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September 28, 2022

Honorable Members of the City Council

SUBJECT: CF# 19-1414— WEST PICO DRILL SITE MODERNIZATION PROJECT / OIL AND GAS OPERATOR PERSONNEL / TRANSITION PLAN

On November 15, 2019, Council Motion 19-1414 (Koretz-Wesson) was introduced instructing the Petroleum Administrator to work with the Planning Department, the Department of Building and Safety, and any other relevant agencies or departments to report back on existence or creation of an effective transition plan when City staff and/or oil and gas operator personnel change for ongoing enforcement of existing agreements with oil and gas operators, in order to effectively protect human health and the environment.

DISCUSSION

Background - The Office of Petroleum and Natural Gas Administration and Safety (OPNGAS) is an Office within the Board of Public Works and its daily activities are managed by the Petroleum Administrator. The City's Petroleum Administrator is responsible for administering and managing all functions and related components of the petroleum and natural gas pipeline franchise agreements that authorize the transportation of various hydrocarbon commodities throughout the City via underground pipelines. The Administrator and OPNGAS partners with local, State, and Federal agencies to implement and enforce the various laws, rules and regulations. The Administrator provides policy advisement to the Mayor, City Council, and Board of Public Works on petroleum and natural gas matters. The OPNGAS is divided into four functional areas – Franchise and Contract Administration, Safety and Compliance, Community Engagement and Policy and Amortization.

On April 5, 2000, the Office of Zoning Administration pursuant to Section 13.01 of the Los Angeles Municipal Code (LAMC) authorized a modernization of an existing oil/gas extraction site under Case No. ZA-17683-PAD. The site, known as the West Pico Drill Site, part of the Beverly Hills Oil Field, is located within Urbanized Oil Drilling District No. U-131 as established by Ordinance No. 130,340. The subject property has an approved maximum of 69 wells located on Lot Nos. 883 - 888 at 9101 West Pico Boulevard.

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On May 15, 2003, the Office of Zoning Administration released a communication that discussed the implementation of the Conditions of Approval outlined in previous cases for the oil/gas operation of the aforementioned project site. As stipulated in Condition 78 of ZA-17683-PAD, the operator provided documentation showing compliance with the conditions of approval.

On March 13, 2006, the Office of Zoning Administration approved a Plan Approval and determined that the operator was complying with all conditions of approval outlined in the 2000 action.

In addition to these entitlements, the site is also governed by a settlement agreement.

On June 8, 2001, the City of Los Angeles, the operator, and concerned parties entered into an agreement where all parties mutually agreed to thirteen clauses in order to settle the litigation filed challenging the EIR certified in connection with the modernization approval, Neighbors For A Safe Environment v. City of Los Angeles, LASC Case No. BC240760.

One specific point of agreement under the subject theme, "Enforcement", was that the operator would provide proof of compliance with all of the conditions outlined in ZA- 17683-PAD.

On June 8, 2001, a settlement agreement was entered into between the City of Los Angeles, the City Council of the City of Los Angeles (collectively, "the City"), BreitBum Energy Company (BreitBum), Neighbors for a Safe Environment (NASE), Rae Drazin (an individual) and Mina Solomon (an individual) "to settle litigation relating to the approvals for the construction and operation of the West Pico Drillsite Modernization Project."

The parties mutually agreed to undertake a number of measures, including, but not limited a provision requiring a review of conditions of the drilling site to occur two years after construction, within ninety days prior to the fifth anniversary of the first review and on each five-year anniversary. BreitBum would then request an additional review of conditions and the Zoning Administrator would conduct a review of conditions and issue a report of its review and schedule a further public hearing if warranted. Such report would be promptly forwarded to NASE, BreitBum and the applicable Neighborhood Council. However, the ownership of the West Pico Drill site changed and questions have arisen about settlement conditions being met. A review occurred in 2005, but not in 2010 and 2015.

In 2019 new interest revitalized Neighbors for a Safe Environment (NASE). On November 19, 2019 the Department of City Planning (DCP) sent out a Review of Conditions/ Notice to File a Plan Approval to the Operator Pacific Coast Energy.

On July 9, 2020, a Public Hearing for the 9101 Pico (West Pico Oil Drilling Site) Plan Approval was held at 9am. There were many requests for fence line air quality monitoring and annual inspections.

