

1 entities that have owned or held rights to use the land surface to extract oil, gas, and other
2 hydrocarbon substances, or use the premises for injection (“Operator”) within the IOF and the
3 City’s increased difficulty in coordinating with IOF Operators to establish cooperative oversight
4 of facilities within the Culver City portion of the Inglewood Oil Field (“City IOF”), Culver City
5 embarked on a process to study and establish improved regulation of oil and gas production
6 activities within the City IOF, including, at one time, the potential to drill up to 30 new additional
7 wells, with the intent, in part, to limit new or expanded oil extraction operations; and
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9 WHEREAS, in more recent years, evidence has emerged through studies and
10 analyses as to the heightened health and safety risks attributable to oil use activities in
11 urbanized areas and the threats to the environment from such uses; and
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13 WHEREAS, at its June 20, 2018 Special Meeting, the City Council requested
14 staff to proceed with an informational study outlining options for addressing the potential
15 amortization and termination of nonconforming oil-related activities within the City IOF.
16 Considering community input and in order to allow for a more comprehensive review of
17 potential amortization options, the City Council determined that an amortization or similar study
18 would be helpful and informative as a first step to provide a professional, technical analysis
19 from an economic perspective concerning longevity of the City IOF; and
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21 WHEREAS, on May 28, 2019, the City Council authorized economic consultant
22 Baker & O’Brien to prepare a study of the amortization of original capital investment (“ACI
23 Study”) in oil and gas production facilities, based on income modeling, related to the City IOF;
24 and
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26 WHEREAS, on May 21, 2020, the City Council Oil Drilling Subcommittee
27 (“Subcommittee”) held a public community meeting to present Baker & O’Brien’s ACI Study,
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1 receive public and stakeholder input, and discuss options and defining features for a potential
2 amortization program that could result in the eventual and systematic phasing out of
3 nonconforming oil and gas related activities within the City limit; and

4 WHEREAS, the ACI Study, which evaluated the amortization of original capital
5 investment in oil and gas facilities existing as of January 1, 2020 within the City IOF, concluded
6 that the original capital investment for wells drilled in the City IOF between 1925 and 2002, was
7 recovered years ago; and

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9 WHEREAS, the ACI Study also evaluated a second scenario for comparison
10 purposes to evaluate the 2017 acquisition investment by Sentinel Peak Resources, the current
11 Operator, in the City IOF as part of a larger California portfolio of oil and gas production
12 properties as a proxy for original capital investment, and concluded that amortization would be
13 achieved within approximately four years of its purchase of the City IOF property, or
14 approximately by the end of year 2020; and

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17 WHEREAS, on August 13, 2020, the City Council received and considered
18 information contained in the ACI Study, as well as community input concerning the future of
19 the City IOF. The City Council voted unanimously to move forward with further study of the
20 City IOF and authorized the Subcommittee to work directly with staff to prepare an Amortization
21 Program that resolves the incompatibility of oil and gas uses with the surrounding community
22 and considers options to phase-out the nonconforming oil and gas activities within the City IOF;
23 and

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25 WHEREAS, also on August 13, 2020, the City Council requested the
26 Subcommittee and staff study and consider several factors relevant to the preparation of an
27 Amortization Program, including, but not limited to: (1) just transition of workers; (2) adequate
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1 bonding; (3) adequate plugging procedures; (4) complete remediation; (5) thoughtful
2 implementation plan and schedule; (6) outreach to clean-energy partners; (7) cost sharing
3 opportunities; and (8) engagement of stakeholders; and

4 WHEREAS, the Subcommittee and staff initiated further study, consistent with
5 the City Council's direction and formulated recommendations to the City Council to initiate
6 measures to solidify a formal process directing the termination and phase-out of nonconforming
7 oil and gas activities within the City limit in an expedited manner, while simultaneously
8 balancing the protection of the public health, safety and welfare and the environment, and other
9 stated objectives, and while concurrently considering important logistical issues to ensure a
10 thoughtful implementation plan and appropriate timeframe; and
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13 WHEREAS, at its October 26, 2020 meeting, the City Council considered the
14 Subcommittee's recommendations, as well as public input, and stated its belief that an
15 approximate five-year amortization period, commencing on the effective date of the
16 Amortization Program and ending five years thereafter, would: (1) offer a reasonable time
17 period for the oil field operator to wind down production activities, schedule appropriate
18 resources for the plug nonconforming oil wells, remove nonconforming production-related
19 equipment, restore the oil use premises and secure requisite bonding prior to initiating any
20 decommissioning work; (2) provide for an adequate time period to facilitate "just transition" (i.e.,
21 training of workers and adaption of clean-energy programs), completion of environmental
22 assessment and remediation studies and opportunity to outreach with stakeholders; and (3)
23 allow for a reasonable timeframe during which the logistics necessary to decommission
24 nonconforming oil and gas uses within the City in a safe and secure manner can be coordinated
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1 and balanced with the urgent concerns and objectives. Specific objectives expressed at the
2 August 13, 2020 City Council meeting, which included:

