

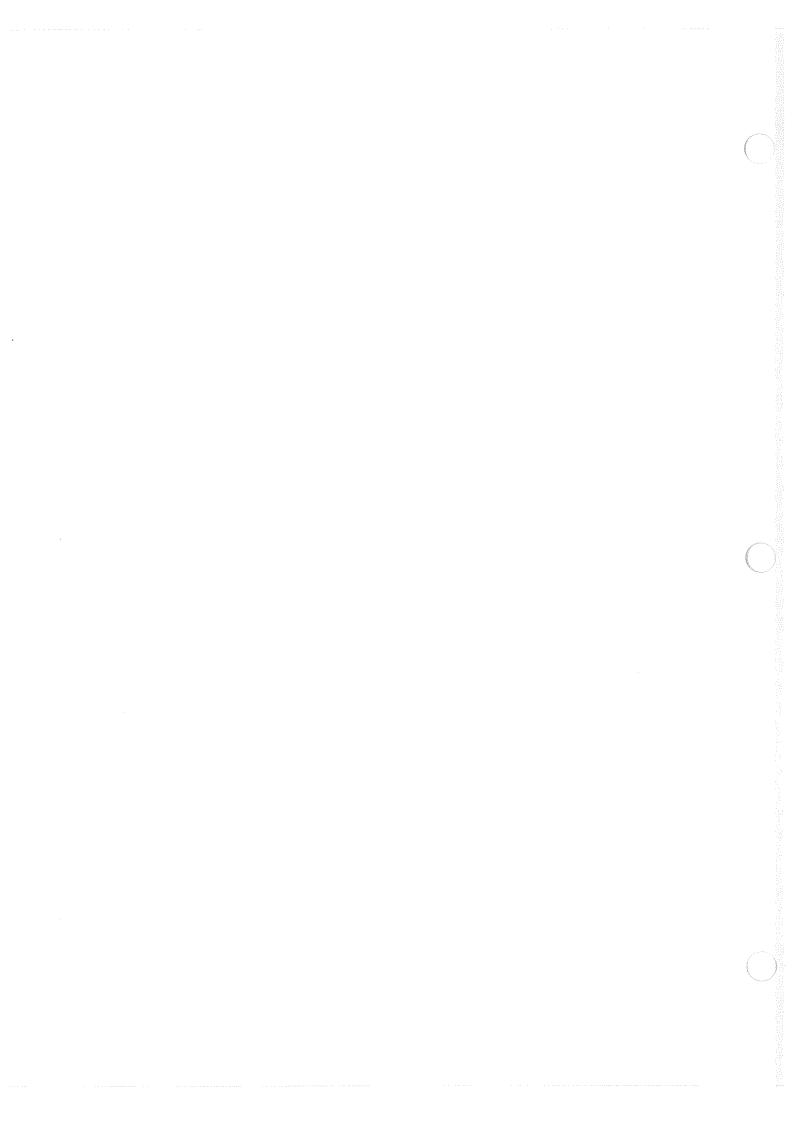
CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING	G:October 13, 2015 (Continued from September 8 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		
<u>(</u>	COMMISSION ACTION		
Concurred with staff			
Did not concur with staff			
Other			

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Chairman Diaz			Mitoma
		Vice-Chair Madrigal			Post
		Andrews			Schaefer
		Faletogo			Thomas
	-	Guidry			



I. Introduction

No modifications have been made to the proposed Ordinance since the July 28, 2015, meeting, refer to Exhibit 1. Staff is requesting the Planning Commission identify which alternative term "add-ins" it would prefer in the Ordinance and then to direct staff to return with a resolution and "clean" ordinance for final consideration and approval at a continued meeting, refer to Exhibit 2. A new public hearing notice was mailed to all addresses in the City including all property owners, residents, and business owners, refer to Exhibit 3.

II. Background

This matter was considered by the Planning Commission on February 24, 2015, April 14, 2015, May 12, 2015, June 9, 2015, July 28, 2015, and September 8, 2015. At the September 8, 2015 hearing, the Planning Commission continued this matter as recommended by Staff to allow for noise studies, as well as to allow the City Manager to hold additional meetings with members of the community, industry stakeholders and other interested parties regarding the Ordinance, refer to Exhibits 4, 5, 6, and 7.

In response to concerns regarding the noise levels from oil and gas operations, MRS has been conducting noise monitoring at 301 E 244th St (located about 450 feet from the nearest active well facility in the Wilmington field), and is currently monitoring a location at 19018 Belshaw Ave (located about 4,300 feet from the nearest active well facility in the Dominguez field). Noise monitoring is ongoing, and it is anticipated results will be presented by MRS during the presentation. Staff have also confirmed the proposed Ordinance is part of the Zoning Ordinance, and the procedures in the Zoning Ordinance would also be applicable unless otherwise specifically modified in the update. These include petroleum operations compliance with the general plan and zoned districts, variance and text change process, CEQA and other applicable requirements of the Carson Municipal Code and state law.

The City Manager, Staff, the City Attorney's office, and MRS have held a series of separate meetings with members of the community, industry stakeholders and other interested parties at various times on September 15th, 24th and 29th to address issues and concerns.

The most recent draft consolidated version of the Code update is dated July 28, 2015, the same version as was provided at the July 28th, 2015 Planning Commission meeting, refer to Exhibit 1. Staff have also prepared an "Alternative Terms" table to provide the Planning Commission a menu of options, "add-ins", that could be modified and/or added to the Ordinance if the Commission is so inclined, refer to Exhibit 2.

As a result of extensive outreach efforts and the assessment of all reasonably available options, Staff believes this Ordinance is ready for final direction from the Planning Commission. To do so, Staff's recommends the Planning

Commission identify any options it prefers for alternative term "add-ins" and direct Staff to return with a resolution and Ordinance for final consideration and approval of a recommendation at a continued meeting. Planning Commission direction will allow Staff to ensure all alternative term "add-ins" are fully integrated into the Ordinance and appropriately supported by the resolution.

III. Analysis

Alternative Term "Add-In" Options

The Planning Commission can modify and/or add the following alternative terms as "add-in" options to the July 28, 2015 version of the Code if it is so inclined:

- City Manager, Petroleum Administrator or combination
- Heightened authority of the City Manager/Petroleum Administrator
- Grandfathering of existing uses (no amortization)
- Setbacks
- Consolidation and relocation incentives for existing uses
- Pumpjacks and submersible pumps
- Appeal of CUPs to City Council
- Approve corrections and clarifications to the July 28th version of the Ordinance
- An option has also been included to allow the Planning Commission to make a recommendation regarding the City's Noise Ordinance to generally address an exception for certain nighttime construction noise, refer to Exhibit 8.

Staff have provided recommendations as to each alternative term "add in."

IV. Environmental

Staff's recommendation of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 remains unchanged from the prior Staff Reports.

V. Recommendation

Staff recommends that the Planning Commission identify options for alternative term "add-ins," and direct staff to return with a resolution and ordinance for final consideration and action at a continued meeting, anticipated to occur as a consent item.

VI. Exhibits

- 1. Consolidated July 28, 2015 Ordinance (includes Text Amendment No. 20-15)
- 2. Alternative Terms ("Add Ins"), including errata/corrections
- 3. Public Hearing Notice
- 4. September 8, 2015 Planning Commission Staff Report
- 5. September 8, 2015 Planning Commission Minutes

- 6. July 28, 2015 Planning Commission Staff Report
- 7. July 28, 2015 Planning Commission Minutes
- 8. City's Current Noise Ordinance
- 9. Comment letters and correspondence received since the July 28, 2015 Planning Commission meeting

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:

Saied Naaseh, Planning Manager

City of Carson Oil & Gas Code Update



EXHIBIT NO. 0 1



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CHAPTER 5 OIL AND GAS CODE

Part 1. Administrative Procedures

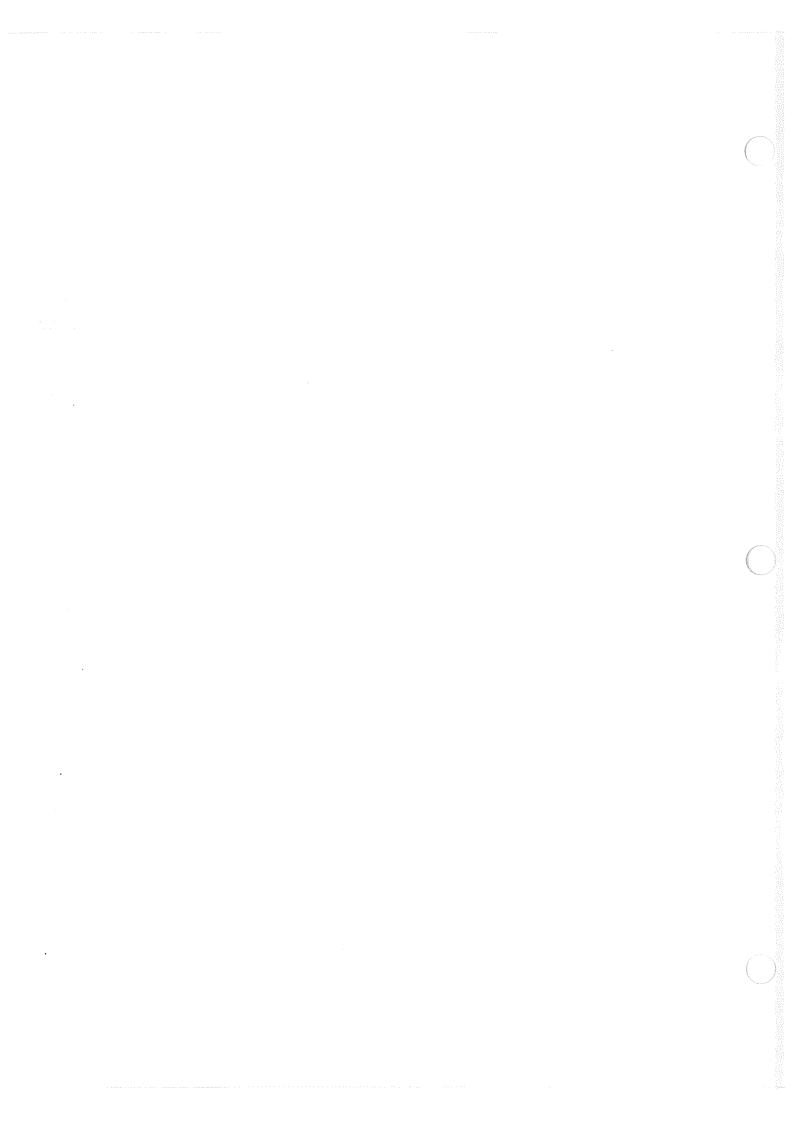
9500 Purpose

- 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

- A. 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:
 - 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.
 - 2. 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.
 - 3. Injection wells and incidental equipment necessary for enhanced oil recovery or disposal of produced water.





- 4. 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.
- 5. Pipelines located within an oil and gas lease area that are necessary for oil and gas production operations.
- 6. Pipelines that transport oil or gas to another location for sale or transfer to a third party.
- 7. 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.
- 8. 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.
- B. 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 which do not have or are not required to obtain a new CUP, only the following sections are applicable:

9506	Well Drilling Permit
9507.4(B)	Modifications and Extensions
9510	Facility Closure, Site Abandonment, and Site Restoration Procedures
9521	Setbacks
9522	Site Access and Operations
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9530	Safety Assurances and Emergency/Hazard Management (except 9530.4)

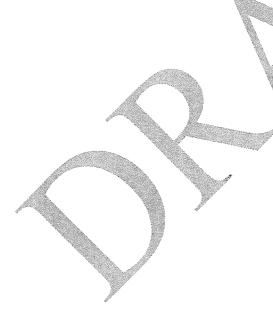
9531	Environmental Resource Management (except 9531.3 and 9531.5.1)
9532	Standards for Wells (except subsection G)
9535	Operational Prohibitions
9536	Prohibited Uses

Violations of these sections shall also be subject to enforcement mechanisms contained in this ordinance and Code.

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.



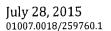


TABLE 1-1

- * 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	Oil and Gas
Designation	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 & DA1
CG Commercial General	CUP & DA1
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 & DA1
MH Manufacturing Heavy	CUP& DA1
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 Statues 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 reworking 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.

"Existing" as applied to oil and gas sites, wells or other facilities and operations, refers to and includes all that were lawfully in existence at the effective date of this ordinance

"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, or a CUP expired or was revoked; 2) the expansion by 3 or more wells at an existing site used for oil and gas operations and which conforms to setback requirements; 3) the placement or erection of tanks for holding produced substances or substances intended for subsurface injection in connection with oil and gas operations exceeding by 25% or more the capacity of existing tanks as of the effective date of this ordinance. New development does not include the like-kind replacement of facilities required for legally operating oil and gas operations that are damaged, failed, are at risk of failure, or are at the end of their useful life at an existing site.. New development does not include workovers or other maintenance for legally operating oil and gas operations, 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 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.

"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 Pubic 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 Consistency with Other Laws, Rules and Regulations

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 Appeals

Unless otherwise specified in this ordinance, any interested person may appeal a discretionary decision of the City Manager consistent with procedure set forth in Section 9173.4, except that references to "Director" shall be replaced with "City Manager," and the Planning Commission's decision is final with no right of appeal to the City Council. Section 9173.5 shall govern the statute of limitations. Mandatory requirements of this ordinance are not subject to appeal.

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, except that there shall be no right of appeal to the City Council, as well as with the following additional requirements:

9507.1 Conditional Use Permit (CUP) Filing Requirements

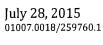
In addition to the filing requirements required by Section 9173.1 (Applications) of this Code, for projects within the City to which this ordinance is applicable, the following materials are also required as part of a CUP application for the consideration of the Planning Commission:

- 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:
 - Surface property, easement, rights-of-way and pipeline right-of-way boundaries within the site.
 - 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 rightof- way.
 - 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 1,500 feet of the surface location of any existing or proposed new well within the site.
- 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.
- 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:
 - Using signalers for all backup operations instead of backup alarms and turning off backup alarms;
 - 2. Using radios instead of voice communication;
 - 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, other than along designated truck routes, 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
 - 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).



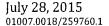
9507.2 Processing and Review

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;
 - 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 of 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 existing oil and gas operation 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:
 - 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:
 - 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 for consideration and prospective amendments of oil and gas drilling permits and CUPs, and to the Planning Commission for recommendation to the City Council for consideration and prospective amendments of DAs.
- B. A 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 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 permits, and the Planning Commission and City Council for DAs, as deemed necessary. Nothing in this Section shall preclude the City from taking any other enforcement action authorized by this Code
- 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 reabandonment 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 Section 9510 and its subsections, shall include all permitted uses identified in Section 9501.A 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, as refined herein by Section 9505. 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 shall submit an application for abandonment, re-abandonment, and site restoration proceedings to the City Manager upon any of the following:
 - 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.
 - Upon order of DOGGR. The application shall be submitted within 30 days of a DOGGR order to abandon, re-abandon, and restore the site.



D. Nothing in this ordinance shall limit the City's police powers. The City may require those measures reasonably necessary to address specific site or operational conditions that threaten public health, morals, safety or general welfare, which measures could include partial or complete abandonment.

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.
- 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.



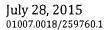
- X. For abandonment or restoration in any circumstances where the permit is approved by the City Manager without Planning Commission action, proof of mailed notice of intent to seek a permit to abandon or restore to the owner of record on the latest assessment roll for neighboring parcels within 500 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:



- Oil well abandonment shall be performed by oil service company contractors licensed to do business in the city.
- 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.
- 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 Complaints

All complaints related to activities regulated by this ordinance received by the operator shall be reported within one pusiness 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 fine schedule for Council approval to specifically identify the fines associated with oil or gas site violations. This violation fine 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.

 Revocations of a permit or CUP may be done pursuant to Section 9172.28, except that the Commission may choose to amend rather than revoke, there is no right of appeal to the City Council, and the references to "Director" shall be replaced with "City Manager."

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. During the pendency of any such appeal, the City Manager's determination shall remain in full force and effect until affirmatively set aside by the Commission. 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:
 - An investigation of the causes leading up to the high risk determination;
 - 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:
 - 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;
 - 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:
 - 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 reassessed 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



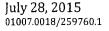
work, nor shall the bond be reduced due to economic hardship or similar considerations.

- 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 wells and tanks within an oil and gas site shall not be located within:
 - 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.
 - 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 met 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 are damaged, 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, 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, other than designated truck routes, that pass through or adjacent to prohibited zones as listed in Table 1-1, (a) 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 and (b) 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

- 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 at a rate of 1 parking space per shift-employee. 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, permitees, 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 any new development, 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. 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. For existing oil and gas sites, the signs shall be updated when they are replaced or repaired.

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 operator shall also submit well casing and cementing design specifications as required by DOGGR.

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:
 - 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.
 - 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, or magnitude 6.0 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 the damage has been repaired and confirmed by the operator to be structurally sound and safe for operation, and has passed any otherwise required inspection. Before returning any damaged structure, fixture or equipment to operation, the operator shall prepare and submit to the City Manager a written report of inspections and repairs of that structure, fixture or equipment, and the results of any required inspection.



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, inspections, reports and any emergency response drill training as required by DOGGR, CalEPA, OSHA, Los Angeles County Fire Department, SCAQMD 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:
 - 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.
 - 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 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:
 - 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. Publically 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;
 - 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 SCAQMD within any 12-month period, 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.
- Portable Flare for Drilling. If the well is within 1,500 feet of any prohibited zoning as listed B. in Table 1-1, and either the historical operations of the producing zone have exhibited a gas-oil ratio of more than 400 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 Control for Drilling Operations. If the well is within 1,500 feet of any prohibited zoning as listed in Table 1-1 and either the historical operations of the producing zone have exhibited a gas-oil ratio of more than 400 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 oil and gas 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. This subsection does not apply to existing facilities.
- E. No open pits are allowed.
- F. Off-Road Diesel Construction Equipment Engines. All off road diesel construction equipment shall comply with the following provisions:
 - 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.
- G. 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
 - 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 drillfing, 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 geohydrological 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.
- 1. 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. 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, lawfully 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 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 Manager 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, except on designated truck routes. 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, except on designated truck routes.

- 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 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

Notwithstanding any other provision of this ordinance, 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. No storage of acid on the oil and gas site shall occur in a volume in excess of 2,500 gallons.
- 2. No oil and gas operations 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.
- 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 Prohibited Uses

The 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 City Manager, that (1) well stimulation is necessary to recover the 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 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.

9536.1 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, depending on the severity of the violation at the discretion of the City Manager.
- B. In addition to fines, the 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 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.
 - 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.
 - The permitee 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 or, within an industrial zone, the developer proposing such construction provides written assurances to the satisfaction of the City Manager, to be included in the recorded declaration of covenant prescribed in Subsection 3, below, that they are aware of and accept the risks associated with such construction. 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 an oil and gas site for 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 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 site have been leak tested and found not to leak; description of any methane mitigation measures employed; a statement as to whether or not 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 reabandonment 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, along with notice of the assurances, if any, required by Subsection 1, above. The covenant shall run with the land, apply to future owners, and may only be released by the City.





EXHIBIT "2" ALTERNATIVE TERMS (Add-ins)

Note: Options recommended by staff have been highlighted.

