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ORDINANCE NO. 2021-\_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, APPROVING ZONING CODE AMENDMENT P2021-0036-ZCA, AMENDING CULVER CITY MUNICIPAL CODE (CCMC) TITLE 17: ZONING CODE; SECTION 17.610.010.D – NONCONFORMING OIL USE, TO TERMINATE NONCONFORMING OIL AND GAS USES BY NOVEMBER 24, 2026.

(ZONING CODE AMENDMENT, P2021-0036-ZCA)

WHEREAS, oil drilling within Culver City was first established during the 1920s within the Inglewood Oil Field (“IOF”) and, since at least 1925, Culver City has maintained some form of regulation for oil and gas activities, including drilling and operation activities relating to oil derricks and the boring of wells within the City, including within the 78-acre land and surface facilities area comprising the Culver City portion of the IOF (“City IOF”). For at least the last 60 years, oil and gas uses have been prohibited by the Culver City Municipal Code (“CCMC”) throughout the City, except that, in accordance with the current Zoning Code Section 17.610.010.D, land that had been used for oil and gas uses was allowed to continue as a nonconforming use, subject to compliance with all other City regulations, including compliance with CCMC Chapter 11.12 (Oil, Gas and Hydrocarbons); and

WHEREAS, the continued operation of nonconforming oil uses within the City for at least the last several decades has proven to be to the detriment of the public health, safety and welfare due to operational mishaps, including, but not limited to, odorous gas releases, oil spills and fires, and has imposed a continuing burden on the City requiring efforts to attain compliance with its regulations by a succession of Operators<sup>1</sup> for City IOF (“City IOF Operator”),

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<sup>1</sup> Entities that have owned or held rights to use the land surface to extract oil, gas, and other hydrocarbon substances or use the premises for injection (“Operator”).

1 thereby exacerbating risk to the public health, safety and welfare and resulting in reduced  
2 protection of the environment; and

3           WHEREAS, in 2013, the City Council Oil Drilling Subcommittee (“Subcommittee”)  
4 and City staff, at the direction of the City Council, embarked on a process to study and establish  
5 improved regulation of oil and gas production activities within the City IOF, including, at one  
6 time, the potential to drill up to 30 new additional wells, with the intent, in part, to limit new or  
7 expanded oil extraction operations. Such direction resulted from many decades’ culmination of  
8 periodic operational issues that have affected the Culver City community and residents and  
9 the City’s increased difficulty in coordinating with City IOF Operators to establish cooperative  
10 oversight of facilities within the City IOF, exacerbated by the high turnover of City IOF  
11 Operators; and  
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14           WHEREAS, in more recent years, evidence has emerged through studies and  
15 analyses as to the heightened health and safety risks attributable to oil use activities in  
16 urbanized areas and the threats to the environment from such uses; and  
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18           WHEREAS, at its June 20, 2018 Special Meeting, based on the Subcommittee’s  
19 recommendation, the City Council requested staff to proceed with an informational study  
20 outlining options for addressing the potential amortization and termination of nonconforming  
21 oil-related activities within the City IOF. Considering community input and in order to allow for  
22 a more comprehensive review of potential amortization options, the City Council determined  
23 that an amortization or similar study would be helpful and informative as a first step to provide  
24 a professional, technical analysis from an economic perspective concerning longevity of the  
25 City IOF; and  
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1           WHEREAS, on May 28, 2019, the City Council authorized economic consultant  
2 Baker & O'Brien to prepare a study of the amortization of original capital investment ("ACI  
3 Study") in oil and gas production facilities, based on income modeling, related to the City IOF;  
4 and

5           WHEREAS, on May 21, 2020, the Subcommittee held a public community  
6 meeting to present Baker & O'Brien's ACI Study, receive public and stakeholder input, and  
7 discuss options and defining features for a potential amortization program that could result in  
8 the eventual and systematic phasing out of nonconforming oil and gas related activities within  
9 the City limit; and