- 3 • Desire to eliminate long-standing nonconforming oil and gas uses;
- 4 • Improve land use consistency and compatibility issues between
5 those activities conducted in the City IOF area and other
6 surrounding community uses;
- 7 • Eliminate growing concern and lack of continuity resulting from a
8 continuous change of oil field operators, as experienced in recent
9 history, that may have limited interest to invest in maximizing
10 compliance and compatibility with Culver City standards and
11 objectives;
- 12 • Desire to replace obsolete industrialized oil-production uses with
13 modern urban uses that are determined by the City to be
14 compatible and more directly beneficial within the current urban
15 context and evolving character of the adjacent community;
- 16 • Acknowledge and affirm the role of the City's comprehensive
17 General Plan Update, which is currently underway, and seek to
18 accommodate a shift in policy through reevaluation of long-range
19 objectives for the oil field area;
- 20 • Enhance public health, safety and welfare, and protection of the
21 environment by eliminating and safely removing aged and outdated
22 infrastructure that is vulnerable to failure and poses a threat to
23 public safety and damage to the environment and by minimizing
24 exposure to risk of upset arising from oil and gas facilities due to
25 seismic events;
- 26 • Prioritize the public health, safety and welfare of the community and
27 develop a strategy for end-of-life considerations for the City IOF;
- 28 • Embrace State-wide trends that include plans to transition to clean,
29 renewable energy by 2045 and to reduce reliance on fossil-fuels
and vehicles that utilize fossil-fuels by 2035;
- Actively contribute toward goals to manage and reduce global
climate change through elimination of oil extraction and production
activities that generate greenhouse gas emissions while
simultaneously contributing toward a reduction in the carbon
footprint by leading a transition away from fossil fuels; and
- Minimize inordinate use of City staff and financial resources spent
toward enforcement of regulations applicable to the City IOF, which
may be unproductive; and

WHEREAS, after considering public input at the October 26, 2020 meeting, and
the foregoing Subcommittee recommendations, the City Council adopted Resolution No. 2020-
R100, declaring its intent to evaluate the establishment of an approximate five-year phase-out

1 period for the amortization of nonconforming oil and gas uses within the City and authorizing
2 preparation of a program to resolve and remove nonconforming oil and gas uses in a balanced
3 and expedited manner; and

4 WHEREAS, a review of publicly-available data confirms that as of May 1, 2021,
5 a total of 41 active or potentially active oil wells, including injection wells used for water flooding,
6 and a total of 28 previously plugged wells, have top-hole locations originating on the surface
7 land area within the City IOF, and approximately 70 additional plugged wells outside of the City
8 IOF premises, of which three are listed as idle but are presumed plugged pending verification
9 from the California Department of Conservation's Geologic Energy Management Division
10 ("CalGEM"); and

13 WHEREAS, consistent with the City Council's direction to develop an
14 Amortization Program based on a five-year, phase-out period, the Subcommittee and staff
15 continued further study and developed this Ordinance and accompanying Zoning Code
16 Amendment (P2021-0036-ZCA) ("Ordinance"), to terminate nonconforming oil uses. The
17 Subcommittee recommends the City Council (1) introduce the Ordinance; and (2) direct the
18 Subcommittee and staff to continue work on and refine preliminary implementation procedures
19 and "just transition" strategies that support a smooth transition through the period necessary to
20 terminate nonconforming oil uses; and

23 WHEREAS, City-initiated Zoning Code Amendment (P2021-0036-ZCA) amending
24 CCMC, Title 17: Zoning Code; Section 17.610.010.D – Nonconforming Oil Uses would: (1)
25 require the discontinuance and termination of nonconforming oil uses by July 28, 2026; (2)
26 prohibit any drilling of new wells or redrilling or deepening of existing wells after July 28, 2021;
27 and (3) require the plugging of all oil and gas wells, including injection wells, dismantling and
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1 removal of all physical operational components, and remediation and restoration of the oil use
2 premises no later than July 28, 2026; and

