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June 22, 2026

VIA EMAIL & ONLINE PORTAL (LACOUNCILCOMMENT.COM)

The Honorable Marqueece Harris-Dawson
President, City Council;
Los Angeles City Councilmembers
City of Los Angeles
200 N Spring Street
Los Angeles, CA 90012

Re: Proposed Oil and Gas Drilling Ordinance, Council File No. 17-0447-S2, June 23, 2026 Los Angeles City Council Meeting Agenda Item 17

Dear Council President Harris-Dawson and Councilmembers:

This firm represents the Western States Petroleum Association ("WSPA"), a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the five western states of Arizona, California, Nevada, Oregon, and Washington. This firm also represents the Native Oil Producers and Employees of California ("NOPEC"), a non-profit association that promotes, protects, and defends the interests of all oil and gas producers in the State of California, as well as those producers' employees, vendors, and other entities associated with the oil and gas industry. WSPA and NOPEC submit the below comments regarding the City of Los Angeles' ("City's") proposed Oil and Gas Drilling Ordinance, CF No. 17-0447-S2 ("Ordinance"), and the Mitigated Negative Declaration ("MND") for the Ordinance, Environmental Case No. ENV- 2025-2885-MND. In particular, these comments are intended to address the City's clear intent to completely foreclose oil and gas mineral resource exploration and production within the City. We ask that these comments be made part of the record of proceedings regarding the Ordinance.

As detailed below, adoption of the Ordinance will result in: (1) a taking of private property without just compensation, which could subject the City to millions of dollars in damages; (2) a violation of oil and gas producers' vested rights; and (3) a violation of due process rights. As also detailed below, the City's reliance on AB 3233 for adoption of the Ordinance does not overcome the legal matter of preemption. Finally, and as also detailed below, the City has failed to comply with the California Environmental Quality Act ("CEQA") in its review and anticipated adoption of the Ordinance.

WSPA and NOPEC also fully incorporate by reference and attach hereto as **Attachment A** the following: (1) comments submitted by E&B Natural Resources on December 8, 2025; (2) comments submitted by E&B Natural Resources on December 29, 2025; (3) comments submitted by Warren E&P, Inc on December 1, 2025; (4) comments submitted by Warren E&P, Inc on December 9, 2025; (5) comments submitted by Warren E&P, Inc on December 29, 2025;

(6) comments submitted by Warren E&P, Inc on June 8, 2026; and (7) comments submitted by E&B Natural Resources on June 8, 2026.

1. The Ordinance Will Result in an Unconstitutional Taking of Private Property

The Ordinance represents an unconstitutional and unlawful taking of private property without just compensation, in contravention of the United States and California Constitutions. The state and federal Constitutions prohibit government from taking private property for public use without just compensation. Cal. Const., art. I, ß 19; U.S. Const., amend. V; *Chicago, Burlington & Quincy R.R. Co. v. Chicago* (1897) 166 U.S. 226, 239. The Supreme Court has classified takings as either physical or regulatory. *Cedar Point Nursery v. Hassid* (2021) 594 U.S. 139, 147–49. A physical taking occurs "[w]hen the government physically acquires private property for a public use," and it is per se unconstitutional. *Id.*at 147. A regulatory taking occurs when "regulations … restrict an owner's ability to use his own property." *Id.* at 148–49. A court evaluates the regulation in light of the "factors" the high court discussed in *Penn Central Transp. Co. v. New York City* and subsequent cases. Under *Penn Central*, regulations which significantly limit the uses of private property constitute a taking. Such changes require just compensation, as well as due process and public consultation. This is true, for example, of zoning ordinances which render an existing use nonconforming.

In addition, the United States Supreme Court has definitively established that a land use regulation "goes too far" – amounting to a facial taking of property – where it "denies an owner economically viable use of his land." *Lucas v. SC Coastal Council* (1992) 505 U.S. 1003,1016, citing *Agins v. City of Tiburon* (1980) 447 U.S. 255, 260. This occurs where a regulation, by implementation alone, leaves the property owner without "substantial economic use" of the affected property. *See Maritrans Inc. v. U.S.* (2003) 342 F.3d 1344, 1351-52.

The Ordinance would give rise to a claim for just compensation by oil well operators and owners as well as royalty holders. The Ordinance would severely restrict the ability of well operators, owners, and royalty holders to use their property and would infringe on their property rights and interests, up to and including completely eliminating the value of those rights. Therefore, the Ordinance constitutes a taking for which compensation must be made. The cost of such compensation could run into the hundreds of millions of dollars, at minimum.

2. The Ordinance Unlawfully Impairs Vested Rights.

The Ordinance constitutes a violation of the vested rights of oil well operators, owners, and royalty holders. Under *Avco Community Developers, Inc. v. South Coast Regional Commission*, (1976) 17 Cal.3d 785 ("Avco"), where a permit holders make an investment in that permit, they possess vested legal rights. Subsequent case law has clearly concluded that the doctrine of vested rights applies to use permits and the activities authorized thereunder. *See Hansen Brothers Enterprises v. Board of Supervisors*, (1996) 12 Cal.4th 533 ("Hansen").

Post-*Avco* decisions have held that use permits confer vested rights. *HPT IHG-2 Properties Tr. v. City of Anaheim* (2015) 243 Cal. App. 4th 188, 199 (where a CUP has been issued and the landowner has relied on it to its detriment, the landowner has a vested right.); *see also Malibu Mountains Recreation, Inc. v. County of Los Angeles* (1998) 67 Cal.App.4th 359, 367. The scope of the vested rights is dictated by the activity authorized under the permit. *Santa Monica Pines, Ltd. v. Rent Control Bd*. (1984) 35Cal.3d 858, 865.

A permit for mineral extraction includes within its scope the actual extraction of those minerals. In *Hansen*, the California Supreme Court made the point that mineral extraction uses, unlike uses that operate within an existing structure or boundary, anticipate the extension of extraction activities into other areas of the property that were not being exploited at the time a subsequent zoning change is proposed. The Court pointed out that:

> The very nature and use of an extractive business contemplates the continuance of such use of the entire parcel of land as a whole, without limitation or restriction to the immediate area excavated at the time the ordinance was passed. A mineral extractive operation is susceptible of use and has value only in the place where the resources are found, and once the minerals are extracted it cannot again be used for that purpose.

Hansen, 12 Cal.4th at 553-54.

The Ordinance will unlawfully impair the vested rights of holders of permits for mineral extraction, including WSPA and NOPEC members, by forbidding them to engage in the uses contemplated by those permits. In order to curtail or impair vested rights, an agency must make specific emergency findings of nuisance or harm to the public. *Davidson v. Cnty. of San Diego*, 49 Cal. App. 4th 639, 649 (1996) ("[t]he vested rights doctrine in the land use context 'is subject ... to the qualification that such a vested right, while immune from divestment through ordinary police power regulations, may be impaired or revoked if the use authorized or conducted thereunder constitutes a menace to the public health and safety or a public nuisance.'") (citations omitted). Here, no such findings have been made, nor could they be, as available evidence does not show any harm as claimed by the City. Thus, the Ordinance will unlawfully curtail the vested rights of WSPA and NOPEC members and other oil and gas producers – and royalty owners – in the City.

3. The City Cannot Lawfully Apply an Amortization Program to Oil and Gas Resources

The Ordinance includes an amortization period, which is apparently intended to permit existing owners and operators to recoup some value from their property, in an attempt to avoid an unconstitutional taking. The amortization concept is based on the premise that a property owner must be given an opportunity to recoup its investment and be made whole. But the application of the concept to oil fields would not achieve that purpose. The utility of an oil field

depends on its productivity, which requires ongoing infrastructure investment. Amortization does not fully account for such investments and therefore does not facilitate actual recovery for these infrastructure investments. Instead, the application of an amortization program in the context of oil field operations still results in an unconstitutional taking.

Further, the amortization is entirely subject to the City's discretion. While the Ordinance includes a 20-year amortization period (Sec. 3, proposed amended L.A.M.C. § 12.23(C)(4)(a)(5)), the Ordinance reserves to the City "discretion to alter or shorten this 20 year period, or otherwise abolish uses, at ***any*** Oil Well site." *Id.* (Emphasis added). This broad discretion makes the already-inappropriate application of amortization to oil and gas operations worse, by providing the City with authority to terminate oil and gas operations – and thus deprive owners and operators of vested rights therein – without consideration for any investment in that property.

Even if the proposed amortization program was appropriate for oil wells, the City's amortization program relies on fundamentally flawed and legally improper assumptions. The program assumes that all capital investments in oil fields within the City were made decades ago and returns on those investments have already been garnered. Not so. The nature of oil and gas operations requires constant, ongoing capital investment. Such investments have yet to be recouped. A government entity (City, County, or State) cannot determine that an oil and gas producer has achieved "an appropriate rate of return" on their investment given future development is an integral part of the operations. The valuation of a diminishing asset, such as an oil producing property, is far more complex than a straight-line depreciation and amortization of a fixed asset. The City further fails to analyze the impacts of the Ordinance's prohibition on maintenance activities, which will result in the shutdown of wells prior to the timeline anticipated by the City, because the Ordinance deems idle wells non-conforming uses after one year. The City has failed to consider the impacts of these results, either for amortization or environmental impacts.

The City has not produced any credible amortization analysis to justify the across-the-board 20-year phaseout for all wells in the City. While the City has proffered amortization studies, they are methodological and technically deficient, and cannot be – and apparently were not – relied on by the City to support the Ordinance. The City failed to cite or consider those studies in the preparation of the MND, and they are not included in the Council File for the Ordinance but instead under a separate sub-file. *See* Council File No. 17-0447-S3. These studies had multiple technical problems, including a reliance on inappropriate approximations of capital expenditures and cost information. These studies fail to consider the unique nature of mineral resources and the "diminishing asset doctrine." *See Hansen Bros. Enters. v. Board of Supervisors* (1996) 12 Cal.4th 533. The California Supreme Court in *Hansen* acknowledged the "diminishing asset doctrine" should recognize the unique qualities of extractive uses, and as explained above, held that this scope necessarily includes an expansion of those uses. *Id.* at 553-54. The City's purported application of an amortization scheme to oil and gas resources is inappropriate and unlawful, and exposes the City to millions of dollars in damages.

4. AB 3233 Does Not Save the Ordinance from Preemption

The Ordinance is preempted by federal and state law, and the City's reliance on recently-adopted statute AB 3233 does not cure this fatal defect. In fact, as the Council is no doubt well aware, the Los Angeles Superior Court held that a nearly-identical ordinance, Council File No. 17-0447, was preempted by state law because the state legislature has expressed a clear intent to occupy the field in regard to the regulation of oil and gas operations. See Warren E&P, Inc., et al. v. City of Los Angeles (Los Angeles Superior Court Case No. 23STCP00060) (holding that the prior ordinance and related guidance "contradict [Public Resource Code] 'section 3106"s mandate that the state 'shall' supervise oil operation in a way that permits well operators to 'utilize all methods and practices' the [California Oil and Gas] supervisor has approved.'" quoting Chevron U.S.A. Inc. v. County of Monterey ("Monterey") (2023) 15 Cal.5th 135, 145). In fact, this Council rescinded that ordinance in order to comply with the Court's decision.

The City now attempts to rely on newly-passed state law, AB 3233, to skirt this preemption ruling. Specifically, the City relies on newly-adopted Public Resources Code section 3106.1. But AB 3233 does not give the City the authority to adopt an ordinance that effectuates an unconstitutional taking of real property or unlawfully impairs vested rights—, which is exactly what this Ordinance does. The preemption issues here are constitutional in nature. The preemption issues raised by the City's prior ordinance and relied on by the court to void that ordinance, and the ordinance in Monterey, are constitutional. The courts have consistently held that a City cannot regulate a matter of statewide concern such as oil and gas extraction. The passage of AB 3233 does not alter this balance of authority: the Legislature cannot give the City authority to regulate these activities without amending the Constitutional provisions that limit such regulation in Article XI Sections 5 and 7 of the California Constitution. The Legislature also cannot legislate around the California Supreme Court's decision in Monterey, holding that state law preempts local efforts to regulate oil and gas production methods and practices are preempted by state law, because cities are prohibited from regulating matters of statewide concern. Thus, far from saving the City's Ordinance from preemption, AB 3233 itself is void. Unless and until the Legislature or the voters amend the California Constitution, the City cannot pass local regulations on oil and gas production methods and practices in conflict with state law.

The City also ignores the fundamental legal doctrine that prohibits this course of action—the diminishing asset doctrine as applied to legally nonconforming uses.

Notwithstanding the Legislature's attempt to circumvent some of the preemption issues present through the passage of AB 3233, the City actions remain subject to preemption by state and federal law because the regulation of oil and gas operations is already fully occupied by state agencies and federal programs governing injection wells. The California Supreme Court has rejected local ordinances conflicting with state regulation of oil and gas based on the California Constitution (*see Chevron U.S.A. Inc. v. Cty. of Monterey* (2023) 15 Cal.5th 135), and nothing in

AB 3233 modified those ***constitutional*** protections. Any such restriction will impermissibly intrude upon the regulation of oil and gas wells throughout the City. Therefore, the Ordinance is preempted.

5. Adoption of the Ordinance Would Violate CEQA in Multiple Respects

a. Unlawful Piecemealing in Violation of CEQA

First, the City unlawfully "piecemealed" the CEQA analysis and failed to analyze the entire project. CEQA requires the consideration, analysis and disclosure of all potentially significant environmental impacts of a proposed "project." CEQA Guidelines [Cal. Code Regs., titl. 14, § 15000 et seq.], § 15060. A "Project" is defined as the entire activity before the agency, the "whole of the action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." CEQA Guidelines, § 15378. Yet the MND analyzes only a portion of the Ordinance's oil and gas phaseout. The analysis does not include the reasonably foreseeable future plugging and abandonment, remediation, or future conditions and use of oil and gas sites. *See* Staff Report at A-19; MND at p. 40 ("[its] analysis does not examine impacts from remediation and/or future development."). The City also failed to analyze the impacts of maintenance activities; either the impacts of continued routine maintenance (contemplated by the Ordinance but not analyzed in the MND because they are classified as "speculative") or the impacts of the 2025 ZAI (ZA-2025-2976-ZAI) ban on the same maintenance activities covered by the Ordinance.[1] Nor does the MND consider the future redevelopment of oil drilling sites, stating that to do so would be "speculative." MND at 87. Finally, as discussed further below, the MND completely fails to consider the impacts of the Ordinance's illusory amortization period and the City's discretion to shorten it. CEQA defines "project" as the "whole of an action" and prohibits segmentation of project activities in an effort to minimize the evaluation of environmental effects. "Accordingly, CEQA forbids piecemeal review of the significant environmental impacts of a project." *Banning Ranch Conservancy v. City of Newport Beach*, 211 Cal.App.4th 1209, 1222 (2012) (internal citations omitted). "Agencies cannot allow environmental considerations to become submerged by chopping a large project into many little ones." *Id.*

b. Failure to Analyze the Ordinance's Impacts on Maintenance

The Ordinance includes a definition of prohibited "well maintenance" activities. Sec. 6, proposed amended L.A.M.C. § 13.01. As discussed above, the inclusion of this prohibition constitutes illegal piecemealing under CEQA. In addition, the City's analysis of the Ordinance fails to account for the reasonably foreseeable environmental impacts of the ban on such

[1] The City attempts to have its cake and eat it to, by seeking to permit certain maintenance activities under the Ordinance but failing to appropriately analyze them in the MND, while simultaneously seeking to prohibit them via the 2025 ZAI without environmental review. The City's efforts to adopt both measures without evaluating their collective impacts is clear, textbook piecemealing and is improper.

maintenance activities. These activities are routine and have occurred within the City for years under existing law. More importantly, these activities are necessary for the safe operation of oil and gas activities, even under the Ordinance. Without necessary routine maintenance, wells and facilities are at increased risk of casing failures, corrosion, methane leaks, and other potential hazards. Likewise, without the ability to maintain injection wells and pressures, operators and the City risk potential subsidence at or around drilling operations, including in residential neighborhoods. But the City fails to account for the potential environmental impacts resulting from the ban on maintenance. Similarly, the City fails to analyze the foreseeable and predictable impacts from the ban on maintenance to the availability of mineral resources – a required evaluation under CEQA that the City failed to conduct.

c. Inadequate Technical Analysis

The City has also failed to consider the significant, unmitigated and unmitigable environmental impacts of the Ordinance in violation of CEQA. Specifically, the City failed to consider the increases in greenhouse gas (GHG) emissions that will result from the Ordinance's adoption. Reducing oil and gas production in California will result in an immediate, foreseeable increase in the importation of foreign oil. Importation of foreign oil results in increased GHG emissions from tanker ships carrying the oil, and the oil itself is not subject to the stringent requirements that California production is. These significant impacts include, among other things, impacts to air quality, which are required to be analyzed under CEQA. For example, the increase in foreign oil shipped to California to replace oil that cannot be extracted under the Ordinance will result in an increase in the release of volatile organic compounds (VOCs) and nitrogen oxide (NOx) emissions from tanker ships (and, to a lesser extent, trucks) bringing this oil to California ports and refineries.

California produces only a fraction of the oil consumed by the State. Through the end of 2021, California produced an average of 358,000 barrels of oil per day, while consuming more than 1,400,000 barrels per day, requiring over 70% of California's oil to be imported. Since California is an "oil island," meaning that it does not have any pipelines that bring crude into the state, oil must be imported. The largest exporter of crude oil to California is Ecuador, followed by Saudi Arabia and Iraq (65% total from these three countries). In addition, California imported 18,000,000 barrels of crude from Russia in 2021. There are significant impacts associated with these importation activities which the City failed to consider.

The City's air quality and GHG analyses are flawed for several reasons. First, they are expressly based on the Impact Sciences September 2022 Air Quality and GHG Report, which is outdated and both factually and methodologically flawed. The report contains factual inaccuracies related to particular types of equipment, incorrect assumptions regarding the plugging and abandonment process, and an exclusion of subsequent use and development in its evaluation of oil and gas operations and facilities. Second, the report also fails to analyze new provisions of the Ordinance that post-date the report, including the ban on simple routine operations like acid maintenance and reworking operations, as well as the potential impact of any

shortened amortization period as permitted by the Ordinance. Third, as noted above, the MND fails to take into account direct and indirect impacts related to GHG emissions from, for example: plugging and abandoning work; remediation; redevelopment of oil and gas sites; and oil and gas importation to meet demand not satisfied by local production. Finally, the MND also fails to establish an existing baseline for air and GHG emissions so that impacts can properly be analyzed as required under CEQA. CEQA Guidelines, § 15125(a); *Taxpayers for Accountable School Bond Spending v. San Diego Unified School District* (2013) 215 Cal.App.4th 1013, 1047-48.

The MND also fails to analyze the environmental impacts that are reasonably foreseeable due to a decrease in oil and gas production due to the Ordinance's phase-out of extraction, prohibition on routine maintenance, and accompanying intentional reduction in oil and gas production in the City. The MND does not analyze the emissions from natural seeps and orphaned wells throughout the City as compared to existing extraction operations and how those emissions will be impacted from the decline and ultimate cessation of production operations within the City. In fact, research indicates that naturally-occurring methane seeps generate significantly more emissions than oil and gas operations; yet the MND is silent on the impacts to this phenomenon that may occur when extraction operations are reduced.

d. Inadequate Analysis of Impacts to Mineral Resources

CEQA requires an analysis of potential impacts to the availability of minerals, which explicitly includes oil, gas and other hydrocarbons. *See* Pub. Res. Code § 6407. The City's Ordinance undoubtedly will have an impact on availability of mineral resources within the State and local region, given the City's explicit intent to eliminate oil and gas production activities within the City. Yet the MND concludes that oil, gas and other hydrocarbon mineral resources within the City limits are not "mineral resources" or "minerals" covered by CEQA. MND, at pp. 99-100. This conclusion is absurd, legally flawed and unsupportable. It is contrary to state law, prior City practice and findings[2], and logic.

e. Inadequate Analysis Regarding the Ordinance's Amortization Period

As discussed above, the City's application of amortization to oil and gas operations as a nonconforming use is unlawful. Likewise, the City's analysis of the environmental impacts of the amortization period is deficient. The MND fails to properly analyze the proposed amortization period and the impacts that may reasonably foreseeably occur related to the amortization process. In particular, the MND acknowledges that the Ordinance permits the City to expedite or shorten the applicable 20-year amortization period. *See* Ordinance Section 12.23.C.4(a)(5). Yet the MND fails to consider or analyze any potential environmental impacts from such an expedited timetable.

[2] The City's own July 25, 2019 Oil and Gas Health Report confirms that 1.6 billion barrels of recoverable oil and gas reserves remain beneath the City.

f. The MND Fails to Address the Impacts of Plugging and Abandonment

The MND fails to analyze several impacts related to the plugging and abandonment of wells. It is reasonably foreseeable, and in fact the goal of the Ordinance, that wells will be phased out of operation and will be plugged and abandoned as a result of the Ordinance. As discussed above, the Ordinance fails to analyze the impact of plugging and abandonment on air quality and GHGs, mineral resources, and other mandatory impacts. The MND also fails to analyze the impacts of actual plugging and abandonment operations, including but not limited to the production of air pollution produced by these operations. For example, the MND does not analyze likely increases in diesel particulate matter directly associated with equipment used for plugging and abandonment operations.

g. The MND's Noise Analysis is Deficient

The MND's analysis of noise impacts is legally deficient. First, it fails to adequately describe baseline ambient noise to provide a comparison against evaluated noise levels; a lead agency must consider both the absolute noise level associated with a project as well as the increase in the level of noise that will result from a project. *King & Gardiner Farms, LLC v. County of Kern* (2020) 45 Cal.App.5th 814, 887, 893. Second, the MND relies on an outdated report, the 2022 Noise and Vibration Technical Report (2022 Noise Report). MND at 104. This report is both outdated and contains material deficiencies including incorrect assumptions regarding certain equipment and underestimates regarding the scope and timing of abandonment activities. Third, the MND fails to use the mandatory significance thresholds from the City Planning Department's 2024 requirements. MND at 105. The 2022 report likewise does not use these mandatory thresholds, as it predates them. Fourth, the MND incorrectly assumes certain sequencing and noise facts regarding plugging and abandoning work that are incorrect and cannot support the MND's conclusions.

h. The MND's Wildfire Risk Analysis is Deficient

The MND is legally deficient because it fails to fully analyze the potential for increased wildfire risks that result from the Ordinance. Agencies are required to sufficiently analyze, and inform the public of, increased wildfire risk from a proposed project. *People ex rel. Bonta v. County of Lake* (2024) 105 Cal.App.5th 1222, 1230-33. As with its GHG and air quality analyses, the MND is fatally flawed because it ignores the impact of natural methane seeps in the local environment and therefore concludes that there will be no impact to wildfire risks since no new structures will be installed and no change to defensible spaces will occur. MND at 124-26. Yet it is reasonably foreseeable that the reduction in extraction activities would increase natural methane emissions and, as a consequence, wildfire risk.

i. The MND's Soil and Geology Analysis is Deficient

For the same reasons, the MND's cursory conclusions regarding soil and geology impacts are deficient. The MND fails to consider the impacts of the Ordinance's ban on the maintenance of injection wells, including water injection wells, and the eventual elimination of oil and gas wells in the City. Injection wells are required to preserve pressure balances and are integral to safe production within the City. Without ongoing maintenance and other activities to maintain field pressure, the City and its residents could be at risk of significant subsidence around existing underground reserves, including in residential neighborhoods. Yet the MND's summary conclusion that ending oil and gas extraction in the City of Los Angeles will not increase subsidence risk is unsupported by any evidence and is internally inconsistent with its recognition of subsidence as a health and safety concern. MND at 75.

The MND's Hazards analysis also likewise inadequate because it does not discuss the risks from the inability to maintain injection wells under the Ordinance.

j. Failure to Consider Cumulative Impacts

The City fails to consider the cumulative environmental impacts of the Ordinance. "Under CEQA, the agency must consider the cumulative environmental effects of its action before a project gains irreversible momentum." *City of Antioch v. City Council* (1986) 187 Cal.App.3d 1325, 1333; *see also City of Carmel-by-the-Sea v. Board of Supervisors* (1986) 183 Cal.App.3d 229, 249-25 ("the difficulty of assessing future impacts of a zoning ordinance does not excuse preparation of an EIR; such difficulty only reduces the level of specificity required and shifts the focus to the secondary effects"). The MND's cumulative impacts analysis, at a mere four sentences (MND at 128), is woefully inadequate to address the complex regulatory, geological, environmental, and other compound impacts from the Ordinance. Among other defects, it lacks any discussion of relevant existing or contemplated legal or regulatory changes, including but not limited to the impacts of Senate Bill 1137 and the newly proposed oil phaseout ordinance in the County of Los Angeles (for which the County is preparing a full EIR), both of which will result in increased well abandonments in and around Los Angeles.

k. The MND Disregards Conflicts with the City's Land Use Policy

The MND does not appropriately analyze the Ordinance's conflict with existing City land use policy, including the City's General Plan. The MND concludes that "the Ordinance does not have the potential to result in any significant impacts due to conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect." MND at 98. But this analysis is deficient, including only a handful of policies and fails to address the numerous City land use policies that support the continued extraction, maintenance, and production of oil and gas. These are all inconsistencies that CEQA requires the MND to address. *See Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903. Similarly, the General Plan Conservation Element states the Objective to "conserve petroleum resources

and ***enable*** appropriate, environmentally sensitive ***extraction*** . . . so as to protect the petroleum resources for the use of future generations and to reduce the city's dependency on imported petroleum and petroleum products." City General Plan, Conservation Element at II-64 (emphases added). Yet the MND fails to analyze the clear fact that the Ordinance would ban extraction rather than enable extraction – a complete inconsistency with the General Plan. Finally, the Conservation Element notes that "CEQA requires that impacts on non-renewable mineral resources be evaluated relative to proposed development projects…. Petroleum is a non-renewable resource." Conservation Element at II-57, 58, 63. Yet the MND fails to include this required evaluation.

l. Requirement to Conduct an EIR

Under the "fair argument" standard, an EIR is required whenever substantial evidence in the record supports a "fair argument" that significant impacts may occur. Cal. Pub. Resources Code §§ 21080(c), (d), 21100(a); CEQA Guidelines, § 15064(f)(1); *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal.3d 68; *Friends of B Street v. City of Hayward* (1980) 106 Cal.App.3d 988. The Ordinance will directly and undeniably impact the availability of mineral resources in the City and the State, given the City's stated goal to stop oil production within the City. "Mineral resources" are a relevant environmental factor under CEQA, and the "loss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact. Pub. Resources Code § 21060.5; CEQA Guidelines, Appendix G, § XII(a), (b). The City's own Oil and Gas Health Report dated July 25, 2019 confirms that 1.6 billion barrels of recoverable oil and gas reserves remain beneath the City.[3] Yet the Staff Report now argues that oil and gas reserves are not considered a mineral resource Staff Report at A-20. This argument fails on its face to comply with CEQA or to meet the requirements of environmental analysis that the City must conduct in order to comply with the law.

6. The Ordinance is Not Supported by Evidence, Exceeds the City's Police Powers to Enact, and Its Adoption Violates Due Process Rights.

The Ordinance is not supported by substantial or sufficient evidence and therefore is arbitrary and capricious. The City has provided only a cursory staff report and amortization studies, none of which drew methodologically-sound conclusions regarding the possibility of proper amortization of oil and gas operations. The City has not conducted – or at least not made public as lawfully required – its own health risk study or other analysis of the health and safety impacts of the Ordinance. The City has also failed to respond to nearly all of the issues raised in comments provided in response to the MND, and neither the Planning Commission Report dated May 20, 2026 nor the City Council's staff report provides any evidence in response to those

[3] City of Los Angeles, Office of Petroleum and Natural Gas Administration and Safety, Oil and Gas Health Report, dated July 25, 2019, available at https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf at page 19.

comments. This is insufficient to support the sweeping changes and infringements of property rights in the Ordinance.

In addition, the Ordinance exceeds the City's police powers and fails to afford due process. While cities maintain the power to enact zoning and similar ordinances, they may not do so in arbitrary fashion and without providing a justification reasonably related to legitimate government objectives. *Pacific Palisades Assn. v. City of Huntington Beach* (1925) 196 Cal. 211; *Marblehead Land Co. v. City of Los Angeles* (1931) 47 F.2d 528. The City attempts to justify the Ordinance by relying upon unproven and alleged environmental impacts from the impacted facilities. The City cannot arbitrarily prohibit activities that have taken place safely throughout California for at least 75 years without providing reasonable justification. Moreover, existing state laws adequately protect public health, safety, and the environment; therefore, the City's arbitrary prohibitions create serious costs without any concomitant benefits. In cases involving the prohibition of oil and gas operations, the California Supreme Court has long held that "it is elementary that the enjoyment of property cannot be interfered with or limited arbitrarily" and must be supported with reasonable, non-arbitrary justifications. *Pacific Palisades Assn.*, 196 Cal. at 216. In its current form, the Ordinance would arbitrarily prohibit safe oil and gas operations in the City without providing reasonable justification for doing so.

* * *

We appreciate your time and attention to this matter. Given the significant and material defects in the Ordinance and the lack of any meaningful environmental review conducted to support the Ordinance, we strongly urge the City to decline to adopt the Ordinance and abandon its unlawful and baseless efforts to restrict lawful, permitted use of oil and gas facilities within the City.

Sincerely,
MANATT, PHELPS & PHILLIPS, LLP
on behalf of Western States Petroleum Association and
Native Oil Producers and Employees of California

Enclosure: Attachment A

ATTACHMENT A

ALSTON & BIRD

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Via CPC lacity org

December 8, 2025

Los Angeles City Planning Commission
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Re: Proposed Oil and Gas Drilling Ordinance, Council File No. 17-0447-S2; CPC-2025-2884-CA, ENV-2025-2885, Dec. 11, 2025, Item 10 CPC Mtg

Dear Commissioners,

We represent E&B Natural Resources Management Corporation, Hillcrest Beverly Oil Corporation, E&B ENR I, LLC, and Elysium Natural Resources, LLC (collectively, "E&B") and provide the following comments in advance of the City Planning Commission's ("CPC" or "Commission") December 11, 2025 meeting where the CPC will consider the Proposed Oil and Gas Drilling Ordinance per AB 3233, as drafted November 2025 (the "Oil Ordinance")[1]. The Oil Ordinance would immediately prohibit new oil and gas extraction, declare all existing wells a nonconforming use, prohibit the maintenance, re-drilling, deepening, or intensification of existing wells, and require the cessation of all oil and gas operations within twenty years, subject only to a narrow, highly discretionary "health and safety" exception.

The Oil Ordinance is another attempt by the City to adopt a law previously rejected by a Los Angeles Superior Court judge. As the staff report acknowledges, the Oil Ordinance amends the same core provisions of the Los Angeles Municipal Code as Ordinance No. 187,709 (adopted on December 2, 2022, and effective January 18, 2023) ("2022 Ordinance")—LAMC sections 12.03, 12.20, 12.23, 12.24, and 13.01—and now also adds new provisions in Chapter 1A to fold the same regime into the City's updated zoning framework. In general, the Oil Ordinance repeats much of the rescinded 2022 Ordinance: it bans new wells citywide, converts all existing wells to nonconforming uses, imposes a facial twenty-year "amortization" deadline, prohibits "maintenance" while allowing only narrow "servicing," and applies a one-year "idle-terminated" rule. The primary changes are that the City now cites AB 3233 and SB

[1] By this letter, E&B incorporates its prior submissions regarding the Zoning Administrator Interpretation, dated June 12, 2025, defining well maintenance (ZA-2025-2976-ZAI-1A) ("2025 ZAI"). For purposes of any subsequent litigation, this letter is also deemed to include the administrative record in the prior oil and gas ordinance litigation as discussed in the March 3, 2025, stipulation for entry of judgment and writ filed in the prior litigation.

1137 as its legal foundation, codifies the definition of maintenance and the health and safety process directly into the zoning code, extends the rules into Chapter 1A, and expressly reserves the right to shorten the twenty-year period while disclaiming any vested rights in that period.

E&B currently conducts oil and gas operations at several locations within the City of Los Angeles. As part of these operations, E&B owns certain mineral rights directly in fee and also leases some mineral rights from royalty owners. Adoption of the Oil Ordinance would be devastating to E&B's operations, stripping it of vested rights from its permits and leases, and interfering with its ability to conduct business. The Oil Ordinance is also arbitrary, unconstitutional, and environmentally harmful.

For these reasons and as set forth below, E&B opposes adoption of the Oil Ordinance and the accompanying Initial Study and Mitigated Negative Declaration ("IS/MND"). The Oil Ordinance is still preempted by state and federal law, remains an arbitrary and unsupported exercise of the police power, imposes an illusory amortization scheme that does not cure taking concerns, effects an unconstitutional taking and deprivation of vested and contractual rights, ignores the dominant mineral estate, and is not supported by substantial evidence of health and safety risks. The IS/MND fails to comply with the California Environmental Quality Act ("CEQA") and an Environmental Impact Report ("EIR") is required. In addition, it is premature for the Commission to act on December 11 while the IS/MND is still out for public review until December 29, 2025.

I The Oil Ordinance Remains Preempted by Federal and State Law

Judge Kin of the Los Angeles Superior Court previously determined that the 2022 Ordinance is preempted by state law because it contradicts and is implicitly limited by section 3106 of the Public Resources Code. Judge Kin relied upon the Supreme Court's 2023 decision in (2023) 15 Cal.App.5th 135 (" "). The decision by the California Supreme Court in specifically held that local governments are preempted from interfering in the regulation of oil and gas operations. As the Oil Ordinance is substantively identical to the 2022 Ordinance, the Oil Ordinance is also preempted under state law.

The Oil Ordinance references section 3106.1 to the Public Resources Code, which became effective on January 1, 2025 pursuant to Assembly Bill (AB) 3233. While AB3233 attempts to negate the holding in the decision, the preemption determination made by the Supreme Court in the case was based on the constitutional provisions that provide for preemption by state law over conflicting local ordinances. The California Supreme Court is the final arbiter on these state constitutional issues unless a constitutional amendment is adopted.

The Oil Ordinance is also preempted as its prohibition of specific oil production techniques intrudes on an area "fully occupied" by CalGEM and SCAQMD. The extensive host of State laws and associated regulations clearly reflect an intent to occupy the entire area of oil and gas production. SCAQMD also has extensive rules regarding the air quality concerns that the 2025

Ordinance purportedly seeks to address by its new requirements. (, SCAQMD Rules 1148.1 and 1148.2.) "The Legislature has designated regional air pollution districts as the primary enforcers of air quality regulations." (
. (2012) 200 Cal.App.4th 251, 269.)

