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April 14, 2023

*Via E-mail: [clerk.plumcommittee@lacity.org](mailto:clerk.plumcommittee@lacity.org)*

Los Angeles City Council  
c/o Office of the City Clerk  
City Hall, Room 395  
200 N. Spring Street  
Los Angeles, California 90012

**Attention: PLUM Committee**

**Re: Case No. ENV-2020-1328-CE-1A**  
**Project Address: 9101 West Pico Boulevard**  
**Hearing Date: April 18, 2023**  
**Council File No. 21-1025**

Dear Honorable Members:

The undersigned represents Pacific Coast Energy Company, the project applicant and operator of the West Pico Drill Site located at 9101 West Pico Boulevard. This letter responds to the issues raised in the letter dated March 17, 2023 submitted by attorney Amy Minter on behalf of appellant Neighbors for a Safe Environment (“NASE”) with regard to Case No. ENV-2020-1328-CE-1A.

## **1. Introduction**

The Zoning Administrator conducted its compliance review of the existing drill site operation pursuant to Condition 78 of the current operating permit for the West Pico Drill Site (Case Nos. BZA-2000-1697 and ZA-17683(PAD)), and Clause 4.b of the 2001 Settlement Agreement that resolved NASE’s prior CEQA challenge to the EIR prepared for the drill site modernization project. The Zoning Administrator issued its Plan Approval determination on June 2, 2021, finding the operator to be in substantial compliance with the existing drill site conditions of approval. The West Los Angeles Area Planning Commission (“WLAAPC”) subsequently upheld the Zoning Administrator’s determination on August 26, 2021, with several added conditions. The WLAAPC’s added conditions include requirements that the operator (1) comply

with several outstanding reporting obligations, (2) install a fence line emissions monitoring system, and (3) install signage with emergency contact information.

NASE is asking that the Plan Approval be remanded to the Zoning Administrator for preparation of a subsequent or supplemental EIR that evaluates the West Pico Drill Site's current impacts on the surrounding community and whether there are feasible mitigation measures to address those alleged impacts. NASE argues that prohibited oil activities have been occurring at the site since the year 2000 when the drill site modernization project was approved, including numerous ongoing violations of project conditions of approval. NASE argues that more detailed environmental review is required to assess the impacts of these alleged illegal activities on the surrounding community.

## **2. Scope of the Plan Approval Compliance Review**

Condition 78 of the current operating permit and Clause 4.b of the 2001 Settlement Agreement require the operator to submit a Plan Approval application every five years for purposes of determining the effectiveness of, and the operator's compliance with, existing conditions of approval. Neither Condition 78 nor Clause 4.b require the City to perform de novo environmental review regarding the scope of the oil drilling operation as a part of the recurring 5-year compliance reviews. This is not a situation requiring the City to renew the operating permit every 5 years, nor is it a situation where the City is being asked to authorize new or expanded uses at the drill site. In its Plan Approval application, the operator did not request any changes or modifications to the physical conditions existing at the drill site, nor to any of the existing conditions of approval applicable to drill site operations. Nothing new is being proposed that would trigger the need for the City to prepare a subsequent or supplemental environmental document.

The process of preparing an EIR is invariably expensive and time consuming. Once an EIR has been prepared for a project, CEQA includes a presumption against requiring any further environmental review. (See Public Resources Code § 21166.) The purpose of this limitation is to provide a degree of finality to the environmental findings and results. (See Kostka & Zischke, *Practice Under the California Environmental Quality Act*, CEB, Second Ed., Section 19.2, p. 19-5, citing *Friends of the College of San Mateo Gardens v. San Mateo County Community College Dist.* (2016) 1 C5th 937, 949; *San Diego Navy Broadway Complex Coalition v. City of San Diego* (2010) 185 CA4th 924, 934; *Melom v. City of Madera* (2010) 183 CA4th 41, 48; and *Moss v. County of Humboldt* (2008) 162 CA4th 1041, 1049.)

As aptly explained by the court in the case of *Bowman v. City of Petaluma*, “[S]ection 21166 comes into play precisely because in-depth review has already occurred, the time for challenging the sufficiency of the original EIR has long since expired [§21167(c)], and the question

is whether circumstances have *changed* enough to justify *repeating* a substantial portion of the process.” (*Bowman v. City of Petaluma* (1986) 185 CA3d 1065, 1073.)