3 WHEREAS, on June 17, 2021, after conducting a duly noticed public hearing on
4 City-initiated Zoning Code Amendment (P2021-0036-ZCA), fully considering the
5 Subcommittee's recommendation and all reports, studies, testimony, environmental
6 information and other information presented, the City Council determined by a vote of ___ to
7 ____, to introduce the Ordinance approving Zoning Code Amendment P2021-0036-ZCA.
8

9 NOW, THEREFORE, the City Council of the City of Culver City, California, DOES
10 HEREBY RESOLVE as follows:

11 **SECTION 1.** Pursuant to the foregoing recitations and the provisions of the CCMC,
12 the following required findings for an amendment to the Zoning Code, as outlined in CCMC
13 Section 17.620.030.A, are hereby made:
14

15 **1. The proposed amendment ensures and maintains internal consistency**
16 **with the goals, policies and strategies of all elements of the General Plan and**
17 **will not create any inconsistencies.**

18 The proposed Zoning Code Amendment is intended to reduce and/or eliminate
19 incompatible and nonconforming oil and gas uses within Culver City. The
20 Amendment will improve the Zoning Code's implementation of the goals, objectives,
21 and policies of the General Plan because it will resolve a nonconforming land use
22 that reflects neither the goals, policies or strategies of the General Plan nor the
23 provisions of the underlying zoning categories, and which is obsolete in the context
24 of current urban uses experienced in 2021. This action is a first step toward
25 addressing General Plan guidance that supports a transition away from oil and gas
26 uses. Existing Zoning Code language prohibits oil drilling and oil and gas activities
27 under all zone categories, except to the extent that current CCMC Section
28 17.610.010.D makes an exception for pre-existing oil and gas uses, which previously
29 could continue as nonconforming oil uses. Although oil and gas uses have existed in
Culver City for almost 100 years, these have operated as nonconforming uses for at
least 60 years. The proposed Zoning Code Amendment will modify the provision that
currently allows for the continuation of nonconforming oil uses in order to clearly
establish that: (1) new oil drilling is prohibited as of July 28, 2021; and (2) all
previously established nonconforming oil uses must be terminated and fully removed
within a specified five-year phase-out time period to end by July 28, 2026.

1 The proposed Zoning Code Amendment is consistent with General Plan Goals
2 and Policies that call for a transition away from oil and gas uses and does not conflict
3 with the goals, policies, and strategies of any elements of the General Plan, nor
4 create any inconsistencies. Specifically, the Amendment will help further Land Use
5 Element (LUE) Policy 1.B, to *“protect the City’s residential neighborhoods from the
6 encroachment of incompatible land uses and environmental hazards which may
7 have negative impacts on the quality of life...”* and LUE Policy 27.B, to *“protect the
8 visible and useable open space resources within Blair Hills by establishing land use
9 definitions for visual resources and natural areas...”* because nonconforming and
10 incompatible oil uses will be terminated and removed, thus reducing the potential for
11 risk of upset and related environmental hazards and establishing a suitable visual
12 and open space buffer between vulnerable residential neighborhoods and other
13 ongoing oil operations just beyond the City’s corporate limit.

14 **2. The proposed amendment would not be detrimental to the public
15 interest, health, safety, convenience or welfare of the City.**

16 The proposed Zoning Code Amendment was initiated as a result of public
17 concerns that ongoing oil and gas activity is adversely affecting the public health,
18 safety, welfare and quality of life for existing residents and businesses within Culver
19 City. These public concerns are based on expanding technical evidence which
20 focuses on public health and safety concerns for urban drilling activity located within
21 close proximity to developed communities. Technical knowledge of oil and gas
22 production activities continues to expand and highlight concern for the effects of
23 these activities, particularly in urbanized areas, and the detrimental relationship to
24 public health and safety, as well as potential environmental consequences.

25 Further, removal of aged oil field infrastructure, which poses a potential threat to
26 the public health, safety and welfare and protection of the environment due to
27 concern that such outdated systems deteriorate and fail, will facilitate safety within
28 the community and for the environment. Terminating and removing nonconforming
29 oil uses is in keeping with a State-wide trend and local desire to shift away from fossil-
fuels in support of cleaner, renewable energy sources, which benefit public health
and contribute toward goals to manage and reduce global climate change.
Terminating nonconforming oil uses would incrementally reduce the air pollutant
burden for local communities proximate to the Inglewood Oil Field, reduce the
regional contribution of smog-forming emissions as well as the contribution of GHGs
and climate change.

