Communication from Public

Name: Pico Robertson Health and Safety Coalition

Date Submitted: 03/07/2023 02:56 PM

Council File No: 21-1025

Comments for Public Posting: Please see the appended email sent to CD5 Council Member Katy

Yaroslavsky and CD5 Chief of Staff Gary Gero. It is the 1st of a set of 4 emails submitting detailed information and documents about eight (8) new unapproved (and hence prohibited) projects on oil wells at the West Pico, Hillcrest, and Rancho Park Drill Sites in CD5. The eight (8) new projects were initiated in fall 2022. Three (3) have been fully completed. In its appeal of the improper Categorical Exemption from environmental review in the West Pico case (CF 21-1025), NASE warned that the mishandling of the West Pico case gives a green light to more unapproved and hence prohibited projects on oil wells at West Pico and at other Drill Sites in the City. This warning has sadly been proven correct, just as the spill at West Pico in December 2021 proved that illegal unapproved projects can have seriously

negative environmental impacts.

Subject: Details and documents on 8 new projects at CD5 Drill Sites, email 1 of 4: Overview of the

problem **From:**

Date: 2/13/2023, 2:46 PM

To: Katy Yaroslavsky <katy.yaroslavsky@lacity.org>, Gary Gero <gary.gero@lacity.org>, Kristen Pawling

<kristen.pawling@lacity.org>

CC:

Dear Gary, Kristen, and Katy

With this email I will begin the process of sending you detailed information and documentation about the 8 new projects on oil wells initiated at 3 Drill Sites in CD5 between September and December 2022.

I will organize the information into installments to try to maximize clarity. This email will provide an overview, and the next three emails will provide as full documentation of the projects as is currently available to the public. The subsequent emails will be sent over the next few days.

The documentation is mainly from CalGEM. Some supplementary information is from the Water Board. And the records of the Planning Department are used, too, including Bi-Weekly Case Filing Reports, case files for open ZA cases, and the complete ZA case file histories for each of the involved Drill Sites.

I would be happy to show you or a member of your staff how to search and retrieve records in each of these information systems and archives.

To get the ball rolling on the issues at hand, I will be sending you copies of the most important available documents. I will use links to documents when possible, but I will need to provide you with pdf copies and snapshots of documents from CalGEM because their online records systems do not support the easy use of links.

Here is an introduction, followed by basic information about the 8 new projects, then snaphsots of key documents demonstrating CEQA evasion, and a brief conclusion.

1) Introduction:

The 8 new projects are at the Hillcrest Drill Site, Rancho Park Drill Site, and West Pico Drill Site, all in CD5. All were initiated in the period from September to December 2022. None were submitted to the ZA for review and CEQA clearance, but applications for permits (which require prior local approval and lead agency CEQA clearance) were submitted to CalGEM.

The projects are:

- 3 projects to rework well casings at the Hillcrest Drill Site operated by Hillcrest Beverly Oil Company (HBOC is a subsidiary of E & B Natural Resources) that were fully executed and completed October to December, 2022.
- 4 projects to sidetrack (directionally redrill) wells at the Hillcrest and the Rancho Park Drill Sites operated by HBOC, pending permit approvals from CalGEM since November and December 2022.
- 1 project to rework a well casing at the West Pico Drill Site operated by Pacific Coast Energy Company (PCEC), pending permit approval from CalGEM since November 2022.

All are projects that required ZA approval via discretionary review under City Code sections 13.01.H and 13.01.I that were in effect from at least 1955 until the new City ordinance took effect on January 18, 2023.

LAMC 13.01.I specifically prohibited such projects unless approved through a discretionary review ("No person shall drill, deepen or maintain an oil well or convert an oil well from one class to the other and no permits shall be issued for that use, until a determination has been made by the Zoning Administrator or Area Planning Commission pursuant to the procedure prescribed in Subsection H of this section").

All are projects that are either prohibited outright by the new City ordinance or require some kind of special City approval.

All the projects require approval and a permit from CalGEM, the State regulatory agency.

To the extent the projects are potentially permissible, all are subject to CEQA and require CEQA clearance, with the LA City Department of Planning as the lead agency. Prohibited projects that are executed are CEQA violations as well as violations of the laws that prohibit the projects.