### **3. NASE’s Arguments Regarding Illegal Well Activities**

In the present case, there has been no request to expand any previously approved use, and no proposed change to the current operating conditions that presently exist at the drill site. NASE asserts that illegal well activities have been occurring at the site since the 2000 approval of the modernization project, and this justifies a more in depth and detailed environmental review. However, in making this argument, NASE refuses to recognize that all down-hole well activities occurring at the drill site since approval of the modernization project have occurred in compliance with existing Condition No. 72. This condition is an express recognition that the operator has a vested right, pursuant to previously granted discretionary approvals, to drill, operate and maintain up to 69 wells, including 20 injection wells (as permitted by Case ZA-17683), without obtaining further written approval from the Zoning Administrator’s office. As such, these so-called illegal activities that NASE complains about are activities recognized and allowed by the current operating permit and thus part of the existing environmental baseline.

### **4. NASE’s Arguments Regarding Ongoing Permit Violations**

Undeterred, NASE asserts that numerous ongoing violations of project conditions have been occurring and these alleged violations justify more in depth and detailed environmental review. In making this claim, NASE refuses to be specific regarding the exact conditions it asserts are being violated. In sharp contrast, the Zoning Administrator conducted a comprehensive compliance review that involved consideration of the whole administrative record, including formal testimony provided by residents, stakeholders and community groups during multiple public hearings. In issuing its opinion dated June 21, 2021, the Zoning Administrator found the operator to be noncompliant with a total of 4 out of 78 conditions imposed on the drill site operation (Condition Nos. 36, 39, 49 and 72). All four of the noncompliant conditions involve the operator’s failure to timely submit records and other information that the operator keeps in the normal course of its business practice. None of the four violations noted in the Zoning Administrator’s determination can be considered major violations which fundamentally undermine the operational safety of the controlled drill site. Nor can they be considered violations which adversely affect the health, safety or welfare of the community at large. Each of the violations has been, or can be, easily cured by simply providing the Zoning Administrator’s office with information and records in the operator’s possession.

**5. The Alleged Illegal Well Activities and Permit Violations That NASE Complains About Do Not Alter or Effect the Existing Environmental Baseline**

CEQA applies to projects that will result in a physical change to the environment. An action by a public agency is not a “project” subject to CEQA if the action will not result in a physical change to the environment. (See Public Resources Code § 21065; 14 California Code of Regulations §§ 15060(c)(2), (3), 15378(a).) If there are no modifications proposed to an existing operation that will change the baseline level of conditions in existence at the time a project is proposed, there is no trigger for additional environmental review. Nothing about the present Plan Approval process will result in a change to the baseline level of operating conditions that presently exist at the drill site. The alleged illegal activities and violations that NASE complains about, to the extent any exist or have occurred in the past, are not changes to the baseline level of operating conditions that currently exist at the drill site. The only change to the physical environment that will result from the City’s Plan Approval determination will be the added conditions imposed by the WLAAPC requiring adequate signage and installation of a fence line emissions monitoring system. However, these are features intended to protect health and safety, and not features that will alter existing drilling activities or oil operations at the drill site. As such, the City’s determination that Class 1 categorical exemption applies is appropriate and fully supported by substantial evidence.

**6. NASE’s Assertions Regarding the December 2021 Pipeline Leak**

NASE claims that the project conditions currently in effect have not adequately protected the neighborhood surrounding the drill site from impacts related to drill site operations. NASE points to a pipeline leak that occurred at the site on December 11, 2021, as an example. NASE claims the leak was caused by “illegal pipeline projects executed in 2001, inadequate maintenance, and lack of necessary oversight,” but provides no substantial evidence to support its assertions. NASE further claims that soil and groundwater cleanup remain pending, which is entirely inaccurate.

The operator responded immediately to the release which involved no more than 10 gallons of production fluid. With the assistance of a third party contractor, and within a matter of hours, the operator had completed cleanup of the effected surface area to the satisfaction of CalGEM and the Los Angeles County Fire Department. As part of the response effort, the operator was required to permanently abandon the subsurface pipeline involved in the leak, and demonstrate that no residual soil or groundwater contamination persisted. A final soil sample report was submitted to the Regional Water Quality Control Board on August 11, 2022, demonstrating that the soil samples were below ESL’s for TPH, and that groundwater had not been effected. Commencement of the pipeline abandonment process began on September 12, 2022, and was completed on September

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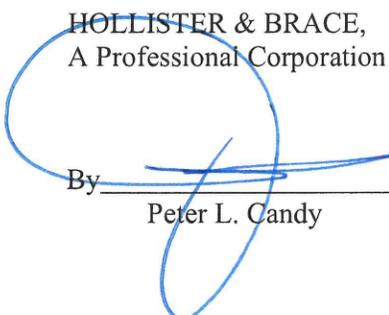
22, 2022. As it stands, all the requirements of CalGEM, RWQCB, City, and other agencies have been satisfied and no further action is required. Attached hereto is a letter from the operator dated October 10, 2022, summarizing the cleanup and abandonment activities that occurred in response to the pipeline leak.