Note: A fence line monitoring program is at the periphery of a facility, consisting of a chemical analyzer station, an air sampling system (typically containing no less than four [4] sampling inlet points at site specific locations around a facility), and a meteorological weather station. Fence

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line air monitoring systems are used to measure specific pollutants that cross the facility's fence line in real time. A system should have the ability to monitor, record, and report air pollutant levels of multiple compounds.

Due to a technical issue there was a new date for a Plan Approval Public Hearing on August 27, 2020 at 9am. There were again many requests for fence line air quality monitoring and annual inspections.

On June 2, 2021 DCP released its Letter of Determination (LOD).

Day Forward Procedures

The Petroleum Administrator has conducted an extensive investigation with the Department of City Planning (DCP) and there are no other such settlement agreements like the one for West Pico.

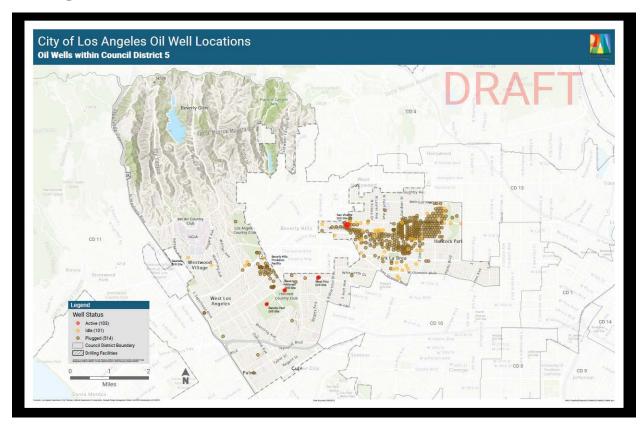
The Department of City Planning and the Petroleum Administrator communicate regularly and, as recently demonstrated through CF 17-0447, the Petroleum Administrator and the DCP are working closely together on the issues of oil production as well as drill site specific planning case reviews.

The Petroleum Administrator and DCP are planning to brief new Council Members City wide on all of the oil and gas issues in their districts. The Petroleum Administrator and DCP plan to use Geographic Information Systems (GIS) to show the district and the oil and gas issues including well count and status. Due to forecasted oil and gas work, the Petroleum Administrator and DCP recently collaborated on hiring an emergency appointment GIS Supervisor and a GIS Specialist, both of whom will be invaluable in communicating complex spatial data to many stakeholders.

The Office of Petroleum and Natural Gas Administration and Safety (OPNGAS) is working to rebuild its Compliance section to coordinate with regulatory agencies as well as oil operators to follow-up on compliance and community concerns. The Compliance section currently has one Senior Environmental Engineer with plans to fill two more 2022-23 Budget approved positions for this work.

Example Council District 5 Oil and Gas Overview

GIS Map



The Petroleum Administrator will also provide updated information on the operator and production activity The table below shows the oil and gas production from 1977 to April 2020 for each drill site(s):

	Oil and Gas Production Data					
Council District	Oil & Gas Drill Site	Current Operator	Oil Production (BBL)	Gas Production (MCF)		
5	Rancho Park	E&B Natural Resources	822,280	2,211,335		
	Hillcrest Country Club	Hillcrest Beverly Oil	369,734	542,056		
	San Vicente	E&B Natural Resources	5,264,575	6,381,560		
	West Pico	Pacific Coast Energy	20,437,132	26,673,780		

The table below shows drill site facts and well status:

	Drill Site Facts										
Council District	Drill Site	Operator	Address	Year Established	Active Oil Wells	Active Injection Wells	Idle Oil Wells	Idle Injection Wells	Canceled	Plugged	Total
5	Hillcrest Country Club	Hillcrest Beverly Oil Corporation	10000 W. Pico Boulevard	1960	9	1	15	2	0	3	30
5	Rancho Park	E&B Natural Resources	10460 W. Pico Boulevard	1960	8	1	2	0	0	0	11
5	San Vicente	E&B Natural Resources	100-104 S. San Vicente Boulevard	1960	39	6	15	0	0	1	61
5	West Pico	Pacific Coast Energy Co. LP	9101- 9165 W. Pico Boulevard	1965	36	2	18	0	2	2	60

The following are overviews of the drill sites.

Hillcrest Beverly Oil Corp. – Hillcrest Country Club Drill Site

Hillcrest Beverly Oil Corp. operates the Hillcrest Country Club drill site at 10000 West Pico Boulevard, Los Angeles, CA 90064. The drill site is a gently rolling, irregularly shaped interior parcel of land containing approximately 138 acres located on the south side of Pico Boulevard northwest of Motor Avenue. The drill site is located by lease on a 1.14-acre portion of said club in a ravine over 500 feet from the nearest residential uses and is located in Urbanized Oil Drilling District U-11. The drill site opened in 1960 and changed operating companies several times.