State law requires the determination and performance of the CEQA clearance before any decision making at the City or State levels proceeds to an approval. The Cal. Code. Reg., Title 14, Sec 15050 (b) states, "the decisionmaking body of each responsible agency shall consider the lead agency's EIR or negative declaration prior to acting upon or approving the project." And Cal. Code. Reg., Title 14, Sec 15051 (b) (1) states, "The lead agency will normally be the agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose such as an air pollution control district or a district which will provide a public service or public utility to the project."

LA City's long-standing Code requirements for discretionary approvals have made its Planning Department the local lead agency on CEQA cases for oil well and Drill Site projects since the enactment of CEQA in 1970.

That means the City must act first on such proposed projects and create appropriate documentation of and for CEQA clearance before the City approves such projects and before a single purpose State agency (CalGEM in the cases at hand) decides to

approve the projects.

The CalGEM permit application and permit review process require demonstration of local approvals and lead agency CEQA clearance, but there is a long running pattern and practice of oil companies making false claims about such approvals and CEQA clearances from the City of Los Angeles, which CalGEM has accepted without much or any scrutiny and which the City of Los Angeles has neglected to rectify despite knowing about the problems. The City is not responsible for CalGEM's errors, but it is responsible for enforcing its own laws and for performing its own duties in implementing CEQA.

As I will show you below, in its application to CalGEM for the permits to do the 3 casing rework projects at Hillcrest (permitted by CalGEM in October and physically executed October - December, 2022), HBOC claimed that the October 2, 1957 LA City ZA approval to open the Drill Site, issued 13 years before CEQA was enacted, was a CEQA clearance for a project proposed and executed in 2022. That is plainly impossible.

City Code requirements for application to the ZA for project reviews have frequently not been obeyed by oil companies operating in CD5 and the City overall, nor have they obeyed prohibitions. These evasions of City Code are also evasions of CEQA, since no CEQA clearance of any kind is given or even considered when there is no project application to trigger the CEQA process. The City has repeatedly not enforced its requirements and prohibitions despite knowing about the problems.

The City has known for at least several years that oil company applications to CalGEM for permits have repeatedly included false information about LA City local approvals and CEQA clearances, even for drilling new wells. Expired City approvals and CEQA clearances were repeatedly sent to CalGEM to obtain permits for projects at the large Banning Drill Site in Wilmington. This was reported in the LA Times in June 2022; I informed the ZA's office about the matter 18 months earlier (in November and December 2020) and brought the evidence to their attention. No action has been taken despite repeated statements that the ZA would open a review. The West Pico Drill Site case is chock full of major oil well projects that were never submitted to the ZA for review and approval, and the site operators told DOGGR (CalGEM's old name) that no local reviews or CEQA clearance was required, which was plainly false.

The City's failure to act to rectify the situation serves as an open invitation for more noncompliance with City Code requirements, prohibitions, and CEQA. The City's failure to conduct general compliance inspections sends the same message. The handling of the West Pico Drill Site case, where there were dozens of unapproved major projects, has made the open invitation into a flashing neon welcome sign practically encouraging noncompliance.

The reason people need to hear about these problems is because the situation needs to be rectified, and it can be rectified quickly and inexpensively. Indeed, fixing these problems would curtail their proliferation and thereby save everyone (including the City and its offices) an enormous amount of time, money, and trouble - not to mention protect the public, the City, and the environment. Effective and practical steps that

can be taken include:

