in height.

B. The wall enclosure around the oil and gas site shall have an interior setback of twenty-five feet from all property lines. The gate or entrance through the wall shall remain locked at all times and constructed in a manner to prevent the public from coming closer than twenty-five feet to the pumping facilities. Pursuant to the approval of the Conditional Use Permit CUP, the location of the wall may be modified subject to compliance with the California Fire Code as approved in a CUP or DA with modifications as applicable.

C. The entire outside facing length of the wall must be coated with anti-graffiti paint or solutions.

9523.39524.3 Sanitation

The oil and gas site shall be maintained in a clean, sanitary condition, free from accumulations of garbage, refuse, and other wastes.



9523.49524.4 Architecture

The architectural design of any oil or gas site buildings, equipment, drilling mechanisms or other associated structures shall be consistent with the character of the surrounding community and shall utilize finishing materials and colors which blend in with the surrounding environment and are not visually obtrusive.

95249525 Roads

The following policies specific to streets or other roads shall apply to all projects for which this ordinance is applicable:

9524.19525.1 Construction of Site Access Roads

Private roads and other excavations required for the construction of access roads shall be designed, constructed, and maintained to provide stability of fill, minimize disfigurement of the landscape, prevent deterioration of vegetation, maintain natural drainage, and minimize erosion.

Prior to construction of any new road, the operator shall prepare and submit to the Petroleum Administrator and the Department of Public Works for review and approval a private road construction plan. The operator shall thereafter comply with all provisions of the approved private road construction plan. All new private access roads leading off any surfaced public street or highway shall be paved with asphalt or concrete not less than three inches thick for the length of said access road from the public street or highway.



~~9524.2 Reserved Maintenance and Restoration of Public Roads~~

~~9524.39525.2 Throughout operation of an oil or gas site the operator shall be responsible for the paying for the maintenance of public roads, which are used intensively for any materials transport, construction, or site access related to drilling and related operations. Prior to initiating any construction or operations the operator shall be responsible for conducting a road condition assessment including recording, through video, pictures and/or written documentation the existing public road conditions that will be used for any portion of the proposed project. The road condition assessment must be submitted to the Petroleum Administrator and beand accepted by the City Engineer prior to commencement of operations. Upon demand from the City Engineer, the operator shall then pay the City the compensation necessary to maintain, restore or repair any damage related to the operations in order to return the road to its pre-project 'baseline' condition.~~

~~95259526 Signage~~

The following policies apply only to signs visible from the public right of way.

- ~~A. Each well shall be marked with a sign, which lists the name of the company owning the well, the well number, and a telephone number for twenty-four hour emergency notification. The sign shall not exceed six square feet in area and shall be located so that it is clearly visible from the street where the access drive is located.~~
- A. The sign shall be kept in good legible condition at all times.
- B. No sign other than that described in this ordinance or required by law shall be allowed, other than informational signs, no smoking signs, and other signs as reasonably required for safe operation of the project.
- C. Signs shall not be constructed, erected, maintained or placed on the premises or any part thereof, except those required by law or ordinance to be displayed in connection with the drilling or maintenance of the well.
- D. Identification signs, at intervals acceptable to the Petroleum Administrator, shall be posted and maintained in good condition along the outer boundary line fence and along the fences walls adjoining the public roads that pass through the oil or gas site. Each identification sign shall prominently display current and reliable emergency contact information that will enable a person to promptly reach, at all times, a representative of the operator who will have



the expertise to assess any potential problem and recommend a corrective course of action. Each sign shall also have the telephone number of the City department of planning or zoning enforcement section and the number of SCAQMD that can be called if odors are detected.

95269527 Steaming

The installation of any surface equipment designed to produce steam shall be prohibited without the approval of the ~~Petroleum Administrator~~ City Manager. The operator shall submit a steaming plan addressing equipment sizing and design to the City Manager ~~Petroleum Administrator~~ for review and approval. The steaming plan shall also include well casing and cementing design specifications.

95279528 Utilities

A. Each oil or gas site shall be served by and utilize only reclaimed water, aside from potable water used for human consumption, unless the use of reclaimed water is deemed infeasible by the ~~Petroleum Administrator~~ City Manager, in which case the following criteria apply:

1. The operator must prepare and submit a supply assessment study of all water resources available for use and submit the study for review to the ~~Petroleum Administrator~~ City Manager.
2. If the study indicates that potable water is the only feasible alternative then the operator may utilize such a water source only if the operator provides an equal and measurable benefit to the community for such use, as determined by the ~~Petroleum Administrator~~ City Manager.

B. New electrical power shall be routed underground from the nearest source adequate to meet the needs of the well site.

95289529 On-Site Storage and Placement of Equipment

No equipment shall be stored or placed on the site, which is not essential to the everyday operation of the oil or gas well located thereon.

95299530 Safety Assurances and Emergency/Hazard Management

The following measures shall be implemented throughout the operation of any oil or gas site or project subject to this ordinance:



9529.49530.1 Fire Prevention Safeguards

- A. All oil and gas site operations shall conform to all applicable fire and safety regulations, codes, and laws.
- B. The oil and gas site shall be kept free of debris, pools of oil, water or other liquids, weeds, and trash.
- C. Land within twenty-five feet of the site-facilities shall be kept free of dry weeds, grass, rubbish or other combustible material at all times.
- D. All equipment, facilities, and design shall be approved by the Los Angeles County Fire Department prior to approval of a ~~Conditional Use Permit~~CUP or ~~development agreement~~DA.

9529.29530.2 Blowout Standards and Testing

The operator shall comply with DOGGR regulations for blowout prevention and will provide all equipment as stipulated in the DOGGR regulations during the drilling operations of any well.

9529.39530.3 Earthquake Shutdown

- A. The operator shall shut down any non-essential well and production activities and inspect all oil and gas-related facilities, equipment, and pipelines following any seismic event that generates a ground acceleration of 15 percent (0.15g) of gravity or more.
- B. The operator shall either, (1) Operate and maintain an accelerometer at the project site or (2) Obtain real time data from a nearby accelerometer, to determine site-specific ground accelerations at the oil and gas site as a result of any seismic event. The operator shall inspect all project site pipelines, facilities, equipment, storage tanks, and other infrastructure following any seismic event that exceeds a ground acceleration at the project site of 15 percent of gravity (0.15 g) and promptly notify the City Engineer and the ~~Petroleum Administrator~~City Manager of the results of the inspection. Shall there be any structural damage or equipment failure as a result of any seismic event, the operator shall isolate and address any damage or equipment failure as appropriate to minimize environmental or safety impacts. Recommencement of any operations may occur through verbal approval of the City Manager~~Petroleum Administrator~~. The operator shall prepare and submit a written report of all inspections and findings to the City for review with one week of the seismic event.
- C. The operator shall not reinstitute operations at those portions of the project site and associated pipelines damaged by a seismic event until it can reasonably be determined by the



City Manager Petroleum Administrator that all project site infrastructure is repaired and structurally sound.

9529.49530.4 Storage Tank Monitoring

The operator shall install tank leak detection monitoring system that will indicate the physical presence of a leaked product underneath storage tanks on site that have the potential to result in soil contamination. The results of the monitoring shall be submitted to the City Manager Petroleum Administrator upon request. The monitoring system shall abide by 14 California Code of Regulations Section 1773.2 as well as the following specifications:

~~Foundations for new tanks shall be designed to support the tank, maintain the tank level, and drain fluid away from the tank, including fluids that may leak from the tank. The sub-base of the foundation shall include an impermeable barrier designed to prevent downward fluid migration and to allow leaks to drain away from the tank and be detected by visual inspection or through the use of a leak detection sensor, as each particular instance may require. The foundation base shall be made of material that provides for support and drainage away from the tank.~~

~~When a tank bottom is replaced, a leak detection system shall be installed and properly maintained that will either: (1) Channel any leak beneath the tank to a location where it can be readily observed from the outside perimeter of the tank, or (2) Accurately detect any tank bottom leak through the use of sensors.~~

~~The Petroleum Administrator may require a tank bottom leak detection system for any tank with a foundation that does not have an impermeable barrier after considering such factors as the age of the tank, fluid service, and proximity to groundwater.~~

9529.59530.5 Safety Measures and Emergency Response Plan

The operator is responsible for compliance with safety and emergency response requirements, including but not limited to:

A. Copies of all Emergency Response Plans, Emergency Action Plans, Oil Spill Plans and any emergency response drill training as required by DOGGR, CalEPA, OSHA, LACFD, or any other agency shall be submitted to the City. Safety and Emergency Response Plan. The operator shall prepare, submit, and have an approved plan for all safety and emergency response activities, facilities, and equipment for the site to include, but not be limited to, the following:



- B. ~~Procedures for activation of the Plan, such as responder activation charts, employee responsibilities, emergency coordinator checklists, etc.;~~
- C. ~~Emergency Information and Phone Numbers;~~
- D. ~~Emergency Notification procedures;~~
- E. ~~Emergency checklists for hazardous materials releases, fire fighting response, personal injuries and chemical burns, hydrogen sulfide releases, storm drain or sewer incidents, bomb threats and earthquakes.~~
- F. ~~Site evacuation procedures;~~
- G. ~~Emergency response equipment;~~
- H. ~~Employee training; and~~
- I.A. ~~Hazardous materials inventories.~~
- J. ~~Emergency Response Drills. The operator shall demonstrate the effectiveness of the emergency response plan by responding to one planned emergency response drill per year, which shall be conducted in conjunction with the Los Angeles County Fire Department. Emergency response drills required by other agencies that involve the Los Angeles County Fire Department can be used to satisfy this provision. In addition, the operator shall demonstrate the effectiveness of the emergency response plan by responding to not more than two unannounced drills each year, which may be called at the discretion of the Los Angeles County Fire Department or Petroleum Administrator at the oil field. If critical operations are then underway at the oil field, the operator need not respond to a unannounced drill to the extent such a response would, as a result of such critical operations, create an undue risk of personal injury or property damage, but in such case the operator must promptly explain the nature of the critical operations, why response is not possible, and when the critical operations will be completed.~~
- K. ~~Response Manual and Oil Spill Contingency Plan. The operator shall submit an Oil Spill Contingency Plan approved by the Los Angeles County Fire Department, to the Petroleum Administrator which will outline response actions in the event of a spill, including a spill response trailer, equipment, and personnel training. Spill cleanup shall be completed under the oversight of the lead regulatory agency, with respect to oil spills, as identified in the Oil Spill Contingency Plan prepared as per CCR 1722.9.~~



L.B. Safety Audit. The operator shall cause to be prepared an independent third-party audit, under the direction and supervision of the City, of all facilities, once constructed, including the well pads, to ensure compliance with the California Fire Code (as may be adopted by the City with modifications as applicable), applicable API and NFPA codes, EPA RMP, OSHA PSM, DOGGR and SPCC and emergency response plans requirements. All audit items shall be implemented in a timely fashion, and the audit shall be updated annually, as directed by the City and the Los Angeles County Fire Department. The final installation of the facilities shall include a seismic assessment, including walkthroughs, of equipment to withstand earthquakes prepared by a registered structural engineer in compliance with Local Emergency Planning Committee Region 1 CalARP guidance and the seismic assessment shall be updated, with walkthrough inspections, annually to ensure compliance with the codes and standards at the time of installation.

M.C. Community Alert System. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, The operator shall implement a community alert notification system, or utilize an existing system operated by the Police, Sheriff or Fire Department, to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

N. Fire Safety Measures. The operator shall implement the following fire safety measures:

- ~~1. The operator shall ensure that design and construction comply with applicable codes and standards for equipment spacing, particularly those related to flare location and distances to public areas, installation of fire detection and prevention systems, flame detection, flammable gas detection, fire foam, and associated alarms and alert systems. The design and construction compliance status shall be verified by third-party audits overseen by the City.~~
- ~~2. The operator shall develop emergency response plans addressing the site's fire-fighting capabilities pursuant to the most recent NFPA requirements, the California Fire Code (as may be adopted by the City with modifications as applicable), Los Angeles County Fire Department, California Code of Regulations, and API requirements, in coordination with Los Angeles County Fire Department and the City of Carson. These plans shall include, but not be limited to, fire monitor placement, fire water capabilities, fire detection capabilities, fire foam requirements, site condition relating to fire fighting ease and prevention, and measures to reduce impacts to sensitive biological resources. The plan shall also address coordination with local emergency responders and area schools and daycare facilities.~~



- ~~3. Emergency response plans shall address the issues related to wildfire risks and response, including development of fuel management/modification fire hazard management plan according to Fire Department requirements, coordination with the area residences and potentially affected agencies, as well as identification of first response tactics and equipment available to address wildfire risks.~~

9529.69530.6 Transportation of Chemicals and Waste On and Off-site

The operator shall implement the following measures -throughout the operations of any oil and gas site subject to this ordinance:

- A. Solid Waste Disposal. Solid waste generated on the site shall be transported to a City-approved landfill or hazardous waste site as may be appropriate for the life of the operation. The operator shall provide written notice to the City Manager of the landfill or hazardous waste facility being utilized.
- B. -Site Waste Removal. The operator shall comply with the following provisions:
1. All drilling and workover waste shall be collected in portable steel enclosed bins compliant with United States Department of Transportation standards. Any drilling and workover wastes that are not intended to be injected into a Class II Well, as permitted by DOGGR, shall be removed from the project site no later than thirty days following completion of the drilling and workover.
 2. No site waste shall be discharged into any sewer unless permitted by the Sanitation District, or into any storm drain, irrigation system, stream, or creek, street, highway, or drainage canal. Nor shall any such wastes be discharged on the ground.
 3. The operator shall comply with all provisions of a recycling plan that has been approved by the Petroleum Administrator~~City Manager~~. The recycling plan shall include any elements requested by the Petroleum Administrator~~City Manager~~.
- C. Storage of Hazardous Materials. The operator shall submit to the Petroleum Administrator~~City Manager~~ a copy of the Hazardous Material Business Plan, as approved by the Los Angeles County Fire Department, annually. This plan shall include a complete listing and quantities of all chemicals used onsite, and provide the location of where hazardous materials are stored at the site. Hazardous materials shall be stored in an organized and orderly manner, and identified as may be necessary to aid in preventing accidents, and shall be



reasonably protected from sources of external corrosion or damage to the satisfaction of the Fire Chief of the Los Angeles County Fire Department or designee.

9529.6.19530.6.1 Natural Gas Liquids (NGLs)

Throughout the operation of any oil and gas site or project subject to this ordinance, heavier NGLs, as defined by this code, and butanes shall be blended with crude oil for shipment by pipeline to the maximum extent allowable within the technical specifications of the pipeline, however, blending of butanes shall not take priority over blending of heavier NGLs when technical limitations are reached. Oil transportation pipelines and gas processing facilities shall be designed to maximize the blending of NGLs into the crude oil stream.

9529.6.29530.6.2 Transportation Risk Management and Prevention Program (TRMPP)

If the site transportation routes of any product from oil and gas development in the City passes through or adjacent to any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, and if any product from oil and gas development in the City is to be transported by trucks exceeding 5 trucks per day peak, the operator shall prepare and maintain a Transportation Risk Management and Prevention Program which shall be provided to the Petroleum Administrator City Manager upon request. The TRMPP may contain the following components including, but not limited to:

- A. Provisions for conducting comprehensive audits of carriers biennially to assure satisfactory safety records, driver hiring practices, driver training programs, programs to control drug and alcohol abuse, safety incentive programs, satisfactory vehicle inspection and maintenance procedures, and emergency notification capabilities. The operator shall submit to the City an annual summary of any audits that were conducted each calendar year.
- B. Provisions for allowing only carriers which receive a satisfactory rating under the above audit process to transport oil and gas.
- C. Truck loading procedures for ensuring that the loading rack operator and the truck driver both conduct, and document in writing, a visual inspection of the truck before loading and procedures to specify actions to be taken when problems are found during the visual inspection.

9529.6.39530.6.3 Pipeline Leak Detection

All new offsite DOT oil transportation pipelines shall use a supervisory control and data acquisition (SCADA-type) monitoring system for leak detection; unless the Petroleum Administrator City Manager determines that there is better available technology that shall be



utilized instead. Flow meters used on the SCADA system shall be accurate to within one percent. If a leak is detected the operator shall be responsible for immediately reporting it to the City Manager~~Petroleum Administrator~~.

95309531 Environmental Resource Management

Throughout operation of an oil and gas site, the operator shall comply with the following environmental resource management policies:

9530.19531.1 General Environmental Program

A. Environmental Quality Assurance Program ("EQAP"). The operator shall comply with all provisions of an environmental quality assurance program that has been accepted by the ~~Petroleum Administrator~~City Manager and approved as part of a CUP or DA. The following provisions relate to the EQAP:

1. EQAP Requirements. The EQAP shall provide a detailed description of the process, individual steps, and submissions, the operator shall take to assure compliance with all provisions of this Section, including but not limited to, all of the monitoring programs called for by this Section.
2. Annual EQAP Reports. Within sixty days following the end of each calendar year, the operator shall submit to the ~~Petroleum Administrator~~City Manager an annual EQAP report that reviews the operator's compliance with the provisions of the EQAP over the previous year and addresses such other matters as may be requested by the ~~Petroleum Administrator~~City Manager. The annual EQAP report shall include the following:
 - i. A complete list and description of any and all instances where the provisions of the EQAP, or any of the monitoring programs referred to therein or in this Section, were not fully and timely complied with, and an analysis how compliance with such provisions shall be improved over the coming year.
 - ii. Results and analyses of all data collection efforts conducted by the operator over the previous year pursuant to the provisions of this Section.
3. EQAP Updates. Proposed updates to the EQAP shall be submitted to the ~~Petroleum Administrator~~City Manager for approval along with the annual EQAP report. The ~~Petroleum Administrator~~City Manager shall complete the review of EQAP updates as soon as practicable, and shall either approve the updated EQAP or provide the



operator with a list of specific items that must be included in the EQAP prior to approval. The operator shall respond to any request for additional information within thirty days of receiving such request from the ~~Petroleum Administrator~~City Manager and shall modify the proposed EQAP update consistent with the ~~Petroleum Administrator~~City Manager's request.

B. Publicly Available Monitoring Data. ~~The operator shall be responsible for providing current monitoring results and data directly to the public unless otherwise required by law. The up-to-date monitoring data and results shall be located on a website run by the operator, owner, company, or entity responsible for the oil or gas site. The monitoring results and data shall include the following information:~~

1. Air quality data (if required to be collected);
2. Wind direction speed (if required to be collected);
3. Seismic events;
4. Water quality monitoring results for both surface and groundwater monitoring locations at an oil or gas site, or from nearby groundwater monitoring location(s) as authorized by the ~~Petroleum Administrator~~City Manager;
5. Pipeline testing and monitoring results;
6. Vibration (if required to be collected); and
7. Ambient noise levels (if required to be collected).

~~9530.29531.2~~ Air Quality

The operator shall at all times conduct oil or gas site operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances, and shall comply with the following provisions:

A. Odor Minimization. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if the ~~Petroleum Administrator determines it is necessary~~odor complaints have been confirmed by the AQMD, at all times the operator shall comply with the provisions of an odor minimization plan that has been approved by the ~~Petroleum Administrator~~City Manager. ~~The odor minimization plan shall include any measures requested by the Petroleum Administrator.~~The plan shall provide detailed information about the site and shall address all issues relating to odors from oil or gas operations. Matters addressed within the plan shall



include setbacks, signs with contact information, logs of odor complaints, method of controlling odors such as flaring and odor suppressants, and the protocol for handling odor complaints. The odor minimization plan shall be reviewed and updated by the operator on an annual basis to determine if modifications to the plan are required. Any modifications to the odor minimization plan shall be submitted to the ~~Petroleum Administrator~~ City Manager for review and approval. Any operator's submissions to the SCAQMD shall be provided to the ~~Petroleum Administrator~~ City Manager and shall be consistent with Section 9531.2.

B. **Portable Flare for Drilling.** If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ the operator shall have a gas buster and a portable flare, approved by the SCAQMD, ~~at the oil or gas field site and~~ available for immediate use to remove any gas encountered during drilling and abandonment operations from well muds prior to the muds being sent to the shaker table, and to direct such gas to the portable flare for combustion. The portable flare shall record the volume of gas that is burned in the flare. The volume of gas burned in the flare shall be documented in the operations logs. The operator shall notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD within forty-eight hours in the event a measurable amount of gas is burned by the flare, and shall specify the volume of gas that was burned in the flare. All other drilling and abandonment operations shall be conducted so that any measurable gas that is encountered can, and will, be retained in the wellbore until the gas buster and portable flare are installed on the rig, after which the gas will be run through the system to flare. The operator shall immediately notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD in the event any gas from operation is released into the atmosphere without being directed to and burned in the flare.

C. **Odor Suppressant for Drilling Operations.** If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ the operator shall use an enclosed mud system that directs all mud vapors through an odor capturing system, such as a carbon bed, to prevent odorous pollutants from passing the site boundaries and impacting the area. An odor suppressant spray system may be used on the mud shaker tables for all drilling operations to ensure that no odors from said operations can be detected at the outer boundary line of the well site.

D. **Closed Systems.** The operator shall ensure that all produced water, gas and oil associated with production, processing, and storage, except those used for sampling only, are contained within closed systems at all times and that all pressure relief systems, including tanks, vent to a closed header and flare-type system to prevent emissions of odiferous pollutants. No open pits are allowed.



E. Meteorological Station. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if the ~~Petroleum Administrator determines it is necessary~~, the operator shall maintain and operate a meteorological station at the well site in good operating condition and in compliance with all applicable Environmental Protection Agency ("EPA") and SCAQMD rules, regulations, and guidelines, and to the satisfaction of the ~~Petroleum Administrator~~City Manager. The operator shall conduct an audit of the meteorological station on an annual basis and submit the results of the audit to the SCAQMD and the ~~Petroleum Administrator~~City Manager. The operator shall maintain the data files for the meteorological station for a period of not less than ten years. All such data shall be available upon request to the SCAQMD and the ~~Petroleum Administrator~~City Manager.

F. Health Risk Assessment. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if the ~~Petroleum Administrator determines it is necessary~~, after every five years of operation of the meteorological station, the operator shall provide the previous five years of meteorological data to the SCAQMD and the ~~Petroleum Administrator~~City Manager and a health risk assessment shall be performed to indicate that health risks comply with SCAQMD standards.

G. Off-Road Diesel Construction Equipment Engines. All off road diesel construction equipment shall comply with the following provisions:

1. Utilize California Air Resources Board ("CARB") EPA Certification Tier III or other methods approved by the CARB as meeting or exceeding the Tier III standard.
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an eighty-five percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the ~~Petroleum Administrator~~City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

H. Drill Rig Engines. All drilling, ~~abandonment and workover~~ rig diesel engines shall comply with the following provisions:

1. Utilize CARB/EPA Certification Tier III or better certified engines
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an 85 percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the ~~Petroleum Administrator~~City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel



construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

~~I. Fugitive Dust Control Plan. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, the operator shall comply with the provisions of a fugitive dust control plan that has been approved by the Petroleum Administrator. The plan shall be based upon the requirements of SCAQMD Rule 403 and the SCAQMD CEQA Guideline Fugitive Dust Control Measures as may be updated. The fugitive dust control plan shall be reviewed by the operator every five years to determine if modifications to the plan are required. Any modifications to the fugitive dust control plan shall be submitted to the Petroleum Administrator for review and approval. The fugitive dust control plan shall include any measure requested by the Petroleum Administrator.~~

9530.39531.3 Greenhouse Gas Emissions and Energy Efficiency Measures

A. The operator of an oil and gas site shall completely offset all emissions from the oil and gas site through participation in the statewide cap and trade program, if applicable, or obtaining credits from another program, such as the SCAQMD Regulation XXVII, as approved by the ~~Petroleum Administrator~~City Manager. On an annual basis, the operator shall provide the ~~Petroleum Administrator~~City Manager with documentation of the operator's participation in the program.

B. Throughout the oil and gas site life, as equipment is added or replaced, cost-effective energy conservation techniques shall be incorporated into project design.

9530.49531.4 Air Quality Monitoring and Testing Plan

~~If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, a~~At all times the operator shall comply with the provisions of an air monitoring plan that has been approved by the ~~Petroleum Administrator~~City Manager (as part of the EQAP). ~~The air monitoring plan shall include any measure requested by the Petroleum Administrator.~~During all operations, including but not limited to drilling and workover operations, the operator shall continuously, monitor for hydrogen sulfide and total hydrocarbon vapors as specified in the approved plan, in a manner that allows for detection of pollutants from all wind directions, as approved by the ~~Petroleum Administrator~~City Manager. Total hydrocarbon vapors shall be monitored at drilling, workover and processing plant areas as specified in the approved plan. Such monitors shall provide automatic alarms that are triggered by the detection of hydrogen sulfide or total hydrocarbon vapors. The alarms shall be audible and/or visible to the person operating the equipment. Actions to be taken shall be as follows when specified alarm levels are reached:



A. At a hydrogen sulfide concentration of equal to or greater than five parts per million but less than 10 parts per million, the operator shall immediately investigate the source of the hydrogen sulfide emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling or workover log. If the concentration is not reduced to less than five parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover operations and equipment in a safe and controlled manner, until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard.

B. At a hydrogen sulfide concentration equal to or greater than 10 parts per million, the operator shall promptly shut down the drilling or workover operations and equipment in a safe and controlled manner until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling or workover log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department, the ~~Petroleum Administrator~~City Manager, and the SCAQMD.

C. At a total hydrocarbon concentration equal to or greater than 500 parts per million but less than 1,000 parts per million, the operator shall immediately investigate the source of the hydrocarbon emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log for the oil and gas site. If the concentration is not reduced to less than 500 parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover, or site operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard.

D. At a total hydrocarbon concentration equal to or greater than 1,000 parts per million, the operator shall promptly shut down the drilling or workover or operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department - Health Hazardous Materials Division, and the SCAQMD.

E. The ~~Petroleum Administrator~~City Manager may also require additional community monitoring periodically for hydrogen sulfide, hydrocarbons or Toxic Air Contaminants. All the monitoring equipment shall keep a record of the levels of total hydrocarbons and hydrogen sulfide detected at each of the monitors, which shall be retained for at least five years. The



operator shall, on a quarterly basis, provide a summary of all monitoring events where the hydrogen sulfide concentration was at five parts per million or higher and the total hydrocarbon concentration was at 500 parts per million or higher to the Fire Chief of the Los Angeles County Fire Department. At the request of the Fire Chief, the operator shall make available the retained records from the monitoring equipment.

9530.5.9531.5 Water Quality

The operator shall at all times conduct operations to avoid any adverse impacts to surface and groundwater quality, and shall comply with the following provisions:

9530.5.19531.5.1 Water Quality Management Plan

The operator shall comply with all provisions of a water management plan that has been approved by the ~~Petroleum Administrator~~City Manager. The plan shall include best management practices, water conservation measures, and the use of a drip irrigation system. The water management plan shall be reviewed by the operator every three years to determine if modifications to the plan are required. ~~The operator shall make changes to the plan if requested by the Petroleum Administrator.~~ Any modifications to the water management plan shall be submitted to the ~~Petroleum Administrator~~City Manager for review and approval. The water management plan shall include any elements requested by the ~~Petroleum Administrator~~.

9530.5.29531.5.2 Stormwater Runoff

Construction Storm Water Pollution Prevention Plan ("SWPPP"). The operator shall maintain and implement all provisions of a storm water pollution prevention plan ("SWPPP") that has been inspected by the Regional Water Quality Control Board and the ~~Petroleum Administrator~~City Manager. The operator shall provide the ~~Petroleum Administrator~~City Manager with a copy of the SWPPP, and any future modifications, revisions, or alterations thereof, or replacements thereof. The SWPPP shall be updated prior to new construction activities as required by the Regional Water Quality Control Board.

9530.5.39531.5.3 Groundwater Quality

A. Prior to any development on any oil and gas site, the operator shall prepare and submit a baseline study of all groundwater resources located within and beneath the project site or directly adjacent to the site, to specifically include an analysis of the location and reservoir characteristics of all existing groundwater resources, a chemical analysis of the groundwater, and an overall assessment of the groundwater quality.



- B. The operator shall not inject any water spoils/wastewater derived from the any oil or gas operations into any non-exempt or DOGGR exempt freshwater aquifers.
- C. Within 30 days of request by the City, the operator shall deposit funds with the City necessary to retain a third party to prepare a hydrological analysis Groundwater Testing Program prior to any construction activities. Depending on the results of the geo-hydrological analyses the ~~Petroleum Administrator~~ City Manager has the discretion to require the operator to install one or more groundwater monitoring wells to allow for confirmation that groundwater is not being affected by oil and gas activities. As part of the Groundwater Testing Program the operator is required to provide the ~~Petroleum Administrator~~ City Manager with annual monitoring and testing results.
- D. The operator shall be responsible for obtaining a field/site study from DOGGR. If DOGGR does not provide this to the operator then the operator shall submit evidence detailing DOGGR's response to their field/site study request to the ~~Petroleum Administrator~~ City Manager for review.
- E. The operator shall provide to the ~~Petroleum Administrator~~ City Manager the results of any DOGGR required cement casing integrity testing to 100% of the anticipated reservoir pressures and cement bonds testing, including radial cement evaluation logs or equivalent, before any wells are put into production.

9530.69531.6 Noise Impacts

All oil and gas operations facilities at an oil or gas site located within 1,000 feet of any prohibited zones, as indicated in Table 1-1, or any distance as per the discretion of the ~~Petroleum Administrator~~ if noise complaints have been confirmed by the City Manager, operations shall be conducted in a manner that minimizes noise and shall comply with the following provisions:

- A. ~~Noise produced by oil or gas operations shall include no pure tones when measured at a distance of 1,000 feet from the project site.~~ All noise produced from the site shall conform to the noise thresholds specified in Sections 5500, 5501, 5502, and 5503 of the Code.
- B. Backup alarms on all vehicles operating within ~~the oil field~~ 1,000 feet of the prohibited zone in Table 1-1, shall be disabled between the hours of 6:00 p.m. and 8:00 a.m. During periods when the backup alarms are disabled, the operator shall employ alternative low-noise methods for ensuring worker safety during vehicle backup, such as the use of spotters.
- C. Any and all operations, construction, or activities on the site within 1,000 feet of the prohibited zone in Table 1-1, between the hours of 6:00 p.m. and 8:00 a.m. shall be conducted



in conformity with a quiet mode operation plan that has been approved by the ~~Petroleum Administrator~~City Manager. The quiet mode operation plan shall be reviewed by the operator every year to determine if modifications to the plan are required. ~~The operator shall make changes to the plan if requested by the Petroleum Administrator.~~ Any modifications to the quiet mode drilling plan shall be submitted to the ~~Petroleum Administrator~~City Manager for review and approval. ~~The quiet mode operation plan shall include any other additional measures requested by the Petroleum Administrator.~~

D. All noise producing oil and gas site equipment shall be regularly serviced and repaired to minimize increases in pure tones and other noise output over time. The operator shall maintain an equipment service log for all noise-producing equipment.

E. All construction equipment shall be selected for low-noise output. All construction equipment powered by internal combustion engines shall be properly muffled and maintained.

F. Unnecessary idling of construction equipment internal combustion engines is prohibited.

G. The operator shall instruct employees and subcontractors about the noise provisions of this ordinance ~~prior to commencement of any operation~~, and shall annually certify to the ~~Petroleum Administrator~~City Manager that such employees and subcontractors have been properly trained to comply with such noise provisions. The operator shall prominently post quiet mode policies at every oil and gas site if applicable.

H. All oil operations on the ~~project oil and gas~~ site shall be conducted in a manner that minimizes vibration. Additionally, vibration levels from oil or gas operations at the site, as measured from the perimeter of the oil or gas site, shall not exceed a velocity of 0.25 mm/s over the frequency range 1 to 100 Hz.

I. For all oil and gas operations that have received noise complaints or the City has determined through monitoring that noise levels exceed the levels prescribed in Section 5500, 5501, 5502, and 5503, of the Code or the vibration thresholds specified in Subsection (H) of this Section, including those outside of 1,000 feet as indicated above, within 30 days of request by the ~~Petroleum Administrator~~City Manager, the operator shall deposit funds for the ~~Petroleum Administrator~~City Manager to retain an independent qualified acoustical engineer to monitor (1) ambient noise levels and (2) vibration levels in the areas surrounding the oil or gas site as determined necessary by the ~~Petroleum Administrator~~City Manager. The monitoring shall be conducted unannounced and within a time frame specified by ~~Petroleum Administrator~~City Manager. Shall noise or vibrations from the oil or gas site exceed the noise thresholds specified in Sections 5500, 5501, 5502, and 5503, of the Code or the vibration thresholds



specified in Subsection (H) of this Section, operation can be subject to enforcement under this ordinance including notices of violation per Section 9514. No new drilling permits, CUPs, or DAs shall be issued by the City until the operator in consultation with the Petroleum Administrator/City Manager identifies the source of the noise or vibration and the operator takes the steps necessary to assure compliance with thresholds specified in this ordinance. The results of all such monitoring shall be promptly posted on the website for the oil or gas site and provided to the Petroleum Administrator/City Manager.

95319532 Standards for Wells

The operator shall comply with all of the following provisions:

- A. All DOGGR regulations related to drilling, workovers and abandonment operations.
- B. No more than one drilling or workover or any other type of -rig shall be present within the oil or gas site at any one time.
- C. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, before the end of each calendar year, the operator shall develop and deliver to the Petroleum Administrator/City Manager an annual well drilling plan, which shall describe all drilling, workover, well abandonment, and well site restoration activities that is proposed during the upcoming calendar year, in compliance with the following requirements:
 1. The operator may at any time submit to the Petroleum Administrator/City Manager proposed amendments to the then current annual plan.
 2. No drilling, or abandonment activity may be commenced unless the activity is described in a current annual plan (or an amendment thereto), which has been approved by the Petroleum Administrator/City Manager.
 3. The annual plan (and any amendments) shall be provided to the Petroleum Administrator/City Manager for review, comment, and approval. All responses to the Petroleum Administrator/City Manager's comments on the annual plan shall be submitted to the Petroleum Administrator/City Manager in writing, and, if timely submitted, will be considered as part of the Petroleum Administrator/City Manager's review and approval. No annual plan or amendments shall be complete until the operator submits a deposit to the Petroleum Administrator/City Manager for the estimated costs of review. The operator shall make additional deposit(s) within 15



~~days of request by the Petroleum Administrator~~City Manager if the initial deposit is insufficient to cover the City's actual costs and expenses for review.

4. ~~The Petroleum Administrator~~City Manager shall complete the review of the annual plan (and any amendments) within forty-five days of receipt, unless the operator has failed to provide a sufficient deposit for review, and shall either approve the annual plan or provide the operator with a list of deficiencies. ~~Failure to provide a deposit within 15 days request by the Petroleum Administrator~~City Manager may be grounds for rejection of the plan.

D. ~~The annual well drilling plan shall comply with the provisions of this subsection, and shall include the following:~~

1. ~~The maximum number of wells proposed to be drilled or abandoned;~~
2. ~~Approximate location of all wells proposed to be drilled or abandoned;~~
3. ~~Approximate location of all proposed new well sites, including their size and dimensions;~~
4. ~~Estimated well and casing depth of all proposed new and redrilled wells and their planned bottom hole locations (in GIS coordinates and with depth) as provided by DOGGR through notices of intent or permits;~~
5. ~~A discussion and DOGGR documentation of the steps that have been taken to maximize use of existing well sites and pads, maximize use of redrilled wells, and maximize the consolidation of wells;~~
6. ~~Locations, notices, and permits of all proposed well abandonments, if known, in accordance with submission to DOGGR and DOGGR's integrity testing program of idle wells;~~
7. ~~Location of all well sites and pads proposed to be abandoned and restored;~~
8. ~~A proposed schedule and phasing of the drilling, workovers, well abandonment, well site abandonment, and restoration activities;~~
9. ~~A discussion of the latest equipment and techniques that are proposed for use as part of the drilling program to reduce environmental impacts; and~~



~~10. All engines used for drilling and maintenance operations shall be operated by muffled internal combustion engines or by electric motors.~~

~~E.C. Proven reasonable and feasible technological improvements, which are capable of reducing the environmental impacts of drilling shall be considered as they become, from time to time, available~~The operator shall submit to the City all DOGGR well-related permits and notices.

~~F.D. All derricks and portable rigs and masts used for drilling and workovers shall meet the standards and specifications of the American Petroleum Institute as they presently exist or as may be amended.~~

~~G.E. All drilling and workover equipment shall be removed from the site within ninety days following the completion of drilling or workover activities unless the equipment is to be used at the site within five days for drilling or workover operations.~~

~~H.F. All drilling sites shall be maintained in a neat and orderly fashion.~~

~~I.G. Belt guards shall be required over all drive belts on drilling and workover equipment. Guarding shall be as required by Title 8 of the California Code of Regulations, Section 6622, or as may be subsequently amended.~~

~~J. The use of exploratory wells on any oil and gas site shall be limited to a single well for a period equal to that allowed through DOGGR's processing (usually one year plus a one-year extension), at which point the operator shall either obtain an abandonment and restoration permit for the wells, revise and update a well permit, or obtain a CUP or DA for their use and operation as injection or production wells.~~

~~K.H. Excluding new wellsoil and gas sites in industrial zones, a~~Aboveground pumpjack assemblies are prohibited for new wells and all oil and gas sites are restricted to the exclusive use of submersible downhole pumping mechanisms for extraction. Additionally, any well already lawfully existing at the time of implementation of this ordinance in all non-industrial zones, using a pumpjack assembly that is extending its period of production beyond the amortization date established in Section 9189.22(a) shall have its aboveground pump replaced with a submersible downhole pumping mechanism. The pumpjack assembly, along with its motor and fuel system, shall be removed from the oil or gas site within thirty (30) days of the completion of the operation. It is the intent of this Subsection to uninterruptedly carry forward, and not extend, previously existing amortization periods for the removal of pumpjack assemblies and the installation of submersible downhole pumping mechanisms. The requirements of this subsection K are applicable to all oil and gas -sites in all non-industrial



zones except for such facilities where the ~~Petroleum Administrator~~ City Manager determines that the use of submersible downhole pumping mechanisms is infeasible due to technical reasons or other circumstances which would specifically preclude the use of such technology.

95329533 Standards for Pipelines

The operator shall comply with the following provisions related to pipelines throughout operation of an oil or gas site:

9532-49533.1 Pipeline Installations and Use

- A. PP Pipelines shall be used to transport oil and gas off-site to promote traffic safety and air quality, unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1.
- B. The use of a pipeline for transporting crude oil or gas may be a condition of approval for expansion of existing facilities or construction of new facilities.
- C. New pipeline corridors shall be consolidated with existing pipeline or electrical transmission corridors where feasible, unless there are overriding technical constraints or significant social, aesthetic, environmental or economic reasons not to do so, as approved by the Petroleum Administrator City Manager.
- D. New pipelines shall be routed to avoid residential, recreational areas, and schools. Pipeline routing through recreational, commercial or special use zones shall be done in a manner that minimizes the impacts of potential spills by considering spill volumes, durations, and projected spill paths. New pipeline segments shall be equipped with automatic shutoff valves, or suitable alternatives approved by the ~~Petroleum Administrator~~ City Manager, so that each segment will be isolated in the event of a break.
- E. Upon completion of any new pipeline construction, the site shall be restored to the approximate previous grade and condition. All sites previously covered with vegetation shall be reseeded with the same or recovered with the previously removed vegetative materials, and shall include other measures as deemed necessary to prevent erosion until the vegetation can become established, and to promote visual and environmental quality, unless there are approved development plans for the site, in which case re-vegetation would not be necessary.
- F. Gas from wells shall be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and



light sources, unless the ~~Petroleum Administrator~~City Manager~~AQMD~~ approves the flaring of gas during the temporary operation of an exploratory well. Oil shall also be piped to centralized collection and processing facilities, in order to minimize land use conflicts and environmental degradation, and to promote visual quality.

~~G. Newly installed pipelines shall be designed, constructed, and all pipelines shall be monitored, tested, operated, and maintained in accordance with good oil field practice and applicable standards, as set forth in either the American Petroleum Institute (API) (API Rec. Prac. 1110, 3rd Ed., Dec. 1991, and API Spec. effective 1990), American Society for Testing and Materials (ASTM) (ASTM Designation Stand. Spec., 1991), or Code of Federal Regulations 49, Part 192, as these standards may be amended, or other methods approved by the Petroleum Administrator~~City Manager. ~~The Petroleum Administrator~~City Manager may require design or construction modifications, and/or additional testing and maintenance if the ~~Petroleum Administrator~~City Manager determines that good practices and applicable standards have not been used. Good practice includes, but is not limited to:

- ~~1. Utilization of preventative methods such as cathodic protection and corrosion inhibitors, as appropriate, to minimize external and internal corrosion.~~
- ~~2. Utilization of pipeline coating or external wrapping for new or replaced buried or partially buried pipelines to minimize external corrosion. The coating or external wrapping shall have a high electrical resistance, be an effective moisture barrier, have good adhesion to the pipe, and be able to resist damage during handling.~~
- ~~3. Pipeline materials utilizing Electric Resistance Welded (ERW) type pipe.~~
- ~~4. Utilization of equipment such as high and low pressure or level alarms, automatic notification devices, motorized valves, back-flow prevention devices and safety shut-down devices to minimize spill volume in the event of a leak.~~
- ~~5. If feasible, during piping relocation or replacement operations, locate any new pipelines or parts of a pipeline system above ground, preferably on supports or racks.~~

9532.29533.2 Pipeline Inspection, Monitoring, Testing and Maintenance

A. Operators shall visually inspect all aboveground pipelines for leaks and corrosion on a monthly basis.



- B. The operator shall install a leak detection system for all offsite DOT regulated oil and gas crude pipelines. The leak detection system for oil shall include pressure and flow meters, flow balancing, supervisor control and data acquisition system, and a computer alarm and communication system in the event of a suspected leak with t. Temperature, pressure, and flow shall be monitored at each pipeline entry and exit. The leak detection system for gas pipelines shall include pressure sensors. If any variable deviates by more than 10 percent of the normal operating range, the system shall trigger both audible, communications, and visual alarms. Flow balancing for oil pipelines shall be conducted every 5 minutes, 1 hour, 24 hours, and 48 hours with t. The accuracy shall be defined once the system is established and tested and approved by the Petroleum Administrator City Manager. The Petroleum Administrator City Manager may deviate from these requirements to address system specific operating requirements.
- C. ~~The Petroleum Administrator City Manager may order such tests or inspections deemed necessary to establish the reliability and integrity of any pipeline system. Repairs, replacements, or cathodic protection may be required under the jurisdiction of the California State Fire Marshall (CSFM) for offsite pipelines.~~
- D. ~~Any pipeline that has had a leak resulting in the release of a reportable quantity to any State or Federal agency, shall be pressure tested to verify integrity prior to being placed back into service.~~
- E.C. Pipe clamps, wooden plugs or screw-in plugs shall not be used for any permanent repair approved by the Petroleum Administrator City Manager.
- F.D. Pipeline abandonment procedures shall be submitted to the Petroleum Administrator City Manager for review and approval prior to any pipeline abandonment.
- G. ~~As per 14 California Code of Regulations Section 1774, a mechanical integrity test shall be performed on all active pipelines that are gathering lines, and all urban pipelines over 4" in diameter, every two years. Pipelines less than 5 years old are exempt from the two year testing requirement. These tests shall be performed to ensure the pipeline integrity by using at least one of the following methods:~~
- H. ~~Nondestructive testing using ultrasonic or other techniques approved by the Petroleum Administrator City Manager, to determine wall thickness.~~
- I. ~~Hydrostatic testing using the guidelines recommended by API, or the method approved by the State Fire Marshal, Pipeline Safety and Enforcement Division.~~



J. ~~Internal inspection devices such as a smart pig, as approved by the Petroleum Administrator~~City Manager.

K. ~~Any other method of ensuring the integrity of a pipeline that is approved by the Petroleum Administrator~~City Manager.