Code Section Modifications		None.	Modify the existing definition in Section 9503.
Proposed Language	City Manager or Petroleum Administrator	Keep current language (July 28 th version).	"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. The City Manager is 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 in carrying out duties. The City Manager may also appoint such number of officers, inspectors, assistants and other employees to assist in carrying out duties.
Explanation	City Manager or P	This option designates the City Manager (or designee) as the City's enforcement official for the Ordinance.	Although already implied by the Ordinance, this option would further clarify the City Manager is authorized to consult experts and appoint employees, etc.
Option		Option 1: City Manager	Sub Option 1(A): Consultants

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Option	Explanation	Proposed Language	Code Section
			Modifications
Option 2: Petroleum	This option designates the	"Petroleum Administrator" (PA) is the	Add definition to
Administrator	Petroleum Administrator as the	City's administrative official, and the	Section 9503 as
	City's enforcement official for	Petroleum Administrator's designated	noted and remove
	the Ordinance.	assistants, inspectors and deputies	"City Manager"
		having the responsibility for the	definition.
		enforcement of this ordinance. The	
		Petroleum Administrator is authorized	Change "City
		and directed to enforce the provisions of	Manager" to
		this ordinance and the codes adopted by	"Petroleum
		reference herein. The Petroleum	Administrator" in the
		Administrator shall be appointed by the	following Sections:
		City Manager and subject to the City	
		Manager's authority under Section 2107	9503 ("shut-down
		of this Code.	order")
			9505
		The Petroleum Administrator shall have	9206
		the primary responsibility for enforcing	9507.2
		the provisions of this ordinance unless	9507.5
		otherwise specified. The Petroleum	9208
		Administrator is authorized to consult	9508.2
		experts qualified in fields related to the	6206
		subject matter of this ordinance and	9510.3
		codes adopted by reference herein as	9510.3.1
		necessary to assist the Petroleum	9510.3.2
		Administrator in carrying out duties. The	9510.3.3
		Petroleum Administrator may also	9510.3.4
		appoint such number of officers,	9511
		inspectors, assistants and other	9512
		employees for the petroleum unit as	9514
		shall be authorized by the City Manager	9515.1
		subject to Section 2107 of this Code.	9516

			-
	Explanation	Proposed Language	Code Section
			Modifications
		The Petroleum Administrator may	9519
		deputize such employees as may be	9520
		necessary to carry out the functions of	9521
		the petroleum unit.	9522.2
			9527
			9528
			9530.3
			9530.4
			9530.6
			9530.6.2
			9530.6.3
			9531.1
			9531.2
			9531.3
			9531.4
			9531.5.1
			9531.5.2
			9531.5.3
			9531.6
			9532
			9533.1
			9533.2
			9535
			9536
			9536.1
			9537
Ontion 9: Combination	This cotton bluck acitae aidT		NA - 115. 4 - 12 12 13.
(Recommended)	City Manager as the City's	administrative official, and the City	definition in Section
	enforcement official for the	Manager's designated assistants,	9503.
		mapediors and deputies naving the	



Option	Explanation	Proposed Language	Code Section Modifications
•	Manager to appoint a Petroleum Administrator as necessary.	responsibility for the enforcement of this ordinance. The City Manager is 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 in carrying out duties. The City Manager may also appoint such number of officers, inspectors, assistants and other employees and/or to appoint a Petroleum Administrator to assist in carrying out duties.	
	Heightened Auth	Heightened Authority for City Manager	
Option 1: Retain Current Authority	This option would retain current discretion and authority.	Keep current language (July 28 th version).	None.
Option 2: Expand Current Authority (Recommended)	This option would expand the current discretion and authority to allow the City Manager to require various plans and reports as the City Manager determines may be necessary.	If the City Manager determines it is necessary based on public health, safety or welfare, he or she may require any information as deemed reasonably necessary for a CUP or an abandonment application.	Modify the existing definition in Section 9503.
	Environmental	Environmental Enforcement Officer	
Option 1:	The ordinance authorizes the	Keep current language (July 28 th	None.

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Option	Explanation	Proposed Language	Code Section Modifications
Recommendation for an Environmental Enforcement Officer (Recommended)	City Manager to administer and enforce the new code, as well as Environmental Compliance Coordinators to oversee the monitoring and condition compliance requirements of the City's permitting actions under the ordinance. However, the ordinance is limited to just the oil and gas context.	version).	
·	While the City does have officials to generally enforce the Municipal Code, there is no official specifically tasked with monitoring and addressing environmental impacts from all other sources in violation of the Municipal Code, etc.		
	If the Commission is so inclined, it can recommend to the City Council to consider an Environmental Compliance Officer to monitor and address environmental impacts from all sources. While this would not specifically be part of the oil and gas code, such an official could work in conjunction with, or also be, an Environmental		

Option	Explanation	Proposed Language	Code Section Modifications
	Compliance Coordinator or other designated official to enforce the oil and gas code.		
	Legal Non-Conforming, Am	-Conforming, Amortization and "Grandfathering"	
Option 1: Legal-Non Conforming	This option would make legally existing current uses within the proposed setbacks "legal nonconforming" uses subject to the City's amortization ordinance.	Keep current language (July 28 th version).	None.
	The City's separate amortization ordinance could require the operations to stop within 20 years unless an extension is approved by the Planning Commission.		
Option 2: "Grandfather" Existing Uses (No	This option would allow existing uses within the proposed	Changes to 9521.C	Modify the following Section(s):
Amortization) (Recommended)		Legally existing oil and gas operations that do not met the setback requirements and that were conforming immediately	9521.C 9507.3.A
	rights if vested rights can be shown, but would not allow additional or "new development."	<u>before</u> as of the effective date of this ordinance are <u>not</u> considered non-conforming uses and are <u>not made</u> subject to Article IX, Chapter 1, Part 8, Division 2 (Nonconformities) of this Code	

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Option	Explanation	Proposed Language
		by this ordinance. except the City Manager shall act in place of the
		"Director." Notwithstanding any other
		provision of those requirements Such
		operate to the extent the operations can
		demonstrate to the City vested rights as
		but are prohibited for expanding
		operations beyond those demonstrated
		vested rights. Vested rights for a
		particular well may be demonstrated by
		the existence of an installed conductor in
		a cellar for that well or any other method established by law Notwithstanding any
		other provision of those requirements, t
		The operator can replace structures and
		equipment required for oil and gas
		operations that are damaged, have
		failed, are at risk of failure, or are at the
		soploomonto oboll he mode with like
		replacements snall 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

Code Section Modifications

Modifications				None.
	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, drilling of new wells is prohibited unless the operator can demonstrate vested rights for each new well.	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. Change in section 9501 9501.B only applicable to 9521.C, not the entire 9521	Setbacks	Keep current language (July 28 th
-			OI	This is the current setback based on prior Commission
				Option 1: 500 feet (Recommended)

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Option	Explanation	Proposed Language	Code Section
			Modifications
	direction and staff	exhibit recommends clarifying that	
	recommendation.	distances are measured from uses within the City's jurisdiction.)	
Option 2: Other	The Commission may	A. The surface locations of wells and	Modify the following
	designate an alternative	tanks within an oil and gas site shall	Section(s):
	distance for setback.	not be located within the following	
		distances from uses within the City:	9521
		1. Five hundred feet (500 feet)	
		hundred feet (
		feet) of the property boundaries of	
		any public school, public park,	
		clinic, hospital, long-term health	
		care facility.	
		2. Five hundred feet (500 feet)	
		hundred feet (
		feet) of the property boundaries of	
		any residence or residential zone,	
		as established in this Code, except	
		tThe residence of the owner of the	
		surface land on which a well might	
		be located , and except <u>or</u> 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, shall not be	
		considered a "residence" for the	
		purposes of this setback.	
		3. Five hundred feet (500	
		feet) hundred feet	
		(feet) of the property	
		boundaries of the commercially	

Option	Explanation	Proposed Language	Code Section Modifications
		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.	
	Incentive to Remove Existing	Incentive to Remove Existing Sites Within Setback Further Away	
Option 1: No Incentive for Transfer Outside	The Code does not currently provide a mechanism to	Keep current language (July 28 th version).	None.
Setbacks	encourage operators to move existing facilities out of setbacks and further away from		
Option 2: Transfer	This would potentially	D. Consolidation and Relocation	Modify the following
Outside Setbacks	encourage the transfer of	Incentives	Section(s):
(Recommended)	existing well sites within the setback to locations further	1. Existing Uses in Setback: For existing wells legally operating	9521
	from sensitive uses without	within the prohibited setback	
	requiring a CUP or DA.	identified in Section 9521.A, an	
	For example, suppose there	either existing or vested, at a 1:2	
	were four existing wells and a	ratio to another (new or existing)	
	10,000 gallon tank currently	receiving site(s) without counting	
	located within 100 feet of a	toward new development that	
	residence. This option would	-,	
	allow the operator to effectively	2. Existing Uses Outside Setback:	
	lialistel illose operations on a	LOI EXISTILIA WEIIS IEYAIIY	

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Ontion	Explanation		
	LApialiauoli	rioposeu Language	Code Section Modifications
	one to two basis (i.e., up to a	operating outside the prohibited	
	total of eight wells and tanks	setback, an operator can	
	totaling 20,000 gallons) to new	exchange only wells actually	
	site(s) outside the prohibited	existing at the time of the	
	setback, without those	ordinance (not vested or	
	installations being classified or	hypothetical wells) at a 1:1 ratio to	
	counted as "new development"	another existing receiving site(s)	
	triggering the requirement to	without counting toward "new	
	obtain a CUP. There would be	development" that would require a	
	a limit on the amount of	CUP or DA. The contributing site	
	transfers allowed without	must be completely abandoned	
	triggering a CUP requirement.	before wells can be constructed at	
		any receiving site. The operator	
		must completely abandon all	
		surface rights to the contributing	
		site (i.e., no future oil and gas	
		operations to occur at the site)	
		and provide acceptable proof to	
		the City of the same. All receiving	
		sites must exist and have active	
		operations as of the date of	
		3. For All Consolidation or	
		Relocation: The operator must	
		provide the City with notice of	
		intent to transfer prior to	
		abandonment of any well(s) or	
		contributing site intended to be	
		consolidated or relocated.	
		Transfers may occur at any time	
		after abandonment is complete	

Option	Explanation	Proposed Language	Code Section Modifications
		and the rights may be "banked" and assigned to another operator upon notice to the City. No well can be transferred more than one time. The receiving well location or site must be located at least 750 feet from the property boundaries identified in Section 9521.A.1-3, and comply with Section 9521.A.4. outside of the prohibited setback. The receiving site cannot expand by more than 10 wells from any source or exchange, in addition to those existing or vested, without being considered new development. All receiving sites must comply with Section 9501.B for sites not required to obtain a new CUP.	
	Pumpjacks and	Pumpjacks and Submersible Pumps	
Option 1: Prohibit Pumpjacks (Status Quo)	This option would continue the prohibition of pumpjacks and require submersible pumps in all zoned districts except industrial areas. An exception is provided that allows a	Keep current language (July 28 th version), with modifications to the last sentence of 9532.G as follows: The requirements of this subsection K are applicable to all oil and gas sites in	Modify the following Section(s): 9532.G
	pumpjack if a submersible pump is not technically	all non-industrial zones except for such facilities where the City Manager	

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Option	Explanation	Proposed Language	Code Section Modifications
	feasible, etc.	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.	
Option 2: "Grandfather" Existing Pumpjacks (Recommended)	This option would allow existing pumpjacks to continue to operate. Additional pumpjacks are prohibited unless it is not technically feasible, etc.	G. Aboveground pumpjack assemblies are prohibited for new wells located in non-industrial areas, and new wells oil and gas sites in non-industrial areas are restricted to the exclusive use of submersible downhole pumping mechanisms for extraction. Additionally, However, any well already lawfully existing at the time of implementation of this ordinance in all non-industrial zones, lawfully-using a pumpjack assembly may continue to do so. 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	Modify the following Section(s): 9532.G

Option	Explanation	Proposed Language	Code Section Modifications
		periods for the removal of pumpjack assemblies and the installation of submersible downhole pumping mechanisms. The requirements of this subsection 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.	
		Noise	
Option 1: Recommend Updating City Noise Ordinance (Recommended)	The proposed ordinance currently requires compliance with the City's noise ordinance. The noise ordinance allows nighttime construction noise for dBA, whereas the normal, nonconstruction nighttime noise levels allowed by the code is 45 dBA.	Keep current language (July 28 th version).	None.

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Option	Explanation	Proposed Language	Code Section Modifications
	recommendation to the City Council to initiate an update of the noise ordinance to address this issue.		
	Appeal to C	Appeal to Council for CUPs	
Option I: Appeal to Council for CUPs (Recommended)	Inis option would allow an appeal to Council for CUPs as is done for other CUPs including revocations. (Council already considers Development Agreements.) There would be no right of appeal to the Council from the Planning Commission's decision involving a penalty, fine, etc.	Section 9507.B B. All procedures for CUPs to which this ordinance applies shall be consistent with the Article IX, Chapter 1, Part 7 of the Code, except that there shall be no right of appeal to the City Council, as well as with the following additional requirements: Section 9507.1 In addition to the filling 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	Modify the following Section(s): 9507.1 9514.B
		also required as part of a CUP application for the consideration of the Planning Commission, or the City Council on appeal:	

Option	Explanation	Proposed Language	Code Section Modifications
		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. Revocations of a permit or CUP may be done pursuant to Section 9172.28, except that the Commission may choose to amend rather than revoke, there is no right of appeal to the City Council, and the references to "Director" shall be replaced with "City Manager."	
Option 2: No Appeal to Council for CUPs	This would result in the Planning Commission making the final determination on all CUPs subject to the Oil Code ordinance.	Keep current language (July 28 th version).	None.
	u	Insurance	
Option 1: Not Allow Other Security if Insurance Not Available	The proposed ordinance currently does not allow operators to provide alternative security if insurance is not available.	Keep current language (July 28 th version).	None.

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Option	Explanation	Proposed Language	Code Section Modifications
	If this insurance becomes unavailable in the future, it could effectively render an operating site not fully insured. This would limit the City's ability to ensure all impacts are fully financially assured, and may result in additional impacts to the community with the shut down and subsequent restart of operations when insurance does become available.		
Option 2: Allow Additional Security If Insurance Not Available (Recommended)	This option would allow the City to accept alternative forms of security limited to three types of insurance that have historically been unavailable or limited in their amount: Excess liability, environmental impairment, and control of well. For example, the ordinance requires a minimum of \$25,000,000.00 for excess liability insurance. In the past, there have been limits on excess insurance amounts available. This option would require the operator to provide insurance up to the amount	Section 9520.B.6 Self-Insurance: The operator shall have the option to self-insure if insurance is not commercially feasible to obtain and maintain in the commercial insurance market, as certified by a written report prepared by an independent insurance advisor of recognized national standing, for the following types of insurance required by this Subsection: Excess (or umbrella) liability insurance, control of well insurance, and environmental impairment (or seepage and pollution) coverage. The operator shall provide a certificate for self insurance subject to approval by the City Manager and Risk Management, and to the City Attorney	Modify the following Section(s): 9520.B.6

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Option	Explanation	Proposed Language	Code Section Modifications
	available, and then provide alternative security sufficient to reach a total of \$25,000,000.00.	for approval as to legal sufficiency. To the extent said insurance is limited to amounts less than that required by this ordinance, the operator must first obtain available insurance coverage to the extent it is commercially feasible, and then shall self insure for the remaining amount.	
	Errata (Correctio	Errata (Corrections) Proposed by Staff	
Option 1: Approve Corrections (Recommended)	This would result in approval of certain clarifications and corrections to the July 28 th version of the ordinance as recommended by staff.	See attached Exhibit A (Errata/Corrections)	See Exhibit "A"

Exhibit "A" to Alternative Terms ("Add Ins")

Errata/Corrections

Staff recommends the Planning Commission approve the following errata and corrections to the July 28, 2015 version of the Oil and Gas Code update:

No.	Section	Proposed Modification	Explanation
1.	9501.A.2	Remove extra period.	Grammatical edit.
2.	9501.B	Replace "9521" with "9521.C"	Promotes internal consistency between Sections.
3.	9501.C	Add the following: C. The provisions of this ordinance which impose any limitation, prohibition or requirement or confer a right on the basis of the distance between a well or any other use or improvement and another zone classification, use or improvement shall be applied solely with reference to zone classifications uses and improvements within the City.	This clarifies the ordinance in a manner consistent with legal limitations that the City's authority to make laws applies only to areas within its jurisdiction.
4.	9502	Table 1-1: Replace "CUP & DA" with "CUP or DA."	Edit clarifies a DA is not required whenever a CUP is required, but one or the other is required for "new development."
5.	9502	Table 1-1: Replace "not permitted" with "prohibited."	"Permitted" can imply an entitlement or other permit to conduct operations. Replacing with "prohibited" removes this potential ambiguity.
6.	9503	Definitions: DOGGR definition - remove first comma.	Grammatical edit.
7.	9503	Definitions, OSHA definition - remove bolding of first part of sentence.	Grammatical edit.
8.	9507.5.B	Change to "shall provide the City with a letter from an authorized agent"	Grammatical edit.

No.	Section	Proposed Modification	Explanation
9.	9508.3.A.4	Replace "or" from end of sentence with "and" as follows: "Will not adversely affect the orderly development of property or the preservation of property values; and"	Clarifies that each DA must meet all of the provisions.
10	9510.3.1.C.2	Add after last sentence: "provided, however, that if the operator timely appeals such an order of the DOGGR, it shall have no obligation hereunder until 30 days after a final decision affirming such order."	Removes potential for inconsistent orders.
11	9510.3.3.D.2	Clarify: "or maintenance of other wells of on the drill or operation site shall be"	Grammatical edit.
12	9511.C	Clarify: "upon the resumption of operations of an idle well giving the date thereof."	Clarifies a potential ambiguity.
13	9512	Change: "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."	Clarifies reporting requirements and allows for internal processing.
14	9515	Revise the last sentence to "at the request of the Director in charge of enforcing Article V, Chapter 7 of this Code."	Promotes internal consistency within the Code and removes potential ambiguity.
-	Part 2.	Introductory text: "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 9501.B 9505."	Promotes internal consistency within the ordinance.
16	9524.2	Replace "fence" with "wall" throughout.	Clarification removes potential ambiguity.
17		Revise to "have been confirmed by the SCAQMD or the City within any 12-month period"	Clarifies City's enforcement authority regarding odor complaints.
18	9531.2.A	Add to last sentence: "An odor minimization plan is not required for facilities existing at the time of the adoption of this ordinance if the operator can demonstrate that the	Provides an exception for existing operators who have been operating for at least 5 years without an odor complaint.

No.	Section	Proposed Modification	Explanation
		facility has not experienced a confirmed odor complaint within the previous 5 years."	
19	9531.2.B	Add: "have exhibited a gas-oil ratio (scf/bbl) of more"	Clarifies unit of measurement to remove potential ambiguity.
20	9531.2.C	Add: "have exhibited a gas-oil ratio (scf/bbl) of more"	Clarifies unit of measurement to remove potential ambiguity.
21	9535	Move to hydraulic fracturing ordinance and reserve Section.	Consolidates operational prohibitions with the proposed Ordinance governing prohibited uses (fracking ordinance).
22	9537.A	Replace "operator" with "permittee or operator."	Clarifies the intent funding may come from a source other than just the permittee.
23	9537.D	Revise to "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 or operator's rights under the law"	Clarifies the intent the permittee has the lead responsibility for remediating contamination prior to development to another use.
24	9537.H.1	Revise last sentence to: "which has passed the leak test consistent with Subsection C of this Section."	Clarification removes potential ambiguity.



NOTICE OF PLANNING COMMISSION PUBLIC HEARING

ADDRESS ANY COMMUNICATIONS TO: COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION 701 EAST CARSON STREET CARSON, CALIFORNIA 90745

Update of City's Oil and Gas Code and Prohibition of Hydraulic Fracturing ("Fracking")

The Planning Commission hearing will address the following matters to be considered for city-wide application:

- A recommendation to the City Council regarding "An Ordinance 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, 9138.10 And 9148.2 Of The Carson Municipal Code," including approval of associated environmental findings for the Ordinance of Class 8 Categorical Exemption under CEQA Guidelines Section 15308.
- A recommendation to the City Council regarding "An Ordinance Of The City Council Of The City Of Carson, California, To Adopt Text Amendment No. 20-15, Adding Sections 9536 And 9536.1 To, And Amending Section 9505 Of, Chapter 5 Of Article IV Of The Carson Municipal Code To Prohibit 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," including approval of associated environmental findings for the Ordinance of Class 8 Categorical Exemption under CEQA Guidelines Section 15308.

The <u>PLANNING COMMISSION</u> of the City of Carson, California, will conduct another public hearing, at regularly scheduled meeting, at which time you may be present and be heard, to consider the recommendations regarding the Ordinances and environmental findings noted above.

TIME:

6:30 P.M., Tuesday, October 13, 2015

PLACE

Helen Kawagoe Council Chambers, City Hall

701 East Carson Street, Carson, CA 90745

These public hearings are in addition to the multiple public hearings already conducted by the Planning Commission regarding both of the proposed Ordinances. Comments and documents received during the prior public hearings have already been considered and included in the administrative record. However, all persons interested in this topic who have questions or would like to provide feedback are invited to attend whether they have previously commented or not. If you challenge the approval or denial of these matters in court, you may be limited to raising only those issues you or someone else raised at the public hearings described in this notice, or in written correspondence delivered to the Planning Commission, at or prior to, the close of the public hearing. Address any communications or comments regarding the project to Saied Naaseh, Planning Manager, Planning Division, 701 East Carson Street, Carson, California 90745, (310) 952-1770, or snaaseh@carson.ca.us. Documents related to the proposed project are on file with the City of Carson Planning Division and accessible at: http://ci.carson.ca.us/department/communitydevelopment/oilcodeupdate.asp

DATED:

This 22nd day of September, 2015

City Clerk Jim Dear

City of Carson, California

City Manager Ken Farfsing City of Carson, California

01007.0018/268702.1

EXHIBIT NO.03



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING	3:July 28, 2015 (Continued from June 9, 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		
<u>G</u>	COMMISSION ACTION		
Concurred with staff			
Did not concur with staff			
Other			
<u>C</u> (OMMISSIONERS' VOTE		

AYE	NO		AYE	NO	
		Chairman Diaz			Mitoma
		Vice-Chairman Madrigal			Post
		Andrews			Schaefer
		Faletogo			
		Guidry			

EXHIBIT NO. 0 4

Item 10A

I. Introduction

This staff report includes a summary of proposed modifications since the last version of the proposed ordinance, and a redline version is attached which identifies all changes as compared to the June 1, 2015 version. These changes represent a refinement to the oil code as directed by the Planning Commission during its meeting of June 9, 2015, and as a result of comments received during and after the Planning Commission, as well as meetings with the community and stakeholders with an interest in oil and gas, etc.