The proposed Zoning Code Amendment will establish that, effective July 28,
2021, any new or expanded oil and gas activity is prohibited and that all existing
nonconforming oil uses must be terminated and fully removed within a designated
five-year, phase-out period ending on July 28, 2026.

1 **3. The proposed amendment is in compliance with the provisions of the**
2 **California Environmental Quality Act (CEQA).**

3 The Ordinance is exempt from CEQA review as to all applicable categorical
4 and statutory exemptions, including but not limited to the “common sense” exemption
5 under CEQA Guidelines Section 15061(b)(3) and the following exemption classes
6 under CEQA Guidelines Section 15061(b)(2): Class 1 – Existing Facilities, Class 4
7 – Alterations to Land and Class 8 – Actions by Regulatory Agencies for the Protection
8 of the Environment.

9 **SECTION 2.** Pursuant to the foregoing recitations and findings, the City Council
10 of the City of Culver City, California, hereby introduces the Ordinance approving Zoning Code
11 Amendment P2021-0036-ZCA, amending CCMC, Title 17: Zoning Code; Section 17.610.010.D
12 – Nonconforming Oil Uses, as set forth in Exhibit A attached hereto and made a part thereof.

13 **SECTION 3.** The City Council hereby authorizes City staff to coordinate and
14 establish a collaborative relationship with CalGEM to: (1) document baseline conditions,
15 including the number and status of all existing wells, by developing a current and complete list
16 of all nonconforming oil and gas uses within the City, which are subject to termination under
17 this Ordinance and Zoning Code Amendment P2021-0036-ZCA; (2) seek CalGEM’s guidance
18 and assistance to coordinate and facilitate the timely termination of nonconforming oil and gas
19 uses within the City; (3) coordinate and review safety considerations, assess the compliance
20 and arrange to monitor the integrity of plugged wells, including previously and pending future
21 plugged wells, with the City corporate limit and establish a monitoring program for previously
22 and future plugged wells; and (4) review the status of long-term idle wells within the City and
23 prioritize and determine appropriate action as can be facilitated through CalGEM’s Idle Well
24 Program.
25 Program.

26 **SECTION 4.** Pursuant to Section 619 of the City Charter, this Ordinance shall
27 take effect thirty (30) days after its adoption. Pursuant to Section 616 and 621 of the City
28 Ordinance.
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**EXHIBIT A
ZONING CODE AMENDMENT
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Proposed Zoning Code Amendment

The proposed Zoning Code Amendment will amend Section 17.610.010.D as follows:

§ 17.610.010 NONCONFORMING USES.

A. Continuation of Use. Any nonconforming use may be maintained and continued, provided that there is no increase or enlargement of the area, space, or volume occupied by or devoted to the nonconforming use. Alterations that do not increase or enlarge a nonconforming use may be approved.

B. Abandonment or Discontinuance of Use. A nonconforming use, which has been abandoned or discontinued for a period of one year, shall not be reestablished, and any subsequent reuse or any new use established shall conform to the current provisions of this Title.

C. Change of Use. A nonconforming use that is changed to, or replaced by, a conforming use shall result in termination and subsequent abandonment of the nonconforming use.

~~**D. Nonconforming Oil Use.** Land that has been used for the drilling, production, or processing of oil, gas, or other hydrocarbons, may continue in that use, regardless of the applicable zoning district. The provisions of this Subsection shall not apply to gasoline service stations or other like uses, or to any oil well, oil well structures, or equipment that has been abandoned, or the use has been discontinued, for a period of at least one year.~~

D. Termination of Nonconforming Oil Uses. Notwithstanding Subsection A, all nonconforming oil uses, regardless of the applicable zoning district or whether an oil use was previously lawfully established or permitted, shall Terminate and be discontinued by July 28, 2026. Notwithstanding the provisions of Chapter 11.12 (including Section 11.12.005.A, Oil Drilling Permit), no drilling of new wells, redrilling or deepening of existing wells, or the erection of any derrick, structure or equipment related to oil and gas production, except as required to facilitate Termination of the nonconforming oil uses, shall be allowed after July 28, 2021.