- City Council can direct the ZA and the Petroleum Administrator to communicate to CalGEM the information that the City is the local lead agency for CEQA and there has been no CEQA clearance performed by the City for any of the 8 new projects because the operators did not submit required applications to the City. That should stop CalGEM approval of permits for the 5 pending projects, unless and until the City's ZA might approve the projects after performing proper CEQA clearance if the projects are not prohibited in the City. If the projects are categorically prohibited by the City, then the City should tell CalGEM.
 - The City should copy this communication to the Governor and the State Assembly Members and Senators who represent districts in the City.
- Going forward, three steps should be taken:
 - The Petroleum Administrator should make weekly checks for permit filings to CalGEM, which can be done in minutes by the scanning CalGEM's WellSTAR Dashboard page for permit applications for well projects in LA City. If there has been a permit application to CalGEM, the Petroleum Administrator should alert the ZA and both should request copies of all application documents from CalGEM (CalGEM presently posts the application documents only after it has issued permits, despite posting records indicating that it has received applications). If the project is prohibited by City law or not approved by the City, the ZA should launch enforcement actions.
 - The City should negotiate a simple Memorandum of Agreement with CalGEM under which CalGEM will send the Petroleum Administrator and ZA prompt notification of permit applications and copies of the permit applications, and the ZA will send CalGEM documents providing local approval and CEQA clearance (or of project denial or prohibition). If the project is prohibited by City law or not approved by the City, the ZA should launch enforcement actions.
 - City Council, via <u>CF 18-0203</u> and funds appropriated in <u>FY 2021-22</u>, should once again direct the Petroleum Administrator to commence annual general compliance inspections of wells and Drill Sites, and should once again ask the City Attorney to draft the simple ordinance needed to establish an annual general compliance inspection requirement with full cost recovery by the standard fee-for-permit system. <u>Former Petroleum Administrator Uduak Ntuk's May 23, 2018 report to Council proposed a fully formed program and its personnel needs and estimated its cost (at 2018 salary and overhead levels) with a proposal for full cost recovery by new permit fees. City Council only needs to pick this all up again and reassert its unanimous vote of September 7, 2018 with new vigor.</u>
- Enforcement through the ZA process is long overdue. There is fortunately the opportunity to act on this right now.
 - The West Pico ZA case is pending a hearing of NASE's CEQA appeal to City Council. More than 23 years of rampant violations of CEQA need to be redressed.
 - The Rancho Park Drill Site has an open ZA review right now (ZA-1958-14560-

- PA2), awaiting the scheduling of a public hearing. The operator declares in the PA Application that it is proposing no new projects, but it initiated a major oil well project (a sidetrack) without applying to the ZA.
- The Hillcrest Drill Site needs to have a ZA review to examine the 3 unapproved projects executed in fall 2022 and to examine other compliance problems over the past two decades. The ZA and other City offices have known for years that there have been unapproved projects at the Drill Site. On April 21, 2021, the ZA wrote to HBOC about several of these unapproved projects at Hillcrest and noted that there had not been a ZA review of the Drill Site or projects at the Drill Site since 2005. It is now 2023. There still has been no ZA review of the Drill Site or unapproved projects. And now there are 3 more unapproved projects (the well casing rework projects) completed in fall 2022 plus 3 more pending projects (the sidetrack projects) hovering for the future, with no applications to the ZA despite the ZA letter of April 21, 2021.
- How much clearer does disregard for City law and CEQA need to be before the City will act?
- Nothing will encourage future compliance more than actually showing in practice that the City actually enforces compliance.
- Conversely, nothing promotes noncompliance more than the City's repeated and highly visible refusals and failures to act.

2) Basic information about the 8 new projects, grouped by type of project and project status:

The projects are grouped here and in the forthcoming emails (with full available documentation) by type of project and completion status:

- 3 well casing rework projects were fully completed at the Hillcrest Drill Site between October and December 2022 by the site operator, the Hillcrest Beverly Oil Company (HBOC is a subsidiary of E & B Natural Resources)
 - The identifying American Petroleum Institute (API) well numbers used to by CalGEM to track the wells and associated documents are: API #s 0403701054, 0403700111, 0403700109.
 - These projects were permitted and executed without City review and without City CEQA clearance, which were required by City and State law, and required by State law as a predicate for CalGEM to issue permits.
 - By State law, CEQA clearance was the City's duty because the City required discretionary ZA approvals for oil well projects since at least 1955.
 - By State law, CEQA clearance must precede decision-making to grant approvals and/or permits for projects that trigger CEQA, so by law the City had to act first.
 - No application was submitted to the City, there was no case, there was no CEQA clearance.
 - HBOC told CalGEM that they had a CEQA clearance from the LA City Department of City Planning's Zoning Administrator dated 10/2/1957, 13

years before CEQA existed, which impossible. CalGEM accepted this.

