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ZA MEMORANDUM NO. 141

January 17, 2023

TO:

Office of Zoning Administration

Department of City Planning

Department of Building and Safety

All Interested Parties

FROM:

Estineh Mailian ()

Chief Zoning Administrator, Department of City Planning

SUBJECT:

Application and Processing Requirements for Health and Safety Exception Projects for Oil and Gas Drill Sites Pursuant to Los

Angeles Municipal Code Section 12.23-C.4

This Zoning Administrator Memorandum (ZA Memo) is intended to establish a comprehensive set of procedures and policies for the acceptance and processing of applications for projects, at existing non-conforming sites, where drilling, redrilling, deepening, or well maintenance is proposed to either prevent or respond to a threat to public health, safety, or the environment, pursuant to Los Angeles Municipal Code (LAMC) Section 12.23-C.4, adopted by Ordinance No. 187,709, effective on January 18, 2023. This ZA Memo 141 applies to all Citywide oil wells, including those that were formerly by-right operations in the M3 zone.

One pathway, a **Discretionary Health and Safety Exception** application, is a discretionary entitlement process complete with a CEQA determination. This ZA Memo identifies the steps that operators are required to complete prior to commencing proposed scopes of work and outlines the discretionary review procedures and policies for operators. In addition, there is a separate review process, the **Administrative Emergency Health and Safety Exception** review, that is specifically for projects where the operator needs to complete a scope of work or scopes of work due to an imminent emergency threat to public health, safety, and/or the environment. This "imminent emergency" shall be reviewed and processed administratively, the procedures of which are discussed further in this ZA Memo.

I. Background

In 2022, pursuant to City Council instructions in Council File No. 17-0447, the Department of City Planning (DCP) commenced an amendment to the LAMC Zoning Code provisions that govern oil and gas extraction activities in the City. The City Council instructed the DCP, with assistance from the City Attorney, to prepare an ordinance to prohibit new oil and gas extraction activities and to declare existing drill sites and oil wells a nonconforming use in all zones. The resulting ordinance, Ordinance No. 187,709, was adopted on December 2, 2022. This Ordinance will become effective on January 18, 2023. The Ordinance will apply to drill sites that were previously granted discretionary land use approval(s) including by the Zoning Administrator pursuant to LAMC Section 13.01 or that were formerly by-right operations on properties in the M3 zone.

The Ordinance revised different Zoning Code provisions, including changes to LAMC Sections 12.23-C.4 and LAMC 13.01. As pertains to this ZA Memo, the recently approved Ordinance adds language that prohibits new projects at existing drill sites, except when there is a demonstrated threat to public health, safety, or the environment, as determined by the Zoning Administrator and as detailed in the language below:

"12.23-C.4. a) All oil wells (as defined pursuant to LAMC Section 13.01 B), including those operating pursuant to any discretionary permit in all zones, whether by ordinance or approval of a Zoning Administrator, and all oil wells in an M3 Zone, are nonconforming uses as of the effective date of the ordinance. No new well for the production of oil, gas or other hydrocarbon substances may be drilled in any zone. No existing well for the production of oil, gas or other hydrocarbon substances, which is a nonconforming use, shall be maintained, drilled, re-drilled, or deepened, except to prevent or respond to a threat to public health, safety, or the environment, as determined by the Zoning Administrator."

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The above provision prohibits operators from carrying out scopes of work where wells would be maintained, drilled, re-drilled, or deepened, except if it is to prevent or respond to a threat to public health, safety, or the environment. This ZA Memo 141 establishes the procedures and policies for the acceptance and processing of applications for operators who will make requests to complete oil/gas well projects by way of this "Health and Safety exception."

A separate DCP communication, a Zoning Administrator's Interpretation (ZA-2022-8997-ZAI), discusses the interpretation of the term "maintained" as mentioned in LAMC Section 12.23-C.4(a). The ZAI interprets the full scope of what "well maintenance" projects constitute and applies to all LAMC sections where well maintenance is referenced. Specifically, the ZAI applies to well maintenance regulations in the LAMC sections both prior to and after the January 18, 2023 effective date of Ordinance No. 187,709.