II. Background

This matter was considered by the Planning Commission on February 24, 2015, April 14, 2015, May 12, 2015, and June 9, 2015. At the June 9, 2015 hearing, the Planning Commission again took public testimony and continued this matter to July 28, 2015, along with the following direction to staff:

- Examine the "good neighbor provisions" to reach consensus with the interested parties;
- Consider the recent EPA report and the Californians for Energy Independence fact sheet and how they would potentially affect the proposed ordinance;
- Revisit the ordinance to identify if there are proposed regulations pertaining to downhole activities;
- Bring back revisions regarding the Petroleum Administrator;
- Continue to dialogue and meet with all interested parties; and
- Set up small group workshops for Planning Commissioners regarding the proposed ordinance.

Reports will be provided as part of the presentation to the Planning Commission. Staff also continued dialogue with interested parties as directed including the community, stakeholders in the oil and gas industry, and held small group workshops with members of the Planning Commission.

A summary of proposed modifications since the last version of the proposed ordinance is attached, refer to Exhibit 1. If the Planning Commission is inclined to modify the proposed ordinance to include items such as the addition of a Petroleum Administrator position, adjusted setback, etc., an "Alternative Terms" table has been included to facilitate "adding-in" desired provisions, refer to Exhibit 2. Finally, the most recent version of the ordinance is dated July 28, 2015, and includes additional recommendations from staff as a result of a continuing dialog with interested parties, refer to Exhibit 3.

Staff's recommendation is for the Planning Commission to identify the revisions to be included in the ordinance and to direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting.

III. Analysis

Good Neighbor Provisions

Stakeholders from the industry appear to have a comfort level with the following "good neighbor" provisions generally being applicable to existing uses:

- 9506 Well Drilling Permit
- 9507.4(B) Modifications and Extensions
- 9510 Facility Closure, Site Abandonment, and Site Restoration Procedures
- 9522 Site Access and Operations
- 9523 Lighting
- 9526 Signage
- 9527 Steaming
- 9530 Safety Assurances and Emergency/Hazard Management (9530.4 is not applicable)
- 9531 Environmental Resource Management (9531.3 and 9531.5.1 not applicable),
- 9532 Standards for Wells (subsection G not applicable)
- 9535 Operational Prohibitions

Stakeholders disagreed with all or portions of the following "good neighbor" provisions:

- 9521 Setbacks (including existing uses becoming legal nonconforming)
- 9536 Prohibited Uses

9524.1 (Landscaping) and 9533 (Standards for Pipelines) were removed as they are more appropriate for new development, and leases for existing operators often occupy part of a site, which raises issues regarding landscaping the entire site.

EPA Report and the Californians for Energy Independence Fact Sheet

The EPA report, etc., have been considered and will be addressed as part of the presentation to the Planning Commission.

Review for Potential Downhole Regulations

Review has been completed with some refinements proposed to Section 9535 (Operational Prohibitions). No other refinements are being proposed.



Provisions for Petroleum Administrator

Sample language for the inclusion of a Petroleum Administrator instead of the City Manager has been included in the "Alternative Terms" table, refer to Exhibit 2.

Dialog With Interested Parties and Small Group Workshops

Staff, the City Attorney's office, and MRS held separate meetings with members of the community and industry stakeholders on July 6, 2015, to address issues as directed by the Planning Commission. Additionally, staff held three small group workshops with members of the Planning Commission throughout the day on July 7, 2015. A teleconference was also held with industry stakeholders on July 14, 2015.

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 have proposed refinements to the oil code. A summary of proposed modifications since the last version of the proposed ordinance is attached, refer to Exhibit 1. Additional detail can be provided as part of the staff presentation.

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 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.

> Planning Commission Staff Report TA No. 19-15 (Oil and Gas Ordinance) June 9, 2015 Page 4 of 5

V. <u>Recommendation</u>

Staff recommends the Planning Commission to identify the specific revisions and items to be included in the proposed ordinance and to direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting. Staff has also received requests to continue the matter to allow additional time to review the latest proposed revisions.

VI. Exhibits

- 1. Summary of Proposed Modifications (as compared to June 1, 2015 version)
- 2. Alternative Terms ("Add Ins")
- 3. Consolidated July 28, 2015 Ordinance (redline) (includes Text Amendment No. 20-15)
- 4. Comment letters and correspondence received since the June 9, 2015 Planning Commission meeting
- 5. June 9, 2015 Planning Commission Minutes

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

A complete "clean" copy resolution can be found in the written materials for the June 9, 2015 meeting starting on page 347 (draft resolution), including page 358 (Text Amendment No. 19-15), and page 420 (ordinance update - June 1, 2015 version).

Prepared, Reviewed and Approved by:

Saied Naaseh, Planning Manager



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING: July 28, 2015 (Continued from June 9, 2015)

SUBJECT:

Text Amendment No. 20-15

APPLICANT:

City of Carson

REQUEST:

To consider adoption of an Ordinance prohibiting hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines

§15308

PROPERTY INVOLVED:

City-wide

COMMISSION ACTION

COMMISSIONERS' VOTE

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



I. <u>Introduction</u>

This matter was considered by the Planning Commission on February 24, 2015, April 14, 2015, May 12, 2015 and June 9, 2015. At the June 9, 2015 hearing, the Planning Commission took public testimony and continued this matter to July 28, 2015. This Staff Report provides a status update.

II. Background

No Proposed Refinement to the Ordinance

On June 9, 2015, the Planning Commission provided no additional direction regarding Zone Text Amendment 20-15, which proposes an update to the Carson Municipal Code to prohibit 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.

Staff considered the recent EPA report and the Californians for Energy Independence fact sheet and how they would potentially affect the proposed ordinance. A report will be provided as part of the presentation to the Planning Commission.

III. Analysis

There are no proposed refinements to the proposed ordinance.

Dialog With Interested Parties and Small Group Workshops

As directed by the Planning Commission, staff, the City Attorney's office, and MRS held separate meetings with members of the community and industry stakeholders on July 6, 2015, to address issues as directed by the Planning Commission. Additionally, staff held three small group workshops with members of the Planning Commission throughout the day on July 7, 2015. A teleconference was also held with industry stakeholders on July 14, 2015.

No further meetings have been scheduled.

Conclusion

Approval of the Text Amendment will provide an update to the Carson Municipal Code to prohibit hydraulic fracturing, acidizing and any other form of well stimulation as described in the Ordinance, and will also establish penalties for violations.

IV. <u>Environmental</u>

Staffs' recommendation of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 remains unchanged from the prior Staff Reports.



V. Recommendation

Staff recommends the Planning Commission direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting. Staff has also received requests to continue the matter to allow additional time to review the latest proposed revisions.

VI. Exhibits

- 1. June 9, 2015 Planning Commission Minutes (refer to Agenda Item No. 10A, Exhibit No. 5)
- 2. Comment letters and correspondence received since June 9, 2015 Planning Commission meeting (refer to Agenda Item No. 10A, Exhibit No. 4)

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

A complete "clean" copy Zone Text Amendment 20-15 can be found in the written materials for the June 9, 2015 meeting starting on page 95 (draft resolution), and including page 110 (proposed ordinance).

Prepared, Reviewed and Approved by:

Saied Naaseh, Planning Manager

10. CONTINUED PUBLIC HEARING

A) 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. The properties involved are citywide.

Staff Recommendation:

Continue to October 13, 2015.

Planning Commission Decision:

Chairman Diaz moved, without objection, to continue this matter to the October 13, 2015 meeting.

10. CONTINUED PUBLIC HEARING

B) Zone Text Amendment No. 20-15

Applicant's Request:

The applicant, city of Carson, is requesting 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. The properties involved are citywide.

Staff Recommendation:

Continue to October 13, 2015.

Planning Commission Decision:

Chairman Diaz moved, without objection, to continue this matter to the October 13, 2015 meeting.

10. CONTINUED PUBLIC HEARING

C) Conditional Use Permit No. 971-15

Applicant's Request:

The applicant, Steve Rawlings of Alcoholic Beverage Consulting and representative for Century Theatres, Inc., is requesting the Planning Commission consider beer and wine sales for onsite consumption within a movie theater at the SouthBay Pavilion located at 20700 S. Avalon Boulevard.

Staff Recommendation:

Continue to October 27, 2015.

EXHIBIT NO. 05





CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING	S:September 8, 2015 (Continued from July 28, 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
<u> </u>	COMMISSION ACTION
Concurred with staff	
Did not concur with staff	
Other	
	OMMISSIONEDS! VOTE

AYE	NO		AYE	ИО	
		Chairman Diaz			Mitoma
		Vice-Chairman Madrigal			Post
		Andrews			Schaefer
		Faletogo			
		Guidry			

EXHIBIT NO. 0 6

Item 10A



I. Introduction

On July 28, 2015, the Planning Commission took public testimony and continued this matter to September 8, 2015. The Planning Commission determined that the newly appointed Interim City Manager, Ken Farfsing, should be involved in the oil code process because of his previous relevant experience with the City of Signal Hill.

II. Background

Staff scheduled a series of small meetings between the staff including Mr. Farfsing, MRS, and the City Attorney's office and the Planning Commissioners. Each of the meetings included a maximum of four Planning Commissioners to avoid conflicts with the Brown Act. In addition, Mr. Farfsing continues to meet with the stakeholders to attempt to resolve the remaining major issues. Furthermore, MRS will be conducting noise measurements to determine the noise impacts of existing operations on adjacent residential areas.

III. Recommendation

Staff recommends the Planning Commission continue this item to October 13, 2015 to allow the Mr. Farfsing to meet with all stakeholders and MRS to perform noise measurements. The Planning Commission is not anticipated to re-open public testimony during the September 8th meeting. However, public testimony may be provided at the continued hearing date recommended for October 13, 2015.

IV. Exhibits

1. None

Prepared, Reviewed and Approved by:

Saied Naaseh Planning Manager



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

CONTINUED PUBLIC HEARING	G:September 8, 2015 (Continued from July 28, 2015)
SUBJECT:	Zone Text Amendment No. 20-15
APPLICANT:	City of Carson
REQUEST:	To consider adoption of an Ordinance prohibiting hydraulic fracturing ("fracking"), acidizing and any other form of well stimulation, and a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308
PROPERTY INVOLVED:	City-wide
9	COMMISSION ACTION
Concurred with staff	
Did not concur with staff	
Other	

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Chairman Diaz			Mitoma
		Vice-Chairman Madrigal			Post
		Andrews			Schaefer
		Faletogo			
,	77011117	Guidry			

Item 10B

I. <u>Introduction</u>

On July 28, 2015, the Planning Commission took public testimony and continued this matter to September 8, 2015. The Planning Commission determined that the newly appointed Interim City Manager, Ken Farfsing, should be involved in the oil code process because of his previous relevant experience with the City of Signal Hill.

II. Background

Staff scheduled a series of small meetings between the staff including Mr. Farfsing, MRS, and the City Attorney's office and the Planning Commissioners. Each of the meetings included a maximum of four Planning Commissioners to avoid conflicts with the Brown Act. In addition, Mr. Farfsing continues to meet with the stakeholders to attempt to resolve the remaining major issues. Furthermore, MRS will be conducting noise measurements to determine the noise impacts of existing operations on adjacent residential areas.

III. Recommendation

Staff recommends the Planning Commission continue this item to October 13, 2015 to allow the Mr. Farfsing to meet with all stakeholders and MRS to perform noise measurements. The Planning Commission is not anticipated to re-open public testimony during the September 8th meeting. However, public testimony may be provided at the continued hearing date recommended for October 13, 2015.

IV. Exhibits

1. None

Prepared, Reviewed and Approved by:

Saied Naaseh, Planning Manager

9. CONSENT CALENDAR

A) July 14, 2015 Minutes

Motion: Commissioner Faletogo moved, seconded by Commissioner Mitoma, to approve the July 14, 2015, Minutes as presented. Motion carried, 7-0 (Madrigal abstained; Thomas had not yet arrived; absent Guidry).

(Commissioner Thomas arrived at 10:20 P.M.)

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 for properties citywide.

Staff Recommendation:

Direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting.

Louis Perez, MRS consultant, stated that since the last public hearing on this matter, they've had several meetings with industry representatives and community members, and noted he will highlight those changes/additions to the proposed oil code subsequent to those meetings; advised that some of the changes/additions made relate to an option for a Petroleum Administrator (PA), setbacks, and their review of the recently published Environmental Protection Agency (EPA) study and California Council on Science and Technology (CCST) study, a study that was required by SB-4 (fracking legislation).

Mr. Perez stated that in regard to Option 1 (City Manager), the City Manager would have the authority to designate staff or hire experts to address issues related to specific oil and gas operations; that the City Manager's discretion would mostly be focused on processing applications, ministerial approvals, enforcement and compliance oversight; and that certain discretionary decisions would be appealable to the Planning Commission.

Mr. Perez stated that in regard to Option 2 (Petroleum Administrator, typical discretion), the PA would be very similar to the role the City Manager plays in this regard, designating all the things the City Manager would do currently within the oil code, essentially the same as Option 1.

Mr. Perez stated that in regard to Option 3 (Petroleum Administrator, broader discretion), this would be a designation similar to Option 1, but going back to an earlier version of the code in February that had a lot of latitude for the PA's oversight. He explained that since the beginning of the year, a lot of these changes to the latitude of the PA position have been eliminated due to the Commission's concern that the PA had too much authority.

EXHIBIT NO.07

Mr. Perez noted that the current proposed setback is 500 feet, noting the first draft of the proposed code when this process was first started was 1,500 feet; explained that the idea at that time in looking at the setback was to ensure the Oxy project being proposed at that time (now withdrawn) would be able to comply with that setback and that project did; noted the setbacks at that time did not apply to existing operations when they first started this process; and advised that some of those things have since changed. He added that the existing setback is 300 feet for industrial areas only; and highlighted the comparison chart of the various setbacks in other jurisdictions, such as Signal Hill having a 100-foot setback from residential and Bakersfield having setbacks that range from 500 to 1,000 feet. He also highlighted some of the different setbacks based on impacts relating to safety and risk; and also noise, odors, and air quality, noting some of those last impacts are without mitigation.

Mr. Perez explained that they started with the intent of regulating future oil development, but stated it has morphed into looking at some of the existing facilities and through some of the things the oil companies have acquiesced to in being a good neighbor; and noted that some of those things have been added into the code with the last three or four versions.

Mr. Perez highlighted some of the companies that will be affected by the various setbacks, noting if the setback is set at 750 feet or 1,000 feet, it will not capture any additional, existing operators; and that if the intent is to capture more operators, the setback would need to be increased up to 1,500 feet. He explained that what it would mean to existing facilities located outside of the setback is they could continue to operate indefinitely without a conditional use permit (CUP) and would not be considered legal, nonconforming; that they must abide by the series of Good Neighbor provisions; and highlighted the definition for new development for more than two new wells that would trigger the requirements for a CUP. He stated that triggers the question of what happens to existing facilities which are within the setback that the Commission will choose to adopt, so for those, no new wells will be allowed beyond those already vested for the property; and that if they have a vested right, an existing permit, and have been operating those wells or they have a permit from the City prior to the adoption of the code and can demonstrate that vested right, they can operate or drill those wells. He noted that all re-drills and workovers within that setback will be allowed, and equipment replacement and maintenance equipment will be allowed as legal, nonconforming and would have to abide by the 20-year amortization schedule.

Mr. Perez advised that a new CUP will typically be required with development of new buildings, structures, or wells on a new site or a CUP has expired or been revoked and with the expansion by three or more new wells at an existing site and expansion of new tanks exceeding by 25 percent or more the capacity of existing tanks. He added this does not include like for like or in-kind replacements, workovers, maintenance, or redrills of existing, active or idle wells; and noted that re-drills of abandoned wells are considered new wells.

Mr. Perez stated that the requirement of the Good Neighbor provisions would be required of the existing operations.

Mr. Perez stated that the EPA fracking study examined the relationship between hydraulic fracturing and drinking water at 25- to 30,000 hydraulically fractured wells in 20 different states from 2011 to 2014 and found there are a number of mechanisms for activities that occurred through fracking to impact drinking water resources; and explained they did not find evidence that these mechanisms led to widespread or



systemic impacts as long as there were appropriate safeguards and regulations. He added that the majority of the hydraulic fracturing they were looking at in other states was occurring within the regulations for those other states, which are far less stringent from those regulations in California; noted a small number of specific instances where mechanisms led to impacts on ground water resources as a result of fracking in other states; and that they determined there wasn't enough data available in some cases, particularly with regard to the types of chemicals being used.

Mr. Perez advised that the CCST put out two volumes -- one in January 2015 and one in July 2015; stated the study was initiated by SB-4 legislation; and that the CCST recruited their best and brightest specialists to look at the issues of fracking and determine what other impacts are occurring out there, what are the gaps in information and what kinds of things can be done to ensure that if fracking is occurring in California, it can occur safely. He stated that one of the things they found is that there's no real reported cases of induced seismicity in California as a result of fracking; that there are no recorded negative impacts from hydraulic fracturing from the chemical use in California; added that no agency has done a systematic study to investigate all the possible impacts; and that there are some chemicals which characteristics remain unknown and some chemicals which may be used for fracking that are not well known.

Mr. Perez stated that they also found hydraulic fracturing in California is not widely used; that it's not a practice that is used now, in particular in the Los Angeles basin, because the geology within which the oil is contained is a sandstone, porous material that doesn't respond well to hydraulic fracturing; and that they do not see hydraulic fracturing as a component of future oil development within the Los Angeles County basin, noting a specific study looked at the Los Angeles County area in a lot more detail. He stated they also found that the majority of the impacts associated with hydraulic fracturing are caused by the indirect impacts of oil and gas production enabled by the hydraulic fracturing; and explained what that means is the hydraulic fracturing occurs during a very short period of time, and the impacts are not considered substantial, but the potential impacts that can occur as a result of the long-term oil and gas production which happens as a result of that hydraulic fracturing operation.

Mr. Perez stated they also found that with good management and mitigation measures, the vast majority of potential direct impacts of well stimulation could be mitigated; and that they found oil and gas production from hydraulically fractured reservoirs in California emit less greenhouse gasses per barrel of oil than other forms of oil production in California. He noted that a great majority of the oil produced in California, particularly in the San Joaquin Valley, is done through steaming practices, which are labor intensive and produce a lot of greenhouse gas emissions, so when you compare that to potential hydraulic fracturing, which is typically a one-time situation, the impacts of steaming are higher with regard to greenhouse gasses than hydraulic fracturing. He added they also make a point to suggest the hydraulic fracturing that is occurring and the impacts of greenhouse gasses is also less than what it would be required of to bring the oil from elsewhere, noting a lot of our oil is imported from overseas; and that they're recognizing the impacts of greenhouse gasses from overseas imports are higher than if we produced it locally.

Mr. Perez stated they also found that hydraulic fracturing in California is substantially different from the experience they have had in other states; and noted there are a multitude of reasons, such as different geology, different development, different amount of water being used, the types of legislation/regulations which exist in California in



comparison to other states is substantially different - reiterating the regulatory framework is far more stringent in California.

Mr. Perez highlighted the EPA and CCST recommendations to ban chemicals that have unknown characteristics, noting they don't know enough about the chemicals used; that they also want to have water testing for pits and agricultural use; that there should be some special provisions for shallow fracking; that the requirements for fracking of abandoned and other wells is looked at very closely because there is a potential for impacts when fracking near those wells; and adding assurances that one is providing proper air emission control technologies during the time that fracking operations are taking place, requirements for cement testing, and requirements for proper well design when fracking.

Mr. Perez highlighted the industry's issues with the ban on fracking, noting their insistence the City is preempted; that they are concerned about the creation of legal, nonconforming facilities and the 20-year limit that will be put in place; that they also believe they will receive inconsistent treatment from other industrial facilities or oil and gas facilities within the City; that they have concerns about having to apply air emission controls and greenhouse gas emission requirements for existing facilities; that they have concerns about the elimination of above-ground pumpjacks; and that they believe the appeals process should go all the way up to the City Council level.

Mr. Perez highlighted the community issues/concerns to increase setbacks, PA to be added back in as it was in February, speed up the process of the oil code amendment, fire department inspections and reports to be shared with the City, ensuring there is air quality monitoring and mitigation for odor impacts, noise and lighting impacts and mitigation, and below-ground drilling impacts.

Mr. Perez highlighted the ordinance changes since the last version, such as the change of a 25-percent tanks increase being considered for new development, added appeals process to the Planning Commission only, truck requirements for areas outside designated truck routes, limited options for requiring abandonment, removed limits on re-drills for existing facilities within setbacks, added parking criteria, modified requirements for City inspection after earthquakes, increased gas levels for odor requirements, removed operational prohibitions on pump pressure and acid use, and added a limit on acid storage volume.

Mr. Perez highlighted possible ordinance add-ins, such as PA language added to definitions and change "City Manager" to "PA," PA to have broader discretion - changed up to 15 sections of the code - setback modifications, removal of legal, nonconforming status for existing operators within the setbacks, and pumpjacks allowed without amortization.

Commissioner Mitoma asked what percentage of these studies was rural versus residential.