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

14           WHEREAS, the ACI Study also evaluated a second scenario for comparison  
15 purposes substituting the 2017 acquisition investment by current City IOF Operator, Sentinel  
16 Peak Resources, LLC, in the City IOF as part of a larger California portfolio of oil and gas  
17 production properties as a proxy for original capital investment, and concluded that  
18 amortization would be achieved within approximately four years of its purchase of the City IOF  
19 operating rights, or approximately by the end of year 2020; and

20           WHEREAS, on August 13, 2020, the City Council received and considered  
21 information contained in the ACI Study, as well as the Subcommittee's recommendation and  
22 community input concerning the future of the City IOF. The City Council voted unanimously to  
23 move forward with further study of the City IOF and authorized the Subcommittee to work

1 directly with staff to prepare an Amortization Program that resolves the incompatibility of oil and  
2 gas uses with the surrounding community and considers options to phase-out the  
3 nonconforming oil and gas activities within the City limit; and

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

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12 WHEREAS, the Subcommittee and staff initiated further study, consistent with  
13 the City Council's direction and formulated recommendations to the City Council to initiate  
14 measures to solidify a formal process directing the termination and phase-out of nonconforming  
15 oil and gas activities within the City limit in an expedited manner, while simultaneously  
16 balancing the protection of the public health, safety and welfare and the environment, and other  
17 stated objectives, and while concurrently considering important logistical issues to ensure a  
18 thoughtful implementation plan and appropriate timeframe; and

19  
20 WHEREAS, at its October 26, 2020 meeting, the City Council considered the  
21 Subcommittee's recommendations, as well as public input, and stated its belief that an  
22 approximate five-year amortization period, commencing on the effective date of the  
23 Amortization Program and ending five years thereafter, would: (1) offer a reasonable time  
24 period for the oil field operator to wind down production activities, schedule appropriate  
25 resources to plug nonconforming oil wells, remove nonconforming production-related  
26 equipment, restore the oil use premises and secure requisite bonding prior to initiating any  
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1 decommissioning work; (2) provide for an adequate time period to facilitate “just transition” (i.e.,  
2 training of workers and adaption of clean-energy programs), completion of environmental  
3 assessment and remediation studies and opportunity to outreach with stakeholders; and (3)  
4 allow for a reasonable timeframe during which the logistics necessary to decommission  
5 nonconforming oil and gas uses within the City in a safe and secure manner can be coordinated  
6 and balanced with the following urgent concerns and objectives expressed at the August 13,  
7 2020 City Council meeting:  
8

- 9 • Desire to eliminate long-standing nonconforming oil and gas uses;
- 10 • Improve land use consistency and compatibility issues between  
11 those activities conducted in the City IOF area and other  
12 surrounding community uses;
- 13 • Eliminate growing concern and lack of continuity resulting from a  
14 continuous change of oil field operators, as experienced in recent  
15 history, that may have limited interest to invest in maximizing  
16 compliance and compatibility with Culver City standards and  
17 objectives;
- 18 • Desire to replace obsolete industrialized oil-production uses with  
19 modern urban uses that are determined by the City to be  
20 compatible and more directly beneficial within the current urban  
21 context and evolving character of the adjacent community;
- 22 • Acknowledge and affirm the role of the City’s comprehensive  
23 General Plan Update, which is in progress, and seek to  
24 accommodate a shift in policy through reevaluation of long-range  
25 objectives for the oil field area;
- 26 • Enhance public health, safety and welfare, and protection of the  
27 environment by eliminating and safely removing aged and outdated  
28 infrastructure that is vulnerable to failure and poses a threat to  
29 public safety and damage to the environment and by minimizing  
exposure to risk of upset arising from oil and gas facilities due to  
seismic events;
- Prioritize the public health, safety and welfare of the community and  
develop a strategy for end-of-life considerations for the City IOF;
- Embrace State-wide trends that include plans to transition to clean,  
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

1 simultaneously contributing toward a reduction in the carbon  
2 footprint by leading a transition away from fossil fuels; and