1. **Definitions.** For purpose of this Subsection D, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

a. **Operator.** A person, firm, corporation, partnership, association, limited liability company, or other business entity that owns or holds the right to use the Premises to extract oil, gas, and other hydrocarbon substances, or use the Premises for injection. In the event there are two or more persons or entities who qualify as an Operator at any given time, then this term

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shall apply to all persons or entities with regard to their respective operations.

- b. Premises.** The surface of any parcel of land that has been used for the drilling, production, storage, transport or processing of oil, gas, or other hydrocarbons, or for injection or water flooding in connection with oil extraction and production or any other related oil and gas activity.
- c. Terminate or Termination.** The cessation and removal of nonconforming oil uses from the Premises, in accordance with all applicable local, state and federal laws, regulations, rules and standards, including, but not limited to: (1) the discontinuance of drilling and production operations; (2) the plugging of all oil and gas wells, including injection wells used for the purpose of water flooding; (3) the dismantling and removal of all physical operational components associated with the nonconforming oil use; and (4) the remediation and restoration of the Premises to substantially its original condition, free from all oil, rotary mud, oil-soaked earth, asphalt, concrete, litter, debris and other substances associated with the drilling or pumping activity, and revegetation of Premises consistent with their natural or original condition.

2. Termination Program and Schedule Required.

- a.** Prior to initiation of any Termination activity, or by no later than July 28, 2022, the legal Operator(s) for any nonconforming oil uses shall prepare and submit to the Director for review and approval a Termination Program and Schedule demonstrating how compliance with Section 17.610.010.D shall be accomplished and fully completed by July 28, 2026. The Director may request additional information prior to determining the Termination Program and Schedule is adequate and complete and demonstrates Operator's ability to comply with Subsection D within the required timeframe.
- b.** Each Termination Program and Schedule shall consist of a written description, supported by maps, exhibits and data, as appropriate, detailing the activities and timeline for Termination of oil and gas facilities in compliance with Subsection D. At a minimum, each Termination Program and Schedule shall include:

 - i.** a description and schedule detailing how and when all nonconforming oil uses, including any drilling related facilities and any structures erected on the Premises, will be removed, dismantled, demolished or disposed of in a manner approved by the Building Official and Fire Chief, and in strict accordance with all

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other applicable local, state and federal laws, regulations, rules and standards;

- ii. a copy of any applicable permits as required by other applicable local, state and federal agencies having authority for regulation of oil and gas well closures and plugging and decommissioning of oil-related uses, facilities or structures;
 - iii. a description and schedule detailing how and when the Premises will be returned to substantially their original pre-oil operations condition, free from all oil, rotary mud, oil-soaked earth, asphalt, concrete, litter, debris and other substances caused by the drilling or pumping activity and revegetated consistent with their natural or original condition; and
 - iv. sufficient detail and documentation of the Termination process and related activities to substantiate and support the aggregate costs required to be covered by the established bond and insurance amounts to guarantee the payment of all costs related to Termination and site restoration of the Premises.
- c. Following the Director's approval of the Termination Program and Schedule and determination that the Termination Program and Schedule sufficiently demonstrates Operator's ability to comply with the requirements of Subsection D within the required timeframe, the Operator shall provide to the Director quarterly updates on the Termination progress until such time that the Termination process is fully completed to the satisfaction of the Building Official, the Fire Chief, and all other applicable local, state and federal agencies; and
- d. A Termination Fee (per well), established by resolution of the City Council, shall be paid and submitted along with each Termination Program and Schedule to recover the City's reasonable costs associated with review of the Termination Program and Schedule and related documents, and subsequent monitoring and inspection of the Premises.

3. Bond and Insurance Requirements. Prior to initiation of any activity detailed in the Termination Program and Schedule, the Operator shall comply with all bond and insurance requirements established by resolution of the City Council.

4. Continued Compliance Required. Until such time that all nonconforming oil activities are fully Terminated in compliance with this Subsection D, all oil and gas activities shall be conducted in compliance with the provisions of Chapter 11.12 of this Code to the extent such provisions are not inconsistent with this

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Subsection D. In the event of any conflict between this Subsection D and Chapter 11.12 of this Code, this Subsection D shall control.

5. Enforcement. Any failure to comply fully with the provisions of this Subsection D shall constitute a violation of this Title and appropriate action may be taken by the Director according to the provisions of this Title and Chapter 1.02 (Administrative Citations) of this Code.