Mr. Perez stated they did not see a lot of differentiation in the study for either residential or rural areas; that what they did find in the CCST study was that very little fracking is going on in California, with the majority happening in the San Joaquin Valley; and stated that one can deduce from that that a lot of it is happening in areas which are considered to be rural.



Commissioner Mitoma stated he is not against fracking, but he is against fracking in residential areas; and stated that fracking can be beneficial because it increases energy production within the U.S.

Commissioner Andrews noted his concern with the description of adverse effects fracking will have on this community; with regard to water contamination, he pointed out the study's description imparted it was widespread but not systemic, stating that doesn't say what is going on; that when it came to fracking in this community, the study indicated the impact was not considered substantial, noting it still does not provide enough information, questioning what is considered not substantial and who made that determination; and stated he would like to know what those "not systemic" and "not considered substantial adverse effects" are. He added that if the geology around this area is not frackable, then why is there even an argument being made.

Mr. Perez noted for Commissioner Andrews that what the EPA study meant by systemic is that as they looked at these 30,000 wells, they did not find there was an issue with each and every one or with a substantial number of them that would indicate there's a systemwide problem with the fracking of wells that causes water contamination. He noted they did find there were some isolated incidents where they did not look appropriately at the casing of the well, they did look appropriately at the potential ground water that could be contaminated when they were doing the project, and it caused some contamination; and that it was not systemic, meaning it wasn't widely occurring. He stated the EPA study looked at other states and that the CCST study was more localized; and they did not find any water impacts from fracking in California. He noted they also indicated it hasn't been completely studied, so one cannot definitively say that there's no impact, and they're careful to say that; and they indicated that of the ones they have looked at and the ones that have been done here, those have not produced any water contamination impacts.

Mr. Perez stated that with regard to the second part of Commissioner Andrews' question, what they understand, the CCST study is making the statement that it's very unlikely in the Los Angeles County basin that there will be widespread hydraulic fracturing because of the type of geology, the reservoirs that do not lend themselves to that kind of oil stimulation technique; that as far as what people are fighting for is, he believes, you can have many different interpretations of fracking; he expressed his belief the oil companies want to preserve their rights; he believes there is an existing NIMBYISM (not in my backyard) approach to not wanting to have things that are potentially or have been potentially associated with some dangers in other states; and that people have heard of those dangers, and they're concerned about potential ground water or air contamination that could occur.

Commissioner Faletogo asked if there is any remedy to this other than a flat-out ban on fracking, noting that many cities are being sued over these bans.

Mr. Perez stated there are other important aspects of the CCST report that also help in the Commission's consideration; they recognize that some impacts can occur; they also recognize that those impacts could be mitigated; and they recognize those impacts are not substantial when you compare them to the overall impacts of oil and gas development. He noted that when he first read the report, it seemed to suggest there are impacts associated with fracking, but in California, at least, it's not as bad as it has been in other states. He noted that the concerns people have are well-founded in other states, but in California, they have not seen these impacts; and that it's perhaps because there have not been as many fracking operations in California as in other



states and perhaps there haven't been as many in California because it's not as profitable. He added there is a combination of things going on here, but they do seem to suggest there are fewer impacts, and it may have to do with the regulatory framework in California.

Commissioner Schaefer asked if there has ever been fracking in Carson.

Mr. Perez explained that there is a fracking nomenclature issue; that there are certain things people call hydraulic fracturing, such as the high volume, high pressure hydraulic fracturing which is widely used in the shale oils in North Dakota and widely used in Texas and other locations; and it is his understanding that is not happening here. He added there were two wells that were fracked in the Inglewood oil field in 2010/2011, and those two wells were not effective in producing oil. He stated the other thing to be aware of in comparing high volume, high pressure hydraulic fracturing, the majority of the oil wells that have been fracked in California use a substantial amount less volume of water than in other states: for example, if one were to superimpose the New York fracking ban in California, approximately 95 percent of the wells that have been fracked in California would have been able to be fracked under the New York ban because that is a volumetric-based ban on how much water you use. He pointed out it is important for the public to understand that some of the things he is talking about this evening are direct quotes from the CCST study and not his impressions of those things, but rather the input from the scientists throughout the state who have performed substantial investigation and have given their opinions.

Commissioner Mitoma questioned if fracking is not feasible in Carson, why is the oil industry threatening to spend millions of dollars to sue; he referred to the recent oil spills in the ocean around Santa Barbara, noting that Carson wants to avoid those catastrophes; and stated that Carson should not put itself in a position to be the first city to have a catastrophic problem as a result of fracking.

Chairman Diaz opened the public hearing.

Bill Smalley, resident, noted his opposition to allowing dangerous chemicals close to residents, stating the potential is high for accidents and polluting our natural resources.

Glenn White, resident, stated that the loophole which allows an exemption in Section 9536 should be deleted; and that the setback should be increased to 1,500 feet from sensitive receptors.

Dr. Rita Boggs, resident, stated that the earth's atmosphere is dangerously teetering at the point of no return; and noted her opposition to neighborhoods being close to these operations, stating that Carson does not need another Carousel problem. She stated that these operations cause serious health impacts; and expressed her belief a 1,500-foot setback is not enough.

Benjamin Hanelin, Latham & Watkins representing Californians for Energy Independence, noted his confidence in this Commission's ability to understand the complicated issues in this new oil and gas code, but what he does not understand is why this code needs to move forward at this time; and expressed his belief there is no urgency to updating the code or to ban fracking and that the ban on fracking makes no sense and merely invites litigation and threatens the City's already unstable finances, asking why take on that liability for what is merely a symbolic act. He pointed out that the recent U.S. EPA and the state have confirmed there is no evidence of widespread impacts from hydraulic fracturing; and added that staff reported the state's finding,



including that it is unlikely to be used here. He pointed out that many municipalities have rejected bans on fracking; that proposals in Los Angeles, Alameda County and Culver City, for instance, are not moving forward; and he urged the City to not succumb to outside forces and be used by these special interest groups, stating those groups only want to use Carson to further their own interests. He stated this is really not about fracking, but is about shutting down an industry that we all rely on and need and that provides good paying jobs; and he stated that this industry employs 100,000 jobs in L.A. County alone.

Mr. Hanelin expressed his belief the current code is working fine, pointing out this industry has operated in Carson for decades without incident under the current code; and stated that this new code will kill the industry in Carson and put an end to much needed revenues, jobs, and benefits this community has enjoyed for years. He asked that this matter be continued to allow time for new Interim City Manager Ken Farfsing to share his expertise in this area and provide a better ordinance that is fair for all concerned parties.

Assistant City Attorney Chaffin stated for the record that Mr. Perez was directed by the Planning Commission to give a report this evening on these studies; and that these are not necessarily his personal opinions but rather his response to the direction from the Planning Commission to provide an update as to the reports released by the state and the EPA.

Faye Walton, resident, stated that the loophole in Section 9536 that allows for an exemption should be deleted.

Brenda Ramirez, resident, stated that this industry uses too much water; and noted her concern with the air and water quality and its negative impacts on the community.

Dr. Tom Williams, L.A. resident, representing Citizens Coalition for a Safe Community, asked why the setback is being changed from 1,500 feet to 500 feet when the main issue is usually odor; and stated that the South Coast Air Quality Management District (SCAQMD) uses a 1,500-foot setback in its air quality monitoring plan, noting that Carson's permitting system is not well-coordinated with the state's or AQMD's permitting system. He expressed his belief the City is setting itself up for a lawsuit when attempting to regulate downhole activities; and stated that one thing Carson does include in this ordinance is natural gas liquids and a gas plant, pointing out these are dangerous facilities and vastly different from a standard oil well.

Carol Kravetz, West Hollywood, expressed her belief that hydraulic fracturing is being done all over California, noting her concerns with the impact to the environment; and urged the City to not allow fracking.

Felicia Bander, L.A., noted her concerns with creating an unhealthy environment; stated there are many dangerous well stimulation techniques, not just fracking; that the City should not allow any high intensity oil operations; that the 1,500-foot setback should be maintained; and stated that by the year 2050, all oil and gas wells in Carson should have that setback. She encouraged the City to close the loophole which allows for an exemption.

Jack Eidt, L.A., So. Cal 350 Climate Action, stated that society needs a just transition off its addiction to fossil fuels; expressed his belief Carson needs to move quickly on this issue, noting this community has been suffering for years as a result of this industry; and noted his agreement that the loophole needs to be closed which allows for an



exemption. He stated that the fracktracker locates the places fracking is occurring in California and where other high intensity petroleum extraction techniques are taking place, as well as hydrochloric acid use, which is very toxic; pointed out that the concentrations of these chemicals is not known; and stated that the 1500-foot setback should not be decreased. He urged this City to be part of the solution to move away from this toxic addiction and move into cleaner energy usage.

Linda Bassett, resident, commented on the economic injustice issue in this community, stating that she has lived elsewhere where the air is clearly more healthful; and noted her concern with the health impacts from this industry.

Doug Kaufman, ANSWER Coalition, stated that this industry has negatively impacted the environment and health all around the world; and stated this industry typically sets up their facilities around impoverished communities. He stated the loophole should be deleted which allows for an exemption.

Alexandra Nagy, Food and Water Watch, stated that Carson already has a real public health crisis on its hands with the Carousel tract because of refinery operations; she expressed her opinion that Mr. Perez' presentation is biased, stating the CCST study covered many other topics other than fracking, such as acidizing; stated that this City really needs to look closely at CCST's recommendation; and that it needs setbacks that are based on scientific evidence. She noted the CCST report also found that significant health risks from oil and gas wells can travel up to a half-mile away, noting that a 1,500-foot setback should be the very minimum. She stated that the CCST report found that DOGGR and the statewide agencies do not have the power or ability to protect public health; it has been proven that DOGGR does not know what they are doing; and that they are allowing this industry to contaminate our farms and water in the Central Valley. She urged this community to not be intimidated by the threats of lawsuits from this industry, to take a stand regardless of being sued; asked that the loophole be removed which allows for an exemption; and to expand the ban to include enhanced oil recovery techniques, such as steam injection and steam flooding.

Elizabeth Lerer, resident, asked that the loophole be removed which allows for an exemption; expressed her belief this industry harms communities; stated that the ban needs to include high intensity petroleum operations, including gravel packing and steam injection; and noted her support of the 1,500-foot setback and a ban on fracking in Carson.

Lauren Steiner, Beverly Hills, stated that Beverly Hills is the first city in California to ban fracking; and stated that SB-4 did not actually regulate fracking, that it merely called for a study on ground water monitoring, disclosure of chemicals and notification. She stated that in the ensuing two years of the passage of this bill, it has been revealed that DOGGR has allowed the oil industry to inject toxic fracking waste water 2,500 times into potential aquifers that provide our drinking water; and stated that Chevron is selling supposedly treated waste water to irrigate food crops. She stated that fracking is taking place in the Inglewood oil field in the heart of a residential neighborhood. She added that after the study was released, they didn't find any specific incidences of ground water contamination or earthquakes because nobody was looking for it, pointing out you can't find what you don't look for.

Ms. Steiner stated that when she asked how many times the ground water was tested as a result of SB-4, testing which must be requested by the homeowner, the answer was once, one time in two years; that they also found fracking is being done at much



shallower depths in California, therefore closer to our drinking water sources; stated they found that as far as the disclosure of chemicals is concerned, the risks and hazards of 2/3rds of these additives are not clear and the toxicity of more than one-half remains uninvestigated, unmeasured, and unknown; and that basic information does not exist about these chemicals which move through the environment. She stated they should fully understand the environmental profiles of all chemicals before allowing them to be used; stated that DOGGR's regulations are insufficient and unenforced; and she urged Carson to be the next city that bans fracking in California.

Susan Dembowski, Long Beach, stated that fracking is taking place on the islands in Long Beach; stated that what happens in Carson affects the residents of neighboring communities; asked that the ban include high intensity petroleum operations; asked that the loophole be removed which allows for an exemption; and asked for a 1,500-foot setback.

Joe Galliani, Torrance, South Bay 350 Climate Action group, South Bay Clean Power program, expressed his belief that Carson is the oil town that all the surrounding communities worry about because its refinery operations are producing greenhouse gasses and polluting the surrounding environment; and stated he is in favor of jobs for Carson, but in favor of good, clean, healthy jobs for Carson. He invited everyone to attend the Phillips 66 refinery workers in their rally to bring attention to their concerns with employee safety and employee cutbacks, noting that Phillips 66 refinery is giving the work of three employees to one person because of budgetary cutbacks; and stated that the record-high profits in this industry are not being pumped back into making this industry safe for all. He stated this industry is reckless and is the only industry in this country allowed to spread its toxic product, impacting the environment and the health. affecting the food and water we all consume. He stated that SB-350 just passed the Senate and is working its way through the Assembly, a bill which requires a 50-percent reduction by 2030 in the use of petroleum in California for transportation; and that if Carson is going to tie its economic future to the oil industry, Carson will be at risk for the coming carbon bubble.

Ash Lauth, Center for Biological Diversity, an organization of scientists and attorneys with over 120,000 members in California, urged the City to extend the ban to include high intensity petroleum operations, including well stimulation and enhanced oil recovery; asked that the loophole be removed which allows for an exemption; that the City maintain no less than a 1,500-foot setback on new oil/gas operations to sensitive receptors; stated that the EPA has found that fracking does pollute drinking water; and stated that Carson has the authority to use its zoning and land use regulations to control this industry.

Ron Miller, LAOC Building Trades, stated there are 140,000 craftsmen and women in this union in Los Angeles and Orange County who work in this industry, many who live in Carson; and asked that this matter be continued to give the new Interim City Manager an opportunity to become familiar with this City and its residents' needs. He stated that the trades unions have worked very hard at the state level to pass legislation this year to improve the safety of the refinery industry with SB-54, which imposes new safety measures in the refineries, improves wages and makes the refineries and building trades a greater partner in the state, noting these measures are continually being improved.

Samuel Sukaton, Sierra Club, a 47,000-member club in L.A. and Orange Counties, stated that Carson's permitting system should be in line with the South Coast AQMD,



noting that agency uses a 1,500-foot setback in its plan for new wells; and that this should be the minimum setback for all/existing oil and gas production after 2050.

Tommy Faavae, representing IBEW Local 11 and resident, stated this item should be continued to give the six new Planning Commissioners more time for review; advised that the state has passed SB-4; stated that this industry is a job creator; pointed out there is no current application and no need to rush this through, questioning the urgency of rushing this; and stated that many people and companies have a stake in this matter, urging that this issue be transparent across the board. He asked that this matter be continued and that the Interim City Manager's input and expertise be obtained.

Rick Foss, business representative for Sheet Metal Workers Local 105, stated that this process has an impact on the economy for all; asked that this matter be continued to gather more concrete evidence and to do further research, stating there is no need to rush this through; and asked that everyone, including city staff, research the guidelines of SB-4.

Frank Zavala, representing nearly half a million members of the State Building Construction Trades Council of California, stated that SB-4 was enacted in order to create uniform regulations utilizing the utmost engineering expertise as it relates to extraction activities; stated that Southern California alone is home to approximately 200,000 jobs that are extraction related and rely on this industry, an industry and jobs that depend on uniform statewide regulations; and stated that everyone wants to work and live in a safe environment, which is why they support SB-4. He added that Governor Brown has signed SB-54, which protects the communities and workers who travel from other states to work in California.

Joaquin Santos, Lomita, union labor representative Local 1309, stated that he represents hundreds of laborers in the petroleum industry; and urged Carson to not adopt anything that will cause thousands of workers to lose their jobs, many of them who live in Carson.

John Edmistan, resident, stated that on Monday mornings, the air smells like sulfide, believing these facilities illegally release these emissions during the evening on the weekends; and stated that he requested the air quality be tested, but noted his frustration that the air was checked on Wednesday when the odors had dissipated.

Dr. Leah Garland, L.A., noted her concern with this industry and the impacts to the environment; stated there are growing opportunities for clean solar and wind energy; advised that there are currently 450 parts per million of carbon dioxide in our air, which is beyond safety standards; and expressed her belief it is dangerous to allow fracking to continue. She expressed her belief the CCST report presented this evening is very limited and biased; asked that the ban be extended to include high intensity petroleum operations; that the loophole for an exemption should be removed; and that setbacks should be no less than 1,500 feet.

Josephine Graf, resident, noted her opposition to the oil companies finding a way around the laws.

Daryl Gale, L.A., stated that Carson does not need more drilling; noted the need for solar and sustainable employment; stated that all new buildings should be solar powered; and that the setbacks for new drilling should be 1,500 feet, which is used by the South Coast Air Quality Management District and DOGGR as a buffer area to



sensitive receptors. She mentioned that Dallas, Texas has a 1,500-foot setback standard.

Brenna Norton, L.A., expressed her belief all workers and residents are affected by the toxic oil industry; asked that the loophole be removed which allows for an exemption; that the minimum setback should be 1,500 feet; and to include all high intensity petroleum operations in the ban.

Casandra Reed, resident, noted her opposition to the oil operations in this community.

Cindy Koch urged this City to fight for the health and well-being of this community.

Greg Bashem, representing many union workers who work hard, noted interest in the health and well-being of this community, but pointed out that this industry brings many jobs and is good for the economy; and pointed out that fracking is not being proposed in this community.

Jack Quirk, Brea Canon Oil Co., stated that he submitted letters to the Planning Commission, dated July 20, 2015 and July 23, 2015; noted that in the first letter of July 20th, they raise the question of treating existing wells as nonconforming uses and therefore are subject to elimination in 20 years; highlighted the alternative proposed language in staff report on page 20; and noted that if they correctly understand the intended change, that would be acceptable to them with some slight recommended tweaks to the wording and other editorial changes, as indicated in their July 23rd letter.

Mr. Quirk stated that the effort to change the code for the existing oil and gas projects in this community is awkward, time-consuming and inappropriate, and is more difficult than it needs to be when you base it on a conceptual, ideal project of the future; stated that these two processes should be separated into two distinct activities; that the process of dealing with City petroleum franchised pipelines and other franchises in the City should be separated from the oil code; and that the conversion of industrial use properties - whether oil and gas properties or any other industrial use properties to other nonindustrial uses - should be separated from the oil and gas code; and that those projects should be treated separately, either as separate portions of the overall revision of the zoning ordinance or in some other separate manner. He asked that this matter be continued for further improvements.

Walker Folley, Food and Water Watch, invited all to attend tomorrow's rally with the United Steel Workers to demand that their safety and everyone around them be taken into consideration at the Phillips 66 refinery; asked that the ban be extended to include high intensity petroleum operations; that the loophole be deleted which allows for an exemption; that there be no less than a 1,500-foot setback from sensitive receptors; and announced that Latham & Watkins recently lost their fight with the County.

Rev./Dr. Timothy Murphy, Progressive Christians Uniting, Pasadena, asked that the ban be extended to include well stimulation, fracking, acidizing, and gravel packing; urged the deletion of the loophole that allows for an exemption; that there be a minimum 1,500-foot setback from sensitive receptors; and expressed a need to create good paying, healthy jobs.

Roye Love, resident, stated that Carson fits into the category of social and economic injustice with the oil industry, especially those residents located in the 90746 zip code which district has a high asthmatic hospital rate; and noted his opposition to the negative health impacts of this industry. He asked that a minimum 1,500-foot setback



from sensitive receptors be adopted; stated there should be no more drilling in Carson; and pointed out that fracking takes all kinds of forms.

Winifred Pearson, resident, urged the City to move forward and continue to improve the environment and make this is a clean/green community.

Kent Minault, Sierra Club, So. Cal 350 Climate Action group, addressed economics in this city, stating it is increasingly risky to tie the economic prosperity of this city to continued oil production; asked that the ban be extended to include high intensity petroleum operations; to remove the loophole which allows for an exemption; that a minimum 1,500-foot setback should be put in place; and stated that Carson should be taking a longer view of what will be happening with this industry in the future and should strive for a clean, renewable energy future.

Jim Montgomery, Torrance, stated this is both a local and regional issue; stated that in terms of a local issue, this is an environmental and social injustice issue; noted that Carson ranks in the top 15 percent for one of the most polluted cities in California; noted his concerns with earthquakes, water contamination, and health impacts of this industry; and noted his support for solar energy.

Damien Luzzo stated that fracking has been taking place in California; noted his opposition to the harmful effects of this industry, including polluting the water supply; and he touched on environmental injustice issues.

Chairman Diaz recessed the meeting at 9:16 P.M. and reconvened the meeting at 9:31 P.M.

Hamid Assian, L.A., noted his support to ban fracking, to adopt a minimum 1,500-foot setback from sensitive receptors, to close the loophole which allows for an exemption, to include in the ban all high intensity petroleum operations; and he urged Carson to put people over profits.

Raquel Morales, Wilmington, noted her support for a ban on fracking, stating it uses a large amount of water and creates an unhealthful environment; asked that the ban include high intensity oil extraction operations; that the loophole be closed which allows for an exemption; and noted her support for a minimum 1,500-foot setback.

Jeff Cooper, Cooper & Brain, a family-run oil operation, stated they have five wells in Carson; and urged the Commission to continue to work out the bugs within this update.