- 3 • Minimize inordinate use of City staff and financial resources spent  
4 toward enforcement of regulations applicable to the City IOF, which  
5 may be unproductive; and

6 WHEREAS, after considering public input at the October 26, 2020 meeting, and  
7 the foregoing Subcommittee recommendations, the City Council adopted Resolution No. 2020-  
8 R100, declaring its intent to evaluate the establishment of an approximate five-year phase-out  
9 period for the amortization of nonconforming oil and gas uses within the City and authorizing  
10 preparation of a program to resolve and remove nonconforming oil and gas uses in a balanced  
11 and expedited manner; and

12 WHEREAS, a review of publicly-available data confirms that as of October 1,  
13 2021, a total of 41 active or potentially active oil wells, including injection wells used for water  
14 flooding, and a total of 28 previously plugged wells, have top-hole locations originating on the  
15 surface land area within the City IOF, and approximately 70 additional plugged wells are  
16 located outside of the City IOF premises, of which five are listed as idle but are presumed  
17 plugged pending verification from the California Department of Conservation's Geologic Energy  
18 Management Division ("CalGEM"); and

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

3 WHEREAS, in response to the Subcommittee’s recommendation for introduction of  
4 the Ordinance, the Ordinance was set for direct hearing by the City Council, pursuant to its  
5 authority under CCMC Section 3.03.035. On September 28, 2015, the City Council exercised  
6 such authority to take jurisdiction over zoning matters related to the City IOF, including  
7 environmental review and other related actions and such authority is hereby reaffirmed; and

8  
9 WHEREAS, City-initiated Zoning Code Amendment (P2021-0036-ZCA)  
10 amending CCMC, Title 17: Zoning Code; Section 17.610.010.D – Nonconforming Oil Use  
11 would: (1) require the discontinuance and termination of nonconforming oil uses by November  
12 24, 2026; (2) prohibit the use of the premises for new or expanded oil and gas activity such as  
13 any drilling of new wells, or redrilling or deepening of existing wells, or the erection of any  
14 structures or facilities related to oil and gas production, with some specific exceptions, after  
15 November 24, 2021; and (3) require the plugging of all existing oil and gas wells, including all  
16 inactive or unnecessary injection wells, dismantling and removal of all physical operational  
17 components, and remediation and restoration of the affected portion of the premises,  
18 consistent with regulations set forth in California Code of Regulations, Title 14 (Natural  
19 Resources), Division 2 (Department of Conservation), Chapter 4 (Development, Regulation,  
20 and Conservation of Oil and Gas Resources), Article 3 (Requirements), Section 1775 (Oilfield  
21 Wastes and Refuse) and Section 1776 (Well Site and Lease Restoration), all to occur under  
22 supervision of the State Oil and Gas Supervisor, by no later than November 24, 2026; and

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27 WHEREAS, on June 17, 2021, after conducting a duly noticed public hearing on  
28 City-initiated Zoning Code Amendment (P2021-0036-ZCA), fully considering the  
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1 Subcommittee's recommendation and all reports, studies, testimony, and environmental  
2 information and other information presented, the City Council determined by a vote of 4 – 1, to  
3 introduce the Ordinance approving Zoning Code Amendment P2021-0036-ZCA; and

4 WHEREAS, leading up to and during the June 17, 2021 public hearing, the City  
5 Council received substantial community input, including written comments, concerning Zoning  
6 Code Amendment (P2021-0036-ZCA) and the future of the City IOF, and the City has given  
7 careful consideration to those comments; and

8  
9 WHEREAS, on June 17, 2021, the City IOF Operator, Sentinel Peak Resources,  
10 LLC, requested the opportunity to engage in a dialogue with the City to explore alternatives to  
11 the proposed Ordinance that might mutually serve all parties and the City Council determined  
12 by a vote of 4 – 0, with one abstention, to authorize Mayor Alex Fisch and City staff to engage  
13 in exploratory conversations initiated by Sentinel Peak Resources and other stakeholders, prior  
14 to having Zoning Code Amendment (P2021-0036-ZCA) return to City Council for second  
15 reading; and

