

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R25-0221
MAY 05 2025

REPORT RE:

**DRAFT ORDINANCE RESCINDING ORDINANCE NO. 187,709 WHICH PROHIBITED
NEW OIL AND GAS EXTRACTION AND MADE EXISTING EXTRACTION
ACTIVITIES A NONCONFORMING USE IN ALL ZONES**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 17-0447-S2

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance rescinds Ordinance No. 187,709 (Ordinance) pursuant to a stipulated judgment and writ of mandate in *Warren E&P, Inc. v. City of Los Angeles*, Los Angeles Superior Court Case No. 23STCP00060, and the three related cases. The Superior Court found the Ordinance and associated implementation memoranda were preempted under state law (Council File No. 24-1466). The stipulated judgment, previously approved by the City Council (Council), preserves the City's right to adopt future oil regulations as discussed below.

Background and Summary of Ordinance

On December 2, 2022, Council adopted Ordinance No. 187,709, amending Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of the Los Angeles Municipal Code (LAMC) to prohibit new oil and gas extraction and make existing extraction activities a

nonconforming use in all zones. (Council File No. 17-0447-S2; Planning Case Nos. CPC-2022-4864-CA; ENV-2022-4865-MND.) The Ordinance also provided that no new wells could be drilled, or existing wells redrilled, deepened, or maintained, unless findings could be made for an exemption showing that the work was needed to prevent or respond to a threat to public health, safety, or the environment, as determined by the Zoning Administrator (ZA).

To implement the Ordinance, the Department of City Planning's Office of Zoning Administration (OZA) issued Zoning Administrator Memorandum No. 141 (ZA Memo), which set forth the procedure for applying for a Health & Safety Exemption under the Ordinance, and a Zoning Administrator Interpretation (ZAI) defining "well maintenance" (No. ZA-2022-8997-ZAI).

Lawsuit and Stipulated Judgment

The Ordinance was challenged by oil operators in four related lawsuits, with the lead case being *Warren E&P, Inc. v. City of Los Angeles*, LASC Case No. 23STCP00060.¹

On September 6, 2024, Los Angeles Superior Court Judge Curtis Kin found that the Ordinance, ZAI, and ZA Memo were preempted by state law. This ruling invalidated the Ordinance and rendered it unenforceable.

Approximately three weeks later on September 25, 2024, the Governor signed Assembly Bill (AB) 3233 (2024 Reg. Sess.), which added Section 3106.1 to the Public Resources Code to provide local governments with authority to regulate oil and gas operations, notwithstanding other state law.

Following the Court's ruling, and the adoption of AB 3233, the parties engaged in settlement discussions. On January 15, 2025, Council authorized this Office to enter into a stipulation and stipulated judgment that: (1) grants injunctive and declaratory relief, expressly declaring that the Ordinance, ZAI, and ZA Memo are preempted by state law, and are "void and invalidated"; and (2) requires the City to rescind the Ordinance, ZAI, and ZA Memo. (Council File No. 24-1466, City Attorney Report No. R24-0590.) The stipulated judgment preserves the City's right to adopt future oil ordinances or regulations in light of AB 3233.

The Mayor approved this stipulation on January 28, 2025. The parties filed the stipulation and stipulated judgment with the Court on March 3 and 4, 2025. The Court

¹ The other three related lawsuits are: *E & B Natural Resources v. City of Los Angeles*, LASC Case No. 23STCP00070, *Native Oil Producers & Employees of California /Western States Petroleum Association v. City of Los Angeles*, LASC Case No. 23STCP00085; and *National Association of Royalty Owners-California, Inc. v. City of Los Angeles*, LASC Case No. 23STCP00106.

entered the judgment on March 21, 2025.

In order to comply with the requirements of the stipulation and stipulated judgment, Council must rescind Ordinance No. 187,709. In addition, the OZA should separately rescind the ZA Memo and ZAI. Upon Council's rescission of the Ordinance, any language in the LAMC that was deleted or amended by the Ordinance will become void, and the former language in Sections 12.03, 12.10, 12.23, 12.24, and 13.01 of Chapter 1 of the LAMC, as they existed prior to the adoption of the Ordinance, will become effective and enforceable.

Recommendation

This Office recommends Council adopt the attached draft ordinance in order to comply with the terms of the stipulation and stipulated judgment.


Council Rule 38 Referral

Copies of the draft ordinance are being sent, pursuant to Council Rule 38, to the Department of Building and Safety, the Office of Petroleum and Natural Gas Administration and Safety, the Los Angeles Fire Department, the City Administrative Officer, the Economic and Workforce Development Department, the Director of Finance, the Department of Water and Power, the Port of Los Angeles, the Department of Recreation and Parks, and the Department of City Planning, with a request that all comments, if any, be presented directly to Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Marvin Bonilla at (213) 574-6467. A member of this Office will also be present when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By 

MARVIN BONILLA
Deputy City Attorney

JWH:MB:lr
Enclosure