Alicia Rivera, Communities for a Better Environment, noted her support to ban fracking and other processes related to fracking; stated she supports a 1,500-foot setback; noted her concern with the unhealthful impacts of this industry; and she stated that Carson is in the top 15 percent of the most polluted communities in California.

Melissa Bahmanpour, Long Beach, noted her concern with the safety of the water supplies; stated that Long Beach does conduct fracking activities; stated it is important to know exactly what chemicals these oil companies are putting in the ground and at what quantities; and urged Carson to look out for the health of its residents and neighboring cities.

Tom Muller, Manatt, Phelps, L.A., representing the mineral rights holders in Carson, stated that a letter has been provided to the Commission; noted that he empathizes with the quality of life issues; reminded everyone that oil drilling and production has been going on in Carson for over 100 years without incident; that acidizing has been going on for over 60 years without incident; and pointed out that there has not been fracking in



Carson and won't be. He advised that there are extensive and comprehensive statewide and national regulations in place and added that to have individual cities also imposing additional conflicting/restrictive regulations will make it impossible to do business. He reiterated that fracking will not be taking place in Carson.

Mr. Muller stated that the problem with this ordinance is there are many issues of concern, but when Carson attempts to regulate down-hole activities, that's where it gets too complex for any novice outside of the professional petroleum industry; and that this complex issue is beyond the ability of a local jurisdiction's knowledge to manage, which is why the state has 200 experts working with the Department of Oil and Gas to regulate these things, experts who know what they're talking about and have adopted the most comprehensive regulations. He urged the Commission to remove from this ordinance the down-hole regulations portion and rely on the state regulations that are the most restrictive in the nation.

Nicki Carlsen, Alston & Bird representing E&B Natural Resources, stated that she submitted a letter this evening; advised that E&B has safely operated in Carson for years and in compliance with all laws and with no complaints from the community or city; and pointed out that any accusations of damage, destruction and failure are not true. She noted that after five hearings, the proposed code is still not ready to be adopted, pointing out there are numerous changes in tonight's staff report; and added that staff is suggesting another series of potential changes depending on what the Commission chooses.

Ms. Carlsen noted that the presentation this evening regarding the CCST study went into great length, which included a number of mitigation measures that should be considered; and that there have been a number of letters submitted this evening which demonstrate there are still many issues that need to be resolved. She expressed her belief that staff report is a little optimistic about the Good Neighbor provisions, noting a lot of hard work has taken place thus far, but believes there is still a ways to go before adoption. She pointed out that the setback issue is still a huge issue for the existing operators; advised that those facilities were constructed in compliance within the laws at that time and that they believe those should be allowed to continue to operate; stated that a 20-year lifespan is not sufficient for those facilities; and stated that those facilities last anywhere from 65 to 100 years depending on how calculations are made.

Ms. Carlsen stated that with respect to the proposal for a 1,500-foot setback for an industrial use, she pointed out that there are plenty of business operations in Carson which cause other environmental effects on this community, questioning whether Carson is going to apply this setback rule to all those uses; and stated if that is so, there won't be any industry remaining in Carson. With regard to a question put forth as to is there any other way to do address fracking, she stated it is SB-4; while there was a whole presentation this evening on the other studies, no summary has been presented with respect to SB-4 as to what its regulations do, what the new EIR has; and before a decision is made, she suggested that the Commission should make a determination as to whether SB-4 is sufficient.

Pilar Hoyos, Watson Land Company, stated it is necessary to do this right and to bring aboard the new Interim City Manager to weigh in on this code, noting he has 19 years of experience with oil operations. She stated that this whole issue has been troubling and pulverizing on this community; and she noted her concern with the intentional inaccuracies that some of these environmental groups are spreading, pointing out there was never a proposal contemplated for 200 fracking wells. She highlighted these



groups' intent to treat Carson as ground zero, stating that Carson does not need to be ground zero for these groups and be put at risk for major lawsuits; and noted that these groups will walk away from the financial risks and leave Carson residents and property owners to suffer all the financial consequences. She stated it is not appropriate to villanize this industry when all of us depend daily on products produced by this industry.

Adrian Guillen, resident, urged the Commission to take more time to consider the statewide impacts of the code update and asked that the Commission reject the proposed ban on energy production.

Cruz Gonzalez, member of Californians for Energy Independence and resident, stated that the code should not discourage energy production in this community; and stated that doing so will jeopardize thousands of jobs, local tax revenues, impact emergency services, parks, and schools.

Matthew Tapie, resident, stated that these local energy operations generate millions of dollars in tax revenues for services that maintain everyday life in this community; and he urged the Commission to reject a ban on production techniques that are already heavily regulated by state law.

Thomas Perry, resident, urged the Planning Commission not to adopt anything so restrictive that it will hinder production and jeopardize this community's economic future; and he asked that more time be taken to consider other impacts.

Al Sattler, RPV resident, South Bay Sierra Club representative, stated that Carson has its share of refineries; noted that the Sierra Club also supported the Hermosa Beach residents in their fight against the oil industry; and highlighted the need to transition off fossil fuels and into renewable, clean energy and for a just transition for the workers who depend on the oil industry for their jobs as the oil industry gradually shuts down.

L. Carter stated that this process has been going on for over three years and is not being rushed; stated that the PA position should be put back in; that the setback should be a minimum of 1,500 feet; that there should not be any new drilling after 20 years; and that they eventually should all be phased out.

Bahram Fazeli, Policy Director for Communities for a Better Environment, stated that Carson should develop a policy not based on 70-year-old standards but based on a safe and new-age understanding of the unhealthful effects this industry brings to communities; pointed out that we know more today about this industry than we did 70 years ago; and he urged Carson to raise its standards that are in line with today's knowledge of the unhealthful impacts of this industry upon communities. He stated there are some environmental injustice issues in this community and that more should be expected from this industry. He stated that with today's standards, a city would never put a new drilling operation within 1,500 feet or 2,000 feet of a sensitive receptor.

Logan Allen, Long Beach, stated that from what he has personally experienced in other states as an oil and gas worker, California is far too restrictive with this industry and what Carson is proposing is too cumbersome and will prevent this industry from operating. He stated that everyone consumes oil products/fossil fuels on a daily basis, pointing out that is how most everyone got to City Hall this evening. He stated there needs to be a balance of what's best for the oil industry and a community; and he urged Carson to develop a code that is fair to all.

Robert Lesley, resident, stated this industry does not employ a large number of people on a permanent basis; urged the City to close the loophole which allows for an



exemption; and stated that Carson does not need to have one person as a PA but that Carson needs a Commission to regulate this industry. He expressed his belief that SB-4 does not adequately regulate this industry.

Sylvia Arredondo, Wilmington, noted her opposition to the unhealthful impacts of this industry; asked that the ban be extended to include high intensity operations; asked that the loophole be deleted which allows for an exemption; and stated there should be a minimum 1,500-foot setback.

Thomas Walker, Huntington Beach, stated he is a professional petroleum engineer and that he has no concerns living within close proximity to many oil wells/operations; and urged the City to continue to work closely with all parties to come to a fair code update for all. He pointed out that these oil operations in Carson have been running safely for many years; stated this is a complicated industry and that the regulations should be kept in the hands of those who know exactly what they are doing; and that each issue should be addressed separately before going on to another issue. He noted his appreciation with the oil industry being able to work with staff and MRS on this process.

Jesse Marquez, Coalition for a Safe Environment, stated that the petroleum industry has not been good neighbors; and noted his opposition to the unhealthful effects of this industry. He noted his concerns with the safety of this industry being located in earthquake territory.

Ted Cordova, E&B Natural Resources, stated this company has safely operated in Carson for many years and that they closely adhere to the stringent regulations put in place in California; stated they are open to fair changes that benefit all involved; and added that E&B is already a good neighbor company that has no complaints or received any notice of violations. Mr. Cordova stated he is not in agreement with everything that is being proposed because it would essentially put them out of business when dealing with increasing the setback; and stated that the code isn't intended to shut down businesses, loss of jobs and city revenues. He urged the City to continue its dialogue with all parties involved, especially with all the new Planning Commissioners, new Interim City Manager, and new City Council Members; and to allow all to get up to speed on this issue and learn what the needs are for all parties involved. He invited the Planning Commissioners to tour their facilities.

Gloria Lewis, resident, stated the oil industry should be shut down in Carson and that Carson shouldn't be afraid of the threats of lawsuits.

Commissioner Mitoma stated that we as a society need energy but added that it is not fair for Carson to take the brunt of all the negatives that come with this industry; stated that Carson will not solve the entire environmental problem with the elimination of this industry in Carson; and stated there is a need for environmental justice in this community. He reiterated his concerns with the recent oil spills at local beaches, noting we need safe off-shore drilling.

Mr. Perez provided a few clarifications in response to some of the statements made by the public this evening; advised that the CCST study is a very complex and lengthy study with good and important information, but very difficult to give the audience a summary version of it; and he invited people to take a close read of it because it contains valuable information. He stated there are some drawbacks; and that they are also talking about the need for additional study.



Mr. Perez stated that with regard to the acidizing issue, he clarified that the CCST reports 90 percent of all well stimulation in California is hydraulic fracturing; that approximately 10 percent is matrix acidizing; and that acid fracturing operations is nearly none. He stated that operators in California commonly use acid for well maintenance, but acid stimulation will not likely lead to a major increase in oil and gas production due to the state's geology; reiterated that acidizing is not a widely used method in the Los Angeles basin and not a widely used method in California; and explained that the industry has been using acidizing to clean scale build-up for 60 years, but that is a substantially different amount of acid and a substantially different use. He clarified that while acid is used for routine maintenance in low volumes, that does not constitute acidizing.

Mr. Perez stated there was also some discussion about hydraulic fracturing that happened at the Inglewood oil field; pointed out that his company does environmental compliance work with that particular field; advised that there were two test wells which were done around 2011 and that they proved to be unsuccessful; and that they were not able to produce from those reservoirs, and they ceased operation after that. He added that the CCST report he mentioned earlier actually commended the study that was done to study how that hydraulic fracturing operation was done and what environmental impacts it had. With regard to seismicity, he noted there were seismic monitors put in place in a number of different areas to ensure there would be monitoring if any impacts occurred with the ground water; stated that study is mentioned in the CCST study as the one to try to emulate when one is doing a hydraulic fracturing operation; and to suggest it was done and had substantial impacts is clearly not accurate.

Commissioner Andrews noted his concurrence with the comments that the language in Section 9536 creates a loophole and stated he'd like to see that loophole eliminated.

Assistant City Attorney Chaffin advised that the oil industry representatives have also requested that language be removed, noting he can only speculate as to why they would want that language removed. He explained that this particular language is two-fold; that there's been a lot of focus on what is reasonably necessary to avoid a taking, noting the words "reasonably" and "necessary" have raised some concern; and stated that they obviously don't want unnecessary language to be included. He added that the second aspect of that is the owner would have to show that their operations, that fracking would not constitute a nuisance, and if for some reason the City Manager was to say that the fracking operation did not constitute a nuisance, which is the loophole, there would be a right of appeal to the Planning Commission.

Assistant City Attorney Chaffin noted that additionally, under the notification requirements of SB-4, there are notification requirements for these sorts of operations and also notification requirements in the code for certain operations as well from DOGGR; explained that the way the code is written and the way the process is set up by adding the other components from the other portions of the code, there would be full opportunity to review and have the opportunity for appeal if the community or any other person believed there was an inappropriate decision being made.

Commissioner Andrews asked if the ground is not frackable, then why the argument.

Assistant City Attorney Chaffin stated that staff completely understands, and the direction received from City Council was to have a fracking ban component, noting this is the fracking ban component; and stated that various strategies and tactics have been discussed, which would be more appropriately discussed further in closed session if the



Commission desires. He noted that the Planning Commission does have the authority to remove this language.

Addressing setback issues, Commissioner Schaefer asked that staff provide some information on whether the wells existed before any of the homes.

Chairman Diaz closed the public hearing.

Planning Commission Decision:

Commissioner Faletogo moved, seconded by Commissioner Schaefer, to continue this hearing to September 8, 2015; to support Option No. 1 for City Manager oversight, strengthening the job description of the City Manager to perform this oversight; to continue to work on the Good Neighbor Agreement provisions; to set up small group workshops for the Planning Commissioners to meet and consult with Interim City Manager Ken Farfsing for a better understanding given his expertise with Signal Hill and its oil industry; and with regard to setbacks, to determine which came first, the oil wells or the homes. (This motion ultimately passed.)

Commissioner Mitoma stated he would feel more comfortable with the City Manager reviewing all the add-ins and him possibly making additional suggestions before the Planning Commission gives its direction.

By way of a friendly amendment, Commissioner Mitoma suggested supporting both Option Nos. 1 and 2.

Commissioner Faletogo rejected the friendly amendment; and he noted his support for Commissioner Mitoma's suggestion that the City Manager review the add-ins prior to the Planning Commission, possibly giving further direction on those add-ins.

By way of a substitute motion, Commissioner Post moved, seconded by Commissioner Andrews, to continue this hearing to September 8, 2015; to support the option requiring a Petroleum Administrator, Option No. 2; to require a minimum 1,000-foot setback; and for Alexandra Nagy to be invited to the code committee meetings so that she can listen to the input of what the residents of Carson need/want.

Commissioner Post thanked the audience members for their passionate participation and efforts, and for the efforts of the consultants and staff.

Commissioner Post clarified for Assistant City Attorney Chaffin that Ms. Nagy is to be invited to the code committee meetings with the community and that the meetings are to continue as scheduled if Ms. Nagy is not able to attend.

The substitute motion failed as follows, 4-5:

AYES:

Andrews, Mitoma, Post, Thomas

NOES:

Cinco, Faletogo, Schaefer, Madrigal, Diaz

ABSTAIN:

None

ABSENT:

Guidry

Assistant City Attorney Chaffin noted his understanding of the standing motion as follows:

- Continue to September 8th;
- Set up small group workshops with the Commissioners and City Manager (as well as MRS, City Attorney and staff);
- Retain the "City Manager" instead of the "Petroleum Administrator";



- "Strengthen" the Good Neighbor Agreement provisions; and
- Provide information as to what was built first the wells or the homes.

Commissioners Faletogo and Schaefer concurred with Assistant City Attorney Chaffin's understanding of the motion.

The original motion carried as follows, 5-3-1:

AYES:

Cinco, Faletogo, Schaefer, Madrigal, Diaz

NOES:

Andrews, Mitoma, Post

ABSTAIN: ABSENT:

Thomas Guidry

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 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:

Planning Manager Naaseh briefly provided a report and the recommendation for the Planning Commission to direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting.

Assistant City Attorney Chaffin stated that the Commission can choose to include all the testimony that was given in Item No. 11A and incorporate that testimony into Item No. 11B but a separate motion would need to be made; and he added that the public hearing should be opened for any input on this item.

Chairman Diaz opened the public hearing.

Latrese Carter, resident, noted her concern with the health impacts of this industry; and stated she'd like this Commission to take action on this issue and move it forward.

Alicia Rivera, Communities for a Better Environment, noted her concern with the health impacts of this industry.

Joe Galliany, Torrance, commented on the increasing temperatures on this planet; stated that the earth's atmosphere is currently at 403 parts per million of $C0_2$; advised that he is a member of the global climate group 350.Org; explained that this group is appropriately called 350 because climate scientists have stated that 350 parts per million is the right amount of $C0_2$ in the atmosphere to continue civilization as we've known it; and if our grandchildren are to have that same shot at civilization, he urged the City to stop delaying this update. He stated that our carbon budget is now down to 403



giggatons, which gives us 10 years before earth hits the red line of 2 degrees Celsius, a critical number that every nation on this planet has agreed is the one number we don't want to experience.

Chairman Diaz closed the public hearing.

Planning Commission Decision:

Chairman Diaz moved, seconded by Commissioner Andrews, to incorporate into this item all the testimony given this evening from Item No. 11A; and to continue this matter to September 8, 2015. Motion unanimously carried, 9-0 (absent Guidry).

11. PUBLIC HEARING

A) Conditional Use Permit No. 971-15

Applicant's Request:

The applicant, Century Theatres, Inc., is requesting approval to sell beer and wine for onsite consumption within a movie theater at the SouthBay Pavilion, 20700 S. Avalon Boulevard.

Staff Report and Recommendation:

Continue to September 8, 2015

Chairman Diaz opened the public hearing.

Dr. Rita Boggs noted her opposition to alcohol sales in theaters.

Lyn Jensen, stated that a notice to engage in the sale of alcohol beverages should be posted on site, noting that if the state receives one legitimate complaint regarding that notice, the license to sell liquor can be denied.

Chairman Diaz closed the public hearing.

Planning Commission Decision:

Chairman Diaz ordered this matter continued to September 8, 2015. No objection was noted (absent Guidry: Thomas had not yet arrived).

11. PUBLIC HEARING

B) Design Overlay Review No. 1575-15

Applicant's Aequest:

The applicant, Jerome Julian, is requesting to construct a 7,000-square-foot light-industrial office/warehouse building with six areas of approximately 1,166-square-feet to be located in the MH-D (Manufacturing, Heavy, Design Overlay) zoning district. The subject property is located at 16908 S. Broadway Street.



PLANNING COMMISSION MINUTES Page 19 of 21

- "Strengthen" the Good Neighbor Agreement provisions; and
- Provide information as to what was built first the wells or the homes.

Commissioners Faletogo and Schaefer concurred with Assistant City Attorney Chaffin's understanding of the motion.

The original motion carried as follows, 5-3-1:

AYES:

Cinco, Faletogo, Schaefer, Madrigal, Diaz

NOES:

Andrews, Mitoma, Post

ABSTAIN: ABSENT:

Thomas Guidry

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 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:

Planning Manager Naaseh briefly provided a report and the recommendation for the Planning Commission to direct staff to return with a resolution and ordinance for final consideration and approval at a continued meeting.

Assistant City Attorney Chaffin stated that the Commission can choose to include all the testimony that was given in Item No. 11A and incorporate that testimony into Item No. 11B but a separate motion would need to be made; and he added that the public hearing should be opened for any input on this item.

Chairman Diaz opened the public hearing.

Latrese Carter, resident, noted her concern with the health impacts of this industry; and stated she'd like this Commission to take action on this issue and move it forward.

Alicia Rivera, Communities for a Better Environment, noted her concern with the health impacts of this industry.

Joe Galliany, Torrance, commented on the increasing temperatures on this planet; stated that the earth's atmosphere is currently at 403 parts per million of CO_2 ; advised that he is a member of the global climate group 350.Org; explained that this group is appropriately called 350 because climate scientists have stated that 350 parts per million is the right amount of CO_2 in the atmosphere to continue civilization as we've known it; and if our grandchildren are to have that same shot at civilization, he urged the City to stop delaying this update. He stated that our carbon budget is now down to 403



giggatons, which gives us 10 years before earth hits the red line of 2 degrees Celsius, a critical number that every nation on this planet has agreed is the one number we don't want to experience.

Chairman Diaz closed the public hearing.

Planning Commission Decision:

Chairman Diaz moved, seconded by Commissioner Andrews, to incorporate into this item all the testimony given this evening from Item No. 11A; and to continue this matter to September 8, 2015. Motion unanimously carried, 9-0 (absent Guidry).

11. PUBLIC HEARING

A) Conditional Use Permit No. 971-15

Applicant's Request:

The applicant, Century Theatres, Inc., is requesting approval to sell beer and wine for onsite consumption within a movie theater at the SouthBay Pavilion, 20700 S. Avalon Boulevard.

Staff Report and Recommendation:

Continue to September 8, 2015

Chairman Diaz opened the public hearing.

Dr. Rita Boggs noted her opposition to alcohol sales in theaters.

Lyn Jensen, stated that a notice to engage in the sale of alcohol beverages should be posted on site, noting that if the state receives one legitimate complaint regarding that notice, the license to sell liquor can be depied.

Chairman Diaz closed the public hearing.

Planning Commission Decision:

Chairman Diaz ordered this matter continued to September 8, 2015. No objection was noted (absent Guidry; Thomas had not yet arrived).

11. PUBLIC HEARING

B) Design Overlay Review No. 1575-15

Applicant's Request:

The applicant, Jerome Julian, is requesting to construct a 7,000-square-foot light-industrial office/warehouse building with six areas of approximately 1,166-square-feet to be located in the MH-D (Manufacturing, Heavy, Design Overlay) zoning district. The subject property is located at 16908 S. Broadway Street.

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CHAPTER 5 NOISE CONTROL ORDINANCE

Sections:

- § 5500 Adoption of Los Angeles County Noise Control Ordinance.
- § 5501 Definitions.
- § <u>5502</u> Amendments to Noise Control Ordinance.
- § 5503 Violation Penalty.

5500 Adoption of Los Angeles County Noise Control Ordinance.

Except as hereinafter provided, Chapter 12.08 of Title 12 of the Los Angeles County Code, entitled "Noise Control Ordinance of the County of Los Angeles," as amended and in effect on August 1, 1995, is hereby adopted by reference and shall be known as the Noise Control Ordinance of the City of Carson.