The Oil Ordinance is also preempted by federal law as it will impermissibly intrude upon the regulation of injection wells in the City. The State regulates injection wells pursuant to a delegation of authority from the U.S. Environmental Protection Agency to CalGEM under the federal Safe Drinking Water Act. "Congress intended that states retain authority respecting underground injection so long as it does not impinge on the UIC program administered by the EPA." ((N.D.N.Y. 2004) 309 F.Supp.2d 357, 367-368.) "[S]urely the prohibition above prevents such local law from altogether preventing UIC activity." ((S.D.W.Va. 2016) 191 F.Supp.3d 583, 601, affd. on other grounds (4th Cir. 2017) 870 F.3d 322.) Actions by local governments that make it effectively impossible for operators to maintain or continue to use injection wells are preempted by federal law.

By imposing a convoluted approval process that will result in the effective abandonment of existing oil and gas operations, the Oil Ordinance frustrates, contradicts, and intrudes upon federal and state law.

II The Oil Ordinance is Not a Legitimate Exercise of the Police Power

The Oil Ordinance is arbitrary, capricious, entirely lacking in evidentiary support, and contrary to established public policy supporting the extraction of oil and gas in the City. Even if the City has some authority to adopt land use regulations, the City's police power is not unlimited. Land use regulations, such as the Oil Ordinance, must be "reasonable in object and not arbitrary in operation [in order to] constitute a valid exercise of that power" and reasonably related to the public welfare, which the staff report fails to demonstrate. (
(1956) 146 Cal.App.2d 762, 768;
(1976) 18 Cal.3d 582.) The Oil Ordinance will ultimately result in the loss of good-paying industry jobs, such as those for which E&B supplies to the City's residents through its oil and gas operations. The City fails to properly forecast the probable effect of the Oil Ordinance, fails to identify the competing interests involved, and fails to justify why the Oil Ordinance reflects a reasonable exercise of its police power.

The Oil Ordinance will significantly curtail efforts to continue oil and gas operations and will add significant new requirements and procedures to get approval for oil well maintenance. In effect, this will reduce the ability to continue with oil and gas operations.[2] But importantly, these new requirements and procedures placed on oil and gas operations will not eliminate the

[2] The 2025 Ordinance also includes vague and ambiguous language. For instance, the Oil Ordinance's addition to section 12.23.C.4(a)(3) prohibits the use of new or temporary Oil Well site equipment that was not originally permitted. The Oil Ordinance and staff report do not explain what is meant by the phrase "equipment" or "originally permitted."

City's ongoing demand for oil and gas products. To meet demand, every barrel of oil that is not produced within the City must necessarily be produced elsewhere, requiring further expenses and potential negative environmental impacts by instead requiring the importation of oil. Additionally, reliance on foreign oil in the midst of the current geopolitical turmoil will create threats to the stability of the state's economy.

For these reasons, adoption of the Oil Ordinance would violate the due process protections of the U.S. and California Constitutions. The City may not deprive persons of property rights without due process of law. (Cal. Const., Art. 1, § 7(a); U.S. Const. amend V, XIV; (1996) 43 Cal.App.4th 677, 686.) Arbitrary or irrational governmental action that infringes on a property owner's rights violates substantive constitutional due process. ((2005) 544 U.S. 528, 541; (1981) 126 Cal.App.3d 330, 337.) In a rush to expand the scope of well maintenance through the Oil Ordinance, the City has failed to demonstrate that current oil operations or maintenance techniques in the City result in any environmental, health, or safety hazards. Without any viable justification for its actions, the City lacks any legitimate interest in restricting these operations throughout the City.

III The Oil Ordinance is an Unconstitutional Taking of E B's Vested Rights

The U.S. and California Constitutions provide that private property shall not be taken without just compensation. (U.S. Const. amend. V; Cal. Const., Art. 1, § 19.) These constitutional protections apply to regulatory takings. ((1992) 505 U.S. 1003, 1014.) "The right to remove oil and gas from the ground is a property right." ((2002) 103 Cal.App.4th 172, 186.)

E&B has vested property rights by its fee and leasehold ownership in mineral rights and its right to conduct its operations in the City, but the Oil Ordinance ignores these rights, significantly curtailing maintenance efforts, which will lead to the abandonment of wells. When dealing with vested property rights, the City cannot terminate E&B's existing operations without either the payment of just compensation or a demonstration that the existing, permitted operations and the associated maintenance are presently constituting a nuisance (which it has not).

Similarly, E&B's vested oil and gas rights are uniquely situated in the City, and the Oil Ordinance limits E&B's ability to properly maintain its oil wells and effectively eliminate the extraction of those resources in the City, without the ability to extract them elsewhere. ((1954) 127 Cal.App.2d 442.) The Oil Ordinance will effectively work to deprive E&B of the right to engage in the only business for which its subsurface mineral rights are fitted. Under the diminishing asset doctrine, E&B is entitled to produce oil and gas resources under its vested rights until the resource is exhausted or otherwise uneconomical to produce As such, the Oil Ordinance imposes an unconstitutional taking of E&B's property as an owner of mineral rights and as an oil and gas operator, along with the property of the landowners and the mineral rights holders in connection to E&B's leasehold interests

IV The Oil Ordinance's Amorti ation Scheme is Illusory and Unlawful

The Oil Ordinance prohibits maintenance operations necessary to continue the operation of wells, while holding out a narrow Health and Safety Exception as a supposed safety valve. In practice, any operator attempting to secure City approval to perform maintenance under that exception faces a discretionary process that can easily run months; during that time, production may have to be curtailed, and under the City's own nonconforming use rules, a year of "discontinued" operations results in a deemed termination of the use. By cutting off routine maintenance and routing essential work through a slow, uncertain exception process, the City is effectively terminating these uses long before any nominal 20-year period ever runs.

At the same time, the City has not produced a credible amortization analysis to justify a uniform 20-year phase-out for all wells. The City Attorney's office has previously advised the council-members that in order to defend this type of ordinance in litigation, it must have "expert amortization studies and proper environmental review."[3] While the City has prepared amortization studies, they are deficient and not relied upon by the City here. And as discussed below, its environmental review is cursory and improper.

The City fails to evaluate the legal propriety of establishing an amortization period for the extraction of mineral resources and ignores the legal doctrine that would invalidate this proposed ordinance – the diminishing asset doctrine. ((1996) 12 Cal.4th 533.) The California Supreme Court in recognized the "diminishing asset" doctrine and defined the scope of vested rights for mining, quarrying and other extractive uses, recognizing the unique qualities of extractive uses and holding that it includes an expansion of those uses. "The very nature and use of an extractive business contemplates the continuance of such use of the entire parcel of land as a whole, without limitation or restriction to the immediate area excavated at the time the ordinance was passed." (at pp. 553-554 [citing cases].)

Similarly, E&B's vested oil and gas rights are uniquely situated in the City, and the proposed ordinance seeks to terminate the extraction of those resources in the entire City, without the ability to extract them elsewhere. ((1954) 127 Cal.App.2d 442.) Under the diminishing asset doctrine, E&B is entitled to produce oil and gas resources under its vested rights until the resource is exhausted or otherwise uneconomical to produce -- the continued production of oil and gas resources is the expanded use and is protected under .

[3] Comments by Deputy City Attorney Jennifer Tobkin to Energy, Climate Change and Environmental Justice committee, dated Nov. 17, 2020 at 1:59:00, https://lacity.granicus.com/TranscriptViewer.php?view_id=103&clip_id=20391

V The IS MND Violates CEQA and an EIR is Required

CEQA applies whenever a government agency approves a discretionary project, defined as "an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." Pub. Res. Code § 21065. CEQA defines "project" as the "whole of an action" and prohibits segmentation of project activities in an effort to minimize the evaluation of environmental effects. "Accordingly, CEQA forbids piecemeal review of the significant environmental impacts of a project." , 211 Cal.App.4th 1209, 1222 (2012) (internal citations omitted). "Agencies cannot allow environmental considerations to become submerged by chopping a large project into many little ones."

The entire activity before the City is the phasing-out of oil operations within its City limits, but the IS/MND illegally only analyzes a portion of that project. The IS/MND leaves for future determination the environmental impacts of the abandonment and future condition of the former oil sites, including how those compare to the current oil operations. As stated in the IS/MND itself, "[its] analysis does not examine impacts from remediation and/or future development." (IS/MND at p. 40.) This activity is reasonably foreseeable as a result of the initial "project," and must be considered in an EIR. The IS/MND also fails to analyze the potentially significant environmental effects to air quality, aesthetics, traffic, odor, and noise as a result of the accelerated rate of abandonment activities as a result of the Oil Ordinance.

In addition, the IS/MND assumes a 20-year phase-out period in calculating air quality emissions from accelerated abandonment activities (see, e.g., IS/MND at pp. 52-54), but it fails to consider the potential that the City may shorten the amortization period. At Section 12.23.C.4(a)(5), the Oil Ordinance specifically contemplates that the City may "alter or shorten" the 20-year period and disclaiming any vested rights to operate for that 20-year period. In fact, the City has already hired consultants to prepare three widely-divergent amortization studies.[4] These studies had multiple technical problems, including a reliance on inappropriate approximations of capital expenditures and cost information. Evidently recognizing these issues, City Planning has not relied upon these amortization studies as a basis for the adoption of the Oil Ordinance. But by its prior actions in preparing amortization studies to support a shorter amortization period, the possibility of such an action is a reasonably foreseeable consequence of the adoption of the Oil Ordinance. So, the City cannot rely upon an IS/MND that blindly assumes that the accelerated abandonment activities will necessarily take place over the course of twenty years. The City may not piecemeal this project into separate, more palatable stages. CEQA requires that "environmental considerations do not become submerged by chopping a large project into many little ones—each with a minimal potential impact on the environment—which cumulatively may have disastrous consequences." (

[4] LA City, The Amortization Study, available at https://dpw.lacity.gov/sites/g/files/wph1766/files/2025-05/Amortization%20sub%20page%20with%20announcement%20of%20Study%20Release%20050225%20with%20Zoom%20link_0.pdf

(1988) 47 Cal.3d 376, 396 [holding that CEQA review must consider the reasonably foreseeable future expansion of the project].)

Similarly, the City improperly minimized the environmental consequences of this Oil Ordinance by adopting its broad definition of well maintenance in the 2025 ZAI (immediately after the Court-ordered rescission of its prior ZAI) and stating that this action required no environmental review. By broadly expanding the City's historical interpretation of well maintenance, the 2025 ZAI (and, if adopted, the Oil Ordinance) will drastically affect oil operator's ability to maintain their wells, and thus have a significant environmental impact on its ability to access mineral resources.

"Under CEQA, the agency must consider the cumulative environmental effects of its action before a project gains irreversible momentum." ((1986) 187 Cal.App.3d 1325, 1333; see also (1986) 183 Cal.App.3d 229, 249-25 ["the difficulty of assessing future impacts of a zoning ordinance does not excuse preparation of an EIR; such difficulty only reduces the level of specificity required and shifts the focus to the secondary effects"].) The "division of the project into two parts with 'mutually exclusive' environmental documents [is] 'inconsistent with the mandate of CEQA' and constitute[s] an abuse of discretion." (1986) 187 Cal.App.3d 1325, 1333-1336, citing cases.)

Under the "fair argument" standard, an EIR is required whenever substantial evidence in the record supports a "fair argument" that significant impacts may occur. ((1974) 13 Cal.3d 68; (1980) 106 Cal.App.3d 988; Cal. Pub. Resources Code §§ 21080(c), (d), 21100(a); CEQA Guidelines, § 15064(f)(1).) The Oil Ordinance will undoubtedly impact the availability of mineral resources in the City and the State since the stated goal of the City is to stop oil production within the City limits. "Mineral resources" are an environmental factor pursuant to CEQA, and the "loss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact. (CEQA Guidelines, Appendix G, § XII(a), (b); Pub. Resources Code § 21060.5.) The City's own Oil and Gas Health Report dated July 25, 2019, which is incorporated herein by reference, confirms that 1.6 billion barrels of recoverable oil and gas reserves remain beneath the City.[5] While the Staff Report now argues that oil and gas reserves are not considered a mineral resource (Staff Report at A-20), this argument is non-sensical and contradicts decades of prior environmental impact reports prepared by the City analyzing the impact of projects on oil and gas reserves under the Mineral Resources section.

In particular, the IS/MND does not evaluate the impacts to air quality, GHG, and energy from replacing the State's and the City's demand for oil and gas products as a result of the restrictions by the Oil Ordinance on the production of oil and gas within the City. The

[5] City of Los Angeles, Office of Petroleum and Natural Gas Administration and Safety, Oil and Gas Health Report, dated July 25, 2019, available at https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf at page 19.

elimination of oil and gas produced in the City of Los Angeles does not eliminate the State's demand, or the City's demand for oil and gas products. Every barrel of oil that is not produced in the City will need to be produced elsewhere, and most likely imported from other countries. Over the past several years, California sources of petroleum have been replaced by foreign sources. Substantial evidence supports a fair argument that the air quality, GHG, and energy effects of this transition will have significant environmental effects requiring further review under CEQA.

Importing crude oil from foreign sources instead of producing crude locally results in significantly higher GHG emissions, and associated criteria pollutant emissions, as confirmed by several state and county agencies.[6] Since 2012, CARB has been calculating the Carbon Intensity (CI) of crude oils produced from various parts of the world to establish the GHG life cycle emissions from such crude oils. According to CARB, the average CI score for all crude oil produced and transported to refineries in California is, on average, 11 to 12 grams of carbon dioxide equivalent per megajoule (g CO2e/MJ). Foreign crude oils have been calculated by CARB to have a CI score around this same average value of 11 to 12 g CO2e/MJ.

As most recently calculated in CARB's 2023 report, E&B's operations in the City have the following CI scores: Beverly Hills: 5.41; Cheviot Hills: 3.49; Las Cienegas: 4.96; Salt Lake: 3.18; Salt Lake South: 6.34; and San Vicente: 3.22. These scores are significantly lower than the average CI scores for crude oil. Crude oil from E&B's operations will be delivered via pipeline to market. Pipeline transportation is an efficient means of transporting crude oil with minimal associated GHG emissions. Foreign-based crude oil must be delivered to the California market by tanker vessels. Tanker vessels contribute to much higher emissions due to long distances traveled from around the world.[7]

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[6] CARB, , https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/crude-oil/2023_Crude_Average_CI_Calculation__final.pdf; CalGEM, , https://www.conservation.ca.gov/calgem/Pages/SB4_Final_EIR_TOC.aspx, at 12.2-37 ["by increasing the activity of oil and gas extraction outside of California, this alternative would cause increased GHG from sources that are not required to offset the GHG to comply with California's cap, resulting in an overall net increase in GHG emissions compared with both existing conditions and the project"]; . at 11.12-4, 12.2-49, C.2-63, C.2-84; LA County, , https://planning.lacounty.gov/long-range-planning/baldwin-hills-csd, at 4.2-42 to 4.2-45 ["The use of foreign crude oil is associated with substantial emissions associated with transportation [which] causes the greenhouse gas lifecycle emissions associated with foreign crude oil to be substantially higher than California crude oil").

[7] CARB's calculation of intensity values is also likely to understate the true environmental consequences of these foreign imports. Institute for Energy Research, Tipping the Scales, https://www.instituteforenergyresearch.org/wp-content/uploads/2022/07/Tipping-the-Scales.pdf

The IS/MND fails to consider cumulative impacts from other reasonably foreseeable restrictions on oil operations, such as a similarly restrictive ordinance proposed by the County of Los Angeles and the passage of SB 1137 by the State (imposing setbacks and increased restrictions on oil wells within a "health protection zone"). These cumulative impacts will result in increased well abandonments. CEQA also requires an analysis of other past, current, and probable future projects (including those unrelated to oil production restrictions). The IS/MND contains no discussion of any other projects. The IS/MND also fails to analyze the cumulative impacts from increased GHG and other air emissions from increased imports of oil as a result of the reduced local production. Accordingly, the IS/MND fails to meet the minimum standards of CEQA for cumulative impacts analysis.

The IS/MND also fails to discuss other reasonably foreseeable indirect impacts. This requirement extends to the adoption of lead agency ordinances that result in changes to land use patterns. There is no discussion as to the potential impacts that may result from the development of the sites as they are abandoned. Basic information, such as the zoning for the consolidated well sites, is not even included in the IS/MND even though this information is readily available. If a direct change in the physical environment will cause another change in the environment, the secondary effect must be evaluated as an indirect effect of the project. (CEQA Guidelines, § 15064(d).) CEQA review is also needed to consider the growth-inducing changes resulting from the City's proposed actions to discourage and force the termination of existing oil production operations. (, § 15358(a).) Yet the IS/MND fails entirely to consider these impacts.

A CEQA document must describe the physical environmental conditions in the vicinity of a proposed project as they exist at that time. This environmental setting will normally constitute the baseline physical conditions by which a lead agency will determine whether a project may have a significant impact on the environment. Without a comparison of existing baseline physical conditions to the conditions expected to be produced by a project, an initial study or EIR will not inform decision makers and the public of the project's significant environmental impacts, as CEQA mandates.

VI The Oil Ordinance is Not Consistent with the City's General Plan

The Conservation Element of the City's General Plan states that petroleum is a non-renewable resource and so impacts to this resource must be evaluated under CEQA:

> Natural mineral deposits are nonrenewable resources that cannot be replaced once they are depleted… CEQA requires that impacts on non-renewable mineral resources be evaluated relative to proposed development projects… Petroleum is a non-renewable resource

(Conservation Element at II-57, 58, 63.[8]) The Oil Ordinance must be consistent with the General Plan, such that "[t]he various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses, and programs specified in such a plan." (Gov. Code, § 65860 (a)(ii).) The "constitution for all future developments" is the general plan. ((1990) 52 Cal.3d 553, 570.) Before adopting the Ordinance, the City must evaluate properly the Oil Ordinance's consistency with the General Plan.

VII The Oil Ordinance Interferes with E B's Contractual Relations

Both the U.S. and California Constitutions prohibit the enactment of laws effecting a "substantial impairment" of contracts, which applies to public contracts as well as contracts between private parties. ((2020) 9 Cal.App.5th 1032, 1074.) E&B has contracts with various private parties, which impose obligations on E&B. The Oil Ordinance will impair these contracts by making it significantly more difficult to maintain its existing wells, which will undermine E&B's reasonable expectations under the contracts. E&B has several leases with the City for its oil and gas operations, and the expanded definition of oil well maintenance under the Oil Ordinance will result in a breach of those leases.

VIII The Oil Ordinances Leaves the City Vulnerable for Damages Under the Civil Rights Act

The federal Civil Rights Act, 42 U.S.C. § 1983 ("Section 1983"), provides a cause of action for damages based on claims arising from violations of federal rights. ((2018) 138 U.S. 1815, 1822.) The adoption of the Oil Ordinance will significantly impair E&B's constitutional rights, including its right to just compensation and due process rights. Accordingly, if the City adopts the Oil Ordinance as proposed, specifically in relation to well maintenance, the City will place itself at significant risk of liability under Section 1983, including for payment of damages suffered as a result of unreasonably phasing out oil well maintenance, and consequently, oil and gas production in the City.

For all of these reasons, we urge the Commission to reject the November 2025 Oil Ordinance and IS/MND.

Sincerely,

Matthew C. Wickersham

[8] https://planning.lacity.gov/odocument/28af7e21-ffdd-4f26-84e6-dfa967b2a1ee/Conservation_Element.pdf

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December 29, 2025

Lilian Rubio, City Planner
City of Los Angeles Department of City Planning
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Re: Proposed Oil and Gas Drilling Ordinance, Council File No. 17-0447-S2; Mitigated Negative Declaration, Environmental Case Nos. ENV-2025-2885, ENV-2025-2885-A, ENV-2025-2885-B

Dear Ms. Rubio,

We represent E&B Natural Resources Management Corporation, Hillcrest Beverly Oil Corporation, E&B ENR I, LLC, and Elysium Natural Resources, LLC (collectively, "E&B"). The City has proposed an Oil Ordinance ("Oil Ordinance"), which would amend the Los Angeles Municipal Code to prohibit new oil and gas extraction and make existing extraction uses nonconforming. The Oil Ordinance was heard by the City Planning Commission ("CPC") on December 11, 2025 and was recommended for approval by the City Council by a 5-0 vote.[1]

The City prepared a draft Initial Study/Mitigated Negative Declaration ("IS/MND")[2], ostensibly to comply with the California Environmental Quality Act ("CEQA"), and provided a 30-day period to comment on the IS/MND which closes on December 29, 2025. However, in the City's continuing race to complete the Oil Ordinance process, the CPC necessarily acted without the benefit of all public comments on the IS/MND because the public comment period does not close until December 29, 2025. Accordingly, to the extent the CPC recommendation with respect to the 2025 IS/MND is considered, such consideration should make note that the CPC recommendation was made

[1] Los Angeles City Planning Commission, Audio Recording of Planning Commission Meeting (Held December 11, 2025), agenda item on CEQA: ENV-2025-2885-MND (audio file), available at: https://planning.lacity.gov/plndoc/Audio/CPC/2025/12-11-2025/10_CPC_2025_2884_CA.mp3 (accessed December 19, 2025).

[2] Los Angeles Department of City Planning, Initial Study/ Mitigated Negative Declaration for proposed Oil and Gas Drilling Ordinance, ENV-2025-2885-MND (Prepared November 2025), available at: https://planning.lacity.gov/odocument/cca5f87f-542f-4d45-96c7-74dcaeb2391a/ENV-2025-2885.pdf (accessed December 19, 2025).

without the benefit of the full administrative record, and prematurely relies on CEQA documents that remain subject to public review and comment.

The City should follow the example of the County of Los Angeles and prepare an Environmental Impact Report ("EIR") rather than rely on an IS/MND as its attempt to comply with CEQA. Because the City is relying on a jurisdictional distinction to justify its chosen level of environmental review, and because that position is now part of the administrative record, the following statement by Department of City Planning staff during the December 11, 2025 CPC meeting is directly relevant to the City's claimed CEQA compliance:

> "…in regard to some comments on the environmental clearance that we've prepared, we'd just like to clarify that the City did prepare a Mitigated Negative Declaration and [it was] published November 26 and it's in accordance with CEQA. There was also a comment about following the County's EIR suit. We understand the County is intending to certify an EIR in relation to its new ordinance [and] the County is also taking additional steps as part of its oil regulations including amending its General Plan. While the County determined that an EIR is a proper CEQA clearance for all of the oil related actions in its own jurisdiction, this does not mean an EIR is also required within the City's jurisdiction for its adoption of this Oil Ordinance. Our CEQA analysis is based on its own planning and zoning regulations and the specifics of our ordinance, thus there are differences in both the type of action and the relevant regulations the County and City are both considering. The City's environmental review is in full compliance with CEQA given the factual and legal circumstances of their jurisdiction. Thank you." (See footnote 1, at 58:10.)

This clarification by the City shows that the City is affirmatively choosing to treat the Oil Ordinance as different in the "type of action" and the "relevant regulations" than the County's program, and the City is asserting that an MND is adequate "given the factual and legal circumstances" of the City's jurisdiction. But that framing does not answer the CEQA question presented here: whether, under CEQA's "whole of the action" requirement and the fair argument standard, the City's own ordinance may cause potentially significant direct, indirect, or cumulative physical impacts requiring an EIR. Here, the Oil Ordinance will mandate a phase-out of ongoing oil operations within the City with the resulting increase in abandonment work and will prohibit necessary maintenance work with only limited exceptions. In these respects, the City's ordinance will result in significantly more impacts than the County's draft ordinance.

More importantly, the City's IS/MND fails to comply with CEQA. The proposed Oil Ordinance contemplates a "citywide" rezoning across 465 square miles (IS/MND, § 3.2.2, p. 16), affecting every Council district (IS/MND, § 3.2.3, Table 1, p. 19) — such a rezoning requires the preparation of an EIR.

The City ignores the magnitude of its proposed action, most prominently by failing to consider the land use provisions of the General Plan and Community Plans[3] which authorize oil and gas uses. The City also fails to evaluate future uses for areas where oil and gas operations would be eliminated, as would typically be done with a rezoning effort.

The IS/MND also ignores the impact of the Oil Ordinance. The Oil Ordinance states that "no existing Oil Well…shall be maintained," (IS/MND, Project Description, p. 10) while the IS/MND[4] simultaneously assumes "routine operations, including well servicing and maintenance" (*id.* at p. 36) continue during the phase-out, and relies on discretionary exception pathways (*id.* at p. 37) to authorize otherwise prohibited work. The potential impacts of these servicing activities and exception-authorized work, across approximately 632 active wells and 1,232 idle wells, plus orphan and other wells/facilities, are not analyzed. Instead, the 2025 IS/MND treats operational activity as baseline while also changing what is allowed "by-right," essentially using that ambiguity to argue no EIR is required. (*Id.* at p. 10.)

For the reasons set forth in this letter (and other correspondence submitted by E&B),[5] the City should further consider its obligations under CEQA, revise the project description and properly evaluate the environmental effects of the proposed Oil Ordinance. We believe that an accurate and complete presentation of the project would support a "fair argument" that potentially significant impacts may occur, requiring the preparation of an EIR.

I. The IS/MND's Project Description is Incomplete, Unstable and Inaccurate

An "accurate, stable and finite" project description is a fundamental requirement of CEQA. *County of Inyo v. City of Los Angeles* (1977) 73 Cal.App.3d 185, 193. Here, the Oil Ordinance purports to terminate oil and gas land uses, but fails to include any consideration of the General Plan or Community Plan provisions which authorize oil and gas uses. The General Plan is the constitution for all future development. *Lesher Communications, Inc. v. City of Walnut Creek* (1990) 52 Cal.3d 531, 540. The City's General Plan and Community Plans authorize the existing oil and gas uses. For example,

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[3] Los Angeles Department of City, General Plan and Community Plans, available at: https://planning.lacity.gov/plans-policies/general-plan-overview (accessed December 19, 2025).

[4] A prior IS/MND was issued in September 2022 for the City's previous iteration of the proposed Oil Ordinance. References to the "2025 IS/MND" (see footnote 2, *supra*) in this letter are intended to identify where substantive changes have been made from the 2022 IS/MND for the previously proposed oil ordinance, and to highlight how the City's new analysis continues or expands upon the deficiencies identified in earlier correspondence. September 2022 IS/MND (ENV-2022-4865-MND) available here: https://planning.lacity.gov/odocument/6ab233e6-c8fe-4e56-9bdb-a12d197182d0/ENV-2022-4865-MND.pdf (accessed December 19, 2025).

[5] By this letter, E&B incorporates its prior submissions to City departments regarding the proposed Oil Ordinance. For purposes of any subsequent litigation, this letter is also deemed to include the administrative record in the prior oil and gas ordinance litigation as discussed in the March 3, 2025, stipulation for entry of judgment and writ filed in the prior litigation.

the Land Use maps for the West Los Angeles[6] and Wilmington Community Plans[7] depict "Oil Collection Center" areas. The South Los Angeles Community Plan, dated April 2018, also recognizes the oil drilling districts within its area and depicts them in Figure 3-8[8]. Other Community Plans and specific plans likewise contain affirmative oil-use designations, including "O" Oil Drilling District references, such as in the West Adams-Baldwin Hills-Leimert Community Plan[9] and the Central City West Specific Plan[10]. In eliminating oil and gas uses in the Municipal Code, the City is required to consider appropriate amendments to the General Plan and Community Plans. Changes to the zoning provisions of the Municipal Code are not legally sufficient without an evaluation of the General Plan and Community Plans. As stated by the California Supreme Court in *Lesher*: "The tail does not wag the dog." *Id.* This omission (which also affects the Land Use section of the IS/MND as discussed below) corrupts the entire CEQA process.[11]

In addition, the City improperly dismisses the need to evaluate future land uses as being not reasonably foreseeable and as being speculative. (IS/MND, Environmental Impact Analysis, p. 113.) If oil and gas uses are terminated, it is most certainly reasonably foreseeable that other uses would have to be authorized, as the City is required to identify which land uses are authorized in its jurisdiction. Cal. Gov't Code § 65302 (mandatory elements of a general plan, including land use). The City's unwillingness to identify future uses is not a basis for refusing to evaluate them. See *Sundstrom v. County of Mendocino* (1988) 202 Cal.App.3d 296, 311 (agency not allowed "to hide behind its own failure to gather relevant data"). The City makes future land use decisions regularly through its

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[6] West Los Angeles Community Plan, General Plan Land Use Map (as of July 23, 2013), available at: https://planning.lacity.gov/odocument/a5dc4fa1-7a2f-4af6-a694-07756b1d251a/wlaplanmap.pdf (accessed December 20, 2025).

[7] Wilmington Community Plan, General Plan Land Use Map (as of March 4, 2014), available at: https://planning.lacity.gov/odocument/efc0d654-3fd3-46ad-9b14-f6c0316444b6/wlmplanmap.pdf (accessed December 20, 2025).

[8] South Los Angeles Community Plan, Figure 3-8 Oil Drilling Districts South Los Angeles (dated April 2018), available at: https://planning.lacity.gov/odocument/b909e749-754e-4caa-af7f-14c82adaa2b7/South_Los_Angeles_Community_Plan.pdf#page=91 (accessed December 19, 2025).

[9] West Adams-Baldwin Hills-Leimert Community Plan (June 2026) at pp. 3-113 to 115, available at https://planning.lacity.gov/odocument/78984e0b-a63d-4533-ba57-4f84b8fd7696/West_Adams-Baldwin_Hills-Leimert_Community_plan.pdf (accessed December 20, 2025).

[10] Central City West Specific Plan at p. 14, available at: https://planning.lacity.gov/odocument/22b92dbb-bf78-4dc3-8c86-650491e5e3e4/Specific_Plan_Document.pdf (accessed December 20, 2025).

[11] The further revision of the Community Plans is clearly a contemplated result of the adoption of the Oil Ordinance, as the Oil Ordinance includes multiple amendments to the City's new zoning code in Chapter 1A. Chapter 1A specifically provides that "[t]he new Zoning code will be applied incrementally on a geographic basis through the update of the City's Community Plans." (LA Zoning Code, Chapter 1A at Preface.) So these provisions are ineffective until an update of the City's Community Plans takes place.

Community Plans and the update process, and this would be no different. Of course, the CEQA process associated with the identification of future land uses and amendments to Community Plans throughout the City would likely necessitate the preparation of an EIR.

The California Supreme Court has held that an EIR must analyze "future expansion or other action" when it is a "reasonably foreseeable consequence" of the initial project and would likely change the scope or nature of the project or its environmental effects. *Laurel Heights Improvement Assn. v. Regents of Univ. of California* (1988) 47 Cal.3d 376, 396. The 2025 IS/MND expressly adopts the type of deferral that *Laurel Heights* was designed to prevent. The City states "it would be speculative to contemplate when site remediation would occur…and the types of…future land uses" on former drill sites, and that "the scope of analysis…is limited to (1) cessation…and (2) abandonment activities that are reasonably foreseeable." (IS/MND, § 3.3.2, p. 40.) The City then confirms that "[t]he analysis does not examine impacts from remediation and/or future development," asserting instead that such impacts "would be analyzed in subsequent environmental analyses." (*Id.*) That is improper piecemealing under *Laurel Heights*. Remediation and redevelopment are reasonably foreseeable consequences of citywide termination and phase-out of use, well abandonment, and the City's acknowledged prospect of later discretionary approvals for reuse of former drill sites. The City cannot narrow the "Project" to cessation/abandonment and push the environmental consequences of reasonably foreseeable remediation and redevelopment into later, separate CEQA reviews after the policy decision has been made.

The Oil Ordinance is also not supported by an amortization study and its random selection of 20 years is not supported by any evidence. In the 2025 IS/MND, the City attempts to defend the 20-year period as "pre-existing" (IS/MND, § 3.3.2, p. 36) and also clarifies earlier termination triggers tied to idling and inactivity. (IS/MND, pp. 10, 35.) Those changes directly affect the timing, abandonment and related site work at the drill sites. The City cannot simultaneously adopt rules that alter cessation timing and continue to claim there is "no reasonable way to accurately predict the timeline" (IS/MND, § 3.3.2, p. 38) in order to avoid analyzing site-level impacts.

Moreover, the amortization process is not legally applicable to extractive mineral resources, but even if it was, an amortization analysis is a detailed fact-based analysis evaluating numerous factors for a particular property, such as investment in the use, fair market value, and remaining useful life. (See *Metromedia, Inc. v. City of San Diego* (1980) 26 Cal.3d 848, 883-884, rev. on other grounds *Metromedia, Inc. v. San Diego* (1981) 453 U.S. 490.) The City claims that there is no "reasonable way to accurately predict the timeline for cessation and abandonment at the individual level . . . ." (IS/MND, § 3.3.2, p. 38.) However, the City seeks to invoke an amortization process, a process of constitutional dimension for the taking of property, and an evaluation of the abandonment process at the individual level is exactly what is required.

The City's stunted and legally insufficient description of the project undermines the entire CEQA analysis and requires a complete re-examination of the environmental issues. The 2025 IS/MND describes the Ordinance as prohibiting maintenance ("no existing Oil

Well…shall be maintained"), while elsewhere assuming routine operations and routine maintenance continue during the phase-out. It also relies on separate "health/safety/ environmental threat" exceptions (IS/MND, § 3.3.1, p. 28) that can otherwise authorize prohibited work. Without a stable, enforceable definition distinguishing "maintenance," "routine operations," "rework," and "exception/threat-response work," the City has not described a stable project and cannot lawfully conclude that no EIR is required.

II. The City's IS/MND Results in Improper Piecemealing of Environmental Effects

CEQA defines "project" as the "whole of an action" and prohibits segmentation of project activities in an effort to minimize the evaluation of environmental effects. Cal. Publ. Res. Code § 15378; *Bozung v. Local Agency Formation Com.* (1975) 13 Cal.3d 263, 283-284. The City's failure to consider all required amendments to the General Plan or Community Plans, the City's failure to consider future land uses, and the City's unsubstantiated amortization program, all demonstrate that the City is engaging in improper segmentation under CEQA. The City seems to be paring down the "project" to evaluate as little as possible to support the adoption of an MND. The City is required to evaluate the "whole of the action" in any CEQA document evaluating any action to eliminate and amortize oil and gas uses, and if such an analysis had been performed, an EIR would likely have been required.