L.E. Copies of pipeline integrity test results shall be maintained in a local office of the operator and posted online on the same website that provides the monitoring results required in Section 9531.1 for five years and shall also made available to the City, upon request. ~~The operator shall repair and retest or remove from service any pipeline that fails the mechanical integrity test.~~The City shall be promptly notified in writing by the operator of any pipeline taken out of service due to a test failure.

95339534 Temporary Buildings

During full production of an oil or gas site no temporary buildings are allowed to be constructed or maintained anywhere at the site.

95349535 Operational Prohibitions

Operational prohibitions. Notwithstanding any other provision of this article, it shall be unlawful to perform or cause to be performed the following activities within the City in conjunction with the production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City:

1. Injection pumps shall not operate at a pressure that produces a pressure exceeding 90 percent of the Maximum Allowable Surface Pressure (MASP) at the well head as determined by a DOGGR approved step rate test.
2. No cumulative pumping of acid shall occur in a volume in excess of the minimum Acid Volume Threshold for any well as calculated by DOGGR over a 1 year period
3. No well shall utilize more than 25,000 gallons of water in a 24 hour period, or more than 100,000 gallons per week. This restriction does not apply to produced water, or waste water that originated from a petroleum reservoir.
4. No more than 15 truck trips in a 24 hour period may be used for water deliveries, unless such water is used for a purpose other than extracting oil, gas, or any other hydrocarbon substance.



95359536 Prohibited Uses

The owner/operator shall not use or cause to be used hydraulic fracturing, acidizing, or any other well stimulation treatment. Notwithstanding any other provision of this article, it shall be unlawful to use or cause to be used any land within the City for the purpose of conducting or enabling hydraulic fracturing, acidizing, or any other well stimulation treatment in conjunction with the production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City, other than normal maintenance work that utilizes acidizing techniques. However, to the extent that any permittee demonstrates to the ~~Petroleum Administrator~~City Manager, that (1) well stimulation is necessary to recover the owner/operator's reasonable investment backed expectation established through investment made before the effective date of this ordinance; and (2) that such well stimulation will not create a nuisance due to an adverse impact on persons or property within the City, then the ~~Petroleum Administrator~~City Manager may authorize such well stimulation pursuant to a permit issued pursuant to this ordinance.

9535.19536.1 Violations of Prohibited Uses

Any operator who violates Section 9536 of this ordinance shall be subject to the enforcement proceedings including those found in Sections 9512, 9513, and 9515 in addition to the following specifications:

- A. If an operator is found responsible for violation of Section 9536, the operator will be responsible for paying the City a fine of up to \$100,000 per calendar day or more per day, depending on the severity of the violation at the discretion of the ~~Petroleum Administrator~~City Manager.
- B. In addition to fines, the ~~Petroleum Administrator~~City Manager may also require an immediate shutdown of all operations at an oil and gas site where violations of Section 9536 have been identified, as long as the shutdown would not otherwise threaten public health, safety concerns or welfare.

Part 3. Development Standards For Well(s) or Site Abandonment, Re-abandonment, Site Restoration and Redevelopment

95369537 Development Standards

The following development standards shall be applied to all well or site abandonment, re-



abandonment, site restoration, and redevelopment projects within the City, including any building permit involving a current or former oil or gas site:

- A. Any demolition, abandonment, re-abandonment, restoration or redevelopment shall be adequately monitored by a qualified individual, funded by the ~~permittee, owner, or operator~~ and retained by the City, to ensure compliance with those conditions designed to mitigate anticipated significant adverse effects on the environment and to provide recommendations in instances where effects were not anticipated or mitigated by the conditions imposed on the permit or entitlement. Pre-restoration and post-restoration surveys of sensitive biological resources shall be employed as appropriate to measure compliance.
- B. The site shall be assessed for previously unidentified contamination.
1. The permittee shall ensure that any discovery of contamination shall be reported to the ~~Petroleum Administrator~~City Manager and the Los Angeles County Fire Department.
- C. The permittee shall diligently seek all necessary permit approvals, including revisions to an entitlement or the demolition. Abandonment, re-abandonment and restoration permit, if any are required, in order to remediate the contamination.
- D. The permittee, ~~or operator and owner~~ shall be responsible for any cost to remediate the contamination on the site. This ordinance is not intended to limit the permittee, operator ~~or owners's~~ rights under the law to seek compensation from parties who have contributed to contamination of the site.
- E. The permittee shall ensure that appropriate notification has been recorded with the County Recorder to describe the presence and location of any contamination left in place under the authority of the Los Angeles County Fire Department.
- F. All abandoned or re-abandoned wells shall be leak tested subject to the following requirements:
1. All abandoned wells located within on the oil and gas site must be tested for gas leakage and visually inspected for oil leakage. The ~~owner, operator, or responsible party~~ shall apply to the ~~Petroleum Administrator~~City Manager for an inspection permit to witness the well testing. The leak test shall be completed utilizing a "GT-43" gas detection meter, or one of comparable quality approved in advance by the ~~Petroleum Administrator~~City Manager, and shall be conducted by a state licensed geotechnical or civil engineer or a state registered environmental assessor, Class II, or the



~~Petroleum Administrator~~City Manager, or a designee, as determined necessary by the ~~Petroleum Administrator~~City Manager.

2. The permittee shall prepare and submit a methane assessment report for each tested well prepared per the City of LA Department of Building and Safety "Site Testing Standards for Methane" (P/BC 2014-101), as may be amended. The ~~property owner,~~ operator, permittee or agent may use the City's consultant to observe the leak test or be responsible for City consultant test fees. Following satisfactory test results, a well vent and vent cone shall be installed to the satisfaction of the ~~Petroleum Administrator~~City Manager and in compliance with the recommendations contained in the methane assessment report.
3. The submitted methane assessment report shall be prepared by a state licensed geotechnical or civil engineer or state registered environmental assessor, class II. A well shall be considered leaking if the leak test report indicates the meter read is greater than Level II as defined by the City of LA Department of Building and Safety "Site Testing Standards for Methane", which is set at 1,000 parts per million.
4. An approved methane assessment report is valid for 24 months from approval by the ~~Petroleum Administrator~~City Manager. If an abandonment permit has not been issued by this time, retesting shall be required. Following all testing and inspection, the test area shall be returned to its previous state to the satisfaction of the City building official.
5. If there has not been a change to the well, no leak test is required if a valid methane assessment report, accepted by the ~~Petroleum Administrator~~City Manager and showing no leaks in excess of the leak limit, has been completed for an abandoned or re-abandoned well within the prior 24 months.

G. Prior to any development or redevelopment of a current or former oil or gas site, or prior to abandoning or re-abandoning any well, the operator ~~or owner~~ shall:

1. Obtain permit(s) and abandon all idled wells consistent with Section 9510.3 and provide a certificate of compliance to show that the wells and/or sites are abandoned consistent with standards recommended or required by DOGGR to the satisfaction of the ~~Petroleum Administrator~~City Manager. Permits shall not be required if the idled well is scheduled to produce oil or natural gas, or to be used for injection, as part of the development or redevelopment of a former oil or gas site and if said production or injection occurs within 5 years of issuance of a CUP or DA under this ordinance.



2. Obtain permit(s) consistent with Section 9510.3 to re-abandon all previously abandoned wells that do not meet standards recommended or required by DOGGR for abandonment in effect at the time of re-abandonment, and provide a certificate of compliance that the wells and/or sites are re-abandoned consistent with current conditions and standards recommended or required by DOGGR to the satisfaction of the ~~Petroleum Administrator~~ City Manager. Permits shall not be required if re-entry of an abandoned well is scheduled to occur within 5 years of issuance of a CUP or DA under this ordinance, and if re-entry actually occurs within that period of time.

3. In lieu of Subsections (1) and (2), above, obtain a deferral covenant from the City requiring abandonment or re-abandonment to standards recommended or required by DOGGR, or equivalent standards as determined by the ~~Petroleum Administrator~~ City Manager, at a specific time or upon the occurrence of a future event. The deferral covenant shall be approved as to form by the City Attorney, contain a provision to indemnify and hold harmless the City for damages related to wells not abandoned or re-abandoned consistent with standards recommended or required by DOGGR, and shall be recorded by the operator or owner with the County Clerk prior to approval.

H. Other Development Standards:

1. Permanent structures, or other construction that would be difficult or expensive to demolish, unless otherwise approved by DOGGR, shall not be located on top of any abandoned oil or gas well such that access for a well abandonment rig or other well maintenance equipment is constrained or inhibited from access to the well in the event of a future oil or gas leak. Previous improvements, such as landscaping and porous parking areas with adequate landscape buffers, may be located on top of an abandoned or re-abandoned well which has passed the leak test consistent with Subsection C of this Section.

2. The owner shall record a declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the wells have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or



entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the ~~Petroleum Administrator~~ City Manager.





City of Carson Oil & Gas Code Update

DRAFT

~~April~~ ~~May~~ June 1-7-2015, 2015

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CHAPTER 5

OIL AND GAS CODE

Part 1. Administrative Procedures

9500 Purpose

- A. This Chapter shall be known as the Oil and Gas ordinance of the City of Carson.
- B. It is the purpose of this ordinance, amongst other things, to protect the health, safety, public welfare, physical environment and natural resources of the city by the reasonable regulation of oil and gas facilities, equipment, and operations, including but not limited to: exploration; production; storage; processing; transportation; disposal; plugging abandonment and re-abandonment of wells; of operations and equipment accessory and incidental thereto and development and redevelopment of oil and gas sites. It is further the intent of the City that oil and gas operations shall be permitted within this city (except where expressly prohibited herein), subject to the application of this ordinance and all other applicable laws, regulations and requirements.
- C. It is not the intent of this ordinance to regulate public utility operations for the storage or distribution of natural gas under the jurisdiction of the California Public Utilities Commission (CPUC). Any well or site related operations, however, shall be subject to this ordinance.

9501 Ordinance Applicability

The regulations in this ordinance shall ~~apply~~, insofar as specifically provided herein, to oil and gas production and related sites and facilities, equipment, structures, or appurtenances including, but not limited to:

- A. Drilling, and abandonment operations of any new or existing well or re-entry of a previously abandoned well for the production of oil and gas.
- B. Sites, infrastructure, structures, equipment, and/or facilities necessary and incidental to ~~either~~ processing of oil, produced water, gas, and condensate obtained from an oil and gas field, zone, subsurface lease or area. .

- C. Injection wells and incidental equipment necessary for enhanced oil recovery or disposal of produced water.
- D. Equipment and facilities necessary for enhanced oil recovery including water flooding, steam flooding, air injection, carbon dioxide injection, or introduction of polymers, or other techniques.
- E. Pipelines located within an oil and gas lease area that are necessary for oil and gas production operations.
- F. Pipelines that transport oil or gas to another location for sale or transfer to a third party
- G. Storage tanks and equipment necessary or incidental to gathering, separation~~/or~~ treatment of oil, water, and gas, and/or temporary storage of separated fluids and gases, and transfer of the produced hydrocarbons to pipelines or tanker trucks.

~~H. Access roads.~~

H. Oil spill containment and recovery equipment, and facilities including offices, storage spaces, and vehicles for the storage of floating oil and water separators, pumps, generators, hosing, assorted absorbent materials, steam cleaners, storage tanks, and other land and wildlife cleanup and recovery equipment.

To the extent the ordinance applies to existing oil and gas sites, it is not intended to apply in such manner as to interfere with any vested rights that have accrued to property owners.

~~I. Exploratory wells, including existing exploratory wells that have been in place and functioning prior to City adoption of this ordinance.~~

9502 Allowable Uses

Table 1-1 below specifies what City zoning designations allow for oil and gas sites and, if allowable, what type of authorization is required for the use.

TABLE 1-1

* In addition to the zones listed in the table below, oil and gas sites shall be permitted in any specific plan area where such uses are specifically allowed in accordance with the requirements of this ordinance.

**CUP indicates a requirement for a Conditional Use Permit, while DA indicates ~~the requirement for~~ a development agreement.

Zoning Designation	Oil and Gas Facility/Site Permit Required by Zone
Residential	
RS Residential Single Family	Not Permitted
RM Residential Multi-Family	Not Permitted
RA Residential Agricultural	Not Permitted
Commercial	
CN Commercial Neighborhood Center	Not Permitted
CR Commercial Regional Center	CUP & DA ¹
CG Commercial General	CUP & DA ¹
CA Commercial Automotive	Not Permitted
MU-CS Mixed Use-Carson Street	Not Permitted
MU-SB Mixed Use-Sepulveda Blvd.	Not Permitted
Industrial	
ML Manufacturing Light	CUP & DA ¹
MH Manufacturing Heavy	CUP & DA ¹
Open Space & Special Uses	
Open Space	Not Permitted
Special Uses	Not Permitted

¹ Development agreement ~~provisions required apply only for 3 or more total wells on an oil and gas site in indicated zones above. See as specified in~~ Section 9508. ~~Re-drilling of wells shall be considered a new well for purposes of determining total wells.~~

9503 Definitions

Unless the context otherwise requires, the definitions hereinafter set forth shall govern the construction of this ordinance.

“Abandoned Well” means a non-producing well DOGGR so designates after it has been demonstrated that all steps have been taken to protect underground or surface water suitable for irrigation or other domestic uses from the infiltration or addition of any detrimental substance, and to prevent the escape of all fluids to the surface.

“Acid Fracturing” means a well stimulation treatment that, in whole or in part, includes the pressurized injection of acid into an underground geologic formation in order to fracture the formation, thereby causing or enhancing, the production of oil or gas from a well.

“Acid Well Stimulation Treatment” is defined in the DOGGR Statutes and Regulations and means a well stimulation treatment that uses, in whole or in part, the application of one or more acids to the well or underground geologic formation. The acid well stimulation treatment may be at any applied pressure and may be used in combination with hydraulic fracturing treatments or other well stimulation treatments. Acid well stimulation treatments include acid matrix stimulation treatments and acid fracturing treatments.

“Acid Fracturing” means an acid well stimulation treatment that, in whole or in part, includes the pressurized injection of acid into an underground geologic formation in order to fracture the formation, thereby causing or enhancing, the production of oil or gas from a well.

“Acid Matrix Stimulation Treatment” means is an acid well stimulation treatment conducted at pressures lower than the applied pressure necessary to fracture the underground geologic formation.

“Acid Volume Threshold” means a volume per treated foot of well stimulation treatment, calculated as per DOGGR calculations contained consistent with DOGGR Statutes and Regulations in section 1764.

“Air injection” is an enhanced oil recovery process utilizing compressed air that is injected into a reservoir. Oxygen in the gas reacts exothermically with some of the oil, producing highly mobile flue gas. The flue gas advances ahead of the reaction front and achieves an efficient displacement of the in situ oil.

“API” refers to the American Petroleum Institute.

“ASTM” ASTM shall mean the American Society of Testing and Materials.

"~~City Manager Petroleum Administrator~~" (PA) is the City's administrative official, and the City Manager's Petroleum Administrator's designated assistants, inspectors and deputies having the responsibility for the enforcement of this ordinance.

"DOGGR" is ~~that particular division in the Department of Conservation~~, Division of Oil, Gas and Geothermal Resources which is part of the, of the State of California. Department of Conservation of the State of California. DOGGR oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

"DOGGR Statutes and Regulations" are the California statutes and regulations regulations application related to or governing DOGGR, at California Public Resources Code, Division 3, and Oil and Gas and the California Code of Regulations, Title 14, Division 2.

"Drill" or "Drilling" is to bore a hole in the earth, usually to find and remove subsurface formation fluids such as oil and gas. Drilling, under this ordinance, includes re-drilling and re-working of wells.

"Enforcement action" is any administrative, injunctive, or legal action (either civil or criminal), to enforce, cite or prosecute a violation or efforts to abate or correct a violation (or dangerous or hazardous situation caused by a violation), including investigation, research, legal action, physical abatement, law enforcement and other necessary acts.

"Enhanced oil recovery" is the injection of steam, gas, or other chemical compounds into hydrocarbon reservoirs to stimulate the production of usable oil beyond what is possible through natural pressure, ~~water injection~~, and pumping at the wellhead.

"EPA" refers to the U.S. Environmental Protection Agency.

"Exploratory Well" is defined in the DOGGR Statutes and Regulations and means any well drilled to extend a field or explore a new, potentially productive reservoir.

"Facilities" include tanks, compressors, pumps, vessels, and other equipment or structures pertinent to oil field operations ~~sited located~~ at a single an oil and gas site.

"Gas" means any natural hydrocarbon gas coming from the earth.

"Gas Plant" means processing equipment for produced gas to separate, recover, and make useful natural gas liquids (condensate, natural gasoline [e.g., pentenes], and liquefied petroleum gas, etc.), to separate, remove, and dispose of other non-hydrocarbon substances, such as

water, sulfur, carbon dioxide, ammonia, etc., and to produce utility-grade gas suitable for delivery and sale.

"High risk operation" means an oil or gas production, processing or storage facility which: (a) has been in violation of any applicable section of this ordinance for more than 30 consecutive days and resulted in the issuance of a notice of determination of fines pursuant to Section 9510.3.5 of this ordinance during the preceding twelve months; or (b) ~~has had~~ two-three separate unauthorized releases of oil, produced water and/or other hazardous materials of a quantity not less than fifteen barrels (six hundred thirty gallons) other than within secondary containment for each incident during the preceding twelve months

"Hydraulic Fracturing" is defined in the DOGGR Statutes and Regulations and means a well stimulation treatment that, in whole or in part, includes the pressurized injection of hydraulic fracturing fluid into an underground geologic formation in order to fracture, or with the intent to fracture, the formation, thereby causing or enhancing, for the purposes of this ordinance, the production of oil or gas from a well.

"Idle well" is defined in the DOGGR Statutes and Regulations and is any well that has not produced oil or natural gas or has not been used for injection for six consecutive months of continuous operation during the last five or more years. An idle well does not include an active observation well.

"Natural gas liquids" (NGLs) ~~means include propane, butane, pentane, hexane and heptane, but not methane and ethane, since these hydrocarbons need refrigeration to be liquefied. these hydrocarbons in natural gas that are separated from the gas as liquids through the process of absorption, condensation, adsorption, or other methods in gas processing or cycling plants. Natural gas liquids include natural gas plant liquids (primarily ethane, propane, butane, and isobutane) and lease condensate (primarily pentanes produced from natural gas at lease separators and field facilities).~~

"NFPA" refers to the National Fire Protection Agency.

"New Development" means any of the following: 1) development of new buildings, structures or wells for oil and gas operations on a site that has either not previously been used for such activities, or where the previous use was abandoned and the site exclusively used for operations not related to oil and gas for any intervening period; 2) the expansion by 3 or more wells at an existing site used for oil and gas operations and which conforms to setback requirements (as defined by DOGGR) or re-drilling 3 or more existing wells; or 3) the placement or erection of any solid material or new buildings or structures capable of expanding operational capacity capable of

~~accommodating an additional 3 or more average wells at the site; change in the density or intensity of use of land, including, but not limited to any other division of land, including lot splits; substantial increases in the intensity of use; the change in the intensity of use of water, or of access thereto; and the construction, reconstruction, demolition, or alteration of the size of any structure; drilling of wells; or the restarting of operations after 6 months of discontinued use; or any other use which increases impacts such as noise, traffic, or air quality. New development does not include the like-kind replacement of structures and equipment required for oil and gas operations that have failed, are at risk of failure, or are at the end of their useful life at an existing site conforming to setback requirements.~~ New development does not include workovers or other maintenance, ~~including replacement-in-kind, or re-drills of existing active or idle wells. .~~ ~~conducted between the hours of 7 a.m. and 7 p.m., except in cases unless it is an of emergency as approved by the Petroleum Administrator/City Manager.~~ Re-drills of abandoned wells are considered new wells under this ordinance.:-

~~"New Well" is defined by the DOGGR Statutes and Regulations and is the drilling of a well that requires the submission of the DOGGR form OG-105 - Notice of Intention to Drill New Well – Oil and Gas, as may be updated or amended. For the purposes of this ordinance, the re-drilling of an abandoned well is considered a new well.~~

~~"Active Observation well" is a well used to monitor the operational integrity and conditions in a gas storage reservoir, the reservoir protective area or strata above or below the gas storage horizon.~~

"Oil" is a simple or complex liquid mixture of hydrocarbons that can be refined to yield gasoline, kerosene, diesel fuel, and various other products.

"Oil and Gas Site" or "Site" is a ~~primary~~ oil drilling site and all associated operations and equipment attendant to oil and gas production or injection operations including but not limited to, pipelines, tanks, exploratory facilities (including exploratory -wells), flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, drilling facilities, and production facilities.

"Oil and Gas Operations" are all activities in connection with the exploration, drilling for and the production of oil and gas and other hydrocarbons, together with all incidental equipment and appurtenances thereto.

"Operator" means the person, who by virtue of ownership or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.

“OSHA” refers to the California Occupational Safety and Health Administration.

"Person" encompasses any individual, firm, association, corporation, joint venture or any other group or combination acting as an entity.

"Petroleum" is (1) A substance occurring naturally in the earth in a solid, liquid, or gaseous state and composed mainly of mixtures of chemical compounds of carbon and hydrogen, with or without other nonmetallic elements such as sulfur, oxygen, and nitrogen. ~~In some cases, especially in the measurement of oil and gas, “petroleum” refers only to oil, a liquid hydrocarbon, and does not include natural gas or gas liquids such as propane and butane.~~ (2) A general term for all naturally occurring hydrocarbons, whether gaseous, liquid, or solid.

"Pipelines," for the purposes of this ordinance, shall mean all flow lines associated with wells located within the City of Carson used for the transportation of petroleum or petroleum by-products or of materials used in the production of petroleum.

"Produced water" is a term used to describe the water that is produced along with crude oil and gas.

“PSM” refers to process safety management.

~~**“Pure Tones”** is noise in which a single frequency stands out contains a “pure tone.” A pure tone shall exist if the one-third octave band sound pressure level in the band with the tone exceeds the arithmetic average of the sound pressure levels of the two contiguous one-third octave bands by 5 dB for center frequencies of 500 Hertz and above, and by 8 dB for center frequencies between 160 and 400 Hertz, and by 15 dB for center frequencies less than or equal to 125 Hertz. Sources that produce pure tones are often described as being “tonal” and tend to be more noticeable, and potentially annoying, to humans than sources that do not contain pure tones.~~

“Redevelopment” for the purposes of this ordinance is the development of all of a portion of a current or former oil or gas site to another authorized use other than petroleum operations.

"Re-drilling" is defined in the DOGGR Statutes and Regulations and is the deepening of an existing well or the creation of a partial new well bore including plugging of the original bore and casings and requires the submission of DOGGR form OG107 - Notice of Intention to

~~Rework/Redrill Well, as may be updated or amended and the re-drilling of abandoned wells.~~

"**Re-entry**" is the process of cleaning a plugged and abandoned well by drilling, jetting, or other method.

"**Re-work**" ~~is defined in the DOGGR Statutes and Regulations and~~ means any operation subsequent to initial drilling that involves ~~deepening, re-drilling, plugging, or permanently altering~~ in any manner the casing of a well or its function ~~and requires the filing of a notice of intent to rework/redrill a well with DOGGR. Altering a casing includes such actions as a change in well type, new or existing perforations in casing, running or removing of cement liners, placing or drilling out any plug (cement, sand, mechanical), running a wireline tool that has the ability to drill through a cased borehole, or any other operation which permanently alters the casing of a well. For the purposes of this ordinance, re-work includes a well abandonment. -~~

"**Refining**" shall mean any industrial process facility where crude oil is processed and refined into more useful products and sold to others without further treatment or processing.

"**Regional Water Quality Control Board**" shall mean the Los Angeles Regional Water Quality Control Board.

~~"RMP" refers to a Resource Management Plan.~~

"**Secondary recovery**" means ~~1. the use of water flooding or gas injection to maintain formation pressure during primary production and to reduce the rate of decline of the original reservoir drive; 2. water flooding of a depleted reservoir.; and 3. the first~~ an improved recovery method of any type applied to a reservoir to produce oil not recoverable by primary recovery methods and would include water flooding, steam flooding and gas injection.

"**Secondary containment**" means containment, which is external to and separate from the primary containment, typically constructed of masonry block or poured concrete walls and must which incorporates an impervious barrier, including but not limited to dikes, berms, or retaining walls sufficiently impervious to contain oil.

"**Shut down**" or "**Shut Down Order**" is an order by the ~~Petroleum Administrator~~ City Manager, California State Fire Marshall, or DOGGR official, to restrict or prohibit certain (or all) functions or operations at a facility or by an ~~owner or~~ operator pursuant to authority of this ordinance.

"**SPCC**" refers to Spill Prevention, Control, and Countermeasures.

"**Steam Flooding**" is a thermal oil and gas recovery method in which steam is injected into a

reservoir through injection wells and driven toward production wells. The steam reduces the viscosity of crude oil, causing it to flow more freely. The heat vaporizes lighter hydrocarbons; as they move ahead of the steam, they cool and condense into liquids that dissolve and displace crude oil. The steam provides additional gas drive. This method is also used to recover viscous oils. The technique is also called Continuous Steam Injection or Steam Drive. Consistent with Section 3157(b) of Public Resources Code Division 3, steam flooding is not considered to be a well stimulation treatment.

~~“Steaming” or “Cyclic Steaming”~~ shall mean a production method with alternating steam flooding and subsequent oil production from the same well. Consistent with Section 3157(b) of Public Resource Code Division 3, ~~Steaming or~~ cyclic ~~steaming~~ is not considered to be a well stimulation treatment.

“Structure” means anything constructed or erected which requires location on the ground or is attached to something having a location on the ground, except outdoor areas such as walks, paved areas, tennis courts, and similar open recreation areas. This definition includes buildings, but does not include wells. is any object that is built or constructed; a tank, edifice or building of any kind or any piece of work artificially built up or composed of parts jointed together in some definite manner.

“Supervisor” means the DOGGR Supervisor.

“Toxic Air Contaminants” means an air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health. Reference as defined in California ~~Public Resources Health and Safety~~ Code Section 9300039655, as may be amended from time to time. Title 17, Section 93000, of the California Code of Regulations, lists substances defined as Toxic Air Contaminants.

“USEPA” refers to the United States Environmental Protection Agency.

“Regional Water Quality Control Board” shall mean the Los Angeles Regional Water Quality Control Board.

“Waterflooding” is a method of secondary recovery in which water is injected into the reservoir formation to displace residual oil. The water from injection wells physically sweeps the displaced oil to adjacent production wells. Consistent with Section 3157(b) of Public Resource Code Division 3, waterflooding is not considered to be a well stimulation treatment.

“Well” is defined in the DOGGR Statutes and Regulations and means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil

or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

~~means the hole made by a drilling bit, which can be open, cased, or both. Wells holes may also be called Boreholes, Holes, or Well Bores.~~

“Well stimulation treatment” is defined in the DOGGR Statutes and Regulations and means any treatment of a well designed to enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation is a short term and non-continual process for the purposes of opening and stimulating channels for the flow of hydrocarbons. Examples of well stimulation treatments include, but are not limited to, hydraulic fracturing, treatments and acid fracturing and acid matrix well stimulation treatments. Except for operations that meet the definition of “underground injection project” under 14 CCR Section 1761(a)(2), a treatment at pressures exceeding the formation fracture gradient or a treatment that involves emplacing acid in a well and that uses a volume of fluid equal to or greater than the Acid Volume Threshold for the operation, shall be presumed to be a well stimulation treatment unless it is demonstrated to DOGGR's satisfaction that the treatment, as designed, does not enhance oil and gas production or recovery by increasing the permeability of the formation. Except for operations that meet the definition of “underground injection project” under CCR Section 1761(a)(2), a treatment that involves emplacing acid in a well and that uses a volume of fluid equal to or greater than the Acid Volume Threshold for the operation shall be presumed to be a well stimulation treatment unless it is demonstrated to DOGGR's satisfaction that the treatment, as designed, does not enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation ~~does treatments does not include steaming flooding, water flooding or cyclic steaming and does~~ not include routine well cleanout work; routine well maintenance; routine treatment for the purpose of treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient.

“Workover is the process of major maintenance or remedial treatments on an oil or gas well without changing the physical design of the well. and Workovers include all operations that do not involve the initial drilling or re-working of wells and is regulated by DOGGR but without

requirements for notices of intent or permits.

9504 Copies of Adopted Codes and Referenced Publications

This ordinance, insofar as it regulates oil and gas operations also regulated by the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), is intended to supplement such state regulations and to be in furtherance and support thereof.

Some definitions in Section 9503 are ~~taken from~~ based on DOGGR Statutes and Regulations and the intent of this ordinance is to utilize those definitions, as they may be amended from time to time by the California Legislature or by DOGGR, as applicable. In all cases where there is conflict with state laws or regulations, such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance.

Additionally, the approving body, whether the ~~Petroleum Administrator~~ City Manager, Planning Commission or City Council, may grant an exception or modification to the requirements of this ordinance to the minimal extent necessary to prevent a compensable taking. Such exception or modification shall be as consistent with the intent and purpose of this ordinance as possible given the specific factual circumstances of the particular project.

9505 ~~Reserved~~ Applicability to Existing Operations ~~Position of Petroleum Administrator~~

All portions of this ordinance are applicable to new or existing oil and gas sites and ~~operators~~ operators if they have or are required to ~~have~~ obtain a CUP. For ~~operation~~ oil and gas sites lawfully existing at the time of adoption of this ordinance and do not have or are not required to ~~have~~ obtain a new CUP, only the following sections are applicable:

9506 Well Drilling Permit

9521 Setbacks

9522 Site Access and Operations

9523 Lighting

9524.1 Landscaping

9526 Signage

9527 Steaming

9530 Safety Assurances and Emergency/Hazard Management

9531 Environmental Resource Management

9532 Standards for Wells

9533 Standards for Pipelines

9535 Operational Prohibitions

9536 Prohibited Uses

~~Violations of these sections shall also be subject to enforcement mechanisms contained in this ordinance and Code. The Petroleum Administrator is authorized and directed to enforce the provisions of this ordinance and the codes adopted by reference herein. For such purpose, the Petroleum Administrator shall have the powers of a law enforcement officer. The Petroleum Administrator shall be appointed by the City Manager and subject to the City Manager's authority under Section 2107 of this Code. The Petroleum Administrator is hereby authorized to consult experts qualified in fields related to the subject matter of this ordinance and codes adopted by reference herein as necessary to assist the Petroleum Administrator in carrying out duties. The decisions of the Petroleum Administrator in enforcing, interpreting, or in exercising the authority delegated by the provisions of this ordinance and of the codes adopted hereby shall be deemed final.~~

~~The Petroleum Administrator shall have the primary responsibility for enforcing the provisions of this ordinance. In the event the Petroleum Administrator is unable to obtain compliance with any of the terms and provisions of this ordinance, or of any resolution of the City Council adopted pursuant thereto, the Petroleum Administrator may order immediate cessation of operations. If such operations are not stopped within twenty four (24) hours or if resumed prior to written approval of the Petroleum Administrator, the Petroleum Administrator may request civil action by the City Attorney as authorized by this Code or law, or criminal prosecution by the office of the district attorney, or both.~~

~~The Petroleum Administrator shall be authorized to appoint such number of officers, inspectors, assistants and other employees for the petroleum unit as shall be authorized by the City Manager subject to Section 2107 of this Code. The Petroleum Administrator may deputize such employees as may be necessary to carry out the functions of the petroleum unit.~~

9506 Well Drilling Permit

Prior to ~~any commencing~~ drilling or ~~re-working~~ physical changes of any oil and gas well, ~~s~~ the

operator must receive a well drilling ~~or re-work~~ permit ~~from DOGGR from the Petroleum Administrator, which indicates that the Petroleum Administrator has reviewed and approves of the operator's proposed drilling or abandonment plans. Well permits shall be integrated within the appropriate Conditional Use Permits (CUP) and Development Agreements (DA).~~ Well permits from DOGGR shall be provided to the City Manager prior to commencement of drilling or re-working activities.

9507 Required Procedures for Conditional Use Permits

- A. ~~Each project~~ New development to which this ordinance applies (see Section 9501) shall be required to receive a Conditional Use Permit (CUP), from the City Planning Commission in order to receive authorization for, and proceed with, the construction and operation of ~~an oil and gas site~~ new development, including but not limited to any site development, or resource extraction. No well permits shall be considered or approved without such permits being consistent with provisions of the CUP.
- B. All procedures for CUPs to which this ordinance applies shall be consistent with the Article IX, Chapter 1, Part 7 of the Code as well as with the following additional requirements:

9507.1 Conditional Use Permit (CUP) Filing Requirements

In addition to the filing requirements required by Section 9173.1 (Applications) of this Code, for projects within the City to which this ordinance is applicable, the following materials are also required as part of a CUP application for the consideration of the Planning Commission, or the City Council on appeal:

- A. A complete statement of the proposed project including, but not limited to, activities, facilities, and sites.
- B. A new or updated emergency response plan to deal with potential consequences and actions to be taken in the event of floods, earthquakes, hydrocarbon leaks or fires for the site. The emergency response plan shall be approved by the City's Public Safety and Community Services Manager and the Los Angeles County Fire Department.
- C. A phasing plan for the staging of development that includes the estimated timetable for project construction, operation, completion, restoration, and, where applicable, the location and amount of land reserved for future expansion.
- D. A site plan showing:

1. Surface property, easement, rights-of-way and pipeline right-of-way boundaries within the site.
 2. Proposed access road constructions or modifications and connections with City streets and roads and any existing private roads.
 3. Areas to be used for construction.
 4. Areas to be used for access and maintenance during pipeline operation within and adjacent to the site.
 5. Existing roads, ~~watercourses,~~ and pipelines ~~within the~~and pipeline rights-of-way, if any.
 6. Location and type of existing and proposed structures within 50 feet of pipeline right-of-way.
 7. Location of existing and proposed wells and oil or gas containing equipment and their measured distance from nearby uses, including the closest residential or school property line.
 - ~~8. Location of all abandoned or idle wells in the site.~~
 - ~~9-8.~~ Proposed alteration of surface drainages within the site.
 - ~~10-9.~~ A contour map showing existing and proposed contours.
 - ~~11-10.~~ A plan for parking on or off site.
 - ~~12-11.~~ A map of all known, historic, or suspected active, idle and abandoned oil and gas wells or wellheads within the site and within 1500 feet of the site boundaries.
- E. Site operations plan containing process flow diagrams, piping and instrumentation diagrams, expected process flows (rates, pressures, composition, and shut-down/start-up procedures, quarterly/annual production, disposition, injection, and disposal).
- ~~F. —~~ Plans with measures to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, air pollutants, and vibration) and to prevent danger to life, environmental quality, and property, consistent with the Development Standards in this ordinance.
- ~~G-F.~~ If construction is involved in the proposed project, a construction Best Management Practices (BMP) plan.

~~H.G.~~ Estimates of the amount of cut and fill required by the proposed project.

~~H.H.~~ If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a plan ~~(including new or utilizing existing systems, including but not limited to, those operated by the Police, Sheriff or Fire Department)~~ for a community alert system ~~(including new or utilizing existing systems, including but not limited to, those operated by the Police, Sheriff or Fire Department)~~ to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

~~J.I.~~ If any grading is proposed that results in the loss of vegetated, sandy, permeable ground areas, which could alter surface runoff at the site, a site-specific hydrologic analysis ~~shall be completed by the operator and submitted to the Petroleum Administrator~~ to evaluate anticipated changes in drainage patterns and associated increased runoff at the site.

~~K.J.~~ If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a quiet mode operation plan which includes, but is not limited to, the following noise reduction measures:

1. Using signalers for all backup operations instead of backup alarms and turning off backup alarms;
2. Using radios instead of voice communication;
3. Minimizing crane use and pipe handling operations, pipe offloading from trucks and board loading to the maximum extent feasible and nighttime loading only for safety reasons;
4. Prohibiting material and supply deliveries to the Project Site between the hours of 6 p.m. and 8 a.m. on weekdays and prohibiting deliveries on weekends and holidays, with exceptions only for safety; and
5. Limiting process alarms and communications over the broadcast system to the maximum extent feasible during all operations and use only for safety reasons.

~~L.K.~~ If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ a photometric analysis, which compares the baseline of the existing light measurements with the proposed light spill that will result from the oil and gas site.

~~M.L.~~ An Environmental Quality Assurance Program ("EQAP"). (Ref. Section 95~~3129~~.1).

~~N. Other information as deemed reasonably necessary by the Petroleum Administrator.~~

9507.2 Processing and Review

Processing of CUP's shall ~~be consistent~~comply with California's Permit Streamlining Act requirements, as consistent with Sections 9170 through 9179 of this Code.

- A. The applicant may apply for:
1. The drilling operations only;
 2. The production facilities only; or
 3. Both the drilling and production facilities.
- B. The ~~Petroleum Administrator~~City Manager will review the submitted application(s) for completeness in compliance with the filing requirements of Section 9507.1 and any other applicable sections of the Code, and shall refer the filed CUP to appropriate City departments or local and state agencies, as appropriate, for review and comment.

9507.3 Findings and Permitting Conditions

- A. In addition to the requirements of Section 9172.21D (Commission Findings and Decision), the Planning Commission shall approve a Conditional Use Permit only if it is able to make affirmative findings of the following criteria:
1. The proposed project shall be in conformance with requirements of other local, regional, or State entities;
 2. The project shall not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area;
 3. The project shall be in compliance with the Development Standards contained in Part 2 of this ordinance, commencing with Section 9521; and
 4. The project shall not result in an increased level of freshwater pollution or groundwater contamination in the immediate area or cause regulatory water standards at an existing water production well to be violated as defined in the California Code of Regulations, Title 22, Division 4, Chapter 15 and in the Safe Water Drinking Act, as they may be amended.

5. Any existing non-conforming oil and gas sites located on the proposed project site shall already be in conformity, or will be brought into conformity, with all applicable provisions of this ordinance without having to relocate existing facilities.

B. As a condition of approval of a CUP, the Planning Commission shall consider and impose appropriate conditions as deemed reasonable and necessary to find consistency with the findings 1 through 5 above.

9507.4 Modifications and Extensions

A. The provisions of Section 9172.21 shall apply for all modifications or extensions requested for oil and gas operations.

B. Any oil and gas operation in existence and lawfully operating when this ordinance becomes effective, that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance for if any new development occurs at the existing oil and gas site ~~that would require a permit, a CUP or a development agreement.~~

9507.5 Change of Ownership/Operators Criteria

A. Listing on Permit. Any person who ~~owns or~~ operates an oil or gas site that is subject to this ordinance shall be listed as a permittee on the permit(s) issued for that facility. Any guarantor for such facility shall be listed on the applicable permit(s), identifying its responsibilities as guarantor. If any owner, operator, or guarantor is a partnership, all partners shall be listed on the permit and the managing partner shall be identified in this list.

B. Acceptance of Permit. Prior to being listed on a permit, any ~~owner or~~ operator of an oil or gas ~~facility site~~ that is subject to this ordinance shall provide the City with a letter from a authorized agent or officer of the ~~owner or~~ operator formally accepting all conditions and requirements of the permit. ~~This provision shall not apply to fractional interest owners that are not managing partners.~~

C. Permits ~~Not~~ Transferable. Any CUP issued to any oil and gas site or authorized pursuant to this Code, ~~for a oil or gas site that is subject to this ordinance~~ shall ~~not~~ be transferable to a, ~~whether by operation of law or otherwise, from any existing owner, operator, or guarantor to a new owner, operator~~ provided that the new operator accepts and meets all of the conditions and requirements of the CUP and this ordinance, or guarantor, except in accordance with this Code.

~~D.~~ Ongoing Notification. All ~~owners~~, operators, and guarantors shall, as an ongoing requirement, notify the ~~Petroleum Administrator~~City Manager in writing of any change in the information required by this Section within thirty days of such change.