A copy of said Chapter 12.08 of Title 12 of the Los Angeles County Code, as amended, is attached and has been deposited with the office of the City Clerk of the City of Carson and shall be at all times maintained by said Clerk for use and examination by the public. (Ord. 95-1068, § 1)

5501 Definitions.

Whenever any of the following names or terms are used in said Noise Control Ordinance, each such name or term shall be deemed and construed to have the meaning ascribed to it in this Section as follows:

"Board of Supervisors of the County" shall mean the City Council of the City of Carson.

"County of Los Angeles," "the County," "unincorporated areas of the County," and "unincorporated County" shall, except as provided in Section 12.08.108 as amended, mean the City of Carson.

"County Ordinance 1494, as amended" shall mean Article IX of the Carson Municipal Code. (Ord. 95-1068, § 1)

5502 Amendments to Noise Control Ordinance.

Notwithstanding the provisions of CMC $\underline{5500}$, the Noise Control Ordinance is hereby amended as follows:

(a) By amending Section 12.08.180 to read:

12.08.180. "Health officer" means the Director of Public Safety of the City of Carson and shall be deemed to include the Director of the Department Health Services of the County of Los Angeles, or his duly authorized representatives, while performing public health services, including noise level measurements, under contract with the City.

(b) By amending subsection B of Section 12.08.390 to read:

EXHIBIT NO. 08

12.08.390B. Unless otherwise herein provided, no person shall operate or cause to be operated, any source of sound at any location within the unincorporated county, or allow the creation of any



noise on property owned, leased, occupied or otherwise controlled by such person which causes the noise level, when measured on any other property either incorporated or unincorporated, to exceed any of the following exterior noise standards:

Standard No. 1 shall be the exterior noise level which may not be exceeded for a cumulative period of more than 15 minutes in any 30 minute period. Standard No. 1 shall be the applicable noise level from subsection A of this Section; or, if the ambient L50 exceeds the foregoing level, then the ambient L50 becomes the exterior noise level for Standard No. 1.

Standard No. 2 shall be the exterior noise level which may not be exceeded for a cumulative period of more than 7.5 minutes in any 30 minute period. Standard No. 2 shall be the applicable noise level from subsection A of this Section plus 5dB; or, if the ambient L25 exceeds the foregoing level, then the ambient L25 becomes the exterior noise level for Standard No. 2.

Standard No. 3 shall be the exterior noise level which may not be exceeded for a cumulative period of more than 2.5 minutes in any 30 minute period. Standard No. 3 shall be the applicable noise level from subsection A of this Section plus 20dB; or, if the ambient L8.3 exceeds the foregoing level, then the ambient L8.3 becomes the exterior noise level for Standard No. 3.

Standard No. 4 shall be the exterior noise level which may not be exceeded for a cumulative period of more than 30 seconds in any 30 minute period. Standard No. 4 shall be the applicable noise level from subsection A of this Section plus 15dB; or, if the ambient L_{1.7} exceeds the foregoing level, then the ambient L_{1.7} becomes the exterior noise level for Standard No. 4.

Standard No. 5 shall be the exterior noise level which may not be exceeded for any period of time. Standard No. 5 shall be the applicable noise level from subsection A of this Section plus 20dB; or, if the ambient L0 exceeds the foregoing level then the ambient L0 becomes the exterior noise level for Standard No. 5.

(c) By amending subsection B1 of Section 12.08.440 to read:

12.08.440B1. Noise Restrictions at Affected Structures. The contractor shall conduct construction activities in such a manner that the maximum noise levels at the affected buildings will not exceed those listed in the following schedule:

- 1. At Residential Structures.
- a. Mobile Equipment. Maximum noise levels for Non-scheduled, intermittent, short-term operation of twenty (20) days or less for construction equipment:
- a) Maximum noise levels for non-scheduled, intermittent, short-term operations of twenty (20) days or less for construction equipment:

Single-family Multi-family Residential Residential



Single-family Multi-family Residential Residential

Daily, except Sundays and legal holidays, 7:00 a.m. to

8:00 p.m.

75dBA

80dBA

Daily, 8:00 p.m. to 7:00 a.m. and all day Sunday and legal

holidays

60dBA

64dBA

b) Maximum noise level for repetitively scheduled and relatively long-term operation of twenty-one (21) days or more for construction equipment:

Single-family Multi-family Residential Residential

Daily, except Sundays and legal holidays, 7:00 a.m. to

8:00 p.m.

65dBA

70dBA

Daily, 8:00 p.m. to 7:00 a.m. and all day Sunday and legal

holidays

55dBA

60dBA

(d) By amending Section 12.08.460 to read:

12.08.460. Loading and Unloading Operations. Loading, unloading, opening, closing or other handling of boxes, crates, containers, building materials, garbage cans or similar objects between the hours of 9:00 p.m. and 7:00 a.m. in such a manner as to cause noise disturbance is prohibited.

(e) By amending subsection C of Section 12.08.570 to read:

12.08.570C. Outdoor Activities. Nonproprietary activities conducted on public grounds under the direct authority of the public governing body, including, but not limited to (i) athletic events and (ii) entertainment or cultural events with a concurrent attendance not in excess of two thousand five hundred (2,500) persons; and the equivalent of the foregoing nonproprietary activities when conducted on private school grounds under the direct authority of the private school governing body.



- (f) By amending subsection M.2 of Section 12.08.570 to read:
 - 12.08.570M.2. Drilling or redrilling work which is done in full compliance with Article IX of the Carson Municipal Code, including CMC <u>9148.2</u>.
- (g) By adding subsection N to Section 12.08.570 to read:
 - 12.08.570.N. City Construction Activities. All construction activities and operations undertaken by the City.
- (h) By amending Section 12.08.580 to read:
 - 12.08.580. Variance procedures.
 - A. Variance from the requirements of this Chapter may be granted by the Planning Commission ("Commission") for a period not to exceed two (2) years, subject to such terms, conditions and requirements as may be reasonable under the circumstances.
 - B. Every applicant for a variance shall file with the Director of Community Development ("Director") a written application on a form prescribed by the Director. The application shall state the name and address of the applicant, the nature of the noise source involved, all actions taken to comply with the provisions of this Chapter, the reasons why immediate compliance cannot be achieved, a proposed method for achieving compliance, a proposed time schedule for its accomplishment, and such other information as the Director may require. The application shall be accompanied by a fee in the amount established by resolution of the City Council. Upon receipt of said application and fee, the Director shall refer it with the recommendations thereon within sixty (60) days to the Commission for action thereon in accordance with the provisions of this Chapter.
 - C. The Commission shall hold a public hearing within forty-five (45) days, if possible, following acceptance of the application. Notice of the hearing shall be given in the manner prescribed by CMC 9172.22C.
 - D. After the hearing, the Commission shall, by resolution, render its decision to approve or disapprove a variance. A variance from the terms of this Chapter may be granted only if the Commission makes the findings that:
 - 1. Additional time is necessary for the applicant to alter or modify its activity, operation or noise source to comply with this Chapter; or
 - 2. The activity, operation or noise source cannot feasibly be done in a manner that would comply with the provisions of this Chapter, and no reasonable alternative is available to the applicant.
 - E. In granting a variance, the Commission may prescribe any conditions or requirements as may be deemed reasonably necessary to minimize adverse effects upon the community or the surrounding neighborhood. In this regard, the Commission shall consider the magnitude of nuisance caused by the offensive noise, the uses of property within the area of impingement by the noise, operations carried on under existing nonconforming rights or conditional use permit or zone variances, the time factors related to study, design, financing and construction of remedial work, the economic factors related to age and useful life of the equipment, the general public interest, health and welfare, the feasibility of plans submitted for correction, and the effect on the community if the variance were refused.



- F. Notice of the Commission decision shall be given as provided in CMC 9173.32.
- G. The decision of the Commission shall become effective and final fifteen (15) days after the date of its action unless an appeal is filed in accordance with CMC <u>9173.4</u>.
- H. An appeal shall be considered by the Council as provided in CMC <u>9173.4</u>, and the fees therefor shall be as specified in CMC <u>9173.9</u> thereof.
- I. After a variance has been granted, the procedure for modification of the conditions of the variance shall be as set forth in CMC 9172.22G.
- J. A variance shall become automatically null and void, unless otherwise provided in this Chapter, or unless extended as provided in subsection K hereof, if any of the following occurs:
- 1. The variance has not been used within the time specified in the variance or, if the time is not specified, within one hundred eighty (180) days of its effective date;
- 2. Circumstances which terminate the variance pursuant to any termination provision included as a condition of the variance;
- 3. The use has been suspended or has ceased to exist for a period of one (1) year, or has been changed to another use in connection with which the variance is not required, or the deviation from the regulation which was authorized by the variance has ceased to exist for a period of one (1) year;
- 4. Upon a change of ordinance provisions so as to automatically permit in all respects that which was permitted by variance.
- K. The procedure for extension of any variance granted hereunder shall be as set forth in CMC 9172.22H.2.
- L. The applicable statute of limitations for court actions or proceedings relating to decisions, proceedings, acts or determinations pursuant to this Chapter shall be as set forth in CMC <u>9173.5</u>.
- (i) By deleting therefrom Sections 12.08.590, 12.08.600, 12.08.610, 12.08.620, 12.08.630, 12.08.640, and 12.08.670. (Ord. 95-1068, § 1)

5503 Violation - Penalty.

Any person violating any of the provisions of this Chapter shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$1,000 or be imprisoned in the County Jail for a period not exceeding six (6) months or by both such fine and imprisonment. Each day such a violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such. (Ord. 95-1068, § 1)

The Carson Municipal Code is current through Ordinance 15-1564, passed July 7, 2015.

Disclaimer: The City Clerk's Office has the official version of the Carson Municipal Code. Users should contact the City Clerk's



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ALASKA CALIFORNIA FLORIDA MID-PACIFIC NORTHEAST NORTHERN ROCKIES

NORTHWEST ROCKY MOUNTAIN WASHINGTON, D.C. INTERNATIONAL

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.

EXHIBIT NO. 09

O, CA 94111

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.) 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. 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=ZGVmYXVsdGRvbWFpbnxzYW5iZW5pdG9yaXNpbmcyfGd4OjE1NTNlNTIwNTU3YTM3NTU.

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-seriesdistracted-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-dangerouschemical; 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. 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. 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. 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. 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.

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

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).



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://wwwri.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

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, àir 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

¹³ United States Census Bureau QuickFacts on Carson, California, available at http://quickfacts.census.gov/qfd/states/06/0611530.html ¹⁴ Id.

"HIGHLIGHTED SECTIONS" IN THIS ORDINANCE- WHICH

CONTRIDICT THE IMPACT OF AN SAFE ORDINANCE

Tuesday – July 28, 2015 (Planning Comm. Meeting)

- I. What the difference in the term "Owner" or "Operator"
- II. 9536 The term "However" allows the Oil Co. to continue any fracking operations they choose. It's a "Loophole"
- III. 9507.3 (A) (5) If the operation is "Non-Conforming" it will brought into a "Conforming Operation" it should be <u>Conforming</u>.
- IV. 9507.1 (F) How can you "prevent" or "reduce" the <u>Impact</u> once the operation in place?
- V. 9508 They change this section from "cumulative" to a reference section (Govt. Code Div. 1, Chap.4, Art. 2.5?). Does this section still allow them to drill as many wells as they want, without a new EIR? (Does this include abandon wells)?
- VI. 9508.1 Ownership interest, does this mean Watson Land or the Oil Co.? And what's the requirements they have to meet?
- VII. 9510 You eliminate "Well Abandonment" and replace it with term "Facility Closure", then you use "Wells" in the body of this section? Are we also referring to "Abandon Wells"?
- VIII. 9512- Usually a "Complaint" is filed some type of violation or abnormity. So, if log on that business day, or the next business day, then why is it required to be reviewed on a quarterly bases?
- IX. 9513 Injunctive Relief: What does All Remedies and Enforcements procedures means?
- X. 9515 Public Nuisance: In this Ordinance, how does a "Director" in Art. 5, Chap. 7 handle a complaint? And who is a Director?
- XI. 9521 The State regulator on water safety isn't stringent as the Federal water safety guidelines. So, they didn't use the Fed's?
- XII. 9531.5.1 There isn't no set guidelines of the analysis of how the review of "Contamination" of the water table and it will be Reviewed by the "Operator" every three years? Without any "liabilities"!

SB 4, Pavley. Oil and gas: well stimulation.

(1) Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation, or the division, regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas Supervisor, or supervisor, supervises the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field regarding safety and environmental damage. Existing law requires an operator of a well, before commencing the work of drilling the well, to obtain approval from the supervisor or district deputy. Existing law requires the owner or operator of a well to keep, or cause to be kept, a careful and accurate log, core record, and history of the drilling of the well. Within 60 days after the date of cessation of drilling, rework, or abandonment operations, the owner or operator is required to file with the district deputy certain information, including the history of work performed. Under existing law, a person who violates any prohibition specific to the regulation of oil or gas operations is guilty of a misdemeanor.

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death, and no Criminal
fenalty in this Ordinance

1.1 Background on California Department of Education Requirements for Pipeline Safety Determinations

Safety is the first consideration in the selection of school sites. In selecting a school site, SFPD has identified safety factors that should be considered. Included in these Safety Factors is the proximity of high-pressure pipelines that transport petroleum, petroleum products, natural gas pipelines, or other hazardous substances that could present a safety hazard to the proposed school campus site. For the CDE requirements, a high pressure pipeline is defined as a pipeline operating at a pressure of 80 pounds per square inch gage (psig). The requirement also includes high volume water lines, regardless of pressure. This Protocol addresses only the petroleum, petroleum product, natural gas and high volume water lines, in terms of data provided for making the necessary numerical estimates. Pipelines for gases other than natural gas, that are flammable or toxic, and for other hazardous liquid substances can be addressed using the same general methodology, but there are no data provided for preparing risk estimates. Such pipelines constitute a small fraction of the total pipeline mileage near schools and will have to be dealt with on a case-by-case basis. Practicing standard due diligence, LEAs should identify all such lines within 1,500 feet of the proposed project site. However, this Protocol analysis is limited to only those lines that operate at a pressure of 80 psig or above, which based upon commonly accepted conventions, is a divide between transmission pipelines and for natural gas, low pressure distribution mains.

1500 St.





Office of Communications City of Beverly Hills 455 N. Rexford Dr. Beverly Hills, CA 90210-4817 www.beverlyhills.org

For Immediate Release September 30, 2011 Contact: Therese Kosterman (310) 285-2456

City Council Moves to Ban Oil Drilling in Beverly Hills

Beverly Hills, CA - The Beverly Hills City Council has passed an ordinance that will shut down the one remaining oil well drill site in Beverly Hills, operated by Venoco Inc. next to Beverly Hills High School, at the end of 2016 when the current lease for that drill site expires. The ordinance was introduced at the Sept. 27, 2011 City Council meeting on a 4-1 vote.

Officials and residents have expressed concern over impacts of an industrial use so close to a school and residential neighborhoods.

"This is a proud moment for Beverly Hills," said Mayor Barry Brucker. "Many people in the community have long recognized that oil wells are an incompatible land use in Beverly Hills and worked tirelessly for years to get the oil well shut down. This community is grateful to the efforts of those citizens."

The ordinance does not prohibit oil wells from being drilled beneath the City from sites located outside of the City limits, provided that those sites are located at least 500 feet from a school or park. These wells will continue to require a permit from the City Council and will continue to be regulated by the current municipal code provisions. The ordinance also allows the School District to request an extension of time to allow oil drilling to continue on the School District property after 2016 if the extension is found to be in the public interest.

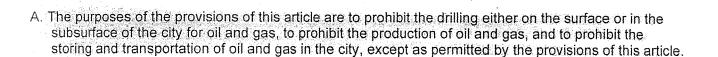




Article 3. Oil Wells

- 10-5-301: Purposes Of Article
- 10-5-302: Drilling And Production Restricted
- 10-5-303: Definitions
- 10-5-304: Existing Wells
- 10-5-305: Drilling From Outside The City Limits
- 10-5-306: Drilling And Production Within The City Limits
- 10-5-307: Whipstocking; Easements Required; Compliance With Requirements Of
- Other Jurisdictions
- 10-5-308: Applications For Exploratory Areas
- 10-5-309: Exploratory Area Boundaries And Pooling Of Property: Hearings And Approval
- 10-5-310: Production Of Oil And Gas; Developed Areas Less Than Forty Acres
- 10-5-311: Permits Required For All Drilling And Producing Operations
- 10-5-312: Applications For Permits For Directional Drilling
- 10-5-313: City Controller Relocation Permits; Limitations
- 10-5-314: Applications For Permits For Variable Directional Drilling
- 10-5-315: Development Of Oil, Gas, And Minerals; Application Fees
- 10-5-316: Hearings And Decisions
- 10-5-317: Applications For Extensions Of Time Within Which To Commence Drilling Wells
- 10-5-318: Permits: Further Conditions
- 10-5-319: Permit Fees
- 10-5-320: Abandonment Of Wells
- 10-5-321: Director Of Public Works; Subsidence And Monitoring Public Records Of
- **Drill Site And Well Inspecitons**
- 10-5-322: Enforcement
- 10-5-323: Cessation Of Activity

10-5-301: PURPOSES OF ARTICLE:



B. The council hereby declares that it is also the object and purpose of this article to establish reasonable and uniform limitations, safeguards, and controls for the drilling for and production of oil, gas, and other hydrocarbon substances within and under the city. Such limitations, safeguards, and controls are found to be necessary in order to protect the citizens, their property rights, and the general public of the city and to put into effect practices which will provide a plan for the orderly drilling for and production of oil and gas, which substances are important to the national economy. Such orderly development is necessary and will protect the surface uses and the value and character of residential, commercial, and other real property in the city as such uses are set forth in and regulated by chapter 3 of this title. The council recognizes that many of its citizens and property owners have made

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substantial investments in real property. Therefore, in order to protect such citizens and their property rights, to protect the owners of mineral rights, and to provide for the orderly exploration, development, and production of oil and gas, it is necessary to regulate the drilling for and production of oil and gas in the manner set forth in this article.

- C. The council hereby finds and determines that the uncontrolled drilling in the subsurface for oil, gas and other hydrocarbon substances, and the uncontrolled production thereof, would be detrimental to the general welfare of the citizens and residents of the city and detrimental to the general public peace, health, safety, comfort, convenience, and prosperity. The council finds and determines that subsurface areas within the city may be explored for oil and gas, and, if such substances are found, they may be produced by directional or slant drilling methods from surface locations outside the city. Such operations must comply with the regulations of the city or county having local control of the drill site area, as well as the limitations and regulations set forth in this article to protect the citizens and residents of the city from odors, noise, dust, and the spreading of oil, dirt, and debris upon the public streets of the city, and to protect buildings and structures from vibrations, sinking, or other damages caused by the drilling for and production of oil and gas in an unrestricted location and manner.
- D. Except as otherwise provided in this article, no person shall drill, produce, or extract oil, gas or other hydrocarbon substances from any surface location in the city. (Ord. 79-O-1720, eff. 2-15-1979; amd. Ord. 11-O-2603, eff. 1-25-2011; Ord. 11-O-2614, eff. 11-18-2011)

10-5-302: DRILLING AND PRODUCTION RESTRICTED:

- A. No person shall drill for or produce oil, gas, or other hydrocarbon substances from any surface location within the city, including any controlled drill site, whether the subsurface operation from such well is within or outside the city except that production of oil, gas and other hydrocarbon substances may continue from controlled drill site no. 1, as defined in subsection 10-5-306B of this chapter, until the date specified in section 10-5-323 of this chapter for cessation of such activity.
- B. The council hereby finds and determines that it is, and it is hereby declared to be unlawful and a public nuisance for any person hereafter to erect any derrick or drilling equipment and hereafter to drill a well in order to produce oil, gas or other hydrocarbon substances from drill sites that are located in the city.
- C. No person shall drill for or produce oil, gas or other hydrocarbon substances from the subsurface of the city from drill sites located outside the city, except as permitted by this article.
- D. The council hereby finds and determines that it is, and it is hereby declared to be, unlawful and a public nuisance for any person hereafter to drill an oil well or produce oil, gas or other hydrocarbon substances by directional or slant drilling methods from surface locations or sites outside the city which said wells pass through or bottom in the subsurface of any property located within the city, except in the manner provided in this article.

E. No person shall drill or redrill or deepen below its present bottom any oil well for the production of or exploration for oil, gas or other hydrocarbon substances where any portion of the surface operation or the subsurface operation of such well is located within the city, except as authorized by this article. (Ord. 11-O-2614, eff. 11-18-2011)

The section below has been affected by a recently passed ordinance, 2660 - HYDRAULIC FRACTURING. Go to new ordinance.

10-5-303: DEFINITIONS:

APPLICANT: Any person who seeks a permit pursuant to the provisions of this article.

CONTROLLED DRILL SITE: A surface location in the city set forth in section 10-5-306 of this chapter upon which surface operations incident to oil well drilling or deepening and the production of oil and gas and other hydrocarbon substances from beneath the surface of real property, within or outside the city, may be permitted under the terms and conditions of this article and as prescribed by the terms and conditions of the permit of the council.