The 2025 IS/MND acknowledges SB 1137's 3,200-foot Health Protection Zone ("HPZ") and states that "According to CalGEM mapping records, all of the oil wells in the City fall within a HPZ," and that CalGEM cannot approve permits within an HPZ absent narrow exceptions "including to prevent or to respond to a threat to public health, safety, or the environment." (IS/MND, § 3.2.1, p. 13.) The Oil Ordinance likewise allows otherwise prohibited activities only through a separate zoning review process "to cease a threat to public health, safety, or the environment." (IS/MND, § 3.1, p. 10.) In the existing-conditions discussion, the IS/MND reports that "approximately 605 wells are within 50 feet and 1,015 wells are within 100 feet" of sensitive land uses (residences, schools, parks, daycares, nursing homes, or hospitals) showing many wells are at the nearest distance to sensitive receptors. (IS/MND, § 3.2.3, p. 24.) Yet, the IS/MND then treats continued operations and even exception-driven work as essentially baseline, stating that these limited health-and-safety activities "will not change existing conditions" and, elsewhere, that "exception-related activities would be "speculative at this time" and "not anticipated to change baseline conditions." (IS/MND § 3.2, p. 11; § 4.1 Aesthetics, p. 44.) It also assumes that, during the 20-year phase-out, wells will continue routine extraction and servicing "similar to existing conditions and historical operations," while deeming it "speculative to estimate how frequently" operators will seek exception approvals and acknowledging that baseline conditions may change as wells cease activity and proceed to abandonment. (IS/MND, § 3.3.2, pp. 37-38.) In this citywide HPZ and near-receptor setting, CEQA requires the City to analyze the combined, on-the-ground effects of the phase-out, ongoing operations, exception-authorized activities, and cessation/abandonment, rather than segmenting those interrelated components or treating them as too uncertain to avoid an EIR.

III. CEQA's Fair Argument Standard Requires the Preparation of an EIR

Under the "fair argument" standard, an EIR is required whenever substantial evidence in the record supports a "fair argument" that significant impacts may occur. *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal.3d 68; *Friends of B Street v. city of Hayward* (1980) 106 Cal.App.3d 988; Cal. Publ. Res. Code §§ 21080(c), 21080(d) and 21100(a); CEQA Guidelines, § 15064(f)(1). Further, as stated in *Sundstrom*: "If the local agency has failed to study an area of possible environmental impact, a fair argument may be based on the limited facts in the record. Deficiencies in the record may actually enlarge the scope of fair argument by lending a logical plausibility to a wider range of inferences." *Sundstrom*, 202 Cal.App.3d at 311. Thus, not only does substantial evidence support the preparation of an EIR (e.g., comments submitted on the MND and the Oil Ordinance), the City's failure to evaluate many substantive issues further proves that an EIR is required.

As noted above, the City's failure to evaluate the proper project infects the entire CEQA process, and all the environmental topics in the CEQA checklist would need to be re-evaluated. But even for the activities that the City admits may be within the scope of the project -- abandonment activities, maintenance activities, remediation activities -- insufficient analyses of the environmental effects of these activities are presented in the IS/MND. The IS/MND also significantly underestimates the impact to noise, traffic and air quality resulting from the greatly accelerated abandonment activities as a result of the Oil Ordinance. The IS/MND fails to acknowledge the immediate impact that the prohibition on maintenance activities will have on the ability of operators to maintain their current operations, resulting in premature termination of the existing production operations.

With respect to maintenance activities in particular, the City has performed no analyses whatsoever on the grounds that it is part of existing conditions (IS/MND, p. 10), although the City is simultaneously requiring E&B to obtain City approvals for "maintenance" activities, indicating the disconnect between the IS/MND's assumptions and the City's actions. (See E&B's Secondary Submission to City Planning Commission re Appeal of 2025 ZAI, dated 10/6/25, Exh. 2, submitted concurrently.) E&B as an operator believes that maintenance activities are previously approved and vested in the City's prior approval for the drilling of the well. (See, e.g., E&B's Justification for CEQA Appeal of 2025 ZAI, dated 11/10/25, Ex. 1, submitted concurrently [granting right "to maintain such equipment and accessories as they are necessary in the drilling for, and the production of oils, gas and other hydrocarbon substances"].) Further, maintenance activities may be performed in an environmentally sound manner. Regardless, the City's purposeful limiting of the activities to be evaluated in this IS/MND appears to be results-driven and not consistent with the City's practices.

The 2025 IS/MND treats "routine operations" and maintenance as existing baseline, describes prohibitions that would change what can occur "by right," (IS/MND, pp. 1, 10, 35) and relies on discretionary exception pathways (including SB 1137 health-and-safety exception permitting) that can authorize otherwise prohibited work. The City cannot blur what "maintenance" includes, avoid analyzing it as part of the Project, and then conclude no EIR is required because the impacts are "speculative." (IS/MND, p. 115).

Under *Sundstrom*, deficiencies in the record expand, not contract, the fair argument for requiring an EIR.

A. Aesthetics and Odors

The City's IS/MND claims that there are no impacts to aesthetics and less than significant impacts to odors for abandonment activities, and yet, for the 3-year voluntary abandonment process occurring at the Jefferson site, the City's conditions in the Plan Approval included conditions to address both of these issues. (See Case No. ZA-1965-17528(PA6).)[12] The City's statements that "there would be no visible change at most sites" (IS/MND, Environmental Impact Analysis, p. 43) and that "any abandonment activities would be temporarily occurring over the course of a few days or weeks at most sites" (*id.* at p. 44) is not supported by any evidence and contradicted by the City's Jefferson approval.

The City's statement that "abandonment activities are anticipated to last approximately 10 work days" (IS/MND, p. 52) could be accurate for one well, but not for the approximately 1,864 active and idle wells (632 active + 1,232 idle), plus additional orphan/other wells and related facilities to be abandoned. The City is required to consider these issues, and not solely rely on regulatory compliance to dismiss the potential environmental effects of abandonment activities. Needless to say, E&B, as an oil and gas operator, believes that these issues can be fully addressed, but for the City to minimize them as a couple days of work is just not supportable.

B. Air Quality, Greenhouse Gas Emissions, and Energy

In the City's evaluation of air quality, greenhouse gas emissions and energy, the IS/MND does not evaluate the impacts of replacing the State's and the City's demand for oil and gas products. The elimination of oil and gas produced in the City of Los Angeles does not eliminate the State's demand, or the City's demand for oil and gas products. Accordingly, displacement to out-of-jurisdiction and imports is a reasonably foreseeable consequence that must be addressed as part of the "whole of the action." Substantial evidence supporting the displacement and importing impacts are summarized below.

The City's IS/MND reports that oil and gas production in the City represents two percent of the state's total production and the 2025 IS/MND now reports the City's share as approximately 1.4% based on 2024 volumes, with continued decline, but it still does not analyze the reasonably foreseeable displacement impacts of ending in-City production.

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[12] Los Angeles Department of City Planning (Zoning Administrator), Letter of Determination re 1349-1375 West Jefferson Boulevard to Sentinel Peak Resources California LLC (Case No. ZA-1965-17528(PA6); CEQA Case No. ENV-2018-4710-CE) (May 15, 2019) available at: https://planning.lacity.gov/pdiscaseinfo/document/MjE3MDY00/46e6f77e-051c-4e11-ad6d-6ce8558211cd/pdd (accessed December 19, 2025); additional documents in same file available at: https://planning.lacity.gov/pdiscaseinfo/search/encoded/OTEyNzE0 (accessed December 19, 2025).

(IS/MND, p. 25.) The air quality, GHG and energy effects of this ordinance should be evaluated to provide a fair assessment of the environmental effects of the Oil Ordinance.

The impact of SB 1137's creation of health protection zones must be treated as a cumulative impact driver, and not a reason to narrow environmental review. Because the 2025 IS/MND states all City wells fall within health protection zones under SB 1137, localized and cumulative air-quality, odor, and nuisance impacts from ongoing operations treated as baseline, abandonment, and exception-authorized work are reasonably foreseeable and must be evaluated together.

The 2025 IS/MND evaluates a citywide ordinance intended to phase out and terminate oil and gas extraction within the City. That action does not eliminate demand for transportation fuels; it foreseeably shifts supply to out-of-jurisdiction production and increased imports. Those downstream effects are a reasonably foreseeable consequence of the City's action and must be analyzed under CEQA as indirect and cumulative impacts of the Project.

As shown by the documents submitted concurrently with this submission, state agencies have recognized that shifting production away from California and toward imports can increase lifecycle greenhouse gas emissions, particularly due to long-distance maritime transport and the absence of California's regulatory programs for upstream emissions sources.

Importing crude oil from foreign sources instead of producing crude locally results in significantly higher GHG emissions, and associated criteria pollutant emissions, as confirmed by several state and county agencies.[13] Since 2012, CARB has been calculating the Carbon Intensity (CI) of crude oils produced from various parts of the world to establish the GHG life cycle emissions from such crude oils. According to CARB, the average CI score for all crude oil produced and transported to refineries in California is, on average, 11 to 12 grams of carbon dioxide equivalent per megajoule (g CO2e/MJ). Foreign crude oils have been calculated by CARB to have a CI score around this same average value of 11 to 12 g CO2e/MJ. As most recently calculated in CARB's 2023 report, E&B's operations in the City have the following CI scores: Beverly Hills: 5.41; Cheviot Hills:

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[13] CARB, *Calculation of 2023 Crude Average Carbon Intensity Value*, https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/crude-oil/2023_Crude_Average_CI_Calculation__final.pdf; CalGEM, *Analysis of Oil and Gas Well Stimulation Treatments in California*, https://www.conservation.ca.gov/calgem/Pages/SB4_Final_EIR_TOC.aspx, at 12.2-37 ["by increasing the activity of oil and gas extraction outside of California, this alternative would cause increased GHG from sources that are not required to offset the GHG to comply with California's cap, resulting in an overall net increase in GHG emissions compared with both existing conditions and the project"]; *id.* at 11.12-4, 12.2-49, C.2-63, C.2-84; LA County, *Final EIR, Baldwin Hills Community Standards District*, https://planning.lacounty.gov/long-range-planning/baldwin-hills-csd, at 4.2-42 to 4.2-45 ["The use of foreign crude oil is associated with substantial emissions associated with transportation [which] causes the greenhouse gas lifecycle emissions associated with foreign crude oil to be substantially higher than California crude oil").

3.49; Las Cienegas: 4.96; Salt Lake: 3.18; Salt Lake South: 6.34; and San Vicente: 3.22. These scores are significantly lower than the average CI scores for crude oil. Crude oil from E&B's operations will be delivered via pipeline to market. Pipeline transportation is an efficient means of transporting crude oil with minimal associated GHG emissions. Foreign-based crude oil must be delivered to the California market by tanker vessels. Tanker vessels contribute to much higher emissions due to long distances traveled from around the world.[14]

In addition to emissions, increased reliance on imported crude oil heightens fuel-supply vulnerability in California's relatively isolated fuel system. California's crude supply network is not integrated with the broad lower-48 pipeline network and is therefore highly sensitive to marine imports and in-state pipeline/refinery constraints. (See, e.g., LAEDC 2025 Report re Oil & Gas in California at p. 4, 42.) As in-state production declines, crude pipeline throughput can approach critical minimum levels needed to maintain safe flow, and some refineries lack sufficient marine capacity to fully compensate. (See, e.g., WSPA, Urgent Vulnerabilities and Risks in California's Fuel Supply Chain, Sept. 2024.)

These risks are not speculative: recent reporting and industry analyses describe vulnerabilities created by declining local production and shifting crude movements that can threaten the viability of key in-state pipelines and increase reliance on marine imports, as included in the accompanying submission.

Accordingly, the City's 2025 IS/MND must evaluate the potentially significant GHG/air-quality and energy/supply-chain impacts associated with displacement to imports and out-of-area production as part of the "whole of the action." This record evidence supports, at minimum, a fair argument that an EIR is required.

C. Land Use

The City's IS/MND selectively evaluates certain provisions of the General Plan and Community Plans, but avoids the more pertinent issues, consistency with the land use provisions of these governing land use documents. As described above, the General Plan is the constitution for all future development and the City's Oil Ordinance, by terminating oil and gas uses without amending the General Plan or the Community Plans, creates a fatal inconsistency between the two. None of this is considered in the IS/MND. The City has shown in other CEQA documents how this analysis should be performed: the Land Use for the City's Downtown Community Plan in the City's EIR demonstrates how this analysis is to be performed, including an analysis of consistency with the General Plan's "land use policies, goals, strategies, and/or objective."[15] A similar analysis is required here.

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[14] CARB's calculation of intensity values is also likely to understate the true environmental consequences of these foreign imports. Institute for Energy Research, Tipping the Scales, https://www.instituteforenergyresearch.org/wp-content/uploads/2022/07/Tipping-the-Scales.pdf

[15] Los Angeles Department of City Plannin, Downtown Community Plan Update/ New Zoning Code for Downtown Community Plan, Draft EIR, § 4.10 Land Use and Planning, at 4.10-2,

D. Mineral Resources

The City's evaluation of mineral resources is stunningly misleading. As a threshold matter, the City fails to evaluate in any substantive way whether the Oil Ordinance would result in "the loss of availability of a known mineral resource that would be of value to the region and the residents of the State." The IS/MND admits that the City produces millions of barrels of oil per year (e.g., 2.5 million barrels in 2017, declining to approximately 1.6 million barrels in 2024) (IS/MND, § 3.2.3, p. 25), and this Oil Ordinance would result in a "loss" of that "known mineral resource" but the IS/MND dismisses this as too "small" to count. (IS/MND, Environmental Impact Analysis, p. 102.) The CEQA threshold does not allow a finding of less than significant solely because the production is a smaller share of statewide production (e.g., approximately 1.4% based on 2024 volumes) (IS/MND, § 3.2.3, p. 25) and the City cannot dispute that this loss will be a substantial amount. One barrel of oil produces approximately 19-20 gallons of gasoline, which means that annual production in the City could fill the tanks of about 2 million cars.

In addition, the IS/MND does not consider any State or regional policies, plans or laws regarding the production of oil and gas resources, and whether or not oil and gas resources would be "of value" stating only: "As State and national policies also shift away from petroleum the value of the resource continues to diminish." (IS/MND, p. 102.) Contrary to the City's conclusory statement, State law promotes the production of oil and gas resources:

> "The supervisor shall also supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of the wells to utilize all methods and practices known to the oil industry for the purpose of increasing the ultimate recovery of underground hydrocarbons and which, in the opinion of the supervisor, are suitable for this purpose in each proposed case." (Cal. Pub. Res. Code § 3106(b).)
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> "To best meet oil and gas needs in this state, the supervisor shall administer this division so as to encourage the wise development of oil and gas resources." (Cal. Pub. Res. Code § 3106(d).)

CalGEM oversees the drilling, operation, maintenance, plugging and abandonment of oil, natural gas and geothermal wells. CalGEM operates subject to an extensive set of laws and regulations, all of which demonstrate the "value" of oil and gas resources to the State of California. Furthermore, the oil and gas resources in the City of Los Angeles are recognized by the State of California by the designation of oil and gas fields.

The 2025 IS/MND now goes further and asserts "petroleum is not a mineral resource," relying in part on the Surface Mining and Reclamation Act-related Public

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available at:
https://planning.lacity.gov/eir/downtownCP_newZoningCode/deir/DEIR%20Sections/4.10_Land%20Use_Final.pdf (accessed December 19, 2025).

Resources Code provisions (e.g., Pub. Res. Code §§ 2005 and 3501) and the IS/MND's "geological treatises" distinction that minerals are generally "inorganic" and "generally have a crystallin structure," while fossil fuels (coal, gas, oil) are burred organic minerals (IS/MND, XII(a), pp. 99-100), and then attempts to narrow or eliminate Appendix G's mineral-resources inquiry for oil and gas – i.e., to treat Appendix G's "mineral resources" questions as effectively not applicable to petroleum and thereby support a "less than significant" conclusion under that checklist. (IS/MND, XII(a) – (b), pp. 100, 104.) It ignores that the IS/MND itself acknowledges that lead agencies historically interpreted CEQA Appendix G's mineral-resources questions as including fossil fuels, then asserts there is "no intent shown in the plain language of the CEQA statue or guidelines" to include fossil fuels. (IS/MND, XIII(a), p. 100.)

Many statutory and regulatory provisions broadly define mineral resources to include oil and gas. (See, e.g., Gov't Code § 66451.11 ["'mineral resource extraction' means gas, oil, hydrocarbon, gravel, or sand extraction, geothermal wells, or other similar commercial mining activity"]; Pub. Res. Code § 6407 ["Mineral deposits reserved to the state shall include all mineral deposits in lands belonging to, or which may become, the property of the state, including but not limited to, oil and gas…"]; Cal. Water Code § 8677 [titled "reservation of mineral deposits" and including "[a]ll oil, gas, oil shale, coal, phosphate, sodium, gold, silver, and all other mineral deposits in the land"]; Cal. Code Regs. Tit. 18, § 468 [discussing "market value of an oil and gas mineral property interest"].)

This argument also ignores that the Conservation Element[16] of the City's General Plan states that petroleum is a non-renewable resource and so impacts to this resource must be evaluated under CEQA:

> "Natural mineral deposits are nonrenewable resources that cannot be replaced once they are depleted…CEQA requires that impacts on non-renewable mineral resources be evaluated relative to proposed development projects… Petroleum is a non-renewable resource."

While the IS/MND states that fossil fuels are not a mineral resources (IS/MND, pp. 99-100), this argument is non-sensical and contradicts decades of prior environmental impact reports prepared by the City analyzing the impact of projects on oil and gas reserves under the Mineral Resources section.

The Oil Ordinance will undoubtedly impact the availability of mineral resources in the City and the State since the stated goal of the City is to stop oil production within the City limits. "Mineral resources" are an environmental factor pursuant to CEQA, and the "loss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource

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[16] Los Angeles Department of City Planning, General Plan, Conservation Element (City Plan Case No. 2001-0413-GPA; Council File No. 01-1094 (adopted September 26, 2001) available at: https://planning.lacity.gov/odocument/28af7e21-ffdd-4f26-84e6-dfa967b2a1ee/Conservation_Element.pdf (accessed December 19, 2025).

recovery site" constitutes an adverse environmental impact. (CEQA Guidelines, Appendix G, § XII(a), (b); Pub. Resources Code § 21060.5.) The City's own Oil and Gas Health Report dated July 25, 2019, which is incorporated herein by reference, confirms that 1.6 billion barrels of recoverable oil and gas reserves remain beneath the City.

The City also improperly minimizes the environmental consequences of this Oil Ordinance by previously adopting its broad definition of well maintenance in the 2025 ZAI (ZAI-2025-2976-ZAI, June 12, 2025),[17] which defines "well maintenance" as any scope of work requiring a CalGEM Notice of Intention "Rework Permit" or SCQAMD Rule 1148.2 notification for "Well Rework" and/or "Injection" (including activities such as acidizing and hydraulic fracturing). (2025 ZAI, pp. 1-2.) It did so immediately after the May 29, 2025 recission of the prior "well maintenance" ZAI and ZA Memo No. 141, pursuant to a stipulated judgment following the court's preemption ruling in the Warren litigation. (IS/MND, § 3.31 Project Background & Overview, pp. 25-29; ZAI Recission Memo, pp. 1-2.)[18] The City also asserted that issuing the 2025 ZAI required no CEQA review because it was "not a project" under CEQA and thus was exempt. (2025 ZAI, p. 8.) By broadly expanding the City's historical interpretation of well maintenance, the 2025 ZAI (and, if adopted, the Oil Ordinance) will drastically affect oil operators' ability to maintain their wells, and thus have a significant environmental impact on their ability to access mineral resources.

E. Hazards

The IS/MND states that "the termination of oil extraction activities would reduce the potential for upset and accident conditions associated with excessive methane from oil extraction citywide." (IS/MND at p. 84.) The IS/MND ignores that the phase-out of existing oil operations would introduce new impacts from the release of natural seeps in the area. As stated in a recent report, "[t]hese seeps have been documented to emit 10-100 times more methane and VOCs into the atmosphere in the LA Basin than crude oil production operations."[19] This report further concludes that "[i]t has been conclusively shown that, over the long term, producing this oil and gas reduces and often eliminates natural seepage in seep-prone California oilfields." The IS/MND fails to consider the

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[17] Los Angeles Department of City Planning, Zoning Administrator's Interpretation re: Well Maintenance (Case No. ZA-2025-2976-ZAI) (June 12, 2025), available at: https://planning.lacity.gov/pdiscaseinfo/document/MTU1MQ0/82065561-f922-4efb-8b32-0e189f041683/pdd (accessed December 19, 2025).

[18] Los Angeles Department of City Planning, Recission of Case No. ZA-2022-8997-ZAI-1A and ZA Memorandum No. 141 (May 29, 2025) available at: https://planning.lacity.gov/odocument/68f1ed13-781a-42cd-b7f5-9bf9ab51b7aa?Recission_-_Oil_ZAI_and_ZA_Memo_141.pdf (accessed December 19, 2025).

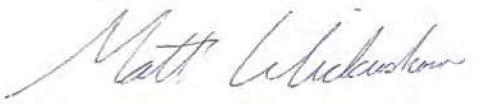
[19] J. Silvi, et al., *A Study of SB 237 to Stabilize Oil Production in California*, at p. 12; see also Rector, J., et al., *Fugitive Emissions from Natural Seeps and Orphaned Wells are Orders of Magnitude Greater than Fugitive Emissions from Production Equipment in Southern California.*

increased hazards from natural seeps and methane emissions that may result from the phase-out of oil and gas production in these areas.

All of these issues need to be considered by the City in its evaluation of impacts to mineral resources.

For all of these reasons, we urge the City to reconsider its CEQA approach to the Oil Ordinance.

Sincerely,



Matthew C. Wickersham

Index of Supporting Documents to E&B Natural Resource's December 29, 2025 Comment Letter re Mitigated Negative Declaration on Oil Ordinance – ENV-2025-2885

Date	Description
10/2008	Excerpts of Baldwin Hills Community Standards District EIR
7/23/2013	West LA Community Plan Map
3/4/2014	Wilmington Community Plan Map
6/2015	Excerpts of CalGEM EIR re Analysis of Well Stimulation Treatments
6/29/2016	West Adams-Baldwin Hills-Leimert Community Plan
11/2017	South LA Community Plan Excerpts
4/12/2018	Don Gautier, *Potential Additions to Oil Reserves in the City of Los Angeles, Executive Summary*
4/12/2018	Don Gautier, *Large Volumes of Potentially Recoverable Petroleum in City of Los Angeles, Fact Sheet*
12/3/2018	Don Gautier, Recoverable Petroleum Beneath the City of Los Angeles
5/15/2019	Plan Approval, Case No. ZA-1965-17528(PA6) – Jefferson Oil Drill Site
7/25/2019	OPNGAS, Oil and Gas Health Report, Council File 17-0447
10/22/2019	Central City West Specific Plan excerpts
2020	What is an Energy Island, fact sheet, California for Energy Independence
8/11/2021	Reuters, *California's clean grid may lean on oil, gas to avoid summer blackouts*
11/11/2021	Energy in Depth, *California Joins the "We Love OPEC" Alliance*
7/18/2022	Institute for Energy Research, *IER Report Details Flaws in Stanford University's Oil Production Greenhouse Gas Emissions Estimator*
7/18/2022	Institute for Energy Research, Daniel Tormey, *Tipping the Scales*
7/18/2022	Institute for Energy Research, *Tipping the Scales*, summary
8/25/2022	California Chamber of Commerce, CalChamber Tags SB 1137 as Job Killer
9/27/2022	LA City Downtown Community Plan EIR, Ch. 4.10 Land Use
2023	CARB, Crude Average Carbon Intensity Calculation
2024	Cal. Energy Commission, *Annual Oil Supply Sources To California Refineries*
2024	Cal. Energy Commission, *Crude Oil Imports by Transportation Type*
2024	Cal. Energy Commission, *Foreign Sources of Crude Oil Imports to California*
1/2/2024	Wall Street Journal, *Another California Gift to Texas*
1/3/2024	Energy in Depth, Calif. Politicians' Attacks on Oil and Gas Are Proving Expensive For Constituents
2/21/2024	Energy in Depth, *'We Simply Don't Have That Authority': Newsom Pushes Fracking Ban He Once Called Illegal*

9/5/2024	Energy in Depth, *Gavin Newsom's Election-Year Gift: Higher Gas Prices In Nevada and Arizona*
9/19/2024	WSPA, *Urgent Vulnerabilities and Risks in California's Fuel Supply Chain*
11/20/2024	Stillwater Associates, *Energy Transition Squeeze: The Phillips 66 Los Angeles Refinery Closure*
12/9/2024	U.S. Energy Information Administration, *California law and refinery closure reflect ongoing challenges for the state's fuel market*
3/2025	LAEDC, Oil and Gas In California
3/2025	WSPA, *Fueling Economic Growth in Los Angeles County*, fact sheet
3/16/2025	M. Mische, *A Study of California Gasoline Prices*
3/27/2025	Los Angeles County Planning, Initial Study, Revised Oil Well Ordinance
4/21/2025	Office of the Governor, Letter to Vice Chair Gunda
4/25/2025	Institute for Energy Research, California's Refinery Situation Looks Like It Will Get Worse
5/5/2025	E&B's Comment Letter to Energy & Environment Subcommittee re closed session hearing
6/27/2025	Cal. Energy Commission, Letter to Governor Newsom
8/4/2025	POLITICO, *How Big Oil got Gavin Newsom to change his tune*
8/7/2025	Wall Street Journal, *The Folly of California's Green Energy Future*
8/18/2025	CALmatters, *Gavin Newsom warms to Big Oil in climate reversal*
9/10/2025	Bloomberg, *Major California Oil Pipeline May Shut, Force Some Refiners to Import More Crude*
9/11/2025	RigZone, *California's Biggest Inland Oil Pipe On Course to Shut*
9/11/2025	LA Times, *California legislators strike last-minute deal to help oil industry but limit offshore drilling*
9/18/2025	CIPA, Comment Letter on SB 1137 Implementation Regulations
10/6/2025	E&B's Secondary Submission re Appeal to City Planning Commission of 2025 Zoning Administrator Interpretation
10/22/2025	Cal. Policy Center, *Oil Extraction Reduces Methane Seepage*
10/23/2025	J. Silvi et al, A Study of SB 237 to Stabilize Oil Production in California
10/26/2025	J. Rector et al, *Fugitive Emissions from Natural Seeps and Orphaned Wells are Orders of Magnitude Greater than Fugitive Emissions from Production Equipment in Southern California*
10/31/2025	Cal. Globe, What Does California Need to Stabilize the State's Oil Supply?
11/10/2025	E&B's Justification for CEQA Appeal of 2025 Zoning Administrator Interpretation
11/24/2025	Fox News, *Newsom's war on energy is crippling California and undermining our military*
12/1/2025	M. Mische, et al., California's Oil And Gasoline Conundrum: A Blueprint to Address California's Gasoline Insecurity, High Prices and Avert More Pipeline & Refinery Closures

12/2/2025	Cal. Globe, New Report Warns Consequences of an Oil Pipeline Shutdown would Cascade Across the State
12/4/2025	Energy in Depth, Report Shows Newsom Prioritizes Beijing over Bakersfield as CA Drifts toward Full Blown Energy Crisis
12/10/2025	CIPA, *Letter to Vice Chair Gunda re Immediate State Action Required to Prevent Refinery Collapse, Pipeline Failure, and Severe Fuel-Market Instability*
12/10/2025	Fox News, *Burgum calls California a 'national security risk' as Energy chief warns blue states are skewing cost averages*
12/15/2025	LA Times, *Port ships are becoming LA's biggest polluters. Will California force a cleanup?*
Undated	Kern Economic Development Corp., *Where California Gets Its Energy*

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December 1, 2025

VIA EMAIL ONLY
cpc@lacity.org

Los Angeles City Planning Commission
c/o The Commission Executive Assistant
200 N. Spring Street, Room 763
Los Angeles, CA 90012

Re: *Council File No. 17-0447-S2; CPC-2025-2884-CA (December 11, 2025 CPC Meeting) Warren's Initial Submission Opposing Proposed Oil and Gas Drilling Ordinance per AB 3233 and MND (ENV-2025-2885)*

Honorable Commissioners:

We represent Warren E&P, Inc.; Warren Resources of California, Inc.; and Warren Resources, Inc.; (collectively "Warren") and provide the following initial comments in advance of the City Planning Commission's ("CPC" or "Commission") December 11, 2025 meeting, in which Warren understands the CPC will consider the Proposed Oil and Gas Drilling Ordinance per AB 3233, as drafted September 2025 (herein, the "Oil Ordinance").[1]

The Oil Ordinance proposes to amend Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of Chapter 1 of the Los Angeles Municipal Code (LAMC) and Sections 1.4.7, 5D.9.7, 8.2.4, 12.1.2, 12.5.4, 13B.2.2, and Division 14.3 of Chapter 1A of the LAMC to prohibit new oil and gas extraction, make existing extraction a noncomforming use in all zones, and prohibit expansion or intensification of oil well activities or new permanent or temporary site equipment beyond the limits of what was originally permitted. As explained on numerous prior occasions in connection with the previous (nearly identical) ordinance, and again detailed below, Warren opposes the adoption of the Oil Ordinance and the related Mitigated Negative Declaration ("MND"), which was just posted November 27, 2025 per the City's website (ENV-2025-2885).[2]

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[1] Warren operates drilling and production sites within the City and would be detrimentally affected by the Project. It has a beneficial interest that would be adversely affected by the environmental impacts associated with the Project, and the Project will otherwise have a direct, substantial effect on Warren and its operations. Further, Warren makes these comments on behalf of the public interest, which interest would suffer if the City were not compelled to perform its duties under CEQA.

[2] Warren incorporates by reference all prior submissions in connection with the City's attempts to adopt Ordinance No. 187,709, including but not limited to the following: Warren's letter to the Planning

Warren urges the Commission to decline to adopt the Oil Ordinance because it is preempted by state and federal laws and is in direct contravention of the ruling, judgment, and writ of mandate (collectively referred to herein as the court's "orders") of the Los Angeles Superior Court in *Warren E&P, Inc. v. City of Los Angeles*, Los Angeles Superior Court Case No. 23STCP00060 and related cases (referred to herein as the "*Warren* related matters). While the MND contends that AB3233 is what now allows the City to adopt the same regulations on matters of statewide concern, AB3233 does not—and cannot—save the new Oil Ordinance. Simply put, the Legislature cannot allow a City to regulate a matter of statewide concern in this manner without first amending the Constitutional provisions that limit such regulation in Article XI Sections 5 and 7 of the California Constitution. The Legislature also cannot legislate around the California Supreme Court's decision in *Chevron U.S.A. Inc. v. County of Monterey* ("*Monterey*") (2023) 15 Cal.5th 135, holding that state law preempts local efforts to regulate oil and gas production methods and practices. The Oil Ordinance is thus unlawful and violates the prior orders.

Further, if adopted, the Oil Ordinance will effect an unconstitutional taking of Warren's property and will deprive Warren and royalty owners of their vested rights. The Oil Ordinance also violates CEQA, is inconsistent with the City's General Plan, and otherwise violates due process and equal protection rights under the constitution.

In addition to the below legal arguments, Warren objects to the extent the Commission intends to take any action whatsoever at its December 11 meeting because any action would be premature. Even though the CPC has scheduled its meeting for December 11, to date there has been no staff recommendation report made available to interested parties, nor has an agenda been posted. Most significantly, the City published the associated proposed MND on the Thanksgiving holiday, November 27, 2025, just four calendar days—and zero business days—before initial submissions (without any page limitations) on the Oil Ordinance were due. This timeline gives interested parties like Warren insufficient time to consider and comment on the Oil Ordinance and MND prior to the December 11 meeting and is thus a violation of due process. Further, the Commission is presumably considering making a recommendation to the City Council to approve the Oil Ordinance (and perhaps the MND) while the comment period on the MND is pending. The CPC may not recommend adoption of the Oil Ordinance (and MND) by the City Council until the CEQA review process is complete, certainly no sooner than the close of the public comment period on the MND of December 29, 2025.

For these reasons, Warren urges the Commission to defer taking action on the Oil Ordinance at its December 11 meeting so that it can fully consider the MND and all comments submitted in connection with both the Oil Ordinance and MND, and then Warren ultimately encourages the

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Commission dated September 19, 2022; its letter dated October 5, 2022 to the Energy, Climate Change, Environmental Justice, and River Committee; its letter dated October 17, 2022 to the Department of City Planning as to the 2022 MND; its letters to City Council dated November 21 and December 1, 2022. Warren additionally incorporates by reference all submissions in opposition to the issuance of Zoning Administrator Interpretation ZA-2025-2976-ZAI (the "2025 ZAI"), and Zoning Administrator Interpretation ZA-2022-8997-ZAI (the "2023 ZAI"). Warren additionally incorporates by reference all arguments and evidence submitted by E&B Natural Resources Management Corporation and its related entities.

Commission to decline to adopt the Oil Ordinance and MND since they are in violation of state and federal law.

The Proposed Oil Ordinance is Preempted by State and Federal Law, Violates the Court's Orders and is Not Saved by AB 3233

The proposed Oil Ordinance is substantively identical to Ordinance No. 187,709 purporting to amend Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of the Los Angeles Municipal Code (LAMC) to prohibit new oil and gas drilling activities and make existing extraction a noncomforming use in all zones and the accompanying prior 2023 ZAI. Despite Warren and others submitting collectively hundreds of pages of comment in opposition to Ordinance No. 187,709 and the related 2023 ZAI, the City plowed ahead, adopted the ordinance, and attempted to defend its actions in four related lawsuits in Los Angeles Superior Court. In September 2024, the Los Angeles Superior Court ultimately found that the ordinance and ZA documents attempted to regulate matters of statewide concern and were preempted by state law. *Warren E&P, Inc. v. City of Los Angeles*, Los Angeles Superior Court Case No. 23STCP00060 (Sept. 6, 2024) ("Sept. 6 Ruling," attached hereto as Exhibit A). The court thereafter entered judgment on the petitions and issued a writ commanding the City to refrain from enforcing the ordinance or ZA documents.

As the Los Angeles Superior Court stated in the orders, the City "here goes beyond the regulation of location and bars or regulates the oil production methods that may be used to extract oil from existing wells." (Ex. A [Sept. 6 Ruling] at p. 15.) The City is prohibited from regulating such methods and practices and the new Oil Ordinance is no different from the oil ordinance in this regard (and, in fact, it is substantially similar to the old ordinance). The new Oil Ordinance goes beyond location and still attempts to regulate the same matters of statewide concern. The City is bound by the court's prior orders on this point and cannot claim that it is no longer regulating a matter of statewide concern preempted by state law.