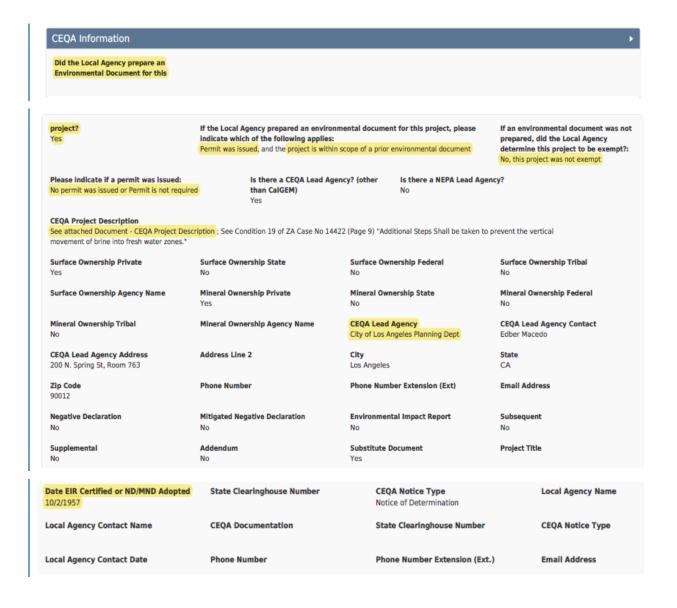
- In this email's third section I will show you snapshots of CalGEM documents on one of these well casing rework projects that proves the evasion of CEQA beyond a shadow of doubt. The claim of a 1957 CEQA clearance was not a typo. It was repeated multiple times in each of the 3 well casing rework applications.
- The second email I will send you will contain full available documentation on all 3 of these completed projects, along with an explanation of what the projects were and why they were conducted.
- 4 well sidetrack (directional redrilling) projects are in process of approval at CalGEM for execution at Hillcrest (3 of the sidetrack projects) and the Rancho Park Drill Site (1 sidetrack project), both operated by HBOC.
 - The API #s are: 0403717576, 0403717977, and 0403717582 at Hillcrest, and 0403717587 at Rancho Park.
 - The Notices of Intent (NOI) permit applications to CalGEM were initiated in November and December 2022, before SB 1137 took effect.
 - Since February 3, 2023, SB 1137 has been suspended pending the outcome of an oil industry sponsored ballot measure that goes up for a vote in the November 2024 elections.
 - Given the suspension of SB 1137, one must expect that the projects will be permitted by CalGEM once CalGEM deems the application complete, and then one must suspect that the projects will be executed despite any requirements or prohibitions in City law because those strictures are already being violated (unless there is new intervention to make sure that City and State laws are enforced).
 - The track record of oil companies evading City law and CEQA by virtue of City neglect points in that direction, and that proclivity to evade City law and City duties to implement CEQA is already visible in the particular instance of these projects.
 - There has been no ZA review, no ZA approval, and no CEQA clearance for the 4 sidetrack projects, but HBOC applied to CalGEM for State permits that require local approvals and local lead agency CEQA clearances as a predicate. HBOC just did the same thing for the 3 well casing projects it completed at Hillcrest and has gotten away with it, so far.
 - HBOC has done this even though the ZA wrote to them in April 2021 about prior unapproved projects at Hillcrest, but the lesson they seemed to have learned is that the ZA will not do anything to redress such violations.
 - The Rancho Park Drill Site is currently the subject of a ZA check-up review (ZA-1958-14560-PA2) open on the ZA's desk and awaiting the scheduling of its public hearing. In the Plan Approval application, HBOC stated that it was proposing no new project. They are practically announcing that they will execute the project without telling the LA City ZA while the ZA is reviewing, and it is

- impossible to imagine this kind of brazenness apart from the City's years of allowing such actions.
- Full available documentation on the 4 well sidetrack projects will be sent in my third email, along with an explanation of the proposed projects and their physical purpose.
- 1 well casing rework project is in process of approval at CalGEM for execution at the West Pico Drill Site, operated by Pacific Coast Energy Company.
 - The API # for the well is: 0403721035.
 - The NOI permit application to CalGEM was initiated in November 2022.
 - Of Given the suspension of SB 1137, one must expect that the project will be permitted by CalGEM once CalGEM deems the application complete, and then suspect that the projects will be executed despite any requirements or prohibitions in City law because those strictures are already being violated (unless there is a new intervention to make sure that City and State laws are enforced).
 - All of the context around the 3 well casing rework projects completed at Hillcrest and the 4 sidetrack projects in process of approval at Hillcrest and Rancho Park apply to this project at West Pico. Plus it is West Pico, all over again.
 - The West Pico ZA case is still open, and the message the company has received so far is that the City will look the other way while it evades City prohibitions, requirements for review, and CEQA.
 - No application for the well casing rework project has been submitted to the ZA. In the ZA review case that is still open, PCEC stated it was undertaking no new projects.
 - The West Pico site operator said the same thing (no new projects) to the City Department of Transportation and to City Council in 2001 to get a Categorical Exemption when it was renewing its Pipeline Franchise Agreement, despite planning the pipeline abandonment and a project to replace the abandoned pipelines at the very same time it was telling the City that it was not making any changes to its pipelines.
 - The West Pico site operator drilled a new well (API 0403726615) in 2005-06 while the ZA had a post "Modernization project" check-up review open on his desk that did not mention a new project.
 - There have been at least 24 major projects on wells at West Pico that were executed without ZA review and CEQA clearance since 2000.
 - Noncompliance has been the norm. The City accepting it has been routine pattern and practice.
 - Full available documentation on the 4 well sidetrack projects will be sent in my third email, along with an explanation of the proposed project and what can be gleaned, so far, about its physical purpose.