~~E.D.~~ ~~Change of Owner. Any change of owner, merger of the owner with another company, or change of form of business organization, shall require application and approval as provided in this ordinance. Until a change of owner is approved pursuant to this ordinance, the former owner(s) shall continue to be liable for compliance with all terms and conditions of the permit and any applicable requirements of this Code.~~

~~F.E.~~ Change of Operator. A change of operator shall require an application filed with the City within thirty days prior to a change of operator. Upon approval by the City Manager, such change of operator will become effective upon joint notice from the prior and new operators that the change of operator has become effective. An application is not required when the change of operator does not entail a substantive change to operations or personnel of the oil or gas site as determined by the ~~Petroleum Administrator~~City Manager, ~~and the same operator is retained by DOGGR.~~

~~G.~~ Change of Guarantor. Any change of guarantor, including merger of the guarantor with another company or change of form of business organization, shall require application and approval as provided in this ordinance. ~~Until a change of guarantor is approved pursuant to this ordinance, the former guarantor(s) listed on the permit shall continue to be liable for compliance with all terms and conditions of the permit and any applicable Section of the Code.~~

~~H.F.~~ Liability for Compliance with Permit Conditions. Any ~~owner~~, operator ~~or guarantor~~ listed on a permit pursuant to this ordinance shall comply with all conditions of such permit, ~~as applicable, to owners, operators and guarantors.~~ Failure to comply with such permit conditions shall subject the ~~owner~~, operator ~~or guarantor~~ to the applicable penalty and enforcement provisions of this Code or other applicable ordinance for such permits.

~~I.~~ Liability for Abandonment. The ~~current owner or~~ operator, as determined by the records of the ~~Petroleum Administrator~~City Manager, of a facility or site subject to this ordinance shall be responsible for the proper abandonment of the facility or site. ~~If the City Manager Petroleum Administrator determines that the current owner or operator does not have the financial resources to fully cover the cost of abandoning the facility, the immediately preceding owner or operator shall also be responsible for the cost of abandoning the facility.~~

~~If the immediately preceding owner or operator also does not have sufficient financial resources, the City Manager Petroleum Administrator may continue to look seriatim to previous~~

~~owners or operators until an owner or operator, or a combination of owners or operators, is found that the City Manager Petroleum Administrator determines have the financial resources to cover the cost of abandoning the facility.~~

9508 Procedures for Development Agreements

~~Projects appropriate for development agreements are subject to the requirements of this Section, which establishes procedures for adoption. Each drilling project to which this ordinance applies that includes 3 or more total wells¹ on an oil and gas site will require a development agreement (DA) between either the owner or operator, or both, and the City. Any re-drilling of wells shall be considered a new well for the purposes of calculating total wells subject to the requirements for a DA.~~—The procedures for development agreements will comply with Government Code Division 1, Chapter 4, Article 2.5 and the following additional requirements:

9508.1 Filing Requirements

- A. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person(s) who has ~~a the entire~~ legal or equitable interest in the real property of the oil or gas site, ~~or a person(s) who has the entire equitable interest in the real property for the gas or oil site and is joined by the legal interest holder in the application.~~ The qualified applicant shall provide proof of ownership interest, ~~including any oil and gas leases, in any mineral rights associated with the petroleum operation.~~ ~~The applicant shall provide to the City Manager Petroleum Administrator proof of interest in the real property, in the form of a title report by a California title insurance company~~ and proof of the authority of the agent or representative, to act for the applicant. Said proof of interest and proof of authority shall be subject to review and approval by the City Attorney.
- B. The ~~City Manager~~ Petroleum Administrator shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of development agreements. The applicant shall complete and submit such an application form to the ~~City Manager~~ Petroleum Administrator, along with a deposit for the estimated direct and indirect costs of processing the development agreement. The applicant shall deposit any additional amounts for all costs and fees to process the development agreement, including all legal fees, within 15 days of request by the ~~City Manager~~ Petroleum Administrator. Upon either completion of the application process or withdrawal of the

¹ ~~For purposes of this Section “total wells” shall mean the cumulative number of existing and proposed wells on an oil and gas facility site.~~

application, the City shall refund any remaining deposited amounts in excess of the costs of processing.

C. The ~~City Manager~~ ~~Petroleum Administrator~~ shall require an applicant to submit such information and supporting data as the ~~City Manager~~ ~~Petroleum Administrator~~ considers necessary to process the application.

D. A community benefit assessment to evaluate the benefits the DA will provide to the community.

9508.2 Processing and Review

A. The ~~City Manager~~ ~~Petroleum Administrator~~ shall endorse on the application the date it is received. An application or related document shall not be complete until an estimated deposit for the cost of processing has been paid to the City. If within 30 days of receiving the application the ~~City Manager~~ ~~Petroleum Administrator~~ finds that all required information has not been submitted or the application is otherwise incomplete or inaccurate, the processing of the application and the running of any limits shall be suspended upon written notice to the applicant and a new 30 day period shall commence once the required material is received by the ~~City Manager~~ ~~Petroleum Administrator~~. If the ~~City Manager~~ ~~Petroleum Administrator~~ finds that the application is complete it shall be accepted for filing and the Applicant so notified. The ~~City Manager~~ ~~Petroleum Administrator~~ shall review the application and determine the additional requirements necessary to complete processing of the agreement. After receiving the required information and the application is determined to be complete, the ~~City Manager~~ ~~Petroleum Administrator~~ shall prepare a staff report and recommendation to the Planning Commission and City Council stating whether or not the agreement as proposed or in an amended form would be consistent with policies of the City, this ordinance and any applicable general or specific plan. The City Attorney shall review the proposed development agreement as to legal form.

B. Notice of a hearing regarding the development agreement shall be given by the ~~Petroleum Administrator~~ ~~City Manager~~ and shall comply with the requirements of Government Code Section 65867, as may be amended, as well as in the manner set forth in Section 9173.22 Article IX, Chapter 1, Part 7 of the Code, except that the ~~City Manager~~ ~~Petroleum Administrator~~, not the Director, shall be responsible for providing notice.

C. The Planning Commission shall review the proposed development agreement and provide a recommendation to the City Council to approve, approve with modifications or deny the proposed development agreement. If the Planning Commission fails to take action within 60 days of opening the hearing on the matter, such failure shall be deemed to have made a

recommendation of denial to the City Council unless the applicant has requested an extension of time, either in writing or on the record, which has been approved by the Planning Commission prior to the running of the 60th day.

D. The proposed development agreement shall be set for hearing and consideration before the Council within 60 days of the recommendation of the Planning Commission, unless the applicant agrees in writing to an extension of time with the ~~City Manager~~ Petroleum Administrator prior to the matter being heard by the Council.

E. Within 10 calendar days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder. If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder.

9508.3 Findings and Development Agreement Conditions

A. After the City Council completes the public hearing, the Council may not approve the development agreement unless it finds that the provisions of the agreement:

1. Are consistent with the goals, objectives, and policies of the general plan and any applicable specific plan;
2. Are compatible with the uses authorized in, and the regulations prescribed for the zoned district in which the real property is located;
- ~~3. Are in conformity with public convenience, general welfare and good land use practice;~~
- ~~4.~~3. Will not be detrimental to the health, safety, environmental quality, and general welfare of the community;
- ~~5.~~4. Will not adversely affect the orderly development of property or the preservation of property values~~ed~~; or
- ~~6.~~5. Provides for a penalty for any violation of the development agreement consistent with the provisions of Section 9514.

9508.4 Modifications and Extensions

A. The provisions of Government Code Section 65868 shall apply for all modifications, extensions or other amendments of the terms of a development agreement subject to this ordinance.

~~B. Any oil and gas site operation in existence and lawfully operating prior to the adoption of this ordinance, that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance for any new development at the existing oil and gas site that would require a permit, a CUP or a development agreement.~~

~~C.B.~~ Either party may propose an amendment or termination of an approved development agreement subject to the following:

1. The procedure for amending or terminating, the development agreement is the same as the procedure for entering into an agreement in the first instance.

~~— If the City initiates the proposed amendment to or cancellation in whole or in part of the development agreement, the City shall first give notice to the parties to the development agreement of the City's intention to initiate such proceedings at least 30 calendar days in advance of the giving of notice of intention to consider the amendment or cancellation.~~

2. The development agreement may be amended or cancelled only by the mutual consent of the parties, as provided in California Government Code section 65868.

~~D.C.~~ Nothing herein shall limit the City's ability to terminate or modify the agreement consistent with Government Code section 65865.1 or 65865.3 as may be amended.

9509 Periodic Review

The City may choose to conduct a comprehensive review of any oil or gas drilling permit, -CUP or DA every five years from the date of approval to determine if the project and the associated CUP or DA are adequately mitigating significant environmental impacts caused by the drilling and operations, ~~and consider adding reasonable conditions, which incorporate proven technological advances, as deemed appropriate through City review.~~ Nothing in this section shall limit the City's authority to conduct a review at more frequent intervals, engage in mitigation monitoring as required by CEQA, or otherwise act as directed or authorized by law.

A. Within 30 days from the request by the City, the operator shall deposit to the City the funds necessary for the City to retain a third party entity to prepare a periodic review, which

includes all records, drawings, specifications, permits from state agencies, and analysis of the effectiveness of this ordinance, enforcement activity, and any other issues associated with potentially adverse effects of and complaints about oil and gas site operations. A periodic review will be funded by the operator at most once every 5 year period following approval, ~~or before if the City so requests~~. If the periodic review identifies significant deficiencies in an oil and gas drilling permit, a CUP or DA that are resulting in unmitigated adverse impacts then the ~~Petroleum Administrator~~City Manager may identify these deficiencies and bring forward recommendations of corrective actions to the Planning Commission or City Council for consideration and prospective amendments of oil and gas drilling permits, CUP, and/or DA.

B. A well drilling permit, CUP, or DA may also be reviewed by the ~~Petroleum Administrator~~City Manager at any time, if more than three violations occur within a twelve month period and the ~~Petroleum Administrator~~City Manager determines that resolution of the violations may be addressed by a new drilling permit and/or an amendment to the CUP or DA. The ~~Petroleum Administrator~~City Manager shall make a recommendation of amendments to the Planning Commission for CUPs and the City Council for DAs, as deemed necessary.

B.C. Nothing in this Section shall limit the requirements of an operator with a DA to demonstrate to the City Manager good faith compliance with the terms of the agreement at least every 12 months as required by Government Code section 65865.1. If as a result of that review the City Manager believes there is substantial evidence that the operator has not complied in good faith with the terms or conditions of the agreement, the City Manager shall present the matter to the Commission for a recommendation to the City Council. The Commission shall set the matter for public hearing within 40 days of receipt of the matter from the City Manager. If the Commission fails to act upon such request within a reasonable time, the Council may, by written notice, require the Commission to render its recommendation within 40 days. Failure to so report to the Council within the above time period shall be deemed to be a recommendation against modification or termination. After the Commission has rendered its recommendation, the matter shall be set for hearing before the City Council, who may terminate or modify the agreement if it finds and determines, on the basis of substantial evidence, that the operator or successor in interest has not complied in good faith with the terms and conditions of the DA.

9510 Facility Closure, Site or Well Abandonment, Well re-abandonment, and Site Restoration and Redevelopment of the Site Procedures

The following provisions and procedures shall be implemented at the end of life of an ~~for~~ oil ~~or~~ and gas site, subject to a CUP, and govern the site (including well) ~~or well abandonment, well re-abandonment, facility closure and site~~ restoration ~~and redevelopment of site~~ procedures:

9510.1 Purpose and Intent

A. Section 9510 et seq. establishes procedures and provisions to achieve the timely abandonment of ~~applicable~~ oil and gas related activities and land uses, and following the abandonment, the timely and proper removal of applicable oil and gas facilities (including wells, equipment and gas-related structures), reclamation and remediation of host sites, and final disposition of pipelines, in compliance with applicable laws and permits. ~~This Section also establishes procedures for abandonment and re-abandonment of individual well(s), in compliance with applicable laws and permits, where oil and gas operations will be continuing at the oil and gas site. Finally, this Section establishes redevelopment procedures for non-oil and gas activities.~~

B. The procedures ensure appropriate due process in differentiating idled from abandoned facilities and protecting the vested rights of permittees while also ensuring that sites with no reasonable expectation of restarting are removed, in compliance with the intent of abandonment permits. These procedures also ensure a process for abandoning or re-abandonment of portions of sites where oil and gas operations will continue on the site, as well as procedures for restoration and redevelopment of a site to other uses at the end of the economic life of oil and gas production.

9510.2 Applicability

Oil and gas ~~development, sites and operations, and activities~~ subject to this ordinance shall include all permitted uses identified in Section 950~~12~~ of this Code, ~~or those sites that at one time handled, natural gas, natural gas liquids, oil, produced water, or waste water that originated from a petroleum reservoir,~~ regardless of whether these uses were permitted in compliance with this ordinance or any preceding ordinance. This includes, all pipeline systems, except for public utility natural gas transmission and distribution systems, that either transport or at one time transported natural gas, oil, produced water, or waste water that originated from a reservoir, regardless of whether these uses were permitted in compliance with this Code or any preceding ordinance.

9510.3 Application Process

The procedures for processing an abandonment, ~~re-abandonment,~~ and site restoration permit shall utilize the notice, hearing and appeal process for a Conditional Use Permit as detailed in Article IX, Chapter 1, Part 7 of the Code. For any item required to be submitted less than 180 days in advance, the ~~Petroleum Administrator~~City Manager has the discretion to process and approve the application. Any person may submit an appeal to the ~~Petroleum Administrator~~City Manager or the Planning Commission within 15 days of the ~~Petroleum Administrator~~City Manager's notice of decision consistent with Section 9173.4. Mandatory requirements of the

Code are not subject to appeal. All procedures shall be consistent with the following requirements:

9510.3.1 Requirement to File an Application

A. Complete Abandonment of oil and gas operations: The ~~owner or~~ operator shall submit an application to the ~~Petroleum Administrator~~City Manager upon intentional abandonment of the entire oil and gas operation or site. The application for abandonment and site restoration proceedings shall be submitted 180 calendar days prior to the planned shutdown of all the facilities.

B. Partial Abandonment of oil and gas operations: If any portion of the oil or gas site is being abandoned, or if a well is being re-abandoned, the ~~owner or~~ operator shall submit an application to the ~~Petroleum Administrator~~City Manager for partial abandonment of oil or gas operations. Said application shall be submitted not later than 30 calendar days prior to abandonment or re-abandonment of wells involving ~~less no more~~ than 10% of the total number of wells on site or 10 wells, whichever is more; all other applications shall be submitted not later than 180 calendar days prior to abandonment, re-abandonment or restoration.

~~C. — Redevelopment of a Former Oil and Gas Site: If redevelopment of a use other than an oil and gas operation is proposed at a completely or partially abandoned oil or gas site, the owner or applicant shall submit an application to be processed as a Conditional Use Permit consistent for that use under Chapter 1, Article IX of this Code. Said application shall include the content required by Section 9510.3.2, and the Conditional Use Permit shall comply with the development standards of Section 9537.~~

~~D.C.~~ Other Events Requiring an Application. The ~~owner or~~ operator land use shall submit an application for abandonment, re-abandonment, and site restoration proceedings to the ~~Petroleum Administrator~~City Manager upon any of the following:

1. Any event or condition designated in an existing City permit or entitlement that would require consideration of abandonment. The Application shall be submitted 90 days in advance of the event or condition. If the event or condition cannot be known until after it occurs, the application must be submitted within 15 days of the event or condition.

~~2. — The permitted land use or an independent business function of a permitted land use has become idle in that it has not been used for six consecutive months of continuous operations during a five year period or longer. — The application shall be submitted 180 days prior to the expiration of the five year period.~~

~~3.2.~~ Upon the revocation, expiration, or failure to obtain or maintain in full force and effect permits required by the provisions of this ordinance. The application shall be submitted within 30 days of the revocation, expiration or failure to obtain or maintain such a required permit. Notwithstanding, for all permits and entitlements not involving a revocation, the operator will not be required to submit an application for abandonment if the operator instead files an application for a new permit or entitlement that is accepted by the City Manager as complete within 60 days of the expiration, and the operator thereafter diligently pursues approval.

~~4.3.~~ Upon order of DOGGR. The application shall be submitted within 30 days of a DOGGR order to abandon, re-abandon, and restore the site.

~~5.4.~~ Detection of a leak of an abandoned or re-abandoned well. The application shall be submitted as soon as possible, but not later than 30 days of knowledge of the leak by the ~~owner or~~ operator, regardless whether notice is obtained through a leak test conducted consistent with Section 9537(C) or through other means.

9510.3.2 Content of Application

The application shall be in a form and content specified by the ~~Petroleum Administrator~~City Manager and this Section. The application shall contain the following:

- A. Name, address, and contact information for the permittee.
- B. Name, address, and general description of the permitted land use.
- C. Gross and net acreage and boundaries of the subject property.
- D. Location of all structures, above and underground, proposed to be removed.
- E. Location of all structures, above and underground, proposed to remain in-place.
- F. Locations of all structures, above and underground, proposed for development, if any.
- G. Location of all wells, including active, idled, abandoned or re-abandoned wells, including distances from site boundaries, and existing ~~and proposed~~ structures. Each well shall include the DOGGR well name and number, as well as the American Petroleum Institute (API) well number. If available, the location of the wells shall be identified with the name of the operator and well designation. ~~Redevelopment of all or a portion of a former gas or oil site for use other than an oil and gas operation shall also require a licensed survey of all wells within the area of~~

~~development and include the North American Datum of 1983 (NAD 83) well location or equivalent.~~

- H. An American Land Title Association (A.L.T.A) survey of the site, showing all improvements, easements, rights-of-way, and other elements impacting the ownership of land.
- I. Location of all utilities on the subject property.
- J. Location of all easements on or adjacent to the subject property that may be affected by demolition or reclamation.
- K. To the extent known, the type and extent of all contamination and proposed remedial actions to the level of detail that can be assessed through environmental review. This information does not require a new or modified Phase 2 site assessment in advance of any requirement by the Fire Department or State agencies with regulatory oversight of site assessments.
- L. Location of areas of flood, geologic, seismic, and other hazards.
- M. Location of areas of archeological sites, habitat resources, prime scenic quality, water bodies, and significant existing vegetation.
- N. Location and use of all structures within 100 feet of the boundaries of the subject property.
- O. A proposed abandonment, ~~re-abandonment~~ and restoration plan that details the activities for the proposed action, including the following details: hours of operation, estimated number of workers required on site to decommission facilities and structures or to otherwise abandon or re-abandon wells, disposition of equipment and structures proposed for decommissioning, projected method and routes of transporting equipment, structures, and estimated debris from the site to the place of disposition as well as the number of trips required, and an estimated schedule for decommissioning the facilities or completion of the work.
- P. A proposed waste-management plan to maximize recycling and minimize wastes.
- Q. Other permit applications that may be required by the Code to retain any existing structures, roadways, and other improvements to the property that were ancillary to the oil or gas operations and are proposed to be retained to support other existing or proposed uses of the property following abandonment of the oil or gas operations.
- R. A proposed grading and drainage plan.

- S. A proposed plan to convert the site to natural condition or convert to other proposed land use, including a detailed schedule for restoring the site. In the latter case, include other applicable permit applications required, if any, for the proposed land use.
- T. A statement of intent regarding the disposition of utilities that served the oil and gas operations, including fire protection, power, sewage disposal, transportation, and water.
- U. Measures proposed to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, smoke, traffic congestion, vibration) and to prevent danger to life and property.
- V. A copy of DOGGR approval to abandon, re-abandon or remediate well(s).
- W. A leak test report for each abandoned ~~or re-abandoned~~ well(s) on the site that meets the requirements of Section 9537 ~~(C) and has been accepted by the Petroleum Administrator~~ City Manager within the past 24 months.
- X. For abandonment, ~~re-abandonment~~ or restoration in any circumstances where the permit is approved by the ~~Petroleum Administrator~~ City Manager without Planning Commission action, proof of mailed notice of intent to seek a permit to abandon, ~~re-abandon~~ or restore to the owner of record on the latest assessment roll for neighboring parcels within 500 feet of the oil and gas site property boundaries. The notice shall generally describe the scope of the activity being proposed.
- Y. Any other information deemed reasonably necessary by the ~~Petroleum Administrator~~ City Manager to address site-specific factors.

9510.3.3 Permitting Specifications

- A. Application Filing. The ~~Petroleum Administrator~~ City Manager shall process complete applications for permits after determining the applications to be complete in compliance with Section 9510.3.2 of this ordinance, and submit applications subject to initial Planning Commission review to the Planning Commission with a recommendation regarding approval if the findings in Section 9510.3.4 are met. An application shall not be complete unless the applicant has made a deposit for the estimated direct and indirect costs of processing the application. The applicant shall deposit any additional amounts for the costs to process the application, including legal review, within 15 days of request by the ~~Petroleum Administrator~~ City Manager. Upon either completion of the permitting process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the direct and indirect costs of processing.

B. Independent or concurrent processing of applications. For applications subject to initial Planning Commission review, the Planning Commission shall process complete applications for abandonment and site restoration permits independently of any other permit applications to develop the site in question, unless the ~~Petroleum Administrator~~City Manager makes the determination that the concurrent processing of abandonment and site restoration permits and development permits for the same site do not unduly hinder timely restoration of abandoned sites or result in long delays in securing approval of development permits.

C. Demolition and restoration permit shall supersede. Upon approval of a demolition and restoration permit subject to initial approval by the Planning Commission, or upon abandonment of operations, whichever occurs later, the demolition and reclamation permit shall supersede any inconsistencies in the discretionary permit approved for construction and operation of the facilities.

D. Conditions of Permit. In addition to any other requirements of this Code, any permit for abandonment, re-abandonment or restoration shall be subject to the following requirements regardless whether initially approved by the ~~Petroleum Administrator~~City Manager or the Planning Commission:

1. Oil well abandonment shall be performed by oil service company contractors licensed to do business in the city.
2. All equipment and surface installations used in connection with the well which are not necessary, as determined by the ~~Petroleum Administrator~~City Manager or Planning Commission, for the operation or maintenance of other wells of on the drill or operation site shall be removed from the site.
3. The abandoned ~~or re-abandoned well~~ site or portions of the oil and gas site shall be restored to its original condition or as nearly as is practical given the nature of the location and continuing uses for an oil and gas site, so long as the restoration will not adversely impact ongoing oil and gas production operations.
4. All sumps, cellars, and ditches which are not necessary for the operation or maintenance of other wells ~~ef~~ on the oil or gas site shall be cleaned out and all oil, oil residue, drilling fluid, and rubbish shall be removed ~~or bio-remediated~~ to reduce hydrocarbons to standards acceptable to federal, state, or local agencies. All sumps, cellars, and ditches shall be leveled or filled. Where such sumps, cellars, and ditches are lined with concrete, the ~~owner or~~ operator shall cause the walls and bottoms to be broken up and all concrete shall be removed.

5. The portions of the site not necessary for continuing oil or gas site operations shall be cleaned and graded and left in a clean and neat condition free of oil, rotary mud, oil-soaked earth, asphalt, tar, concrete, litter, and debris.
6. All public streets, alleys, sidewalks, curbs and gutters, and other places constituting public property which may have been disturbed or damaged in connection with any operation, including operations for the abandonment or re-abandonment of the well shall be cleaned, and, except for ordinary wear and tear, shall be repaired and restored to substantially the same condition thereof as the same existed at the time of issuance of the permit, or at the time operations were first commenced in connection with the drilling, operation, or maintenance of the well.
7. A copy of written approval of DOGGR confirming compliance with all state abandonment proceedings for all abandoned facilities must be furnished to the ~~Petroleum Administrator~~City Manager.
8. Proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property.
- ~~9. Prior to issuance of the permit, the owner shall record declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the site have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the City.~~

9510.3.4 Findings Required for Approval

In addition to the findings specified in 9172.21 of the Code, for permits the ~~Petroleum Administrator~~City Manager or Planning Commission shall also make affirmative findings based on the following criteria:

- A. The subject site will be restored and remediated to its pre-project ~~natural~~ conditions unless areas within the site are subject to approved development, in which case restoration and

landscaping of these areas will conform to the permitted development. In cases where development is proposed but not yet permitted, restoration of affected areas to natural conditions may be waived by the Planning Commission; provided, the development is permitted within five years and the permittee has posted financial assurances acceptable to the ~~Petroleum Administrator~~City Manager to ensure restoration to natural conditions if the proposed development is not permitted.

- B. The proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property
- C. The permit conditions comply with Section 9510.3.3 and contain specific enforceable requirements to ensure the timely completion of any abandonment or re-abandonment of wells, restoration activities or cessation of other oil and gas site operations subject to the permit.

9511 Operational Noticing

- A. Each operator shall submit copies of ~~all~~ notices provided to or received from DOGGR, to the ~~Petroleum Administrator~~City Manager, within ten business days of transmission or receipt of such notices, as applicable. These shall include:- designation of agents, notice of intent to drill a new well, division approvals (permit to conduct well operations, notice and permit to drill, permit to rework-/redrill well (p-report), enhanced recovery project approval, water-disposal project approval, commercial water-disposal approval), notice of intention to rework-/redrill well, notice of intention to abandon-/re-abandon well, supplementary notices, ~~and~~ report of property transfer forms and any inspection reports or notices of violation, as these notices may be updated or amended. All other DOGGR notices or other DOGGR communications shall be submitted at the discretion of the City Manager.
- B. The operator of (or any person who acquires) any well, property, or equipment appurtenant thereto, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall each notify the ~~Petroleum Administrator~~City Manager within ten business days of the transaction closing date. The notice shall contain the following:
1. The names and addresses of the person from whom and to whom the well(s) and property changed.
 2. The name and location of the well(s) and property.
 3. The date of acquisition.

4. The date possession changed.
 5. A description of the properties and equipment transferred.
 6. The new operator's agent or person designated for service of notice and his address.
- C. The operator of any well shall notify the ~~Petroleum Administrator~~City Manager, in writing, of the ~~suspension idling~~ of any well ~~operations greater than five days~~. The operator shall notify the ~~Petroleum Administrator~~City Manager in writing upon the resumption of operations giving the date thereof.
- D. The operator shall report any violations of state or federal laws that occur on an oil and gas site to the ~~Petroleum Administrator~~City Manager within 30 days of their date of documentation by a state or federal agency.

9512 Compliance with City Codes and Ordinances

All complaints related to activities regulated by this ordinance received by the operator shall be reported within one business day to the ~~Petroleum Administrator~~City Manager. If the complaint is received after normal business hours, it shall be reported to the ~~Petroleum Administrator~~City Manager at the opening of the next business day. In addition, the operator shall maintain a written log of all complaints and provide that log to the ~~Petroleum Administrator~~City Manager on a quarterly basis. ~~Depending upon the nature of the complaint and determination from the Petroleum Administrator~~City Manager, the operator shall report the complaint to the SCAQMD, DOGGR, and any other appropriate agencies with oversight authority regarding the complaint at issue.

9513 Injunctive Relief

In addition to any administrative remedies or enforcement provided in this Code, the City may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation or mandate compliance with this Code . All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

9514 Notice of Violation and Administrative Fines

- A. The operator shall also be subject to a fine for violation of any requirement of a CUP or this ordinance as determined by the ~~Petroleum Administrator~~City Manager, subject to the following:

1. Depending on the specific type and degree of the violation, the operator in violation may be penalized at a rate of ~~up to \$5,000~~ to \$10,000 per day, per violation, until it is cured, but in no event, in an amount beyond that authorized by state law. The ~~Petroleum Administrator~~City Manager will develop a violation fee schedule for Council ~~for~~ approval to specifically identify the fees associated with oil or gas site violations. This violation fee schedule may also include nuisance violations.

2. In the event of a violation of any of the City's permitting actions, a written notice of violation and the associated fine determination will be sent to the operator by the ~~Petroleum Administrator~~City Manager. The operator shall deposit the sum of ~~\$5,000 per well, up to~~ \$100,000, in an interest-bearing trust fund with the City within thirty days of the date of the second violation notice sent to the operator by the ~~Petroleum Administrator~~City Manager, to establish a draw down account. If the noted violation is not corrected within thirty calendar days to the satisfaction of the ~~Petroleum Administrator~~City Manager, or if steps satisfactory to the ~~Petroleum Administrator~~City Manager have not been initiated during that period to affect a cure or to seek modification of the condition, the fine amount cited in the written notice will be deducted from the account. The operator shall reimburse the City for any additional reasonable costs above the amount of the original deposit.

- ~~2.3.~~ The operator has a right of appeal to the City Manager or Commission within 15 days of the written notice or contested determination of compliance. Decisions of the City Manager not appealed within 15 days become final. If the operator appeals to the City Manager or the Commission such that the decision is ultimately reversed and the operator is specifically designated the "prevailing party" by the City Manager or Commission, then the City shall refund the operator the deposit related to the challenged determination.

B. Nothing in this Section or ordinance shall limit the City's ability to pursue other enforcement procedures, including CUP revocation proceedings, actions to enforce a DA, or other legal or equitable remedies provided by this Code or available under the law.

9515 Nuisance Procedures

Any violation of this ordinance is hereby declared to be a public nuisance for the purposes of Section 5702, and may be abated pursuant to the procedures set forth in Article V, Chapter 7 (Property Maintenance) of this Code. The procedures for abatement shall not be exclusive, and shall not in any manner limit or restrict the City from otherwise enforcing this ordinance or abating public nuisances in any other manner as provided by law, including the institution of legal action

by the City Attorney to abate the public nuisance at the request of the Director in charge of enforcing Chapter 7 of this Code.

9515.1 High-Risk Operations

- A. Upon determination that any oil and gas production, processing or storage operation meets the definition of high risk operation from Section 9503, the ~~Petroleum Administrator~~City Manager shall give the ~~owner and~~ operator written notice of the ~~Petroleum Administrator~~City Manager's intent to ~~declare~~ determine the operation a high risk operation under this Section. The intent of this Section shall be to remediate the high-risk operation and bring the oil or gas site and the operator within normal, safe operating standards and protect the public safety, health and environment. The written notice of the intent to ~~declare~~ determine the operation a high-risk operation shall include:
1. Facts substantiating the ~~declaration~~determination; and
 2. ~~An advisory notice~~ regarding the right to appeal the determination to the Commission within 15 days~~declaration~~. The Commission's decision shall be supported by substantial evidence, and refusal by the operator to provide access to the operation to allow inspection or investigation to determine compliance as authorized by this Code or other law shall be deemed evidence the definition of a high risk operation has been met.
- B. Along with the determination of the site being a high risk operation, the ~~Petroleum Administrator~~City Manager may take either or both of the following actions:
1. An investigation of the causes leading up to the high risk ~~designation~~determination;
 2. Require a mandatory restoration plan to be submitted by the operator. Such plan shall include, but is not limited to:
 - i. A mandatory restoration schedule for bringing the site and operator within normal, safe operating standards. Such schedule does not supersede any timeline for abatement otherwise established for individual outstanding violations.
 - ii. An audit of overall site operation(s):
 - a. The audit shall be conducted by an independent third party approved by the ~~Petroleum Administrator~~City Manager. Costs associated with the audit shall be borne by the operator;

- b. The audit shall identify and analyze the root causes leading to the high risk designation;
 - c. The audit shall further identify and analyze other potential areas in overall site operation that could impact the site's ability to operate within safe and normal standards (e.g. personnel training, operational policies, internal procedures, etc.);
 - d. Provide a plan for remediating all issues identified in the audit, including a mandatory schedule for remediating those issues. Such restoration plans shall be subject to approval by the ~~Petroleum Administrator~~City Manager.
 - e. The audit may be ordered in lieu of, or in addition to the investigation undertaken by the ~~Petroleum Administrator~~City Manager.
- iii. Any other requirements the ~~Petroleum Administrator~~City Manager deems necessary to bring the site and operation within normal, safe operating standards for the purposes of protecting the public safety, health and environment.
- C. The ~~owner or~~ operator of the high risk operation shall carry out the approved restoration plan and shall be responsible for paying all reasonable costs associated with the implementation of the plan, including:
- 1. City staff time in enforcing these provisions at an hourly rate that provides for full cost recovery of the direct and indirect costs. Staff time shall include, but is not limited to, the ongoing monitoring and verification of compliance with the approved restoration plan;
 - 2. Investigative, research (including legal research) and consulting costs associated with preparation of the restoration plan;
 - 3. Third party costs for investigation, consultation, engineering, clean-up, operator staff training, operations and all other related costs necessary to carry out the restoration plan;
 - 4. Any other costs necessary to remediate the high risk operation as ordered by the ~~Petroleum Administrator~~City Manager.

- D. At the sole discretion of the ~~Petroleum Administrator~~City Manager, at any time during which a site or operator is subject to this Section, the ~~Petroleum Administrator~~City Manager may require a bond be posted to cover the cost of remediating the causative problems of the high risk operation.
- E. The ~~determination designation~~ of high risk operations shall continue to apply until the goals and guidelines of the restoration plan established hereunder is achieved. The high risk operator shall notify the ~~Petroleum Administrator~~City Manager when a milestone in the restoration plan has been satisfied. The ~~Petroleum Administrator~~City Manager may conduct independent verification of the compliance upon such notification. The restoration plan may be amended from time to time as necessary to achieve the purposes of this Section. Upon a determination by the City that the goals and guidelines of the restoration plan have been achieved, the City shall notify the operator in writing that the site is no longer a high risk operation.
- F. Failure of the ~~owner or~~ operator of a high risk operation to post a bond required under this Section, prepare the restoration plan within a reasonable timeframe as ordered by the ~~Petroleum Administrator~~City Manager, or to reasonably achieve the goals and guidelines of an approved restoration plan under this Section, may be cause for a shutdown of the high risk operation(s) or any other petroleum operations located in the City that are co-owned or co-operated by the high risk operator, at the discretion of the ~~Petroleum Administrator~~City Manager.
- G. The ~~owner or~~ operator of a high risk operation shall compensate the City for any costs associated with the enforcement of this Section within 30 days of written demand by the ~~Petroleum Administrator~~City Manager. Any City costs associated with enforcement of this Section, which are not promptly paid by the ~~owner or~~ operator shall be subject to enforcement by tax bill lien or other collection methods at the discretion of the City.
- H. The City may institute legal proceedings to require compliance provisions with this Section.

9516 Compliance Monitoring

- A. Environmental Compliance Coordinator(s). The City may hire Environmental Compliance Coordinators as needed to oversee the monitoring and condition compliance requirements of the City's permitting actions subject to regulation under this ordinance, the costs of which shall be reimbursed by operator. The number of Environmental Compliance Coordinators shall be

determined by the City and shall take into account the level of oil and gas operations associated with the project site. The Environmental Compliance Coordinator(s) shall be approved by, and shall report to, the ~~Petroleum Administrator~~City Manager consistent with the City Manager's authority under Section 2107 of this Code. The responsibilities of the Environmental Compliance Coordinator(s) shall be determined by the City for the project site and shall generally include:

1. ~~On-site, day-to-day m~~Monitoring of oil and gas sites for compliance with this ordinance as it relates to construction, drilling, operational or abandonment and site restoration activities as determined by the ~~Petroleum Administrator~~City Manager.
2. Taking steps to ensure that the operator, and all employees, contractors and other persons working in the project site, have knowledge of, and are in compliance with all applicable provisions of the conditional use permit or development agreement.
- ~~3. Evaluating the adequacy of drilling, construction and redevelopment impact mitigations, and proposing improvements to the operator or contractors, and the City.~~
- ~~4.3.~~ Reporting responsibilities to the various City departments with oversight responsibility at the project site, as well as other agencies such as DOGGR, and SCAQMD.

B. Compliance Deposit Account. An applicant must establish a compliance deposit account with the City within 30 days of receiving authorization for a CUP or DA from the City. The compliance security deposit amounts shall be determined by the ~~Petroleum Administrator~~City Manager, and shall be based on the nature and extent of the compliance actions required.

9517 Financial Assurances Applicability

A. Sections 9518 through 9520 shall apply to any person who ~~owns, operates or guarantees performance for or who seeks to own, operate or guarantee performance for~~ any oil or gas site involved in exploration, production, processing, storage or transportation of oil or gas extracted from reserves in the City of Carson:

B. This ordinance shall not apply to the change of ~~owner, operator or guarantor~~ of the following:

1. Sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission;

2. A change of ownership consisting solely of a change in percentage ownership of a site and which does not entail addition or removal of an owner or affect any financial guarantee or bonds for a permit, CUP, and/or DA.

9518 Operator's Financial Responsibilities

The applicant shall be fully responsible for all reasonable costs and expenses incurred by the City or any City contractors, consultants, or employees, in reviewing, approving, implementing, inspecting, monitoring, or enforcing this ordinance or any CUP, DA, or permit, including but not limited to, costs for permitting, permit conditions implementation, mitigation monitoring (including well abandonment and re-abandonment), reviewing and verifying information contained in reports, ~~undertaking studies, research and~~ inspections, administrative support, and including the fully burdened cost of time spent by City employees, City Attorney, or third-party consultants and contractors on such matters.

9519 Securities and Bond Requirements

The operator or any contractor of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the securities and bond requirements described below

- A. The operator shall file a faithful performance bond with the ~~Petroleum Administrator~~City Manager consistent with the following bonding requirements:
 1. The ~~Petroleum Administrator~~City Manager shall determine the amount of the bond based on the total number of wells, proposed operations, size and nature of the property, appropriate environmental studies on the property, including a Phase I, II or Human Health Risk Assessment Reports and other relevant conditions related to the proposed wells or operations at a specific oil or gas site, and recognized commercial standards.
 2. The amount of the bond shall be sufficient to assure the completion of the abandonment, necessary re-abandonment, site restoration, to the extent not fully covered by DOGGR bonds, and remediation of contamination of the oil or gas site if the work had to be performed by the City in the event of forfeiture. The performance bond shall be inflation indexed to ensure the amount of the bond shall be sufficient to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site. The bond shall be available within a time frame to allow the City to undertake related activities in a timely manner, including at least half for immediate access and use in the event of an emergency as determined by the ~~Petroleum Administrator~~City Manager.

3. Prior to expansion of an oil or gas site, the operator shall apply to the ~~Petroleum Administrator~~City Manager for a determination of the amount of the bond necessary to ensure completion for both the existing and expanded operations. In addition, every bond shall be re-assessed by the ~~Petroleum Administrator~~City Manager every 5 years to ensure the amount is sufficient to ensure the completion of the abandonment, site restoration, and remediation of contamination of the oil or gas site.
 4. Upon application by the ~~owner or~~ operator, the ~~Petroleum Administrator~~City Manager may reduce bonding amounts based upon change of physical circumstances, completion or partial completion of work, or significant reduction in cost to perform the work. In no event shall the amount of the bond be reduced to an amount insufficient to complete any remaining work, nor shall the bond be reduced due to economic hardship or similar considerations.
 5. After completion of all abandonment and site restoration requirements, the bond shall be maintained in a sufficient amount to ensure remediation of contamination at the oil or gas site for a period not less than 15 years.
 6. In no event shall the bonding amount required by the City be less than \$510,000 per well.
 7. The bond may be drawn only from a qualified entity without any economic interests or relationship with the ~~owner and/or~~ operator and any related economic entities related thereto. The ~~Petroleum Administrator~~City Manager shall receive all pertinent information related to the bond and bonding entity prior to issuance of a final approved permit, CUP, or DA.
- B. In lieu of these bonding requirements, an operator may also submit any other legally adequate and binding financial mechanism, subject to City Attorney approval, to satisfy the monetary assurance requirements set by the ~~Petroleum administrator~~City Manager to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site.
- C. For any evaluation of bonding amounts by the ~~Petroleum Administrator~~City Manager in this Section, or evaluation of a financial mechanism proposed in lieu of a bond by the City Attorney, the operator shall deposit the estimated costs with the ~~Petroleum Administrator~~City Manager with the application, and shall also make any additional deposit(s) within 30 days of written request by the ~~Petroleum Administrator~~City Manager. The ~~Petroleum Administrator~~City

Manager may retain consultants or other experts in the industry to assist in deriving a commercially reasonable bond amount.

95199520 **Operator Liability Insurance**

The operator ~~or any contractor~~ of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the insurance described below for each well oil and gas site during the pendency of oil and gas operations, and shall maintain such insurance until the well is abandoned and the site restored. The operator or contractor must provide to the City sufficient documentation that the insurance complies with the minimum requirements and coverage amounts of this Section before a permit may be issued.

A. General provisions regarding insurance:

1. The operator or any contractor shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) ~~either (i)~~ admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, ~~or (ii)~~ authorized the Petroleum Administrator City Manager.
2. In the event any policy is due to expire, the operator or any contractor shall provide a new certificate evidencing renewal of such policy not less than 30 calendar days prior to the expiration date of the expiring policy. Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, operator or any contractor shall file with the Petroleum Administrator City Manager a new certificate and all applicable endorsements for such policy.
3. Liability policies shall name as "additional insured" the City, including its officers, officials, agents, employees and authorized volunteers.
4. All policies shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for: 1) non-payment, which shall provide a 10-day written notice of such cancellation of coverage, and 2) the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage.
5. The operator shall present to the Petroleum Administrator City Manager copies of the pertinent portion of the insurance policies evidencing all coverage and endorsements required by this Section before the issuance of any permit subject to this ordinance, and the acceptance by the City of a policy without the required limits or coverage

shall not be deemed a waiver of these requirements. The City may, in its sole discretion, accept a certificate of insurance in lieu of a copy of the pertinent portion of the policy pending receipt of such document by the City. After the issuance of the permit, the City may require the operator to provide a copy of the most current insurance coverage and endorsements for review at any time. The operator will be responsible for paying an administration fee to cover the costs of such review as may be established by the City's fee schedule.

6. Claims-made policies shall not be accepted except for excess policies and environmental impairment (or seepage and pollution) policies.
7. Insurance coverage ~~amounts set forth~~ shall be reviewed by the ~~Petroleum Administrator~~ City Manager as required by Section 9509 to ensure adequate insurance is maintained.

B. Required insurance coverage:

1. Commercial or comprehensive general liability insurance:
 - i. Bodily injury and property damage coverage shall be a minimum combined single limit of ~~\$240,000,000~~ per occurrence ~~with an annual general aggregate coverage of \$25,0500,000 in the aggregate~~. This coverage must include premises, operations, blowout or explosion, products, completed operations, blanket contractual liability, underground property damage, underground reservoir (or resources) damage, broad form property damage, independent contractor's protective liability and personal injury.
 - ~~ii. Underground reservoir (or resources) damage coverage shall be on an occurrence basis, shall not be limited to sudden and accidental occurrences, shall not have a discovery or reporting limitation and shall not exclude damage to water tables, formation or strata.~~
 - ~~iii.~~ ii. Environmental impairment (or seepage and pollution) coverage shall be either included in the comprehensive general liability coverage or as separate coverage. Such coverage shall not exclude damage to the lease site. If environmental impairment (or seepage and pollution) coverage is written on a "claims made" basis, the policy must provide that any retroactive date applicable precedes the effective date of the issuance of the permit. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, oil and

gas, waste material, or other irritants, contaminants or pollutants. Such policy shall provide for minimum combined single limit coverage of ~~\$2,000,000 per occurrence and \$2,500,000 in the aggregate~~~~\$25,000,000.00 per occurrence~~. A discovery period for such peril shall not be less than ten years after the occurrence.