In ruling in Warren's favor on its preemption claim, the court stated that, "a writ of mandate shall issue, as the Ordinance and related guidance materials [the 2023 ZAI and ZA Memo 141] are preempted by state law and the 'home rule' doctrine does not save them from such preemption." (Ex. A [Sept. 6 Ruling].) To avoid continued litigation related to damages resulting from the City's violation of the law, the parties entered a stipulated judgment that included rescission of the ordinance, 2023 ZAI, and ZA Memo No. 141. (Exhibit B [judgment].) The final judgment of the court further provided that "the Court issues a judicial declaration that the Ordinance, ZA Memo 141 and ZAI are preempted by state law and additionally violate Article XI, Sections 5 and 7 of the California Constitution because [they] regulate a matter of statewide concern." [*Id.*]

The present, nearly-identical Oil Ordinance continues to be preempted and to unlawfully attempt to regulate matters of statewide concern for all the same reasons that the superior court found Ordinance No. 187,709 to be preempted and void. Citing to the California Supreme Court precedent set forth in *Monterey*, the court acknowledged that "CalGEM is 'tasked with overseeing the state's drilling, operation, maintenance, and plugging and abandonment of oil and gas wells." (Ex. A, Sept. 6 Ruling, citing *Monterey*, 15 Cal.5th at 140 (citing Pub. Res. Code §§ 3002, 3100, et seg., 3106(a)). Like in *Monterey*, the court found the ordinance to be preempted by section 3106 of the Public Resources

Code because "the Ordinance and related guidance contradict 'section 3106's mandate that the state 'shall' supervise oil operation in a way that permits well operators to 'utilize all methods and practices' the supervisor has approved.'" (Ex. A, Sept. 6 Ruling, quoting *Monterey*, 15 Cal.5th at 145.) The recently drafted Oil Ordinance is substantively identical to the preempted ordinance and thus is preempted for the same reasons.

Significantly, the court also found Ordinance 187,709 was not saved by the "home rule doctrine" applicable to charter cities because the ordinance attempts to regulate a matter of statewide concern—not a purely municipal affair. "[W]ith respect to oil and gas production, the Supervisor is charged with balancing those concerns for all Californians, along with meeting the energy needs of the state. The Court therefore finds that Division 3 of the Public Resources Code, including section 3106, addresses a matter of statewide concern." Sept. 6 Ruling at 14. In other words, section 3106 directs the State Oil and Gas Supervisor to oversee oil and gas operations and to regulate them in a way that serves the dual purpose of ensuring the state has adequate oil and gas resources, while also protecting the environment. That dual purpose is a matter of statewide concern, and because section 3106 is reasonably related to that statewide concern, the home rule doctrine cannot save a conflicting city measure. The same is true here.

Presumably, the City relies on Assembly Bill (AB) 3233 for its authority to enact this more recent Oil Ordinance. AB 3233 added section 3106.1 to the Public Resources Code, purporting to negate the preemption rulings of both *Monterey* and the *Warren* related matters. Specifically, section 3106.1 attempts to give local entities authority to regulate oil and gas operations, despite the Supreme Court's clear holding that such regulations are preempted by state law. The preemption holding of the Supreme Court in *Monterey*, however, was based on the constitutional provisions that provide for preemption by state law over conflicting local ordinances. Because the California Supreme Court is the final arbiter of state constitutional issues, unless a constitutional amendment is adopted, the legislature cannot overrule the Supreme Court. Once the Court has spoken on a constitutional issue, only a constitutional amendment can trump its holding. Consequently, AB 3233 is itself unlawful and cannot be relied upon to negate *Monterey's* ruling, nor can it otherwise grant conflicting authority to local governments.

Nor can the legislature delegate to local governments regulation of a matter determined to be a statewide concern. Pursuant to Article XI, sections 5 and 7 of the California Constitution, local governments may regulate matters of municipal affairs. Nothing in the Constitution gives cities and counties, whether charter or not, authority to regulate matters of statewide concern, nor can the legislature delegate authority to cities and counties in a way that contravenes the Constitution. AB 3233 does exactly that by attempting to give cities and counties the right to pass ordinances to regulate a matter of statewide concern. For this distinct reason, AB 3233 is itself unlawful and void, and cannot save the Oil Ordinance from the court's preemption ruling.

Finally, the Oil Ordinance is also preempted by federal law, and specifically the Federal Safe Water Drinking Act, as it conflicts with the federal government's delegation of authority to CalGEM to regulate UIC wells. "Congress intended that states retain authority respecting underground injection so long as it does not impinge on the UIC program administered by the EPA." (*Bath Petroleum Storage, Inc. v. Savas* (N.D.N.Y. 2004) 309 F.Supp.2d 357, 367-368.) Since the Oil Ordinance regulates injection wells, it is preempted by federal law. Further, to the extent AB 3233 attempts to permit cities and counties to regulate injection wells, the state exceeds the authority delegated to it by the federal government.

The Proposed Oil Ordinance Effects and Unconstitutional Taking and Deprivation of Vested Rights.

The Oil Ordinance, if adopted in its current form, will deprive Warren—and the royalty owners that it serves—of their real property rights. The U.S. and California Constitutions require the City to compensate Warren and its mineral owners for these losses. The Oil Ordinance, however, unlawfully makes no provision for such compensation.

The Oil Ordinance prohibits Warren from engaging in the customary operations necessary to maintain production from its existing wells. Warren's only operations are located within the City of Los Angeles and new wells are prohibited by the Oil Ordinance. As a result, the Oil Ordinance would unquestionably result in taking of Warren's vested rights, putting Warren out of business and leaving its employees jobless, their families without necessary financial support and its royalty owners without income that they have relied on for decades.

To date, Warren has invested over $400MM to develop its mineral estate in the City of Los Angeles through three well cellars at a consolidated drilling facility (the "Site"). The current LAMC allows for these operations as a *permitted right*. Warren's investment of over $400MM was incurred not merely for its existing production at the Site but also for additional operations on existing wells within the three well cellars, so that production can be maintained over the projected life of the wells, and for the drilling of new wells in the same three cellars. The Oil Ordinance will affect a zoning change that deprives Warren of engaging in its business at the Site and its business as a whole, subjecting the City's action to heightened scrutiny under the independent judgment standard. (*See e.g., Goat Hill Tavern v. City of Costa Mesa* (1992) 6 Cal.App.4th 1519, 1525.)

Warren and its royalty owners will be deprived of their reasonable investment-backed expectations and of the right to develop the remaining reserves. The Oil Ordinance thus will result in a taking of Warren's and its royalty owner's real property rights under the U.S. and California Constitutions, thereby subjecting the City to damages for this lost value—a significant liability for the taxpayers of the City of Los Angeles. (*See e.g., Penn Cent. Transp. Co. v New York City* (1978) 438 U.S. 104; *Hansen Brothers Enterprises v. Board of Supervisors* (1996) 12 Cal.4th 533, 553-554 (holding that "absolute prohibition [on mining] . . . practically amounts to a taking of the property").)

Warren limited its operations to the Site and to the three well cellars at the City's specific request. Also at the City's specific request, Warren agreed to give up its right to redrill 560 wells located outside the Site and agreed to a phased process of plugging and abandoning wells in the nearby area in return for the City agreeing that Warren could drill 540 wells at the Site with up to 5 well cellars.[3][4] To date,

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[3] Zoning Case ZA 20725-0 (PA1) dated July 20, 2006 and Zoning Case ZA 20725-0 (PA2) dated October 2, 2008 (the "Approvals").

[4] Warren was not required under the LAMC relating to the Approvals to give up the redrill rights to 560 wells and conduct the plugging and abandonment of 56 wells in the residential areas outside the Site within a certain time period. Neither were these measures related to the mitigation of environmental impacts. Accordingly, there was no essential nexus and rough proportionality as would be required if the Approvals were interpreted solely as permits under *Nollan v. California Coastal Comm'n,* 483 U.S. 825 (1987) and *Dolan v. City of Tigard,* 512 U.S. 374 (1994). Accordingly, the Approvals constituted a contractual obligation and give rise to a vested property right for that and other reasons. (*See M. J. Brock & Sons, Inc. v. City of Davis,* 401 F.Supp. 354, 361 (1983); *Morrison*

Warren has plugged and abandoned 139 wells since 2006 and has plans to plug and abandon more wells as its business continues to operate in the City.

If the Oil Ordinance is adopted, Warren will not be allowed to complete its project under the terms agreed upon by the City since no new wells will be allowed (221 wells have been drilled to date) and existing production cannot be maintained. Warren, however, has a legally protected and vested property right to utilize the Site for these additional operations. (*See e.g., Avco Community Developers, Inc. v. South Coast Regional Com.* (1976) 17 Cal. 3d 785, 791.)

The *Avco* rule provides that when a property owner has performed substantial work and incurred substantial liabilities in good faith reliance upon an entitlement issued by an agency, the party acquires a vested right to complete the construction of the project. This is particularly true for Warren in that not only did Warren obtain all necessary approvals from the City, but it also gave up its rights to redrill 560 wells in the Wilmington neighborhood outside the Site. Accordingly, Warren must be allowed to complete its project.

Warren's situation is similar to that presented in the case *Goat Hill Tavern v. City of Costa Mesa* (1992) 6 Cal.App.4th 1519, 1530. In that case, as in Warren's, the owner had an underlying right to use the property as a tavern. The owner subsequently obtained a conditional use permit to expand the business. When that permit expired, the City argued that the owner's rights had expired. However, the *Goat Hill Tavern* court held that "once [an approval] has been properly issued the power of a municipality to revoke it is limited . . . Where [an approval] has been properly obtained and in reliance thereon the [grantee] has incurred material expense, he acquires a vested property right to the protection of which he is entitled." (*Goat Hill Tavern*, 6 Cal.App.4th at 1530.)

Similar to *Goat Hill Tavern,* where the tavern owner had an underlying nonconforming use right, Warren also has a right to use the Site as an oil and gas well drilling site by virtue of the City's February 25, 1972 approval of a drilling and production site within the Nonurbanized Oil Drilling District No. 5 in the R4 and M2-1-O zones and by virtue of the Approvals. The *Goat Hill Tavern* court cited to multiple cases in which an agency action would ultimately force the company out of business, which as discussed above is what will happen here with Warren. (*Id.* at 1528-1529.) The court also emphasized that "interference with the right to continue an established business is far more serious than when an agency denies a request for a permit in the first instance." (*Id.* at 1529.) Once a permittee has acquired such a vested right it may be revoked only if the permittee "fails to comply with *reasonable* terms or conditions *expressed* in the permit granted." (*Id.* at 1530 (emphasis added).) Here, the Oil Ordinance completely revokes Warren's vested rights despite its compliance with terms and conditions expressed in the 1972 approval of the "O" drilling district and in the Approvals, and thus Warren will be deprived of its vested real property rights.

Warren must either continuously drill and maintain its wells, or go out of business. The California Supreme Court recognized in *Hansen Brothers Enterprises v. Board of Supervisors* (1996) 12 Cal.4th 533 that unlike other uses that operate within an existing structure or boundary, the use of land for mining and, in this instance, oil and gas drilling, anticipates the need to continuously expand the reach

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Homes Corp. v. City of Pleasanton. 58 Cal.App.3d 724 (1976).) The Oil Ordinance thus would improperly deny Warren a vested property right in violation of due process of law.

of the extraction activity. Warren must drill new wells and redrill and maintain old wells on the Site to maintain its current business. As stated by the California Supreme Court in *Hansen Brothers,* "this is not the usual case of a business conducted within buildings, nor is the land held merely as a site or location whereon the enterprise can be conducted indefinitely with existing facilities. . . the land itself is a material resource. It constitutes a diminishing asset." *Id.* at 553-554. Accordingly, "the ordinary concept of use must yield to the realities of the business in question and nature of its operations." *Id.* Given Warren's substantial economic investment, Warren's drilling rights are a vested property right and if the City chooses to terminate these rights, Warren would be entitled to compensation under the California and United States Constitutions.

It is Premature for the Commission to Consider the Oil Ordinance and MND and the MND Violates CEQA; A Complete EIR is Required

The California Supreme Court has explicitly rejected the ability of a reviewing body to take action on a proposed project prior to the completion of the CEQA review process, including the public comment period. Accordingly, if the Commission takes action on the proposed Oil Ordinance and/or the MND at its December 11 meeting, it would be doing so in violation of CEQA since the comment period on the MND does not expire until December 29, 2025.

In particular, in *Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 388, 394 the Supreme Court stated that:

> A fundamental purpose of [a CEQA document] is to provide decision makers with information they can use in deciding whether to approve a proposed project, not to inform them of the environmental effects of projects that they have already approved. If post approval environmental review were allowed, [CEQA documents] would likely become nothing more than post hoc rationalizations to support action already taken. We have expressly condemned this.

Accordingly, under not only its own requirements, but also under basic CEQA law, the Commission cannot make a recommendation at its December 11 meeting without completion of the CEQA process. Doing so would deprive the public of the right to participate in the process and prevent the Commission from engaging in informed decision making.

Further, a brief review of the MND[5] indicates that the Planning Department has understated the impacts that will result from this proposed project. It is clear that, ultimately, the City will be required to prepare an EIR, just as the County of Los Angeles is doing for its similar ordinance regulating oil operations.

By way of example, the MND's conclusion that impacts to mineral resources are insignificant is based on a flawed viewed of what is a mineral resource—a view that contradicts the City's own prior interpretation of that term—and directly contradicts the County of Los Angeles's conclusion that its similar ordinance would result in a potentially significant environmental effect on mineral resources, requiring the preparation of an EIR. To be clear, the Planning Department's conclusion on this point directly contradicts that of the County where the City is seated. (See Exhibit C for the County of Los Angeles Department of Regional Planning Initial Study in connection with the County's Revised Oil

[5] Warren will be submitting more fulsome comments to the MND prior to the December 29, 2025 deadline.

Well Ordinance which is designed to phase out oil production activities in the County.) The County concludes that preparation of an EIR is required in connection with the adoption of the County's Revised Oil Well Ordinance due to the potentially significant impacts to mineral resources. Since the Oil Ordinance bans new wells and maintenance activities on existing wells in support of the City's goal of eliminating production of petroleum resources, an EIR under CEQA is similarly necessary in the City just as it is with the County's ordinance. The City's Oil Ordinance will undoubtedly have an impact on availability of mineral resources, among other potential environmental impacts that the City has failed to consider despite Warren and others urging such consideration.

The City's analysis as to impacts to the "loss of availability" of mineral resources ignores the explicit standard in both the CEQA Guidelines and in the City's own CEQA thresholds of significance, and instead focuses on things like policies to reduce oil production, and the current production occurring in the City. The California Energy Commission, however, has published a report in response to Governor Newsom's request for recommendations for state policy changes to help "ensure that Californians have access to safe, affordable, and reliable transportation fuels and that petroleum refiners continue to see value in serving the California market . . . ." (CEC Report, June 27, 2025, attached hereto as Exhibit D.) The State thus is concerned with the loss of availability of petroleum resources within the State and the CEQA guidelines require an analysis of the loss to the State, not just the City. The MND improperly ignores the expert CEC report.

Also, the CEQA Guidelines require an analysis not of the loss of production, but of the loss of availability, of the known mineral resource. The City's own Oil and Gas Health Report dated July 25, 2019, which is incorporated herein by reference, confirms that *1.6 billion barrels* of recoverable oil and gas reserves remain beneath the City:

> Even after more than century of prolific production, the US Geological Survey estimates 1.6 billion barrels of recoverable oil remain in place beneath the City, *rivaling the reserves in the Middle Eastern countries, like Saudi Arabia, Iraq, and Kuwait 14,000 miles away*.[6]

Similarly, a report by the US Geological Service dated February 2013 describes the Los Angeles Basin, which is partly encompassed by the City, as containing "one of the highest concentrations of crude oil in the world. Sixty-eight oil fields have been named . . . including 10 accumulations that each contain more than 1 billion barrels of oil. One of these, the Wilmington-Belmont, is the fourth largest oil field in the United States." USGS Fact Sheet 2012-3120, which is incorporated herein by reference.[7] Accordingly, based on this expert evidence alone it is undeniable that the Oil Ordinance will have a significant impact on the availability of mineral resources and an EIR is thus required.

The MND also severely underestimates the potential air quality and health risk impacts from the condensed schedule to plug and abandon wells and uses incorrect assumptions in calculating those

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[6] https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf at page 19. Warren also incorporates by this reference the entire Administrative Record in the Warren related matters, which includes this document.
[7] https://pubs.usgs.gov/fs/2012/3120/fs2012-3120.pdf. Warren also incorporates by reference this document from the Administrative Record in the Warren related matters.

impacts. Warren incorporates by reference its expert submissions on the prior oil ordinance from Yorke Engineering, Inc. ("Yorke") on these issues. Yorke's submissions reflect that the Oil Ordinance will result in a significant impact to air quality.

CEQA requires that where there is substantial evidence supporting a fair argument that the project could have a significant non-mitigable effect the City must prepare an EIR. (CEQA Guidelines Section 15064(f)(1).) Even where there is "disagreement among expert opinion supported by the facts over the significance of an effect on the environment, the Lead Agency shall treat the effect as significant and shall prepare an EIR." (CEQA Guidelines Section 15064(g).) The Yorke expert analyses and the County's conclusions both demonstrate a disagreement among experts such that an EIR should be prepared.

The MND's analysis of greenhouse gas emissions ("GHGs") is also deficient because it only analyzes the direct impacts related to curtailing oil and gas production in the City. It does not analyze any indirect impacts related to the termination of oil and gas production and reclamation of the sites to new uses, which it is required to do under CEQA. (CEQA Guidelines Section 15064(d).)

There is No Evidence to Support that Warren's Operations Result in Negative Health Effects

Warren not only complies with California's stringent environmental regulations, but it also agreed with the City to use electric sources for its operations except for two combustion sources which produce minimal emissions and are not a significant impact for the City.

In 2019, the City of Los Angeles Office of Petroleum and Natural Gas Administration and Safety conducted an exhaustive review of government reports and studies and concluded that:

> There is a lack of empirical evidence correlating oil and gas operations within the City of Los Angeles to widespread negative health impacts. The lack of evidence of public health impacts from oil and natural gas operations has been demonstrated locally in multiple studies by the Los Angeles County Department of Public Health, the Los Angeles County Oil & Gas Strike Team, the South Coast Air Quality Management District and the comprehensive Kern County Environmental Impact Report and Health Risk Assessment.[8]

The City's position now is contrary to that prior report and not supported by the evidence. Warren's equipment and operations do not emit significant quantities of air pollutants and do not pose a significant health risk to the community residents or the public. Warren participates in annual emissions reporting to the SCAQMD, which includes mandatory reporting of air pollutants regulated by the Clean Air Act. Warren facility's actual emissions are low and based on these reported emissions the facility has never been required to obtain a federal operating air permit as it remains below major source thresholds for all pollutants. Further, low emissions of regulated pollutants are evidenced by the fact that Warren does not participate in the SCAQMD's RECLAIM program for large sources of oxides of nitrogen (NOx) and sulfur (SOx). Lastly, as a minor stationary source located in a heavily industrialized area of Wilmington, Warren has not permitted or installed new equipment or modified existing equipment in over 6 years.

[8] https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf at page 145. Warren incorporates by reference this document from the Administrative Record in the Warren related matters.

In addition to regulated pollutants, Warren has consistently reported low emissions of air contaminants. The facility routinely reports emissions to the SCAQMD yet has never been required by the SCAQMD to prepare a Health Risk Assessment (HRA) because of low emissions. For example, as determined by Yorke, Warren's reported emission of air pollutants and associated health risk impacts are on par with that of a supermarket with a fast-food restaurant or of a fast-food restaurant with a drive through.

Warren has obtained the appropriate air quality permits for all operating equipment. Restricting maintenance, testing, and repair of the existing equipment would not represent an emission reduction or result in any improved air quality for the area or the region.

Furthermore, and in violation of the Equal Protection Clause as applied through the Fourteenth Amendment to the U.S. Constitution, the City is unlawfully discriminating against one industry by prohibiting its operations within the City without taking similar actions against other industries or uses that provide similar or even more emissions than the oil and gas industry.

For all these reasons and those contained in the prior submissions to the City by Warren and other industry participants, Warren urges the Commission to not take action on the Oil Ordinance and MND at this time and ultimately to deny approval of the Oil Ordinance.

Sincerely,

DAY CARTER & MURPHY LLP

Tracy K. Hunckler

TKH:cb

Attachments

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▪ Tracy K. Hunckler
thunckler@daycartermurphy.com

December 9, 2025

VIA EMAIL ONLY
cpc@lacity.org

Los Angeles City Planning Commission
c/o The Commission Executive Assistant
200 N. Spring Street, Room 763
Los Angeles, CA 90012

Re: *Council File No. 17-0447-S2; CPC-2025-2884-CA (December 11, 2025 CPC Meeting, Agenda Item 10); Warren's Second Submission Opposing Proposed Oil and Gas Drilling Ordinance*

Honorable Commissioners:

We represent Warren E&P, Inc.; Warren Resources of California, Inc.; and Warren Resources, Inc.; (collectively "Warren") and provide the following second submission of comments in advance of the City Planning Commission's ("CPC" or "Commission") December 11, 2025 meeting, where the CPC will consider the Proposed Oil and Gas Drilling Ordinance per AB 3233, as drafted September 2025 (herein, the "Oil Ordinance"). These comments supplement Warren's comments in its Initial Submission dated December 1, 2025 ("Initial Submission").

Due Process Requires the CPC to Delay Consideration of the Oil Ordinance and MND

There can be no question that Warren has been, and currently is, an interested party in the City's potential adoption of the Oil Ordinance and its associated environmental review. Indeed, Warren successfully challenged the prior oil ordinance (which is substantially similar to the proposed Oil Ordinance) and secured a Court ruling, judgment and writ in its favor (collectively, the "Prior Orders"). The City has included Warren on all communications to interested parties relating to the City's efforts to reenact the Oil Ordinance following AB3233, including stakeholder meetings required by the Prior Orders, but did not inform Warren that this case had been scheduled for the CPC's December 11, 2025 meeting until December 4, 2025, three days after the December 1, 2025 deadline for Initial Submissions. (See Exhibit A hereto.) The City also did not inform Warren until December 4, 2025 that it had changed the form of the Oil Ordinance from what it had previously released in September 2025, or that it had published the associated proposed Mitigated Negative Declaration ("MND") and posted it to the City's website on the Thanksgiving Holiday (November 27, 2025). (*Id.*) There is no excuse for the City's notice delay as the Oil Ordinance is dated November 2025 and the MND was posted in November 2025. Yet

the City's calculated timing meant that Warren was deprived the opportunity to submit a fulsome Initial Submission of unlimited pages by the December 1 deadline.

The following City on-line resources also were not updated prior to the Initial Submission deadline to advise Warren and other stakeholders that this case would be coming before the Commission at its December 11 meeting:

- Planning Department case search for CPC-2025-2884-CA does not reflect this case being scheduled for any meeting before the Commission. (See Exhibit B hereto, screen shot as of December 2, 2025, which information remains the same today.)
- Planning Commission case hearing search for this matter as of December 2, 2025, does not include this case. (See Exhibit B hereto, screen shot as of December 2, 2025.)
- The City's dedicated webpage for the Oil Ordinance—the purpose of which is to inform the public about the Oil Ordinance and procedural developments—does not even identify the December 11 Commission meeting, nor does it provide the version of the Oil Ordinance before the Commission for approval (Exhibit A to Staff Report) and instead lists the prior version from September (Exhibit B to Staff Report). (See Exhibit B hereto, screen shot as of December 2, 2025, which remained the same as of today; http://www.planla.org/plans-policies/oil-and-gas-drilling-ordinance.)

Initial Submissions are the only meaningful opportunity to submit evidence to the Commission on the Oil Ordinance as they are not limited as to the number of pages. Secondary Submissions are limited to 10 pages including exhibits. The City denied Warren and other stakeholders a fair opportunity to submit such evidence by failing to advise them before the December 1 deadline for Initial Submissions of the December 11 Commission meeting along with the version of the Oil Ordinance to be considered and of the City's posting of the MND.[1]

Warren further reiterates that it is inappropriate to recommend that the City Council approve the Oil Ordinance and MND while the comment period on the MND is pending. The Commission may not recommend adoption by the City Council until the CEQA review process is complete and all public comments have been received and considered, certainly no sooner than the close of the public comment period on the MND of December 29, 2025.

The City Revised the Oil Ordinance After the Second Stakeholder Meeting, Thereby Prohibiting the CPC from Considering the Oil Ordinance at this Time

The City will violate the Prior Orders if it considers the Oil Ordinance at the Commission's December 11, 2025 meeting. The Prior Orders require the Planning Department to take certain action before the Commission can consider the Oil Ordinance:

[1] Indeed, Warren was the only party to submit an Initial Submission and its submission was limited due to the City's lack of timely notice. Warren only learned of the Commission hearing through its counsel searching through pending City ordinances on the City's website on Sunday, November 30, 2025, leaving just one day to draft an Initial Submission based on its vague understanding of what the Commission might be considering.

> The Department shall publicly release the contents of the proposed New Ordinance prior to the second stakeholder meeting. The second meeting shall occur at least 15 days in advance of the presentation of a draft New Ordinance to the City Planning Commission.

(Exhibit B to Initial Submission at ¶6.) As explained above, the Planning Department did not release the revised contents of the Oil Ordinance until it issued the Staff Report on December 2, 2025, less than 15 days prior to the December 11 meeting and *after* (not before) the Second Stakeholder meeting.

While the Planning Department released a document that it portrayed to be the "proposed New Ordinance" (Exhibit B to Staff Report) on September 17, 2025, in advance of the October 1, 2025 Second Stakeholder meeting, the Staff Report reflects that the Commission is being asked to approve a different "proposed New Ordinance" (Exhibit A to Staff Report) that was not released to the public until the December 2 Staff Report, long after the October 1, 2025 Second Stakeholder meeting. Advance release of the Oil Ordinance to Warren (and the other parties to the Prior Orders) was required so that (among other reasons) they had sufficient time to meaningfully review the Oil Ordinance and submit comments on the same prior to consideration by the Commission. The City deprived the parties of that opportunity by failing to comply with the Prior Orders and, instead, blindsiding them with a revised "proposed New Ordinance"—one that Warren could not fully comment on as part of its Initial Submission because it was not released by the City until after that deadline.

To be clear, Initial Submissions were due on December 1, 2025, the day prior to the City releasing the Oil Ordinance in the December 2, 2025 Staff Report. Warren's December 1, 2025 Initial Submission was thus, by definition, based on the prior version of the Oil Ordinance provided to Warren and other stakeholders on September 17, 2025. The Staff Report, however, explains that revisions were made after that date and the form of the Oil Ordinance had changed such that it was now a completely different document attached as Exhibit A to the Staff Report, with the prior version provided on September 17, 2025 being attached as Exhibit B to the Staff Report. The Staff Report does not even provide a redline comparison of the two versions. The City did not provide this new document to Warren (or others) as required by the Prior Orders, nor did it provide this new document to Warren and other stakeholders in November, even though it was in existence in November given that the Oil Ordinance in Exhibit A to the Staff Report bears that date.

These tactics not only violate the Prior Orders but they also violate the due process rights of Warren and others. It is thus unlawful for the Commission to consider the Oil Ordinance at its December 11, 2025 meeting. Consideration must be delayed until the City complies with the Prior Orders by holding a Second Stakeholder meeting on the Oil Ordinance attached as Exhibit A to the Staff Report and allowing more than 15 days thereafter before the Commission meets so that the Commission can consider complete comments from all stakeholders prior to taking action on the Oil Ordinance.

The Oil Ordinance is Further Preempted by SB 1137 and AQMD Rules

In addition to the preemption issues raised in Warren's Initial Submission, the Staff Report demonstrates that the Oil Ordinance also is preempted by SB 1137. SB 1137 is a state law

providing that CalGEM shall have the discretion to decide whether to allow new drilling and certain maintenance operations within defined health protection zones "to prevent or respond to a threat to public health, safety, or the environment." The Oil Ordinance seeks to deprive the State of this power by allowing the Zoning Administrator to determine whether there is a health and safety reason for such operations to proceed through a proposed Health & Safety Exception process. (Staff Report at A-11 ("Operators must secure authorization through a separate zoning review process (administered by the Office of Zoning Administration) to justify the necessity and scope of the work.").) In simple language, the Ordinance impermissibly prohibits or regulates maintenance and the consideration of health, safety and environmental factors, which authority has been reserved by the State through CalGEM, not granted to the City. For the reasons explained in Warren's Initial Submission, AB3233 does not give the Zoning Administrator the authority to trump the State's decisions on these matters of statewide concern.

The Oil Ordinance also seeks to regulate and restrict maintenance activities by specifically incorporating the type of activities regulated not only by the State and CalGEM, but also the SCAQMD. The SCAQMD has extensive rules regarding the air quality concerns that the City purportedly seeks to address by way of the Oil Ordinance. (*See, e.g.*, SCAQMD Rules 1148.1 and 1148.2.) "The Legislature has designated regional air pollution districts as the primary enforcers of air quality regulations." (*So. Cal. Gas Co. v. So. Coast Air Quality Mgmt. Dist.* (2012) 200 Cal.App.4th 251, 269.) And in fact, these rules are actively implemented and enforced by the SCAQMD. The Oil Ordinance thus further improperly seeks to prohibit activities that are comprehensively regulated by the SCAQMD. "If the preemption doctrine means anything, it means that a local entity may not pass an ordinance, the effect of which is to completely frustrate a broad, evolutional statutory regime enacted by the Legislature." (*Fiscal v. City and County of San Francisco* (2008) 158 Cal.App.4th 895, 914–915.)

The City Has Not Met the Findings for Adoption of an Urgency Ordinance

The Oil Ordinance is drafted as an Urgency Ordinance under Section 253 of the Los Angeles City Charter (*see* Section 22 of the Oil Ordinance, page 34), but the Staff Report does not include any findings to support such urgency. Section 253 provides that, "An urgency ordinance may only be adopted if required for the immediate preservation of the public peace, health or safety. Any urgency ordinance shall contain a specific statement showing its urgency, and must be passed by a three-fourths vote of the Council." There is no evidence, let alone substantial evidence, of an urgent need for the Oil Ordinance and thus, it should not be approved as one. Indeed, when the prior oil ordinance was adopted, there was no urgency and there has been no showing of a change since then. Moreover, the urgency language in the Oil Ordinance speaks to the "continued existence and operation of oil and gas extraction activities, particularly in close proximity to residential areas, schools, and other sensitive land uses, [as] pos[ing] a credible, immediate, and ongoing threat to the public health, safety, and general welfare of Los Angeles residents," but the Oil Ordinance does not prohibit such operations at this time, further demonstrating that there is no urgency. Warren's operations surely do not create such an urgency given its low emissions as documented by the Yorke reports referenced in Warren's Initial Submission. The Oil Ordinance thus should not be recommended for approval as an urgency ordinance.

The Oil Ordinance Constitutes a Taking, Not a Legitimate Exercise of Police Powers

As explained in Warren's Initial Submission (as well as numerous times before), the Oil Ordinance will effect an unconstitutional taking of Warren's real property rights (and the property rights of its royalty owners) for which the City must compensate Warren. The Staff Report improperly contends that the Oil Ordinance is a "land use regulation—not an act of eminent domain" and "a legitimate exercise of the City's inherent police power . . . ." (Staff Report at A-20.) The Oil Ordinance, however, is *not* a land use regulation. Rather, like the prior oil ordinance, and like Measure Z at issue before the California Supreme Court in *Monterey*, the Oil Ordinance attempts to ban the drilling of new wells and to prohibit maintenance of existing wells by using land use and zoning as a pretext "to do indirectly what [it] cannot do directly." (*Chevron U.S.A. Inc. v. County of Monterey* ("*Monterey*") (2023) 15 Cal.5th 135, 142.) By its express terms, operators cannot continue existing operations under the Oil Ordinance because maintenance is prohibited absent a Health and Safety exception. To claim otherwise demonstrates the City's lack of understanding of the activities it attempts to regulate. The Oil Ordinance will impede existing production, removing it from the sphere of land use and zoning and putting it squarely within takings liability.

The Oil Ordinance also is not a legitimate exercise of police power for the separate and distinct reason that it is arbitrary, capricious, lacking in evidence, contrary to public policy, and does not serve a compelling state interest. By way of example, the Staff Report and Oil Ordinance fail to counter Warren's evidence of the low emissions of its all-electric operations. Nor does the City establish that any of the alleged harms actually stem from local oil and gas operations, or put forth evidence that Warren's operations otherwise result in the negative health impacts the City attributes to oil and gas operations generally (*see* Initial Submission at pages 9-10).

The Oil Ordinance also fails to account for, or even acknowledge, the recent change in state law and policy encouraging the responsible extraction and production of oil and gas to meet consumer and refining demands, including through SB 237 (allowing the State to approve up to 2,000 state permits per year for oil wells in Kern County). The City has failed to properly consider all likely impacts of the Oil Ordinance, including social impacts of job loss and the impacts of accelerated plug and abandonment work and increased oil imports to meet consumer demand when faced with diminished local supply.

Ultimately, the City fails to justify the Oil Ordinance as a reasonable exercise of police powers and fails to establish any nuisance conditions that the Oil Ordinance would prevent. For these reasons, the City exceeds any purportedly legitimate police power or zoning authority it might have to promulgate reasonable zoning ordinances. (*See Beverly Oil Co. v. Los Angeles* (1953) 40 Cal.2d 552.)

The Oil Ordinance is Impermissibly Vague and Ambiguous

City laws and ordinances must be clear, precise, definite and certain in their terms so that their precise meaning can be ascertained. Statutes which either forbid or require the doing of an act in terms so vague that people of common intelligence must necessarily guess at their meaning and differ as to their application, violate due process of law. (*Zubarau v. City of Palmdale* (2011) 192

Cal.App.4th 289, 308.) Here, the proposed Oil Ordinance is vague and ambiguous for numerous reasons including as described herein.

First, at a high level, the Staff Report provides: "The New Zoning Code (Chapter 1A) already includes policy and provisions that were integrated during the effective period of Oil Ordinance No. 187,709. The policy intent and provisions of Chapter I were translated into Chapter 1A on June 18, 2025, under CF 22-06172. As such, oil and gas is comprehensively structured across several key Articles in Chapter 1A: Article 1 (Introductory Provisions), Article 5 (Use), Article 8 (Specific Plans, Supplemental & Special Districts), Article 12 (Nonconformities), and Article 14 (General Rules)." It is not clear what the City intends with this statement nor is it clear how the Code is being amended, especially given the revisions to the New and "Old" Zoning Codes and all of the style and format changes that are generically referenced without showing specific amendments.