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18 WHEREAS, the reintroduction of the proposed Ordinance approving the Zoning  
19 Code Amendment was duly noticed for public hearing before the City Council on October 18,  
20 2021; and

21  
22 WHEREAS, on October 18, 2021, after conducting a duly noticed public hearing on  
23 City-initiated Zoning Code Amendment (P2021-0036-ZCA) pursuant to its authority under  
24 CCMC Section 3.03.035, fully considering all reports, studies, testimony, and environmental  
25 information and other information presented, the City Council determined by a vote of 4 to 1,  
26 to reintroduce the Ordinance approving Zoning Code Amendment P2021-0036-ZCA; and  
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1           WHEREAS, on October 25, 2021, the City Council, by a vote of \_\_\_ to \_\_\_, adopted  
2 the Ordinance as set forth herein below.

3           NOW, THEREFORE, the City Council of the City of Culver City, California, DOES  
4 HEREBY RESOLVE as follows:

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

8  
9           **1. The proposed amendment ensures and maintains internal consistency  
10 with the goals, policies and strategies of all elements of the General Plan and  
11 will not create any inconsistencies.**

12           The proposed Zoning Code Amendment is intended to terminate nonconforming  
13 oil and gas uses within Culver City over a five-year period. The Amendment will  
14 improve the Zoning Code’s implementation of the goals, objectives, and policies of  
15 the General Plan because it will resolve a nonconforming land use that reflects  
16 neither the goals, policies or strategies of the General Plan nor the provisions of the  
17 underlying zoning categories, and which is obsolete in the context of current urban  
18 uses in the City in 2021. Existing Zoning Code language prohibits oil drilling and oil  
19 and gas activities under all zone categories, except to the extent that current CCMC  
20 Section 17.610.010.D makes an exception for pre-existing oil and gas uses, which  
21 previously could continue as nonconforming oil uses. Although oil and gas uses have  
22 existed in Culver City for almost 100 years, these have operated as nonconforming  
23 uses for at least 60 years. The proposed Zoning Code Amendment will modify the  
24 provision that currently allows for the continuation of nonconforming oil uses in order  
25 to clearly establish that: (1) any new or expanded oil and gas activity such as drilling  
26 of new wells, redrilling or deepening of existing wells, or erection of any structure or  
27 facilities related to oil and gas production, with some specific exceptions, is prohibited  
28 as of November 24, 2021; and (2) all previously established nonconforming oil uses  
29 must be terminated and fully removed within a specified five-year phase-out time  
period to end by November 24, 2026. This action allows the City to address General  
Plan guidance that supports a transition away from oil and gas uses and the long-  
range study on a comprehensive basis of appropriate uses.

          The proposed Zoning Code Amendment is consistent with General Plan Goals  
and Policies that call for a transition away from oil and gas uses and does not conflict  
with the goals, policies, and strategies of any elements of the General Plan, nor  
create any inconsistencies. For example, the Amendment will help further Land Use  
Element (LUE) Policy 1.B, to *“protect the City’s residential neighborhoods from the  
encroachment of incompatible land uses and environmental hazards which may*

1 *have negative impacts on the quality of life...* and LUE Policy 27.B, to “*protect the*  
2 *visible and useable open space resources within Blair Hills by establishing land use*  
3 *definitions for visual resources and natural areas...*” and LUE Policy 16.H, to  
4 *“improve Zoning Code enforcement Citywide...”* because nonconforming and  
5 incompatible oil uses will be terminated and removed, thus reducing the potential for  
6 risk of upset and related environmental hazards and establishing a suitable visual  
7 buffer between vulnerable residential neighborhoods and other ongoing oil  
8 operations just beyond the City’s corporate limit.