2. Commercial automobile liability insurance: Minimum combined single limit of ~~\$10,000,000.00~~ per occurrence for bodily injury and property damage. The policy shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto")
3. Worker's compensation insurance: ~~In addition to~~Maintain the minimum statutory requirements, coverage which shall ~~include not be less than employer's liability limits of at least \$1,000,000.00 for each accident, \$1,000,000.00 for each employee, and \$1,000,000.00 for occupational disease, and the insurer shall agree to waive rights of subrogation against the City, its officers, officials, agents, employees and authorized volunteers, for any work performed for the City by the operator~~occurrence.
4. Excess (or umbrella) liability insurance: Minimum limit of ~~\$25,000,000.00~~ providing excess coverage for each of the perils insured by the preceding liability insurance policies, except for underground reservoir (or resources) damage.
5. Control of well insurance (only during drilling or re-working):
 - i. Minimum limit of ~~\$40,000,000.00~~ per occurrence, with a maximum deductible of ~~\$250,000.00~~ per occurrence.
 - ii. Policy shall cover the cost of controlling a well that is out of control, drilling or restoration expenses, and seepage and pollution damage. Damage to property in the operator's care, custody and control with a sub-limit of ~~\$500,000.00~~ may be added.

C. Failure to maintain coverage: Upon failure of the ~~owner~~, operator, or contractors to provide that proof of insurance as required by this Section when requested, the ~~Petroleum Administrator~~City Manager may order the suspension of any outstanding permits and petroleum operations of the operator until the operator provides proof of the required insurance coverage.

Part 2. Development Standards for Petroleum Operations

The following Sections of Part 2 apply only to those operations subject to a CUP or DA, except for those existing operations as noted in Section 9505.

95209521 Setback Requirements

- A. The surface locations of oil and gas sites and associated operations facilities and operations within an oil and gas site shall not be located within:
1. Fifteen-Five hundred feet (4,500 feet) of the property boundaries of any public school, public park, clinic, hospital, long-term health care facility.
 2. Fifteen-Five hundred feet (4,500 feet) of the property boundaries of any residence or residential zone, as established in this Code, except the residence of the owner of the surface land on which a well might be located and except a residence located on the land which, at the time of the drilling of the well, is under lease to the person drilling the well.
 3. Five hundred feet (500 feet) of the property boundaries of any-the commercially designated zone CN, CA, MU-CS or MU-SB (see Table 1-1), as established by this Code.
 4. Fifty feet (50 feet) of any dedicated public street, highway, public walkway, or nearest rail of a railway being used as such, unless the new well is located on an existing drill site and the new well would not present a safety issue or cause conflicts with a right-of-way.
- B. For all new wells associated with oil and gas production, including injection wells, the Applicant shall provide a copy of the area of an review (AOR) study, consistent with the requirements of Title 14 California Code of Regulations Section 1724.7, as per DOGGR.
- B-C. Legally existing oil and gas operations that do not met the setback requirements as of the effective dated of this ordinance are considered non-conforming uses subject to Article IX, Chapter 1, Part 8, Division 2 (Nonconformities) of this Code, except the City Manager shall act in place of the "Director." Notwithstanding any other provision of those requirements, the operator can replace structures and equipment required for oil and gas operations that have failed, are at risk of failure, or are at the end of their useful life. Said replacements shall be

~~made with like-kind structures and equipment that does not expand capacity or structural footprint. If the operator can demonstrate that such structure or equipment is not is not reasonably available or appropriate for current operational practices, the City Manager may approve minor expansion of equipment or structure upon findings the proposed changes are minor and do not constitute or tend to produce an expansion or intensification of capacity for the site. For existing oil and gas facilities and operations that do not meet the setback requirements as of the effective date of this ordinance, re-drilling is limited to no more than 5 wells within a 5 year period. Drilling of new wells is prohibited unless the operator can demonstrate vested rights for each new well. ~~to identify any potential conduits that may allow migration of reservoir fluids outside of the intended zone of injection. The AOR study shall define setbacks from abandoned wells or include re-abandonment of abandoned wells to minimize conduits. Leak testing of all abandoned or re-abandoned wells within the AOR or as designated by the Petroleum Administrator, shall be performed consistent with the standards of Section 9534, and any leaking wells shall be re-abandoned consistent with this ordinance. The AOR shall be submitted prior to the Petroleum Administrator's approval of a drilling permit. This requirement shall remain effective for all new wells associated with oil and gas production until DOGGR formally adopts an Area of Review (AOR) requirement, at which time the applicant will only be required to demonstrate to the PA (through submittal of appropriate documentation) that it has complied with DOGGR AOR requirements.~~~~

9521.9522 Site Access and Operation

The following measures shall be implemented throughout the operation of any oil and gas site or project subject to this ordinance:

9521.19522.1 Deliveries

~~For oil and gas sites located in non-industrial areas or for delivery routes that pass through or adjacent to prohibited zones as listed in Table 1-1, d~~ Deliveries to the oil or gas sites shall not be permitted after 6:00 p.m. and before 8:00 a.m., except in cases of emergency. No deliveries shall be permitted on Saturdays, Sundays or legal holidays, except in cases of emergency.

9521.29522.2 Construction Time Limits

Construction of permanent structures, ~~workovers and other maintenance, including replacement in kind,~~ shall not be permitted after 7:00 p.m. and before 7:00 a.m., or during Saturdays, Sundays, or legal holidays, ~~except in the event of an emergency as approved by the City Manager. The drilling or re-drilling or re-drilling of wells is not considered construction of permanent structures and is not subject to construction time limits.~~

9521.39522.3 Oil and Gas Site Parking

~~The following measures shall be implemented throughout the operation of any oil and gas site subject to this ordinance:~~

- A. At all times during the construction and operation of ~~the any project~~oil and gas site, parking facilities shall be provided for all vehicles associated with the oil or gas site. If approved as part of a ~~permit~~,CUP or a DA, parking for vehicles of employees or workers engaged in any oil or gas site activities can also be provided by the operator at off-site parking lots or in parking facilities, other than public streets, at locations other than the oil or gas ~~site~~. The operator shall prohibit personal parking on City streets by operator,~~owner~~, permittees, contractors, or consultant staff. If the parking lot or parking facilities are not located within a reasonable walking distance of the controlled drill site, the operator shall provide transportation to and from the parking site for employees and workers.
- B. At all times vehicular access to an ~~controlled~~oil and gas drill site shall be provided in accordance with the plans for vehicular access reviewed and approved by the City Engineer, ~~except for operations existing prior to the effective date of this ordinance.~~
- C. All entrances to an ~~controlled drill~~oil and gas site shall be equipped with sliding ~~or swinging~~ gates which shall be kept closed at all times except when authorized vehicles are entering or leaving the oil and gas site.
- D. When traffic lanes on any public street are closed or impaired by the operator 's operations, flagmen, and safety officers as required by the L.A. County Sheriff's office shall be provided by the operator at all such times to control traffic and maintain traffic flow.

95229523 Lighting

~~Except for oil and gas sites located within industrial zones, and located farther than 1,000 feet from any prohibited zone as listed in table 1-1, a~~All point-lighting sources that may be introduced on a site in support of nighttime operations, at the onset and throughout all operations at an oil and gas site shall be screened and directed to prevent light or glare from passing beyond site boundaries. Outdoor lighting shall be restricted to only those lights that are required by Article VIII of this Code for lighting building exteriors and safety and security needs.

95239524 Aesthetics

The following measures shall be implemented for all projects that are subject to this ordinance:

9523-19524.1 Landscaping/Visual Resources

- A. Prior to commencement of operations at an oil or gas site, the operator shall implement a landscaping plan prepared by a licensed landscape architect, that has been approved as part of a CUP or a DA, which provides adequate screening and blending of the facilities so that the site shall not appear unsightly or aesthetically deficient compared with the surrounding character of the area. Except for oil and gas sites located within industrial zones, All tanks shall be depressed so that the top of any tank and other equipment and appurtenances shall not extend more than twenty feet above the surface of any -site, unless otherwise approved in a CUP or DA.
- B. Within six months after the completion of ~~the well related~~ activities related to the drilling or re-drilling of a well and the removal of the drilling well mast/rig, any ~~drill oil and gas~~ site shall be landscaped with suitable shrubbery and trees in accordance with a plan approved by the Planning Commission, unless the site is to be otherwise developed in such a manner that would preempt re-vegetation requirements.
- C. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary,~~ if any drilling masts are in place on an oil and gas site for a time period of more than one year and are visible from public viewing points, then the operator shall wrap all such masts to reduce their visibility prior to the onset of operations at an oil and gas site.

9523-29524.2 Walls

Prior to commencement of operations at an oil or gas site the following development standards shall be satisfied:

- A. All oil and gas sites shall be enclosed with a wall not less than six feet (6 feet) high, which shall be of a material and texture that blends in with the surrounding environment and is not visually obtrusive. There shall be no aperture below the fence larger than one foot (1 foot) in height.
- B. The wall enclosure around the oil and gas site shall have an ~~interior~~ setback of twenty-five feet from all property lines. The gate or entrance through the wall shall remain locked at all times and constructed in a manner to prevent the public from coming closer than twenty-five feet to the pumping facilities. Pursuant to the approval of the ~~Conditional Use Permit~~CUP, the location of the wall may be modified subject to compliance with the California Fire Code as approved in a CUP or DA with modifications as applicable.

- C. The entire outside facing length of the wall must be coated with anti-graffiti paint or solutions.

9523.39524.3 Sanitation

The oil and gas site shall be maintained in a clean, sanitary condition, free from accumulations of garbage, refuse, and other wastes.

9523.49524.4 Architecture

The architectural design of any oil or gas site buildings, equipment, drilling mechanisms or other associated structures shall be consistent with the character of the surrounding community and shall utilize finishing materials and colors which blend in with the surrounding environment and are not visually obtrusive.

95249525 Roads

The following policies specific to streets or other roads shall apply to all projects for which this ordinance is applicable:

9524.19525.1 Construction of Site Access Roads

Private roads and other excavations required for the construction of access roads shall be designed, constructed, and maintained to provide stability of fill, minimize disfigurement of the landscape, prevent deterioration of vegetation, maintain natural drainage, and minimize erosion.

Prior to construction of any new road, the operator shall prepare and submit to the ~~Petroleum Administrator and the~~ Department of Public Works for review and approval a private road construction plan. The operator shall thereafter comply with all provisions of the approved private road construction plan. All new private access roads leading off any surfaced public street or highway shall be paved with asphalt or concrete not less than three inches thick for the length of said access road from the public street or highway.

~~9524.2~~ Reserved Maintenance and Restoration of Public Roads

~~9524.3~~ Throughout operation of an oil or gas site the operator shall be responsible for the paying for the maintenance of public roads, which are used intensively for any materials transport, construction, or site access related to drilling and related operations. Prior to initiating any construction or operations the operator shall be responsible for conducting a road condition assessment including recording, through video, pictures and/or written documentation the existing public road conditions that will be used for any portion of the proposed project. The road condition assessment must be submitted to the Petroleum Administrator and be and accepted by the City Engineer prior to commencement of operations. Upon demand from the City Engineer, the operator shall then pay the City the compensation necessary to maintain, restore or repair any damage related to the operations in order to return the road to its pre-project 'baseline' condition.

95259526 Signage

The following policies apply only to signs visible from the public right of way.

~~A. — Each well shall be marked with a sign, which lists the name of the company owning the well, the well number, and a telephone number for twenty-four hour emergency notification. The sign shall not exceed six square feet in area and shall be located so that it is clearly visible from the street where the access drive is located.~~

- A. Signage as required by DOGGR or law ~~The sign~~ shall be kept in good legible condition at all times.
- B. No sign other than that described in this ordinance or required by law shall be allowed, other than informational signs, no smoking signs, and other signs as reasonably required for safe operation of the project.
- C. Signs shall not be constructed, erected, maintained or placed on the premises or any part thereof, except those required by law or ordinance to be displayed in connection with the drilling or maintenance of the well.
- D. Identification signs, ~~at intervals acceptable to the Petroleum Administrator,~~ shall be posted and maintained in good condition along the outer boundary line ~~fence~~ and along the ~~fences-walls~~ adjoining the public roads that pass through the oil or gas site. Each identification sign shall prominently display current and reliable emergency contact information that will enable a person to promptly reach, at all times, a representative of the operator who will have the expertise to assess any potential problem and recommend a corrective course of action.

Each sign shall also have the telephone number of the City department of planning or zoning enforcement section and the number of SCAQMD that can be called if odors are detected.

95269527 Steaming

The installation of any surface equipment designed to produce steam shall be prohibited without the approval of the ~~Petroleum Administrator~~City Manager. The operator shall submit a steaming plan addressing equipment sizing and design to the City Manager, ~~Petroleum Administrator~~ for review and approval. The steaming plan shall also include well casing and cementing design specifications.

95279528 Utilities

- A. Each oil or gas site shall be served by and utilize only reclaimed water, aside from potable water used for human consumption, unless the use of reclaimed water is deemed infeasible by the ~~Petroleum Administrator~~City Manager, in which case the following criteria apply:
1. The operator must prepare and submit a supply assessment study of all water resources available for use and submit the study for review to the ~~Petroleum Administrator~~City Manager.
 2. If the study indicates that potable water is the only feasible alternative then the operator may utilize such a water source only if the operator provides an equal and measurable benefit to the community for such use, as determined by the ~~Petroleum Administrator~~City Manager.
- B. New electrical power shall be routed underground from the nearest source adequate to meet the needs of the well site.

95289529 On-Site Storage and Placement of Equipment

No equipment shall be stored or placed on the site, which is not either essential to the everyday operation of the oil or gas well located thereon or required for emergency purposes.

95299530 Safety Assurances and Emergency/Hazard Management

The following measures shall be implemented throughout the operation of any oil or gas site or project subject to this ordinance:

9529.19530.1 Fire Prevention Safeguards

- A. All oil and gas site operations shall conform to all applicable fire and safety regulations, codes, and laws.
- B. The oil and gas site shall be kept free of debris, pools of oil, water or other liquids, weeds, and trash.
- C. Land within twenty-five feet of the site facilities shall be kept free of dry weeds, grass, rubbish or other combustible material at all times.
- D. All equipment, facilities, and design shall be approved by the Los Angeles County Fire Department, as applicable, prior to approval of a Conditional Use Permit CUP or development agreement DA.

9529.29530.2 Blowout Standards and Testing

The operator shall comply with DOGGR regulations for blowout prevention and will provide all equipment as stipulated in the DOGGR regulations during the drilling operations of any well.

9529.39530.3 Earthquake Shutdown

- A. The operator shall ~~shut down any non-essential well and production activities and immediately~~ inspect all oil and gas-related facilities, equipment, and pipelines following any seismic event ~~that generates a ground acceleration of 15 percent (0.15g) of gravity or more with a magnitude of 4.0 or greater with an epicenter within 10 kilometers (km) of the oil and gas site, magnitude 4.5 or greater within 30 km, magnitude 6.0 or within 100 km.~~
- B. The operator shall either, (1) Operate and maintain an accelerometer at the project site or (2) Obtain real time data from ~~a nearby accelerometer, the USGS~~ to determine ~~site-specific ground accelerations at the oil and gas site as the earthquake magnitude a result~~ of any seismic event ~~in the area~~. The operator shall immediately inspect all project site pipelines, facilities, equipment, storage tanks, and other infrastructure following any seismic event ~~that exceeds a ground acceleration at the project site of 15 percent of gravity (0.15 g) above the thresholds defined in 9530.3.A~~ and promptly notify the City Engineer and the ~~Petroleum Administrator~~ City Manager of the results of the inspection within 24 hours of the seismic event. Shall there be any structural damage or equipment failure as a result of any seismic event, the operator shall isolate and address any damage or equipment failure as appropriate to minimize environmental or safety impacts. –The operator shall prepare and submit a written report of all inspections and findings to the City for review with one week of the seismic event.

C. The operator shall not reinstitute operations at those portions of the project site and associated pipelines damaged by a seismic event until it can reasonably be determined by the City Manager ~~Petroleum Administrator~~ that all project site infrastructure is repaired and structurally sound. Recommencement of any operations ~~may shall~~ occur through written or verbal approval of the City Manager ~~Petroleum Administrator~~.

9529-49530.4 **Storage Tank Monitoring**

The operator shall install tank leak detection monitoring system that will indicate the physical presence of a leaked product underneath storage tanks on site that have the potential to result in soil contamination. The results of the monitoring shall be submitted to the City Manager ~~Petroleum Administrator~~ upon request. The monitoring system ~~shall abide~~ required by 14 California Code of Regulations Section 1773.2 ~~is sufficient as well as the following specifications:~~

~~Foundations for new tanks shall be designed to support the tank, maintain the tank level, and drain fluid away from the tank, including fluids that may leak from the tank. The sub-base of the foundation shall include an impermeable barrier designed to prevent downward fluid migration and to allow leaks to drain away from the tank and be detected by visual inspection or through the use of a leak detection sensor, as each particular instance may require. The foundation base shall be made of material that provides for support and drainage away from the tank.~~

~~When a tank bottom is replaced, a leak detection system shall be installed and properly maintained that will either: (1) Channel any leak beneath the tank to a location where it can be readily observed from the outside perimeter of the tank, or (2) Accurately detect any tank bottom leak through the use of sensors.~~

~~The Petroleum Administrator may require a tank bottom leak detection system for any tank with a foundation that does not have an impermeable barrier after considering such factors as the age of the tank, fluid service, and proximity to groundwater. This section does not apply to existing facilities.~~

9529-59530.5 **Safety Measures and Emergency Response Plan**

The operator is responsible for compliance with safety and emergency response requirements, ~~including but not limited to:~~

~~A. —Copies of all Emergency Response Plans, Emergency Action Plans, Oil Spill Plans and any emergency response drill training as required by DOGGR, CalEPA, OSHA, Los Angeles County Fire Department, or any other agency shall be submitted to the City. Safety and Emergency Response Plan. The operator shall prepare, submit, and have an approved plan~~

for all safety and emergency response activities, facilities, and equipment for the site to include, but not be limited to, the following:

- A. — Procedures for activation of the Plan, such as responder activation charts, employee responsibilities, emergency coordinator checklists, etc.;
- B. — Emergency Information and Phone Numbers;
- C. — Emergency Notification procedures;
- D. — Emergency checklists for hazardous materials releases, fire fighting response, personal injuries and chemical burns, hydrogen sulfide releases, storm drain or sewer incidents, bomb threats and earthquakes.
- E. — Site evacuation procedures;
- F. — Emergency response equipment;
- G. — Employee training; and
- H.D. Hazardous materials inventories.
- I. — Emergency Response Drills. The operator shall demonstrate the effectiveness of the emergency response plan by responding to one planned emergency response drill per year, which shall be conducted in conjunction with the Los Angeles County Fire Department. Emergency response drills required by other agencies that involve the Los Angeles County Fire Department can be used to satisfy this provision. In addition, the operator shall demonstrate the effectiveness of the emergency response plan by responding to not more than two unannounced drills each year, which may be called at the discretion of the Los Angeles County Fire Department or Petroleum Administrator at the oil field. If critical operations are then underway at the oil field, the operator need not respond to a unannounced drill to the extent such a response would, as a result of such critical operations, create an undue risk of personal injury or property damage, but in such case the operator must promptly explain the nature of the critical operations, why response is not possible, and when the critical operations will be completed.
- J. — Response Manual and Oil Spill Contingency Plan. The operator shall submit an Oil Spill Contingency Plan approved by the Los Angeles County Fire Department, to the Petroleum Administrator which will outline response actions in the event of a spill, including a spill response trailer, equipment, and personnel training. Spill cleanup shall be completed under the

~~oversight of the lead regulatory agency, with respect to oil spills, as identified in the Oil Spill Contingency Plan prepared as per CCR 1722.9.~~

~~K.E.~~ Safety Audit. The operator shall cause to be prepared an independent third-party audit, under the direction and supervision of the City, of all facilities, once constructed or within 1 year of the adoption of this ordinance, including the well pads, to ensure compliance with the California Fire Code (as may be adopted by the City with modifications as applicable), applicable API and NFPA codes, EPA RMP, OSHA PSM, DOGGR and SPCC and emergency response plans requirements. All audit items shall be implemented in a timely fashion, and the audit shall be updated annually, as directed by the City and the Los Angeles County Fire Department. The operator shall also cause to be prepared ~~The final installation of the facilities shall include~~ a seismic assessment, including walkthroughs, of equipment to withstand earthquakes prepared by a registered structural engineer in compliance with Local Emergency Planning Committee Region 1 CalARP guidance and the seismic assessment shall be updated, with walkthrough inspections, annually to ensure compliance with the codes and standards at the time of installation.

~~L.F.~~ Community Alert System. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, ~~t~~The operator shall implement a community alert notification system, or utilize an existing system operated by the Police, Sheriff or Fire Department, to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

~~M.~~ ~~Fire Safety Measures.~~ ~~The operator shall implement the following fire safety measures:~~

- ~~1. The operator shall ensure that design and construction comply with applicable codes and standards for equipment spacing, particularly those related to flare location and distances to public areas, installation of fire detection and prevention systems, flame detection, flammable gas detection, fire foam, and associated alarms and alert systems. The design and construction compliance status shall be verified by third-party audits overseen by the City.~~
- ~~2. The operator shall develop emergency response plans addressing the site's fire-fighting capabilities pursuant to the most recent NFPA requirements, the California Fire Code (as may be adopted by the City with modifications as applicable), Los Angeles County Fire Department, California Code of Regulations, and API requirements, in coordination with Los Angeles County Fire Department and the City of Carson. These plans shall include, but not be limited to, fire monitor placement, fire water capabilities, fire detection capabilities, fire foam requirements, site condition~~

~~relating to fire fighting ease and prevention, and measures to reduce impacts to sensitive biological resources. The plan shall also address coordination with local emergency responders and area schools and daycare facilities.~~

- ~~3.—Emergency response plans shall address the issues related to wildfire risks and response, including development of fuel management/modification fire hazard management plan according to Fire Department requirements, coordination with the area residences and potentially affected agencies, as well as identification of first response tactics and equipment available to address wildfire risks.~~

9529.69530.6 **Transportation of Chemicals and Waste On and Off-site**

The operator shall implement the following measures throughout the operations of any oil and gas site subject to this ordinance:

- A. Solid Waste Disposal. Solid waste generated on the site shall be transported to a ~~City-approved~~permitted landfill or hazardous waste disposal site as may be appropriate for the life of the operation. The operator shall provide written notice to the City Manager of the landfill or hazardous waste disposal facility being utilized.

- B. Site Waste Removal. The operator shall comply with the following provisions:

1. All drilling and workover waste shall be collected in ~~portable steel~~enclosed bins ~~compliant with United States Department of Transportation standards.~~ Any drilling and workover wastes that are not intended to be injected into a Class II Well, as permitted by DOGGR, shall be removed from the project site no later than thirty days following completion of the drilling and workover.
2. No site waste shall be discharged into any sewer unless permitted by the Sanitation District, or into any storm drain, irrigation system, stream, or creek, street, highway, or drainage canal. Nor shall any such wastes be discharged on the ground.

- ~~3.—The operator shall comply with all provisions of a recycling plan that has been approved by the Petroleum AdministratorCity Manager. The recycling plan shall include any elements requested by the Petroleum AdministratorCity Manager.~~

- C. Storage of Hazardous Materials. The operator shall submit to the ~~Petroleum Administrator~~City Manager a copy of the Hazardous Material Business Plan, as ~~approved~~reviewed by the Los Angeles County Fire Department, annually. This plan shall include a

complete listing and quantities of all chemicals used onsite, and provide the location of where hazardous materials are stored at the site. Hazardous materials shall be stored in an organized and orderly manner, and identified as may be necessary to aid in preventing accidents, and shall be reasonably protected from sources of external corrosion or damage to the satisfaction of the Fire Chief of the Los Angeles County Fire Department or designee.

9529.6.19530.6.1 Natural Gas Liquids (NGLs)

Throughout the operation of any oil and gas site ~~or project~~ subject to this ordinance, ~~heavier~~ NGLs, ~~as defined by this code, and butanes~~ shall be blended with crude oil for shipment by pipeline to the maximum extent allowable within the technical specifications of the pipeline, ~~however, blending of butanes shall not take priority over blending of heavier NGLs when technical limitations are reached.~~ Oil transportation pipelines and gas processing facilities shall be designed to maximize the blending of NGLs into the crude oil stream.

9529.6.29530.6.2 Transportation Risk Management and Prevention Program (TRMPP)

If the ~~site transportation routes of any product from oil and gas development in the City~~ passes through ~~or adjacent to~~ any prohibited zoning as listed in Table 1-1, ~~or if the Petroleum Administrator determines it is necessary, and if it any product from oil and gas development in the City is to be transported by trucks exceeding 5 trucks per day peak, excluding existing designated truck routes,~~ the operator shall prepare and maintain a Transportation Risk Management and Prevention Program which shall be provided to the ~~Petroleum Administrator~~ City Manager upon request. The TRMPP may contain the following components including, but not limited to:

- A. Provisions for conducting comprehensive audits of carriers biennially to assure satisfactory safety records, driver hiring practices, driver training programs, programs to control drug and alcohol abuse, safety incentive programs, satisfactory vehicle inspection and maintenance procedures, and emergency notification capabilities. The operator shall submit to the City ~~an annual summary of~~ any audits that were conducted each calendar year.
- B. Provisions for allowing only carriers which receive a satisfactory rating under the above audit process to transport oil and gas.
- C. Truck loading procedures for ensuring that the loading rack operator and the truck driver both conduct, and document in writing, a visual inspection of the truck before loading and procedures to specify actions to be taken when problems are found during the visual inspection.

~~9529.6.39530.6.3~~ Pipeline Leak Detection

All new ~~offsite~~ DOT oil ~~transportation~~ pipelines shall use a supervisory control and data acquisition (SCADA-type) monitoring system for leak detection; unless the ~~Petroleum Administrator~~ City Manager determines that there is better available technology that shall be utilized instead. Flow meters used on the SCADA system shall be accurate to within one percent. If a leak is detected the operator shall be responsible for immediately reporting it to the City Manager ~~Petroleum Administrator~~.

~~9530.9531~~ Environmental Resource Management

Throughout operation of an oil and gas site, the operator shall comply with the following environmental resource management policies:

~~9530.19531.1~~ General Environmental Program

A. Environmental Quality Assurance Program ("EQAP"). The operator shall comply with all provisions of an environmental quality assurance program that has been accepted by the ~~Petroleum Administrator~~ City Manager and approved as part of a CUP or DA. For oil and gas sites that are existing at the time of the adoption of this ordinance and are not required to have a CUP, completion of the requirements of section 9530.5.B satisfies the requirements of section 9531.1. The following provisions relate to the EQAP:

1. EQAP Requirements. The EQAP shall provide a detailed description of the process, individual steps, and submissions, the operator shall take to assure compliance with all provisions of this Section, including but not limited to, all of the monitoring programs called for by this Section.
2. Annual EQAP Reports. Within sixty days following the end of each calendar year, the operator shall submit to the ~~Petroleum Administrator~~ City Manager an annual EQAP report that reviews the operator's compliance with the provisions of the EQAP over the previous year and addresses such other matters as may be requested by the ~~Petroleum Administrator~~ City Manager. The annual EQAP report shall include the following:
 - i. A complete list and description of any and all instances where the provisions of the EQAP, or any of the monitoring programs referred to therein or in this Section, were not fully and timely complied with, and an analysis how compliance with such provisions shall be improved over the coming year.

ii. Results and analyses of all data collection efforts conducted by the operator over the previous year pursuant to the provisions of this Section.

3. EQAP Updates. Proposed updates to the EQAP shall be submitted to the ~~Petroleum Administrator~~City Manager for approval along with the annual EQAP report. The ~~Petroleum Administrator~~City Manager shall complete the review of EQAP updates as soon as practicable, and shall either approve the updated EQAP or provide the operator with a list of specific items that must be included in the EQAP prior to approval. The operator shall respond to any request for additional information within thirty days of receiving such request from the ~~Petroleum Administrator~~City Manager and shall modify the proposed EQAP update consistent with the ~~Petroleum Administrator~~City Manager's request.

B. Publicly Available Monitoring Data. ~~The~~ operator shall be responsible for ~~providing~~making current monitoring results and data ~~directly available~~directly available to the public ~~unless otherwise required by law~~unless otherwise required by law. The up-to-date monitoring data and results shall be ~~located on a website run/maintained~~located on a website run/maintained by the operator, ~~owner, company, or entity responsible for the oil or gas site~~.

The monitoring results and data shall include the following information:

1. Air quality data ~~(if required to be collected)~~(if required to be collected);
2. Wind direction speed ~~(if required to be collected)~~(if required to be collected);
3. Seismic events;
4. Water quality monitoring results for both surface and groundwater monitoring locations at an oil or gas site, or from nearby groundwater monitoring location(s) as authorized by the ~~Petroleum Administrator~~City Manager~~;~~;
5. Pipeline testing and monitoring results;
6. Vibration ~~(if required to be collected)~~(if required to be collected); and
7. Ambient noise levels ~~(if required to be collected)~~(if required to be collected).

~~9530-29531.2~~ Air Quality

The operator shall at all times conduct oil or gas site operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances, and shall comply with the following provisions:

A. Odor Minimization. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if ~~three (3) the Petroleum Administrator determines it is necessary~~odor complaints from three (3) different citizens of the City have been confirmed by the AQMD, at all times the operator shall comply with the provisions of an odor minimization plan that has been approved by the ~~Petroleum Administrator~~City Manager. ~~The odor minimization plan shall include any measures requested by the Petroleum Administrator.~~The plan shall provide detailed information about the site and shall address all issues relating to odors from oil or gas operations. Matters addressed within the plan shall include setbacks, signs with contact information, logs of odor complaints, method of controlling odors such as flaring and odor suppressants, and the protocol for handling odor complaints. The odor minimization plan shall be reviewed and updated by the operator on an annual basis to determine if modifications to the plan are required. Any modifications to the odor minimization plan shall be submitted to the ~~Petroleum Administrator~~City Manager for review and approval. Any operator's submissions to the SCAQMD shall be provided to the ~~Petroleum Administrator~~City Manager and shall be consistent with Section 9531.2.

B. Portable Flare for Drilling. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, and the historical operations of the producing zone have exhibited a gas-oil ratio of more than 100 or no data is available on the producing zone targeted, or if the Petroleum Administrator determines it is necessary, the operator shall have a gas buster and a portable flare, approved by the SCAQMD, at the oil ~~or and~~ gas field site and available for immediate use to remove any gas encountered during drilling and abandonment operations from well muds prior to the muds being sent to the shaker table, and to direct such gas to the portable flare for combustion. The portable flare shall record the volume of gas that is burned in the flare. The volume of gas burned in the flare shall be documented in the operations logs. The operator shall notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD within forty-eight hours in the event a measurable amount of gas is burned by the flare, and shall specify the volume of gas that was burned in the flare. All other drilling and abandonment operations shall be conducted so that any measurable gas that is encountered can, and will, be retained in the wellbore until the gas buster and portable flare are installed on the rig, after which the gas will be run through the system to flare. The operator shall immediately notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD in the event any gas from operation is released into the atmosphere without being directed to and burned in the flare.

C. Odor Suppressant for Drilling Operations. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1 and the historical operations of the producing zone have exhibited a gas-oil ratio of more than 100 or no data is available on the producing zone targeted, or if the Petroleum Administrator determines it is necessary, the operator shall use an enclosed mud

system that directs all mud vapors through an odor capturing system, such as a carbon bed, to prevent odorous pollutants from passing the site boundaries and impacting the area. An odor suppressant spray system may be used on the mud shaker tables for all drilling operations to ensure that no odors from said operations can be detected at the outer boundary line of the well site.

D. Closed Systems. The operator shall ensure that all produced water, gas and oil associated with production, processing, and storage, except those used for sampling only, are contained within closed systems at all times and that all pressure relief systems, including tanks, vent to a closed header and flare-type system to prevent emissions of ~~odiferous~~ pollutants. No open pits are allowed.

~~E. Meteorological Station. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, the operator shall maintain and operate a meteorological station at the well site in good operating condition and in compliance with all applicable Environmental Protection Agency ("EPA") and SCAQMD rules, regulations, and guidelines, and to the satisfaction of the Petroleum Administrator City Manager, or utilize a nearby meteorological station. The operator shall conduct an audit of the meteorological station, if installed onsite, on an annual basis and submit the results of the audit to the SCAQMD and the Petroleum Administrator City Manager. The operator shall maintain the data files for the meteorological station for a period of not less than ten years. All such data shall be available upon request to the SCAQMD and the Petroleum Administrator City Manager.~~

~~F. Health Risk Assessment. If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, after every five years of operation of the meteorological station, or the gathering of data from a nearby station, the operator shall provide the previous five years of metrological data to the SCAQMD and the Petroleum Administrator City Manager and a health risk assessment shall be performed to indicate that health risks comply with SCAQMD standards.~~

~~G.E.~~ Off-Road Diesel Construction Equipment Engines. All off road diesel construction equipment shall comply with the following provisions:

1. Utilize California Air Resources Board ("CARB") EPA Certification Tier III or other methods approved by the CARB as meeting or exceeding the Tier III standard.
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an eighty-five percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the ~~Petroleum Administrator~~ City Manager. Said

catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

H.F. Drill Rig Engines. All drilling, ~~abandonment and workover~~ rig diesel engines shall comply with the following provisions:

1. Utilize CARB/EPA Certification Tier III or better certified engines
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an 85 percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the ~~Petroleum Administrator~~City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

~~I. Fugitive Dust Control Plan. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, the operator shall comply with the provisions of a fugitive dust control plan that has been approved by the Petroleum Administrator. The plan shall be based upon the requirements of SCAQMD Rule 403 and the SCAQMD CEQA Guideline Fugitive Dust Control Measures as may be updated. The fugitive dust control plan shall be reviewed by the operator every five years to determine if modifications to the plan are required. Any modifications to the fugitive dust control plan shall be submitted to the Petroleum Administrator for review and approval. The fugitive dust control plan shall include any measured requested by the Petroleum Administrator.~~

~~9530.39531.3~~ **Greenhouse Gas Emissions and Energy Efficiency Measures**

- A. The operator of an oil and gas site shall completely offset all emissions from the oil and gas site through participation in the statewide cap and trade program, if applicable, or obtaining credits from another program, such as the SCAQMD Regulation XXVII, as approved by the ~~Petroleum Administrator~~City Manager. On an annual basis, the operator shall provide the ~~Petroleum Administrator~~City Manager with documentation of the operator's participation in the program. This section does not apply to existing facilities.
- B. Throughout the oil and gas site life, as equipment is added or replaced, cost-effective energy conservation techniques shall be incorporated into project design.

9530.49531.4 Air Quality Monitoring and Testing Plan

~~If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, a~~At all times the operator shall comply with the provisions of an air monitoring plan that has been approved by the ~~Petroleum Administrator~~City Manager (as part of the EQAP). ~~The air monitoring plan shall include any measure requested by the Petroleum Administrator.~~During all well operations, including but not limited to drilling, re-drilling and workover operations, the operator shall continuously, monitor for hydrogen sulfide ~~and total hydrocarbon vapors as specified in the approved plan~~, in a manner that allows for detection of pollutants from all wind directions, as approved by the ~~Petroleum Administrator~~City Manager. Total hydrocarbon vapors shall be monitored at drilling, workover and processing plant areas as specified in the approved plan. Such monitors shall provide automatic alarms that are triggered by the detection of hydrogen sulfide or total hydrocarbon vapors. The alarms shall be audible and/or visible to the person operating the equipment. Actions to be taken shall be as follows when specified alarm levels are reached:

- A. At a hydrogen sulfide concentration of equal to or greater than five parts per million but less than 10 parts per million, the operator shall immediately investigate the source of the hydrogen sulfide emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling or workover log. If the concentration is not reduced to less than five parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover operations and equipment in a safe and controlled manner, until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard.
- B. At a hydrogen sulfide concentration equal to or greater than 10 parts per million, the operator shall promptly shut down the drilling or workover operations and equipment in a safe and controlled manner until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling or workover log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department, the ~~Petroleum Administrator~~City Manager, and the SCAQMD.
- C. At a total hydrocarbon concentration equal to or greater than 500 parts per million but less than 1,000 parts per million, the operator shall immediately investigate the source of the hydrocarbon emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log for the oil and gas site. If the concentration is not reduced to less than 500 parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the

drilling or workover, or site operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard.

D. At a total hydrocarbon concentration equal to or greater than 1,000 parts per million, the operator shall promptly shut down the drilling or workover or operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department - Health Hazardous Materials Division, and the SCAQMD.

E. The ~~Petroleum Administrator~~City Manager may also require additional ~~community~~ monitoring ~~at the closest residential receptor~~ periodically for hydrogen sulfide, hydrocarbons or Toxic Air Contaminants. All the monitoring equipment shall keep a record of the levels of total hydrocarbons and hydrogen sulfide detected at each of the monitors, which shall be retained for at least five years. The operator shall, on a quarterly basis, provide a summary of all monitoring events where the hydrogen sulfide concentration was at five parts per million or higher and the total hydrocarbon concentration was at 500 parts per million or higher to the Fire Chief of the Los Angeles County Fire Department. At the request of the Fire Chief, the operator shall make available the retained records from the monitoring equipment.

~~9530.59531.5~~ **Water Quality**

The operator shall at all times conduct operations to avoid any adverse impacts to surface and groundwater quality, and shall comply with the following provisions:

~~9530.5.19531.5.1~~ **Water Quality Management Plan**

The operator shall comply with all provisions of a potable water management plan that has been approved by the ~~Petroleum Administrator~~City Manager. The plan shall include best management practices, water conservation measures, and the use of a drip irrigation system. The water management plan shall be reviewed by the operator every three years to determine if modifications to the plan are required. ~~The operator shall make changes to the plan if requested by the Petroleum Administrator.~~ Any modifications to the water management plan shall be submitted to the ~~Petroleum Administrator~~City Manager for review and approval. ~~The water management plan shall include any elements requested by the Petroleum Administrator. This Section does not apply to existing facilities.~~

9530.5.29531.5.2 Stormwater Runoff

Construction Storm Water Pollution Prevention Plan ("SWPPP"). The operator shall maintain and implement all provisions of a storm water pollution prevention plan ("SWPPP") that has been ~~inspected-submitted to by~~ the Regional Water Quality Control Board, ~~if required and the Petroleum Administrator~~City Manager. The operator shall provide the ~~Petroleum Administrator~~City Manager with a copy of the SWPPP, and any future modifications, revisions, or alterations thereof, or replacements therefore upon written or verbal request of the City Manager. The SWPPP shall be updated prior to new construction activities as required by the Regional Water Quality Control Board.

9530.5.39531.5.3 Groundwater Quality

- A. Prior to any new development ~~on any oil and gas site~~, the operator shall prepare and submit a baseline study of all groundwater resources located within and beneath the project site or directly adjacent to the site, to specifically include an analysis of the location and reservoir characteristics of all existing groundwater resources, a chemical analysis of the groundwater, and an overall assessment of the groundwater quality.
- B. The operator shall not inject any water spoils/wastewater derived from the any oil or gas operations into any non-exempt or DOGGR exempt freshwater aquifers.
- C. Within 30 days of request by the City, the operator shall deposit funds with the City necessary to retain a third party to prepare a hydrological analysis Groundwater Testing Program prior to any construction activities, or alternately, provide comparable analyses performed through the Groundwater Ambient Monitoring and Assessment Program or other reliable source as determined by the City Manager. Depending on the results of the geo-hydrological analyses the ~~Petroleum Administrator~~City Manager has the discretion to require the operator to install one or more groundwater monitoring wells to allow for confirmation that groundwater is not being affected by oil and gas activities. As part of the Groundwater Testing Program the operator is required to provide the ~~Petroleum Administrator~~City Manager with annual monitoring and testing results.
- D. The operator shall be responsible for obtaining a field/site study from DOGGR. If DOGGR does not provide this to the operator then the operator shall submit evidence detailing DOGGR's response to their field/site study request to the ~~Petroleum Administrator~~City Manager for review.
- E. The operator shall provide to the ~~Petroleum Administrator~~City Manager a copy of the DOGGR Annual Injection Project Review (if the operator is operating a water injection or water

~~disposal well) upon written or verbal request by the City Manager. The operator shall provide to the City Manager the results of any DOGGR required cement casing integrity testing to 100% of the anticipated reservoir pressures and cement bonds testing, including radial cement evaluation logs or equivalent upon written or verbal request by the City Manager,~~ before any wells are put into production.

~~9530.69531.6~~ **Noise Impacts**

All ~~oil and gas operations facilities~~ at an oil or gas site located within 1,000 feet of any prohibited zones, as indicated in Table 1-1, or ~~any distance as per the discretion of the Petroleum Administrator~~ if noise complaints have been levels exceed City thresholds as confirmed by the City Manager, ~~operations shall be conducted in a manner that minimizes noise and~~ shall comply with the following provisions:

- A. ~~Noise produced by oil or gas operations shall include no pure tones when measured at a distance of 1,000 feet from the project site.~~ All noise produced from the site shall conform to the noise thresholds specified in Sections 5500, 5501, 5502, and 5503 of the Code.
- B. Backup alarms on all vehicles operating within ~~the oil field~~ 1,000 feet of the prohibited zone in Table 1-1, shall be disabled between the hours of 6:00 p.m. and 8:00 a.m. During periods when the backup alarms are disabled, the operator shall employ alternative low-noise methods for ensuring worker safety during vehicle backup, such as the use of spotters.
- C. ~~Any and all operations, construction, or activities on the site within 1,000 feet of the prohibited zone in Table 1-1,~~ between the hours of 6:00 p.m. and 8:00 a.m. shall be conducted in conformity with a quiet mode operation plan that has been approved by the ~~Petroleum Administrator~~ City Manager. The quiet mode operation plan shall be reviewed by the operator every year to determine if modifications to the plan are required. ~~The operator shall make changes to the plan if requested by the Petroleum Administrator.~~ Any modifications to the quiet mode drilling plan shall be submitted to the ~~Petroleum Administrator~~ City Manager for review and approval. ~~Operations that are existing at the time this ordinance is adopted are exempt from the quiet mode plan submittal requirements but are required to comply with the quiet mode provisions listed in section 9507.1.J. The quiet mode operation plan shall include any other additional measures requested by the Petroleum Administrator.~~
- D. All noise producing oil and gas site equipment shall be regularly serviced and repaired to minimize increases in pure tones and other noise output over time. The operator shall maintain an equipment service log for all noise-producing equipment.