Additionally, the Oil Ordinance describes the amortization period as 20 years, which the City claims utilizes an already-established time-period for the phase-out of oil production in order to justify imposing the 20-year timeline (*see, e.g.*, Staff Report at A-4 "deliberately drawn from established precedent"). Yet the City also "continues to analyze the feasibility of a shorter timeline through parallel work streams across multiple City departments." *(Id.* at A-19.) The fact that the City, by its own words, is putting forth an ordinance that will force oil operations to cease within 20-years, but is simultaneously considering a shorter timeframe through *unspecified* "parallel work streams" across multiple *unspecified* City departments is outrageous, violates due process, and renders the Oil Ordinance unconstitutionally vague and ambiguous. At a minimum, operators are entitled to know at what point their long-established operations will be forced to shutter. More than that, they are entitled to notice and an opportunity to respond, which is impossible if unknown City departments are considering ways to shorten the amortization period and the Oil Ordinance gives the City the discretion to adopt such a reduction.[2]

In the same breath, the Staff Report indicates that the City expects existing oil operations to continue as usual, including maintenance activities, during the phase-out. "However, all existing activities must comply with the proposed regulation against expansion which explicitly prohibits new drilling, maintenance, redrilling, and deepening." (*Id.* at A-13.) This too, is impermissibly vague.

The Oil Ordinance Conflicts with the City's General Plan

Government Code § 65300.5 requires that the general plan and its elements comprise an integrated, internally consistent and compatible statement of policies. A zoning ordinance must be compatible with the objectives, policies, general land uses, and programs specified in the general plan. (Gov. Code § 65860(a).) These requirements extend to the City. (Gov. Code § 65860(d); *City of Los Angeles v. State of California* (1982) 138 Cal.App.3d 526.)

[2] Ironically, the City has already commissioned and received numerous amortization studies to consider a phase out of oil and gas, yet makes no mention of those studies in the Staff Report, MND or otherwise.

The Staff Report acknowledges that the Oil Ordinance may potentially conflict with the Objective and Policy 1 in the Conservation Element of the City's General Plan, but attempts to sweep the conflict aside by claiming that the Oil Ordinance will eventually "preserve the petroleum product in place" after giving ample time to support a transition to renewable energy. (Staff Report at F-2, F-3.) However, the General Plan's focus is not limited to only conserving natural resources, but also to the wise extraction of them as well. As the Staff Report acknowledges, the General Plan "encourages the conservation *and orderly extraction* of non-renewable resources, including petroleum, where appropriate." (*Id.* at F-3, F-4 (emphasis added).) Indeed, the Conservation Element sets out a policy to: "conserve petroleum resources and *enable appropriate, environmentally sensitive extraction* . . . and to reduce the city's dependency on imported petroleum and petroleum products." (Page II-64 of Conservation Element of City of Los Angeles General Plan (emphasis added).) By prohibiting new wells and restricting maintenance of existing wells, forcing the eventual end of oil operations, the Oil Ordinance directly and impermissibly conflicts with this stated policy of the General Plan.

The City is Illegally Piecemealing Required Environmental Review

CEQA review must account for the whole project, and "[a]gencies cannot allow environmental considerations to become submerged by chopping a large project into many little ones." (*Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 Cal.App.4th 1209, 1222 (internal citations omitted).) There is no doubt that the Oil Ordinance is part of a larger regulatory scheme to ban oil operations within the City that will unquestionably include (for example) the following, the environmental effects of which are not fully evaluated in the MND and Staff Report: (a) well plugging and abandonment and site remediation[3] and redevelopment;[4] (b) the time period for phasing out oil operations since the Oil Ordinance provides an undetermined time period (providing the City discretion to set the same),[5] while the City at the same time is evaluating the same issue elsewhere through City-commissioned amortization studies (see Council File No. 17-0447); (c) maintenance operations under a Health and Safety exception process in the Oil Ordinance that contemplates continued routine maintenance operations that are not evaluated;[6] and (d) adoption of a parallel 2025 ZAI (which is the subject of a pending appeal by Warren) banning the same maintenance activities covered in the Oil Ordinance with no environmental review of the new 2025

[3] "While site remediation and cleanup are overseen by state and regional agencies, including CalGEM and the State Water Board, ensuring specialized oversight when sites are permanently abandoned, the City is also examining site cleanup and remediation policies through separate Council instruction (Council File No. 21-1395)." (Staff Report at A-19.)

[4] "Lastly, it would be speculative to determine any future use that might occur on these sites. At the time when any well sites are considered for redevelopment, including well sites in M3 zones or those located on Cortese List, those actions would undergo additional environmental review in accordance with CEQA." (MND at 87.)

[5] "The City reserves its discretion to alter or shorten this 20 year period, or otherwise abolish uses, at any oil, gas, or hydrocarbon well site." (Exhibit A to Staff Report, Section 17 of Oil Ordinance at 27 (discussing 12.5.4.A.1(e)).)

[6] "During this phase-out period, well sites are anticipated to continue operating and undergo routine operations, including . . . Well Maintenance (i.e., well re-casing or maintenance acidization), similar to historical and existing practices," (Staff Report at A-12-A-13), but those historical and existing practices are not analyzed in the MND or Staff Report.

ZAI and absolutely no discussion or mention of it in the Oil Ordinance or MND.[7] All of these activities are part of the larger, reasonably foreseeable project of banning oil operations within the City and all must be evaluated now as a single project under CEQA. (*See id.*)

Contrary to the City's Own Past Practices and State Law, the City Has Improperly Excluded Oil, Gas and Other Hydrocarbons from the Common-Sense Definition of "Mineral Resources" in CEQA

In an effort to avoid the obvious impacts to the availability of mineral resources that will result from the City's campaign to ban oil production through the Oil Ordinance (and other piecemeal efforts discussed above), the City attempts to claim that oil, gas and petroleum resources are not "mineral resources" and thus the impact to their availability need not be analyzed under CEQA. This argument not only flies in the face of common sense but also long-standing State law and the City's own prior interpretations that analyzed oil and gas as "mineral resources" under CEQA, including when it adopted the old oil ordinance. California law is clear that minerals include oil, gas and other hydrocarbons. For example, mineral deposits reserved to the State include oil, gas and other hydrocarbons, as well as a long list of other substances. (Pub. Res. Code § 6407.) Similarly, for real property assessment purposes, state law defines "mineral rights" as including the right to enter the land for development and production of "minerals, including oil, gas and other hydrocarbons." (Rev. & Tax. Code § 607.5.) Simply put, the City must analyze the potential environmental impacts of the Oil Ordinance (and other piecemealed efforts) on the availability of mineral resources, which will require a finding that there is a potentially significant environmental impact requiring the preparation of an EIR. As discussed in the Initial Submission, this was the same conclusion reached by the County of Los Angeles in its consideration of similar restrictions to those in the Oil Ordinance. (See Exhibit C to Initial Submission.) There is no evidence in the City's record justifying a different CEQA conclusion than what the County decided—that an EIR is required to analyze the reasonably foreseeable impacts this type of restrictive ordinance can have on the environment.

The Oil Ordinance will undoubtedly impact the availability of mineral resources in the City and the State, resources which the State has acknowledged are important and vital at this time. The City, which is not facing a current urgency, should take the appropriate and necessary time to evaluate the environmental ramifications of its decision rather than attempting to rush a hasty approval without adequate analysis. For all these reasons and those contained in the prior submissions to the City by Warren and other industry participants, Warren urges the Commission to not take action on the Oil Ordinance and MND at this time and ultimately to deny approval of the Oil Ordinance.

Sincerely,

Tracy K. Hunckler

[7] The Staff Report vaguely refers to comments requesting the reissuance of the old ZAI as "relat[ing] to a separate policy matter that has since been addressed . . . ." (Staff Report at A-19.) The "separate policy matter" may be a reference to the new 2025 ZAI but the City does not disclose it as such, nor does it evaluate the new 2025 ZAI.

EXHIBIT A

From: Los Angeles City Planning <planning.oildrilling-lacity.org@shared1.ccsend.com>
Sent: Thursday, December 4, 2025 3:31 PM
To: Tracy Hunckler <thunckler@daycartermurphy.com>
Subject: Proposed Oil Ordinance at CPC on December 11th and Draft MND Available | Propuesta de la Ordenanza Petrolera en CPC el 11 de diciembre y el Borrador de MND Disponible

Para español siga hacia abajo.

Dear Interested Parties:

On September 17, 2025, Los Angeles City Planning released an initial draft of the proposed Oil and Gas Drilling Ordinance (Ordinance) in response to the City Council

instruction as well as an accompanying Fact Sheet outlining frequently asked questions and a summary of key provisions.

Since then, City Planning has taken significant steps to advance the Ordinance. A revised version of the proposed Ordinance is available for public review here (see Exhibit A within the staff recommendation report).

The revised version of the proposed Ordinance, dated November 2025, includes 1) clarifying language to the proposed text in Sec. 3 and Sec. 17 of the Ordinance which amends Section 12.23 C.4(a)(5) of Chapter I and Section 12.5.4. of Division 12.5. of Article 12 of Chapter 1A of the LAMC, respectively, 2) correcting the amendment instruction citation found in the Sec. 12 of the Ordinance which amends Section 8.2.4. of Division 8.2. of Article 8 of Chapter 1A of the LAMC, 3) adding style and formatting clauses as the new Sec. 20 necessary to publish the Ordinance in Ch 1A, and 4) adding an urgency clause as the new Sec. 22 of the Ordinance.

Additionally, on November 26, 2025, a Mitigated Negative Declaration (MND) which analyzes potential impacts on the environment for the proposed Ordinance was released (*please see Environmental Case Number ENV-2025-2885-MND*). The MND is available for public review and comment and can be accessed on our Department's website. The comment period will end on **December 29, 2025.** Please submit your written comments (*and include Environmental Case No. ENV-2025-2885-MND*) via email or mail by 4 p.m. on **December 29, 2025** to the following addresses:

City of Los Angeles Department of City Planning

Attn: Lilian Rubio

200 North Spring Street, Room 701

Los Angeles, CA 90012

planning.oildrilling@lacity.org

Beyond the MND comment period, general public comments are also welcomed until the proposed Ordinance is adopted by City Council.

The staff recommendation report and revised version of the proposed Ordinance are scheduled for the December 11, 2025 City Planning Commission (CPC) meeting starting at 8:30 a.m. The meeting will take place at Los Angeles City Hall, John Ferraro Council

Chamber, 3rd Floor, Room 340, 200 North Spring Street, Los Angeles, CA 90012. This meeting may also be available virtually. The agenda for this CPC meeting is available at planning4la.org/about/commissions-boards-hearings and will include the most up-to-date information on how to attend and submit comments directly to the CPC.

All interested persons are invited to attend the meeting where you may listen, and/or present testimony regarding the project. Please note that the CPC may take action at the meeting to make a recommendation to the City Council on the proposed Ordinance and accompanying environmental clearance.

If you have any comments, questions, or would like to be added to the interested parties list, please email planning.oildrilling@lacity.org or mail correspondence to:

City Planner Lilian Rubio, Los Angeles City Planning

200 North Spring Street, Room 701

Los Angeles, CA, 90012

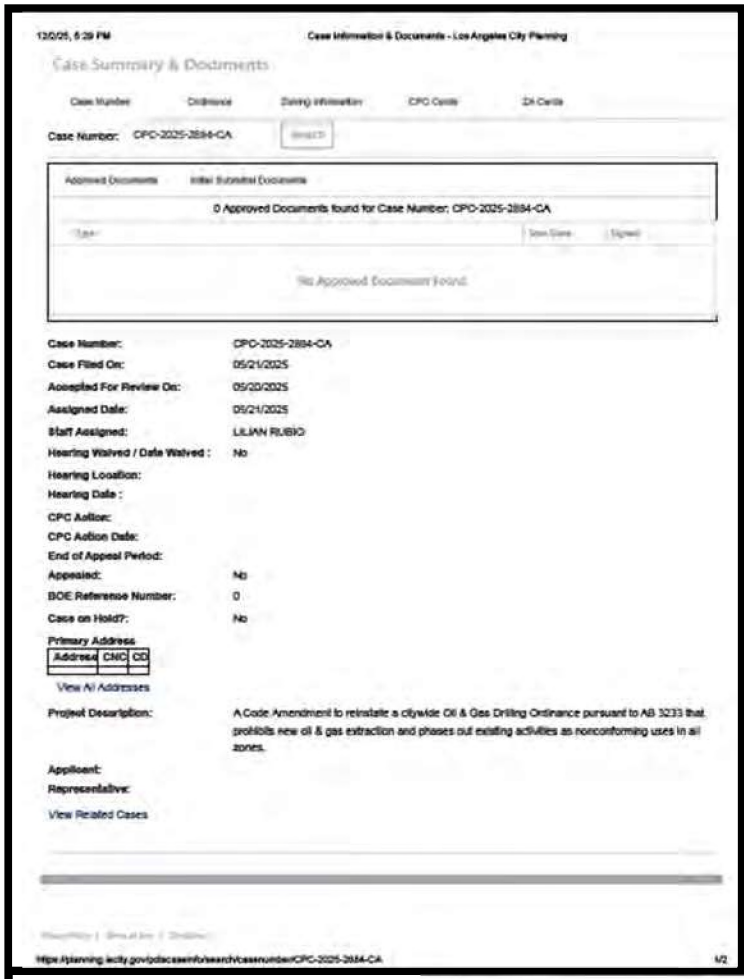
Thank you for your continued interest in the Oil and Gas Drilling Ordinance.

Estimadas partes interesadas:

El 17 de septiembre de 2025, el Departamento de Planeación de la Ciudad de Los Ángeles (Departamento de Planeación) publicó un borrador inicial de la Ordenanza de Perforación de Petróleo y Gas (Ordenanza) propuesta en respuesta a la instrucción del Consejo de la Ciudad, así como una Hoja Informativa adjunta que describe preguntas frecuentes y un resumen de las disposiciones clave.

Desde entonces, el Departamento de Planeación ha tomado medidas importantes para avanzar con la Ordenanza. Una versión revisada de la Ordenanza propuesta está disponible para revisión pública aquí (ver Anexo A en el informe de recomendaciones del personal).

EXHIBIT B



12/2/25, 6:29 PM Case Information & Documents - Los Angeles City Planning

Case Summary & Documents

Case Number: CPC-2025-2894-CA

0 Approved Documents found for Case Number: CPC-2025-2894-CA

No Approved Document found

Case Number:	CPC-2025-2894-CA
Case Filed On:	05/21/2025
Accepted For Review On:	05/20/2025
Assigned Date:	05/24/2025
Staff Assigned:	LILIAN RUBIO
Hearing Waived / Date Waived :	No
Hearing Location:	
Hearing Date :	
CPC Action:	
CPC Action Date:	
End of Appeal Period:	
Appealed:	No
BOE Reference Number:	0
Case on Hold?:	No

Primary Address

Address	CNC	CD

View All Addresses

Project Description: A Code Amendment to reinstate a citywide Oil & Gas Drilling Ordinance pursuant to AB 3233 that prohibits new oil & gas extraction and phases out existing activities as nonconforming uses in all zones.

Applicant:

Representative:

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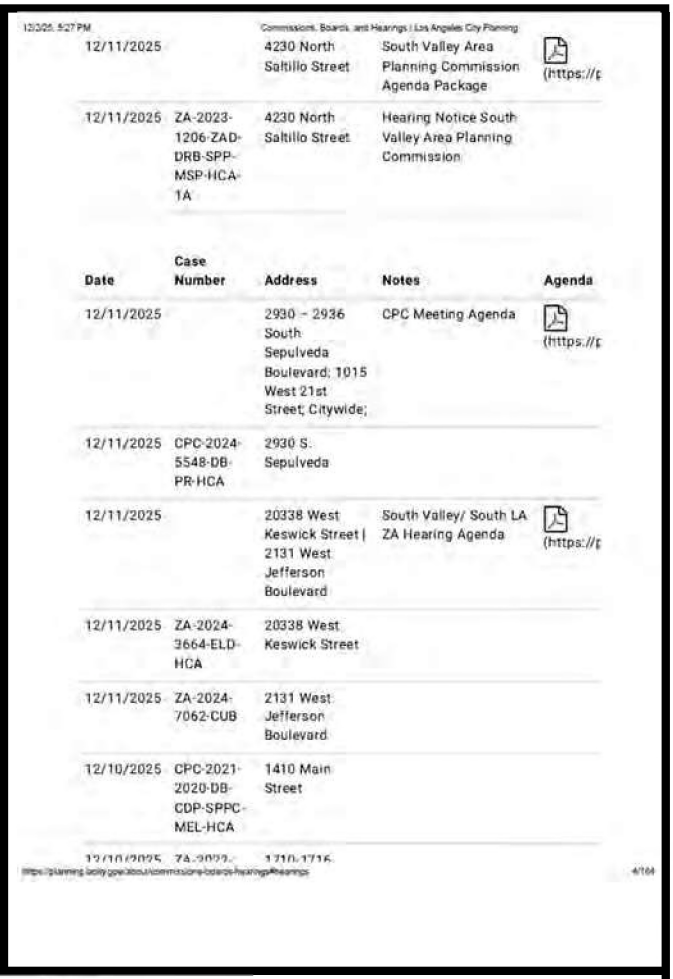
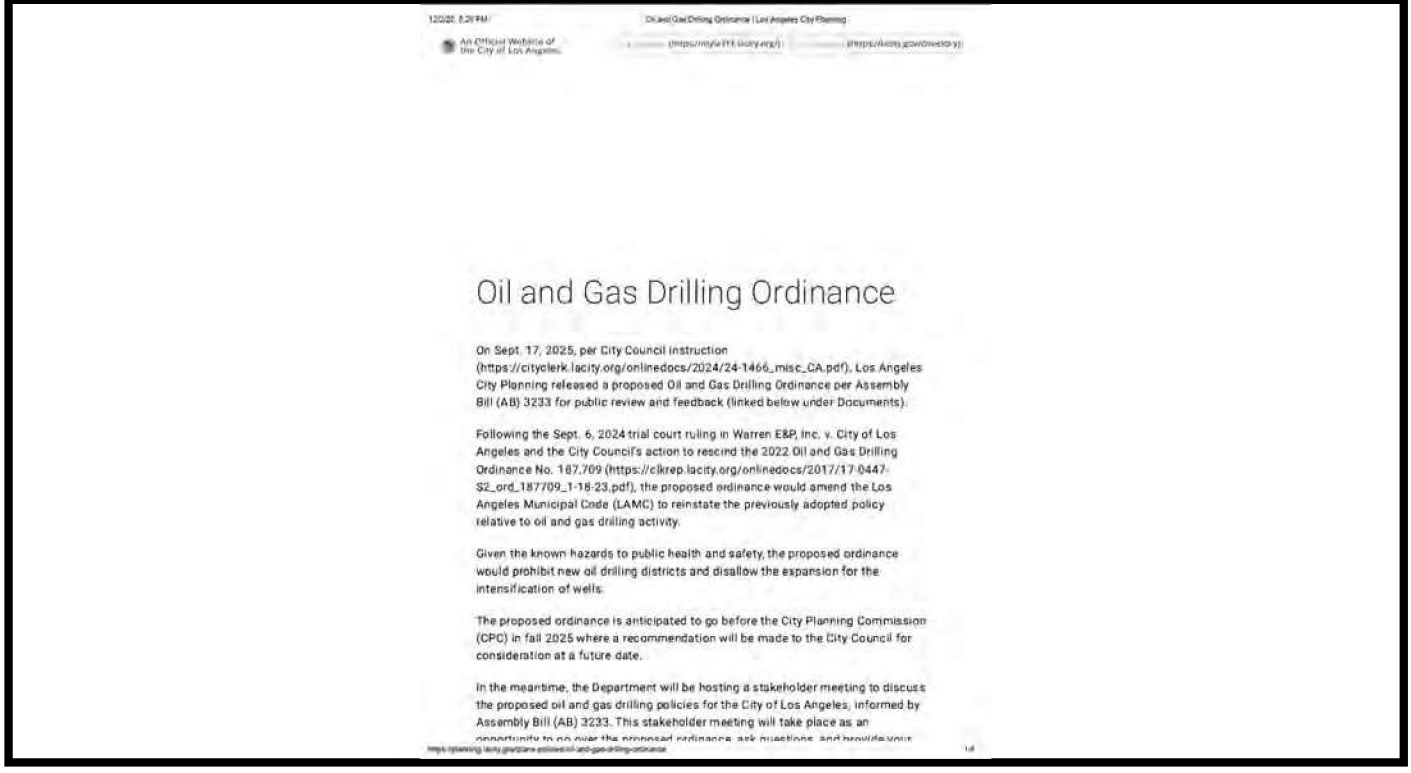
https://planning.lacity.gov/pdiscaseinfo/search/casenumber/CPC-2025-2894-CA 1/2



12/2/25, 5:27 PM Commissions, Boards, and Hearings | Los Angeles City Planning

Date	Case Number	Address	Notes	Agenda
12/11/2025		4230 North Saltillo Street	South Valley Area Planning Commission Agenda Package	(https://p
12/11/2025	ZA-2023-1206-ZAD-DRB-SPP-MSP-HCA-1A	4230 North Saltillo Street	Hearing Notice South Valley Area Planning Commission	
12/11/2025		2930 – 2936 South Sepulveda Boulevard; 1015 West 21st Street; Citywide;	CPC Meeting Agenda	(https://p
12/11/2025	CPC-2024-5548-DB-PR-HCA	2930 S. Sepulveda		
12/11/2025		20338 West Keswick Street | 2131 West Jefferson Boulevard	South Valley/ South LA ZA Hearing Agenda	(https://p
12/11/2025	ZA-2024-3664-ELD-HCA	20338 West Keswick Street		
12/11/2025	ZA-2024-7062-CUB	2131 West Jefferson Boulevard		
12/10/2025	CPC-2021-2020-DB-CDP-SPPC-MEL-HCA	1410 Main Street		
12/10/2025	ZA-2022-	1710-1716		

https://planning.lacity.gov/about/commissions-boards-hearings#hearings 4/164



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Oil and Gas Drilling Ordinance

On Sept. 17, 2025, per City Council instruction (https://cityclerk.lacity.org/onlinedocs/2024/24-1466_misc_CA.pdf), Los Angeles City Planning released a proposed Oil and Gas Drilling Ordinance per Assembly Bill (AB) 3233 for public review and feedback (linked below under Documents).

Following the Sept. 6, 2024 trial court ruling in Warren E&P, Inc. v. City of Los Angeles and the City Council's action to rescind the 2022 Oil and Gas Drilling Ordinance No. 187,709 (https://clkrep.lacity.org/onlinedocs/2017/17-0447-S2_ord_187709_1-18-23.pdf), the proposed ordinance would amend the Los Angeles Municipal Code (LAMC) to reinstate the previously adopted policy relative to oil and gas drilling activity.

Given the known hazards to public health and safety, the proposed ordinance would prohibit new oil drilling districts and disallow the expansion for the intensification of wells.

The proposed ordinance is anticipated to go before the City Planning Commission (CPC) in fall 2025 where a recommendation will be made to the City Council for consideration at a future date.

In the meantime, the Department will be hosting a stakeholder meeting to discuss the proposed oil and gas drilling policies for the City of Los Angeles, informed by Assembly Bill (AB) 3233. This stakeholder meeting will take place as an

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December 29, 2025

VIA EMAIL ONLY

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[CPC@LACITY.ORG]
[LILIAN.RUBIO@LACITY.ORG]

Lilian Rubio
City of Los Angeles Department of City Planning
200 North Spring Street, Room 701
Los Angeles, CA 90012

Re: *Comments on Proposed Mitigated Negative Declaration, ENV-2025-2885-MND Regarding Proposed Amendments to the City's Oil and Gas Ordinance*

Dear Ms. Rubio, City Council, Planning Commission and Planning Director:

This firm represents Warren E&P, Inc.; Warren Resources of California, Inc.; Warren Resources, Inc.; Warren Management Corp.; and Warren Operating LLC (collectively "Warren").[1] On behalf of Warren, we are providing these comments on the draft mitigated negative declaration described as ENV-2025-2885-MND ("MND"), prepared by the City of Los Angeles ("City") for consideration of a draft ordinance to amend sections of the Los Angeles Municipal Code ("LAMC") through an Oil and Gas Drilling Ordinance ("Ordinance" or "Project").

The Ordinance proposes to amend Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of Chapter 1 of the LAMC and Sections 1.4.7, 5D.9.7, 8.2.4, 12.1.2, 12.5.4, 13B.2.2, and Division 14.3 of Chapter 1A of the LAMC to prohibit new oil and gas extraction, make existing extraction a nonconforming use in all zones, prohibit maintenance, and prohibit expansion or intensification of oil well activities or new permanent or temporary site equipment beyond the limits of what was originally permitted. The

[1] Warren operates drilling and production sites within the City and would be detrimentally affected by the Project. It has a beneficial interest that would be adversely affected by the environmental impacts associated with the Project, and the Project will otherwise have a direct, substantial effect on Warren and its operations. Further, Warren makes these comments on behalf of the public interest, which interest would suffer if the City were not compelled to perform its duties under CEQA.

Ordinance also includes an illusory "amortization" period for the cessation of all production, with the duration of that period left to the City's discretion, while at the same time converting wells that are idle for a year due to the maintenance ban to non-conforming uses. As explained by Warren and others on numerous prior occasions in connection with a previous and nearly identical ordinance that the City adopted in 2022 and that was subsequently overturned in court (Ordinance No. 187, 709) (the "former ordinance"), and again detailed below, Warren opposes the adoption of the Ordinance and related MND, which was just posted November 27, 2025, per the City's website.[2]

Warren urges the City to decline to adopt the Ordinance because it is preempted by state and federal laws and is in direct contravention of the ruling, judgment, and writ of mandate (collectively referred to herein as the court's "orders") of the Los Angeles Superior Court in *Warren E&P, Inc. v. City of Los Angeles*, Los Angeles Superior Court Case No. 23STCP00060 and related cases. While the MND contends that Assembly Bill ("AB") 3233 is what now allows the City to adopt the same regulations on matters of statewide concern, AB 3233 does not—and cannot—save the new Ordinance. Simply put, the Legislature cannot allow a city to regulate a matter of statewide concern in the manner the City proposes without first amending the Constitutional provisions that limit such regulation in Article XI Sections 5 and 7 of the California Constitution. The Legislature also cannot legislate around the California Supreme Court's decision in *Chevron U.S.A. Inc. v. County of Monterey* (2023) 15 Cal.5th 135, holding that state law preempts local efforts to regulate oil and gas production methods and practices. The Ordinance is thus unlawful and violates the prior orders.

Further, if adopted, the Ordinance will effect an unconstitutional taking of Warren's property and will deprive Warren and royalty owners of their vested rights. The Ordinance also violates CEQA, is inconsistent with the City's General Plan, and otherwise violates due process and equal protection rights under the constitution. This letter specifically is focused on providing detailed comments on the CEQA deficiencies with the MND that cannot be overcome unless the City conducts additional environmental analysis in the manner CEQA requires.

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[2] Warren incorporates by reference all prior submissions in connection with the City's attempts to adopt the former ordinance (Ordinance No. 187,709), including but not limited to the following: Warren's letter to the Planning Commission dated September 19, 2022; its letter dated October 5, 2022 to the Energy, Climate Change, Environmental Justice, and River Committee; its letter dated October 17, 2022 to the Department of City Planning as to the 2022 MND; its letters to City Council dated November 21 and December 1, 2022. Warren additionally incorporates by reference all submissions in opposition to the issuance of Zoning Administrator Interpretation ZA-2025-2976-ZAI (the "2025 ZAI"), and Zoning Administrator Interpretation ZA-2022-8997-ZAI (the "2023 ZAI"). Warren further incorporates by reference all arguments, submissions and evidence submitted to the City, including the City Planning Commission and City Council, by Warren, E&B Natural Resources Management Corporation and its related entities, and other industry participants and opponents of the former ordinance (Ordinance No. 187,709) (and its associated mitigated negative declaration), the Ordinance, the MND, the 2025 ZAI and the 2023 ZAI.

A. The MND Fails to Evaluate the Whole of the Project.

CEQA requires the consideration, analysis and disclosure of all potentially significant environmental impacts of a proposed "project." CEQA Guidelines [Cal. Code Regs., titl. 14, § 15000 et seq.], § 15060. A "Project" is defined as the ***entire*** activity before the agency, the "***whole of the action***, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." CEQA Guidelines, § 15378 (emphasis added). "Accordingly, CEQA forbids piecemeal review of the significant environmental impacts of a project. Agencies cannot allow environmental considerations to become submerged by chopping a large project into many little ones." *Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 Cal.App.4th 1209, 1222 (internal citations omitted).

In connection with the former ordinance, Warren and others cautioned the City on numerous occasions against pushing forward with an ordinance that failed to consider the whole of the project. The City ignored those warnings then and continues to do so now. There is no doubt that the Ordinance at issue now is part of a larger regulatory scheme to ban oil operations within the City.

As the City itself admits, that larger scheme includes at least the following, all of which are likely to have a significant environmental impact, and none of which are evaluated in the MND. The following is a list of foreseeable "pieces" of the Ordinance, the direct, indirect, and cumulative environmental impacts of which are not considered anywhere in the MND. The City has deferred consideration of these items for another day, avoiding their cumulative impacts and failing to consider the whole of the project as CEQA requires.

1. *Well plugging and abandonment and site remediation.*

- Per the Staff Report, remediation of oil well sites that will cease operations under the Ordinance is being considered *separate and apart from the Ordinance*: "While site remediation and cleanup are overseen by state and regional agencies, including CalGEM and the State Water Board, ensuring specialized oversight when sites are permanently abandoned, the City is also examining site cleanup and remediation policies through separate Council instruction (Council File No. 21-1395)." Staff Report at A-19.

- The MND also acknowledges that well abandonment is a reasonably foreseeable consequence of the Ordinance, and acknowledges that it has elected not to fully evaluate the potential environmental impacts resulting from such abandonment activities: "Although not regulated by the Ordinance, well abandonment is a reasonably foreseeable outcome for many of the wells currently operating in the City, although as stated above,

no specific timeline for abandonment currently exists and the Ordinance does not include any regulations related to the timing of the abandonment of oil wells." MND at 38; *see also* MND at 40 ("The reasonably foreseeable result of this ordinance is the abandonment of wells . . . .").

- The MND additionally states that "it would be speculative to contemplate when site remediation would occur after the wells are abandoned . . . . Those impacts would be analyzed in subsequent environmental analyses at either the programmatic or project level." MND at 40.

2. *Redevelopment of abandoned oil drilling sites.*

- According to the MND, "it would be speculative to determine any future use that might occur on these sites. At the time when any well sites are considered for redevelopment, including well sites in M3 zones or those located on Cortese List, those actions would undergo additional environmental review in accordance with CEQA." MND at 87.[3]

- The MND additionally states that "it would be speculative to contemplate . . . the types of redevelopment and future land uses that may occur on former drill sites. . . . Those impacts would be analyzed in subsequent environmental analyses at either the programmatic or project level." MND at 40.

3. *The time period for phasing out oil operations.*

- While the Ordinance provides for a 20-year amortization period, "The City reserves its discretion to alter or shorten this 20-year period, or otherwise abolish uses, at any oil, gas, or hydrocarbon well site." Exhibit A to Staff Report, Section 17 of Oil Ordinance at 27 (discussing 12.5.4.A.1(e)). In fact, the City commissioned amortization studies in connection with the former ordinance, but entirely ignores those studies and their findings in the present Ordinance and MND. *See* Council File No. 17-0447-S3. The City proceeds as if that separate work does not exist and is not being undertaken when it is directly relevant to the Ordinance and its associated environmental impacts under CEQA.

[3] The MND's characterization of any future development of sites as "speculative" also precludes the consideration of redevelopment in many individual impacts sections of the MND, including Cultural Resources, Hazards and Hazardous Materials, Population and Housing, and Recreation.

- The City also fails to analyze the reality of production ceasing in advance of any time period set by the City due to the prohibition on maintenance of wells, which will lead to an earlier shut-down of operations since idle wells are deemed non-conforming uses under the Ordinance after one year.

- The reasonably foreseeable impacts of a "yet to be determined" shortened amortization period, as well as accelerated abandonment activities due to the inability to maintain wells, are, of course, not considered in the MND. This is classic piecemealing that CEQA prohibits. *See Laurel Heights Improvement Association v. Regents of University of Cal.* (1988) 47 Cal.3d 376, 396 (outlining two-part test for piecemealing, including that an EIR is required where a future component is a "reasonably foreseeable consequence" of the project).

4. *Maintenance operations allowed under the Health and Safety exception process outlined in the Oil Ordinance.*

- The Ordinance contemplates continued routine maintenance operations, but the MND does not so much as attempt to evaluate the frequency or potential impacts of those continued maintenance operations. According to the MND, "It would be speculative to estimate how frequently specific oil operators will seek to conduct [maintenance] activities under the new regulations . . . any specific health and safety-related work would require case-by-case zoning review and CEQA analysis." MND at 37. Yet the Staff Report also claims that such practices will be "similar to historical and existing practices." Staff Report at A-12-A-13 ("During this phase-out period, well sites are anticipated to continue operating and undergo routine operations, including . . . Well Maintenance (i.e., well re-casing or maintenance acidization), similar to historical and existing practices."). The MND then fails to quantify the historic practices to establish the baseline and justify its position that the historic practices will not change over time, or alternatively to consider the potential environmental impacts that are reasonably foreseeable.[4]

[4] This piecemealing of maintenance activities under the health and safety exception precludes consideration of the same in many individual impacts sections, including Aesthetics, Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, and Hydrology and Water Quality.

5. *Adoption of the parallel 2025 ZAI.*

- The 2025 ZAI (ZA-2025-2976-ZAI) bans the same maintenance activities covered by the Oil Ordinance, with no environmental review of the 2025 ZAI, independently or as part of this larger Ordinance project, and absolutely no discussion or mention of the 2025 ZAI in the Oil Ordinance or MND. The Staff Report vaguely refers to comments requesting the reissuance of the old ZAI as "relat[ing] to a separate policy matter that has since been addressed . . . ." Staff Report at A-19 (likely referring to the new 2025 ZAI without actually analyzing it).

- Meanwhile, the Staff Report issued in connection with the 2025 ZAI characterizes the City's adoption of the Ordinance as a mere possibility, and fails to perform any evaluation of the Ordinance in connection with the 2025 ZAI. ZAI Staff Report at 19-20. The City's efforts to divorce these two actions is the very definition of piecemealing, and its attempts to have each action ignore the other—without any CEQA analysis of either action, either individually or cumulatively—is transparent and improper.