Furthermore, ZA Memo 133, which addressed the review procedures and policies for discretionary requests per LAMC Section 13.01-H, is no longer applicable to the extent that LAMC Sections 13.01-H and 13.01-I are removed from the LAMC by way of Ordinance No. 187,709. To the extent that an operator seeks a Health and Safety exception request for a discretionary review, pursuant to LAMC Section 12.23-C.4, for drilling, redrilling, deepening, and/or well maintenance, these requests shall be made according to the procedures outlined in this ZA Memo 141.

Ordinance No. 187,709 adopted changes to the LAMC that deem all existing wells as legally nonconforming uses, as of the effective date of the ordinance. Per this Ordinance, a legally nonconforming well is an existing well that was established and permitted by the California Geologic Energy Management Division (CalGEM) prior to January 18, 2023. As such, these wells are subject to LAMC Section 12.23-C.4 for any future scopes of work. Existing wells that received prior Zoning Administrator approval will remain subject to the previously imposed land use conditions. These Zoning Administrator approvals, or "LAMC Section 13.01 legacy approvals", are subject to both LAMC Section 12.23-C.4 regulations as well as any previously imposed Conditions of Approval.

This Memo does not change or alter any vested rights granted in a LAMC Section 13.01 legacy approval.

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II. CEQA Findings

In issuing this Memorandum, the Zoning Administrator makes the following CEQA findings:

The issuance of this ZA Memo 141, establishing procedures for determining whether certain activities related to well operations and maintenance are necessary to protect public health, safety or the environment, is not a "project" as that term is defined by CEQA Guidelines, Section 15378, as it constitutes an administrative activity to assist in the implementation of the Oil and Gas Drilling Ordinance (Ordinance No. 187,709) adopted by the City Council on December 2, 2022 and that which becomes effective on January 18, 2023. However, even if this ZA Memo 141 is determined to be a project for purposes of CEQA, it was evaluated in the Initial Study prepared by the City to support the Mitigated Negative Declaration (Case No. ENV-2022-4865-MND) prepared for the Oil and Gas Drilling Ordinance.

III. Purpose and Intent of Memorandum

This Memorandum is issued with the following intent: LAMC Section 12.23-C.4 prohibits specific well activities, including maintenance, drilling, re-drilling, and deepening, except when those scopes of work are necessary to prevent or respond to a threat to public health, safety, or the environment, as determined by the Zoning Administrator. This ZA Memo outlines the process to review proposed Health and Safety exception projects. This review process serves only as an opportunity for operators to perform necessary scopes of work on the wells. If a Health and Safety exception request is approved, the Zoning Administrator reserves the right, when appropriate and necessary, to establish additional conditions to minimize any potential land use impacts or mitigation measures for any potential environmental effects.

IV. Application Requirements & Procedures

Drill site operators seeking a determination by the Zoning Administrator pursuant to LAMC Section 12.23-C.4 shall abide by one of the following procedures corresponding to the nature of the request:

• Discretionary Health and Safety Exception Projects: For projects that propose to maintain, drill, re-drill, or deepen an existing well for oil, gas or other hydrocarbon substances in order to prevent or respond to a threat to public health, safety, or the environment. This will involve a discretionary review, as outlined below, by a Zoning Administrator,

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Administrative Emergency Health and Safety Exception Projects: For
projects that propose to maintain, drill, re-drill, or deepen an existing well for oil,
gas or other hydrocarbon substances and demonstrate an urgent need to
commence (as mandated by a regulatory agency, further described below) due to
an imminent emergency threat to public health, safety, or the environment. This
review will be conducted administratively, as outlined below, by a Zoning
Administrator or assigned/delegated City Planning staff.

LAMC Section 12.23-C.4 prohibits existing wells from being maintained, drilled, re-drilled, or deepened, except to prevent or respond to a threat to public health, safety, or the environment. In instances where such work is necessary, the Zoning Administrator will review Discretionary Health and Safety Exception Projects to determine whether it serves to prevent health, safety, and environmental threats and impose conditions of approval or mitigation measures, if warranted. There may, however, be some instances where work, as mandated by a formal order from another agency, is required to be performed on an oil well immediately to curb emergency threats. In such cases, an administrative review will take place to consider applications for Administrative Emergency Health and Safety Exception Projects. This administrative review will only be considered in instances where emergency work needs to be completed immediately as mandated by a regulatory agency in order to prevent and/or respond to threats to public health and negative impacts to the surrounding communities.