3) Here are snapshots of a couple of the key documents from one of the well casing projects completed at Hillcrest, on well API # 0403701054.

Full copies of these documents and other major documentation will be provided in my second email. Showing you these snapshots now should be, I hope, enough to convince you that there is a raging fire under all the smoke.

Here are excerpts about CEQA clearance from the completed final copy of the permit application that CalGEM approved for the casing rework project on API # 0403701054. Note the claim of a CEQA clearance by LA City Planning dated 10/2/1957.



Here is the CalGEM record of the operator having uploaded a copy of the 1957 ZA determination in ZA-1957-14422 as the CEQA clearance for the project proposed, permitted, and executed in 2022.



Here is the CalGEM record of CalGEM staff telling the operator on September 29, 2022 that CalGEM is not the local agency, and telling the operator on October 7, 2022 to upload a copy of the CEQA clearance document. It is followed by the CalGEM record of CalGEM staff approving the permit after accepting the impossible claim that the 1957 ZA approval was a CEQA clearance.

CalGEM's permit application instructions for documenting CEQA clearance that CalGEM directed HBOC to review (https://www.conservation.ca.gov/calgem//
/Documents/WellSTAR/All-Training/R5.1.1-CEQA-UG.pdf) make it clear the proof of CEQA clearance by a local lead agency is required as a predicate for CalGEM to approve these projects. There is no dispute about that. And there is no way that a 1957 document can be a CEQA clearance since CEQA did not exist until 1970.



10/13/2022 7:50:01 AM	Review Status Approve						
Task Name Completeness Check	Workgroup Southern Completeness	Assigned To Barry Irick	Created 10/7/2022 4:54:04 PM				
Last Updated 10/10/2022 6:26:47 AM	Review Status Pass						
Task Name Final Determination - Sub Task	Workgroup Southern Completeness	Assigned To Tamara Lopez	Created 10/11/2022 2:29:38 PM				
Last Updated 10/13/2022 7:49:42 AM	Review Status Pass						
Task Name CEQA District NOI Review	Workgroup CEQA Southern Review	Assigned To Renee (Xinyi) Hu	Created 10/10/2022 6:27:11 AM				
Last Updated 10/10/2022 10:16:37 AM	Review Status Pass						
Task Name Notice of Intention Review	Workgroup Southern Notice Review	Assigned To Barry Irick	Created 10/10/2022 10:16:50 AM				
Last Updated 10/10/2022 10:22:07 AM	Review Status Pass						

Here is the headline of the CalGEM permit issued on October 10, 2022 to conduct the casing rework project.



Gavin Newsom, Governor David Shabazian, Director 715 P Street, MS 1803 Sacramento, CA. 95814 T: (916) 445-5986

PERMIT TO CONDUCT WELL OPERATIONS

	Old	New		
FIELD CODE	54	54		
AREA CODE	6	6		
POOL CODE	10	10		

October 10, 2022

API No.: 0403701054-00

Permit No.: 7033899

Louis Zylstra Hillcrest Beverly Oil Corp. 1600 Norris Road

Bakersfield, CA 93308

The Division has received your Notice of Intention to Rework dated 9/26/2022 for well "Olympic Community" 1, API. No. 0403701054-00, RLB0015649 bond, Beverly Hills field, Sec. 25, T. 01S, R. 15W, SB B&M, Los Angeles County. Your Notice of Intention has been reviewed in conjunction with records currently held by the Division.

Engineer: Tamara Lopez Direct: (714) 822-9449 Office: (562) 637-4400

DECISION: THE NOTICE OF INTENTION IS APPROVED PROVIDED THAT:

Here is the Well History form submitted to CalGEM after completion of the project. It documents the physical execution of the project.