All of these activities are reasonably foreseeable parts of the larger project of banning oil operations within the City. All must be evaluated as a single project under CEQA and the City's failure to do so renders the MND legally deficient.

In *Laurel Heights*, 47 Cal.3d at 396, the Supreme Court established the following test for illegal piecemealing: "We hold that an EIR must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project; and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects." Applying this test, the City unquestionably is committing illegal piecemealing in its draft MND by expressly omitting—and leaving for further ordinances and regulatory decisions—the reasonably foreseeable consequences of the Ordinance and the changes to scope and nature thereof, including the environmental effects.

Under the first prong of *Laurel Heights*, and as set out in the quotes from the Staff Report and MND above, the City concedes that a "reasonably foreseeable consequence" of the Ordinance is more ordinance amendments as to plugging, abandonment and remediation; amortization; and future use of former oil sites. Indeed, the City even uses the word "reasonably foreseeable" in describing the abandonment work that will follow cessation of operations. MND at 38. And even though a reasonable consequence of phasing-out oil operations in the City is that the property will be put to another use or otherwise suffer urban decay, the MND further fails to analyze these environmental effects. Simply put, the City knows that it is preparing an environmental document that has not fully disclosed and analyzed the "reasonably foreseeable"

scope of the true, intended project, or the "whole" of the action to phase-out oil operations Citywide.

Regarding the second prong of the *Laurel Heights* test, it is clear that the City intends to, and is going to, further revise the City ordinances in ways that would, unequivocally, "change the scope or nature of the initial project or its environmental effects." 47 Cal.3d at 396. The ordinance changes and regulatory guidance that the City acknowledges will be forthcoming will further serve to phase-out oil operations. The City blatantly admits that changes are being considered via separate channels within the City on plugging and abandonment and site remediation. Staff Report at A-19 (Remediation policies being considered through "separate Council instruction"). The City also reserved "discretion" to consider a shorter amortization period, and therefore "continues to analyze the feasibility of a shorter timeline through parallel work streams across multiple City departments." Staff Report at A-19. The fact that the City, by its own words, is putting forth an ordinance that will force oil operations to cease within 20-years, but is simultaneously considering a shorter timeframe through future *unspecified* "parallel work streams" across multiple *unspecified* City departments, without considering the likely change in scope and environmental impacts of accelerated abandonments is the very definition of piecemealing. And the City has blatantly neglected to consider and evaluate the future use of the former oil sites, leaving that analysis for another day. The City cannot avoid the obvious consequence of its intention, namely, that there will be a change in the scope or nature of the initial "project" to achieve its goal of a complete phase-out of oil drilling. The City expressly concedes this point in the Staff Report and MND, as noted above, thereby confirming that the second prong of the *Laurel Heights* test is met.

Given the above, the City can make no cogent argument that adoption of the Ordinance is not "a necessary first step to approval" of later ordinances and regulatory guidance that the City concedes will be forthcoming to phase-out oil operations within the City limits. *See City of Carmel-by-the-Sea v. Bd. of Supers.* (1986) 183 Cal.App.3d 229, 244; *see also Banning Ranch*, *supra*, 211 Cal.App.4th at 1223 ("there may be improper piecemealing when the purpose of the reviewed project is to be the first step toward" some future action). Questions of project scope and piecemealing are not subject to the substantial evidence standard, but instead are analyzed as a question of law by a reviewing court. *Tuolumne Cnty. Citizens for Responsible Growth, Inc. v. City of Sonora* (2007) 155 Cal.App.4th 1214, 1223-24; *Black Property Owners Assoc. v. City of Berkeley* (1994) 22 Cal.App.4th 974, 984 ("Whether a particular activity constitutes a project in the first instance is a question of law."). Here, the City illegally, improperly, and knowingly limited the scope of the project analyzed in the MND by omitting analysis and environmental review of the changes that it intends to incorporate and acknowledges will be forthcoming.

B. The MND Fails to Account for the Impacts of a Maintenance Ban.

One of the very few but significant changes the City has made from the former ordinance to this Ordinance is the inclusion of defined "well maintenance" activities that are banned by the Ordinance. In connection with the former ordinance, Warren and others stressed that the City's

attempt to ban well maintenance activities by ordinance and then, by a separate and later Zoning Administrator interpretation, determine what was deemed "maintenance," constituted illegal piecemealing under CEQA. The City apparently agrees, implicitly conceding that the previous interpretation of maintenance set forth in the 2023 ZAI (and now reissued in the 2025 ZAI) resulted in piecemealing by now including the definition of maintenance in the present Ordinance.

Yet the City *still* fails to account for the reasonably foreseeable impacts to the environment of the preclusion of such maintenance activities. The City cannot cure its previous piecemealing problem by including the ZAI definition of prohibited maintenance in the Ordinance itself and then *ignoring and failing to analyze its impacts.* The MND still fails to *account for* the whole of the project, despite acknowledging this aspect of the project in the Ordinance.

This portion of the Ordinance implements a new definition of "maintenance" in an effort to prohibit activities that were for decades employed by operators in the City under their existing Approvals of Plans. By adopting a wholly new definition of well maintenance and precluding such maintenance via the Ordinance, the City is preventing operators from performing certain routine maintenance activities—activities that Warren has engaged in for years under existing City approvals. Without necessary routine maintenance, wells and facilities are at increased risk of casing failures, corrosion, methane leaks, and a slew of other potential hazards. Likewise, without the ability to maintain injection wells and pressures, subsidence is a potential impact. And yet, the City fails to account for the potential environmental impacts resulting from this substantial change in land use regulation.

As discussed in further detail below, a ban on maintenance will certainly have an impact on the availability of mineral resources—which must be evaluated under CEQA. Moreover, by precluding routine maintenance activities unless an operator applies for and obtains a wholly discretionary health and safety exception, the Ordinance will force wells to go unmaintained with resultant health risks, leading also to the premature cessation of operations throughout the City. With operations shuttered, operators will be required to plug and abandon wells on an accelerated schedule while emissions from unmaintained wells continue until the wells are plugged and abandoned. This accelerated abandonment schedule and increased emissions from unmaintained wells are reasonably foreseeable consequences of the Ordinance, and the environmental impacts must be evaluated. Among many others, the impacts analyzed should include: the air and GHG impacts from unmaintained wells; the impacts on the availability of mineral resources; the potential geological and subsidence impacts from inability to maintain injection wells and related pressures; the air quality, noise, GHG, and water quality impacts derived from accelerated plugging and abandonment of wells throughout the City; and the impacts of the same stemming from increased oil imports and oil tanker activity at the Port of LA to compensate for the loss of locally sourced oil. All of these impacts and risks highlight the necessity for a complete environmental impact statement ("EIR") in connection with the

Ordinance, all of which the City ignores through a cursory MND that does not even attempt to analyze the impacts of the maintenance ban.

C. The MND's Analysis of Impacts to Mineral Resources is Legally Inadequate and Describes a Standard Inconsistent with the City's Own Thresholds of Significance.

It is undeniable that the Ordinance will impact the availability of mineral resources in the City and the State since the upfront and stated goal of the City is to stop oil production within the City limits, with the Ordinance being the first step in that process. "Mineral resources" are an environmental factor pursuant to CEQA, and the "loss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact. CEQA Guidelines, Appendix G, § XII(a), (b). Public Resources Code § 21060.5 even expressly defines the "environment" to include "the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, *minerals*, flora, fauna, noise, or objects of historic or aesthetic significance" (emphasis added).

The MND's conclusion that oil, gas and other hydrocarbon mineral resources within the City limits are not "mineral resources" or "minerals" covered by CEQA is legally flawed and unsupportable. In an effort to avoid the obvious impacts to the availability of mineral resources that will result from the City's campaign to ban oil production through the Ordinance (and the other piecemeal efforts discussed herein), the City asserts that oil, gas and other hydrocarbon resources are not "mineral resources" or "minerals" covered by CEQA, and thus the impact to their availability need not be analyzed by the City. This argument not only flies in the face of common sense but also long-standing State law and the City's own prior interpretations that analyzed oil and gas as "mineral resources" and "minerals" under CEQA, including when the City adopted the former ordinance.

California law is clear that minerals include oil, gas and other hydrocarbons. For example, mineral deposits reserved to the State include oil, gas and other hydrocarbons, as well as a long list of other substances. Pub. Res. Code § 6407. Similarly, for real property assessment purposes, state law defines "mineral rights" as including the right to enter the land for development and production of "minerals, including oil, gas and other hydrocarbons." Rev. & Tax. Code § 607.5. Simply put, and consistent with longstanding State law that recognizes oil and gas as mineral resources, the City must analyze the potential environmental impacts of the Ordinance (and other piecemealed efforts) on the availability of the oil, gas and other hydrocarbon mineral resources, which will require a finding that there is a potentially significant environmental impact necessitating the preparation of an EIR.

Indeed, this was the same conclusion reached by the County of Los Angeles in its Initial Study, considering similar restrictions to those in the Ordinance. *See* Attachment 1 incorporated herein by reference for the County's Initial Study. Just like the Ordinance, the County's project

includes amendments to the County Code "to prohibit new oil wells and production facilities, designate existing oil wells and production facilities as nonconforming due to use, and modify standards for oil wells during [an] amortization period." *Id.* at 1. The County's Initial Study concludes that its ordinance results in "significant impacts . . . related to the loss of mineral resources. CEQA Guidelines Appendix G, Section XIII [Mineral Resources]. These impacts are unavoidable and cannot be mitigated due to the nature of the project, which involves phasing out oil production activities." *Id.* at 14. The City's Ordinance has the same unavoidable significant impacts that also require the preparation of an EIR—the same process currently being followed by the County for substantially similar regulations to what the City is considering.

The County's Initial Study explains that, "The project would prohibit new oil wells and phase out existing oil production operations, effectively curtailing the availability of locally-produced oil and gas— recognized mineral resources of regional and state importance. By permanently ending extraction at these sites, the project would foreclose future access to these known mineral resources, thereby resulting in their loss to the region and state. Oil and gas have historically contributed to the local and regional economy, energy supply, and industrial base." *Id.* at 63. The County's conclusions are correct and must be analyzed here. The City's Ordinance will have the same significant effects to availability of oil and gas mineral resources, which must be analyzed through preparation of an EIR.

The City's Ordinance undoubtedly *will* have an impact on availability of mineral resources within the State and local region, among other potential environmental impacts that the City has failed to consider despite Warren and others urging such consideration. The City's discussion of impacts "for informational purposes" (MND at 101) ignores the explicit standard in both the CEQA Guidelines and in the City's own CEQA thresholds of significance, and instead focuses on things like policies to reduce oil production, and the current production occurring in the City.

The State has acknowledged the importance of protecting the oil and gas mineral resources located within its boundaries. "[T]o best meet oil and gas needs in this state, the [CalGEM] supervisor shall administer this division so as *to encourage the wise development of oil and gas resources*." Pub. Res. Code § 3106(d) (emphasis added). In particular, CalGEM shall supervise the "drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of the wells to utilize all methods and practices known to the oil industry *for the purpose of increasing the ultimate recovery of underground hydrocarbons* and which, in the opinion of the supervisor, are suitable for this purpose in each proposed case." *Id.* § 3106(b) (emphasis added). Since the Ordinance seeks to stop recovery of underground hydrocarbon mineral resources rather than encourage their wise development and increase their ultimate recovery, it impacts the availability of mineral resources that are of value to the State, and the City is required to analyze the environmental impacts of the loss of availability of those resources.

The California Energy Commission has even published a report in response to Governor Newsom's request for recommendations for state policy changes to help "ensure that Californians have access to safe, affordable, and reliable transportation fuels and that petroleum refiners continue to see value in serving the California market . . . ." CEC Report, June 27, 2025, attached hereto as Attachment 2. The State thus is concerned with the loss of availability of petroleum resources within the State. The CEQA guidelines require an analysis of the loss to the State, not just the City, and therefore this loss must be analyzed. The MND improperly ignores the expert CEC report.

Here, the Ordinance also *will* result in an increased loss of availability of mineral resources within the City that are of value to the region, as acknowledged by the City's own land use policies and General Plan (see further discussion below and in the Land Use section of this letter). Further, the MND ignores the fact that the County's Ordinance is similarly phasing out oil production in the unincorporated portions of the County, thereby exacerbating the loss of availability of mineral resources of value to the region. The cumulative impact of both the County's Ordinance and the City's Ordinance on mineral resources has not been evaluated in the MND or any other CEQA document.

To be clear, the CEQA Guidelines require an analysis not of the loss of *production*, but of the loss of *availability*, of the known mineral resource. The City's own Oil and Gas Health Report dated July 25, 2019, which is incorporated herein by reference, confirms that *1.6 billion barrels* of recoverable oil and gas reserves remain beneath the City:

> Even after more than century of prolific production, the US Geological Survey estimates 1.6 billion barrels of recoverable oil remain in place beneath the City, *rivaling the reserves in the Middle Eastern countries, like Saudi Arabia, Iraq, and Kuwait 14,000 miles away*.[5]

Similarly, a report by the US Geological Service dated February 2013 describes the Los Angeles Basin, which is partly encompassed by the City, as containing "one of the highest concentrations of crude oil in the world. Sixty-eight oil fields have been named . . . including 10 accumulations that each contain more than 1 billion barrels of oil. One of these, the Wilmington-Belmont, is the fourth largest oil field in the United States." USGS Fact Sheet 2012-3120, which is attached hereto as Attachment 4 and incorporated herein by reference.[6] Accordingly, based on this expert evidence alone it is undeniable that the Oil Ordinance will have a significant impact on the availability of mineral resources, and an EIR is thus required.[7]

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[5] https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf at page 19, a copy of which is attached hereto as Attachment 3. Warren also incorporates by this reference the entire Administrative Record in the litigation of Ordinance No. 187,709 by Warren, *et al.*

[6] https://pubs.usgs.gov/fs/2012/3120/fs2012-3120.pdf, a copy of which is attached hereto as Attachment 4.

[7] *See also* Attachment 5 incorporated herein by reference for an analysis prepared by Donald Gautier, PhD titled, "Large volumes of potentially recoverable petroleum in the City of Los Angeles."

The MND's analysis of impacts to mineral resources is also fundamentally flawed in that while the thresholds of significance require an analysis of whether the Project will result in the loss of *availability* of a mineral resource, the MND instead focuses on how much the implementation of the Project would impact current, existing *production* in the City. For example, the MND states that "[b]ased on 2024 oil production volume, the City's share of statewide oil production is approximately 1.4 percent [down from 2 percent in 2017]." MND at 24-25. Again, the CEQA Guidelines require an analysis not of the loss of production, but of the loss of availability of the known mineral resource.

Moreover, and as described in the Land Use section herein, the MND cherry picks policies in support of its position that are contradicted by General Plan policies, which recognize that petroleum is an important local resource. For example, in discussing the Conservation Element of the General Plan, Proposed Finding 1 of the Planning Commission report describes three policies. These policies generally describe a need for encouraging energy conservation, supporting the ban on offshore drilling and protecting neighborhoods from potential accidents and subsidence associated with drilling and production.

The stated objective of these policies is to: "conserve petroleum resources and *enable appropriate, environmentally sensitive extraction."* City General Plan, Conservation Element at II-64 (emphasis added). The fact that the Ordinance would *ban extraction* rather than *enable extraction* clearly means that it is inconsistent with the General Plan and demonstrates that the City already has concluded that mineral resources are of value to the region and the residents of the State, and the same has been delineated in the General Plan and other land use plans. Indeed, one need only look at the practical realities of current life in the City of Los Angeles, including, among other things, the use of gasoline-powered vehicles, to see that oil still is an important resource to the region. Notably, the County acknowledges that its ordinance will impact the County's local land use elements and policies. *See* Attachment 1 at 63-64. The City is required to do the same.

In sum, it is unquestionable that an ordinance that terminates all oil and gas production in the City would result in the loss of availability of that mineral resource, the importance of which has been described in State statutes, by the CEC and in numerous documents, including the City's own General Plan and other land use plans. The City must prepare an EIR to analyze these impacts—including the cumulative effect of the City's Ordinance in combination with the County's Ordinance to ban similar oil and gas production activities.

D. The MND's Land Use and Planning Analysis is Deficient Because It Omits and/or Disregards City General Plan and Community Plan Elements That Support the Production of Oil and Gas.

The general plan has been described as the "constitution" for a city's development; it is the basis for development decisions. *See, e.g., Goleta v. Board of Supervisors* (1990) 52 Cal.3d 553, 570. Pursuant to Government Code section 65860, a city zoning ordinance must be consistent with the city's general plan, such that "[t]he various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses and programs specified in such a plan." Gov. Code, § 6580(a)(ii). The MND is required to address this consistency, and to show that "the various land uses authorized by the ordinance are compatible with the objectives, policies, general land uses, and programs specified in the plan." Gov. Code, § 65860(a)(2); *see e.g., City of Los Angeles v. State of California* (1982) 138 Cal.App.3d 526, 532. Here, the MND is deficient in that it fails to address the many policies of both the City General Plan and the various Community Plans that contemplate the ongoing extraction and production of oil within the City. More importantly, the Ordinance is in fact inconsistent with the various City plans. Additionally, the MND ignores the City's General Plan policy memorializing the "CEQA require[ment] that impacts on non-renewable mineral resources be evaluated relative to proposed development projects." Conservation Element at II-57, 58, 63.

The MND concludes that "the Ordinance does not have the potential to result in any significant impacts due to conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect."[8] MND at 98. It points to Table 4 as setting forth the "City Policies Supporting the Oil and Gas Ordinance," including certain land use policies, and concludes that the Ordinance is consistent and does not conflict with the policies identified in Table 4. However, Table 4 only lists six land use policies in support of the Ordinance—including two from the West Adams-Baldwin Hills-Leimert Community Plan and four from the Wilmington-Harbor City Community Plan (none of which support a ban or phaseout of oil and gas production)—and fails to address the numerous City land use policies that support the continued extraction, maintenance, and production of oil and gas. These are all inconsistencies that the MND cannot ignore under CEQA. *See Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903.

The Ordinance will have a City-wide impact. There are wells in various locations all over the City, and the General Plan contains 35 community plans; yet the MND only lists land use policies from

[8] The Staff Report acknowledges that the Ordinance may potentially conflict with the Objective and Policy 1 in the Conservation Element of the City's General Plan, but tries to distract from this conflict by asserting that the Ordinance will eventually "preserve the petroleum product in place" after a transition to renewable energy. Staff Report at F-2, F-3. However, as discussed herein, the General Plan's policies are not limited to only conserving natural resources, but also to the "orderly" and "appropriate" extraction of them, as well. *Id.* at F-3, F-4 and Conservation Element at II-64. The Ordinance would phase out extraction altogether, which is an impermissible conflict with the General Plan.

the West Adams-Baldwin Hills-Leimert Community Plan and the Wilmington-Harbor City Community Plan. Moreover, the policies cited contemplate continued oil and gas operations—as do many policies not included in the MND—and are therefore in conflict with a ban on such activities.

By way of just one example, a review of the Wilmington-Harbor City Community Plan reveals that the continued extraction of oil is clearly contemplated in the plan. Policy 3-4.6 supports "the consolidation of surface oil extraction operations, the landscaping or improvement of existing oil wells, and elimination of inactive and/or unneeded wells . . . to increase compatibility between oil operations and other land uses . . . ." Further, Policy 3-5.1 calls for the "[r]egulation of] oil extraction activities and facilities in such a manner to enhance their compatibility with the surrounding community." Policy 3-5.2 ". . . require[s] that existing and new oil well sites observe attractively landscaped and well maintained front yard setbacks . . . ." And Policy 3-5.4—which is cited in Table 4—provides for the consolidation of oil extraction operations to increase compatibility between oil activities and other land uses. All of these policies follow Objective 3-5 "[t]o ensure the public health, safety and welfare *while providing for reasonable utilization* of the area's oil and gas resources" (emphasis added). These policies are explicitly consistent with continued oil and gas extraction operations. They are inconsistent with a total ban on oil production like that proposed in the Ordinance. The MND's erroneous suggestion to the contrary must be corrected, and the impacts resulting from the Ordinance's lack of consistency with relevant plans must be thoroughly evaluated under CEQA.

The MND also focuses on broad policies supporting discretionary review of *changes to* oil extraction sites, *reduction* of oil production, and general community health, without recognizing that those policies necessarily require the continuance of oil and gas operations. MND at 96. For example, the MND cites to Policy 5.4 of the Health Wellness and Equity Element of the General Plan, focusing on the component addressing protection of communities' health from noxious activities, but fails to discuss that the same Element further provides that "[t]his policy calls for the City to work with operators to ensure that they have the required permits in place, increase its regulatory role and encourage conditions of approval that mitigate land use inconsistencies and conflicts." This section clearly assumes the continuance of extraction activities within the City and the City needs to consider that fact in its CEQA analysis of plan consistency.

Similarly, and as discussed above, the Conservation Element of the General Plan states the Objective to "conserve petroleum resources and *enable appropriate, environmentally sensitive extraction* . . . so as to protect the petroleum resources for the use of future generations and to reduce the city's dependency on imported petroleum and petroleum products." City General Plan, Conservation Element at II-64 (emphasis added). This may only be read in the context of allowing continued extraction. The Ordinance would *ban extraction* rather than *enable extraction* – that is a striking inconsistency with the General Plan and its impacts must be evaluated.

The MND selectively and summarily concludes that '[t]here is no objective or policy or program in the Conservation Element mandating or encouraging the protection of existing production activities." MND at 97. But, as demonstrated herein, the Conservation Element clearly acknowledges the need to plan for continued extraction activities, without even remotely suggesting a ban would be appropriate.

Instead of encouraging the continued responsible extraction of oil and gas, the Ordinance bans all lawful maintenance on existing wells and then affords the Zoning Administrator complete discretion and authority as to whether to allow maintenance if an operator goes through a complicated process to establish a health and safety reason for this routine work. The City had such a process in place for years during the pendency of the former ordinance, which the Los Angeles Superior Court held was preempted by State law, and Warren is not aware of a single operator that utilized it due to the burdensome application process and the complete discretion that rests in the Zoning Administrator. This demonstrates that the health and safety exception process is illusory at best, and that the Ordinance is a de facto ban on maintenance. Domestic oil and gas production activities thus will be stymied under the Ordinance and safe, reliable local production, which is consistent with the General Plan, will cease. The Ordinance's ban on maintenance activities will result in material impairments to local oil and gas production and thus that portion of the Ordinance also is inconsistent with the General Plan and policies discussed above.

Finally, the MND wholly ignores the General Plan Conservation Element requiring evaluation of impacts under CEQA:

> Natural mineral deposits are nonrenewable resources that cannot be replaced once they are depleted… CEQA requires that impacts on non-renewable mineral resources be evaluated relative to proposed development projects…. Petroleum is a non-renewable resource.

Conservation Element at II-57, 58, 63.

"Petroleum extraction and refining continue to be important industries in Los Angeles." Conservation Element at II-60.

> Since the early days of oil rigs and open gushers, technology has made drilling, extraction and refining operations safer, more compatible with surrounding communities and more efficient. Slant drilling and extraction from multiple lines can be accomplished from a single relatively unobtrusive site. For decades the sites have been camouflaged within buildings or behind walls that are designed to make them look like houses, office buildings or other neighborhood compatible structures. State and local regulations protect surrounding neighborhoods from potential odors, noise, hazardous spills, explosions and fires.

Conservation Element at II-60, 61.

This further demonstrates that the Ordinance's ban on production and maintenance is inconsistent with the General Plan. The significant impacts that will result from the inconsistency must be properly evaluated, in accordance with CEQA. That analysis should, at a minimum, include consideration of increased GHG emissions due to the need for increased imports that will directly result from a ban on production and maintenance, and the increased air emissions from plugging, abandonment, restoration, and redevelopment activities.

E. The MND's Air Quality and GHG Analyses are Deeply Flawed and Inadequate Under the Law.

The MND's air quality and GHG analyses are expressly based on the Impact Sciences September 2022 Air Quality and GHG Report ("2022 Air/GHG Report"), which "established the foundational assumptions and methodology for [the] analysis" (MND at 49 and 57), but the 2022 Air/GHG Report is stale and contains numerous incorrect foundational assumptions and methodologies. Warren previously advised the City of these deficiencies when the City relied on the *exact same* 2022 Air/GHG Report to adopt a mitigated negative declaration for the former ordinance.[9] While the City has had three years to correct these deficiencies and update the 2022 Air/GHG Report for the present Ordinance, the City failed to do so and thus the City's analyses of air and GHG impacts are fundamentally flawed and fail to support the MND's conclusion that impacts would be less than significant.

To be clear, the City not only fails to update the 2022 Air/GHG Report, which is now over three years old, to account for changed environmental considerations and the new provisions in the Ordinance, but it also fails to address the prior deficiencies in the 2022 Air/GHG Report, including: (a) use of an inaccurate and grossly understated rating for the abandonment equipment; (b) exclusion of required abandonment equipment (mud pumps) in analyzing emissions; (c) use of an incorrect assumption that impacts will be based on a single abandonment operation at a one acre site over 10 days, when the realities and actual history of abandonments in the City reflect that multiple abandonments occur over time at one consolidated site like that operated by Warren where it will be abandoning approximately 217 wells on 9.22 acres on a compressed schedule to repurpose the site for another use; and (d) exclusion of impacts from site restoration and redevelopment to another use when operations cease or at the end of whatever "amortization" period the City elects to follow.

The MND also does not establish an existing baseline for air and GHG emissions so that impacts can properly be analyzed. *See* Baseline discussion herein for more details on these deficiencies. In the MND's Air Quality Section, the City explains that there is "substantial uncertainty in the emissions factors and calculation methodologies for oil and gas activities" and thus, the City declines to make such an assessment. MND at 55-56. Oil production operators in the Los Angeles area routinely report their emissions to the SCAQMD such that the City's conclusions are incorrect. Warren also has provided the City with specific data on its emissions, which the City completely ignores. The

[9] Warren's prior comments on the 2022 Air/GHG Report are incorporated herein by reference.

MND similarly refuses to look at existing GHG emissions and instead includes estimates for "illustrative purposes." MND at 79-80. The City should have used existing information to establish the environmental baseline as CEQA requires. CEQA Guidelines, § 15125(a); *Taxpayers for Accountable School Bond Spending v. San Diego Unified School District* (2013) 215 Cal.App.4th 1013, 1047-1048.

1. **The 2022 Air/GHG Report is Stale and Does Not Address Impacts from New Provisions Added to the Ordinance that Were Not Analyzed in the 2022 Air/GHG Report.**

The 2022 Air/GHG Report does not—and could not—address the differences between the former ordinance and the new proposed Ordinance since those changes were not presented to Impact Sciences. Among the changes, the Ordinance now includes details on what operations are considered maintenance banned by the Ordinance, including simple routine operations like acid maintenance and reworking operations to repair holes in casings or to otherwise alter the casing of wells to address maintenance issues. The 2022 Air/GHG Report does not analyze the impacts of such a ban on air and GHG emissions and it is unclear where the City has otherwise addressed those impacts, if at all.

The impacts from these new provisions should include the accelerated timing for well abandonments. The productive life of wells will diminish as operators are unable to maintain wells and they are converted to non-confirming uses after a lack of production for one year, per the terms of the Ordinance (meaning more wells will need to be plugged and abandoned sooner than otherwise). The impacts also should include the increased air and GHG emissions that result when routine maintenance on wells cannot be performed to protect the integrity of the wells. While the Ordinance allows for a burdensome and wholly discretionary "safety valve" health and safety exception process, history reflects that operators are unlikely to use that process since it was not used in the many years that the former ordinance was in effect when the City instituted the same process through a zoning action in the 2023 ZAI (as opposed to an ordinance).

The City must analyze the reasonably foreseeable, cumulative air quality and GHG impacts of accelerated abandonments and of wells not being maintained under the maintenance ban. And it also must analyze the impacts of any maintenance operations that are allowed to proceed under the discretionary health and safety exception process. It is unclear where or how the City has conducted any analysis of the air and GHG (or other) impacts of the maintenance ban and the MND is thus deficient.

Another difference not considered by the 2022 Air/GHG Report or the MND is that Section 12.23.c.4(a)(5) of the new Ordinance now gives the City the discretion to shorten the 20-year "amortization" period: "The City reserves its discretion to alter or shorten this 20 year period, or otherwise abolish uses, at any Oil Well site." The 2022 Air/GHG Report and MND (*see, e.g.*, MND at 52-54), however, assume operations will cease 20 years from the effective date of the Ordinance

as required. That assumption is inaccurate given the new discretion provided to the City to shorten that time. It is also inaccurate for the additional reason that the ban on routine maintenance operations like acid maintenance and casing repairs will drastically diminish the productive life of wells and force operations to cease prematurely. The 20-year assumption by the 2022 Air/GHG Report and the City also ignores the City's separate amortization action and retention of consultants to analyze shortening the 20-year time period.[10] A period shorter than 20 years is thus a reasonably foreseeable consequence of the Ordinance and must be analyzed, including specifically as to air quality and GHG impacts resulting from emissions due to accelerated abandonment activities and diminished life of wells from the maintenance ban (as well as an analysis of associated emissions from the inability to maintain wells as discussed above). The City cannot rely upon an MND that blindly makes baseless assumptions or fails to consider the reasonably foreseeable alternatives that the City is already planning to adopt. Fundamentally, the City has not analyzed impacts to air quality over any time period other than 20 years, including the impacts on emissions from unrepaired wells, abandonments, site restoration and redevelopment, and thus the MND is deficient.

The City's Planning Commission even questioned Planning Staff about these issues at its December 11, 2025 meeting, wherein it recommended adoption of the MND and Ordinance. Specifically, Commissioner Jacob Saitman inquired of staff as to whether a study has been prepared of how many of the approximate 1800 wells within the City impacted by the Ordinance will have operations cease sooner than 20 years, as opposed to how many would naturally decommission prior to the 20-year time period.[11] Staff responded that separate studies were being prepared on the amortization of wells, demonstrating that the City did not include this data as part of the analysis of air or GHG emissions or otherwise (another piecemealing issue as discussed herein). *See* Attachment 18. Commissioner Saitman then explained that he was trying to understand how many wells would naturally decommission before 20 years, and how many would not. *Id.* Staff responded that they did not have the data on how many wells have decommissioned over time and at what rate, confirming that the City did not consider this important information even though it is a reasonably foreseeable impact of the Ordinance that those numbers will increase with the ban on maintenance and the conversion of wells to non-confirming uses after cessation of production for a year. *Id.* The City is required to analyze these reasonably foreseeable impacts and historical data does indeed exist for it to do so, including from CalGEM's records, the City's own records, and Warren's specific data that was provided to the City as part of its comments on the former ordinance. Warren's data reflects that Warren had actually plugged and abandoned 40 wells within the Cities of Los Angeles and Long

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[10] The MND ignores the City's amortization work in a separate council file (CF 17-0447-S3, https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=17-0447-S3, which is incorporated herein by reference) and ignores the reports issued to the City and included in that file. Those reports contained technical problems and three widely-different conclusions. (*See* the following link for the City's notice of a May 14, 2025 meeting to discuss the three studies: https://dpw.lacity.gov/sites/g/files/wph1766/files/2025-05/Amortization%20sub%20page%20with%20announcement%20of%20Study%20Release%20050225%20with%20Zoom%20link_0.pdf, a copy of which is attached hereto as Attachment 6 and incorporated herein by reference.)

[11] *See* Attachment 18 for a transcript of the relevant portions of the December 11, 2025, City Planning Commission meeting.

Beach between October 2020 and December 1, 2022.[12] And yet, the 2022 Air/GHG Report claims that "there is no reasonable way to accurately predict the timeline for cessation and abandonment at the individual level" and therefore assumes "oil drilling will cease 20 years from the effective date of the Ordinance as required," with abandonment operations occurring at any time, an unrealistic and unsupported assumption. 2022 Air/GHG Report at 3.

2. Differing Expert Opinion Alone Requires the City to Evaluate the Impacts of the Proposed Project Pursuant to an EIR.

When there is "disagreement among expert opinion supported by the facts over the significance of an effect on the environment, the Lead Agency shall treat the effect as significant and shall prepare an EIR." CEQA Guidelines, § 15064(g). "If, after evaluating the evidence . . . qualified experts disagree about the likelihood of an environmental impact or its magnitude, the agency must assume that a significant impact may occur and must prepare an EIR." *City of Carmel-by-the-Sea v. Board of Supervisors* (1986) 183 Cal.App.3d 229, 249.

Expert opinion as described in the attached Report ("Yorke Report") prepared by Yorke Engineering, Inc. ("Yorke"), a copy of which is included as Attachment 9 and incorporated herein in full by reference, details multiple deficiencies in the MND's analysis and creates a disagreement among experts as to air and GHG emissions, requiring the preparation of an EIR. For example, Yorke explains that the 2022 Air/GHG Report includes a gross misstatement of the emissions related to equipment used for plugging and abandonment of wells, thus drastically understating emissions. Another example is the complete lack of any analysis of the health-related impacts related to the release of toxic air contaminants associated with equipment used for plugging and abandonment operations. Yorke, for example, notes critical mistakes made in the MND with regard to calculating criteria pollutants.

Yorke's analysis is credible, given the factual support and analysis for the same. Yorke is clearly qualified to provide the opinions contained in the Yorke Report, having years of experience with oil and gas operations and analysis of emissions, among other experience. In contrast, it is unclear whether the City's expert, Impact Sciences, has any oil field experience, which is significantly called into doubt by its use of a drastically understated horsepower for the abandonment rigs and failure to include a mud pump in its analysis. The City has not demonstrated its expert's qualifications for this oil and gas Project. Even ignoring that issue, there is unquestionably a dispute among experts that requires the preparation of an EIR.

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[12] *See* letter from Warren dated December 1, 2022, attached hereto as Attachment 7 and incorporated herein by reference. *See also* Attachment 8 with list of wells plugged and abandoned by Warren between October 2020 and December 2022 and list of equipment used in connection with the same, which are incorporated herein by reference.

3. The City's Analysis of Impacts Uses a Rig BHP Assumption that is Inaccurate.

The most egregious error in the 2022 Air/GHG Report is the assumption that the horsepower for the abandonment drilling rig will be **33 bhp**. The City provides absolutely no factual support for its conclusion that abandonment drilling rigs are **33 bhp.** That is because no such evidence exists.