- E. All construction equipment shall be selected for low-noise output. All construction equipment powered by internal combustion engines shall be properly muffled and maintained.
- F. Unnecessary idling of construction equipment internal combustion engines is prohibited.
- G. The operator shall instruct employees and subcontractors about the noise provisions of this ordinance ~~prior to commencement of any operation, and shall annually certify to the Petroleum Administrator~~City Manager ~~that such employees and subcontractors have been properly trained to comply with such noise provisions.~~ The operator shall prominently post quiet mode policies at every oil and gas site if applicable.
- H. All oil operations on the ~~project-oil and gas~~ site shall be conducted in a manner that minimizes vibration. Additionally, vibration levels from oil or gas operations at the site, as measured from the perimeter of the oil or gas site, shall not exceed a velocity of 0.25 mm/s over the frequency range 1 to 100 Hz.
- I. For all oil and gas operations ~~that have received three noise complaints or the City has determined through monitoring that if noise levels exceed the levels prescribed in Section 5500, 5501, 5502, and 5503, of the Code or the vibration thresholds specified in Subsection (H) of this Section~~, including those outside of 1,000 feet as indicated above, within 30 days of request by the ~~Petroleum Administrator~~City Manager, the operator shall deposit funds for the ~~Petroleum Administrator~~City Manager to retain an independent qualified acoustical engineer to monitor (1) ambient noise levels and (2) vibration levels in the areas surrounding the oil or gas site as determined necessary by the ~~Petroleum Administrator~~City Manager. The monitoring shall be conducted unannounced and within a time frame specified by ~~Petroleum Administrator~~City Manager. ~~Shall-Should~~ noise or vibrations from the oil or gas site exceed the noise thresholds specified in Sections 5500, 5501, 5502, and 5503, of the Code or the vibration thresholds specified in Subsection (H) of this Section, operation can also be subject to enforcement under this ordinance including notices of violation per Section 9514. No new drilling permits, CUPs, or DAs shall be issued by the City until the operator in consultation with the ~~Petroleum Administrator~~City Manager identifies the source of the noise or vibration and the operator takes the steps necessary to assure compliance with thresholds specified in this ordinance. The results of all such monitoring shall be promptly posted on the website for the oil or gas site and provided to the ~~Petroleum Administrator~~City Manager.

95319532 Standards for Wells

The operator shall comply with all of the following provisions:

- A. All DOGGR regulations related to drilling, workovers, operations and abandonment operations.
- B. No more than ~~one two~~ drilling or workover or any other type of -rigs shall be present within the oil or gas site at any one time.
- ~~C. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, or if the Petroleum Administrator determines it is necessary, before the end of each calendar year, the operator shall develop and deliver to the Petroleum Administrator~~ City Manager ~~an annual well drilling plan, which shall describe all drilling, workover, well abandonment, and well site restoration activities that is proposed during the upcoming calendar year, in compliance with the following requirements:~~
- ~~1. The operator may at any time submit to the Petroleum Administrator~~ City Manager ~~proposed amendments to the then current annual plan.~~
 - ~~2. No drilling, or abandonment activity may be commenced unless the activity is described in a current annual plan (or an amendment thereto), which has been approved by the Petroleum Administrator~~ City Manager.
 - ~~3. The annual plan (and any amendments) shall be provided to the Petroleum Administrator~~ City Manager ~~for review, comment, and approval. All responses to the Petroleum Administrator~~ City Manager's ~~comments on the annual plan shall be submitted to the Petroleum Administrator~~ City Manager ~~in writing, and, if timely submitted, will be considered as part of the Petroleum Administrator~~ City Manager's ~~review and approval. No annual plan or amendments shall be complete until the operator submits a deposit to the Petroleum Administrator~~ City Manager ~~for the estimated costs of review. The operator shall make additional deposit(s) within 15 days of request by the Petroleum Administrator~~ City Manager ~~if the initial deposit is insufficient to cover the City's actual costs and expenses for review.~~
 - ~~4. The Petroleum Administrator~~ City Manager ~~shall complete the review of the annual plan (and any amendments) within forty-five days of receipt, unless the operator has failed to provide a sufficient deposit for review, and shall either approve the annual plan or provide the operator with a list of deficiencies. Failure to provide a deposit within 15 days request by the Petroleum Administrator~~ City Manager ~~may be grounds for rejection of the plan.~~
- ~~D. The annual well drilling plan shall comply with the provisions of this subsection, and shall include the following:~~

- ~~1. The maximum number of wells proposed to be drilled or abandoned;~~
 - ~~2. Approximate location of all wells proposed to be drilled or abandoned;~~
 - ~~3. Approximate location of all proposed new well sites, including their size and dimensions;~~
 - ~~4. Estimated well and casing depth of all proposed new and redrilled wells and their planned bottom hole locations (in GIS coordinates and with depth) as provided by DOGGR through notices of intent or permits;~~
 - ~~5. A discussion and DOGGR documentation of the steps that have been taken to maximize use of existing well sites and pads, maximize use of redrilled wells, and maximize the consolidation of wells;~~
 - ~~6. Locations, notices, and permits of all proposed well abandonments, if known, in accordance with submission to DOGGR and DOGGR's integrity testing program of idle wells;~~
 - ~~7. Location of all well sites and pads proposed to be abandoned and restored;~~
 - ~~8. A proposed schedule and phasing of the drilling, workovers, well abandonment, well site abandonment, and restoration activities;~~
 - ~~9. A discussion of the latest equipment and techniques that are proposed for use as part of the drilling program to reduce environmental impacts; and~~
 - ~~10. All engines used for drilling and maintenance operations shall be operated by muffled internal combustion engines or by electric motors.~~
- ~~E. Proven reasonable and feasible technological improvements, which are capable of reducing the environmental impacts of drilling shall be considered as they become, from time to time, available. The operator shall submit to the City all DOGGR well-related permits and notices.~~
- F.C. All derricks and portable rigs and masts used for drilling and workovers shall meet the standards and specifications of the American Petroleum Institute as they presently exist or as may be amended.

~~G.D.~~ All drilling and workover ~~equipment~~ shall be removed from the site within ninety days following the completion of drilling or workover activities unless the equipment is to be used at the site within ~~five-thirty~~ days for drilling or workover ~~operations~~.

~~H.E.~~ All drilling sites shall be maintained in a neat and orderly fashion.

~~H.F.~~ Belt guards shall be required over all drive belts on drilling and workover equipment. Guarding shall be as required by Title 8 of the California Code of Regulations, Section 6622, or as may be subsequently amended.

~~J.~~ ~~The use of exploratory wells on any oil and gas site shall be limited to a single well for a period equal to that allowed through DOGGR's processing (usually one year plus a one-year extension), at which point the operator shall either obtain an abandonment and restoration permit for the wells, revise and update a well permit, or obtain a CUP or DA for their use and operation as injection or production wells.~~

~~K.G.~~ ~~Excluding new well~~oil and gas sites in industrial zones, ~~a~~boveground pumpjack assemblies are prohibited ~~for new wells~~ and ~~all~~oil and gas sites are restricted to the exclusive use of submersible downhole pumping mechanisms for extraction. Additionally, any well already lawfully existing at the time of implementation of this ordinance ~~in all non-industrial zones~~, using a pumpjack assembly that is extending its period of production beyond the amortization date established in Section 9189.22(a) shall have its aboveground pump replaced with a submersible downhole pumping mechanism. The pumpjack assembly, along with its motor and fuel system, shall be removed from the oil or gas site within thirty (30) days of the completion of the operation. It is the intent of this Subsection to uninterruptedly carry forward, and not extend, previously existing amortization periods for the removal of pumpjack assemblies and the installation of submersible downhole pumping mechanisms. The requirements of this subsection K are applicable to all oil and gas ~~sites~~ ~~in all non-industrial zones~~ except for such facilities where the ~~Petroleum Administrator~~~~City Manager~~ determines that the use of submersible downhole pumping mechanisms is infeasible due to technical reasons or other circumstances which would specifically preclude the use of such technology.

95329533 Standards for Pipelines

The operator shall comply with the following provisions related to pipelines throughout operation of an oil or gas site:

9532.19533.1 Pipeline Installations and Use

- A. ~~P~~Pipelines shall be used to transport oil and gas off-site to promote traffic safety and air quality, unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1. Trucking on a temporary basis is allowed with approval of the City Manager.
- B. The use of a pipeline for transporting crude oil or gas may be a condition of approval for expansion of existing facilities or construction of new facilities. unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1
- C. New pipeline corridors shall be consolidated with existing pipeline or electrical transmission corridors where feasible, unless there are overriding technical constraints or significant social, aesthetic, environmental or economic reasons not to do so, as approved by the ~~Petroleum Administrator~~City Manager.
- D. New pipelines shall be routed to avoid residential, recreational areas, and schools if possible. Pipeline routing through recreational, commercial or special use zones shall be done in a manner that minimizes the impacts of potential spills by considering spill volumes, durations, and projected spill paths. New pipeline segments shall be equipped with automatic shutoff valves, or suitable alternatives approved by the ~~Petroleum Administrator~~City Manager, so that each segment will be isolated in the event of a break.
- E. Upon completion of any new pipeline construction, the site shall be restored to the approximate previous grade and condition. All sites previously covered with vegetation shall be reseeded with the same or recovered with the previously removed vegetative materials, and shall include other measures as deemed necessary to prevent erosion until the vegetation can become established, and to promote visual and environmental quality, unless there are approved development plans for the site, in which case re-vegetation would not be necessary.
- F. Gas from wells shall be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and light sources, unless the ~~Petroleum Administrator~~City ManagerAQMD approves the flaring of gas during the temporary operation of an ~~exploratory~~ well. Oil shall also be piped to centralized collection and processing facilities, in order to minimize land use conflicts and environmental degradation, and to promote visual quality.

~~G. Newly installed pipelines shall be designed, constructed, and all pipelines shall be monitored, tested, operated, and maintained in accordance with good oil field practice and applicable standards, as set forth in either the American Petroleum Institute (API) (API Rec. Prac. 1110, 3rd Ed., Dec. 1991, and API Spec. effective 1990), American Society for Testing and Materials (ASTM) (ASTM Designation Stand. Spec., 1991), or Code of Federal Regulations 49, Part 192, as these standards may be amended, or other methods approved by the Petroleum Administrator/City Manager. The Petroleum Administrator/City Manager may require design or construction modifications, and/or additional testing and maintenance if the Petroleum Administrator/City Manager determines that good practices and applicable standards have not been used. Good practice includes, but is not limited to:~~

- ~~1. Utilization of preventative methods such as cathodic protection and corrosion inhibitors, as appropriate, to minimize external and internal corrosion.~~
- ~~2. Utilization of pipeline coating or external wrapping for new or replaced buried or partially buried pipelines to minimize external corrosion. The coating or external wrapping shall have a high electrical resistance, be an effective moisture barrier, have good adhesion to the pipe, and be able to resist damage during handling.~~
- ~~3. Pipeline materials utilizing Electric Resistance Welded (ERW) type pipe.~~
- ~~4. Utilization of equipment such as high and low pressure or level alarms, automatic notification devices, motorized valves, back flow prevention devices and safety shut-down devices to minimize spill volume in the event of a leak.~~
- ~~5. If feasible, during piping relocation or replacement operations, locate any new pipelines or parts of a pipeline system above ground, preferably on supports or racks.~~

~~9532.29533.2~~ Pipeline Inspection, Monitoring, Testing and Maintenance

- A. Operators shall visually inspect all aboveground pipelines for leaks and corrosion on a monthly basis.
- B. The operator shall install a leak detection system for all offsite DOT regulated oil and gas crude pipelines. The leak detection system for oil shall include pressure and flow meters, flow balancing, supervisor control and data acquisition system, and a computer alarm and communication system in the event of a suspected leak ~~with t. Temperature, pressure, and flow shall be monitored at each pipeline entry and exit. The leak detection system for gas pipelines shall include pressure sensors. If any variable deviates by more than 10 percent of~~

~~the normal operating range, the system shall trigger both audible, communications, and visual alarms. Flow balancing for oil pipelines shall be conducted every 5 minutes, 1 hour, 24 hours, and 48 hours with t~~The accuracy shall be defined once the system is established and tested and approved by the ~~Petroleum Administrator~~City Manager. ~~The Petroleum Administrator~~City Manager may deviate from these requirements to address system specific operating requirements.

~~C. — The Petroleum Administrator~~City Manager may order such tests or inspections deemed necessary to establish the reliability and integrity of any pipeline system. Repairs, replacements, or cathodic protection may be required under the jurisdiction of the California State Fire Marshall (CSFM) for offsite pipelines.

~~D. — Any pipeline that has had a leak resulting in the release of a reportable quantity to any State or Federal agency, shall be pressure tested to verify integrity prior to being placed back into service.~~

~~E.C.~~ Pipe clamps, wooden plugs or screw-in plugs shall not be used for any permanent repair approved by the ~~Petroleum Administrator~~City Manager.

~~F.D.~~ Pipeline abandonment procedures shall be submitted to the ~~Petroleum Administrator~~City Manager for review and approval prior to any pipeline abandonment.

~~G. — As per 14 California Code of Regulations Section 1774, a mechanical integrity test shall be performed on all active pipelines that are gathering lines, and all urban pipelines over 4" in diameter, every two years. Pipelines less than 5 years old are exempt from the two year testing requirement. These tests shall be performed to ensure the pipeline integrity by using at least one of the following methods:~~

~~H. — Nondestructive testing using ultrasonic or other techniques approved by the Petroleum Administrator~~City Manager, to determine wall thickness.

~~I. — Hydrostatic testing using the guidelines recommended by API, or the method approved by the State Fire Marshal, Pipeline Safety and Enforcement Division.~~

~~J. — Internal inspection devices such as a smart pig, as approved by the Petroleum Administrator~~City Manager.

~~K. — Any other method of ensuring the integrity of a pipeline that is approved by the Petroleum Administrator~~City Manager.

~~E.~~ Copies of pipeline integrity test results required by any statute or regulation shall be maintained in a local office of the operator and posted online on the same website that provides the monitoring results required in Section 9531.1 for five years and shall also be made available to the City, upon request. ~~The operator shall repair and retest or remove from service any pipeline that fails the mechanical integrity test.~~ The City shall be promptly notified in writing by the operator of any pipeline taken out of service due to a test failure.

95339534 Temporary Buildings

During full production of an oil or gas site no temporary buildings are allowed to be constructed or maintained anywhere at the site.

95349535 Operational Prohibitions

Operational prohibitions. Notwithstanding any other provision of this article, it shall be unlawful to perform or cause to be performed the following activities within the City in conjunction with the production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City:

1. Injection pumps shall not operate at a pressure that produces a pressure exceeding 90-100 percent of the Maximum Allowable Surface Pressure (MASP) at the well head as determined by a DOGGR approved step rate test.
2. No cumulative pumping of acid shall occur in a volume in excess of the minimum Acid Volume Threshold for any well as calculated by DOGGR over a 1 year period
3. No well shall utilize more than 25,000 gallons of water in a 24 hour period, or more than 100,000 gallons per week, unless during an emergency and as approved by the City Manager. This restriction does not apply to produced water, or waste water that originated from a petroleum reservoir.
4. No more than 15 truck trips in a 24 hour period may be used for water deliveries, unless such water is used for a purpose other than extracting oil, gas, or any other hydrocarbon substance.

95359536 Prohibited Uses

The ~~owner~~/operator shall not use or cause to be used hydraulic fracturing, acidizing, or any other well stimulation treatment. Notwithstanding any other provision of this article, it shall be unlawful to use or cause to be used any land within the City for the purpose of conducting or enabling hydraulic fracturing, acidizing, or any other well stimulation treatment in conjunction with the

production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City, other than normal maintenance work that utilizes acidizing techniques. However, to the extent that any permittee demonstrates to the ~~Petroleum Administrator~~City Manager, that (1) well stimulation is necessary to recover the ~~owner~~/operator's reasonable investment backed expectation established through investment made before the effective date of this ordinance; and (2) that such well stimulation will not create a nuisance due to an adverse impact on persons or property within the City, then the ~~Petroleum Administrator~~City Manager may authorize such well stimulation pursuant to a permit issued pursuant to this ordinance. This Section shall remain in full force and effect unless otherwise required by any applicable State or Federal law, regulation or judicial determination.

~~9535.19536.1~~ **Violations of Prohibited Uses**

Any operator who violates Section 9536 of this ordinance shall be subject to the enforcement proceedings including those found in Sections 9512, 9513, and 9515 in addition to the following specifications:

- A. If an operator is found responsible for violation of Section 9536, the operator will be responsible for paying the City a fine of up to \$100,000 per calendar day or more per day, depending on the severity of the violation at the discretion of the ~~Petroleum Administrator~~City Manager.
- B. In addition to fines, the ~~Petroleum Administrator~~City Manager may also require an immediate shutdown of all operations at an oil and gas site where violations of Section 9536 have been identified, as long as the shutdown would not otherwise threaten public health, safety concerns or welfare.

Part 3. Development Standards ~~f~~For Well(s) or Site Abandonment, ~~Re-abandonment, Site Restoration and Redevelopment~~

~~9536~~9537 **Development Standards**

The following development standards shall be applied to all ~~well or site abandonment, re-abandonment, site restoration, and~~ redevelopment projects within the City footprint of an oil or gas site, including any building permit involving a current or former oil or gas site:

- A. Any demolition, abandonment, re-abandonment, ~~or restoration or redevelopment~~ shall be adequately monitored by a qualified individual, funded by the ~~permittee, owner, or~~ operator and retained by the City, to ensure compliance with those conditions designed to mitigate anticipated significant adverse effects on the environment and to provide recommendations in instances where effects were not anticipated or mitigated by the conditions imposed on the permit or entitlement. Pre-restoration and post-restoration surveys of sensitive biological resources shall be employed as appropriate to measure compliance.
- B. The site shall be assessed for previously unidentified contamination.
1. The permittee shall ensure that any discovery of contamination shall be reported to the ~~Petroleum Administrator~~City Manager and the Los Angeles County Fire Department.
- C. The permittee shall diligently seek all necessary permit approvals, including revisions to an entitlement or the demolition. Abandonment, re-abandonment and restoration permit, if any are required, in order to remediate the contamination.
- D. The permittee, ~~or operator and owner~~ shall be responsible for any cost to remediate the contamination on the site. This ordinance is not intended to limit the permittee, operator ~~or owners's~~ rights under the law to seek compensation from parties who have contributed to contamination of the site.
- E. The permittee shall ensure that appropriate notification has been recorded with the County Recorder to describe the presence and location of any contamination left in place under the authority of the Los Angeles County Fire Department.
- F. All abandoned or re-abandoned wells shall be leak tested subject to the following requirements:
1. All abandoned wells located within on the oil and gas site must be tested for gas leakage and visually inspected for oil leakage. The ~~owner, operator, or responsible party~~ shall apply to the ~~Petroleum Administrator~~City Manager for an inspection permit to witness the well testing. The leak test shall be completed utilizing a "~~GT-43~~" gas detection meter, ~~or one of comparable quality~~ approved in advance by the ~~Petroleum Administrator~~City Manager, and shall be conducted by a state licensed geotechnical or civil engineer or a state registered environmental assessor, Class II, or the ~~Petroleum Administrator~~City Manager, or a designee, as determined necessary by the ~~Petroleum Administrator~~City Manager.

2. The permittee shall prepare and submit a methane assessment report for each tested well prepared per the City of LA Department of Building and Safety "Site Testing Standards for Methane" (P/BC 2014-101), as may be amended. The ~~property owner, operator, permittee or agent~~ may use the City's consultant to observe the leak test or be responsible for City consultant test fees. Following satisfactory test results as per the City of LA Department of Building and Safety standards, a well vent and vent cone shall be installed to the satisfaction of the ~~Petroleum Administrator~~City Manager and in compliance with the recommendations contained in the methane assessment report.
 3. The submitted methane assessment report shall be prepared by a state licensed geotechnical or civil engineer ~~or state registered environmental assessor, class II~~. A well shall be considered leaking if the leak test report indicates the meter read is greater than Level II as defined by the City of LA Department of Building and Safety "Site Testing Standards for Methane", which is set at 1,000 parts per million.
 4. An approved methane assessment report is valid for 24 months from approval by the ~~Petroleum Administrator~~City Manager. If an abandonment permit has not been issued by this time, retesting shall be required. Following all testing and inspection, the test area shall be returned to its previous state to the satisfaction of the City building official.
 5. If there has not been a change to the well, no leak test is required if a valid methane assessment report, accepted by the ~~Petroleum Administrator~~City Manager and showing no leaks in excess of the leak limit, has been completed for an abandoned or re-abandoned well within the prior 24 months.
- G. Prior to any development or redevelopment of a current or former oil or gas- site, or prior to abandoning or re-abandoning any well, the operator ~~or owner~~ shall:
1. Obtain permit(s) and abandon all idled wells consistent with Section 9510.3 and provide a certificate of compliance to show that the wells and/or sites are abandoned consistent with standards recommended or required by DOGGR to the satisfaction of the ~~Petroleum Administrator~~City Manager. Permits shall not be required if the idled well is scheduled to produce oil or natural gas, or to be used for injection, as part of the development or redevelopment of a former oil or gas site and if said production or injection occurs within 5 years of issuance of a CUP or DA under this ordinance.

2. Obtain permit(s) consistent with Section 9510.3 to re-abandon all previously abandoned wells that do not meet standards recommended or required by DOGGR for abandonment in effect at the time of re-abandonment, and provide a certificate of compliance that the wells and/or sites are re-abandoned consistent with current conditions and standards recommended or required by DOGGR to the satisfaction of the ~~Petroleum Administrator~~City Manager. Permits shall not be required if re-entry of an abandoned well is scheduled to occur within 5 years of issuance of a CUP or DA under this ordinance, and if re-entry actually occurs within that period of time.
3. In lieu of Subsections (1) and (2), above, obtain a deferral covenant from the City requiring abandonment or re-abandonment to standards recommended or required by DOGGR, or equivalent standards as determined by the ~~Petroleum Administrator~~City Manager, at a specific time or upon the occurrence of a future event. The deferral covenant shall be approved as to form by the City Attorney, contain a provision to indemnify and hold harmless the City for damages related to wells not abandoned or re-abandoned consistent with standards recommended or required by DOGGR, and shall be recorded by the operator ~~or owner~~ with the County Clerk prior to approval.

H. Other Development Standards:

1. Permanent structures, or other construction that would be difficult or expensive to demolish, ~~unless otherwise approved by the opinion of by DOGGR,~~ shall not be located on top of any abandoned oil or gas well such that access for a well abandonment rig or other well maintenance equipment is constrained or inhibited from access to the well in the event of a future oil or gas leak, unless it can be demonstrated to the satisfaction of the City Manger that it is not feasible unless otherwise opioned by DOGGR. Pervious improvements, such as landscaping and porous parking areas with adequate landscape buffers, may be located on top of an abandoned or re-abandoned well which has passed the leak test consistent with Subsection C of this Section.

~~—The owner shall record a declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the wells have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it~~

~~leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the Petroleum Administrator/City Manager.~~

2. Redevelopment of a Former Oil and Gas Site: If redevelopment of a use other than an oil and gas operation is proposed at a completely or partially abandoned oil or gas site, the applicant shall submit an application to be processed as a Conditional Use Permit consistent for that use under Chapter 1, Article IX of this Code. Said application shall include the content required by Section 9510.3.2, and the Conditional Use Permit shall comply with the development standards of Section 9537.
3. Prior to issuance of a permit or entitlement for redevelopment of a former oil and gas site, the owner shall record declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the site have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the City.

**CITY OF CARSON
PLANNING COMMISSION
RESOLUTION NO. 15 - _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON RECOMMENDING THE CITY COUNCIL TO ADOPT TEXT AMENDMENT NO. 19-15, AN OIL AND GAS ORDINANCE FOR REGULATION OF PETROLEUM FACILITIES AND OPERATIONS, BY ADDING CHAPTER 5 TO ARTICLE IX, CONSISTING OF SECTIONS 9500 THROUGH 9537, AMENDING SECTIONS 9121.1, 9121.12, 9123, 9131.1, 9133, 9141.1, 9146.3, 9146.7, AND 9151.12, AND REPEALING SECTIONS 9128.6, 9138.10 AND 9148.2 OF THE CARSON MUNICIPAL CODE; AND RECOMMENDING APPROVAL OF A FINDING OF A CLASS 8 CATEGORICAL EXEMPTION UNDER CEQA GUIDELINES §15308

WHEREAS, all oil and gas operations have the potential for significant and immediate impacts on the health, safety, and welfare of the citizens of Carson through increased noise, odor, dust, traffic, and other disturbances, as well as the potential to significantly impact the City's air, water, soil, biological quality, geology, storm water and wastewater infrastructure, transportation, noise exposures, emergency response plans, aesthetic values, environmental and community resources; and

WHEREAS, the City of Carson zoning and land use standards and regulations on oil and gas drilling have not been updated in several years, and have not been updated prior to various changes in oil and gas production practices and changes to state statutes and regulations; and

WHEREAS, the City Council held a variety of meetings regarding these and related issues associated with petroleum operations on March 18, 2014, April 15, 2014, April 29, 2014, and May 20, 2014; and

WHEREAS, on March 18, 2014, the City Council adopted Urgency Ordinance No. 14-1534U entitled "An Interim Urgency Ordinance of the City of Carson, California, Establishing a 45-Day Temporary Moratorium on the Drilling, Redrilling or Deepening of any Wells Within the Jurisdiction of the City of Carson that are Associated with Oil and/or Gas Operations, and Declaring the Urgency thereof," and

WHEREAS, on May 20, 2014, the City Council directed City Staff to commence a complete and comprehensive review to update the Municipal Code regarding oil and gas operations and to study and address all modern-day drilling issues and applications; and

WHEREAS, City Staff were also directed to have at least two workshops with the community to receive community input and feedback; and

WHEREAS, the Community Development Department has also initiated a proposed text amendment to facilitate this review; and

WHEREAS, the City of Carson has reviewed and studied revisions as necessary to the City's laws, rules, procedures and fees related to petroleum operations and facilities, to enable the City to adequately and appropriately balance the rights of existing operators and future applicants who wish to develop oil and gas drilling and extraction facilities in the City, with the preservation of the health, safety and welfare of the communities surrounding the oil and gas drilling and extraction facilities in the city including exposure to nuisances; and

WHEREAS, as part of this review process the City of Carson has engaged in significant community outreach regarding this matter, including sending mailed notices of community meetings and Planning Commission hearing to the approximately 30,000 addresses in the city, publishing notices in the newspaper, and holding three community meetings regarding oil and gas operation issues; and

WHEREAS, City of Carson Staff prepared a proposed Oil and Gas Ordinance, including modifications to the Carson Zoning Ordinance, made it available on the City's Oil Code webpage, on February 11, 2015, and received public feedback during the community meeting on February 18, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the proposed Oil and Gas Ordinance, including modifications to the Carson Zoning Ordinance, at a duly noticed meeting at 6:30 a.m. on February 24, 2015, at the Congresswoman Juanita Millender-McDonald Community Center, Community Halls ABC, 801 East Carson Street, Carson, CA 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of April 14, 2015; and

WHEREAS, informal informational sessions were held with various members of the Planning Commission throughout the day on March 30, 2015; and

WHEREAS, City of Carson Staff refined provided additional refinements and made the updated proposed Oil and Gas Ordinance and other studies, reports and documents available on April 7, 2015; and

WHEREAS, the City of Carson engaged in additional community outreach and met with interested members of the community, environmental groups, and oil and gas interests on April 8, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the updates to the proposed Oil and Gas Ordinance, at a duly noticed meeting at 6:30 a.m. on April 14, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of May 12, 2015, with direction to City Staff to further revise the proposed Oil and Gas Ordinance and engage in further discussions with interested groups; and

WHEREAS, the City of Carson engaged in additional community outreach and had an additional meeting with representatives of oil and gas interests on May 26, 2015; and

WHEREAS, City of Carson Staff refined provided additional refinements and made the updated proposed Oil and Gas Ordinance and other studies, reports and documents available on June 1, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the revisions to the proposed Oil and Gas Ordinance at a duly noticed meeting at 6:30 a.m. on May 12, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of June 9, 2015, with direction to City Staff to further revise the proposed Ordinance and engage in further discussions with interested groups; and

WHEREAS, the City of Carson engaged in additional community outreach and had an additional meeting with representatives of oil and gas interests on May 26, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the proposed Oil and Gas Ordinance at a duly noticed meeting at 6:30 a.m. on May June 9, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was again considered by the Planning Commission of the City of Carson; and

WHEREAS, Planning Commission of the City of Carson has reviewed Text Amendment No. 19-15, including all associated amendments and repeals of the relevant portions of the Carson Municipal Code in order to enact the Oil and Gas Ordinance, for consistency with the General Plan and all applicable Specific Plans; and

WHEREAS, after considering public testimony and receiving information, the Planning Commission of the City of Carson desires to recommend approval of Zone Text Amendment No.

19-15, which implements an Oil and Gas Ordinance including modifications to the Carson Zoning Ordinance, to the City Council of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson has also reviewed and also desires to recommend approval of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308, as the Ordinance is an action taken by a regulatory agency for the protection of the environment, to the City Council of the City of Carson; and

WHEREAS, it is the intent of the recommendation of the Planning Commission of the City of Carson that petroleum operations shall be permitted within the City of Carson, except where expressly prohibited, subject to the application the Carson Municipal Code and all other applicable laws, regulations and requirements; and

WHEREAS, it is a purpose of said recommendation of adoption to protect the health, safety, public welfare, physical environment and natural resources of the City of Carson by the reasonable regulation of petroleum facilities and operations.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Text Amendment No. 19-15 was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. The Planning Commission hereby recommends finding and determination by the City Council that the adoption of Text Amendment No. 19-15 is exempt from CEQA pursuant to Section 15308 of the Guidelines for actions taken by regulatory agencies to assure the maintenance, restoration, enhancement, or protection of the environment. The Planning Commission also recommends such a finding is warranted as the Oil and Gas Ordinance is intended to further regulate oil and gas production in the City of Carson in such a way as to better protect the environment. No exception to the exemption under CEQA Guideline Section 15300.2 applies.

Section 2. The Planning Commission of the City of Carson has reviewed Text Amendment No. 19-15, including all associated amendments and repeals of the relevant portions of the Carson Municipal Code in order to enact the Oil and Gas Ordinance, and hereby finds it is consistent with the General Plan and all applicable Specific Plans.

Section 3. The Planning Commission of the City of Carson, based on its own independent judgment, finds that Text Amendment No. 19-15 promotes and protects the health, safety, welfare, and quality of life of City residents, including protection against nuisances, and adopts the Findings of Fact, attached as Exhibit “A” and incorporated in full by reference, any one of which findings would be sufficient to support adoption of this Text Amendment.

Section 4. The Planning Commission hereby recommends approval to the City Council of an Ordinance of to adopt Text Amendment No. 19-15 implementing an Oil and Gas Ordinance for regulation of petroleum facilities and operations by adding Chapter 5 to Article IX, consisting of sections 9500 through 9537, amending sections 9121.1, 9121.12, 9123, 9131.1,

9133, 9141.1, 9146.3, 9146.7, and 9151.12, and repealing sections 9128.6 and 9138.10 of the Carson Municipal Code, a recommended draft of which is attached as Exhibit B.

Section 5. The Secretary shall certify to the adoption of the Resolution and shall transmit copies of the same to the City Council of the City of Carson.

PASSED, APPROVED AND ADOPTED THIS 9th DAY OF JUNE, 2015.

CHAIRMAN

ATTEST:

SECRETARY

EXHIBIT “A”

FINDINGS OF FACT

The Planning Commission of the City of Carson, based on its own independent judgment, finds that Text Amendment No. 19-15 promotes and protects the health, safety, welfare, and quality of life of City residents and reduces nuisances as set forth in these Findings of Fact, any one of which findings would be sufficient to support a recommendation to adopt this Text Amendment, and any one of which may rely upon evidence presented in the other, including as follows:

I. Limited Water Supplies Should Be Preserved

A. Extreme Drought Conditions Throughout State Result In Water Shortages

The City, region and State of California are experiencing extreme drought conditions, and have been struggling to preserve potable water resources for most of the decade. On June 12, 2008, the Governor issued Executive Order S-06-08 calling for a State of Emergency regarding water shortages and availability. The State of Emergency was again called on February 27, 2009. Additionally, the Water Conservation Bill of 2009 SBX7-7 was passed, which requires every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections, to assess the reliability of its water sources over a 20-year planning horizon, and report its progress on 20% reduction in per-capita urban water consumption by the year 2020. Executive Order S-06-08 was not rescinded until March 30, 2011. Even then the Governor urged Californians to continue to conserve water.

Shortly thereafter extreme drought conditions once again resulted in water shortages. On January 17, 2014 the Governor again proclaimed a State of Emergency regarding water shortages and availability. On April 25, 2014, the Governor issued an executive order to speed up actions necessary to reduce harmful effects of the drought, and called on all Californians to redouble their efforts to conserve water. On December 22, 2014, Governor Brown issued Executive Order B-28-14, citing to the January 17, 2014 Proclamation and the April 25, 2014 Proclamation, and extending the operation of those proclamations until May 31, 2016.

During this period of time the State Water Resources Control Board (SWRCB) has been adopting new water conservation regulations. On July 15, 2014, SWRCB adopted emergency regulations prohibiting all individuals from engaging in certain water use practices and require mandatory conservation-related actions of public water suppliers during the current drought emergency. On March 17, 2015, the SWRCB amended and re-adopted the emergency drought conservation regulations, and they became effective on March 27, 2015.

Following the lowest snowpack ever recorded and with no end to the drought in sight, on April 1, 2015, the Governor directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This is the first time in state history such drastic steps have ever been ordered due severe drought conditions. The SWRCB continues to adopt new water and emergency conservation regulations for all of California to address systemic water shortages.

B. Oil and Gas Operations Can Use Large Amounts of Water

Oil and gas operations can use significant amounts of water in a relatively short period of time. Depending on the nature of the operation, water usage can exceed hundreds of thousands of gallons of water per day. Additionally, water and material deliveries to an oil and gas site are typically made by diesel trucks operating on a 24-hour basis. Potential land use and nuisance activities from these operations include water shortages from drought conditions, traffic, air emissions, noise, vibration, potential contamination of surface and subsurface water, and aesthetics.

The 2010 Urban Water Management Plan for the California Water Service Company - Dominguez District, which includes the City of Carson, sets district-specific targets of 193 gallons per capita day (gpcd) by 2015, and 171 gpcd by 2020.¹ In order to achieve these targets, as well as other state-mandated targets during this drought emergency, water conservation is imperative.

Excessive use of water for oil and gas operations could result in a significant impact on water resources for both the City and the surrounding area. Limited water supplies should be preserved municipal and other critical uses.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against excessive use of water and impacts on water sources, for the benefit of the public health, safety, welfare, and quality of life of City residents and also reduces associated nuisances.

II. Transportation of Water Required for Operations Creates Land Use and Nuisance Activities

Oil and gas operations generate a significant amount of truck traffic. All of the materials and equipment needed for activities associated with bringing a well into production are typically transported to the site by trucks. Additionally, wastewater from certain gas operations is usually removed by tanker truck to the disposal site or to another well for reuse. Much of the truck traffic is concentrated over the first 50 days following well development.² Wastewater disposal may require additional trips.

Transport associated with oil and gas operations through the City to well locations will result in potential adverse land use and nuisance activities including traffic loads, increased risk of truck accidents including releases chemical or wastewater spills, air emissions, noise, traffic congestion, degraded road quality, vibration, and aesthetics - each of which is detrimental to the public health, safety and welfare.

¹ The 2010 Urban Water Management Plan for the California Water Service Company - Dominguez District, http://www.water.ca.gov/urbanwatermanagement/2010uwmps/CA%20Water%20Service%20Co%20-%20Dominguez%20District/ DOM_UWMP_2010.pdf .

² Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 25.

Hauling water for oil and gas operations from outside the City also impacts water resources. The City relies on groundwater water sources tracked by the Water Replenishment District. The City is primarily located within the West Coast Basin area, which underlies 160 square miles in Los Angeles County. Additionally, the City is located adjacent to the Central Basin, which also underlies much of the Los Angeles area west of the City. Both of these basins are located in areas subject to extreme drought conditions, and transporting water from other portions of a shared basin will also impact water resources available to the City and surrounding areas. Likewise, hauling water from other regions within the state, or even adjacent states, would be taking water resources from other areas experiencing extreme drought conditions and water shortages. Even use of saltwater or other non-potable sources of water can increase nitrates and other chemicals in both groundwater and surface water supplies as a result of migration, spills, flow-back, and other factors related to petroleum operations and hydrocarbon extraction.

The City and the surrounding area rely upon groundwater and surface water supplies to provide potable and other types of water for its residences and businesses. Regardless of where water is proposed to be acquired for petroleum operations, transporting the water to and through the City to well locations will result in potential land use and nuisance activities from these operations including water shortages from drought conditions, traffic, air emissions, noise, vibration, potential contamination of surface and subsurface water, and aesthetics.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential land use, impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

III. Operations Can Create Groundwater Pollution or Impact Water Quality

Oil and gas operations have the potential for creating groundwater pollution or impacting water quality. Groundwater contamination from oil and gas operations can occur through a variety of mechanisms. Oil and gas are located at varying depths, often below underground sources of drinking water. The well bore, however, must be drilled through these drinking water sources in order to gain access to the oil and gas. Vibrations and pressure pulses associated with drilling can cause short-term impacts to groundwater quality, including changes in color, turbidity, and odor. Chemicals and natural gas can escape the well bore if it is not properly sealed and cased. While there are state requirements for well casing and integrity, accidents and failures can still occur.³ Wellbore leakage can lead to the deterioration of the quality of groundwater.⁴ Studies have noted that wellbores used for enhanced oil recovery operations were particularly vulnerable to leakage problems.⁵

³ Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 17.

⁴ "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

⁵ See "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014, 3.3.2.1.

The wastewater and chemicals from operations could contaminate the City and surrounding region's groundwater through improper storage or disposal, surface spills, or other means. Given the City's heavy reliance on groundwater, groundwater contamination could have devastating impacts on the local economy and water supplies. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential pollution and water quality impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

IV. Surface Spills and Leaks

All extraction activities come with some risk of surface or groundwater contamination from the accidental or intentional release of wasted. Fluids released into the ground from spills or leaks can run off into surface water and/or seep into the groundwater.

Spills can occur at any stage during the drilling lifecycle, Accidents and equipment failure during on-site mixing of the fluids can release chemicals into the environment. Above-ground storage pits, tanks, or embankments can fail. Vandalism and other illegal activities can also result in spills and improper wastewater disposal. Given the large volume of truck traffic associated with petroleum operations, truck accidents can also lead to chemical or wastewater spills.⁶

A recent study noted that reported wellbore leakage in active onshore drilling ranged from approximately 7% to 64% across a wide variety of locations.⁷ The likelihood of leakage is significant given the potentially high level of risk that can associate with petroleum operations. Leakage can impact groundwater, air quality, cause odors, contaminate soil, and result in a variety of other nuisance, health, safety and welfare issues.

Given the uncertainty of the frequency, severity, cause and impact of spills associated with petroleum operations, regulations designed to mitigate potential impacts are warranted given the severity of the risks associated with such operations.

V. Air Pollution, Particulate Matter and Odors

Odors, air pollution and particulate matter can be produced as a result of oil and gas operations, whether from mobile or stationary sources. These impacts are not localized, but can be spread by natural air flow cause by weather or physically generated outside a site by truck and other traffic. Odors have been known impact locations around an oil and gas site at distances of approximately 1,500 feet.

Air quality in the City and region already falls below state standards for some of the pollutants related to production activities. Enactment of the Oil and Gas Ordinance provides a

⁶ Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 27, see also Bailin, Deborah, P. Rogerson, J. Agatstein, J. Imm and P. Phartiyal, "Toward an Evidence Based Fracking Debate: Science, Democracy, and Community Right to Know in Unconventional Oil and Gas Development," Union of Concerned Scientists, October 2013, p. 10.

⁷ See "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

regulatory framework to reduce these risks. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential air pollution, particulate matter and odor impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City.

VI. Deleterious Public Health Effects

Development and production of oil and gas operations involve multiple sources of physical stressors such as noise, light, vibrations, toxicants, and impacts on air emissions. Many chemicals used during drilling and other stages of gas operations may have long-term health effects not immediately expressed.⁸ Enactment of the Oil and Gas Ordinance provides a regulatory framework to reduce these risks. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential deleterious public health effects from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VII. Oil and Gas Operations Impact Aesthetics

Oil and gas operations utilize unsightly derricks and rigs for drilling, re-drilling, workovers and other operations. This impact can be compounded by the large trucks and traffic traveling on the City's roadways through the community, dust, and light pollution from stadium-type lighting from around-the-clock drilling rigs. These aesthetic impacts are contrary to the urban nature of the City, are a nuisance and create a risk to the public, health and safety.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential deleterious aesthetic impacts from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VII. Oil and Gas Operations Are Incompatible With Residential Uses

The City is urbanized⁹ with a large residential population. The City's population in 2010 was 91,714 people,¹⁰ in an area of approximately 19.2 miles.¹¹ Oil and gas development projects are industrial operations that are incompatible with residential uses and quality of life. Petroleum operations often generate noise, odor, visual effects, significant heavy truck traffic, and other impacts noted in these Findings that are incompatible with residential areas. For these reasons, all petroleum operations should be directed away from areas with residential land use designations and the uses regulated to reduce adverse impacts on residents and the community.