RESOURCES AGENCY OF CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

HISTORY OF OIL OR GAS WELL

Operator	E&B Natural Resources	Field	Cheviot Hills				County Los Angeles				
Well	OC-1	_	Sec.	25	T.	018	R.	15W	SB	B.&M.	
A.P.I. No.	04-037-01054	Name	Samuel	Layton		Title	Proc	duction Op	eration Engi	ineer	
			(Person submitting report)		ort)	(President, Secretary, or Agent)					
Date	12/7/2022				~		1	, ,			
	(Month, day, year)		Signature		Samuel Layton						
Address	1608 Norris Road; Bakersfield CA 93308				Te	lephone	Numbe	er 🕖	661.332.3	984	
	abandonment, with the dates thereof. Include such ite ation details, sidetracked junk, bailing tests, and initial			on test (details	, amoun	ts of co	ement use	d, top and k	oottom of	
11/21/2022	MIRU install guy wires remove cellar cover. bleed of double gate BOP, spot in accumulator connect hos TBG. make up 7" AW scraper. tally and RIH with 4 Run in hole with 19 stands set RBP @ 1215'. close	ses and function 42 joints TBG	on test BOP to 1300 ft P	rig up OOH wi	TBG (th tbg	equipmer lay dow	nt. POC	H with 22	2 joints 2 7/8	B [']	
11/30/2022	CalGEM appointment at 8 AM. CalGEM Obeyd Motested casing against blind rams @ 830 for 15 min well head back side individually @ 790 psi. good to Test. Released pressure. Rigged up wireline. Shot sand on top. Secure well in and rig. Clean location.	. Good test. To est. tested one Perforations !	ested pipe r valve outs 980' – 1000	ams @ ide of ce '. RDMO	835 p ellar ki O wire	si for 15 Il line tes line. Note	min. G ted go e: RBP	ood test. T od @ 790 sat at 121	ested 3 valv psi. Pass B0	es at	
12/1/2022	Run in with mule shoe on bottom with tubing tail at cementers, rigged up. Pump 10 bbls. of H2o ahead two stages. From1020'-426 in 7" 23# casing with la off well with 1.6 bbls. H2o. close in well with blind r with 250 psi. Cementers wash out rigged down mo vac-truck pull wash out bin and top off by pulling ce to Carson yard. E.O.T. no accidents to report.	d, Mix and pur ast displaceme rams. Squeeze ove off. Cal GE	np 131.3 cf. ent of 2.4 bb e 17.8 bbls (EM Obeyd M	. 23.8 bl ols. fresh @ 1 bar Nohamm	ols. 11 n wate rel pe nadi w	0 sacks, r. POOH r minute itness ce	14 mix with to @ 250 ment s	G NEAT of the string psi. TTOC queeze @	@ 15.6 ppg mule shoe 880' close 11:30 am.	in . Top well TMG	
12/2/2022	Make up run in hole with 7" drill bit, bit sub,2- 4 3/4 volume 85 cuft. ETOC outside 7" casing @ 828' M at 1200'. POOH with 38 joints L/D drill collars and I swivel. latch up RBP. RBP came free POOH with 1	ove in rig up p bit. make up r	ower swive etrieving to	l. break	circu	lation. dr	ill out c	ement fror	n 808' top o	f RBP	

4) Conclusion:

For at least 23 years, there has been rampant non-compliance at these Drill Sites in CD5. The new projects launched in fall 2022 show that the noncompliance is continuing unabated.

These problems are not unique to CD5. They are rooted in systemic failures to do inspections, monitoring, and enforcement of City Code and City duties to implement CEQA. Similar episodes have been documented at other Drill Sites in other Council Districts.

But there are also some unique aspects to the problems at Drill Sites in CD5.

The former Council Member for CD5 green-lighted oil projects without scrutiny and short-circuited ZA reviews more than once, all while saying that he wanted to close all the Drill Sites. But in his 13 years on City Council he did not secure the plugging of even a single well let alone the closing of a Drill Site. The short-circuited ZA reviews sent the effective message that noncompliance was practically welcomed.

Fortunately, there are things (practical, viable, low or no cost things) that can be done right now to turn a new leaf and make it clear that the City will enforce its laws and properly implement its duties under CEQA.

NASE, the Pico Robertson Coalition, Rabbi Bookstein and I hope that we will all go down that path together.

Documentation on the completed well casing rework projects at Hillcrest, the pending sidetrack projects at Hillcrest and Rancho Park, and the pending well casing rework project at West Pico will follow in 3 subsequent emails to be sent in coming days.

If you would like to talk about this and/or be shown how to look up the relevant records, just let me know.

Yours

Prof. Michael Salman