DEVELOPED AREA: That subsurface area under real property in the city under which there are proven oil and gas reserves and on which and from which real property there is a currently producing oil and gas or oil or gas well being operated and produced under and by virtue of an oil and gas lease in full force and effect and which lease was executed and delivered prior to February 20, 1968, in which subsurface area the drilling for and production of oil and gas is permitted as provided in this article. Such area shall contain not less than one acre.

DIRECTIONAL DRILLING: The whipstocking or slant drilling of an oil and gas well more than five degrees (5°) off vertical.

DRILLING EQUIPMENT: All temporary structures, tanks, equipment, and facilities necessary or convenient for the drilling of a well or well hole, including, but not limited to, wood or steel derricks, portable masts, engines, pumps, temporary fuel and water tanks, and other like facilities ordinarily used in connection with the drilling of an oil and gas well.

EXPLORATORY AREA: A described area established by the council containing not less than forty (40) acres, the boundaries of which shall follow property lines, public streets, highways, or alleys so far as practicable in which subsurface area the drilling for oil and gas or oil or gas and the production of oil and gas are permitted only by the person upon whose application the exploratory area is established, or his successor in interest. It shall be the subsurface portion of real property in which there is likely to be found deposits of oil and gas or oil or gas in which drilling and production operations may be carried on and oil and gas or oil or gas wells bottomed for the production of such substances.

OIL WELL: Any well or hole already drilled, being drilled, or to be drilled from the surface into the earth, which well or hole is used or intended to be used in connection with the drilling for, prospecting for, or production of oil, natural gas, or other hydrocarbon substances. "Oil well" shall also include a well or hole used for the subsurface injection into the earth of oil field waste, gases, water, or liquid substances, including any well or hole which has not been abandoned and is now in existence.

PERMITTEE: Any person who receives a permit pursuant to the provisions of this article. (Ord. 79-O-1720, eff. 2-15-1979)

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10-5-304: EXISTING WELLS:

The right to maintain and operate oil and gas wells lawfully drilled into the subsurface of the city prior to February 20, 1968, which wells are still being drilled or are producing oil or gas or other hydrocarbon substances at the time this article becomes effective, shall not be prohibited; provided, however, any such wells shall be maintained and operated in accordance with law and in full compliance with the terms and conditions of the permits pursuant to which they were drilled. Any such well shall hereafter be referred to as an "existing well". No existing well shall be drilled, redrilled, or deepened below its present bottom without first complying with or having complied with all the terms, conditions, and provisions of this article, including, but not limited to, the payment of the application fee and permit fee, the securing from the council of a permit as required by sections 10-5-311 through 10-5-316 of this chapter, and the approval of the exploratory area as required by sections 10-5-308 and 10-5-309 of this chapter; provided, however, no existing well, drilled from a surface site within the city, shall be drilled or redrilled or deepened below its present bottom. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-305: DRILLING FROM OUTSIDE THE CITY LIMITS:

Subject to the approval of the exploratory area as required by section 10-5-308 of this chapter and the issuance of a council permit as required by section 10-5-311 of this chapter, the drilling of an oil and gas or oil or gas well and the production of oil, gas, and other hydrocarbon substances may be conducted from drill sites located outside the city limits where such oil and gas wells are drilled into the subsurface of real property in the city by directional or slant drilling in accordance with the requirements of this article. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-306: DRILLING AND PRODUCTION WITHIN THE CITY LIMITS:

- A. The council finds and determines that the location of drill sites on real property within the city is contrary to the public health, safety, and general welfare of the citizens and inhabitants of the city. Drilling from or producing oil, gas or other hydrocarbon substances from surface locations within the city is hereby prohibited except that production of oil, gas and other hydrocarbon substances may continue from controlled drill site no. 1 until the date specified in section 10-5-323 of this chapter for cessation of such activity.
- B. Controlled drill site no. 1 shall be and embrace the real property in the city of Beverly Hills, county of Los Angeles, state of California, described as follows:

That portion of Lots 843 and 844, Tract No. 7710, in the city of Beverly Hills, County of Los Angeles, State of California, as recorded in Book 83, pages 94 and 95 of Maps in the office of the Recorder of said County, described as follows:

Beginning at the most southerly corner of said Lot 843; thence along the southwesterly line of said lot north 30 (30°) degrees 53'05" west 120.00 feet; thence north 59 (59°) degrees 13'04" east 233.00 feet; thence south 30 (30°) degrees 46'56" east 22.50 feet; thence north 59°13'04" east 30.50 feet; thence south 30 (30°) degrees 46'56" east 102.76 feet to a point on the northwesterly line of Olympic Boulevard, which is a curve concave to the southeast and having a radius of 593.11 feet; thence

southwesterly along said curve a distance of 79.07 feet to the end of said curve; thence continuing southwesterly along said northwesterly line of Olympic Boulevard south 59 (59°) degrees 13'04" west 184.45 feet to the point of beginning. (Ord. 11-O-2614, eff. 11-18-2011)

10-5-307: WHIPSTOCKING; EASEMENTS REQUIRED; COMPLIANCE WITH REQUIREMENTS OF OTHER JURISDICTIONS:

No oil or gas well may be drilled unless the applicant holds and presents to the council evidence that such applicant has the right to enter or pass through each parcel of property such drilling will take the well through between the drilling site and the well bottom, including the right to take oil and gas from the property in which the well will be bottomed. Slant drilling or whipstocking of any well into, out of, or through the city is hereby prohibited, unless the applicant for any such permit meets and fully complies with all the requirements of every city, or, in the case of unincorporated territory, of every county in which such well or any part thereof is or will be located and meets and fully complies with all applicable state and federal laws and regulations. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-308: APPLICATIONS FOR EXPLORATORY AREAS:

- A. No council permit shall be granted or considered by the council or set for hearing until the council has approved the boundaries of the exploratory area into which such a well or wells may be drilled. An application for the approval of the boundaries of the proposed exploratory area shall be required, and in such application the applicant shall set forth and describe with a proper legal description the real property in the city which the applicant proposes to explore for oil and gas purposes. A map shall also be attached to the application, which map shall clearly show and outline the proposed exploratory area. Such area shall be known and designated as the "exploratory area". Such exploratory area shall contain not less than forty (40) acres. The exploratory area may include property within and property outside the city. Each such application shall have attached thereto geological information and the opinion of a geologist or petroleum engineer indicating that the boundaries proposed for the exploratory area include the subsurface portion of real property in which there is likely to be found deposits of oil and gas.
- B. Each application for the approval of the boundaries of an exploratory area shall be accompanied by an application fee of ten thousand dollars (\$10,000.00). The application fee shall be to defray the costs to the city of studies, investigations, and hearings by the city manager and other officers and employees of the city, by consultants employed by the council, and by the council concerning the proposed exploratory area set forth in the application. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-309: EXPLORATORY AREA BOUNDARIES AND POOLING OF PROPERTY; HEARINGS AND APPROVAL:

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- A. Each applicant requesting the approval of an exploratory area shall have the contractual or proprietary right and authority to drill for oil and gas under the surface of at least seventy five percent (75%) of the area of the real property in the city described and included in any exploratory area. The council may require the applicant to prove any such authority by submitting a lease agreement or evidence of ownership thereof.
- B. In order to determine the proper boundaries of any exploratory area, the council may employ such engineers or consultants as it deems necessary to advise the council in such matter, and the cost of such services shall be paid by the city.
- C. The council, in consultation with the applicant, shall determine the nature and probable extent of the exploratory area. Having determined the probable extent of the exploratory area, the council shall delineate and describe the approved exploratory area.
- D. The council, as a condition to granting its approval, may require each applicant or permittee to pool all real property which it controls within the exploratory area as approved. After such pool is created, the property included therein shall thereafter be referred to as the "pooled area" or the "community lease". The applicant shall not be required to obtain leases or contractual rights to explore all of the real property within such exploratory area, but the applicant shall agree, in writing, that the owners of any oil and gas rights within the exploratory area may join in any leasing arrangement covering the pooled area or any community lease for the production of oil and gas from the exploratory area. The owners of oil and gas rights within the exploratory area shall have the right to join in any such lease and to share in the rental or royalty payments for oil and gas produced from the approved exploratory area. The shares of royalty to be paid shall be computed on the same basis as that of the average of the real property owners, by surface area, who have by lease or other document agreed to the drilling for and production of oil and gas by the applicant from the subsurface of the exploratory area.
- E. The owner of any oil and gas rights within the exploratory area shall be granted the right to join in any such pooled area or community lease on the basis set forth in this section. The permittee or lessee shall accept the owner of such rights into the pooled area or community lease as provided in this section upon receiving written notice that such owner will join in and become a part of such pooled area or community lease covering the exploratory area and upon the execution of the same form of lease executed by other owners provided the oil and gas rights are appurtenant to real property included in the exploratory area. The owners of oil and gas rights within the exploratory area may join such pooled area or community lease and be included in the right to receive his pro rata share of oil and gas royalty the same as if he joined such lease by giving notice to the permittee at any time after the exploratory area is approved; provided, however, such owner shall waive any right to oil and gas royalties, rentals, or proceeds on or for any and all production from the exploratory area up to the first day of the following month after the time such notice is given to the permittee, unless such notice is given to the permittee within five (5) years of the effective date of the first council permit issued in the exploratory area. The permittee shall be required to impound the oil and gas royalty for all property within the exploratory area (in which the permittee does not have a contractual or proprietary right to drill for oil and gas beneath the surface) for a period of five (5) years from and after the effective date of the said first council permit and, during such five (5) year period, to pay such royalty, as they are entitled, to the owners of oil and gas rights who give written notice and execute the same form of lease or agreement executed by other owners. Upon the expiration of five (5) years from the effective date of the said first council permit, the permittee shall distribute the remainder of the funds impounded to the owners of oil and gas rights who have executed the lease in the same manner as shares of royalty are apportioned. No such owner of oil and gas rights shall be entitled to a council permit or the right to

drill an oil and gas well because he has failed to join any community lease or pooled area or because he does not participate in an oil and gas royalty from real property located within the exploratory area.

- F. The pooling or unitizing of oil and gas rights within the exploratory area as between owners, lessees, or others having rights therein may be made a condition to the approval of the exploratory area.
- G. The council may modify the restrictions and conditions required by section 10-5-308 of this article and this section and impose such other conditions as it may deem necessary to carry out the purpose and intention of these sections and to fairly and equitably protect the oil and gas rights of the owners in any exploratory area.
- H. Upon the receipt of an application for the approval of an exploratory area, the council shall set such application for a hearing not sooner than sixty (60) days and not later than ninety (90) days after the filing of such application and shall refer such application to the city manager for study and investigation. The city manager, not later than ten (10) days before the hearing by the council, shall file a report upon his study and investigation with the council and with the city clerk. The council, at the request of the city manager, or on its own motion, may retain engineers, geologists, or other persons to assist the city manager in his study and investigation. Notice of the hearing shall be given by publication in the official newspaper by two (2) publications not more than thirty (30) days nor less than ten (10) days prior to the date of such hearing and by mailing a written notice of such hearing to the applicant.
- I. In its action upon the application, if the council shall find that the boundaries of the proposed exploratory area include all of the subsurface portion of real property in which there is likely to be found deposits of oil and gas from a probable single pool, the council shall approve the boundaries of the proposed exploratory area, or, if such boundaries can be modified to justify such a finding, the council shall approve the boundaries of the exploratory area as modified. In all other cases, the council shall disapprove the boundaries. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-310: PRODUCTION OF OIL AND GAS; DEVELOPED AREAS LESS THAN FORTY ACRES:

- A. Notwithstanding the provisions of this article requiring that the exploratory or producing area contain not less than forty (40) acres, the holder of a valid council permit, as hereinafter required, may drill and produce an oil and gas well where such well is bottomed and produced from a "developed area" as defined in section 10-5-303 of this article; provided however, in no event shall any person hereafter erect any derrick or drilling equipment or drill an oil and gas well or an oil well or a gas well from surface drilling sites or locations within the city other than on a controlled drill site.
- B. The council hereby declares that the following described real property is a developed area and shall hereafter be entitled to be treated, for the purposes of this article, as if it were a "developed area" as that term is defined in section 10-5-303 of this article:

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Lots 838 through 844, inclusive, of tract 7710, in the city of Beverly Hills, county of Los Angeles, state of California, as per map recorded in book 83, pages 94 and 95 of maps, in the office of the county recorder of said county, together with such portions of the subsurface of adjoining streets as will pass with a conveyance of the aforesaid lots. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-311: PERMITS REQUIRED FOR ALL DRILLING AND PRODUCING OPERATIONS:



It shall be unlawful and a nuisance for any person to conduct any drilling operation for a well hole or to drill and produce any oil and gas well or well hole in the surface or subsurface of the city from any drill site without first having applied for and obtained from the council a permit so to do. Such permit shall be designated and thereafter referred to as the council permit. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-312: APPLICATIONS FOR PERMITS FOR DIRECTIONAL DRILLING



- A. Each application for a council permit shall be made in writing and shall include:
 - 1. The legal description of the proposed drill site;
 - The legal description of all properties, both within and outside the city, through which such well is proposed to pass;
 - 3. A statement that the applicant has the right, by reason of ownership or the permission of the owner, to pass through and enter all property through which such well is proposed to pass;
 - 4. The proposed location, the type, kind, size, and amount of equipment, and the method of operation of the proposed well;
 - 5. The proposed method of handling and using any product proposed to be developed;
 - 6. In all cases where the well is proposed to be bottomed in the city, a statement that the applicant has the contractual or proprietary right and authority to drill for oil and gas under the surface of at least seventy five percent (75%) of the real property described and included in the approved exploratory area in accordance with the requirements of sections 10-5-308 and 10-5-309 of this article or a statement bringing the application within the requirements of section 10-5-311 of this article; and
 - 7. In all cases where the well is proposed to be drilled from a controlled drill site within the city, a statement that the applicant has complied or will comply, before spudding in the well, with all the requirements of the city (or in the case of unincorporated territory, the county) in which the well is to be bottomed.
- B. At the time such application for a permit is made, the application fee hereinafter required shall be paid to the city controller.

C. Each application shall be accompanied by a detailed written report of a geologist, or other person experienced in the field of subsidence as a result of petroleum extraction, indicating the nature and extent of the subsidence, if any, that can reasonably be expected to occur as a result of the proposed drilling and production or drilling or production, as the case may be, and indicating the nature and extent of the damages to property, if any, that could reasonably be expected to occur as a result of the drilling and production or drilling or production, as the case may be, and setting forth the qualifications and experience in the field of land subsidence as a result of petroleum extraction of the person making the report. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-313: CITY CONTROLLER RELOCATION PERMITS; LIMITATIONS:



- A. Any permittee holding a council permit issued pursuant to an application filed under the provisions of section 10-5-311 of this article and having drilled or commenced drilling any well may make an application to the city controller for a relocation permit.
- B. Such application shall be in writing, shall be accompanied by a permit fee of two thousand dollars (\$2,000.00), and shall set forth the following:
 - 1. The description of the well proposed to be relocated;
 - 2. The legal description of all properties, both within and outside the city, through which such relocated well is proposed to pass and a statement that all such properties are not more than one thousand three hundred twenty feet (1,320') from the properties through which the original well was proposed to pass;
 - 3. A statement that the permittee has the right, by reason of ownership or the permission of the owner, to pass through and enter all property through which such relocated well is proposed to pass;
 - 4. A statement that the permittee will use such relocated well for exploratory purposes only and will not produce oil and gas or oil or gas from such well without first applying for, paying the necessary application and permit fees, and receiving a council permit for such relocated well as required by the provisions of sections 10-5-311, 10-5-312, 10-5-315, and 10-5-319 of this article;
 - 5. A statement that the permittee shall be bound as to such relocated well by all of the conditions imposed by the council in the council permit issued for the well proposed to be relocated; and
 - 6. A statement that the bottom hole location of the relocated well will be within the same exploratory area and not more than one thousand three hundred twenty feet (1,320') from the bottom hole location approved for the original well.
- C. The city controller, upon the receipt of an application meeting the requirements of this section, shall issue a relocation permit to the permittee without first verifying the information contained in the application and shall report such issuance to the council within thirty (30) days.
- D. It shall be unlawful to drill or redrill any well or well hole pursuant to a permit issued pursuant to the provisions of this section through any property located more than one thousand three hundred twenty

feet (1,320') from property approved by the council as the property through which the original well was proposed to pass.

- E. It shall be unlawful to produce any oil and gas or oil or gas through any well or well hole drilled pursuant to a relocation permit issued pursuant to the provisions of this section unless the permittee first applies for and receives a council permit for such relocated well.
- F. The fee paid for a relocation permit shall be credited toward the application fees required by section 10 -5-315 of this article if an application is made for a council permit for the same well within one hundred eighty (180) days after the date the relocation permit is issued by the city controller. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-314: APPLICATIONS FOR PERMITS FOR VARIABLE DIRECTIONAL DRILLING:



- A. As an alternative to the provisions of section 10-5-312 of this article, an application for a council permit may be made pursuant to the provisions of this section. When an application is made pursuant to the provisions of this section, a permit issued shall not be subject to the relocation provisions of section 10 -5-313 of this article. Each application for a council permit pursuant to the provisions of this section shall be made in writing and shall include:
 - 1. The legal description of the proposed drill site;
 - 2. The legal description of a bottom area location entirely within a single exploratory area not exceeding one thousand three hundred twenty feet (1,320') in diameter and the legal description of a corridor connecting such bottom area location with the drill site;
 - 3. A statement of what property the applicant has the right, by reason of ownership or permission of the owner, to pass through and enter and a further statement that the applicant agrees, in finally locating the well, not to pass through or enter any property where he does not have such right;
 - 4. The proposed location, type, kind, size, and amount of equipment and the method of operation of the proposed well;
 - 5. The proposed method of handling and using any product proposed to be developed;
 - 6. In all cases where the well is proposed to be bottomed in the city, a statement that the applicant has the contractual or proprietary right and authority to drill for oil and gas under the surface of at least seventy five percent (75%) of the real property described and included in the approved exploratory area in accordance with the requirements of sections 10-5-308 and 10-5-309 of this article or a statement bringing the application within the requirements of section 10-5-311 of this article;
 - 7. In all cases where the well is proposed to be drilled from a controlled drill site within the city, a statement that the applicant has complied or will comply, before spudding in the well, with all requirements of the city (or, in the case of unincorporated territory, the county) in which the well is to be bottomed; and
 - 8. A statement of the exploratory area within which such well will be bottomed.

- B. At the time such application for a permit is made the applicant shall pay to the city clerk a fee in the sum of two thousand dollars (\$2,000.00) as provided in section 10-5-315 of this article and a supplemental fee in the sum of three thousand dollars (\$3,000.00) to cover the additional costs to the city of evaluating the wider well hole corridor permitted pursuant to the provisions of this section.
- C. Each application shall be accompanied by a detailed written report of a geologist, or other person experienced in the field of subsidence as a result of petroleum extraction, indicating the nature and extent of the subsidence, if any, that can reasonably be expected to occur as a result of the proposed drilling and production or drilling or production, as the case may be, and indicating the nature and extent of the damages to property, if any, that could reasonably be expected to occur as a result of the drilling and production or drilling or production, as the case may be, and setting forth the qualifications and experience in the field of land subsidence as a result of petroleum extraction of the person making the report.
- D. Notwithstanding the provisions of section 10-5-319 of this article, when the council has granted any council permit pursuant to the provisions of this section, the council permit shall be of no virtue, force, or effect until it is issued by the city controller. The city controller shall issue a council permit granted by the council pursuant to an application under this section, in a form contemplated in this article, and upon written acceptance of the council permit being received from the permittee, accompanied by a statement by the permittee of the well corridor finally selected by the permittee through which the well shall pass, a statement that the permittee has the right by reason of ownership or permission of the owner to pass through and enter all property through which such well is proposed to pass, and a permit fee in the sum of two thousand dollars (\$2,000.00).
- E. The application for a permit pursuant to this section shall be processed in the manner provided in section 10-5-316 of this article, except that the condition contained in subsection C10 of said section shall be modified as follows for the purpose of this section: "The oil and gas or oil or gas well drilled pursuant to any council permit issued pursuant to the provisions of section 10-5-312 of this article shall be drilled only within the properties which the permittee shall hereafter before the final issuance of the permit by the city controller, set forth, in conjunction with his acceptance of the permit, with the city controller as the property through which such well is proposed to pass, unless the permittee secures the subsequent approval of the council to cause such well to pass through other properties". (Ord. 79-O-1720, eff. 2-15-1979)

10-5-315: DEVELOPMENT OF OIL, GAS, AND MINERALS; APPLICATION FEES:



The filing of any application referred to in section 10-5-312 or 10-5-314 of this article shall be accompanied by an application fee of two thousand dollars (\$2,000.00). The application fee shall be to defray the costs to the city of studies and investigations by the city manager, other staff members, consultants employed by the council, and the council concerning the proposal set forth in the application. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-316: HEARINGS AND DECISIONS:

- A. Upon the receipt of an application for a council permit, as provided in section 10-5-312 of this article, or an application for a variable directional drilling permit, as provided in section 10-5-314 of this article, the city clerk shall refer such application to the city manager. Upon the receipt of any such application, the city manager shall undertake such studies and investigations as he may consider appropriate to enable him to make a report to the council concerning such permit.
- B. The city manager shall file a report with the council and the city clerk not later than forty five (45) days after the filing of the application.
- C. The council, at the request of the city manager or on its own motion, may retain engineers or other persons to assist the city manager in his investigation of the application. In its action upon the application, if the council finds that the terms and conditions of this article have been complied with. and that persons and property within the city will not be adversely affected by the granting of the application, and that there is no reasonable probability of danger or damage to any real or personal property or injury to any person within the city by reason of the subsidence of the surface of the earth or other reason due to the extraction of oil or gas or oil and gas, and if, in a case where the proposed drill site is located within the city, the council shall find that there is no reasonable probability of danger or damage to any real or personal property or injury to any person by reason of the production and extraction of oil or gas or oil and gas or other hydrocarbon substances, the council shall grant the application and the council permit upon such terms and conditions as the council may set and fix in granting such permit in order to protect persons and property within the city from injury or damage or hazard of injury or damage, and, when the drill site is in the city, such further conditions as the council may impose in order to eliminate or minimize the adverse effect of such drill site on persons and property in the vicinity. In all other cases, the council shall deny the application. No permit shall be granted without the following standard conditions being required and made a part and condition of such permit:
 - 1. Drilling operations for any well shall commence within ninety (90) days after the effective date of the permit and thereafter be prosecuted diligently to completion, and, if a producing well is not secured within one year after the effective date of the permit, the well shall be abandoned. The council, for good cause, may allow additional time for the commencement of the well.
 - 2. The permittee shall comply with all ordinances, rules, and regulations of the city and of any other city through which the well, or any part thereof, is located or to be drilled, and the permittee shall comply with all ordinances of the county when the well, or any part thereof, is located or is to be drilled partly within the unincorporated territory of the county. The permittee shall comply with all the rules and regulations of the South Coast air quality management district.
 - 3. A copy of the complete record of any such well furnished to the division of oil and gas of the state shall be concurrently filed by the permittee with the city clerk. The permittee, within thirty (30) days after any oil and gas or oil or gas well is placed on production, shall file with the city clerk a plat showing the location of the producing interval and the route of the well hole between the producing interval and the drill site. All records submitted pursuant to the provisions of this subsection shall be confidential and privileged to the extent permitted by law.
 - 4. All well holes and oil and gas wells passing through or bottomed in or under any real property in the city, which wells are drilled from drilling sites outside the city, shall be below five hundred feet (500') upon entering any real property within the city.