⁸ Colborn, Theo, C. Kwiatkowski, K. Schultz and M. Bachran, "Natural Gas Operations from a Public Health Perspective," Human Ecological Risk Assessment, September 2011, pp. 1309-1056; See also "Chemicals Used in Hydraulic Fracturing," United States House of Representatives Committee on Energy and Commerce, April, 2011, p. 1.

⁹ City of Carson 2004 General Plan, 2014-2021 Housing Element, p. 7.

¹⁰ U.S. Census Bureau, 2015, Quick Facts –Carson California, <http://quickfacts.census.gov/qfd/states/06/0611530.html>.

¹¹ City of Carson 2004 General Plan, p. I-3.

Operations that may be located closer to residential uses should be subject to additional regulations to reduce the impacts caused by those incompatible operations upon residential uses. These can include landscaping, walls, sanitation, noise, odor and other control issues.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential incompatible impacts with residential uses, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VIII. Oil and Gas Operations, Closure, Abandonment and Other Uses

Land uses change. Over the past several decades the City of Carson has been changing from industrial uses to more residential and commercial uses. Former oil and gas operations sites are being utilized for other uses, including commercial and residential uses. These types of sites pose unique challenges to redevelopment, including potential contamination, locations of and impacts of abandoned facilities, potential for well leaks and the need for remedial access to address the same.

Prior to redevelopment or re-use of the site for another use, closed or abandoned sites that have not been properly cleaned and remediated can contribute to adverse impacts and nuisances including aesthetics, air quality, odor, graffiti, vandalism, weeds, contaminants, trash, and other items noted in the administrative record. Wells and sites can be left in an unsafe condition without being properly abandoned. Financial assurances posted with other agencies are often insufficient to address remediation and compliance efforts.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential impacts and nuisances caused by site abandonment and re-development, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

IX. Need for Financial Assurances

Accidents happen, and the nature of oil and gas operations can cause unique and potentially significant impacts upon the community not associated with other uses as has been noted in the administrative record. Financial assurances, to the extent they may be required by other agencies, are often insufficient to assure the impacts have been fully addressed. This leaves the public to pay either through unaddressed impacts on the community (aesthetics, odors, noise, risk of contamination, etc.) or to provide money to address the issue. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential impacts and nuisances caused by insufficient financial assurance for the benefit of the public health, safety, welfare, and quality of life of City residents.

CITY OF CARSON
PLANNING COMMISSION
RESOLUTION NO. 15 - _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON RECOMMENDING THE CITY COUNCIL TO ADOPT TEXT AMENDMENT NO. 19-15, AN OIL AND GAS ORDINANCE FOR REGULATION OF PETROLEUM FACILITIES AND OPERATIONS, BY ADDING CHAPTER 5 TO ARTICLE IX, CONSISTING OF SECTIONS 9500 THROUGH 9537, AMENDING SECTIONS 9121.1, 9121.12, 9123, 9131.1, 9133, 9141.1, 9146.3, 9146.7, AND 9151.12, AND REPEALING SECTIONS 9128.6, 9138.10 AND 9148.2 OF THE CARSON MUNICIPAL CODE; AND RECOMMENDING APPROVAL OF A FINDING OF A CLASS 8 CATEGORICAL EXEMPTION UNDER CEQA GUIDELINES §15308

WHEREAS, all oil and gas operations have the potential for significant and immediate impacts on the health, safety, and welfare of the citizens of Carson through increased noise, odor, dust, traffic, and other disturbances, as well as the potential to significantly impact the City's air, water, soil, biological quality, geology, storm water and wastewater infrastructure, transportation, noise exposures, emergency response plans, aesthetic values, environmental and community resources; and

WHEREAS, the City of Carson zoning and land use standards and regulations on oil and gas drilling have not been updated in several years, and have not been updated prior to various changes in oil and gas production practices and changes to state statutes and regulations; and

WHEREAS, the City Council held a variety of meetings regarding these and related issues associated with petroleum operations on March 18, 2014, April 15, 2014, April 29, 2014, and May 20, 2014; and

WHEREAS, on March 18, 2014, the City Council adopted Urgency Ordinance No. 14-1534U entitled "An Interim Urgency Ordinance of the City of Carson, California, Establishing a 45-Day Temporary Moratorium on the Drilling, Redrilling or Deepening of any Wells Within the Jurisdiction of the City of Carson that are Associated with Oil and/or Gas Operations, and Declaring the Urgency thereof," and

WHEREAS, on May 20, 2014, the City Council directed City Staff to commence a complete and comprehensive review to update the Municipal Code regarding oil and gas operations and to study and address all modern-day drilling issues and applications; and

WHEREAS, City Staff were also directed to have at least two workshops with the community to receive community input and feedback; and

WHEREAS, the Community Development Department has also initiated a proposed text amendment to facilitate this review; and

WHEREAS, the City of Carson has reviewed and studied revisions as necessary to the City's laws, rules, procedures and fees related to petroleum operations and facilities, to enable the City to adequately and appropriately balance the rights of existing operators and future applicants who wish to develop oil and gas drilling and extraction facilities in the City, with the preservation of the health, safety and welfare of the communities surrounding the oil and gas drilling and extraction facilities in the city including exposure to nuisances; and

WHEREAS, as part of this review process the City of Carson has engaged in significant community outreach regarding this matter, including sending mailed notices of community meetings and Planning Commission hearing to the approximately 30,000 addresses in the city, publishing notices in the newspaper, and holding three community meetings regarding oil and gas operation issues; and

WHEREAS, City of Carson Staff prepared a proposed Oil and Gas Ordinance, including modifications to the Carson Zoning Ordinance, made it available on the City's Oil Code webpage, on February 11, 2015, and received public feedback during the community meeting on February 18, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the proposed Oil and Gas Ordinance, including modifications to the Carson Zoning Ordinance, at a duly noticed meeting at 6:30 a.m. on February 24, 2015, at the Congresswoman Juanita Millender-McDonald Community Center, Community Halls ABC, 801 East Carson Street, Carson, CA 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of April 14, 2015; and

WHEREAS, informal informational sessions were held with various members of the Planning Commission throughout the day on March 30, 2015; and

WHEREAS, City of Carson Staff refined provided additional refinements and made the updated proposed Oil and Gas Ordinance and other studies, reports and documents available on April 7, 2015; and

WHEREAS, the City of Carson engaged in additional community outreach and met with interested members of the community, environmental groups, and oil and gas interests on April 8, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the updates to the proposed Oil and Gas Ordinance, at a duly noticed meeting at 6:30 a.m. on April 14, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of May 12, 2015, with direction to City Staff to further revise the proposed Oil and Gas Ordinance and engage in further discussions with interested groups; and

WHEREAS, the City of Carson engaged in additional community outreach and had an additional meeting with representatives of oil and gas interests on May 26, 2015; and

WHEREAS, City of Carson Staff refined provided additional refinements and made the updated proposed Oil and Gas Ordinance and other studies, reports and documents available on June 1, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the revisions to the proposed Oil and Gas Ordinance at a duly noticed meeting at 6:30 a.m. on May 12, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was considered by the Planning Commission of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson continued the item to its regular meeting of June 9, 2015, with direction to City Staff to further revise the proposed Ordinance and engage in further discussions with interested groups; and

WHEREAS, the City of Carson engaged in additional community outreach and had an additional meeting with representatives of oil and gas interests on May 26, 2015; and

WHEREAS, the Planning Commission of the City of Carson subsequently received and reviewed the proposed Oil and Gas Ordinance at a duly noticed meeting at 6:30 a.m. on May June 9, 2015, at City Hall, Helen Kawagoe Council Chambers, 701 East Carson Street, Carson, California, 90745; and

WHEREAS, public testimony and evidence, both written and oral, was again considered by the Planning Commission of the City of Carson; and

WHEREAS, Planning Commission of the City of Carson has reviewed Text Amendment No. 19-15, including all associated amendments and repeals of the relevant portions of the Carson Municipal Code in order to enact the Oil and Gas Ordinance, for consistency with the General Plan and all applicable Specific Plans; and

WHEREAS, after considering public testimony and receiving information, the Planning Commission of the City of Carson desires to recommend approval of Zone Text Amendment No.

19-15, which implements an Oil and Gas Ordinance including modifications to the Carson Zoning Ordinance, to the City Council of the City of Carson; and

WHEREAS, the Planning Commission of the City of Carson has also reviewed and also desires to recommend approval of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308, as the Ordinance is an action taken by a regulatory agency for the protection of the environment, to the City Council of the City of Carson; and

WHEREAS, it is the intent of the recommendation of the Planning Commission of the City of Carson that petroleum operations shall be permitted within the City of Carson, except where expressly prohibited, subject to the application the Carson Municipal Code and all other applicable laws, regulations and requirements; and

WHEREAS, it is a purpose of said recommendation of adoption to protect the health, safety, public welfare, physical environment and natural resources of the City of Carson by the reasonable regulation of petroleum facilities and operations.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. Text Amendment No. 19-15 was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. The Planning Commission hereby recommends finding and determination by the City Council that the adoption of Text Amendment No. 19-15 is exempt from CEQA pursuant to Section 15308 of the Guidelines for actions taken by regulatory agencies to assure the maintenance, restoration, enhancement, or protection of the environment. The Planning Commission also recommends such a finding is warranted as the Oil and Gas Ordinance is intended to further regulate oil and gas production in the City of Carson in such a way as to better protect the environment. No exception to the exemption under CEQA Guideline Section 15300.2 applies.

Section 2. The Planning Commission of the City of Carson has reviewed Text Amendment No. 19-15, including all associated amendments and repeals of the relevant portions of the Carson Municipal Code in order to enact the Oil and Gas Ordinance, and hereby finds it is consistent with the General Plan and all applicable Specific Plans.

Section 3. The Planning Commission of the City of Carson, based on its own independent judgment, finds that Text Amendment No. 19-15 promotes and protects the health, safety, welfare, and quality of life of City residents, including protection against nuisances, and adopts the Findings of Fact, attached as Exhibit “A” and incorporated in full by reference, any one of which findings would be sufficient to support adoption of this Text Amendment.

Section 4. The Planning Commission hereby recommends approval to the City Council of an Ordinance of to adopt Text Amendment No. 19-15 implementing an Oil and Gas Ordinance for regulation of petroleum facilities and operations by adding Chapter 5 to Article IX, consisting of sections 9500 through 9537, amending sections 9121.1, 9121.12, 9123, 9131.1,

9133, 9141.1, 9146.3, 9146.7, and 9151.12, and repealing sections 9128.6 and 9138.10 of the Carson Municipal Code, a recommended draft of which is attached as Exhibit B.

Section 5. The Secretary shall certify to the adoption of the Resolution and shall transmit copies of the same to the City Council of the City of Carson.

PASSED, APPROVED AND ADOPTED THIS 9th DAY OF JUNE, 2015.

CHAIRMAN

ATTEST:

SECRETARY

EXHIBIT “A”

FINDINGS OF FACT

The Planning Commission of the City of Carson, based on its own independent judgment, finds that Text Amendment No. 19-15 promotes and protects the health, safety, welfare, and quality of life of City residents and reduces nuisances as set forth in these Findings of Fact, any one of which findings would be sufficient to support a recommendation to adopt this Text Amendment, and any one of which may rely upon evidence presented in the other, including as follows:

I. Limited Water Supplies Should Be Preserved

A. Extreme Drought Conditions Throughout State Result In Water Shortages

The City, region and State of California are experiencing extreme drought conditions, and have been struggling to preserve potable water resources for most of the decade. On June 12, 2008, the Governor issued Executive Order S-06-08 calling for a State of Emergency regarding water shortages and availability. The State of Emergency was again called on February 27, 2009. Additionally, the Water Conservation Bill of 2009 SBX7-7 was passed, which requires every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections, to assess the reliability of its water sources over a 20-year planning horizon, and report its progress on 20% reduction in per-capita urban water consumption by the year 2020. Executive Order S-06-08 was not rescinded until March 30, 2011. Even then the Governor urged Californians to continue to conserve water.

Shortly thereafter extreme drought conditions once again resulted in water shortages. On January 17, 2014 the Governor again proclaimed a State of Emergency regarding water shortages and availability. On April 25, 2014, the Governor issued an executive order to speed up actions necessary to reduce harmful effects of the drought, and called on all Californians to redouble their efforts to conserve water. On December 22, 2014, Governor Brown issued Executive Order B-28-14, citing to the January 17, 2014 Proclamation and the April 25, 2014 Proclamation, and extending the operation of those proclamations until May 31, 2016.

During this period of time the State Water Resources Control Board (SWRCB) has been adopting new water conservation regulations. On July 15, 2014, SWRCB adopted emergency regulations prohibiting all individuals from engaging in certain water use practices and require mandatory conservation-related actions of public water suppliers during the current drought emergency. On March 17, 2015, the SWRCB amended and re-adopted the emergency drought conservation regulations, and they became effective on March 27, 2015.

Following the lowest snowpack ever recorded and with no end to the drought in sight, on April 1, 2015, the Governor directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This is the first time in state history such drastic steps have ever been ordered due severe drought conditions. The SWRCB continues to adopt new water and emergency conservation regulations for all of California to address systemic water shortages.

B. Oil and Gas Operations Can Use Large Amounts of Water

Oil and gas operations can use significant amounts of water in a relatively short period of time. Depending on the nature of the operation, water usage can exceed hundreds of thousands of gallons of water per day. Additionally, water and material deliveries to an oil and gas site are typically made by diesel trucks operating on a 24-hour basis. Potential land use and nuisance activities from these operations include water shortages from drought conditions, traffic, air emissions, noise, vibration, potential contamination of surface and subsurface water, and aesthetics.

The 2010 Urban Water Management Plan for the California Water Service Company - Dominguez District, which includes the City of Carson, sets district-specific targets of 193 gallons per capita day (gpcd) by 2015, and 171 gpcd by 2020.¹ In order to achieve these targets, as well as other state-mandated targets during this drought emergency, water conservation is imperative.

Excessive use of water for oil and gas operations could result in a significant impact on water resources for both the City and the surrounding area. Limited water supplies should be preserved municipal and other critical uses.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against excessive use of water and impacts on water sources, for the benefit of the public health, safety, welfare, and quality of life of City residents and also reduces associated nuisances.

II. Transportation of Water Required for Operations Creates Land Use and Nuisance Activities

Oil and gas operations generate a significant amount of truck traffic. All of the materials and equipment needed for activities associated with bringing a well into production are typically transported to the site by trucks. Additionally, wastewater from certain gas operations is usually removed by tanker truck to the disposal site or to another well for reuse. Much of the truck traffic is concentrated over the first 50 days following well development.² Wastewater disposal may require additional trips.

Transport associated with oil and gas operations through the City to well locations will result in potential adverse land use and nuisance activities including traffic loads, increased risk of truck accidents including releases chemical or wastewater spills, air emissions, noise, traffic congestion, degraded road quality, vibration, and aesthetics - each of which is detrimental to the public health, safety and welfare.

¹ The 2010 Urban Water Management Plan for the California Water Service Company - Dominguez District, http://www.water.ca.gov/urbanwatermanagement/2010uwmps/CA%20Water%20Service%20Co%20-%20Dominguez%20District/ DOM_UWMP_2010.pdf .

² Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 25.

Hauling water for oil and gas operations from outside the City also impacts water resources. The City relies on groundwater water sources tracked by the Water Replenishment District. The City is primarily located within the West Coast Basin area, which underlies 160 square miles in Los Angeles County. Additionally, the City is located adjacent to the Central Basin, which also underlies much of the Los Angeles area west of the City. Both of these basins are located in areas subject to extreme drought conditions, and transporting water from other portions of a shared basin will also impact water resources available to the City and surrounding areas. Likewise, hauling water from other regions within the state, or even adjacent states, would be taking water resources from other areas experiencing extreme drought conditions and water shortages. Even use of saltwater or other non-potable sources of water can increase nitrates and other chemicals in both groundwater and surface water supplies as a result of migration, spills, flow-back, and other factors related to petroleum operations and hydrocarbon extraction.

The City and the surrounding area rely upon groundwater and surface water supplies to provide potable and other types of water for its residences and businesses. Regardless of where water is proposed to be acquired for petroleum operations, transporting the water to and through the City to well locations will result in potential land use and nuisance activities from these operations including water shortages from drought conditions, traffic, air emissions, noise, vibration, potential contamination of surface and subsurface water, and aesthetics.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential land use, impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

III. Operations Can Create Groundwater Pollution or Impact Water Quality

Oil and gas operations have the potential for creating groundwater pollution or impacting water quality. Groundwater contamination from oil and gas operations can occur through a variety of mechanisms. Oil and gas are located at varying depths, often below underground sources of drinking water. The well bore, however, must be drilled through these drinking water sources in order to gain access to the oil and gas. Vibrations and pressure pulses associated with drilling can cause short-term impacts to groundwater quality, including changes in color, turbidity, and odor. Chemicals and natural gas can escape the well bore if it is not properly sealed and cased. While there are state requirements for well casing and integrity, accidents and failures can still occur.³ Wellbore leakage can lead to the deterioration of the quality of groundwater.⁴ Studies have noted that wellbores used for enhanced oil recovery operations were particularly vulnerable to leakage problems.⁵

³ Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 17.

⁴ "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

⁵ See "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014, 3.3.2.1.

The wastewater and chemicals from operations could contaminate the City and surrounding region's groundwater through improper storage or disposal, surface spills, or other means. Given the City's heavy reliance on groundwater, groundwater contamination could have devastating impacts on the local economy and water supplies. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential pollution and water quality impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

IV. Surface Spills and Leaks

All extraction activities come with some risk of surface or groundwater contamination from the accidental or intentional release of wasted. Fluids released into the ground from spills or leaks can run off into surface water and/or seep into the groundwater.

Spills can occur at any stage during the drilling lifecycle, Accidents and equipment failure during on-site mixing of the fluids can release chemicals into the environment. Above-ground storage pits, tanks, or embankments can fail. Vandalism and other illegal activities can also result in spills and improper wastewater disposal. Given the large volume of truck traffic associated with petroleum operations, truck accidents can also lead to chemical or wastewater spills.⁶

A recent study noted that reported wellbore leakage in active onshore drilling ranged from approximately 7% to 64% across a wide variety of locations.⁷ The likelihood of leakage is significant given the potentially high level of risk that can associate with petroleum operations. Leakage can impact groundwater, air quality, cause odors, contaminate soil, and result in a variety of other nuisance, health, safety and welfare issues.

Given the uncertainty of the frequency, severity, cause and impact of spills associated with petroleum operations, regulations designed to mitigate potential impacts are warranted given the severity of the risks associated with such operations.

V. Air Pollution, Particulate Matter and Odors

Odors, air pollution and particulate matter can be produced as a result of oil and gas operations, whether from mobile or stationary sources. These impacts are not localized, but can be spread by natural air flow cause by weather or physically generated outside a site by truck and other traffic. Odors have been known impact locations around an oil and gas site at distances of approximately 1,500 feet.

Air quality in the City and region already falls below state standards for some of the pollutants related to production activities. Enactment of the Oil and Gas Ordinance provides a

⁶ Cooley, Heather and Kristina Donnelly. "Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction," Pacific Institute, June 2012, p. 27, see also Bailin, Deborah, P. Rogerson, J. Agatstein, J. Imm and P. Phartiyal, "Toward an Evidence Based Fracking Debate: Science, Democracy, and Community Right to Know in Unconventional Oil and Gas Development," Union of Concerned Scientists, October 2013, p. 10.

⁷ See "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

regulatory framework to reduce these risks. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential air pollution, particulate matter and odor impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City.

VI. Deleterious Public Health Effects

Development and production of oil and gas operations involve multiple sources of physical stressors such as noise, light, vibrations, toxicants, and impacts on air emissions. Many chemicals used during drilling and other stages of gas operations may have long-term health effects not immediately expressed.⁸ Enactment of the Oil and Gas Ordinance provides a regulatory framework to reduce these risks. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential deleterious public health effects from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VII. Oil and Gas Operations Impact Aesthetics

Oil and gas operations utilize unsightly derricks and rigs for drilling, re-drilling, workovers and other operations. This impact can be compounded by the large trucks and traffic traveling on the City's roadways through the community, dust, and light pollution from stadium-type lighting from around-the-clock drilling rigs. These aesthetic impacts are contrary to the urban nature of the City, are a nuisance and create a risk to the public, health and safety.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential deleterious aesthetic impacts from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VII. Oil and Gas Operations Are Incompatible With Residential Uses

The City is urbanized⁹ with a large residential population. The City's population in 2010 was 91,714 people,¹⁰ in an area of approximately 19.2 miles.¹¹ Oil and gas development projects are industrial operations that are incompatible with residential uses and quality of life. Petroleum operations often generate noise, odor, visual effects, significant heavy truck traffic, and other impacts noted in these Findings that are incompatible with residential areas. For these reasons, all petroleum operations should be directed away from areas with residential land use designations and the uses regulated to reduce adverse impacts on residents and the community.

⁸ Colborn, Theo, C. Kwiatkowski, K. Schultz and M. Bachran, "Natural Gas Operations from a Public Health Perspective," Human Ecological Risk Assessment, September 2011, pp. 1309-1056; See also "Chemicals Used in Hydraulic Fracturing," United States House of Representatives Committee on Energy and Commerce, April, 2011, p. 1.

⁹ City of Carson 2004 General Plan, 2014-2021 Housing Element, p. 7.

¹⁰ U.S. Census Bureau, 2015, Quick Facts –Carson California, <http://quickfacts.census.gov/qfd/states/06/0611530.html>.

¹¹ City of Carson 2004 General Plan, p. I-3.

Operations that may be located closer to residential uses should be subject to additional regulations to reduce the impacts caused by those incompatible operations upon residential uses. These can include landscaping, walls, sanitation, noise, odor and other control issues.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential incompatible impacts with residential uses, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VIII. Oil and Gas Operations, Closure, Abandonment and Other Uses

Land uses change. Over the past several decades the City of Carson has been changing from industrial uses to more residential and commercial uses. Former oil and gas operations sites are being utilized for other uses, including commercial and residential uses. These types of sites pose unique challenges to redevelopment, including potential contamination, locations of and impacts of abandoned facilities, potential for well leaks and the need for remedial access to address the same.

Prior to redevelopment or re-use of the site for another use, closed or abandoned sites that have not been properly cleaned and remediated can contribute to adverse impacts and nuisances including aesthetics, air quality, odor, graffiti, vandalism, weeds, contaminants, trash, and other items noted in the administrative record. Wells and sites can be left in an unsafe condition without being properly abandoned. Financial assurances posted with other agencies are often insufficient to address remediation and compliance efforts.

Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential impacts and nuisances caused by site abandonment and re-development, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

IX. Need for Financial Assurances

Accidents happen, and the nature of oil and gas operations can cause unique and potentially significant impacts upon the community not associated with other uses as has been noted in the administrative record. Financial assurances, to the extent they may be required by other agencies, are often insufficient to assure the impacts have been fully addressed. This leaves the public to pay either through unaddressed impacts on the community (aesthetics, odors, noise, risk of contamination, etc.) or to provide money to address the issue. Based on these considerations and other impacts found in the administrative record, the Planning Commission finds Text Amendment No. 19-15 promotes and protects against potential impacts and nuisances caused by insufficient financial assurance for the benefit of the public health, safety, welfare, and quality of life of City residents.

EXHIBIT “1”

DRAFT

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CHAPTER 5

OIL AND GAS CODE

Part 1. Administrative Procedures

9500 Purpose

- A. This Chapter shall be known as the Oil and Gas ordinance of the City of Carson.
- B. It is the purpose of this ordinance, amongst other things, to protect the health, safety, public welfare, physical environment and natural resources of the city by the reasonable regulation of oil and gas facilities, equipment, and operations, including but not limited to: exploration; production; storage; processing; transportation; disposal; plugging abandonment and re-abandonment of wells; of operations and equipment accessory and incidental thereto and development and redevelopment of oil and gas sites. It is further the intent of the City that oil and gas operations shall be permitted within this city (except where expressly prohibited herein), subject to the application of this ordinance and all other applicable laws, regulations and requirements.
- C. It is not the intent of this ordinance to regulate public utility operations for the storage or distribution of natural gas under the jurisdiction of the California Public Utilities Commission (CPUC). Any well or site related operations, however, shall be subject to this ordinance.

9501 Ordinance Applicability

The regulations in this ordinance shall apply, insofar as specifically provided herein, to oil and gas production and related sites and facilities, equipment, structures, or appurtenances including, but not limited to:

- A. Drilling, and abandonment operations of any new or existing well or re-entry of a previously abandoned well for the production of oil and gas.
- B. Sites, infrastructure, structures, equipment, and/or facilities necessary and incidental to processing of oil, produced water, gas, and condensate obtained from an oil and gas field, zone, subsurface lease or area. .
- C. Injection wells and incidental equipment necessary for enhanced oil recovery or disposal of produced water.

- D. Equipment and facilities necessary for enhanced oil recovery including water flooding, steam flooding, air injection, carbon dioxide injection, or introduction of polymers, or other techniques.
- E. Pipelines located within an oil and gas lease area that are necessary for oil and gas production operations.
- F. Pipelines that transport oil or gas to another location for sale or transfer to a third party
- G. Storage tanks and equipment necessary or incidental to gathering, separation or treatment of oil, water, and gas, and/or temporary storage of separated fluids and gases, and transfer of the produced hydrocarbons to pipelines or tanker trucks.
- H. Oil spill containment and recovery equipment, and facilities including offices, storage spaces, and vehicles for the storage of floating oil and water separators, pumps, generators, hosing, assorted absorbent materials, steam cleaners, storage tanks, and other land and wildlife cleanup and recovery equipment.

To the extent the ordinance applies to existing oil and gas sites, it is not intended to apply in such manner as to interfere with any vested rights that have accrued to property owners.

9502 Allowable Uses

Table 1-1 below specifies what City zoning designations allow for oil and gas sites and, if allowable, what type of authorization is required for the use.

TABLE 1-1

* In addition to the zones listed in the table below, oil and gas sites shall be permitted in any specific plan area where such uses are specifically allowed in accordance with the requirements of this ordinance.

**CUP indicates a requirement for a Conditional Use Permit, while DA indicates a development agreement.

Zoning Designation	Oil and Gas Facility/Site Permit Required by Zone
Residential	
RS Residential Single Family	Not Permitted
RM Residential Multi-Family	Not Permitted
RA Residential Agricultural	Not Permitted
Commercial	
CN Commercial Neighborhood Center	Not Permitted
CR Commercial Regional Center	CUP & DA ¹
CG Commercial General	CUP & DA ¹
CA Commercial Automotive	Not Permitted
MU-CS Mixed Use-Carson Street	Not Permitted
MU-SB Mixed Use-Sepulveda Blvd.	Not Permitted
Industrial	
ML Manufacturing Light	CUP & DA ¹
MH Manufacturing Heavy	CUP & DA ¹
Open Space & Special Uses	
Open Space	Not Permitted
Special Uses	Not Permitted

¹ Development agreement provisions apply as specified in Section 9508.

9503 Definitions

Unless the context otherwise requires, the definitions hereinafter set forth shall govern the construction of this ordinance.

“Abandoned Well” means a non-producing well DOGGR so designates after it has been demonstrated that all steps have been taken to protect underground or surface water suitable for irrigation or other domestic uses from the infiltration or addition of any detrimental substance, and to prevent the escape of all fluids to the surface.

“Acid Well Stimulation Treatment” is defined in the DOGGR Statutes and Regulations and means a well stimulation treatment that uses, in whole or in part, the application of one or more acids to the well or underground geologic formation. The acid well stimulation treatment may be at any applied pressure and may be used in combination with hydraulic fracturing treatments or other well stimulation treatments. Acid well stimulation treatments include acid matrix stimulation treatments and acid fracturing treatments.

“Acid Fracturing” is an acid well stimulation treatment that, in whole or in part, includes the pressurized injection of acid into an underground geologic formation in order to fracture the formation, thereby causing or enhancing, the production of oil or gas from a well. **Acid Matrix Stimulation Treatment** is an acid well stimulation treatment conducted at pressures lower than the applied pressure necessary to fracture the underground geologic formation.

“Acid Volume Threshold” means a volume per treated foot of well stimulation treatment, calculated as per DOGGR consistent with DOGGR Statutes and Regulations.

“Air injection” is an enhanced oil recovery process utilizing compressed air that is injected into a reservoir. Oxygen in the gas reacts exothermically with some of the oil, producing highly mobile flue gas. The flue gas advances ahead of the reaction front and achieves an efficient displacement of the in situ oil.

“API” refers to the American Petroleum Institute.

“ASTM” ASTM shall mean the American Society of Testing and Materials.

“City Manager ” is the City’s administrative official, and the City Manager's designated assistants, inspectors and deputies having the responsibility for the enforcement of this ordinance.

“DOGGR” is the, Division of Oil, Gas and Geothermal Resources which is part of the Department of Conservation of the State of California. DOGGR oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

“DOGGR Statutes and Regulations” are the California statutes and regulations related to or governing DOGGR, at California Public Resources Code, Division 3, and Oil and Gas and the

California Code of Regulations, Title 14, Division 2.

"Drill" or "Drilling" is to bore a hole in the earth, usually to find and remove subsurface formation fluids such as oil and gas. Drilling, under this ordinance, includes re-drilling and re-working of wells.

"Enforcement action" is any administrative, injunctive, or legal action (either civil or criminal), to enforce, cite or prosecute a violation or efforts to abate or correct a violation (or dangerous or hazardous situation caused by a violation), including investigation, research, legal action, physical abatement, law enforcement and other necessary acts.

"Enhanced oil recovery" is the injection of steam, gas, or other chemical compounds into hydrocarbon reservoirs to stimulate the production of usable oil beyond what is possible through natural pressure and pumping at the wellhead.

"EPA" refers to the U.S. Environmental Protection Agency.

"Exploratory Well" is defined in the DOGGR Statutes and Regulations and means any well drilled to extend a field or explore a new, potentially productive reservoir.

"Facilities" include tanks, compressors, pumps, vessels, and other equipment or structures pertinent to oil field operations located at an oil and gas site.

"Gas" means any natural hydrocarbon gas coming from the earth.

"Gas Plant" means processing equipment for produced gas to separate, recover, and make useful natural gas liquids (condensate, natural gasoline [e.g., pentenes], and liquefied petroleum gas, etc.), to separate, remove, and dispose of other non-hydrocarbon substances, such as water, sulfur, carbon dioxide, ammonia, etc., and to produce utility-grade gas suitable for delivery and sale.

"High risk operation" means an oil or gas production, processing or storage facility which: (a) has been in violation of any applicable section of this ordinance for more than 30 consecutive days and resulted in the issuance of a notice of determination of fines pursuant to Section 9510.3.5 of this ordinance during the preceding twelve months; or (b) has had three separate unauthorized releases of oil, produced water and/or other hazardous materials of a quantity not less than fifteen barrels (six hundred thirty gallons) other than within secondary containment for each incident during the preceding twelve months

“Hydraulic Fracturing” is defined in the DOGGR Statutes and Regulations and means a well stimulation treatment that, in whole or in part, includes the pressurized injection of hydraulic fracturing fluid into an underground geologic formation in order to fracture, or with the intent to fracture, the formation, thereby causing or enhancing, for the purposes of this ordinance, the production of oil or gas from a well.

"Idle well" is defined in the DOGGR Statutes and Regulations and is any well that has not produced oil or natural gas or has not been used for injection for six consecutive months of continuous operation during the last five or more years. An idle well does not include an active observation well.

“Natural gas liquids” (NGLs) include propane, butane, pentane, hexane and heptane, but not methane and ethane, since these hydrocarbons need refrigeration to be liquefied..

“NFPA” refers to the National Fire Protection Agency.

“New Development” means any of the following: 1) development of new buildings, structures or wells for oil and gas operations on a site that has either not previously been used for such activities, or where the previous use was abandoned and the site exclusively used for operations not related to oil and gas for any intervening period; 2) the expansion by 3 or more wells at an existing site used for oil and gas operations and which conforms to setback requirements; or 3) the placement or erection of new buildings or structures capable of expanding operational capacity capable of accommodating an additional 3 or more average wells at the site. New development does not include the like-kind replacement of structures and equipment required for oil and gas operations that have failed, are at risk of failure, or are at the end of their useful life at an existing site conforming to setback requirements. New development does not include workovers or other maintenance, including replacement-in-kind, or re-drills of existing active or idle wells. Re-drills of abandoned wells are considered new wells under this ordinance.

"New Well" is defined by the DOGGR Statutes and Regulations as the drilling of a well that requires the submission of the DOGGR form OG105 - Notice of Intention to Drill New Well – Oil and Gas, as may be updated or amended. For the purposes of this ordinance, the re-drilling of an abandoned well is considered a new well.

“Oil” is a simple or complex liquid mixture of hydrocarbons that can be refined to yield gasoline, kerosene, diesel fuel, and various other products.

“Oil and Gas Site” or **"Site"** is a oil drilling site and all associated operations and equipment attendant to oil and gas production or injection operations including but not limited to, pipelines, tanks, exploratory facilities (including exploratory wells), flowlines, headers, gathering lines,

wellheads, heater treaters, pumps, valves, compressors, injection equipment, drilling facilities, and production facilities.

"Oil and Gas Operations" are all activities in connection with the exploration, drilling for and the production of oil and gas and other hydrocarbons, together with all incidental equipment and appurtenances thereto.

"Operator" means the person, who by virtue of ownership or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.

"OSHA" refers to the California Occupational Safety and Health Administration.

"Person" encompasses any individual, firm, association, corporation, joint venture or any other group or combination acting as an entity.

"Petroleum" is (1) A substance occurring naturally in the earth in a solid, liquid, or gaseous state and composed mainly of mixtures of chemical compounds of carbon and hydrogen, with or without other nonmetallic elements such as sulfur, oxygen, and nitrogen. (2) A general term for all naturally occurring hydrocarbons, whether gaseous, liquid, or solid.

"Pipelines," for the purposes of this ordinance, shall mean all flow lines associated with wells located within the City of Carson used for the transportation of petroleum or petroleum by-products or of materials used in the production of petroleum.

"Produced water" is a term used to describe the water that is produced along with crude oil and gas.

"PSM" refers to process safety management.

"Redevelopment" for the purposes of this ordinance is the development of all of a portion of a current or former oil or gas site to another authorized use other than petroleum operations.

"Re-drilling" is defined in the DOGGR Statutes and Regulations and is the deepening of an existing well or the creation of a partial new well bore including plugging of the original bore and casings and requires the submission of DOGGR form OG107 - Notice of Intention to Rework/Redrill Well, as may be updated or amended.

"Re-entry" is the process of cleaning a plugged and abandoned well by drilling, jetting, or other method.

“Re-work” is defined in the DOGGR Statutes and Regulations and means any operation subsequent to initial drilling that involves re-drilling, plugging, or permanently altering in any manner the casing of a well or its function and requires the filing of a notice of intent to rework/redrill a well with DOGGR. Altering a casing includes such actions as a change in well type, new or existing perforations in casing, running or removing of cement liners, placing or drilling out any plug (cement, sand, mechanical), running a wireline tool that has the ability to drill through a cased borehole, or any other operation which permanently alters the casing of a well. For the purposes of this ordinance, re-work includes a well abandonment.

“Refining” shall mean any industrial process facility where crude oil is processed and refined into more useful products and sold to others without further treatment or processing.

“Regional Water Quality Control Board” shall mean the Los Angeles Regional Water Quality Control Board.

“Secondary recovery” means an improved recovery method of any type applied to a reservoir to produce oil not recoverable by primary recovery methods and would include water flooding, steam flooding and gas injection.

“Secondary containment” means containment, which is external to and separate from the primary containment, typically constructed of masonry block or poured concrete walls which incorporates an impervious barrier, including but not limited to dikes, berms, or retaining walls sufficiently impervious to contain oil.

“Shut down” or “Shut Down Order” is an order by the City Manager, California State Fire Marshall, or DOGGR official, to restrict or prohibit certain (or all) functions or operations at a facility or by an operator pursuant to authority of this ordinance.

“SPCC” refers to Spill Prevention, Control, and Countermeasures.

“Steam Flooding” is a thermal oil and gas recovery method in which steam is injected into a reservoir through injection wells and driven toward production wells. The steam reduces the viscosity of crude oil, causing it to flow more freely. The heat vaporizes lighter hydrocarbons; as they move ahead of the steam, they cool and condense into liquids that dissolve and displace crude oil. The steam provides additional gas drive. This method is also used to recover viscous oils. The technique is also called Continuous Steam Injection or Steam Drive. Consistent with Section 3157(b) of Public Resources Code Division 3, steam flooding is not considered to be a well stimulation treatment.

“Cyclic Steaming” shall mean a production method with alternating steam flooding and

subsequent oil production from the same well. Consistent with Section 3157(b) of Public Resource Code Division 3, cyclic steaming is not considered to be a well stimulation treatment.

"Structure" means anything constructed or erected which requires location on the ground or is attached to something having a location on the ground, except outdoor areas such as walks, paved areas, tennis courts, and similar open recreation areas. This definition includes buildings, but does not include wells.

"Supervisor" means the DOGGR Supervisor.

"Toxic Air Contaminants" means an air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health as defined in California Health and Safety Code Section 39655, as may be amended from time to time. Title 17, Section 93000, of the California Code of Regulations, lists substances defined as Toxic Air Contaminants.

"USEPA" refers to the United States Environmental Protection Agency.

"Regional Water Quality Control Board" shall mean the Los Angeles Regional Water Quality Control Board.

"Waterflooding" is a method of secondary recovery in which water is injected into the reservoir formation to displace residual oil. The water from injection wells physically sweeps the displaced oil to adjacent production wells. Consistent with Section 3157(b) of Public Resource Code Division 3, waterflooding is not considered to be a well stimulation treatment.

"Well" is defined in the DOGGR Statutes and Regulations and means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

"Well stimulation treatment" is defined in the DOGGR Statutes and Regulations and means a treatment of a well designed to enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation is a short term and non-continual process for the purposes of opening and stimulating channels for the flow of hydrocarbons. Examples of well stimulation treatments include hydraulic fracturing, acid fracturing and acid matrix stimulation. Except for operations that meet the definition of "underground injection project" under 14 CCR

Section 1761(a)(2), a treatment at pressures exceeding the formation fracture gradient shall be presumed to be a well stimulation treatment unless it is demonstrated to DOGGR's satisfaction that the treatment, as designed, does not enhance oil and gas production or recovery by increasing the permeability of the formation. Except for operations that meet the definition of "underground injection project" under CCR Section 1761(a)(2), a treatment that involves emplacing acid in a well and that uses a volume of fluid equal to or greater than the Acid Volume Threshold for the operation shall be presumed to be a well stimulation treatment unless it is demonstrated to DOGGR's satisfaction that the treatment, as designed, does not enhance oil and gas production or recovery by increasing the permeability of the formation. Well stimulation treatment does not include steaming, water flooding or cyclic steaming and does not include routine well cleanout work; routine well maintenance; routine treatment for the purpose of removal of formation damage due to drilling; bottom hole pressure surveys; routine activities that do not affect the integrity of the well or the formation; the removal of scale or precipitate from the perforations, casing, or tubing; a gravel pack treatment that does not exceed the formation fracture gradient; or a treatment that involves emplacing acid in a well and that uses a volume of fluid that is less than the Acid Volume Threshold for the operation and is below the formation fracture gradient.

“Workover is the process of major maintenance or remedial treatments on an oil or gas well without changing the physical design of the well. Workovers include all operations that do not involve the initial drilling or re-working of wells and is regulated by DOGGR but without requirements for notices of intent or permits.

9504 Copies of Adopted Codes and Referenced Publications

This ordinance, insofar as it regulates oil and gas operations also regulated by the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), is intended to supplement such state regulations and to be in furtherance and support thereof. Some definitions in Section 9503 are based on DOGGR Statutes and Regulations and the intent of this ordinance is to utilize those definitions, as they may be amended from time to time by the California Legislature or by DOGGR, as applicable. In all cases where there is conflict with state laws or regulations, such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance. Additionally, the approving body, whether the City Manager, Planning Commission or City Council, may grant an exception or modification to the requirements of this ordinance to the minimal extent necessary to prevent a compensable taking. Such exception or modification shall be as consistent with the intent and purpose of this ordinance as possible given the specific factual circumstances of the particular project.

9505 Applicability to Existing Operations

All portions of this ordinance are applicable to new or existing oil and gas sites and operators if they have or are required to obtain a CUP. For oil and gas sites lawfully existing at the time of adoption of this ordinance and do not have or are not required to obtain a new CUP, only the following sections are applicable:

- 9506 Well Drilling Permit
- 9521 Setbacks
- 9522 Site Access and Operations
- 9523 Lighting
- 9524.1 Landscaping
- 9526 Signage
- 9527 Steaming
- 9530 Safety Assurances and Emergency/Hazard Management
- 9531 Environmental Resource Management
- 9532 Standards for Wells
- 9533 Standards for Pipelines
- 9535 Operational Prohibitions

Violations of these sections shall also be subject to enforcement mechanisms contained in this ordinance and Code.

9506 Well Drilling Permit

Prior to commencing drilling or re-working of any oil and gas well, the operator must receive a well drilling or re-work permit from DOGGR. Well permits from DOGGR shall be provided to the City Manager prior to commencement of drilling or re-working activities.

9507 Required Procedures for Conditional Use Permits

- A. New development to which this ordinance applies (see Section 9501) shall be required to receive a Conditional Use Permit (CUP), from the City Planning Commission in order to receive authorization for, and proceed with, the construction and operation of new development. No permits shall be considered or approved without such permits being consistent with provisions of the CUP.
- B. All procedures for CUPs to which this ordinance applies shall be consistent with the Article IX, Chapter 1, Part 7 of the Code as well as with the following additional requirements:

9507.1 Conditional Use Permit (CUP) Filing Requirements

In addition to the filing requirements required by Section 9173.1 (Applications) of this Code, for projects within the City to which this ordinance is applicable, the following materials are also required as part of a CUP application for the consideration of the Planning Commission, or the City Council on appeal:

- A. A complete statement of the proposed project including, but not limited to, activities, facilities, and sites.
- B. A new or updated emergency response plan to deal with potential consequences and actions to be taken in the event of floods, earthquakes, hydrocarbon leaks or fires for the site. The emergency response plan shall be approved by the City's Public Safety and Community Services Manager and the Los Angeles County Fire Department.
- C. A phasing plan for the staging of development that includes the estimated timetable for project construction, operation, completion, restoration, and, where applicable, the location and amount of land reserved for future expansion.
- D. A site plan showing:
1. Surface property, easement, rights-of-way and pipeline right-of-way boundaries within the site.
 2. Proposed access road constructions or modifications and connections with City streets and roads and any existing private roads.
 3. Areas to be used for construction.