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

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

Further, removal of aged oil field infrastructure, which poses a potential threat to the public health, safety and welfare and protection of the environment due to concern that such outdated systems deteriorate and fail, will facilitate safety within the community and for the environment. Terminating and removing nonconforming 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 November 24, 2021, any new or expanded oil and gas activity such as drilling of new wells, redrilling or deepening of existing wells, or erection of structures or facilities related to oil and gas production, with some specific exceptions, is prohibited and that all previously established nonconforming oil uses must be terminated and fully removed within a specified five-year phase-out period to end by November 24, 2026.

In summary, adoption of proposed Zoning Code Amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City and, in fact, would institute the termination of nonconforming oil uses and thereby would affect the public interest, health, safety, convenience and welfare of the City in a number of beneficial ways by minimizing or eliminating health and safety risks

1 associated with the continuation of a nonconforming use that is obsolete and  
2 incompatible with other surrounding residential and community uses in an urban  
3 context.

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

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

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

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

3 **SECTION 4.** Pursuant to Section 619 of the City Charter, this Ordinance shall  
4 take effect thirty (30) days after its adoption. Pursuant to Sections 616 and 621 of the City  
5 Charter, prior to the expiration of 15 days after the adoption, the City Clerk shall cause this  
6 Ordinance, or a summary thereof, to be published in the Culver City News and shall post this  
7 Ordinance or a summary thereof in at least three places within the City.  
8

9 **SECTION 5.** The City Council hereby declares that, if any provision, section,  
10 subsection, paragraph, sentence, phrase or word of this Ordinance is rendered or declared  
11 invalid or unconstitutional by any final action in a court of competent jurisdiction or by reason  
12 or any preemptive legislation, then the City Council would have independently adopted the  
13 remaining provisions, sections, subsections, paragraphs, sentences, phrases, or words of this  
14 Ordinance, and as such they shall remain in full force and effect.  
15

16 APPROVED and ADOPTED this \_\_\_\_\_ day of October, 2021.  
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19 \_\_\_\_\_  
20 ALEX FISCH, Mayor  
21 City of Culver City, California

22 ATTESTED BY:

23 APPROVED AS TO FORM:

24 \_\_\_\_\_  
25 JEREMY GREEN, City Clerk

26 \_\_\_\_\_  
27 *Carol A. Schwab*  
28 CAROL SCHWAB, City Attorney  
29

A21-00052

**EXHIBIT A  
ZONING CODE AMENDMENT  
P2021-0036-ZCA**

**§ 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 November 24, 2026. Further, and notwithstanding the provisions of Chapter 11.12 (including Section 11.12.005.A, Oil Drilling Permit), no new or expanded oil and gas activity such as drilling of new wells, redrilling or deepening of existing wells, or the erection or installation of any derrick, structure, facilities or equipment related to oil and gas production, excepting those existing oil and gas activities and operations described in Subsection D.4 or as required to facilitate Termination of the nonconforming oil uses, shall be allowed within the Oil Use Premises after November 24, 2021. The provisions of this Subsection shall not apply to (i) common-carrier oil pipelines intended for regionally-coordinated transport of hydrocarbons; (ii) injection wells that are permitted and demonstrated to be active and necessary by CalGEM; (iii) service stations or other like uses; or (iv) any previously closed oil or injection well that has been verified to have been plugged in accordance with all applicable local, state and federal laws, rules and regulations, including the California Statutes and Regulations and all other requirements overseen by CalGEM, and for which the well pad has been restored and revegetated to as near a natural state as practicable.

1. **Definitions.** For purpose of this Subsection D, the following definitions shall apply unless the context clearly indicates or requires a different meaning.
  - a. **CalGEM.** The California Geologic Energy Management Division the principal regulatory authority for the closure of oil and gas production sites.
  - b. **Operator.** A person, firm, corporation, partnership, association, limited liability company, or other business entity that owns or holds the right to use the Oil Use Premises to extract oil, gas, and other hydrocarbon substances, or use the Oil

**EXHIBIT A**  
**ZONING CODE AMENDMENT**  
**P2021-0036-ZCA**

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

- c. **Oil Use Premises.** The surface of any parcel of land that has been used for the drilling, production, storage or transport of oil, gas or other hydrocarbons, or for injection or water flooding in connection with oil and gas activity.
  
