

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 Operators¹ for City IOF (“City IOF Operator”),

¹ 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

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

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

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

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

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

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

- Desire to eliminate long-standing nonconforming oil and gas uses;
- Improve land use consistency and compatibility issues between those activities conducted in the City IOF area and other surrounding community uses;
- Eliminate growing concern and lack of continuity resulting from a continuous change of oil field operators, as experienced in recent history, that may have limited interest to invest in maximizing compliance and compatibility with Culver City standards and objectives;
- Desire to replace obsolete industrialized oil-production uses with modern urban uses that are determined by the City to be compatible and more directly beneficial within the current urban context and evolving character of the adjacent community;
- Acknowledge and affirm the role of the City’s comprehensive General Plan Update, which is in progress, and seek to accommodate a shift in policy through reevaluation of long-range objectives for the oil field area;
- Enhance public health, safety and welfare, and protection of the environment by eliminating and safely removing aged and outdated infrastructure that is vulnerable to failure and poses a threat to 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

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

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

WHEREAS, consistent with the City Council's direction to develop an Amortization Program based on a five-year phase-out period, the Subcommittee and staff continued further study and developed a proposed Ordinance and accompanying Zoning Code Amendment (P2021-0036-ZCA) ("Ordinance"), to terminate nonconforming oil uses within the City. The Subcommittee recommended the City Council (1) introduce the Ordinance; and (2) direct the Subcommittee and staff to continue work on and refine preliminary implementation

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

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

26 WHEREAS, on June 17, 2021, after conducting a duly noticed public hearing on
27 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

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

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

21 WHEREAS, on October 18, 2021, after conducting a duly noticed public hearing on
22 City-initiated Zoning Code Amendment (P2021-0036-ZCA) pursuant to its authority under
23 CCMC Section 3.03.035, fully considering all reports, studies, testimony, and environmental
24 information and other information presented, the City Council determined by a vote of ____ to
25 ____, to reintroduce the Ordinance approving Zoning Code Amendment P2021-0036-ZCA.
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1 NOW, THEREFORE, the City Council of the City of Culver City, California, DOES
2 HEREBY RESOLVE as follows:

3 **SECTION 1.** Pursuant to the foregoing recitations and the provisions of the CCMC,
4 the following required findings for an amendment to the Zoning Code, as outlined in CCMC
5 Section 17.620.030.A, are hereby made:
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7 **1. The proposed amendment ensures and maintains internal consistency**
8 **with the goals, policies and strategies of all elements of the General Plan and**
9 **will not create any inconsistencies.**

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

30 The proposed Zoning Code Amendment is consistent with General Plan Goals
31 and Policies that call for a transition away from oil and gas uses and does not conflict
32 with the goals, policies, and strategies of any elements of the General Plan, nor
33 create any inconsistencies. For example, the Amendment will help further Land Use
34 Element (LUE) Policy 1.B, to *"protect the City's residential neighborhoods from the*
35 *encroachment of incompatible land uses and environmental hazards which may*
36 *have negative impacts on the quality of life..."* and LUE Policy 27.B, to *"protect the*
37 *visible and useable open space resources within Blair Hills by establishing land use*
38 *definitions for visual resources and natural areas..."* and LUE Policy 16.H, to
39 *"improve Zoning Code enforcement Citywide..."* because nonconforming and

1 incompatible oil uses will be terminated and removed, thus reducing the potential for
2 risk of upset and related environmental hazards and establishing a suitable visual
3 buffer between vulnerable residential neighborhoods and other ongoing oil
4 operations just beyond the City's corporate limit.

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

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

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

27 The proposed Zoning Code Amendment will establish that, effective November
28 24, 2021, any new or expanded oil and gas activity such as drilling of new wells,
29 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
associated with the continuation of a nonconforming use that is obsolete and
incompatible with other surrounding residential and community uses in an urban
context.

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

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

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

14 **SECTION 3.** The City Council hereby authorizes City staff to coordinate and
15 establish a collaborative relationship with CalGEM to: (1) document baseline conditions,
16 including the number and status of all existing wells, by developing a current and complete list
17 of all nonconforming oil and gas uses within the City, which are subject to termination under
18 this Ordinance and Zoning Code Amendment P2021-0036-ZCA; (2) seek CalGEM’s guidance
19 and assistance to coordinate and facilitate the timely termination of nonconforming oil and gas
20 uses within the City; (3) coordinate and review safety considerations, assess the compliance
21 and arrange to monitor the integrity of plugged wells, including previously and pending future
22 plugged wells, within the City corporate limit and establish a monitoring program for previously
23 and future plugged wells; and (4) review the status of long-term idle wells within the City and
24 prioritize and determine appropriate action as can be facilitated through CalGEM’s Idle Well
25 Program.
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1 **SECTION 4.** Pursuant to Section 619 of the City Charter, this Ordinance shall
2 take effect thirty (30) days after its adoption. Pursuant to Section 616 and 621 of the City
3 Charter, prior to the expiration of 15 days after the adoption, the City Clerk shall cause this
4 Ordinance, or a summary thereof, to be published in the Culver City News and shall post this
5 Ordinance or a summary thereof in at least three places within the City.
6

7 **SECTION 5.** The City Council hereby declares that, if any provision, section,
8 subsection, paragraph, sentence, phrase or word of this Ordinance is rendered or declared
9 invalid or unconstitutional by any final action in a court of competent jurisdiction or by reason
10 or any preemptive legislation, then the City Council would have independently adopted the
11 remaining provisions, sections, subsections, paragraphs, sentences, phrases, or words of this
12 Ordinance, and as such they shall remain in full force and effect.
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14 APPROVED and ADOPTED this _____ day of October, 2021.
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17 _____
18 ALEX FISCH, Mayor
 City of Culver City, California

19 ATTESTED BY:

20 APPROVED AS TO FORM:

21 _____
22 JEREMY GREEN, City Clerk

23 _____
24 CAROL SCHWAB, City Attorney

25 A21-00052
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**EXHIBIT A
ZONING CODE AMENDMENT
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§ 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

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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-

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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.