As discussed in our prior comment letters on the former ordinance and in the Yorke Report, the evidence shows that the average horsepower for an abandonment rig is **540 bhp**, a far cry from the **33 bhp** being used in the 2022 Air/GHG Report. Yorke Report at 3-5. The South Coast Air Quality Management District (SCAQMD) provides that this type of equipment would have approximately **540 bhp** and yet the MND inexplicably uses **33 bhp**—which results in substantially fewer emissions and thus understates impacts.

Warren has attached evidence of its own plugging and abandonment work of 40 wells over an approximate two-year time period in the Cities of Los Angeles and Long Beach. All of those plugging and abandonment operations used a **490 bhp** rig. *See* Attachments 7 and 8. The Yorke Report includes numerous other examples showing that a **33 bhp** assumption is inaccurate.

Simply put, the City erred in analyzing air and GHG impacts (as well as noise) with an incorrect factual assumption that the abandonment rigs would be **33 bhp**. The City ignored the reality of actual abandonment operations that are taking place within the City, including by operators like Warren—operators who will ultimately be required to plug and abandon all of their wells under the proposed Ordinance since it prohibits routine maintenance of wells, including acid washes and repairing casing holes, which are necessary to continue a well's productive life.

When using the correct horsepower rating in the 2022 Air/GHG Report, Yorke concludes that there are significant impacts. Based solely on this information, the City must develop an EIR under the CEQA standard relating to expert opinions. The standard is not whether the City believes that its experts are correct; it is whether other expert opinion has been provided that indicates a significant impact. *See City of Carmel-by-the-Sea, supra*, 183 Cal.App.3d at 249.

4. The City's Analysis of Impacts Inaccurately Omits the Use of a Mud Pump for Abandonment Operations.

The 2022 Air/GHG Report and the City's analysis of impacts are also based on an incorrect factual assumption that no mud pump will be used in abandonment operations. As explained in the Yorke Report and from Warren itself in Attachments 7 and 8 hereto, mud pumps are used in connection with plugging and abandonment operations in the City and thus, they must be included in a proper analysis of impacts to air and GHG (and noise). Yorke Report at 3-5. The MND, however, does not include this equipment in its analysis of such matters, another fatal flaw in the MND.

For the 40 wells plugged and abandoned by Warren referenced above, Warren was required to use a mud pump for all such operations. *See* Attachments 7 and 8. Moreover, the horsepower for the mud pumps that are used on such operations is **490 bhp**. The 2022 Air/GHG Report and the City's analysis in the MND ignore the impacts from use of mud pumps altogether, let alone ones with a **490 bhp**.

As explained in the Yorke Report, this omission also significantly changes the MND's impact analysis. When the correct information is used in the 2022 Air/GHG Report, there is a significant impact requiring the preparation of an EIR. At a minimum, there is a dispute among experts that requires that one be prepared.

5. The City's Analysis of Impacts Uses Inaccurate and Speculative Assumptions as to Acreage per Well Abandoned and the Timing of Abandonment Operations.

The 2002 Air/GHG Report and the City's analysis of air and GHG (and noise) impacts incorrectly assume that there will be one well abandonment per acre over a 10-day period, thereby minimizing the associated impacts and ignoring cumulative impacts. There is no factual support for these speculative assumptions. More importantly, the facts actually are to the contrary, especially as to Warren.

At the City's request, Warren's operations are limited to a consolidated drill site of approximately 9.22 acres at 625 E. Anaheim Street in Wilmington. *See* Approval of Plans, Zoning Case ZA 20725-0 (PA1) dated July 20, 2006, and Approval of Plans, Zoning Case ZA 20725-0 (PA2) dated October 2, 2008, both of which are incorporated herein by reference. As explained in the Yorke Report, a review of CalGEM's Wellstar database of active and idle production and injection/water disposal wells indicates that Warren currently has 149 active wells and 68 idle wells at its WTU facility—a total of 217 wells. **Accordingly, as to Warren's operations, it will be required to plug and abandon approximately 217 wells within a 9.22 acre drilling site.**

Warren's only operations are on this 9.22 acre site (it does not have operations anywhere else in the State or otherwise) and Warren's wells could cease producing in a matter of a few years due to the Ordinance's maintenance ban that prohibits the customary operations necessary to maintain production from existing wells. Warren's only operations are located within the City of Los Angeles and new wells are prohibited. As a result, the Ordinance would put Warren out of business, leaving its employees jobless, their families without necessary financial support, and its royalty owners without income that they have relied on for decades. Accordingly, after a few years, Warren could be required to abandon its wells since it has no other operations. All of that work will take place within the consolidated 9.22 acre site on a compact schedule so that Warren can repurpose the site for another use.

In contrast to the City's speculative assumption of one well abandonment per acre taking 10 days, Warren will be abandoning approximately 217 wells on 9.22 acres and it will do so as quickly as possible. It is reasonable to assume that other large operators will also promptly abandon wells for reuse of their sites on an expedited schedule. The MND and the 2022 Air/GHG Report do not analyze the impacts of such operations to the surrounding community and thus, they are fundamentally flawed. In contrast, the Yorke Report does analyze those cumulative impacts as to the 2022 Air/GHG Report and concludes that they may be significant, thus requiring the preparation of an EIR.

By way of another example, the City has required another operator, Sentinel Peak, to abandon all of its wells at a particular site within a three-year time period.[13] The 2022 Air/GHG Report and MND ignore that the City has required abandonments to occur under these types of schedules and instead speculatively assumes that there is no timeline for abandonments within the City, thereby avoiding an analysis of the impacts of the same. The City must include an analysis of impacts using a timeline for abandonments based on historical data with a reasonable forecast of acceleration due to the maintenance prohibition in the Ordinance, just as Commissioner Saitman requested of the City.

The MND incorrectly provides that up to 19 abandonments could be performed without exceeding the threshold for NOx. With use of the correct power rating of the workover rig engine and inclusion of the mud pump engine, the number of allowable concurrent abandonments compared to the Regional Significance Threshold dropped from nineteen to three abandonments and the Local Significance Threshold dropped from three abandonments to one abandonment. Yorke Report at 7. For the 2025 MND which requires the use of a Tier 4 engine (assuming this mitigation is even feasible as discussed below), allowable concurrent abandonments compared to the Localized Significance Threshold, showed a drop from 20 abandonments to 13 abandonments when the correct power rating and equipment is used. Yorke Report at 7. Here again, the City's assumptions and calculations are thus inaccurate and not supported by the evidence.[14]

6. The 2022 Air/GHG Report and MND Fail to Analyze the Impacts of Site Restoration and Redevelopment.

It is reasonably foreseeable that a ban on oil production in the City will lead to at least some of the former oil sites being restored, remediated and redeveloped for another purpose. Yet the 2022 Air/GHG Report does not consider any air or GHG emissions from these redevelopment activities. The City seeks to piecemeal these foreseeable consequences of the Project by calling them

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[13] *See* Attachment 10 (December 15, 2020 Letter of Communication from the City Planning Department at https://planning.lacity.org/pdiscaseinfo/document/MjM3NzQz0/46e6f77e-051c-4e11-ad6d-6ce8558211cd/pdd, which is incorporated herein by reference).

[14] The failure to consider operators proceeding with abandonment operations on a compressed schedule also fatally undermines the MND's Light and Traffic sections because both of these sections fail to consider the reasonable realities of a compressed abandonment schedule and the cumulative impacts of the same.

"speculative," but the City is required to analyze the whole of the Project and must consider these impacts now. "Under CEQA, the agency must consider the cumulative environmental effects of its action before a project gains irreversible momentum." *City of Antioch v. City Council* (1986) 187 Cal.App.3d 1325, 1333. "[T]he difficulty of assessing future impacts of a zoning ordinance does not excuse preparation of an EIR; such difficulty only reduces the level of specificity required and shifts the focus to the secondary effects." *City of Carmel-by-the-Sea*, *supra*, 183 Cal.App.3d at 249-25.

7. There is No Health Risk Assessment as to Plugging and Abandonment Operations.

The MND suffers from another major flaw in that it does not analyze health risk impacts, as required by CEQA, related to plugging and abandonment operations. It is unclear why the MND fails to do this as no explanation is provided. This is particularly concerning as to diesel particulate matter (DPM), which is directly associated with equipment used for plugging and abandonment operations. As noted in the Yorke Report, DPM is not "easily dissipated" as described in the MND. Yorke Report at 9. Moreover, as it is a recognized carcinogen, the drastic increase in DPM emissions must be analyzed in terms of a health risk assessment. Yet the MND omits to do this in its entirety. The MND's own estimate of PM10 alone for off-road equipment exceeds the maximum significant cancer risk of 10 in a million while also exceeding the significance criteria related to acute and chronic health hazards. Yorke Report at 9-10. Yorke's screening tool analysis shows that an abandonment program as produced by this Ordinance (even with the infeasible Tier 4 mitigation measure as discussed below) may produce a cancer risk greater than ten in a million. Yorke Report at 9-11. Though not in itself a final determination, the screening tool results require that a more detailed health risk assessment be performed. Again, an EIR and much more detailed health risk assessments are needed to properly assess the Project's health risks. This result therefore calls for a more detailed analysis to be performed. Impact Sciences did not perform any health risk assessment in its 2022 Air/GHG Report for the MND, including any initial screening, because it only considered one well being abandoned discreetly without consideration for the abandonment of the over 1,800 wells in the City of Los Angeles affected by the Ordinance (or the consideration of the cumulative effect of abandonments in the County under its similar ban).

The Yorke Report notes that "health risks from DPM produced from the combustion of diesel fuel in the workover rig and other associated engines are not addressed at all." Yorke Report at 18. In *Sierra Club v. County of Fresno* (2018) 6 Cal.5th 502, 521 (2018), the California Supreme Court noted that the lead agency must make a reasonable effort to discuss the "general health effects associated with a particular pollutant and the estimated amount of that pollutant the project will likely produce." In that case, unlike here, the lead agency had provided a general discussion of the adverse health impacts related to pollutants, but this discussion did not connect this analysis to the actual levels of pollutant emitted by the project. *Id.* at 522. Accordingly, the California Supreme Court found the EIR deficient both in that substantial evidence did not support the agency's conclusions and because the absence of relevant information was prejudicial. Here, the City falls even shorter of a sufficient health impact analysis.

8. The MND Fails to Analyze the Impacts from Increased Natural Seeps and Orphaned Wells as Production Declines and Then Ultimately Ceases Under the Ordinance.

The 2022 Air/GHG Report and the MND include no analysis of the emissions from natural seeps and orphaned wells as compared to existing operations and how those emissions will be impacted from production decline and ultimate cessation of operations within the City (which will lead to increased leakage from natural seeps and potentially increased orphaned wells). The UC Berkeley Study attached hereto as Attachment 11,"Emissions from Natural Seeps and Orphaned Wells are Orders of Magnitude Greater than Fugitive Emissions from Production Equipment in Southern California" ("UC Berkeley Study"), concludes that: "Equipment-related methane leaks from production facilities are estimated to be between 0.92% to 1.69% of natural seep and historic orphaned well methane emissions in the [South Coast Air Basin, managed by the South Coast Air Quality Management District] (6,000 kg/day versus 504,000 kg/day)." The UC Berkeley Study "suggests that equipment-related emissions are now negligible when compared to emissions from natural seeps and historic orphaned wells in Southern California." The Study further explains that, "Oil fields with less depletion will tend to have higher emissions [and] [t]he only demonstrated way to reduce these emissions over time is by producing and depleting the underlying oil and gas field." The 2022 Air/GHG Report and the MND fail to consider these reasonably foreseeable significant impacts in any respect, let alone as to the City's plan to shut down oil production and ban routine maintenance operations. In light of the evidence in the expert UC Berkeley Study, as supplemented by one of its authors during oral comments at the December 11, 2025 City Planning Commission Meeting, the City is required to consider these significant impacts through preparation of an EIR. The MND and the 2022 Air/GHG Report do not even include an analysis of actual emissions from existing operations in the City (even though such information is readily available through the SCAQMD) and therefore they also do not include any comparison of those emissions to impacts from increased natural seeps and orphaned wells.

9. The Tier 4 Mitigation Measure is Not Properly Analyzed and is Not Feasible.

The MND includes a mitigation measure requiring off-road equipment exceeding 50 bhp to be Tier 4. Even assuming the City has the authority to impose such a requirement as a mitigation measure or otherwise, the City has presented no evidence that such engines will be available for use when abandonment operations occur in the near future due to the maintenance ban, including for the required mud pumps and rigs both of which are off-road and in excess of 50 bpm. The Yorke Report discusses the real concerns with the availability of Tier 4 rigs and the infeasibility of this mitigation measure. Yorke Report at 11. The City additionally fails to analyze the potential impact of wells remaining unmaintained and unabandoned if such equipment is not available. It is improper to adopt a mitigation measure that feasibly cannot be complied with.

The MND also includes Table 7 with certain emissions data purportedly based on use of Tier 4 equipment, but the MND does not include any back-up calculations or assumptions used to support the same. MND at 55. Table 7 lists as its source "Impact Sciences, November 2022. *See* Attachment 1 to this Initial Study for calculation data." *Id.* There is no Attachment 1 to the MND (Initial Study) and there is no Impact Sciences, November 2022 data included in the September 2022 Appendices to the MND from Impact Sciences. The Appendices include the old 2022 Air/GHG Report, which is not based on use of Tier 4 equipment and, instead, uses incorrect data and assumptions. As a result, there is no basis upon which to understand the calculations in Table 7, including to confirm whether they include the use of appropriate bhp rigs and mud pumps and over what period of time/rate.

Accordingly, the MND Air Quality and GHG Analyses sections fail in their entirety to meet the minimum requirements of CEQA. The analyses must be revised to correct these deficiencies, which likely will require the preparation of an EIR to comply with CEQA.

F. The MND's GHG Impacts Analysis is Inadequate For Additional Reasons, Including that It Fails, in Its Entirety, to Analyze Direct and Indirect Impacts That May Result from the Project and It Conflicts with Relevant Plans and Policies.

As a preliminary matter, it is important to put CO_2e emissions from the oil and gas sectors into perspective. CARB's 2022 Scoping Plan categorizes emissions from the refinery and oil and gas sectors as emissions from industrial sources. 2022 Scoping Plan at 55. Emissions from industrial sources comprised approximately 15% of statewide CO_2e emissions in 2019, with the refinery and oil and gas sectors making up about 50% of the industrial source emissions. *Id.* at 55-66. Thus, ***statewide***, GHG emissions from the oil and gas sector made up less than 7.5% of CO_2e emissions in 2019. Using the MND's assertion of a total reduction per year of 9,969 MT of CO_2e and CARB's 2019 statewide CO_2e emissions number of 404 MMT (or 404,000,000 MT). 2022 Scoping Plan at 56, shows that the Ordinance would contribute a mere 0.002% reduction in CO_2e emission reductions. That reduction would be achieved only with substantial harm to affected businesses and Californians through an Ordinance that is contrary to law for all the reasons provided in Warren's prior comment letters, but most importantly because it is preempted by State law and in conflict with the California Constitution. Warren is not opposed to ***reasonable*** GHG reduction policies, and in fact has taken many actions to reduce such emissions at its facilities, including conversion to an all-electric facility. It is, however, very concerned when a public agency seeks to impose draconian measures to achieve de minimis reductions based on flawed and incomplete analyses that conflict with relevant plans and policies.

The MND is deficient in that it fails to evaluate direct and indirect impacts related to GHG emissions. This failure stems in part from the points already described in the above Air Quality and Greenhouse Gas Analysis, which are incorporated here. By way of example, the MND drastically understates emissions related to plugging and abandonment because of the failure to

describe the proper bhp of the rig, the failure to include certain necessary equipment in the analysis, and the use of incorrect assumptions as to acreage and timing for abandonments. Further, it is not clear how or even if the MND analyzes GHG emissions associated with impacts from the inability to maintain wells and facilities, nor from permissible maintenance that might be allowed under the health and safety exception process set out in the Ordinance. Further, the MND ignores the oil and gas sector CO_2e emissions analysis in CARB's 2022 Scoping Plan and instead describes the difficulty of doing an extensive analysis on the impacts, acknowledges "substantial uncertainty in the emission factors and calculation methodologies for oil and gas activities," and simply describes an analysis to "illustrate the potential scope" of the emissions. The MND also does not show that CO_2e emissions from oil and gas wells in the City violate any air quality standard or regulation (and the MND specifically does not contradict Warren's evidence on this point in the Yorke Report).

As discussed further below, the MND also must discuss the Project's indirect impacts. CEQA Guidelines, §15064(d). This extends to GHG impacts, which the thresholds of significance acknowledge. The most obvious failure is the MND's lack of any consideration of the potential GHG emissions related to the use of the property after the oil production operations have ceased. This is a fairly easy analysis to undertake as is described in the Yorke report, which provides an analysis of Warren's emissions as compared to other types of business that could be located at the site, such as a fast-food restaurant with a drive-thru among other uses. *See* Yorke Report at 12-15. Yet the MND declines to make any type of analysis and instead states that such an analysis is too difficult even when Yorke was able to prepare that type of analysis over the time period of a couple of weeks.

The GHG Section also fails because of its apparent assumption that a decrease in production will necessarily result in a decrease in consumption of things like gasoline. CARB's 2022 Scoping Plan actually comes to the opposite conclusion. It finds that the transportation sector is the "single largest source of CO_2 emissions in the state." 2022 Scoping Plan at. 55. CARB assumed a phase down in oil and gas extraction and petroleum refining "in line with the reduction in demand for in-state on-road petroleum fuel demand." *Id.* at 100, 102. In other words, CARB finds that the transition to increased levels of ZEV cars will reduce the need for oil and gas production and not the other way around as suggested in the MND.

The MND also fails to consider basic sources of information provided by the California Energy Commission ("CEC"), which references are incorporated herein by reference. While the Ordinance will lead to reduced local production, a similar amount of oil will necessarily be trucked in from other sources or imported from foreign sources through the nearby port facilities. The CEC information indicates that foreign oil imports have generally increased as local production in California has decreased, and describes the amount of foreign oil processed at

California refineries.[15] The CEC information is not speculative, but is a reasonably foreseeable consequence of the Project. This situation is similar to that presented in *County Sanitation Dist. No. 2 v. County of Kern* (2005) 127 Cal.App.4th 1544, where the court held that an EIR was required when an ordinance passed restricting the disposal of sewage sludge because it failed to describe the reasonably foreseeable indirect impacts of the restriction, including the need for an alternate disposal site and associated activities like increased hauling.

The GHG Section also fails to describe the impacts related to conflicts with applicable plans or regulations, such as the Cap-and-Invest Program (formerly the Cap-And-Trade Program). Under this Program and others, oil and gas production is strictly regulated to reduce GHG emissions. These are some of the most stringent restrictions in the world. The effect of the Project will be to shift production to other areas, including outside the State and overseas, which areas are not subject to these restrictions. Again, information on where these foreign oil imports are likely to come from are listed in detail at the CEC. For example, the CEC describes that as of 2021, Ecuador, Saudi Arabia, and Iraq were responsible for more than 66% of California's imports.[16] Thus, production GHG emissions will increase at those sources to meet demand, as will the emissions related to the transportation of oil to California, leading to increased emissions at the ports since there are no intrastate pipelines transporting oil to the State.[17] They will further increase with importation of more oil to the region, yet the MND contains no discussion of these reasonably foreseeable indirect impacts. GHG emissions are unique under CEQA in that, unlike other impacts, the effects of GHG emissions are not localized. A metric ton of GHG emissions emitted in Saudi Arabia has the same effect as a metric ton of GHG emitted in California. Yet the MND fails to make any attempt to calculate the effect of shifting production and how this will impact California's various plans to reduce GHG impacts.

The above analysis is validated by CARB's 2022 Scoping Plan. The 2022 Scoping Plan has some demand for finished fossil fuels (gasoline, diesel and jet fuel) in 2045. 2022 Scoping Plan at 101-102. This demand is primarily tied to transportation. If zero carbon fuels and non-combustion technology are successfully deployed to phase down petroleum demand, then GHG emissions from oil and gas extraction could be reduced by approximately 89% from 2022 wells "if extraction decreases in-line with state finished fuel demand." 2022 Scoping Plan at 102.

> If in-state extraction were to be phased out fully, the future petroleum demand by in-state refineries would be met through increased crude imports to the state relative

[15] https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/annual-oil-supply-sources-california, a copy of which is attached hereto as Attachment 12 and incorporated herein by reference.
[16] https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/foreign-sources-crude-oil-imports, a copy of which is attached hereto as Attachment 13 and incorporated herein by reference.
[17] As discussed in a 2022 Los Angeles Times article (attached hereto as Attachment 14 and incorporated herein by reference), GHG and other air emissions already have increased significantly at these ports.https://www.latimes.com/environment/story/2022-10-17/ports-blame-covid-19-for-spike-in-harmful-emissions.

> to the Scoping Plan Scenario. AB 32 defines leakage as, 'a reduction in emissions in greenhouse gases within the state that is offset by an increase in emissions of greenhouse gases outside the state.' AB 32 also requires any actions undertaken to reduce GHGs to 'minimize leakage.' Increases in imported crude could result in increased activity outside California to extract and transport crude into California. ***Therefore, our analysis indicates that a full phaseout of instate extraction could result in GHG emissions leakage and in-state impacts to crude oil imported into the state***.

2022 Scoping Plan at 102 (emphasis added).

CARB also concludes that "activity at the ports would increase and new infrastructure would be needed to store and deliver crude to in-state refineries." 2022 Scoping Plan at 105.

The City Ordinance will have the exact same impacts—any purported reductions of GHG emissions in the City will be offset by increases in GHG emissions at the City's ports and outside the City, through imports of crude oil from foreign and other domestic sources. The Ordinance's maintenance ban will magnify this effect as production ceases prior to the Ordinance's 20-year "amortization" period (which period may be reduced to less than 20 years in the City's discretion). Practically speaking, the maintenance ban will result in the phase out of oil and gas production well before 20 years because operators cannot continue production of existing wells when they are banned from using routine practices to maintain the wells themselves. The Ordinance's narrow health and safety exception is illusory and will not prevent this from occurring. Indeed, Warren is aware of no operators who used this process when the former ordinance was in effect before the Los Angeles Superior Court held it preempted by State law. Simply put, the process is cumbersome and time consuming and subject to the unfettered discretion of the Zoning Administrator, who historically has not issued prompt decisions, and there is no time allotted for court intervention because the Ordinance terminates the use of a well if production ceases for more than a year. By cutting off routine, essential maintenance through a burdensome, slow, uncertain and discretionary exception process, the City, as a practical matter, is terminating these uses long before the purported 20-year period.

While the MND purports to rely on the 2022 Scoping Plan for making the required CEQA finding relating to plan consistency, it ignores the discussion and conclusions in the 2022 Scoping Plan that conflict with the Ordinance. The substantial conflicts between the MND and the 2022 Scoping Plan identified herein will have significant environmental impacts (*i.e.*, increased import emissions and impacts at the ports) that CEQA requires the City address. CEQA Guidelines, Sec. 15382.

The Ordinance also appears to conflict with the CEC's June 27, 2025 recommendations and strategy, [18] incorporated herein in full by reference, for ensuring an adequate transportation fuel supply during the mid-transition phase of transforming California's transportation sector. Notably, one strategy the CEC recommends is to stabilize in-state crude production and distribution to support resilience in the petroleum system. CEC's June 27, 2025 recommendations and strategy at 16-17. As discussed above, the Ordinance would prematurely phase out oil and gas production in direct conflict with CEC policy. Ignoring conflicts with plans where such conflict results in significant environmental impacts does not comply with CEQA; this flaw must be corrected by the City.

For all these reasons, the GHG Section is deficient and does not meet the requirements of CEQA.[19] It is clear that for such a complicated issue, particularly where direct and indirect impacts are demonstrably real, an EIR must be prepared.

G. The MND's Noise Analysis is Legally Deficient Because It Understates Noise and Vibrations Related to Plugging and Abandonment Operations and It Does Not Describe an Enforceable Mitigation Measure for an Impact the MND Concedes is Potentially Significant.

The noise analysis in the MND is defective for multiple reasons. As with other sections in the MND, it fails to describe the baseline (here ambient noise) against which noise levels must be measured. In applying significance thresholds, the lead agency must consider both the absolute noise level associated with a project as well as the increase in the level of noise that will result from a project. *King & Gardiner Farms, LLC v. County of Kern* (2020) 45 Cal.App.5th 814, 887, 893.

Moreover, the noise analysis in the MND is expressly based on the Impact Sciences September 2022 Noise and Vibration Technical Report (2022 Noise Report). MND at 104. That Report is stale for the same reasons the September 2022 Air/GHG Report is stale, and it contains many of the same incorrect assumptions and methodologies as the 2022 Air/GHG Report. And like the 2022 Air/GHG Report, the City not only fails to update the outdated 2022 Noise Report to

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[18] https://files.constantcontact.com/b899080e901/fba0d652-2d26-459a-8391-194ce0a33238.pdf, a copy of which is attached hereto as Attachment 2 and incorporated herein by reference.

[19] Relatedly, the MND Utilities analysis concludes that, "Implementation of the Ordinance would not increase demand for water, wastewater, electrical power, natural gas, or telecommunication facilities, as there would ultimately be a reduction in demand due to the cessation of oil and gas production uses." MND at 122. At the same time, though, the City acknowledges that the Land Use and GHG analyses consider the City's "shift from petroleum" without considering the potential impact on other sources of power—including water, electrical, and natural gas—the demand for which would logically increase to meet existing demand for power, as oil and gas production decreases under the Ordinance. Just as the City fails to account for the possible increase in oil imports, the MND assumes without reason that oil and gas production will decline, but nothing will replace it, including electrical power.

account for changed environmental considerations and the new provisions in the Ordinance, but it also fails to address the prior deficiencies in the 2022 Noise Report already identified by Warren and others, including: (a) incorrect assumptions about the bhp of abandonment rigs; (b) exclusion of mud pumps; and (c) underestimate of scope and timing of abandonment activities.

Further, the 2022 Noise Report and the MND admittedly, and improperly, do not consider or apply the mandatory significance thresholds from the City Planning Department's 2024 requirements. MND at 105. The 2024 requirements are attached hereto as Attachment 15[20] and provide that, "Department Staff are directed to utilize the new thresholds and methodology in their preparation of CEQA clearances, as directed below." Attachment 15 at 1. "The thresholds of significance and methodology shall be used in the analysis of Appendix G, XIII. Noise, questions (a) and (b) for temporary noise and vibration impacts resulting from construction activities." *Id.* at 2. The MND does not use these mandatory significance thresholds and the 2022 Noise Report, by definition, did not use them since they were not in existence at the time that the 2022 Noise Report was prepared.

As noted elsewhere in this letter, the noise analysis also is flawed in that it assumes, without any evidentiary support, that the horsepower for an abandonment rig would be 33 bhp, when in reality the average horsepower for such a rig is 540 bph, and Warren has submitted evidence of its own use of a 490 bhp rig for recent well abandonment work. Similarly, the City neglects to account for the noise impacts associated with the use of mud pumps for abandonment work, which Warren's submitted evidence also indicates have a 490 bhp. Just as these assumptions drastically alter the air quality and GHG impacts, so too do they affect the analysis of noise impacts resulting from the Ordinance.

The noise analysis also incorrectly assumes that all well abandonment and plugging operations at a well site would be done sequentially (one by one) and intermittently. Specifically, it assumes one well abandonment per acre over 10 days. The effect of the City's past ordinances and plan approvals, however, is that multiple wells exist on consolidated drill sites. Indeed, it was a condition of Warren's plan approvals at its Wilmington site that Warren consolidated its operations into a single 9.22-acre site containing over 200 wells. The City's assumption that one well will be abandoned per acre per 10 days is therefore baseless, and patently wrong. As a result, the City's noise analysis minimizes the noise impact of accelerated abandonment and ignores the cumulative impacts of multiple abandonments happening simultaneously in the same general area.[21]

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[20] Update CEQA Thresholds Memo 09.25.2024.

[21] The City's Water Quality analysis suffers from a similar flaw in that it concludes without analysis that well abandonments—despite their required use of water—will not result in a decrease in groundwater supply and will not interfere with groundwater recharge. MND at 93. But the analysis fails to account for a potential impact due to an accelerated abandonment schedule or multiple simultaneous abandonments Citywide.

This is even more true in light of the Ordinance's new inclusion of certain defined maintenance activities as prohibited, where the former ordinance was silent on what constituted maintenance. Indeed, as discussed in more detail in the Air and GHG Analyses sections of this letter, well plugging and abandonment schedules for many operators will likely be accelerated due to the Ordinance's ban on routine maintenance activities, which prohibition on maintenance will diminish the productive life of wells and cause premature cessation of operations. Because the definition of well maintenance was not included in the former ordinance, the 2022 Noise Report did not address, and could not have addressed, the impact of the maintenance ban. This alone should require the City to conduct an updated noise analysis, but it has failed to do so.

In a similar vein, and as also noted elsewhere, the Ordinance also gives the City the discretion to shorten the 20-year "amortization" period, which is another new aspect of the Ordinance not considered by the 2022 Noise Report. A period shorter than 20 years is thus a reasonably foreseeable consequence of the Ordinance and must be analyzed, including specifically as to noise impacts from accelerated abandonment activities and diminished life of wells from the maintenance ban. The MND ignores these realities and is therefore deficient. The MND must analyze the noise impacts of operating multiple pieces of equipment involved in plugging and abandoning of multiple wells at the same time.[22] This is particularly true given that the MND has already concluded that a significant impact will result.

The mitigation measure described as MM NOI-1 requires specified sound control curtains to be erected between noise-producing equipment and any defined sensitive receptor within 50 feet during well abandonment activities. This mitigation measure is defective in that it fails to take into account multiple, simultaneous plugging and abandonment operations, the cumulative effects of which must be assessed. Chapter XI, Article I of the LAMC at Section 111.03 sets very low ambient noise levels and the City has not established how its mitigation measure will address those levels with use of multiple pieces of abandonment equipment at high horsepower over significant periods of time at consolidated drilling sites. Moreover, there is no discussion as to how the requirement would be implemented. Under CEQA, mitigation measures must be enforceable to be considered effective, yet the MND contains no information as to how the measure will be implemented or what will be required of operators. CEQA Guidelines, §15126.4(a)(2).[23]

Moreover, the 2022 Noise Report and MND further state that noise reduction would occur using best practices, including by scheduling abandonment activities to "avoid operating several pieces of equipment simultaneously (as feasible), which causes high noise levels." MND at 109; 2022 Noise Report at 25. The MND also concedes that the LAMC noise limitation does "not apply where compliance is technically infeasible." MND at 107; 2022 Noise Report at 24. Accordingly, the noise analysis describes further mitigation without requiring an actual

[22] The MND Transportation Section similarly fails to describe traffic impacts related to abandonment and fails to describe the potential hazards resulting from increased oil transportation to the refineries by truck.
[23] The mitigation measure described in the Hazards Section suffers from a similar flaw.

mitigation measure, and essentially concedes that it may not be feasible to avoid operating several pieces of equipment at the same time, which by the MND's admission will result in "high noise levels" and that the LAMC noise limitation "may not apply where it is technically infeasible." When the cumulative operations of multiple pieces of abandonment equipment are considered, a significant noise impact is likely to result – which the City has failed to disclose.

The same problems in assuming low-levels of well plugging and abandonment operations also cause the MND to understate the vibration or ground borne noise levels. The analysis fails to take into account the compressed plugging and abandonment will have to occur in order to meet the City's amortization requirements. Accordingly, the MND fails to meet the basic requirements of CEQA.

H. The MND's Wildfire Risk Analysis is Legally Insufficient Because it Fails to Address the Project's Impact on Natural Methane Seeps.

The MND is legally deficient because it fails to fully analyze the potential for increased wildfire risks that result from the Project.[24] Wildfires have long been a significant concern in California, which concern has only heightened after the extremely destructive Southern California wildfires earlier this year. Agencies are required to sufficiently analyze, and inform the public of, increased wildfire risk from a proposed project. *People ex rel. Bonta v. County of Lake* (2024) 105 Cal.App.5th 1222, 1230-33 (requiring analysis of a project's potential to increase wildfire risks and finding an FEIR insufficient where it failed to describe wildfire risks in adequate detail to allow proper evaluation of the risks). Here, the MND summarily concludes that there will be no impact to wildfire risks since no new structures will be installed and no change to defensible spaces will occur in the Project area. The MND fatally ignores the fact that decreased production under the Ordinance and ultimately complete cessation of oil extraction could significantly increase the release of methane emissions from natural seeps, thereby exacerbating wildfire risks.

Southern California is home to some of the largest natural hydrocarbon seeps in the world. *See* UC Berkeley Study attached hereto as Attachment 11 at 1. "Oil seeps and methane vents continue to persist in urban Southern California, largely because only a fraction of the region's underground oil and gas has been extracted. These natural methane vents can be dangerous and are often misinterpreted as infrastructure leaks." UC Berkeley Study at 4. Methane vents in seeps are not only extremely flammable, they are also difficult for firefighters to extinguish. UC Berkeley Study at 3 (noting that a methane vent burst into flames after being hit by lightning). Furthermore, explosions can occur from the accumulation of methane gas, as happened in the basement of a department store in Los Angeles in 1985. UC Berkeley Study at 4. Such accumulation was later determined to likely be caused by a combination of leaks from natural

[24] The MND's Hazards analysis is likewise flawed because it does not analyze the same wildfire risks.

seeps and orphaned wells. *Id.* (noting that SoCal Gas determined the leaks to be natural in origin).

Oil and gas extraction has led to long-term reductions in natural methane seep rates over the course of decades. UC Berkeley at 10. Oil fields with less depletion may tend to have higher methane emissions and "[t]he only demonstrated way to reduce [such methane] emissions is by producing and depleting the underlying oil and gas field." *Id.* at 14. It follows that where existing oil production decreases as a result of the Ordinance and ultimately is eliminated, subsurface pressure and methane seep rates could increase.

The MND suffers from a major flaw in that it completely overlooks the fact that the diminished production and cessation of all oil production within the City limits could increase natural methane seep rates over time and thus increase the risk of wildfires in the Project area.[25] Notably, the MND recognizes that the "primary danger posed by methane build-up (specifically within confined spaces) is the risk of fire or explosion." The MND further notes that the Project area is within the City's designated Very High Fire Hazard Severity Zone (encompassing those areas subject to wildland fires).[26] MND at 90, 125. With reference only to potential leaks from sealing existing wells and the general lack of installation of structures that could otherwise increase fire risks, the MND then concludes that the Project will have no impact on wildfire risks. MND at 125.[27]

CEQA requires that a fact-based comparison of the current conditions in the Project area versus the Project conditions be conducted – namely, how the reduction and cessation of oil extraction could increase natural methane seepage and thus increase wildfire ignitions. This is particularly critical given the Project's location within a Very High Fire Hazard Severity Zone and California's increasing wildfire risk. The City is required "to use its best efforts to find out and

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[25] The MND likewise fails to offer mitigation measures to protect against the potential increased risks of wildfire, such as adoption of a methane control plan involving field-wide inspections of methane levels. Moreover, in ignoring the potential heightened risks from increased natural methane seeps, the MND fails to explore possible emergency response procedures for the area and mitigation measures to reduce the risks such as preparation dissemination of educational materials, field-wide inspections and water capabilities to extinguish any wildfires.