- 5. All well holes and oil and gas wells passing through or bottomed in the city shall be bottomed in an exploratory area approved pursuant to the provisions of section 10-5-309 of this chapter or in a developed area pursuant to the provisions of section 10-5-310 of this chapter.
- 6. The mayor, members of the council, city manager, public services administrator, building official, and their authorized assistants or deputies, and other officers, employees, agents, and independent contractors designated from time to time by the council, shall be permitted at all reasonable times to review and inspect the drill site and any operation or method used in the drilling for and producing of oil and gas.
- 7. The permittee shall hold the city, the council and its members, and its officers and employees harmless from any claim by third parties arising out of or resulting from the permittee's operation under any council permit. The permittee, at all times during the existence of any council permit, shall be insured for not less than one million dollars (\$1,000,000.00) against liability in tort arising from the drilling or production activities or operations incident to the drilling and production of an oil and gas well pursuant to any council permit, and such policy shall name as additional insureds the city, its mayor, members of its council, members of its boards and commissions, and its officers, agents and employees, while acting as such, for liability arising out of the permittee's operation pursuant to such permit. Such policy of insurance shall be issued by a good and responsible insurance company and shall be subject to the approval of the city attorney. A certificate of such insurance shall be filed with the city clerk before drilling is commenced. Drilling and production shall be suspended at any time when the required insurance is not in full force and effect.
- 8. The council permit shall become null and void unless the permit is accepted by the applicant in its entirety in writing and filed with the city clerk within thirty (30) days after the effective date thereof, together with the payment of the permit fee required by section 10-5-319 of this chapter, and no work on such drill site shall be commenced until such permit is accepted and issued.
- 9. The operation of any oil and gas well and production therefrom drilled pursuant to a council permit shall be in accordance with the rules and regulations of the division of oil and gas of the state, or any successor agency or body thereto.
- 10. Any oil and gas or oil or gas well drilled pursuant to any council permit shall be drilled only within the properties which the permittee set forth in its application as the properties through which such well was proposed to pass, unless the permittee secures the approval of the council to cause such well to pass through other properties.
- 11. Any and all above surface equipment and extraction activities associated with any oil and gas or oil or gas well drilled pursuant to any council permit shall be located at least five hundred feet (500') from any school or park site located in the city of Beverly Hills.
- D. No permittee shall drill, operate, or maintain any oil and gas well except in conformity with the terms and conditions of the permit pursuant to which such well is being drilled. After a council permit has been granted, the council may alter, amend, or add to the conditions of such permit in order to protect the citizens and property rights within the city. Such new, amended, or added conditions shall be made only after ten (10) days' notice to the applicant or permittee and after a hearing before the council.
- E. Any council permit may be suspended or revoked by the council for any material violation of the conditions of the permit by the permittee or for the persistent violation of any law by the permittee in the operation of any such well. The council shall not revoke any council permit without first giving the permittee ten (10) days' written notice of the nature of the violations and the council's intention to revoke such permit. If, within such ten (10) day period, the permittee requests a hearing before the

council, the council shall grant such hearing within fifteen (15) days after the date of such request. At such hearing evidence shall be presented to establish to the satisfaction of the council the extent and nature of the violation which constitutes grounds for the revocation, and the permittee shall be given an opportunity to cross examine all witnesses testifying at such hearing. The permittee shall thereafter be permitted at that hearing, or at a continued hearing (if a continuance is requested by the permittee), to present evidence to disprove or explain such alleged violations. The council thereupon, after hearing all the evidence, shall determine whether or not the permit should be revoked, and the council determination thereon shall be final. If the council determines that the permit should be revoked, the council shall order the revocation, and the permittee shall thereafter abandon the well in strict conformity with the requirements of law. (Ord. 79-O-1720, eff. 2-15-1979; amd. Ord. 11-O-2614, eff. 11-18-2011; Ord. 13-O-2637, eff. 2-24-2013)

10-5-317: APPLICATIONS FOR EXTENSIONS OF TIME WITHIN WHICH TO COMMENCE DRILLING WELLS:

- A. Whenever a person holding a permit pursuant to the provisions of section 10-5-316 of this article wishes to request an extension of the time within which drilling operations are required to be commenced to a period beyond ninety (90) days after the effective date of the permit, a request for such extension shall be filed with the city clerk in writing and be accompanied by a fee in the amount of five hundred dollars (\$500.00) for each well for which an extension is requested.
- B. Such request for an extension shall set forth facts showing good cause for the council to allow additional time for the commencement of the well.
- C. Upon the receipt of such written request, the city clerk shall forward such written request to the city manager who shall investigate the request and secure such reports from staff members and consultants as he deems appropriate.
- D. The city manager shall forward the written request to the council, together with his report and recommendation.
- E. The council, upon the receipt of such report and recommendation, may allow additional time for the commencement of the well. (Ord. 79-O-1720, eff. 2-15-1979)

The section below has been affected by a recently passed ordinance, 2660 - HYDRAULIC FRACTURING. Go to new ordinance.

The section below has been affected by a recently passed ordinance, 2662 - REORGANIZATION OF THE PUBLIC WORKS. Go to new ordinance.

10-5-318: PERMITS; FURTHER CONDITIONS:



- A. No council permit shall be issued where all or any part of the proposed drill site is located within the city without the following additional conditions being required and made a part and condition of such permit:
 - 1. All buildings, structures, equipment, systems, and operations located on a controlled drill site, and all pipelines in connection therewith, shall comply with all laws, including, without limitation, the provisions of this code, the statutes of the state, the ordinances of the city of Los Angeles where any portion of the well or pipeline will be within the city of Los Angeles, and all applicable governmental administrative regulations.
 - 2. All drilling operations on a controlled drill site shall be conducted within closed buildings or structures in compliance with the standards of title 9, "Building And Property Health And Safety Regulations", of this code. To the extent permitted by law, temporary drilling derricks and temporary foundations may be installed and used. Not more than one drilling derrick shall be in use at any one time.
 - 3. All buildings, structures, equipment, systems, and operations located on a controlled drill site shall comply with <u>title 5</u>, <u>chapter 1</u>, "Noise Regulations", of this code. The method and equipment to be used for moving the drilling derrick from one conductor to another shall be described in writing by the applicant and shall not be implemented by the applicant until approved in writing by the council.
 - 4. Buildings, structures, drill site enclosures, derrick enclosures, derricks, drill collars, dampers, landscaping, and the surrounding wall on a controlled drill site shall be completed in accordance with plans reviewed by the architectural commission and approved by the council.
 - 5. No pump for the production of oil may be installed above the surface of the earth.
 - 6. All tanks located on a controlled drill site shall have been approved by the American Petroleum Institute.
 - 7. Any drilling derrick shall be completely covered inside and out with a fire retardant, soundproofing material in a manner and with materials approved by the fire chief. Drilling shall not be commenced until the covering of the drilling derrick, as installed, has been approved by the building official and shall be discontinued at any time the building official determines that the derrick is not covered in accordance with such standards.
 - 8. Soundproofing shall be installed around the drilling floor and work platform of any drilling derrick in a manner approved by the building official.
 - 9. Any drilling derrick shall be mounted on vibration isolators or springs to minimize the transmission of drilling vibrations to the ground and to surrounding areas. No drilling shall be commenced until the building official has approved the vibration isolators or springs. Drilling shall be discontinued at any time the building official determines that the vibration isolators or springs are not effectively isolating the vibrations from transmission to the ground.
 - 10. The exterior surface of the drilling derrick shall be constructed of a solid material to prevent noise levels emitted from the interior of the derrick structure from feeding the noise levels specified in subsection A19 of this section.
 - 11. All access doors to any drilling derrick shall be constructed to "seal" close. At all times when drilling is underway, the access doors shall be closed. Any vee door to a drilling derrick shall be constructed to "seal" close. Any vee door shall be closed at all times between six o'clock (6:00) P.M. of one day and eight o'clock (8:00) A.M. of the next day.

- 12. a. Within thirty (30) days after commercial production has been established, there shall be commenced and prosecuted diligently to completion on each controlled drill site adequate landscaping and screening, either with shrubbery, masonry, or concrete walls or their equal, so that the same shall not be unsightly nor hazardous. All tanks shall be depressed so that the top of any tank and other equipment and appurtenances shall not extend more than five feet (5') above the surface of any controlled drill site, unless otherwise permitted by the council.
 - b. Within six (6) months after the completion of the drilling and the removal of the drilling derrick, any controlled drill site shall be landscaped with suitable shrubbery and trees in accordance with a plan approved by the architectural commission.
- 13. After the removal of any temporary derrick housing, the servicing and repair necessitating the use of a portable derrick shall not be undertaken by any permittee except in the manner and at the times approved in writing by the council.
- 14. At all times after any drilling is started on a controlled drill site, parking facilities shall be provided for use by vehicles employed in the drilling and maintaining of wells on the controlled drill site. Parking for automobiles of employees or workers engaged in a drilling activity shall be provided by the permittee at parking lots or in parking facilities, other than public streets, at locations other than the controlled drill site. If the parking lot or parking facilities are not located within a reasonable walking distance of the controlled drill site, the permittee shall provide transportation to and from the parking site for employees and workers.
- 15. At all times vehicular access to a controlled drill site shall be provided in accordance with the plans for vehicular access reviewed by the transportation/engineering division and approved by the council.
- 16. All entrances to a controlled drill site shall be equipped with sliding gates which shall be kept closed at all times except when authorized vehicles are entering or leaving the drill site.
- 17. When traffic lanes on any public street are closed or impaired by the permittee's operations, flagmen, and safety officers as required by the police chief shall be provided by the permittee at all such times to and traffic and maintain traffic flow.
- 18. Trucking for the delivery of equipment and supplies and for the removal of materials from a controlled drill site shall be limited to the hours between eight o'clock (8:00) A.M. and six o'clock (6:00) P.M., Monday through Friday; provided, however, the council may further restrict the hours and days as a condition of issuing a permit if such trucking may interfere with traffic or be detrimental to the surrounding area.
- 19. No permittee shall produce from any well or combination of wells in any manner so as to create any noise which would cause the noise level at any point on the exterior boundary of any controlled drill site to exceed the ambient noise level by more than five (5) decibels based upon a reference sound pressure of 0.0002 microbars, as measured in any octave band center frequency, in cycles per second as follows: 63, 125, 250, 500, 1,000, 2,000, 4,000, and 8,000, and for the combined frequency bands (all pass). The permittee shall shut down and discontinue production from as many wells as is necessary to reduce the noise to such limits at any time the building division notifies the permittee that its operation exceeds such noise limits.
- 20. In addition to the other provisions of this section regulating noise, the following specific measures shall be taken to reduce noise being transmitted from any controlled drill site:
 - a. All equipment, such as cathead motors, mud pump motors, and shakers, and all equipment used for the production of oil and gas or the operation of the production units, such as hydraulic pumps, shipping pumps, and compressors, shall be housed in substantial buildings which have been acoustically treated so as to be substantially soundproof in order not to permit any sound to be emitted which would exceed the noise levels set forth in subsection A19 of this section. Should

valve noise occur in gas lines to the degree that it becomes a significant annoyance, pipes should be lagged by the permittee with commercially available materials.

- b. All equipment located on any controlled drill site which emits noise when operating shall be equipped with manufacturer supplied noise control devices or modifications of such devices that more effectively suppress noise levels, and all such noise attenuating features, including (without limiting the general provision) mufflers on construction equipment, shall be checked daily to ensure that they are in good repair.
- 21. No well may be maintained as a producing well unless it is equipped with safe and proper producing units which shall be placed in pits or cellars below the surface of the ground so that no visible pumping unit shall be above the ground adjacent to the surface location of the well, and such wells shall be serviced with only portable well servicing equipment. The equipment operating the production units shall be housed in substantial buildings which have been acoustically treated so as to be substantially soundproofed.
- 22. All workover operations where permitted shall be restricted to normal daylight working hours of eight o'clock (8:00) A.M. to six o'clock (6:00) P.M. "Workover operations" shall mean work performed in a well after its completion in an effort to secure production where there has been none, restore production that has ceased, or increase production.
 - a. Workover rigs shall be equipped so that any noise emitted from any such operations shall not exceed the noise levels provided in subsection A19 of this section.
 - b. Workover rigs for redrilling and deepening wells shall be enclosed in the same manner as drilling derricks as required by subsection A7 of this section.
- 23. All oil and gas or oil or gas produced from any well on a controlled drill site shall be shipped and transported from a controlled drill site solely through pipelines.
 - a. All pipelines outside of such drill site shall be laid to a depth of at least three feet (3') below the surface of the ground.
 - b. As soon as commercial production has been established in any new well, the acquisition of a right of way or the construction of a pipeline shall be started within ten (10) days and work thereon diligently prosecuted until such pipeline is completed.
 - c. Any and all water or brine produced shall be disposed of in reinjection wells or by other means approved in writing by the council.
 - d. The permittee shall not install any pipeline in the city without the prior written approval of the council.
- 24. Pipeline construction in the city shall be confined to normal daylight hours. The permittee, in the construction of any pipeline in the city, shall adhere to all excavation locations specified by the city. Excavations shall be covered with plating to permit traffic use during construction. The permittee shall comply with the regulations of the city concerning the stacking or removal of fill generated during excavating. All pipe, other material, or construction equipment used in the pipeline construction in the city shall be stored at a controlled drill site and not on any street during nonconstruction hours.
- 25. All draw-works and pumps shall be electric powered.
- 26. All drill cuttings, rotary mud, and wastewater generated during drilling operations on a controlled drill site shall be disposed of by vacuum trucks. Any wastewater reinjection shall be accomplished by approved American Petroleum Institute methods. No sump hole shall be permitted. All drill cuttings, rotary mud, and waste materials shall be removed from the controlled drill site upon the completion of drilling operations.

- 27. Private roads for ingress and egress to and from the drill site shall be surfaced with gravel, oiled and maintained in good condition at all times during drilling and production operations. No sign shall be erected on the drill site, except those required by law or permitted by this code.
- 28. The permittee shall require proven competence and knowledge of emergency procedures from drilling and workover personnel and shall also require or provide full training and testing of production personnel in normal emergency operations.
- 29. The permittee shall ensure that at all times speeds within a controlled drill site are restricted to a maximum of ten (10) miles per hour.
- 30. The permittee shall not use volatile hydrocarbons for cleanup on a controlled drill site, except to the extent approved by the fire chief.
- 31. The permittee shall ensure that all petroleum storage containers on a controlled drill site have positive seals.
- 32. The permittee shall monitor drilling mud during drilling on any controlled drill site for odorous substances and take such measures to eliminate any odor which would be perceptible outside the drill site.
- 33. The permittee shall implement all procedures or directions required by the air pollution control board of the state, the South Coast air quality management district, and the city.
- 34. In addition to conventional design features incorporated in construction plans and guidelines, the permittee shall provide automatic vapor detection sensors for hydrocarbons coupled to automatic shutdown mechanisms on any controlled drill site.
- 35. All tools, pipes and other equipment in connection with the drilling and production activities at a controlled drill site shall be stored and kept on the drill site. The manner of stacking and storage shall be approved by the fire chief.
- 36. The permittee shall undertake no refining process or any process for the extraction of products from natural gas at a controlled drill site, except for such minor processes as necessary to make natural gas acceptable to city gas mains for domestic use.
- 37. The permittee shall protect the public water supply system on any controlled drill site against backflow in a manner approved in writing by the building official in conformity with the requirements of the Uniform Plumbing Code.
- 38. All utility services for any controlled drill site shall be provided underground.
- 39. All drilling operations shall be carried on diligently from the commencement of the drilling until the completion of the well or until such well is abandoned.
- 40. Within ninety (90) days after the completion of drilling operations or the abandonment of further drilling, the derrick and all drilling equipment, including temporary tanks, shall be removed from any controlled drill site.
- 41. Well abandonment shall be in accordance with the requirements of the division of oil and gas of the state. Upon such well abandonment, the permittee shall restore the property as nearly as possible to its original condition and shall remove all concrete foundations, oil soaked soil, and debris, and all holes or depressions shall be filled to the natural surface.
- 42. Unless otherwise permitted by the council, no permanent derrick shall be installed or maintained on any controlled drill site or used for the drilling or production of any oil or gas well.

- 43. Oil produced from such wells may be stored in steel tanks on a controlled drill site. Unless otherwise permitted by the council, the total amount of storage for production, recycling, and all storage and operational purposes shall not exceed two thousand (2,000) barrels, and no tank shall exceed one thousand (1,000) barrels capacity.
- 44. When required by the council, the applicant or permittee shall designate a competent representative who shall be responsible for the supervision of drilling operations and the carrying out of the conditions of any permit. Such representative shall be available at all times during drilling operations and shall be the responsible contact agent of the applicant or the permittee whom the council may require to carry out the provisions of the permit.
- 45. All of the operations at a controlled drill site shall be conducted in a careful and orderly manner, and the premises shall at all times be maintained in a neat, clean, and orderly manner.
- 46. All firefighting equipment as required and approved by the fire chief shall be installed and maintained on any controlled drill site at all times during the drilling and production operations.
- 47. The council may restrict the use of certain streets, alleys, or roadways in connection with the permittee's operations. In the event any street, alley, or roadway is damaged by the permittee's operations, such damages shall be paid for by the permittee upon demand by the city, and the failure to pay such damages, being the reasonable cost of the repair of any such damaged portions, shall be grounds for the revocation of the permit and the collection of such damages at law by the city. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-319: PERMIT FEES:

- A. When the council has granted any council permit, the council permit shall be of no virtue, force, or effect until it is issued by the city controller. The city controller shall issue a council permit granted by the council, in the form contemplated by this article, upon the receipt of written acceptance of the permit by the permittee and payment to the city of a permit fee for each well or well hole in the sum of two thousand dollars (\$2,000.00).
- B. Such permit fee shall be in addition to the application fee required by section 10-5-315 of this chapter. Such permit fee shall be to defray the costs to the city of assuring that the permittee complies with the requirements of this article and his council permit and to defray the expense of enforcing the provisions of sections 10-5-321 and 10-5-322 of this chapter. The permit, when issued by the city controller, shall show the effective date as the date upon which the council granted the permit and the date of issue as the date when the permit was actually issued by the city controller. (Ord. 79-O-1720, eff. 2-15-1979)

10-5-320: ABANDONMENT OF WELLS:

Any well which has not been produced, or which has not been used for subsurface injection into the earth of oil, gas, oil field wastewater, or liquid substances for a period of one year preceding November 1, 1978, shall be permanently and finally abandoned in strict compliance with the rules and regulations of the division of oil and gas of the state or any regulatory authority having jurisdiction thereof. (Ord. 79-O-1720, eff. 2-15-1979)