

## **Communication from Public**

**Name:** E&B Natural Resources  
**Date Submitted:** 10/17/2022 01:14 PM  
**Council File No:** 17-0447  
**Comments for Public Posting:** Comment letter attached for file.



1608 Norris Road • Bakersfield, CA 93308

October 17, 2022

Honorable Los Angeles City Councilmembers  
Planning and Land Use Management Committee  
Submitted electronically at [LACouncilComment.com](http://LACouncilComment.com)

**Re: Oil & Gas Ordinance Draft, related to agenda item 3, Council File 17-0447-S2**

Dear Los Angeles City Councilmembers:

E&B Natural Resources (E&B) provides the following comments relating to the Los Angeles City proposed draft Oil & Gas Ordinance.

E&B is a California-based energy producer. We produce over 8,000 barrels of oil per day for Californians including Angelenos. E&B and its affiliates including HBOC complies with rules and regulations administered by multiple agencies at the local, state, and federal levels. We have a personal and collective interest in adhering to California's stringent environmental regulations to protect the safety of our workforce. We are dedicated to producing the cleanest and most environmentally friendly oil and natural gas that meets California climate compliancy. We have over 250 staff working for E&B, many in the Los Angeles area. We also provide monthly royalties to thousands of royalty owners in the local area. We have been a long-time partner to the city, active in the local community and we look forward to continuing to work with LA City on the draft ordinance.

We have all witnessed over these last weeks, months and years (i.e., Ukraine and Russia event, COVID-19, supply chain issues, rising gas prices, etc.) how important it is to be able to source locally and buy locally. California, the fifth largest economy in the world, demands nearly 1.8 million barrels of oil per day and local in-state production only supplies roughly 30% of our state needs. We believe that while demand for the product remains strong, it is best for the local and state economies and the environment to have the ability to procure product locally than from foreign sources including from Ecuador, Saudi Arabia and Russia who don't have the same environmental regulations as California. Our workforce and product have been recognized as critical and essential to our nation and to our state.

We recognize the need for improvement and for change. We believe we can work together to achieve an ordinance that works for the majority of the stakeholders. We appreciate the work staff has done thus far. We offer the following thoughts and recommendations.

California • Kansas • Louisiana • Wyoming

Bus: (661) 387-8500 • [www.ebresources.com](http://www.ebresources.com) • Fax: (661) 687-8690



1608 Norris Road • Bakersfield, CA 93308

**Study Economic and Environmental Impacts. Mitigate for potential unintended consequences.**

We recommend the city study the environmental impacts of losing its local production, particularly impacts to air emissions. Where is LA City going to get its oil from? Reducing local production often leads to an increase in foreign imports. California is an energy island and there is no infrastructure like oil pipelines to carry oil into the state from other states. These foreign imports would increase super tanker traffic to our local ports in Long Beach and Los Angeles. According to the South Coast Air Quality Management District, the number one source of toxic pollution in the LA Basin comes directly from port ships including supertankers carrying foreign oil. We also urge the city to study the countries supplying foreign imports, their human rights records and the countries' environmental regulations including Ecuador, Saudi Arabia and Iraq. We also recognize the on-going job transition study, and we would like to see that finalized prior to taking this policy forward. Negative consequences due to the proposed policy should be acknowledged and addressed as part of this overall policy discussion.

**Amortization Study and Legal Analysis should be made public by the City Attorney's Office prior to moving forward with this policy.**

In the proposed ordinance, the city calls for an amortization period of existing wells and facilities of twenty years. The city, however, has not provided an amortization study to support the 20-year time frame, nor has it explained how such an amortization program is legally authorized for mineral resources. We believe that the city's "potential" amortization program / period has no support in fact or in law and instead serves only to violate E&B and HBOC's constitutionally protected vested rights as well as the rights of the mineral owners. We recommend that the city work with the operators and stakeholders on the amortization study, and we work together to find the right balance of best practices, regulations and good neighbor provisions.

**Prohibition on Maintenance Activities is inconsistent with State law and further violates constitutional protections.**

The draft ordinance does not allow for maintenance activities which could jeopardize field safety and reliability. There are numerous activities conducted on an oil field to maintain equipment or take other actions to enhance the safe and reliable operation of the field. There are numerous activities that are required by law. Taking away our rights to maintain our wells could pose numerous unintended consequences. We recommend allowing operators to continue to maintain their wells in a safe and responsible manner. Anything less would be reckless and potentially unconstitutional. Let's move forward with smart regulation. We are ready to work with you and City's staff on these specific issues. In fact, we have been working with community, neighborhood councils and local council offices to voluntarily move forward with several best practices and emerging technologies to keep our sites performing optimally. We were the first to implement fence line air monitoring systems, advocate for annual inspections and volunteer for

California • Kansas • Louisiana • Wyoming

Bus: (661) 387-8500 • [www.ebresources.com](http://www.ebresources.com) • Fax: (661) 687-8690



1608 Norris Road • Bakersfield, CA 93308

additional reporting requirements. Please look to our company to be the model for what is possible.

**Any Action by City Council's Planning and Land Use Management (PLUM) Committee is Premature Until CEQA Process is Complete.**

The City issued a notice that the Mitigated Negative Declaration (MND) is available for public comment and review, with the 30-day comment period closing on October 17, 2022. The PLUM Committee's responsibilities include "land use planning matters...and environmental determinations directly related to those matters..." (Resolution, January 12, 2021, City Council Committees.) The City Planning Commission decided not to consider the comments on the MND and indicated that would be considered by the City Council, the decision-making body. Given that the responsibilities of the PLUM Committee include review of environmental issues related to land use decisions for the City Council, the Committee should postpone any action until the CEQA process is complete.

In regard to plugging and abandoning wells, we recommend that you continue to engage operators in these discussions, work with the state agency CalGEM, and stay consistent with state law and the existing state idle well program.

We also incorporate by reference all of the comments submitted by Alston & Bird to the City Planning Commission in its letter dated September 20, 2022 (attached for convenience to this letter), and in its comment letter on the MND dated October 17, 2022.

It is our hope that we can continue to work together towards an improved ordinance that works for all parties. Please do not hesitate to call upon us for additional information. Please use us as a resource. Thank you for your time and consideration of our comments.

Best regards,

A handwritten signature in blue ink, appearing to read 'Louis Zylstra', with a stylized flourish at the end.

Louis Zylstra, PE  
Senior Vice President, Los Angeles Basin  
E&B Natural Resources  
Tel: 714.968.4770  
Email: [lou.zylstra@ebresources.com](mailto:lou.zylstra@ebresources.com)

California • Kansas • Louisiana • Wyoming

Bus: (661) 387-8500 • [www.ebresources.com](http://www.ebresources.com) • Fax: (661) 687-8690



---

1608 Norris Road • Bakersfield, CA 93308

### **REFERENCES**

1. South Coast Air Quality Management District,  
<https://www.aqmd.gov/nav/about/initiatives/clean-port>

---

California • Kansas • Louisiana • Wyoming

Bus: (661) 387-8500 • [www.ebresources.com](http://www.ebresources.com) • Fax: (661) 687-8690