[26] The MND recites that numerous wells are located within the City's Very High Fire Hazard Severity Zone. The actual number of wells within such Zone, however, is unclear. The MND first cites that there are currently 41 active wells and 125 idle wells within such Zone (p. 90) but later cites that there are 26 active wells and 38 idle wells within such Zone (p. 125). This inconsistency renders even the existing discussion of wildfire risks in the MND suspect and highlights the need for a Project-wide analysis of potential well seepage rather than a well-by-well review.

[27] The MND merely provides that CARB and SCAQMD will continue to monitor methane levels in the area and if it is determined that methane levels exceed the acceptable threshold, air pollution regulations "related to oil drilling and production and methane emissions" could be enforced. Such enforcement is described to include an issuance of a Notice to Comply (NC) or a Notice of Violation (NOV) to an operator of a leaking well; however, such measures do not relate to natural methane seeps

disclose all that it reasonably can" about the Project's impact on wildfire risks – and it has failed to do so.[28] CEQA Guidelines, § 15144; *see also People ex Rel. Bonta*, 105 Cal.App.5th at 1233.

I. The MND Fails to Adequately Consider Potential Impacts to Soil and Geology Due to Subsidence.

The MND fails to fully evaluate the serious risk of subsidence associated with the ban on maintenance of injection wells and the complete shut down of oil and gas operations in the Project area, including water injection wells. Injection wells are required to preserve pressure balances and are integral to safe production within the City. The integrity of injection wells is primarily achieved through maintenance acid washes and other reworks that will be banned by the Ordinance. The Ordinance also bans the drilling of new injection wells to replace those wells that are shut down under the maintenance ban. The MND does not properly analyze the subsidence and pressure maintenance impacts of these bans.

The MND acknowledges the historical subsidence concerns that have plagued the area for decades – noting that extensive subsidence occurred in the Long Beach Harbor area and the Wilmington Oil Field for years before being addressed through a full-scale water injection program involving repressuring operations.[29] MND at 74. The MND, however, disregards the magnitude of subsidence concerns as discussed, by way of example, in the City of Long Beach, Department of Oil Properties report titled, "The Subsidence Story," attached hereto as Attachment 16 and incorporated herein by reference. The MND is devoid of any analysis of how the Project may affect existing or future subsidence and it also does not discuss the federal Underground Injection Control (UIC) program.

Efforts to address subsidence in the Project area involving the Wilmington Oil Field have been undertaken for many years. Regional subsidence in and around the field as a result of compaction from oil production was so significant in the middle of the 20th century that sewers were broken, foundations of buildings became unstable, and wellheads stuck out of the ground. At one point the subsidence measured almost 30 feet in the center of the field (known as the "Subsidence Bowl"), as demonstrated in the following Historic Subsidence Map:[30]

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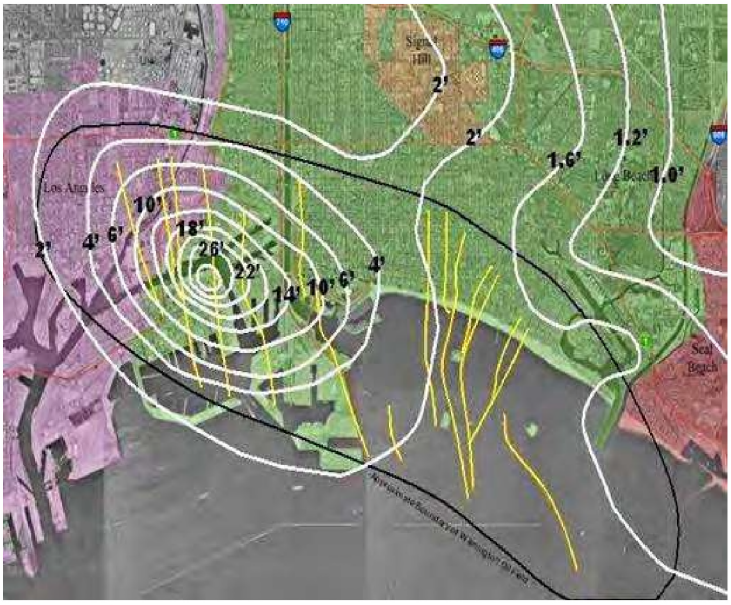
[28] The MND's discussion of the hazards posed by the potential increase of methane emissions from natural seeps is similarly deficient. MND at 84-85. Focusing only on methane that could be released from ground around the existing oil wells, the MND fails to recognize potential exposure to property and the public in the broader Project area or the potential for environmental contamination from the flow of seeps into waterways. *See* UC Berkeley Study at Attachment 11.

[29] "Repressuring operations" means "gas injection operations, water injection operations, waterflooding operations, or any combination thereof, or any other operations intended primarily to arrest or ameliorate subsidence, or to restore or increase the pressure in a pool, or to avoid or minimize a reduction of pressure within a pool." Cal. Pub. Res. Code § 3316.4.

[30] https://www.longbeach.gov/energyresources/about-us/oil/subsidence/.



California passed the Subsidence Act, Cal. Pub. Res. Code §§ 3315, *et. seq.*, in 1958 to address the alarming subsidence problem through a massive repressurization effort involving the unitization of properties and subsurface injection of water through injection wells (which the Ordinance bans operators from maintaining).[31] Under the Subsidence Act, waterflooding was undertaken to mitigate the subsidence in the Wilmington Oilfield by replacing the fluid withdrawal caused by oil production. The City of Long Beach continues to recognize the importance of maintaining reservoir pressure by managing injection rates and the Long Beach Oil and Gas Department regularly monitors subsidence issues to insure land stability.[32]

Despite acknowledging the situation in the City of Long Beach, the MND wholly dismisses the same issues faced by the City of Los Angeles within the Wilmington Oilfield. The MND's bald conclusion that ending oil and gas extraction in the City of Los Angeles will not increase subsidence risk is unsupported by any evidence and is internally inconsistent with its recognition of subsidence as a health and safety concern requiring separate discretionary zoning review of maintenance operations through an optional health and safety exception process.[33] MND at 75. The MND also ignores that the exception process is not a viable substitute for routine maintenance that has been performed for decades on injection wells under existing Plan Approvals to address the subsidence risk. In fact, Operators did not use the exception process when it was in place under the old oil ordinance due to the practical and operational limitations of the process. The Ordinance converts a well that has not been in use for one year to a non-

[31] The Wilmington Oilfield is the only oilfield in California that is subject to the Subsidence Act.
[32] *See, e.g.,* Long Beach Unit Program Plan (July 1, 2023 through June 30, 2028) attached hereto as Attachment 17.
[33] There is no assurance that an operator will pursue the discretionary health and safety exception process rather than simply shutting in wells. And any such process will not involve the analysis required under CEQA now to avoid piecemealing and to analyze the effects of the Project on subsidence and over-pressurization on a field-wide basis.

conforming well, yet the exception process involves a detailed application and undefined timing for the City to render a decision. Applications thus will become moot through the passage of time after wells are converted to non-conforming uses under the Ordinance. Beyond the timing uncertainty, complete discretion is vested in the City as to whether to grant an exception in the first place. For these reasons, the health and safety exception is of little to no practical use for operators and will not protect the integrity of injection wells so that pressure maintenance can be achieved.

The MND's Hazards analysis also is legally inadequate because it does not discuss the risks from the inability to maintain injection wells under the Ordinance. These health and safety issues were experienced by the Beverly High School Unified School District ("BHSUSD") when wells were left unmaintained. After the operator of wells at a facility in the district went bankrupt, wells that were left unmanaged for a year repressured due to the renormalization of the hydrocarbons to a point at which the Maximum Allowable Working Pressures for the surface facilities (such as piping and valves) were exceeded. This problem could have been avoided by controlling production pressures through proper fluid control as the facility abandonment proceeded.

Moreover, as demonstrated by the response to historic subsidence at the Wilmington Oil Field and the creation of units under the Subsidence Act, reduction in the rate of subsidence is achieved through complex repressurization and waterflooding projects that span the whole field or reservoir. This solution does not work on a well-by-well basis. The current program cannot be continued if wells cannot be maintained for necessary repressuring operations. Instead, the subsurface pressures need to be monitored throughout the area on a wide-scale level and are at risk of imbalance (or over-pressurization) as oil production and/or water injection from individual wells cease.

To satisfy CEQA, the MND must analyze the effects of the Project's maintenance ban and proposed shutdown of oil and gas extraction and injection wells that are stabilizing formation and reservoir pressures and consider whether resulting pressure imbalances could cause subsidence or land instability leading to a potentially significant environmental effect.

The MND also fails to consider that federal law under the UIC program, as administered by the State, controls injection wells within the City. Subsidence and injection-related impacts are comprehensively regulated by the UIC program through the State of California, and the City does not have lawful regulatory authority to control whether the wells should be maintained, converted to non-conforming uses or otherwise banned.

Subsidence, reservoir pressure management, and injection operations are matters squarely regulated by CalGEM pursuant to Public Resources Code sections 3013, 3106, 3106.5, and 3108, and through the federal UIC program. Injection wells, injection pressures, mechanical integrity testing, monitoring, and corrective actions are subject to ongoing CalGEM oversight and

permitting under that program, including specific requirements designed to prevent subsidence, protect groundwater, and maintain reservoir integrity.

The City's Ordinance nevertheless purports to prohibit or materially restrict routine maintenance, workovers, and injection-related activities that are integral to CalGEM-approved UIC projects and reservoir management programs. By doing so, the City is not merely regulating land use; it is directly interfering with the operation, maintenance, and effectiveness of federal UIC injection systems that are specifically designed to prevent subsidence and other geologic hazards.

Limiting or prohibiting maintenance and injection activities approved under the UIC program is not only environmentally counterproductive, but also inconsistent with federal (and state) law. CalGEM is expressly charged with supervising oil and gas operations "so as to permit the owners or operators of the wells to utilize all methods and practices known to the oil industry for the purpose of increasing the ultimate recovery of underground hydrocarbons" while protecting public health and safety. (Pub. Res. Code § 3106(b), (d).) Injection and pressure maintenance programs are core components of that statutory mandate.

To the extent the Ordinance restricts maintenance or injection activities associated with UIC projects, it intrudes into a field fully occupied by federal and state law and is preempted. The City may not accomplish indirectly, through zoning or maintenance prohibitions, what it is prohibited from doing directly: regulating the technical operation and maintenance of wells, injection practices, and reservoir pressure management. Any environmental analysis that assumes the City may lawfully curtail these federal and state approved activities is therefore legally flawed.

Moreover, the MND fails to analyze the environmental consequences of impairing these federal injection programs, including increased subsidence risk, increased casing failure risk, and increased emissions resulting from loss of pressure control.[34] These impacts are reasonably foreseeable results of the Ordinance and must be evaluated under CEQA. The City cannot simultaneously rely on CalGEM's regulatory regime to dismiss subsidence impacts while undermining that same regime by prohibiting the maintenance and injection activities necessary for it to function.

J. The MND is Flawed Because It Consistently Fails to Describe, or Describes Inaccurately, the Existing Baseline.

A CEQA document must describe the physical environmental conditions in the vicinity of a proposed project as they exist at the time environmental analysis begins. CEQA Guidelines, § 15125(a). This environmental setting will normally constitute the baseline physical conditions by which a lead agency will determine whether a project may have a significant impact on the environment. *Id.* Without a comparison of existing baseline physical conditions to the conditions

[34] The MND's Hazards, Air Quality and GHG Sections also are deficient for failing to analyze these impacts.

expected to be produced by a project, an initial study or EIR will not inform decision makers and the public of the project's significant environmental impacts, as CEQA mandates. *Taxpayers for Accountable School Bond Spending*, 215 Cal.App.4th at 1047-1048.

The MND fails to meet this requirement because it fails to describe, or describes inaccurately, the existing setting. For example, the MND describes an existing setting of oil and gas production, which the City analyzed in a report prepared with input from a City-engaged consultant. MND at 29. The MND asserts that "the findings of the report . . . show that activities related to oil and gas operations have been associated with many potential negative health and safety impacts, especially when they occur in close proximity to sensitive uses." *Id.*

On this basis, the City indicates it is going forward with the Ordinance, and it is on this basis that the MND in multiple sections describes an erroneous, harmful existing setting based on oil and gas wells.

The statement in the MND is false and thus unreliable as a foundation for determining the environmental setting. One of the referenced reports is based on areas outside of the City and, in most instances, even outside California.[35] California has actually conducted relevant studies, including under SB 4, but the MND fails to acknowledge or use those studies. In fact, in 2019, the City of Los Angeles Office of Petroleum and Natural Gas Administration and Safety conducted an exhaustive review of government reports and studies and concluded that:

> There is a lack of empirical evidence correlating oil and gas operations within the City of Los Angeles to widespread negative health impacts. The lack of evidence of public health impacts from oil and natural gas operations has been demonstrated locally in multiple studies by the Los Angeles County Department of Public Health, the Los Angeles County Oil & Gas Strike Team, the South Coast Air Quality Management District and the comprehensive Kern County Environmental Impact Report and Health Risk Assessment.[36]

The MND omits any mention of, and makes no effort to, summarize the existing "disagreement among the experts." CEQA Guidelines, § 15151.

Accordingly, the MND proceeds in all of its analysis with a fundamentally flawed assumption as to the existing setting.

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[35] The report relies on data from Pennsylvania, Colorado, Oklahoma and Texas relating to unconventional drilling, which is different from the drilling conducted in the City. Moreover, the report ignores numerous studies of California operations and Health Risk Assessments relating thereto, and it does not appear that the report has even been finalized. It is thus improper to rely on this report in support of the MND.

[36] *See* Attachment 3 at 145, which is incorporated herein by reference and was originally located at https://clkrep.lacity.org/onlinedocs/2017/17-0447_rpt_BPW_07-29-2019.pdf.

The MND also does not provide any quantification of the existing setting as to maintenance operations being performed within the City. While the MND goes on to assume that those operations will remain constant during the life of the Ordinance, there is no way to analyze the accuracy of that assumption when the MND does not even quantify the existing setting as to maintenance operations. Further, the MND provides no factual basis for assuming that maintenance operations will remain constant after the City imposes a ban on those operations in the first place and further imposes a façade "safety-valve," burdensome health and safety exception process, which leaves it to the discretion of the Zoning Administrator to determine whether maintenance operations will be allowed. The MND apparently assumes that operators will elect to employ this cumbersome process despite the discretion given to the Zoning Administrator (and the absence of this process being employed under the former ordinance) and then assumes that the Zoning Administrator will exercise that discretion in a manner that is consistent with the existing, undefined setting. The assumptions are unsupported and the MND does not even provide a baseline from which to compare those unsubstantiated assumptions.

Moreover, multiple sections of the MND essentially state that it is too difficult to quantify the existing environmental setting. For example, the Air Quality Section provides that "there remains substantial uncertainty in the emissions factors and calculation methodologies for oil and gas activities." MND at 55. In part, the MND states that this difficulty is due to the need for a "rigorous bottom-up approach [which] requires expert knowledge to apply and relies on detailed data which may be difficult and costly." *Id.* at 56. The MND thus declines to make such an assessment (apparently because it is too costly), but nevertheless concludes it has made an effort "for illustrative purposes." *Id.* at 53, 56. The City's assertions about the cost and difficulty of obtaining emissions data is misleading and perplexing. Oil production operations in the Los Angeles area routinely report their emissions to the SCAQMD – they are required to. At a minimum, the City could have used that information.

The MND then makes the shocking statement that "the degree to which air quality emissions may be avoided under the Ordinance is not the basis for the impact determination." MND at 56. That statement is the exact opposite of the purpose of CEQA. The whole goal of preparing an environmental document under CEQA is to determine the impacts related to the proposed Project. It is the delta between the existing setting and the emissions projected if the Project is adopted that goes to the very basis of CEQA, either because impacts would be decreased or increased significantly through the implementation of a discretionary action like the Ordinance. Further, by failing to describe the existing setting in any meaningful way, the MND fails to inform the public of the Project's impacts. The Air Quality section provides a glaring example of the harm caused by the wholly inadequate description of the environmental setting. It states that "because the Ordinance would reduce long-term air quality emissions compared to existing emissions associated with oil and gas extraction . . . the Ordinance would not result in [a cumulative impact]." It is simply impossible to make such a conclusion without quantifying the existing emissions.

A similar non-substantive approach is also included in the MND's Greenhouse Gas Emissions Section. This section is similar to that the Air Quality Section because here also the MND punts on any accurate analysis as to existing emissions and instead includes estimates for "illustrative purposes." MND at 79-80.

As described herein, the Noise Section is similarly lacking in any kind of quantification of the Project baseline for such things as ambient sound conditions.

The flawed description of the existing setting and the spurious conclusions based on that description, could lead to a concern that the City was motivated more by its desire to end oil production than by obtaining or identifying, and objectively analyzing, the relevant facts. The MND's conclusory statements about the harm related to oil and gas operations in the City, without citation to any accurate quantitative analysis of these actual emissions, including a failure to even obtain emissions data routinely reported to SCAQMD, spotlights this concern. It is simply assumed that these emissions are harmful and drastically affecting local residents. What is harmful is baselessly alarming local residents and shutting down local businesses who contribute to the local economy through jobs and tax dollars. Nowhere are those impacts analyzed.

The facts do show that emissions from oil and gas operations are low. Warren has demonstrated that its emissions are so low that they compare favorably to a fast-food restaurant with a drive-thru, a supermarket and fast-food restaurant (with no drive-thru) or a 200-unit low rise apartment complex. In fact, Warren's emissions of PM, a TAC, are drastically lower than these other uses. Yorke Report at 12-15. Warren's emissions are also drastically lower than those defined as requiring a major source permit and lower than those requiring offsets. Yorke Report at 12-15.

The CEQA Guidelines require "a good faith effort at full disclosure." CEQA Guidelines, § 15151. Additionally, a determination whether a project may have a significant effect on the environment requires "careful judgment" by the lead agency, "based to the extent possible on scientific and factual data." CEQA Guidelines, § 15064(b). Here, this means that the City must consider the City's 2019 analyses (cited above), reported emissions data from the operations that are the subject of the Ordinance to accurately describe the existing setting, and any other relevant "scientific and factual data." Without a correct description of the environmental setting, it is not at all clear how the City can credibly determine whether or not the Ordinance will have a significant environmental impact.

The MND is fundamentally flawed and does not comply with the basic legal requirement of CEQA to describe the environmental setting, thereby depriving the public and City decision makers of relevant information needed for informed deliberation and consideration.

K. The MND is Legally Deficient Because It Fails to Examine Any Cumulative Impacts Associated with the Project and Fails to Discuss Reasonably Foreseeable Indirect Impacts.

The MND also is legally deficient because it fails to describe any cumulative impacts associated with the Project, despite the fact that this is required under the Thresholds of Significance and CEQA. This flawed analysis may stem from the fact that the MND assumes that all impacts will be less than those associated with existing oil production operations. As noted throughout this letter, this is simply not true. The MND is flawed in many respects, including because it drastically understates impacts associated with plugging and abandonment operations, and fails to consider the impacts of the newly-added definition of prohibited maintenance activities.

The MND's cumulative impacts analysis consists of four sentences. MND at 128. It includes the statement that "[t]he impacts associated with routine operations during the phase out period and individual well abandonments have been found to be less than significant." *Id.* However, direct project-related impacts may be less than significant and still be cumulatively considerable. The analysis also states that "Abandonment activities associated with the citywide phase out of oil and gas drilling are anticipated to be amortized across a 20-year period such that the combined impacts of well cessation and abandonment across the City will not be cumulatively considerable." *Id.* This apparently assumes that cessation and abandonment activities across the City will be performed one at a time, timely spaced throughout the 20-year period, despite there being no such requirement. Moreover, the City fails to account for accelerated cessation and abandonment due to (1) the Ordinance's maintenance ban, or (2) the possibility that the City itself shortens the amortization period pursuant to the discretion it has given itself to do so.

The MND also lacks any discussion of the effect of similar recently-enacted restrictions on oil operations such as SB 1137 and the newly proposed oil phase-out ordinance in the County of Los Angeles (for which the County is preparing a full EIR), both of which will result in increased well abandonments in and around Los Angeles. CEQA, however, does not restrict the required cumulative impacts analysis to similar projects but requires an analysis of other past, current, and probable future projects (including those unrelated to oil production restrictions). The MND remarkably contains no discussion of *any* other projects. California courts have found unlawful the conclusory approach used in the MND. The discussion must be more than a conclusion "devoid of any reasoned analysis." *Whitman v. Board of Supervisors*, 88 Cal. App. 3d 397, 411 (1979). Accordingly, the MND fails to meet the minimum standards of CEQA for cumulative impacts analysis.

Similarly, the MND also fails to discuss reasonably foreseeable indirect impacts. This requirement extends to the adoption of lead agency ordinances that result in changes to land use patterns. For example, in *County Sanitation Dist. No. 2 v. County of Kern* (2005) 127 Cal.App.4th 1544, the court held that an EIR was required when an ordinance was passed restricting the disposal of sewage sludge. The EIR was necessary to analyze an alternate disposal site and things like increased hauling.

Here, the MND is almost completely devoid of any basic analysis of indirect impacts. The MND uses the term "indirect" or "indirectly" approximately 21 times, and the vast majority of these

mentions are related to a description of the CEQA thresholds in the form checklist, with the other mentions contained in conclusory statements that there are no indirect impacts, with no analysis of the potential indirect impacts. E.g., MND at 80 ("Because the Ordinance would reduce long-term GHG emissions compared to existing emissions associated with oil and gas wells throughout the City, the Ordinance would not generate GHG emissions, either directly or indirectly.")

The MND also does not analyze any indirect or secondary impacts related to the termination of oil and gas production and reclamation of the sites to new uses, which it is required to do under CEQA. CEQA Guidelines § 15064(d). In Warren's situation, the production site is located in a heavily-industrialized area next to the Port of Los Angeles. Yet there is no discussion as to the potential impacts that may result from the development of the sites as they are abandoned. Basic information, such as the zoning for the consolidated well sites, is not even included in the MND even though this information is readily available. Indirect effects include secondary effects. CEQA Guidelines, § 15358. If a direct change in the physical environment will cause another change in the environment, the secondary effect must be evaluated as an indirect effect of the project. CEQA Guidelines, § 15064(d). The impact analysis must also consider the potential for growth-inducing impacts. CEQA Guidelines, § 15358(a). Yet the MND fails to do this in its entirety.

The MND also fails to analyze the cumulative and/or indirect impacts from increased GHG, air emissions, and noise at the nearby ports as a result of increased imports of oil to meet existing demand. These emissions can be quantified, and have already increased significantly, as noted in a Los Angeles Times Article attached hereto as Attachment 14 and incorporated herein by reference.[37] Nonetheless, the MND contains no discussion of the cumulative impacts from increased importation of oil to the State through those ports, despite that it is reasonably foreseeable that such activity will occur. Accordingly, the MND is deficient as matter of law.

L. The MND is Deficient Because It Fails to Consider the Potential for Urban Decay.

"A lead agency must address the issue of urban decay in an EIR when a fair argument can be made that the proposed project will adversely affect the physical environment." *California Clean Energy Committee v. City of Woodland* (2014) 225 Cal.App.4th 173, 188. Although economic and social impacts of a proposed project typically fall outside of CEQA review, where those impacts could foreseeably result in an indirect environmental impact or physical change, such as urban decay, the lead agency must do an EIR to assess that impact. Moreover, the agency must adopt enforceable mitigation measures and a monitoring program to ensure those measures are enforced. "*The purpose of these requirements is to ensure that feasible mitigation measures will actually be implemented as a condition of development, and not merely adopted*

[37] https://www.latimes.com/environment/story/2022-10-17/ports-blame-covid-19-for-spike-in-harmful-emissions.

and then neglected or disregarded [ ]." *Id. citing Federation of Hillside & Canyon Associations v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1260-61 (emphasis in original).

Here (in part as a result of its piecemealing of the plugging, abandonment, remediation, and redevelopment requirements) the City has failed to consider the impact that hundreds of abandoned wells will have on the City's economy and eventually on its physical presence. It is reasonably foreseeable that the economic impact of banning drilling—and effectively driving the oil and gas industry out of the City—will lead to abandoned sites, deterioration, and urban decay. Moreover, as it stands now, the Ordinance does not require any specific plugging, abandonment, and remediation work to be done. This means that not only does the MND fail to consider the environmental impacts of that plugging, abandonment and remediation work as discussed above, but nothing actually requires that work to be done in the first place. As drafted, it is therefore reasonably foreseeable that the Ordinance will result in hundreds, or perhaps thousands, of idle and abandoned wells throughout the City, resulting in inevitable urban decay and deterioration that is wholly unmitigated by the MND.

In other words, the City's attempts to address plugging, abandonment, and remediation work in a future ordinance or otherwise is not sufficient under CEQA because it is either (1) an admission that the City is improperly piecemealing, or (2) an improper, vague, and unenforceable attempt at future mitigation of a reasonably foreseeable indirect impact. *See Cal. Clean Energy Committee*, 225 Cal.App.4th at 196 (mitigation measures that did not commit agency to any enforceable "*actual* mitigation" or "concrete, measurable actions" to ameliorate the expected urban decay caused by the project are insufficient).

The maintenance ban included in the Ordinance only heightens the potential for urban decay because unmaintained wells will prematurely cease operations and create a heightened risk of orphaning or desertion by operators. The BHSUSD site discussed above provides a concrete example of the urban blight, nuisance, and health and safety risks associated with leaving well sites unmaintained. In particular, the BHSUSD site was left unmaintained during the period when the oil and gas operator was in bankruptcy. In addition to the previously-noted geological issues with pressure maintenance, there were no operating personnel and no site security, and the facility then experienced problems related to trespass by transients and youth. In effect, the BHSUSD site became an attractive nuisance with easy unauthorized access to a high-risk security area. Even after well abandonment, safety equipment requires constant attention. Otherwise, remnant safety systems can fail. At the BHSUSD site, a failure of some systems without proper maintenance led to flooding of Olympic Avenue. The City ignores these foreseeable impacts of a ban on maintenance activities and as a result, the MND is deficient in yet another respect.

M. Conclusion.

For all the foregoing reasons, Warren urges the City to decline to adopt the Ordinance and the related MND. If the City follows through with adopting the Ordinance and MND as proposed, it will be in violation of the law and subject to legal action for, among other things, violating CEQA. At a minimum, as described above, the MND is fatally deficient in many respects and a full EIR must be prepared.

Very truly yours,

DAY CARTER & MURPHY LLP

Tracy K. Hunckler
Megan A. Sammut

Encls.

LINK TO LETTER ATTACHMENTS (copy and paste into browser):
https://www.dropbox.com/scl/fo/wdtgr0obbgby90rxl2grv/APq05cbo2XJZ1IqCf_8Pb2g?rlkey=cnfcsifke9xixhufz2oldu2m2&st=5n2mxwts&dl=0

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June 8, 2026

VIA ONLINE PUBLIC COMMENT SUBMISSION
[LACOUNCILCOMMENT.COM]

Planning Land Use Management Committee
Los Angeles City Council
John Ferraro Council Chamber
200 North Spring Street, Room 340, City Hall
Los Angeles, CA 90012

Re: *Agenda Item 11 of June 9, 2026 City Council Meeting – Comments on Proposed Oil and Gas Drilling Ordinance; CPC-2025-2884-CA*; *ENV-2025-2885-MND; CF 17-0447-S2*

Dear Honorable Councilmembers:

This firm represents Warren E&P, Inc.; Warren Resources of California, Inc.; Warren Resources, Inc.; Warren Management Corp.; and Warren Operating LLC (collectively "Warren").[1] On behalf of Warren, we are providing these comments in opposition to those recommended actions as described in Planning Commission Report dated May 20, 2026 ("Report"), and scheduled for consideration pursuant to City Council Agenda Item No. 11, Council File No. 17-0447-S2, of the Planning and Land Use Management Committee's June 9, 2026 meeting agenda. Warren incorporates by reference its prior submissions and evidence to the City, including Warren's submissions of December 1, 2025; December 9, 2025; and as further described in Warren's December 29, 2025 letter commenting on the City's Proposed Mitigated Negative Declaration (ENV-2025-2885-MND ("MND")) regarding the proposed Oil and Gas Drilling Ordinance ("Ordinance") to prohibit new oil and gas extraction and to make existing extraction activities a nonconforming use (CPC-2025-2884-CA).

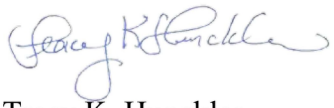
[1] Warren operates drilling and production sites within the City and would be detrimentally affected by the Project. It has a beneficial interest that would be adversely affected by the environmental impacts associated with the Project, and the Project will otherwise have a direct, substantial effect on Warren and its operations. Further, Warren makes these comments on behalf of the public interest, which interest would suffer if the City were not compelled to perform its duties under CEQA.

The Report is woefully insufficient as it fails to analyze or otherwise consider any of the points raised in Warren's December 29 comment letter on the proposed MND. The Report's summary conclusions are inadequate to properly respond to the detailed written comments from Warren on the deficiencies with the proposed MND and the Report provides no evidence in response to those comments. For the reasons thoroughly set out in Warren's December 29 comment letter, the MND is insufficient and the City should be required to perform an Environmental Impact Report analyzing the impacts of the proposed Ordinance.

As explained by Warren and others on numerous prior occasions in connection with a previous and nearly identical ordinance and MND (Ordinance No. 187,709), and as detailed in all prior communications incorporated herein, Warren opposes the adoption of the Ordinance and related MND and urges the PLUM Committee to reject the recommendation of City Planning.[2]

Sincerely,

DAY CARTER & MURPHY LLP



Tracy K. Hunckler

TKH:cb

[2] Warren incorporates by reference all prior submissions in connection with the City's attempts to adopt the former ordinance (Ordinance No. 187,709) as well, including but not limited to the following: Warren's letter to the Planning Commission dated September 19, 2022; its letter dated October 5, 2022 to the Energy, Climate Change, Environmental Justice, and River Committee; its letter dated October 17, 2022 to the Department of City Planning as to the 2022 MND; its letters to City Council dated November 21 and December 1, 2022. Warren additionally incorporates by reference all submissions in opposition to the issuance of Zoning Administrator Interpretation ZA-2025-2976-ZAI (the "2025 ZAI"), and Zoning Administrator Interpretation ZA-2022-8997-ZAI (the "2023 ZAI"). Warren further incorporates by reference all arguments, submissions and evidence submitted to the City, including the City Planning Commission and City Council, by Warren, E&B Natural Resources Management Corporation and its related entities, and other industry participants and opponents of the former ordinance (Ordinance No. 187,709) (and its associated mitigated negative declaration), the present Ordinance, the MND, the 2025 ZAI and the 2023 ZAI.

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Via LACouncilComment.com

June 8, 2026

Planning and Land Use Management Committee
Los Angeles City Council
200 North Spring Street, Room 340
Los Angeles, CA 90012

Re: June 9, 2026, Hrg, Agenda Item No. 11, Proposed Oil and Gas Drilling Ordinance, Council File No. 17-0447-S2; Mitigated Negative Declaration, Environmental Case Nos. ENV-2025-2885-MND

Dear Councilmembers,

On behalf of E&B Natural Resources Management Corporation, Hillcrest Beverly Oil Corporation, E&B ENR I, LLC, and Elysium Natural Resources, LLC (collectively, "E&B"), this letter provides comments regarding the PLUM Committee's consideration of Council File No. 17-0447-S2 proposing an Ordinance, which would amend the Los Angeles Municipal Code to prohibit new oil and gas extraction and make existing extraction uses nonconforming ("Oil and Gas Ordinance"). E&B objects to the proposed Oil & Gas Ordinance and strongly urges the Committee to refrain from approving the proposed amendment. The Oil and Gas Ordinance is not appropriate given California's energy demands and the potential constitutional violations. In addition, City Planning has not properly complied with the California Environmental Quality Act ("CEQA") in considering the significant environmental impacts caused by this action.

E&B incorporates by reference its prior letters, including its submission on December 8, 2025, in connection with the City Planning Commission's prior consideration of the Oil & Gas Ordinance, as well as its December 29, 2025, submission of comments to the draft Mitigated Negative Declaration proposed to be adopted in connection with the Oil & Gas Ordinance. E&B briefly reiterates the objections to the ordinance below and refers the Committee to its December 8 and 29 letters for more detailed discussions.

The Oil & Gas Ordinance largely replicates a prior 2022 ordinance that was invalidated by a Los Angeles Superior Court and therefore remains legally defective. The ordinance is preempted by state and federal law because the regulation of oil and gas operations is already fully occupied by state agencies (e.g., CalGEM and SCAQMD) and federal programs governing injection wells. The statutory changes previously cited by the

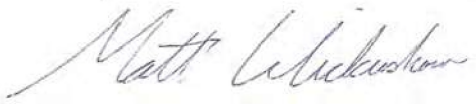
City (sections 3106.1 and 3280 et seq. of the Public Resources Code) do not override the constitutional preemption principles established by the California Supreme Court. As a result, the Oil & Gas Ordinance intrudes into areas reserved to higher levels of government and conflicts with controlling legal authority.

Beyond preemption, the Oil & Gas Ordinance is an arbitrary and unsupported exercise of the City's police power and would have significant economic and environmental consequences. The ordinance would effectively terminate oil operations by restricting maintenance, impose an illusory amortization scheme that accelerates shutdown of wells, and result in an unconstitutional taking of vested mineral and contract rights without compensation.

Finally, the City's CEQA review for the proposed Oil Ordinance is procedurally flawed and substantively inadequate. The City's proposed IS/MND improperly ignores foreseeable environmental consequences such as site abandonment and increased reliance on imported oil, and it fails to analyze cumulative and indirect environmental effects. The City must prepare a full Environmental Impact Report. The County of Los Angeles has already conceded this point, moving forward with preparation of an Environmental Impact Report for a proposed ordinance that does not go nearly as far as the City's proposed ordinance.

For all of these reasons, we urge the PLUM Committee not to move forward with respect to the proposed Oil & Gas Ordinance.

Sincerely,



Matt Wickersham