### 7. Conclusion

The current appeal, which has been pending for more than a year and a half, is an inappropriate attempt by NASE to use the current CEQA appeal process as a vehicle to mischaracterize and re-argue otherwise non-appealable decisions made by the Zoning Administrator and WLAAPC. The operator requests that the PLUM Committee deny the appeal and determine, based on the whole of the administrative record, the project is exempt from CEQA pursuant to CEQA Guidelines, Section 15301 (Class 1) and Section 15321 (Class 21), and there is no substantial evidence demonstrating that an exception to either of the categorical exemptions, pursuant to CEQA Guidelines, Section 15300.2 applies. Denial of the appeal will have the effect of finalizing the WLAAPC's Plan Approval determination, allowing the operator to then get on with the business of implementing the additional health and safety conditions the WLAAPC imposed. Thank you for your attention to this matter.

Respectfully submitted,

HOLLISTER & BRACE,  
A Professional Corporation

By 

Peter L. Candy

PLC/cr

ATTACHMENT



October 10, 2022

**VIA E-MAIL AND U.S. MAIL**

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Associate Oil and Gas Engineer  
Pipeline and Facilities Program  
Geologic Energy Management  
Southern District  
California Department of Conservation  
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Long Beach, CA 90806  
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**West Pico Drill Site, 9101 and 9151 West Pico Boulevard, Los Angeles, California, 90035**  
Pacific Coast Energy Company Lease, Beverly Hills Field West Violation I.D. 12242781

Dear Ms. Neda Tafi,

This letter is hereby submitted to document and notify CalGEM that the cleanup and mitigation project at the above-mentioned site has been completed. A spill of approximately 10 gallons of production fluid occurred at the Pacific Coast Energy Company ("PCEC") West Pico Drill Site located at 9101 and 9151 West Pico Boulevard on December 11, 2021. PCEC immediately responded to the spill and, with the assistance of a third-party contractor, completed cleanup of the spill to the satisfaction of CalGEM and the Los Angeles County Fire Department Health Hazardous Materials Division the following day, December 12, 2021. As part of the response to the spill event, PCEC were required to permanently abandon a subsurface pipeline which was the conduit from which the spill surfaced. Before PCEC could commence any work, an excavation permit from the City of Los Angeles was required. PCEC applied for the permit on January 18, 2021 and received the permit on July 6th, 2022.

It was established that a failure of a slip blind within the production facility was the root cause of the spill. PCEC were requested to obtain a Root Cause Analysis (RCA) report from a certified third-party consultant by CalGEM. The Root Cause Analysis (RCA) was submitted to CalGEM and LA City Planning on April 21, 2022.

After receiving the LA City permits, all agencies were notified of the Drill Hole Assessment and preconstruction meeting which took place on July 20<sup>th</sup>, 2022. The final soil samples report and plats were submitted to Regional Water Quality Control Board by Padre, Inc. on August 11<sup>th</sup>, 2022, showing that the soil impacts were below ESL's for TPH. Commencement of the cleanup and abandonment process began on September 12<sup>th</sup>, 2022, having given all agencies proper notification, with the intention to complete the project within one week. In the event, the project was postponed for one week until September 19<sup>th</sup> as there was a question as to whether an additional SCAQMD permit was required.

The pipelines within the project scope were exposed, cut, capped off, and filled with water in accordance with CalGEM requirements for pipeline abandonment. The onsite CalGEM representative



witnessed the abandonment activities and provided verbal approval. Photographs of the excavated area (attached) and additional soil samples were taken by RWQCB and Padre. The excavation was backfilled with cement slurry to required compaction and to the satisfaction of CalGEM on September 21<sup>st</sup>, 2022. The slurry was left to cure overnight, and the asphalt was repaved within the alley on September 22<sup>nd</sup>, 2022.

PCEC believes that all the requirements of CalGEM, RWQCB and all other agencies have been satisfied and anticipate that no further action is required.

If you would like to discuss this matter further, please do not hesitate to contact the undersigned.

Sincerely,

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Philip Brown,  
Pacific Coast Energy Company  
Email: philip.brown@pceclp.com  
Cell: 805 350 8175

Photos attached in Zip file:

1. Closure Slurry
2. Excavation – pipes exposed
3. Piping Cuts
4. Piping Cuts 1
5. Spill Clean Up
6. Spill Clean Up 1
7. Spill Response 1
8. Spill Response 5

cc: Alvin Dong, LA City Fire Dept., [adong@lacity.org](mailto:adong@lacity.org)  
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