4. Areas to be used for access and maintenance during pipeline operation within and adjacent to the site.
 5. Existing roads, and pipelines and pipeline rights-of-way, if any.
 6. Location and type of existing and proposed structures within 50 feet of pipeline right-of-way.
 7. Location of existing and proposed wells and oil or gas containing equipment and their measured distance from nearby uses, including the closest residential or school property line.
 8. Proposed alteration of surface drainages within the site.
 9. A contour map showing existing and proposed contours.
 10. A plan for parking on or off site.
 11. A map of all known, historic, or suspected active, idle and abandoned oil and gas wells or wellheads within the site and within 1500 feet of the site boundaries.
- E. Site operations plan containing process flow diagrams, piping and instrumentation diagrams, expected process flows (rates, pressures, composition, and shut-down/start-up procedures, quarterly/annual production, disposition, injection, and disposal).
- F. Plans with measures to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, air pollutants, and vibration) and to prevent danger to life, environmental quality, and property, consistent with the Development Standards in this ordinance.
- G. Estimates of the amount of cut and fill required by the proposed project.
- H. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, a plan for a community alert system (including new or utilizing existing systems, including but not limited to, those operated by the Police, Sheriff or Fire Department) to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.
- I. If any grading is proposed that results in the loss of vegetated, sandy, permeable ground areas, which could alter surface runoff at the site, a site-specific hydrologic analysis to evaluate anticipated changes in drainage patterns and associated increased runoff at the site.

J. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, a quiet mode operation plan which includes, but is not limited to, the following noise reduction measures:

1. Using signalers for all backup operations instead of backup alarms and turning off backup alarms;
2. Using radios instead of voice communication;
3. Minimizing crane use and pipe handling operations, pipe offloading from trucks and board loading to the maximum extent feasible and nighttime loading only for safety reasons;
4. Prohibiting material and supply deliveries to the Project Site between the hours of 6 p.m. and 8 a.m. on weekdays and prohibiting deliveries on weekends and holidays, with exceptions only for safety; and
5. Limiting process alarms and communications over the broadcast system to the maximum extent feasible during all operations and use only for safety reasons.

K. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, a photometric analysis, which compares the baseline of the existing light measurements with the proposed light spill that will result from the oil and gas site.

L. An Environmental Quality Assurance Program ("EQAP"). (Ref. Section 9531.1).

9507.2 Processing and Review

Processing of CUPs shall comply with California's Permit Streamlining Act requirements as consistent with Sections 9170 through 9179 of this Code.

A. The applicant may apply for:

1. The drilling operations only;
2. The production facilities only; or
3. Both the drilling and production facilities.

B. The City Manager will review the submitted application(s) for completeness in compliance with the filing requirements of Section 9507.1 and any other applicable sections of the Code, and shall refer the filed CUP to appropriate City departments or local and state agencies, as appropriate, for review and comment.

9507.3 Findings and Permitting Conditions

- A. In addition to the requirements of Section 9172.21D (Commission Findings and Decision), the Planning Commission shall approve a Conditional Use Permit only if it is able to make affirmative findings of the following criteria:
1. The proposed project shall be in conformance with requirements of other local, regional, or State entities;
 2. The project shall not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area;
 3. The project shall be in compliance with the Development Standards contained in Part 2 of this ordinance, commencing with Section 9521; and
 4. The project shall not result in an increased level of freshwater pollution or groundwater contamination in the immediate area or cause regulatory water standards at an existing water production well to be violated as defined in the California Code of Regulations, Title 22, Division 4, Chapter 15 and in the Safe Water Drinking Act, as they may be amended.
 5. Any existing non-conforming oil and gas sites located on the proposed project site shall already be in conformity, or will be brought into conformity, with all applicable provisions of this ordinance without having to relocate existing facilities.
- B. As a condition of approval of a CUP, the Planning Commission shall consider and impose appropriate conditions as deemed reasonable and necessary to find consistency with the findings 1 through 5 above.

9507.4 Modifications and Extensions

- A. The provisions of Section 9172.21 shall apply for all modifications or extensions requested for oil and gas operations.
- B. Any oil and gas operation in existence and lawfully operating when this ordinance becomes effective, that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance if any new development occurs at the existing oil and gas site.

9507.5 Change of Ownership/Operators Criteria

- A. Listing on Permit. Any person who operates an oil or gas site that is subject to this ordinance shall be listed as a permittee on the permit(s) issued for that facility.
- B. Acceptance of Permit. Prior to being listed on a permit, any operator of an oil or gas site that is subject to this ordinance shall provide the City with a letter from a authorized agent or officer of the operator formally accepting all conditions and requirements of the permit.
- C. Permits Transferable. Any CUP issued to any oil and gas site authorized pursuant to this Code shall be transferable to a new operator provided that the new operator accepts and meets all of the conditions and requirements of the CUP and this ordinance.
- D. Ongoing Notification. All operators, and guarantors shall, as an ongoing requirement, notify the City Manager in writing of any change in the information required by this Section within thirty days of such change.
- E. Change of Operator. A change of operator shall require an application filed with the City within thirty days prior to a change of operator. Upon approval by the City Manager, such change of operator will become effective upon joint notice from the prior and new operators that the change of operator has become effective. An application is not required when the change of operator does not entail a substantive change to operations or personnel of the oil or gas site as determined by the City Manager.
- F. Liability for Compliance with Permit Conditions. Any operator listed on a permit pursuant to this ordinance shall comply with all conditions of such permit. Failure to comply with such permit conditions shall subject the operator to the applicable penalty and enforcement provisions of this Code or other applicable ordinance for such permits.

Liability for Abandonment. The operator, as determined by the records of the City Manager, of a facility or site subject to this ordinance shall be responsible for the proper abandonment of the facility or site.

9508 Procedures for Development Agreements

Projects appropriate for development agreements are subject to the requirements of this Section, which establishes procedures for adoption. The procedures for development agreements will comply with Government Code Division 1, Chapter 4, Article 2.5 and the following additional requirements:

9508.1 Filing Requirements

- A. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person(s) who has a legal or equitable interest in the real property of the oil or gas site. The qualified applicant shall provide proof of ownership interest, proof of interest in the real property, and proof of the authority of the agent or representative, to act for the applicant. Said proof of interest and proof of authority shall be subject to review and approval by the City Attorney.
- B. The City Manager shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of development agreements. The applicant shall complete and submit such an application form to the City Manager, along with a deposit for the estimated direct and indirect costs of processing the development agreement. The applicant shall deposit any additional amounts for all costs and fees to process the development agreement, including all legal fees, within 15 days of request by the City Manager. Upon either completion of the application process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the costs of processing.
- C. The City Manager shall require an applicant to submit such information and supporting data as the City Manager considers necessary to process the application.
- D. A community benefit assessment to evaluate the benefits the DA will provide to the community.

9508.2 Processing and Review

- A. The City Manager shall endorse on the application the date it is received. An application or related document shall not be complete until an estimated deposit for the cost of processing has been paid to the City. If within 30 days of receiving the application the City Manager finds that all required information has not been submitted or the application is otherwise incomplete or inaccurate, the processing of the application and the running of any limits shall be suspended upon written notice to the applicant and a new 30 day period shall commence once the required material is received by the City Manager. If the City Manager finds that the application is complete it shall be accepted for filing and the Applicant so notified. The City Manager shall review the application and determine the additional requirements necessary to complete processing of the agreement. After receiving the required information and the application is determined to be complete, the City Manager shall prepare a staff report and recommendation to the Planning Commission and City Council stating whether or not the

agreement as proposed or in an amended form would be consistent with policies of the City, this ordinance and any applicable general or specific plan. The City Attorney shall review the proposed development agreement as to legal form.

B. Notice of a hearing regarding the development agreement shall be given by the City Manager and shall comply with the requirements of Government Code Section 65867, as may be amended, as well as in the manner set forth in Section 9173.22 Article IX, Chapter 1, Part 7 of the Code, except that the City Manager, not the Director, shall be responsible for providing notice.

C. The Planning Commission shall review the proposed development agreement and provide a recommendation to the City Council to approve, approve with modifications or deny the proposed development agreement. If the Planning Commission fails to take action within 60 days of opening the hearing on the matter, such failure shall be deemed to have made a recommendation of denial to the City Council unless the applicant has requested an extension of time, either in writing or on the record, which has been approved by the Planning Commission prior to the running of the 60th day.

D. The proposed development agreement shall be set for hearing and consideration before the Council within 60 days of the recommendation of the Planning Commission, unless the applicant agrees in writing to an extension of time with the City Manager prior to the matter being heard by the Council.

E. Within 10 calendar days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder. If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder.

9508.3 Findings and Development Agreement Conditions

A. After the City Council completes the public hearing, the Council may not approve the development agreement unless it finds that the provisions of the agreement:

1. Are consistent with the goals, objectives, and policies of the general plan and any applicable specific plan;

2. Are compatible with the uses authorized in, and the regulations prescribed for the zoned district in which the real property is located;
3. Will not be detrimental to the health, safety, environmental quality, and general welfare of the community;
4. Will not adversely affect the orderly development of property or the preservation of property values; or
5. Provides for a penalty for any violation of the development agreement consistent with the provisions of Section 9514.

9508.4 Modifications and Extensions

- A. The provisions of Government Code Section 65868 shall apply for all modifications, extensions or other amendments of the terms of a development agreement subject to this ordinance.
- B. Either party may propose an amendment or termination of an approved development agreement subject to the following:
 1. The procedure for amending or terminating, the development agreement is the same as the procedure for entering into an agreement in the first instance.
 2. The development agreement may be amended or cancelled only by the mutual consent of the parties, as provided in California Government Code section 65868.
- C. Nothing herein shall limit the City's ability to terminate or modify the agreement consistent with Government Code section 65865.1 or 65865.3 as may be amended.

9509 Periodic Review

The City may choose to conduct a comprehensive review of any oil or gas drilling permit, CUP or DA every five years from the date of approval to determine if the project and the associated CUP or DA are adequately mitigating significant environmental impacts caused by the drilling and operations. Nothing in this section shall limit the City's authority to conduct a review at more frequent intervals, engage in mitigation monitoring as required by CEQA, or otherwise act as directed or authorized by law.

- A. Within 30 days from the request by the City, the operator shall deposit to the City the funds necessary for the City to retain a third party entity to prepare a periodic review, which

includes all records, drawings, specifications, permits from state agencies, and analysis of the effectiveness of this ordinance, enforcement activity, and any other issues associated with potentially adverse effects of and complaints about oil and gas site operations. A periodic review will be funded by the operator at most once every 5 year period following approval. If the periodic review identifies significant deficiencies in an oil and gas drilling permit, a CUP or DA that are resulting in unmitigated adverse impacts then the City Manager may identify these deficiencies and bring forward recommendations of corrective actions to the Planning Commission or City Council for consideration and prospective amendments of oil and gas drilling permits, CUP, and/or DA.

B. A well drilling permit, CUP, or DA may also be reviewed by the City Manager at any time, if more than three violations occur within a twelve month period and the City Manager determines that resolution of the violations may be addressed by a new drilling permit and/or an amendment to the CUP or DA. The City Manager shall make a recommendation of amendments to the Planning Commission for CUPs and the City Council for DAs, as deemed necessary.

C. Nothing in this Section shall limit the requirements of an operator with a DA to demonstrate to the City Manager good faith compliance with the terms of the agreement at least every 12 months as required by Government Code section 65865.1. If as a result of that review the City Manager believes there is substantial evidence that the operator has not complied in good faith with the terms or conditions of the agreement, the City Manager shall present the matter to the Commission for a recommendation to the City Council. The Commission shall set the matter for public hearing within 40 days of receipt of the matter from the City Manager. If the Commission fails to act upon such request within a reasonable time, the Council may, by written notice, require the Commission to render its recommendation within 40 days. Failure to so report to the Council within the above time period shall be deemed to be a recommendation against modification or termination. After the Commission has rendered its recommendation, the matter shall be set for hearing before the City Council, who may terminate or modify the agreement if it finds and determines, on the basis of substantial evidence, that the operator or successor in interest has not complied in good faith with the terms and conditions of the DA.

9510 Facility Closure, Site Abandonment, and Site Restoration Procedures

The following provisions and procedures shall be implemented at the end of life of an oil and gas site, subject to a CUP, and govern the site (including well) facility closure and site restoration procedures:

9510.1 Purpose and Intent

- A. Section 9510 et seq. establishes procedures and provisions to achieve the timely abandonment of oil and gas related activities and land uses, and following the abandonment, the timely and proper removal of applicable oil and gas facilities (including wells, equipment and gas-related structures), reclamation and remediation of host sites, and final disposition of pipelines, in compliance with applicable laws and permits.
- B. The procedures ensure appropriate due process in differentiating idled from abandoned facilities and protecting the vested rights of permittees while also ensuring that sites with no reasonable expectation of restarting are removed, in compliance with the intent of abandonment permits. These procedures also ensure a process for abandoning or re-abandonment of portions of sites where oil and gas operations will continue on the site, as well as procedures for restoration and redevelopment of a site to other uses at the end of the economic life of oil and gas production.

9510.2 Applicability

Oil and gas sites and operations subject to this ordinance shall include all permitted uses identified in Section 9501 of this Code, regardless of whether these uses were permitted in compliance with this ordinance or any preceding ordinance. This includes, all pipeline systems, except for public utility natural gas transmission and distribution systems, that either transport or at one time transported natural gas, oil, produced water, or waste water that originated from a reservoir, regardless of whether these uses were permitted in compliance with this Code or any preceding ordinance.

9510.3 Application Process

The procedures for processing an abandonment and site restoration permit shall utilize the notice, hearing and appeal process for a Conditional Use Permit as detailed in Article IX, Chapter 1, Part 7 of the Code. For any item required to be submitted less than 180 days in advance, the City Manager has the discretion to process and approve the application. Any person may submit an appeal to the City Manager or the Planning Commission within 15 days of the City Manager's notice of decision consistent with Section 9173.4. Mandatory requirements of the Code are not subject to appeal. All procedures shall be consistent with the following requirements:

9510.3.1 Requirement to File an Application

- A. Complete Abandonment of oil and gas operations: The operator shall submit an application to the City Manager upon intentional abandonment of the entire oil and gas

operation or site. The application for abandonment and site restoration proceedings shall be submitted 180 calendar days prior to the planned shutdown of all the facilities.

B. Partial Abandonment of oil and gas operations: If any portion of the oil or gas site is being abandoned, or if a well is being re-abandoned, the operator shall submit an application to the City Manager for partial abandonment of oil or gas operations. Said application shall be submitted not later than 30 calendar days prior to abandonment or re-abandonment of wells involving no more than 10% of the total number of wells on site or 10 wells, whichever is more; all other applications shall be submitted not later than 180 calendar days prior to abandonment, re-abandonment or restoration.

C. Other Events Requiring an Application. The operator land use shall submit an application for abandonment, re-abandonment, and site restoration proceedings to the City Manager upon any of the following:

1. Any event or condition designated in an existing City permit or entitlement that would require consideration of abandonment. The Application shall be submitted 90 days in advance of the event or condition. If the event or condition cannot be known until after it occurs, the application must be submitted within 15 days of the event or condition.
2. Upon the revocation, expiration, or failure to obtain or maintain in full force and effect permits required by the provisions of this ordinance. The application shall be submitted within 30 days of the revocation, expiration or failure to obtain or maintain such a required permit. Notwithstanding, for all permits and entitlements not involving a revocation, the operator will not be required to submit an application for abandonment if the operator instead files an application for a new permit or entitlement that is accepted by the City Manager as complete within 60 days of the expiration, and the operator thereafter diligently pursues approval.
3. Upon order of DOGGR. The application shall be submitted within 30 days of a DOGGR order to abandon, re-abandon, and restore the site.
4. Detection of a leak of an abandoned or re-abandoned well. The application shall be submitted as soon as possible, but not later than 30 days of knowledge of the leak by the operator, regardless whether notice is obtained through a leak test conducted consistent with Section 9537(C) or through other means.

9510.3.2 Content of Application

The application shall be in a form and content specified by the City Manager and this Section.

The application shall contain the following:

- A. Name, address, and contact information for the permittee.
- B. Name, address, and general description of the permitted land use.
- C. Gross and net acreage and boundaries of the subject property.
- D. Location of all structures, above and underground, proposed to be removed.
- E. Location of all structures, above and underground, proposed to remain in-place.
- F. Locations of all structures, above and underground, proposed for development, if any.
- G. Location of all wells, including active, idled, abandoned or re-abandoned wells, including distances from site boundaries, and existing structures. Each well shall include the DOGGR well name and number, as well as the American Petroleum Institute (API) well number. If available, the location of the wells shall be identified with the name of the operator and well designation.
- H. An American Land Title Association (A.L.T.A) survey of the site, showing all improvements, easements, rights-of-way, and other elements impacting the ownership of land.
- I. Location of all utilities on the subject property.
- J. Location of all easements on or adjacent to the subject property that may be affected by demolition or reclamation.
- K. To the extent known, the type and extent of all contamination and proposed remedial actions to the level of detail that can be assessed through environmental review. This information does not require a new or modified Phase 2 site assessment in advance of any requirement by the Fire Department or State agencies with regulatory oversight of site assessments.
- L. Location of areas of flood, geologic, seismic, and other hazards.
- M. Location of areas of archeological sites, habitat resources, prime scenic quality, water bodies, and significant existing vegetation.

- N. Location and use of all structures within 100 feet of the boundaries of the subject property.
- O. A proposed abandonment and restoration plan that details the activities for the proposed action, including the following details: hours of operation, estimated number of workers required on site to decommission facilities and structures or to otherwise abandon or re-abandon wells, disposition of equipment and structures proposed for decommissioning, projected method and routes of transporting equipment, structures, and estimated debris from the site to the place of disposition as well as the number of trips required, and an estimated schedule for decommissioning the facilities or completion of the work.
- P. A proposed waste-management plan to maximize recycling and minimize wastes.
- Q. Other permit applications that may be required by the Code to retain any existing structures, roadways, and other improvements to the property that were ancillary to the oil or gas operations and are proposed to be retained to support other existing or proposed uses of the property following abandonment of the oil or gas operations.
- R. A proposed grading and drainage plan.
- S. A proposed plan to convert the site to natural condition or convert to other proposed land use, including a detailed schedule for restoring the site. In the latter case, include other applicable permit applications required, if any, for the proposed land use.
- T. A statement of intent regarding the disposition of utilities that served the oil and gas operations, including fire protection, power, sewage disposal, transportation, and water.
- U. Measures proposed to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, smoke, traffic congestion, vibration) and to prevent danger to life and property.
- V. A copy of DOGGR approval to abandon, re-abandon or remediate well(s).
- W. A leak test report for each abandoned well on the site that meets the requirements of Section 9537.
- X. For abandonment or restoration in any circumstances where the permit is approved by the City Manager without Planning Commission action, proof of mailed notice of intent to seek a permit to abandon or restore to the owner of record on the latest assessment roll for

neighboring parcels within 500 feet of the oil and gas site property boundaries. The notice shall generally describe the scope of the activity being proposed.

Y. Any other information deemed reasonably necessary by the City Manager to address site-specific factors.

9510.3.3 Permitting Specifications

A. Application Filing. The City Manager shall process complete applications for permits after determining the applications to be complete in compliance with Section 9510.3.2 of this ordinance, and submit applications subject to initial Planning Commission review to the Planning Commission with a recommendation regarding approval if the findings in Section 9510.3.4 are met. An application shall not be complete unless the applicant has made a deposit for the estimated direct and indirect costs of processing the application. The applicant shall deposit any additional amounts for the costs to process the application, including legal review, within 15 days of request by the City Manager. Upon either completion of the permitting process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the direct and indirect costs of processing.

B. Independent or concurrent processing of applications. For applications subject to initial Planning Commission review, the Planning Commission shall process complete applications for abandonment and site restoration permits independently of any other permit applications to develop the site in question, unless the City Manager makes the determination that the concurrent processing of abandonment and site restoration permits and development permits for the same site do not unduly hinder timely restoration of abandoned sites or result in long delays in securing approval of development permits.

C. Demolition and restoration permit shall supersede. Upon approval of a demolition and restoration permit subject to initial approval by the Planning Commission, or upon abandonment of operations, whichever occurs later, the demolition and reclamation permit shall supersede any inconsistencies in the discretionary permit approved for construction and operation of the facilities.

D. Conditions of Permit. In addition to any other requirements of this Code, any permit for abandonment, re-abandonment or restoration shall be subject to the following requirements regardless whether initially approved by the City Manager or the Planning Commission:

1. Oil well abandonment shall be performed by oil service company contractors licensed to do business in the city.

2. All equipment and surface installations used in connection with the well which are not necessary, as determined by the City Manager or Planning Commission, for the operation or maintenance of other wells of on the drill or operation site shall be removed from the site.
3. The abandoned site or portions of the oil and gas site shall be restored to its original condition or as nearly as is practical given the nature of the location and continuing uses for an oil and gas site, so long as the restoration will not adversely impact ongoing oil and gas production operations.
4. All sumps, cellars, and ditches which are not necessary for the operation or maintenance of other wells on the oil or gas site shall be cleaned out and all oil, oil residue, drilling fluid, and rubbish shall be removed to reduce hydrocarbons to standards acceptable to federal, state, or local agencies. All sumps, cellars, and ditches shall be leveled or filled. Where such sumps, cellars, and ditches are lined with concrete, the operator shall cause the walls and bottoms to be broken up and all concrete shall be removed.
5. The portions of the site not necessary for continuing oil or gas site operations shall be cleaned and graded and left in a clean and neat condition free of oil, rotary mud, oil-soaked earth, asphalt, tar, concrete, litter, and debris.
6. All public streets, alleys, sidewalks, curbs and gutters, and other places constituting public property which may have been disturbed or damaged in connection with any operation, including operations for the abandonment or re-abandonment of the well shall be cleaned, and, except for ordinary wear and tear, shall be repaired and restored to substantially the same condition thereof as the same existed at the time of issuance of the permit, or at the time operations were first commenced in connection with the drilling, operation, or maintenance of the well.
7. A copy of written approval of DOGGR confirming compliance with all state abandonment proceedings for all abandoned facilities must be furnished to the City Manager.
8. Proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property.

9510.3.4 Findings Required for Approval

In addition to the findings specified in 9172.21 of the Code, for permits the City Manager or Planning Commission shall also make affirmative findings based on the following criteria:

- A. The subject site will be restored and remediated to its pre-project conditions unless areas within the site are subject to approved development, in which case restoration and landscaping of these areas will conform to the permitted development. In cases where development is proposed but not yet permitted, restoration of affected areas to natural conditions may be waived by the Planning Commission; provided, the development is permitted within five years and the permittee has posted financial assurances acceptable to the City Manager to ensure restoration to natural conditions if the proposed development is not permitted.
- B. The proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property
- C. The permit conditions comply with Section 9510.3.3 and contain specific enforceable requirements to ensure the timely completion of any abandonment or re-abandonment of wells, restoration activities or cessation of other oil and gas site operations subject to the permit.

9511 Operational Noticing

- A. Each operator shall submit copies of notices provided to or received from DOGGR, to the City Manager, within ten business days of transmission or receipt of such notices, as applicable. These shall include: designation of agents, notice of intent to drill a new well, division approvals (permit to conduct well operations, notice and permit to drill, permit to rework/redrill well (p-report), enhanced recovery project approval, water-disposal project approval, commercial water-disposal approval), notice of intention to rework/redrill well, notice of intention to abandon/re-abandon well, supplementary notices, report of property transfer forms and any inspection reports or notices of violation, as these notices may be updated or amended. All other DOGGR notices or other DOGGR communications shall be submitted at the discretion of the City Manager.
- B. The operator of (or any person who acquires) any well, property, or equipment appurtenant thereto, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall each notify the City Manager within ten business days of the transaction closing date. The notice shall contain the following:

1. The names and addresses of the person from whom and to whom the well(s) and property changed.
 2. The name and location of the well(s) and property.
 3. The date of acquisition.
 4. The date possession changed.
 5. A description of the properties and equipment transferred.
 6. The new operator's agent or person designated for service of notice and his address.
- C. The operator of any well shall notify the City Manager, in writing, of the idling of any well. The operator shall notify the City Manager in writing upon the resumption of operations giving the date thereof.
- D. The operator shall report any violations of state or federal laws that occur on an oil and gas site to the City Manager within 30 days of their date of documentation by a state or federal agency.

9512 Compliance with City Codes and Ordinances

All complaints related to activities regulated by this ordinance received by the operator shall be reported within one business day to the City Manager. If the complaint is received after normal business hours, it shall be reported to the City Manager at the opening of the next business day. In addition, the operator shall maintain a written log of all complaints and provide that log to the City Manager on a quarterly basis.

9513 Injunctive Relief

In addition to any administrative remedies or enforcement provided in this Code, the City may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation or mandate compliance with this Code . All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

9514 Notice of Violation and Administrative Fines

- A. The operator shall also be subject to a fine for violation of any requirement of a CUP or this ordinance as determined by the City Manager, subject to the following:

1. Depending on the specific type and degree of the violation, the operator in violation may be penalized at a rate of up to \$10,000 per day, per violation, until it is cured, but in no event, in an amount beyond that authorized by state law. The City Manager will develop a violation fee schedule for Council approval to specifically identify the fees associated with oil or gas site violations. This violation fee schedule may also include nuisance violations.
2. In the event of a violation of any of the City's permitting actions, a written notice of violation and the associated fine determination will be sent to the operator by the City Manager. The operator shall deposit the sum of \$5,000 per well, up to \$100,000, in an interest-bearing trust fund with the City within thirty days of the date of the second violation notice sent to the operator by the City Manager, to establish a draw down account. If the noted violation is not corrected within thirty calendar days to the satisfaction of the City Manager, or if steps satisfactory to the City Manager have not been initiated during that period to affect a cure or to seek modification of the condition, the fine amount cited in the written notice will be deducted from the account. The operator shall reimburse the City for any additional reasonable costs above the amount of the original deposit.
3. The operator has a right of appeal to the City Manager or Commission within 15 days of the written notice or contested determination of compliance. Decisions of the City Manager not appealed within 15 days become final. If the operator appeals to the City Manager or the Commission such that the decision is ultimately reversed and the operator is specifically designated the "prevailing party" by the City Manager or Commission, then the City shall refund the operator the deposit related to the challenged determination.

B. Nothing in this Section or ordinance shall limit the City's ability to pursue other enforcement procedures, including CUP revocation proceedings, actions to enforce a DA, or other legal or equitable remedies provided by this Code or available under the law.

9515 Nuisance Procedures

Any violation of this ordinance is hereby declared to be a public nuisance for the purposes of Section 5702, and may be abated pursuant to the procedures set forth in Article V, Chapter 7 (Property Maintenance) of this Code. The procedures for abatement shall not be exclusive, and shall not in any manner limit or restrict the City from otherwise enforcing this ordinance or abating public nuisances in any other manner as provided by law, including the institution of legal action by the City Attorney to abate the public nuisance at the request of the Director in charge of

enforcing Chapter 7 of this Code.

9515.1 High-Risk Operations

- A. Upon determination that any oil and gas production, processing or storage operation meets the definition of high risk operation from Section 9503, the City Manager shall give the operator written notice of the City Manager's intent to determine the operation a high risk operation under this Section. The intent of this Section shall be to remediate the high-risk operation and bring the oil or gas site and the operator within normal, safe operating standards and protect the public safety, health and environment. The written notice of the intent to determine the operation a high-risk operation shall include:
1. Facts substantiating the determination; and
 2. A notice regarding the right to appeal the determination to the Commission within 15 days. The Commission's decision shall be supported by substantial evidence, and refusal by the operator to provide access to the operation to allow inspection or investigation to determine compliance as authorized by this Code or other law shall be deemed evidence the definition of a high risk operation has been met.
- B. Along with the determination of the site being a high risk operation, the City Manager may take either or both of the following actions:
1. An investigation of the causes leading up to the high risk determination;
 2. Require a mandatory restoration plan to be submitted by the operator. Such plan shall include, but is not limited to:
 - i. A mandatory restoration schedule for bringing the site and operator within normal, safe operating standards. Such schedule does not supersede any timeline for abatement otherwise established for individual outstanding violations.
 - ii. An audit of overall site operation(s):
 - a. The audit shall be conducted by an independent third party approved by the City Manager. Costs associated with the audit shall be borne by the operator;
 - b. The audit shall identify and analyze the root causes leading to the high risk designation;

- c. The audit shall further identify and analyze other potential areas in overall site operation that could impact the site's ability to operate within safe and normal standards (e.g. personnel training, operational policies, internal procedures, etc.);
 - d. Provide a plan for remediating all issues identified in the audit, including a mandatory schedule for remediating those issues. Such restoration plans shall be subject to approval by the City Manager.
 - e. The audit may be ordered in lieu of, or in addition to the investigation undertaken by the City Manager.
- iii. Any other requirements the City Manager deems necessary to bring the site and operation within normal, safe operating standards for the purposes of protecting the public safety, health and environment.
- C. The operator of the high risk operation shall carry out the approved restoration plan and shall be responsible for paying all reasonable costs associated with the implementation of the plan, including:
- 1. City staff time in enforcing these provisions at an hourly rate that provides for full cost recovery of the direct and indirect costs. Staff time shall include, but is not limited to, the ongoing monitoring and verification of compliance with the approved restoration plan;
 - 2. Investigative, research (including legal research) and consulting costs associated with preparation of the restoration plan;
 - 3. Third party costs for investigation, consultation, engineering, clean-up, operator staff training, operations and all other related costs necessary to carry out the restoration plan;
 - 4. Any other costs necessary to remediate the high risk operation as ordered by the City Manager.
- D. At the sole discretion of the City Manager, at any time during which a site or operator is subject to this Section, the City Manager may require a bond be posted to cover the cost of remediating the causative problems of the high risk operation.

E. The determination of high risk operations shall continue to apply until the goals and guidelines of the restoration plan established hereunder is achieved. The high risk operator shall notify the City Manager when a milestone in the restoration plan has been satisfied. The City Manager may conduct independent verification of the compliance upon such notification. The restoration plan may be amended from time to time as necessary to achieve the purposes of this Section. Upon a determination by the City that the goals and guidelines of the restoration plan have been achieved, the City shall notify the operator in writing that the site is no longer a high risk operation.

F. Failure of the operator of a high risk operation to post a bond required under this Section, prepare the restoration plan within a reasonable timeframe as ordered by the City Manager, or to reasonably achieve the goals and guidelines of an approved restoration plan under this Section, may be cause for a shutdown of the high risk operation(s) or any other petroleum operations located in the City that are co-owned or co-operated by the high risk operator, at the discretion of the City Manager.

G. The operator of a high risk operation shall compensate the City for any costs associated with the enforcement of this Section within 30 days of written demand by the City Manager. Any City costs associated with enforcement of this Section, which are not promptly paid by the operator shall be subject to enforcement by tax bill lien or other collection methods at the discretion of the City.

H. The City may institute legal proceedings to require compliance provisions with this Section.

9516 Compliance Monitoring

A. Environmental Compliance Coordinator(s). The City may hire Environmental Compliance Coordinators as needed to oversee the monitoring and condition compliance requirements of the City's permitting actions subject to regulation under this ordinance, the costs of which shall be reimbursed by operator. The number of Environmental Compliance Coordinators shall be determined by the City and shall take into account the level of oil and gas operations associated with the project site. The Environmental Compliance Coordinator(s) shall be approved by, and shall report to, the City Manager consistent with the City Manager's authority under Section 2107 of this Code. The responsibilities of the Environmental Compliance Coordinator(s) shall be determined by the City for the project site and shall generally include:

1. Monitoring of oil and gas sites for compliance with this ordinance as it relates to construction, drilling, operational or abandonment and site restoration activities as determined by the City Manager.
2. Taking steps to ensure that the operator, and all employees, contractors and other persons working in the project site, have knowledge of, and are in compliance with all applicable provisions of the conditional use permit or development agreement.
3. Reporting responsibilities to the various City departments with oversight responsibility at the project site, as well as other agencies such as DOGGR, and SCAQMD.

B. Compliance Deposit Account. An applicant must establish a compliance deposit account with the City within 30 days of receiving authorization for a CUP or DA from the City. The compliance security deposit amounts shall be determined by the City Manager, and shall be based on the nature and extent of the compliance actions required.

9517 Financial Assurances Applicability

- A. Sections 9518 through 9520 shall apply to any person who operates any oil or gas site involved in exploration, production, processing, storage or transportation of oil or gas extracted from reserves in the City of Carson:
- B. This ordinance shall not apply to the change of operator of the following:
1. Sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission;
 2. A change of ownership consisting solely of a change in percentage ownership of a site and which does not entail addition or removal of an owner or affect any financial guarantee or bonds for a permit, CUP, and/or DA.

9518 Operator's Financial Responsibilities

The applicant shall be fully responsible for all reasonable costs and expenses incurred by the City or any City contractors, consultants, or employees, in reviewing, approving, implementing, inspecting, monitoring, or enforcing this ordinance or any CUP, DA, or permit, including but not limited to, costs for permitting, permit conditions implementation, mitigation monitoring (including well abandonment and re-abandonment), reviewing and verifying information contained in reports, inspections, administrative support, and including the fully burdened cost of time spent by City employees, City Attorney, or third-party consultants and contractors on such matters.

9519 Securities and Bond Requirements

The operator or any contractor of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the securities and bond requirements described below

- A. The operator shall file a faithful performance bond with the City Manager consistent with the following bonding requirements:
1. The City Manager shall determine the amount of the bond based on the total number of wells, proposed operations, size and nature of the property, appropriate environmental studies on the property, including a Phase I, II or Human Health Risk Assessment Reports and other relevant conditions related to the proposed wells or operations at a specific oil or gas site, and recognized commercial standards.
 2. The amount of the bond shall be sufficient to assure the completion of the abandonment, necessary re-abandonment, site restoration, to the extent not fully covered by DOGGR bonds, and remediation of contamination of the oil or gas site if the work had to be performed by the City in the event of forfeiture. The performance bond shall be inflation indexed to ensure the amount of the bond shall be sufficient to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site. The bond shall be available within a time frame to allow the City to undertake related activities in a timely manner, including at least half for immediate access and use in the event of an emergency as determined by the City Manager.
 3. Prior to expansion of an oil or gas site, the operator shall apply to the City Manager for a determination of the amount of the bond necessary to ensure completion for both the existing and expanded operations. In addition, every bond shall be re-assessed by the City Manager every 5 years to ensure the amount is sufficient to ensure the completion of the abandonment, site restoration, and remediation of contamination of the oil or gas site.
 4. Upon application by the operator, the City Manager may reduce bonding amounts based upon change of physical circumstances, completion or partial completion of work, or significant reduction in cost to perform the work. In no event shall the amount of the bond be reduced to an amount insufficient to complete any remaining work, nor shall the bond be reduced due to economic hardship or similar considerations.

5. After completion of all abandonment and site restoration requirements, the bond shall be maintained in a sufficient amount to ensure remediation of contamination at the oil or gas site for a period not less than 15 years.
 6. In no event shall the bonding amount required by the City be less than \$10,000 per well.
 7. The bond may be drawn only from a qualified entity without any economic interests or relationship with the operator and any related economic entities related thereto. The City Manager shall receive all pertinent information related to the bond and bonding entity prior to issuance of a final approved permit, CUP, or DA.
- B. In lieu of these bonding requirements, an operator may also submit any other legally adequate and binding financial mechanism, subject to City Attorney approval, to satisfy the monetary assurance requirements set by the City Manager to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site.
- C. For any evaluation of bonding amounts by the City Manager in this Section, or evaluation of a financial mechanism proposed in lieu of a bond by the City Attorney, the operator shall deposit the estimated costs with the City Manager with the application, and shall also make any additional deposit(s) within 30 days of written request by the City Manager. The City Manager may retain consultants or other experts in the industry to assist in deriving a commercially reasonable bond amount.

9520 Operator Liability Insurance

The operator of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the insurance described below for each oil and gas site during the pendency of oil and gas operations. The operator or contractor must provide to the City sufficient documentation that the insurance complies with the minimum requirements and coverage amounts of this Section before a permit may be issued.

- A. General provisions regarding insurance:
1. The operator or any contractor shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide.

2. In the event any policy is due to expire, the operator or any contractor shall provide a new certificate evidencing renewal of such policy not less than 30 calendar days prior to the expiration date of the expiring policy. Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, operator or any contractor shall file with the City Manager a new certificate and all applicable endorsements for such policy.
 3. Liability policies shall name as "additional insured" the City, including its officers, officials, agents, employees and authorized volunteers.
 4. All policies shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for: 1) non-payment, which shall provide a 10-day written notice of such cancellation of coverage, and 2) the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage.
 5. The operator shall present to the City Manager copies of the pertinent portion of the insurance policies evidencing all coverage and endorsements required by this Section before the issuance of any permit subject to this ordinance, and the acceptance by the City of a policy without the required limits or coverage shall not be deemed a waiver of these requirements. The City may, in its sole discretion, accept a certificate of insurance in lieu of a copy of the pertinent portion of the policy pending receipt of such document by the City. After the issuance of the permit, the City may require the operator to provide a copy of the most current insurance coverage and endorsements for review at any time. The operator will be responsible for paying an administration fee to cover the costs of such review as may be established by the City's fee schedule.
 6. Claims-made policies shall not be accepted except for excess policies and environmental impairment (or seepage and pollution) policies.
 7. Insurance coverage shall be reviewed by the City Manager as required by Section 9509 to ensure adequate insurance is maintained.
- B. Required insurance coverage:
1. Commercial or comprehensive general liability insurance:
 - i. Bodily injury and property damage coverage shall be a minimum combined single limit of \$2,000,000 per occurrence \$2,500,000 in the aggregate. This coverage must include premises, operations, blowout or explosion, products, completed

operations, blanket contractual liability, underground property damage, underground reservoir (or resources) damage, broad form property damage, independent contractor's protective liability and personal injury.

- ii. Environmental impairment (or seepage and pollution) coverage shall be either included in the comprehensive general liability coverage or as separate coverage. Such coverage shall not exclude damage to the lease site. If environmental impairment (or seepage and pollution) coverage is written on a "claims made" basis, the policy must provide that any retroactive date applicable precedes the effective date of the issuance of the permit. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, oil and gas, waste material, or other irritants, contaminants or pollutants. Such policy shall provide for minimum combined single limit coverage of \$2,000,000 per occurrence and \$2,500,000 in the aggregate. A discovery period for such peril shall not be less than ten years after the occurrence.
2. Commercial automobile liability insurance: Minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. The policy shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto")
3. Worker's compensation insurance: Maintain the minimum statutory requirements, coverage which shall not be less than \$1,000,000 for each occurrence.
4. Excess (or umbrella) liability insurance: Minimum limit of \$25,000,000 providing excess coverage for each of the perils insured by the preceding liability insurance policies, except for underground reservoir (or resources) damage.
5. Control of well insurance (only during drilling or re-working):
 - i. Minimum limit of \$40,000,000 per occurrence, with a maximum deductible of \$500,000 per occurrence.
 - ii. Policy shall cover the cost of controlling a well that is out of control, drilling or restoration expenses, and seepage and pollution damage. Damage to property in the operator's care, custody and control with a sub-limit of \$500,000 may be added.

- C. Failure to maintain coverage: Upon failure of the operator, or contractors to provide that proof of insurance as required by this Section when requested, the City Manager may order the suspension of any outstanding permits and petroleum operations of the operator until the operator provides proof of the required insurance coverage.

Part 2. Development Standards for Petroleum Operations

The following Sections of Part 2 apply only to those operations subject to a CUP or DA, except for those existing operations as noted in Section 9505.

9521 Setback Requirements

- A. The surface locations of oil and gas facilities and operations within an oil and gas site shall not be located within:
1. Five hundred feet (500 feet) of the property boundaries of any public school, public park, clinic, hospital, long-term health care facility.
 2. Five hundred feet (500 feet) of the property boundaries of any residence or residential zone, as established in this Code, except the residence of the owner of the surface land on which a well might be located and except a residence located on the land which, at the time of the drilling of the well, is under lease to the person drilling the well.
 3. Five hundred feet (500 feet) of the property boundaries of the commercially designated zone CN, CA, MU-CS or MU-SB (see Table 1-1), as established by this Code.
 4. Fifty feet (50 feet) of any dedicated public street, highway, public walkway, or nearest rail of a railway being used as such.
- B. For all injection wells, the Applicant shall provide a copy of the area of review (AOR) study, consistent with the requirements of Title 14 California Code of Regulations Section 1724.7, as per DOGGR.
- C. Legally existing oil and gas operations that do not meet the setback requirements as of the effective date of this ordinance are considered non-conforming uses subject to Article IX, Chapter 1, Part 8, Division 2 (Nonconformities) of this Code, except the City Manager shall act

in place of the “Director.” Notwithstanding any other provision of those requirements, the operator can replace structures and equipment required for oil and gas operations that have failed, are at risk of failure, or are at the end of their useful life. Said replacements shall be made with like-kind structures and equipment that does not expand capacity or structural footprint. If the operator can demonstrate that such structure or equipment is not reasonably available or appropriate for current operational practices, the City Manager may approve minor expansion of equipment or structure upon findings the proposed changes are minor and do not constitute or tend to produce an expansion or intensification of capacity for the site. For existing oil and gas facilities and operations that do not meet the setback requirements as of the effective date of this ordinance, re-drilling is limited to no more than 5 wells within a 5 year period. Drilling of new wells is prohibited unless the operator can demonstrate vested rights for each new well.

9522 Site Access and Operation

The following measures shall be implemented throughout the operation of any oil and gas site or project subject to this ordinance:

9522.1 Deliveries

For oil and gas sites located in non-industrial areas or for delivery routes that pass through or adjacent to prohibited zones as listed in Table 1-1, deliveries to the oil or gas sites shall not be permitted after 6:00 p.m. and before 8:00 a.m., except in cases of emergency. No deliveries shall be permitted on Saturdays, Sundays or legal holidays, except in cases of emergency.