- d. **Terminate or Termination.** The discontinuance and removal of nonconforming oil uses from the Oil Use Premises, in accordance with all applicable local, state and federal laws, regulations, rules and standards, including, but not limited to (i) the cessation of production and drilling operations; (ii) the plugging of all oil and gas wells, including water flooding injection wells, except injection wells as permitted and demonstrated to be active and necessary by CalGEM; (iii) the dismantling and removal of all surface facilities associated with the nonconforming oil use, including storage tanks, above-ground pipelines, equipment, debris and other physical operational components; (iv) the plugging/capping of subsurface pipelines; and (v) the remediation, restoration and revegetation of the areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable, free from all oil, rotary mud, oil-soaked earth, asphalt, concrete, litter, debris and other substances associated with oil operations. As to (ii)-(v) hereof, all related on-site activities and services shall be conducted between the hours of 8:00 a.m. and 8:00 p.m. Mondays through Fridays, 9:00 a.m. and 7:00 p.m. Saturdays, and 10:00 a.m. and 7:00 p.m. Sundays, and shall be prohibited at all other times. Internal roads and access ways and storm water retention and other drainage features and facilities shall remain in place.

**2. Termination Program and Schedule Required.**

- a. Prior to initiation of any Termination activity, or no later than by November 24, 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 November 24, 2026. The Director may request additional information prior to determining the Termination Program and Schedule is adequate, complete, and demonstrates Operator's ability to comply with Subsection D within the required timeframe. No Termination activity may be commenced unless a Termination Program and Schedule has been received and approved by the Director, applicable fees have been paid, and bond and insurance requirements have been met.
  
- 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 all applicable wells under Subsection D, any drilling-

**EXHIBIT A**  
**ZONING CODE AMENDMENT**  
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- related facilities and any equipment and structures erected on the Oil Use Premises, will be removed, dismantled, demolished or disposed of in a manner consistent with California Statutes and Regulations overseen by CalGEM, and in strict accordance with all other applicable local, state and federal laws, regulations, rules and standards;
- ii. a description for termination and decommissioning of the areas of the Oil Use Premises affected by the plugging and removal activities, including all well sites and areas used for related facilities, equipment and storage, that details how the Operator will safely dismantle and remove such production facilities and remediate, restore and revegetate the areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable, in accordance with all applicable requirements set forth in California Code of Regulations, Title 14 (Natural Resources), Division 2 (Department of Conservation), Chapter 4 (Development, Regulation, and Conservation of Oil and Gas Resources), Article 3 (Requirements), Section 1775 (Oilfield Wastes and Refuse) and Section 1776 (Well Site and Lease Restoration);
  - iii. a copy of any applicable permits, including any notices of intent or any permit applications for permits pending, 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 equipment;
  - iv. a description and schedule detailing how and when the areas of the Oil Use Premises affected by the plugging and removal activities will be remediated, restored and revegetated to as near a natural state as practicable, free from all oil, rotary mud, oil-soaked earth, asphalt, concrete, litter, debris and other substances caused by the drilling or pumping activity; and
  - v. sufficient detail and documentation of the Termination process and related activities to substantiate and support the aggregate costs related to Termination and restoration of the areas of the Oil Use Premises affected by the plugging and removal activities, which are to be covered by the established bond and insurance amounts for the guaranteed payment of such costs.
- 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 in accordance with California Statutes and Regulations overseen by CalGEM and in strict accordance with all other applicable local, state and federal laws, regulations, rules and standards; and

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- 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 Oil Use 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, existing oil and gas activities and operations, such as production from existing oil wells, water injection to existing injection wells and permitted routine maintenance of existing wells and other facilities, shall be allowed to continue during the interim period until removal of those nonconforming uses have been completed consistent with the timeframes established in the approved Termination Program and Schedule. All such activities and operations 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 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.