Hillcrest Country Club Drill Site

The table shows the well type and well status based on CALGEM records as of 2020.

Hillcrest Country Club Drill Site Oil Well Type & Status

Timerest country club britistic on Wen Type & Status				
Operator	Hillcrest Beverly Oil Corp.			
Number of Wells	30			
Fields	Cheviot			
Leases	Hillcrest Country Club			
Oil District(s)	U-9, U11			
CALGEM District(s)	1			
CALGEM Operator Code	H4325			

Well Type		
Production	24	
Injection	3	
Well Status		
Active	10	
New	0	
Idle	17	
Plugged	3	

Rancho Park Drill Site

The Rancho Park drill site is located at 10460 West Pico Blvd, Los Angeles, CA 90064. The drill site is approximately 1.93 acres of an irregularly shaped parcel of land located on the south side of Pico Boulevard between Patricia Avenue and Motor Avenue in the West Los Angeles Community Plan Area. The drill site is located in the Urbanized Oil Drilling District No. 9. The Department of Recreation and Parks entered into a lease agreement with Signal Oil and Gas Company on May 29, 1957 and December 28, 1960 for the oil drilling and production use of the site.



Rancho Park Drill Site

The table shows the well type and well status based on CALGEM records as of 2020.

Rancho Park Oil Well Type & Status

	Well Type a status
Operator	E&B Natural Resources
Number of Wells	11
Fields	Cheviot Hills
Leases	Rancho Park
Oil District(s)	U9, U 111
CALGEM District(s)	1
CALGEM Operator Code	

Well Type			
Production	10		
Injection	1		
Well Status			
Active	9		
New	0		
Idle	2		

San Vicente Drill Site

The San Vicente drill site is located at 100 - 140 San Vicente Boulevard, Los Angeles, CA 90048. The drill site is on a level, irregularly shaped parcel of land in an area bounded by Beverly Boulevard to the north, North La Cienega Boulevard to the east, West 3rd Street to the south, and San Vicente Boulevard to the west. The site is located on a 1.47-acre portion of a larger site known as the Beverly Center Shopping Mall. The drill site opened in the 1960s and has changed operating companies at several times.



San Vicente Drill Site

The table shows the well type and status based on CALGEM records as of 2020.

San Vicente Drill Site Oil Well Type & Status

sun vicente drii site dii weli Type & Status			
Operator	E&B Natural Resources		
Number of Wells	61		
Fields	Salt Lake, Beverly Hills		
Leases	San Vicente		
Oil District(s)	U-6		
CALGEM District(s)	1		
CALGEM Operator Code	S2641		

Well Type			
Production	54		
Injection	6		
Well Status			
Active	45		
New	0		
Idle	15		
Plugged	1		

West Pico Drill Site - Pacific Coast Energy Company

Pacific Coast Energy operates the West Pico drill site located at 9101 and 9165 West Pico Boulevard, Los Angeles, CA 90035. The drill site is a rectangular shaped parcel located on the north side of Pico Boulevard between Doheny Drive and Oakhurst Drive. The drill site is located in Urbanized Oil Drilling District No. U-131 as established by Ordinance No. 130,340 and published on June 22, 1965. The drill site opened in 1965 and changed operating companies.



West Pico Drill Site

The table shows the well type and well status based on CALGEM records as of 2020.

West Pico Drill Site Oil Well Type & Status

West rice Dilli site o	iii Well Type & Status
Operator	Pacific Coast Energy Company
Number of Wells	60
Fields	Beverly Hills
Leases	West Pico
Oil District(s)	U-131
CALGEM District(s)	1
CALGEM Operator Code	B6127

Well Type			
Production	54		
Injection	2		
Well Status			
Active	38		
New	0		
Idle	18		
Plugged	2		
Canceled	2		

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<u>Disclaimer:</u> If the scope of this request had been broader or additional items requested for evaluation, then the findings may have been different. There may also be additional records that were not accessible or available for consideration in this report.

If you have any questions, please contact me at (213) 978-2679 or via email at Erica.Blyther@lacity.org.

Submitted by:

ERICA BLYTHER

Petroleum Administrator

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Attachment1 - Council District Map - CD 5

City of Los Angeles Oil Well Locations Oil Wells within Council District 5