9522.2 Construction Time Limits

Construction of permanent structures, workovers and other maintenance, including replacement in kind, shall not be permitted after 7:00 p.m. and before 7:00 a.m., or during Saturdays, Sundays, or legal holidays, except in the event of an emergency as approved by the City Manager. The drilling or re-drilling of wells is not subject to construction time limits.

9522.3 Oil and Gas Site Parking

A. At all times during the construction and operation of any oil and gas site, parking facilities shall be provided for all vehicles associated with the oil or gas site. If approved as part of a CUP or a DA, parking for vehicles of employees or workers engaged in any oil or gas site activities can also be provided by the operator at off-site parking lots or in parking facilities, other than public streets, at locations other than the oil or gas site. The operator shall prohibit personal parking on City streets by operator, permittees, contractors, or consultant staff. If the parking lot or parking

facilities are not located within a reasonable walking distance of the controlled drill site, the operator shall provide transportation to and from the parking site for employees and workers.

- B. At all times vehicular access to an oil and gas drill site shall be provided in accordance with the plans for vehicular access reviewed and approved by the City Engineer, except for operations existing prior to the effective date of this ordinance..
- C. All entrances to an oil and gas site shall be equipped with sliding or swinging gates which shall be kept closed at all times except when authorized vehicles are entering or leaving the oil and gas site.
- D. When traffic lanes on any public street are closed or impaired by the operator 's operations, flagmen, and safety officers as required by the L.A. County Sheriff's office shall be provided by the operator at all such times to control traffic and maintain traffic flow.

9523 Lighting

Except for oil and gas sites located within industrial zones, and located farther than 1,000 feet from any prohibited zone as listed in table 1-1, all lighting sources that may be introduced on a site in support of nighttime operations, at the onset and throughout all operations at an oil and gas site shall be screened and directed to prevent light or glare from passing beyond site boundaries. Outdoor lighting shall be restricted to only those lights that are required by Article VIII of this Code for lighting building exteriors and safety and security needs.

9524 Aesthetics

The following measures shall be implemented for all projects that are subject to this ordinance:

9524.1 Landscaping/Visual Resources

- A. Prior to commencement of operations at an oil or gas site, the operator shall implement a landscaping plan prepared by a licensed landscape architect, that has been approved as part of a CUP or a DA, which provides adequate screening and blending of the facilities so that the site shall not appear unsightly or aesthetically deficient compared with the surrounding character of the area. Except for oil and gas sites located within industrial zones, all tanks shall not extend more than twenty feet above the surface of any site, unless otherwise approved in a CUP or DA.
- B. Within six months after the completion of activities related to the drilling or re-drilling of a well and the removal of the drilling well mast/rig, any oil and gas site shall be landscaped with suitable shrubbery and trees in accordance with a plan approved by the Planning Commission,

unless the site is to be otherwise developed in such a manner that would preempt re-vegetation requirements.

- C. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, if any drilling masts are in place on an oil and gas site for a time period of more than one year and are visible from public viewing points, then the operator shall wrap all such masts to reduce their visibility prior to the onset of operations at an oil and gas site.

9524.2 Walls

Prior to commencement of operations at an oil or gas site the following development standards shall be satisfied:

- A. All oil and gas sites shall be enclosed with a wall not less than six feet (6 feet) high, which shall be of a material and texture that blends in with the surrounding environment and is not visually obtrusive. There shall be no aperture below the fence larger than one foot (1 foot) in height.
- B. The wall enclosure around the oil and gas site shall have an setback of twenty-five feet from all property lines. The gate or entrance through the wall shall remain locked at all times and constructed in a manner to prevent the public from coming closer than twenty-five feet to the pumping facilities. Pursuant to the approval of the CUP, the location of the wall may be modified subject to compliance with the California Fire Code as approved in a CUP or DA with modifications as applicable.
- C. The entire outside facing length of the wall must be coated with anti-graffiti paint or solutions.

9524.3 Sanitation

The oil and gas site shall be maintained in a clean, sanitary condition, free from accumulations of garbage, refuse, and other wastes.

9524.4 Architecture

The architectural design of any oil or gas site buildings, equipment, drilling mechanisms or other associated structures shall be consistent with the character of the surrounding community and shall utilize finishing materials and colors which blend in with the surrounding environment and are not visually obtrusive.

9525 Roads

The following policies specific to streets or other roads shall apply to all projects for which this ordinance is applicable:

9525.1 Construction of Site Access Roads

Private roads and other excavations required for the construction of access roads shall be designed, constructed, and maintained to provide stability of fill, minimize disfigurement of the landscape, prevent deterioration of vegetation, maintain natural drainage, and minimize erosion. Prior to construction of any new road, the operator shall prepare and submit to the Department of Public Works for review and approval a private road construction plan. The operator shall thereafter comply with all provisions of the approved private road construction plan. All new private access roads leading off any surfaced public street or highway shall be paved with asphalt or concrete not less than three inches thick for the length of said access road from the public street or highway.

9526 Signage

The following policies apply only to signs visible from the public right of way.

- A. Signage as required by DOGGR or law shall be kept in good legible condition at all times.
- B. No sign other than that described in this ordinance or required by law shall be allowed, other than informational signs, no smoking signs, and other signs as reasonably required for safe operation of the project.
- C. Signs shall not be constructed, erected, maintained or placed on the premises or any part thereof, except those required by law or ordinance to be displayed in connection with the drilling or maintenance of the well.
- D. Identification signs shall be posted and maintained in good condition along the outer boundary line and along the walls adjoining the public roads that pass through the oil or gas site. Each identification sign shall prominently display current and reliable emergency contact information that will enable a person to promptly reach, at all times, a representative of the operator who will have the expertise to assess any potential problem and recommend a corrective course of action. Each sign shall also have the telephone number of the City department of planning or zoning enforcement section and the number of SCAQMD that can be called if odors are detected.

9527 Steaming

The installation of any surface equipment designed to produce steam shall be prohibited without the approval of the City Manager. The operator shall submit a steaming plan addressing equipment sizing and design to the City Manager for review and approval. The steaming plan shall also include well casing and cementing design specifications.

9528 Utilities

- A. Each oil or gas site shall be served by and utilize only reclaimed water, aside from potable water used for human consumption, unless the use of reclaimed water is deemed infeasible by the City Manager, in which case the following criteria apply:
1. The operator must prepare and submit a supply assessment study of all water resources available for use and submit the study for review to the City Manager.
 2. If the study indicates that potable water is the only feasible alternative then the operator may utilize such a water source only if the operator provides an equal and measurable benefit to the community for such use, as determined by the City Manager.
- B. New electrical power shall be routed underground from the nearest source adequate to meet the needs of the well site.

9529 On-Site Storage and Placement of Equipment

No equipment shall be stored or placed on the site, which is not either essential to the everyday operation of the oil or gas well located thereon or required for emergency purposes.

9530 Safety Assurances and Emergency/Hazard Management

The following measures shall be implemented throughout the operation of any oil or gas site or project subject to this ordinance:

9530.1 Fire Prevention Safeguards

- A. All oil and gas site operations shall conform to all applicable fire and safety regulations, codes, and laws.
- B. The oil and gas site shall be kept free of debris, pools of oil, water or other liquids, weeds, and trash.

- C. Land within twenty-five feet of the facilities shall be kept free of dry weeds, grass, rubbish or other combustible material at all times.
- D. All equipment, facilities, and design shall be approved by the Los Angeles County Fire Department, as applicable, prior to approval of a CUP or DA.

9530.2 Blowout Standards and Testing

The operator shall comply with DOGGR regulations for blowout prevention and will provide all equipment as stipulated in the DOGGR regulations during the drilling operations of any well.

9530.3 Earthquake Shutdown

- A. The operator shall immediately inspect all oil and gas-related facilities, equipment, and pipelines following any seismic event with a magnitude of 4.0 or greater with an epicenter within 10 kilometers (km) of the oil and gas site, magnitude 4.5 or greater within 30 km, magnitude 6.0 or within 100 km.
- B. The operator shall either, (1) Operate and maintain an accelerometer at the project site or (2) Obtain real time data from the USGS to determine the earthquake magnitude of any seismic event in the area. The operator shall immediately inspect all project site pipelines, facilities, equipment, storage tanks, and other infrastructure following any seismic event above the thresholds defined in 9530.3.A and promptly notify the City Engineer and the City Manager of the results of the inspection within 24 hours of the seismic event. Shall there be any structural damage or equipment failure as a result of any seismic event, the operator shall isolate and address any damage or equipment failure as appropriate to minimize environmental or safety impacts. The operator shall prepare and submit a written report of all inspections and findings to the City for review with one week of the seismic event.
- C. The operator shall not reinstitute operations at those portions of the project site and associated pipelines damaged by a seismic event until it can reasonably be determined by the City Manager that all project site infrastructure is repaired and structurally sound. Recommencement of any operations shall occur through written or verbal approval of the City Manager.

9530.4 Storage Tank Monitoring

The operator shall install tank leak detection monitoring system that will indicate the physical presence of a leaked product underneath storage tanks on site that have the potential to result in soil contamination. The results of the monitoring shall be submitted to the City Manager upon

request. The monitoring system required by 14 California Code of Regulations Section 1773.2 is sufficient. This section does not apply to existing facilities.

9530.5 Safety Measures and Emergency Response Plan

The operator is responsible for compliance with safety and emergency response requirements.

- A. Copies of all Emergency Response Plans, Emergency Action Plans, Oil Spill Plans and any emergency response drill training as required by DOGGR, CalEPA, OSHA, Los Angeles County Fire Department, or any other agency shall be submitted to the City.

- B. Safety Audit. The operator shall cause to be prepared an independent third-party audit, under the direction and supervision of the City, of all facilities, once constructed or within 1 year of the adoption of this ordinance, including the well pads, to ensure compliance with the California Fire Code (as may be adopted by the City with modifications as applicable), applicable API and NFPA codes, EPA RMP, OSHA PSM, DOGGR and SPCC and emergency response plans requirements. All audit items shall be implemented in a timely fashion, and the audit shall be updated annually, as directed by the City and the Los Angeles County Fire Department. The operator shall also cause to be prepared a seismic assessment, including walkthroughs, of equipment to withstand earthquakes prepared by a registered structural engineer in compliance with Local Emergency Planning Committee Region 1 CalARP guidance and the seismic assessment shall be updated, with walkthrough inspections, annually to ensure compliance with the codes and standards at the time of installation.

- C. Community Alert System. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, the operator shall implement a community alert notification system, or utilize an existing system operated by the Police, Sheriff or Fire Department, to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

9530.6 Transportation of Chemicals and Waste On and Off-site

The operator shall implement the following measures throughout the operations of any oil and gas site subject to this ordinance:

- A. Solid Waste Disposal. Solid waste generated on the site shall be transported to a permitted landfill or hazardous waste disposal site as may be appropriate for the life of the operation. The operator shall provide written notice to the City Manager of the landfill or hazardous waste disposal facility being utilized.

- B. Site Waste Removal. The operator shall comply with the following provisions:
1. All drilling and workover waste shall be collected in enclosed bins. Any drilling and workover wastes that are not intended to be injected into a Class II Well, as permitted by DOGGR, shall be removed from the project site no later than thirty days following completion of the drilling and workover.
 2. No site waste shall be discharged into any sewer unless permitted by the Sanitation District, or into any storm drain, irrigation system, stream, or creek, street, highway, or drainage canal. Nor shall any such wastes be discharged on the ground.
- C. Storage of Hazardous Materials. The operator shall submit to the City Manager a copy of the Hazardous Material Business Plan, as reviewed by the Los Angeles County Fire Department, annually. This plan shall include a complete listing and quantities of all chemicals used onsite, and provide the location of where hazardous materials are stored at the site. Hazardous materials shall be stored in an organized and orderly manner, and identified as may be necessary to aid in preventing accidents, and shall be reasonably protected from sources of external corrosion or damage to the satisfaction of the Fire Chief of the Los Angeles County Fire Department or designee.

9530.6.1 Natural Gas Liquids (NGLs)

Throughout the operation of any oil and gas site subject to this ordinance, NGLs, as defined by this code, shall be blended with crude oil for shipment by pipeline to the maximum extent allowable within the technical specifications of the pipeline. Oil transportation pipelines and gas processing facilities shall be designed to maximize the blending of NGLs into the crude oil stream.

9530.6.2 Transportation Risk Management and Prevention Program (TRMPP)

If the transportation routes of any product from oil and gas development in the City passes through or adjacent to any prohibited zoning as listed in Table 1-1, excluding existing designated truck routes, the operator shall prepare and maintain a Transportation Risk Management and Prevention Program which shall be provided to the City Manager upon request. The TRMPP may contain the following components including, but not limited to:

- A. Provisions for conducting comprehensive audits of carriers biennially to assure satisfactory safety records, driver hiring practices, driver training programs, programs to control drug and alcohol abuse, safety incentive programs, satisfactory vehicle inspection and

maintenance procedures, and emergency notification capabilities. The operator shall submit to the City any audits that were conducted each calendar year.

- B. Provisions for allowing only carriers which receive a satisfactory rating under the above audit process to transport oil and gas.
- C. Truck loading procedures for ensuring that the loading rack operator and the truck driver both conduct, and document in writing, a visual inspection of the truck before loading and procedures to specify actions to be taken when problems are found during the visual inspection.

9530.6.3 Pipeline Leak Detection

All new offsite DOT oil pipelines shall use a supervisory control and data acquisition (SCADA-type) monitoring system for leak detection; unless the City Manager determines that there is better available technology that shall be utilized instead. Flow meters used on the SCADA system shall be accurate to within one percent. If a leak is detected the operator shall be responsible for immediately reporting it to the City Manager.

9531 Environmental Resource Management

Throughout operation of an oil and gas site, the operator shall comply with the following environmental resource management policies:

9531.1 General Environmental Program

- A. Environmental Quality Assurance Program ("EQAP"). The operator shall comply with all provisions of an environmental quality assurance program that has been accepted by the City Manager and approved as part of a CUP or DA. For oil and gas sites that are existing at the time of the adoption of this ordinance and are not required to have a CUP, completion of the requirements of section 9530.5.B satisfies the requirements of section 9531.1. The following provisions relate to the EQAP:
 - 1. EQAP Requirements. The EQAP shall provide a detailed description of the process, individual steps, and submissions, the operator shall take to assure compliance with all provisions of this Section, including but not limited to, all of the monitoring programs called for by this Section.
 - 2. Annual EQAP Reports. Within sixty days following the end of each calendar year, the operator shall submit to the City Manager an annual EQAP report that reviews the operator's compliance with the provisions of the EQAP over the previous year and

addresses such other matters as may be requested by the City Manager. The annual EQAP report shall include the following:

- i. A complete list and description of any and all instances where the provisions of the EQAP, or any of the monitoring programs referred to therein or in this Section, were not fully and timely complied with, and an analysis how compliance with such provisions shall be improved over the coming year.
 - ii. Results and analyses of all data collection efforts conducted by the operator over the previous year pursuant to the provisions of this Section.
3. EQAP Updates. Proposed updates to the EQAP shall be submitted to the City Manager for approval along with the annual EQAP report. The City Manager shall complete the review of EQAP updates as soon as practicable, and shall either approve the updated EQAP or provide the operator with a list of specific items that must be included in the EQAP prior to approval. The operator shall respond to any request for additional information within thirty days of receiving such request from the City Manager and shall modify the proposed EQAP update consistent with the City Manager's request.

B. Publicly Available Monitoring Data. The operator shall be responsible for making current monitoring results and data available to the public [unless otherwise required by law](#). The up-to-date monitoring data and results shall be maintained by the operator. The monitoring results and data shall include the following information:

1. Air quality data (if required to be collected);
2. Wind direction speed (if required to be collected);
3. Seismic events;
4. Water quality monitoring results for both surface and groundwater monitoring locations at an oil or gas site, or from nearby groundwater monitoring location(s) as authorized by the City Manager;
5. Pipeline testing and monitoring results;
6. Vibration (if required to be collected); and
7. Ambient noise levels (if required to be collected).

9531.2 Air Quality

The operator shall at all times conduct oil or gas site operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances, and shall comply with the following provisions:

- A. **Odor Minimization.** If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, or if three (3) odor complaints from three (3) different citizens of the City have been confirmed by the AQMD, at all times the operator shall comply with the provisions of an odor minimization plan that has been approved by the City Manager. The plan shall provide detailed information about the site and shall address all issues relating to odors from oil or gas operations. Matters addressed within the plan shall include setbacks, signs with contact information, logs of odor complaints, method of controlling odors such as flaring and odor suppressants, and the protocol for handling odor complaints. The odor minimization plan shall be reviewed and updated by the operator on an annual basis to determine if modifications to the plan are required. Any modifications to the odor minimization plan shall be submitted to the City Manager for review and approval. Any operator's submissions to the SCAQMD shall be provided to the City Manager and shall be consistent with Section 9531.2.
- B. **Portable Flare for Drilling.** If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, and the historical operations of the producing zone have exhibited a gas-oil ratio of more than 100 or no data is available on the producing zone targeted, the operator shall have a gas buster and a portable flare, approved by the SCAQMD, at the oil and gas site and available for immediate use to remove any gas encountered during drilling and abandonment operations from well muds prior to the muds being sent to the shaker table, and to direct such gas to the portable flare for combustion. The portable flare shall record the volume of gas that is burned in the flare. The volume of gas burned in the flare shall be documented in the operations logs. The operator shall notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD within forty-eight hours in the event a measurable amount of gas is burned by the flare, and shall specify the volume of gas that was burned in the flare. All other drilling and abandonment operations shall be conducted so that any measurable gas that is encountered can, and will, be retained in the wellbore until the gas buster and portable flare are installed on the rig, after which the gas will be run through the system to flare. The operator shall immediately notify the Fire Chief of the Los Angeles County Fire Department and the SCAQMD in the event any gas from operation is released into the atmosphere without being directed to and burned in the flare.
- C. **Odor Suppressant for Drilling Operations.** If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1 and the historical operations of the producing zone have exhibited

a gas-oil ratio of more than 100 or no data is available on the producing zone targeted, the operator shall use an enclosed mud system that directs all mud vapors through an odor capturing system, such as a carbon bed, to prevent odorous pollutants from passing the site boundaries and impacting the area. An odor suppressant spray system may be used on the mud shaker tables for all drilling operations to ensure that no odors from said operations can be detected at the outer boundary line of the well site.

D. Closed Systems. The operator shall ensure that all produced water, gas and oil associated with production, processing, and storage, except those used for sampling only, are contained within closed systems at all times and that all pressure relief systems, including tanks, vent to a closed header and flare-type system to prevent emissions of pollutants. No open pits are allowed.

E. Off-Road Diesel Construction Equipment Engines. All off road diesel construction equipment shall comply with the following provisions:

1. Utilize California Air Resources Board ("CARB") EPA Certification Tier III or other methods approved by the CARB as meeting or exceeding the Tier III standard.
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an eighty-five percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

F. Drill Rig Engines. All drilling rig diesel engines shall comply with the following provisions:

1. Utilize CARB/EPA Certification Tier III or better certified engines
2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an 85 percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

9531.3 Greenhouse Gas Emissions and Energy Efficiency Measures

A. The operator of an oil and gas site shall completely offset all emissions from the oil and gas site through participation in the statewide cap and trade program, if applicable, or obtaining

credits from another program, such as the SCAQMD Regulation XXVII, as approved by the City Manager. On an annual basis, the operator shall provide the City Manager with documentation of the operator's participation in the program. This section does not apply to existing facilities.

- B. Throughout the oil and gas site life, as equipment is added or replaced, cost-effective energy conservation techniques shall be incorporated into project design.

9531.4 Air Quality Monitoring and Testing Plan

If the site is within 1,500 feet of any prohibited zoning as listed in Table 1-1, at all times the operator shall comply with the provisions of an air monitoring plan that has been approved by the City Manager. During all well operations, including but not limited to drilling, re-drilling and workover operations, the operator shall continuously monitor for hydrogen sulfide, in a manner that allows for detection of pollutants from all wind directions, as approved by the City Manager. Total hydrocarbon vapors shall be monitored at drilling, workover and processing plant areas as specified in the approved plan. Such monitors shall provide automatic alarms that are triggered by the detection of hydrogen sulfide or total hydrocarbon vapors. The alarms shall be audible and/or visible to the person operating the equipment. Actions to be taken shall be as follows when specified alarm levels are reached:

- A. At a hydrogen sulfide concentration of equal to or greater than five parts per million but less than 10 parts per million, the operator shall immediately investigate the source of the hydrogen sulfide emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling or workover log. If the concentration is not reduced to less than five parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover operations and equipment in a safe and controlled manner, until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard.
- B. At a hydrogen sulfide concentration equal to or greater than 10 parts per million, the operator shall promptly shut down the drilling or workover operations and equipment in a safe and controlled manner until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling or workover log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department, the City Manager, and the SCAQMD.
- C. At a total hydrocarbon concentration equal to or greater than 500 parts per million but less than 1,000 parts per million, the operator shall immediately investigate the source of the hydrocarbon emissions and take prompt corrective action to eliminate the source. The

corrective action taken shall be documented in the drilling log for drilling or workover and in the log for the oil and gas site. If the concentration is not reduced to less than 500 parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover, or site operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard.

D. At a total hydrocarbon concentration equal to or greater than 1,000 parts per million, the operator shall promptly shut down the drilling or workover or operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log. When an alarm is received, the operator shall promptly notify the Los Angeles County Fire Department - Health Hazardous Materials Division, and the SCAQMD.

E. The City Manager may also require additional monitoring at the closest residential receptor periodically for hydrogen sulfide, hydrocarbons or Toxic Air Contaminants. All the monitoring equipment shall keep a record of the levels of total hydrocarbons and hydrogen sulfide detected at each of the monitors, which shall be retained for at least five years. The operator shall, on a quarterly basis, provide a summary of all monitoring events where the hydrogen sulfide concentration was at five parts per million or higher and the total hydrocarbon concentration was at 500 parts per million or higher to the Fire Chief of the Los Angeles County Fire Department. At the request of the Fire Chief, the operator shall make available the retained records from the monitoring equipment.

9531.5 Water Quality

The operator shall at all times conduct operations to avoid any adverse impacts to surface and groundwater quality, and shall comply with the following provisions:

9531.5.1 Water Management Plan

The operator shall comply with all provisions of a potable water management plan that has been approved by the City Manager. The plan shall include best management practices, water conservation measures, and the use of a drip irrigation system. The water management plan shall be reviewed by the operator every three years to determine if modifications to the plan are required. Any modifications to the water management plan shall be submitted to the City Manager for review and approval. This Section does not apply to existing facilities.

9531.5.2 Stormwater Runoff

Construction Storm Water Pollution Prevention Plan ("SWPPP"). The operator shall maintain and implement all provisions of a storm water pollution prevention plan ("SWPPP") that has been submitted to the Regional Water Quality Control Board, if required. The operator shall provide the City Manager with a copy of the SWPPP, and any future modifications, revisions, or alterations thereof, or replacements therefore upon written or verbal request of the City Manager. The SWPPP shall be updated prior to new construction activities as required by the Regional Water Quality Control Board.

9531.5.3 Groundwater Quality

- A. Prior to any new development, the operator shall prepare and submit a baseline study of all groundwater resources located within and beneath the project site or directly adjacent to the site, to specifically include an analysis of the location and reservoir characteristics of all existing groundwater resources, a chemical analysis of the groundwater, and an overall assessment of the groundwater quality.
- B. The operator shall not inject any water spoils/wastewater derived from the any oil or gas operations into any non-exempt or DOGGR exempt freshwater aquifers.
- C. Within 30 days of request by the City, the operator shall deposit funds with the City necessary to retain a third party to prepare a hydrological analysis Groundwater Testing Program prior to any construction activities, or alternately, provide comparable analyses performed through the Groundwater Ambient Monitoring and Assessment Program or other reliable source as determined by the City Manager. Depending on the results of the geo-hydrological analyses the City Manager has the discretion to require the operator to install one or more groundwater monitoring wells to allow for confirmation that groundwater is not being affected by oil and gas activities. As part of the Groundwater Testing Program the operator is required to provide the City Manager with annual monitoring and testing results.
- D. The operator shall be responsible for obtaining a field/site study from DOGGR. If DOGGR does not provide this to the operator then the operator shall submit evidence detailing DOGGR's response to their field/site study request to the City Manager for review.
- E. The operator shall provide to the City Manager a copy of the DOGGR Annual Injection Project Review (if the operator is operating a water injection or water disposal well) upon written or verbal request by the City Manager. The operator shall provide to the City Manager the results of any DOGGR required cement casing integrity testing, including radial cement

evaluation logs or equivalent upon written or verbal request by the City Manager, before any wells are put into production.

9531.6 Noise Impacts

All facilities at an oil or gas site located within 1,000 feet of any prohibited zones, as indicated in Table 1-1, or if noise levels exceed City thresholds as confirmed by the City Manager, operations shall comply with the following provisions:

- A. All noise produced from the site shall conform to the noise thresholds specified in Sections 5500, 5501, 5502, and 5503 of the Code.
- B. Backup alarms on all vehicles operating within 1,000 feet of the prohibited zone in Table 1-1, shall be disabled between the hours of 6:00 p.m. and 8:00 a.m. During periods when the backup alarms are disabled, the operator shall employ alternative low-noise methods for ensuring worker safety during vehicle backup, such as the use of spotters.
- C. Any and all operations, construction, or activities on the site between the hours of 6:00 p.m. and 8:00 a.m. shall be conducted in conformity with a quiet mode operation plan that has been approved by the City Manager. The quiet mode operation plan shall be reviewed by the operator every year to determine if modifications to the plan are required. Any modifications to the quiet mode drilling plan shall be submitted to the City Manager for review and approval. Operations that are existing at the time this ordinance is adopted are exempt from the quiet mode plan submittal requirements but are required to comply with the quiet mode provisions listed in section 9507.1.J.
- D. All noise producing oil and gas site equipment shall be regularly serviced and repaired to minimize increases in pure tones and other noise output over time. The operator shall maintain an equipment service log for all noise-producing equipment.
- E. All construction equipment shall be selected for low-noise output. All construction equipment powered by internal combustion engines shall be properly muffled and maintained.
- F. Unnecessary idling of construction equipment internal combustion engines is prohibited.
- G. The operator shall instruct employees and subcontractors about the noise provisions of this ordinance. The operator shall prominently post quiet mode policies at every oil and gas site if applicable.
- H. All oil operations on the oil and gas site shall be conducted in a manner that minimizes vibration. Additionally, vibration levels from oil or gas operations at the site, as measured from

the perimeter of the oil or gas site, shall not exceed a velocity of 0.25 mm/s over the frequency range 1 to 100 Hz.

I. For all oil and gas operations if noise levels exceed the levels prescribed in Section 5500, 5501, 5502, and 5503 of the Code or the vibration thresholds specified in Subsection (H) of this Section, including those outside of 1,000 feet as indicated above, within 30 days of request by the City Manager, the operator shall deposit funds for the City Manager to retain an independent qualified acoustical engineer to monitor (1) ambient noise levels and (2) vibration levels in the areas surrounding the oil or gas site as determined necessary by the City Manager. The monitoring shall be conducted unannounced and within a time frame specified by City Manager. Should noise or vibrations from the oil or gas site exceed the noise thresholds specified in Sections 5500, 5501, 5502, and 5503, of the Code or the vibration thresholds specified in Subsection (H) of this Section, operation can also be subject to enforcement under this ordinance including notices of violation per Section 9514. No new drilling permits, CUPs, or DAs shall be issued by the City until the operator in consultation with the City Manager identifies the source of the noise or vibration and the operator takes the steps necessary to assure compliance with thresholds specified in this ordinance. The results of all such monitoring shall be promptly posted on the website for the oil or gas site and provided to the City Manager.

9532 Standards for Wells

The operator shall comply with all of the following provisions:

- A. All DOGGR regulations related to drilling, workovers, operations and abandonment operations.
- B. No more than two rigs shall be present within the oil or gas site at any one time.
- C. All derricks and portable rigs and masts used for drilling and workovers shall meet the standards and specifications of the American Petroleum Institute as they presently exist or as may be amended.
- D. All drilling and workover equipment shall be removed from the site within ninety days following the completion of drilling or workover activities unless the equipment is to be used at the site within thirty days for drilling or workover operations.
- E. All drilling sites shall be maintained in a neat and orderly fashion.

- F. Belt guards shall be required over all drive belts on drilling and workover equipment. Guarding shall be as required by Title 8 of the California Code of Regulations, Section 6622, or as may be subsequently amended.
- G. Excluding oil and gas sites in industrial zones, aboveground pumpjack assemblies are prohibited for new wells and oil and gas sites are restricted to the exclusive use of submersible downhole pumping mechanisms for extraction. Additionally, any well already lawfully existing at the time of implementation of this ordinance in all non-industrial zones, using a pumpjack assembly that is extending its period of production beyond the amortization date established in Section 9189.22(a) shall have its aboveground pump replaced with a submersible downhole pumping mechanism. The pumpjack assembly, along with its motor and fuel system, shall be removed from the oil or gas site within thirty (30) days of the completion of the operation. It is the intent of this Subsection to uninterruptedly carry forward, and not extend, previously existing amortization periods for the removal of pumpjack assemblies and the installation of submersible downhole pumping mechanisms. The requirements of this subsection K are applicable to all oil and gas sites in all non-industrial zones except for such facilities where the City Manager determines that the use of submersible downhole pumping mechanisms is infeasible due to technical reasons or other circumstances which would specifically preclude the use of such technology.

9533 Standards for Pipelines

The operator shall comply with the following provisions related to pipelines throughout operation of an oil or gas site:

9533.1 Pipeline Installations and Use

- A. Pipelines shall be used to transport oil and gas off-site to promote traffic safety and air quality, unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1. Trucking on a temporary basis is allowed with approval of the City Manager.
- B. The use of a pipeline for transporting crude oil or gas may be a condition of approval for expansion of existing facilities or construction of new facilities unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1
- C. New pipeline corridors shall be consolidated with existing pipeline or electrical transmission corridors where feasible, unless there are overriding technical constraints or

significant social, aesthetic, environmental or economic reasons not to do so, as approved by the City Manager.

- D. New pipelines shall be routed to avoid residential, recreational areas, and schools if possible. Pipeline routing through recreational, commercial or special use zones shall be done in a manner that minimizes the impacts of potential spills by considering spill volumes, durations, and projected spill paths. New pipeline segments shall be equipped with automatic shutoff valves, or suitable alternatives approved by the City Manager, so that each segment will be isolated in the event of a break.
- E. Upon completion of any new pipeline construction, the site shall be restored to the approximate previous grade and condition. All sites previously covered with vegetation shall be reseeded with the same or recovered with the previously removed vegetative materials, and shall include other measures as deemed necessary to prevent erosion until the vegetation can become established, and to promote visual and environmental quality, unless there are approved development plans for the site, in which case re-vegetation would not be necessary.
- F. Gas from wells shall be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and light sources, unless the AQMD approves the flaring of gas during the temporary operation of an well. Oil shall also be piped to centralized collection and processing facilities, in order to minimize land use conflicts and environmental degradation, and to promote visual quality.

9533.2 Pipeline Inspection, Monitoring, Testing and Maintenance

- A. Operators shall visually inspect all aboveground pipelines for leaks and corrosion on a monthly basis.
- B. The operator shall install a leak detection system for all offsite DOT regulated oil and gas pipelines. The leak detection system for oil shall include pressure and flow meters, flow balancing, supervisor control and data acquisition system, and a computer alarm and communication system in the event of a suspected leak. The leak detection system for gas pipelines shall include pressure sensors. The accuracy shall be defined once the system is established and tested and approved by the City Manager. The City Manager may deviate from these requirements to address system specific operating requirements.
- C. Pipe clamps, wooden plugs or screw-in plugs shall not be used for any permanent repair approved by the City Manager.

D. Pipeline abandonment procedures shall be submitted to the City Manager for review and approval prior to any pipeline abandonment.

E. Copies of pipeline integrity test results required by any statute or regulation shall be maintained in a local office of the operator and posted online on the same website that provides the monitoring results required in Section 9531.1 for five years and shall also be made available to the City, upon request. The City shall be promptly notified in writing by the operator of any pipeline taken out of service due to a test failure.

9534 Temporary Buildings

During full production of an oil or gas site no temporary buildings are allowed to be constructed or maintained anywhere at the site.

9535 Operational Prohibitions

Operational prohibitions. Notwithstanding any other provision of this article, it shall be unlawful to perform or cause to be performed the following activities within the City in conjunction with the production or extraction of oil, gas or other hydrocarbon substance from any subsurface location within the City:

1. Injection pumps shall not operate at a pressure that produces a pressure exceeding 100 percent of the Maximum Allowable Surface Pressure (MASP) at the well head.
2. No cumulative pumping of acid shall occur in a volume in excess of the minimum Acid Volume Threshold for any well as calculated by DOGGR over a 1 year period
3. No well shall utilize more than 25,000 gallons of water in a 24 hour period, or more than 100,000 gallons per week, unless during an emergency and as approved by the City Manager. This restriction does not apply to produced water, or waste water that originated from a petroleum reservoir.
4. No more than 15 truck trips in a 24 hour period may be used for water deliveries, unless such water is used for a purpose other than extracting oil, gas, or any other hydrocarbon substance.

9536 [RESERVED]

9536.1 [RESERVED]

Part 3. Development Standards for Site Abandonment and Redevelopment

9537 Development Standards

The following development standards shall be applied to all redevelopment projects within the footprint of an oil or gas site, including any building permit involving a current or former oil or gas site:

- A. Any demolition, abandonment, re-abandonment, or restoration shall be adequately monitored by a qualified individual, funded by the operator and retained by the City, to ensure compliance with those conditions designed to mitigate anticipated significant adverse effects on the environment and to provide recommendations in instances where effects were not anticipated or mitigated by the conditions imposed on the permit or entitlement. Pre-restoration and post-restoration surveys of sensitive biological resources shall be employed as appropriate to measure compliance.
- B. The site shall be assessed for previously unidentified contamination.
 - 1. The permittee shall ensure that any discovery of contamination shall be reported to the City Manager and the Los Angeles County Fire Department.
- C. The permittee shall diligently seek all necessary permit approvals, including revisions to an entitlement or the demolition. Abandonment, re-abandonment and restoration permit, if any are required, in order to remediate the contamination.
- D. The permittee, or operator shall be responsible for any cost to remediate the contamination on the site. This ordinance is not intended to limit the permittee, operator's rights under the law to seek compensation from parties who have contributed to contamination of the site.
- E. The permittee shall ensure that appropriate notification has been recorded with the County Recorder to describe the presence and location of any contamination left in place under the authority of the Los Angeles County Fire Department.
- F. All abandoned or re-abandoned wells shall be leak tested subject to the following requirements:

1. All abandoned wells located within on the oil and gas site must be tested for gas leakage and visually inspected for oil leakage. The operator shall apply to the City Manager for an inspection permit to witness the well testing. The leak test shall be completed utilizing a gas detection meter approved in advance by the City Manager, and shall be conducted by a state licensed geotechnical or civil engineer or a state registered environmental assessor, Class II, or the City Manager, or a designee, as determined necessary by the City Manager.
 2. The permittee shall prepare and submit a methane assessment report for each tested well prepared per the City of LA Department of Building and Safety "Site Testing Standards for Methane" (P/BC 2014-101), as may be amended. The operator may use the City's consultant to observe the leak test or be responsible for City consultant test fees. Following satisfactory test results as per the City of LA Department of Building and Safety standards, a well vent and vent cone shall be installed to the satisfaction of the City Manager and in compliance with the recommendations contained in the methane assessment report.
 3. The submitted methane assessment report shall be prepared by a state licensed geotechnical or civil engineer. A well shall be considered leaking if the leak test report indicates the meter read is greater than Level II as defined by the City of LA Department of Building and Safety "Site Testing Standards for Methane", which is set at 1,000 parts per million.
 4. An approved methane assessment report is valid for 24 months from approval by the City Manager. If an abandonment permit has not been issued by this time, retesting shall be required. Following all testing and inspection, the test area shall be returned to its previous state to the satisfaction of the City building official.
 5. If there has not been a change to the well, no leak test is required if a valid methane assessment report, accepted by the City Manager and showing no leaks in excess of the leak limit, has been completed for an abandoned or re-abandoned well within the prior 24 months.
- G. Prior to any development or redevelopment of a current or former oil or gas site, or prior to abandoning or re-abandoning any well, the operator shall:
1. Obtain permit(s) and abandon all idled wells consistent with Section 9510.3 and provide a certificate of compliance to show that the wells and/or sites are abandoned consistent with standards recommended or required by DOGGR to the satisfaction of

the City Manager. Permits shall not be required if the idled well is scheduled to produce oil or natural gas, or to be used for injection, as part of the development or redevelopment of a former oil or gas site and if said production or injection occurs within 5 years of issuance of a CUP or DA under this ordinance.

2. Obtain permit(s) consistent with Section 9510.3 to re-abandon all previously abandoned wells that do not meet standards recommended or required by DOGGR for abandonment in effect at the time of re-abandonment, and provide a certificate of compliance that the wells and/or sites are re-abandoned consistent with current conditions and standards recommended or required by DOGGR to the satisfaction of the City Manager. Permits shall not be required if re-entry of an abandoned well is scheduled to occur within 5 years of issuance of a CUP or DA under this ordinance, and if re-entry actually occurs within that period of time.
 3. In lieu of Subsections (1) and (2), above, obtain a deferral covenant from the City requiring abandonment or re-abandonment to standards recommended or required by DOGGR, or equivalent standards as determined by the City Manager, at a specific time or upon the occurrence of a future event. The deferral covenant shall be approved as to form by the City Attorney, contain a provision to indemnify and hold harmless the City for damages related to wells not abandoned or re-abandoned consistent with standards recommended or required by DOGGR, and shall be recorded by the operator with the County Clerk prior to approval.
- H. Other Development Standards:
1. Permanent structures, or other construction that would be difficult or expensive to demolish, shall not be located on top of any abandoned oil or gas well such that access for a well abandonment rig or other well maintenance equipment is constrained or inhibited from access to the well in the event of a future oil or gas leak, unless it can be demonstrated to the satisfaction of the City Manger that it is not feasible,. Pervious improvements, such as landscaping and porous parking areas with adequate landscape buffers, may be located on top of an abandoned or re-abandoned well which has passed the leak test consistent with Subsection C of this Section.
 2. Redevelopment of a Former Oil and Gas Site: If redevelopment of a use other than an oil and gas operation is proposed at a completely or partially abandoned oil or gas site, the applicant shall submit an application to be processed as a Conditional Use Permit consistent for that use under Chapter 1, Article IX of this Code. Said

application shall include the content required by Section 9510.3.2, and the Conditional Use Permit shall comply with the development standards of Section 9537.

3. Prior to issuance of a permit or entitlement for redevelopment of a former oil and gas site, the owner shall record declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the site have been leak tested and found not to leak; description of any methane mitigation measures employed; disclosure that access to these wells has been provided to address the fact that they may leak in the future causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project. The covenant shall run with the land, apply to future owners, and may only be released by the City.

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May 12, 2015

VIA EMAIL ONLY
dbothe@carson.ca.us

Planning Commission
City of Carson
701 East Carson Street
Carson, CA 90745

Re: Zone Text Amendment Nos. 19-15 and 20-15

Dear Honorable Members of the Planning Commission:

We represent E&B Natural Resources Management Corp. ("E&B"), and are writing regarding the City of Carson's proposed Oil and Gas Ordinance (dated May 4, 2015) and Ordinance to ban well stimulation, also referenced as Text Amendments No. 19-15 and No. 20-15, to be heard by the Planning Commission on May 12, 2015. These ordinances were heard by the Commission on April 14, 2015, who provided direction to City staff in revising the ordinances. We submitted a letter, dated April 13, 2015, identifying many concerns regarding the ordinances, and suggested a further dialogue between the City and E&B and others with oil and gas interests in the City.

The proposed Oil and Gas Ordinance is lengthy regulatory program (over 60 pages), including provisions for the permitting process (Conditional Use Permit and Development Agreement) as well as detailed provisions regarding operational standards. As explained in our April 13, 2015 letter, we had many questions regarding how these provisions were to be interpreted, particularly with respect to those with existing oil and gas operations and vested rights.

After the last Planning Commission meeting, the City convened a meeting with the oil and gas interests, held April 28, 2015, and we made important progress in understanding the City's objectives and in conveying our thoughts regarding the proposed ordinances. Nonetheless, with many companies in attendance, not all issues were discussed, and several of the issues that were discussed required follow up action items. (For example, we were reviewing the insurance provision to determine the commercial availability of certain insurance coverage.)

Planning Commission
May 12, 2015
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As noted in our prior letter, we may not reach agreement on all issues, but it is a worthwhile endeavor to understand and clarify the City's intent and interpretation of these proposed ordinances. Many of the issues raised in our April 13, 2015 letter merit further discussion. (The April 13, 2015 letter is hereby incorporated by reference.) To that end, we believe that additional dialogue with the City would be beneficial to minimizing our differences and developing an Oil and Gas Ordinance which is understood by those that it would regulate. We are having another meeting right before the May 12, 2015 Planning Commission hearing, but given the timing, we may not have sufficient time to consider any results from that meeting and present them to the Commission. As such, the Staff Report acknowledges our request to continue this matter, and City staff has recommended that the matter be continued until June 9, 2015 meeting.

We also understand the composition of the Commission has changed with the addition of several new members. This continuance would also provide additional time for the new Commissioners to review the files and to become acquainted with the history of these proposed ordinances. Given the length and complexity of the proposed Oil and Gas Ordinance, and the many pages of comments and concerns, we believe that the City would be well served by continuing this matter until the June 9, 2015 meeting. In any case, we will be in attendance at the May 12, 2015 meeting and available for questions.

Sincerely,

ALSTON & BIRD LLP



Nicki Carlsen

NC:kl

cc: Denise Bothe, Planning Secretary (Via Email)
Shannon L. Chaffin, Esq. (Via Email)
Saied Naaseh (Via Email)

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