These two separate procedures are outlined below:

1. Discretionary Health and Safety Exception Projects

1.1. Application

In accordance with the procedures set forth in this ZA Memo, an operator shall submit all the required application materials for a Health and Safety Exception request and that request shall be subject to a discretionary review by a Zoning Administrator pursuant to LAMC Section 12.23-C.4. This ZA memo creates procedures that correspond with current code section 12.24-M (Plan Approval) until such procedures get superseded by Article 13, Section 13B2.2 (specifically Section H), upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712), with the exception of Specialized Requirements for Noticing and Findings as described in this ZA Memo.

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1.2. Application Forms

Requested actions will require a DCP Application for Health and Safety Exception Projects for Oil and Gas Drill Sites (Form CP-4077). The operator shall also submit all required information as outlined in the Instructions for Discretionary Health and Safety Exception Projects for Oil & Gas Drill Sites (Form CP-4078).

1.3. CEQA Forms

All applications must include an Environmental Assessment Form (EAF) for Health and Safety Exception Projects for Oil and Gas Drill Sites (Form CP-4077) to determine the appropriate California Environmental Quality Act (CEQA) clearance for the proposed scope(s) of work. The operator will provide all required information related to the EAF in order to assess the appropriate CEQA clearance.

1.4. <u>Fees</u>

Pursuant to LAMC Section 19.01-E, the operator shall pay all applicable fees for a City Planning review of a discretionary Health and Safety Exception request. The fees shall correspond to the current fees described in 19.01-E as "Modification or Review by Zoning Administrator" (pursuant to LAMC Sections 12.24 J., 12.24 L., and 12.24 M.). Upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712) the fees shall correspond to "CUP Class 2" (pursuant to Article 13 - Section 13B.2.2 (specifically Subsection H)). Operators shall also pay the applicable fee(s) for Environmental Clearances pursuant to LAMC Section 19.05. All fees are subject to future amendments and annual adjustments.

1.5. Filing

An appointment can be scheduled online and operators shall file their discretionary application only at the Metro Development Services Center Public Counter in Downtown Los Angeles. Once an application is filed, the project is assigned a case number and routed to the appropriate staff members to review and process.

1.6. Specialized Requirements

Notwithstanding the current procedures as described in LAMC Section 12.24-M and in the future, Article 13, Section 13B.2.2

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(specifically Section H), upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712), and due to the unique nature of well activity requests, discretionary Health and Safety applications are subject to specialized notification requirements, findings, and appeal procedures further detailed in this ZA Memo and described in Sections 1.7 and 1.8 below.

1.7. Notification

Upon receipt of a complete application, the Zoning Administrator shall set the matter for public hearing and conduct the hearing at which evidence and testimony shall be received. Owners and occupants within a 1,500-foot radius of the drill site shall be provided with a mailing notice 24 days in advance of the scheduled public hearing.

1.8. Findings

The Zoning Administrator shall only grant an exception pursuant to LAMC Section 12.23-C.4(a) if the following findings can be made:

- 1. That the proposed scope of work for a legally nonconforming well will not adversely affect any element of the General Plan, including those which address the prevailing inequities in environmental justice.
- 2. That the use will not be detrimental to the public health, safety, and welfare of persons residing or working in the general vicinity, and will not be detrimental or injurious to property and improvements in the surrounding neighborhood, especially those identified as disadvantaged communities, as identified on the State of California Environmental Protection Agency Office of Environmental Health Hazard Assessment's CalEnviroScreen.
- That the use will incorporate infrastructure and safety procedures to prevent disruption and nuisance impacts related to noise, odors, transportation and circulation, and negative land use impacts on the surrounding vicinity.
- 4. That substantial evidence demonstrates the requested scope of work is necessary to prevent or

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respond to a threat to public safety, health, and/or the environment and that the operator has demonstrated that credible threat in their request(s).

1.9. Final Discretionary Determination

The Zoning Administrator shall issue a written determination regarding the requested action(s) and include findings for the determination. This determination shall be final and effective upon the close of the 15-day appeal period pursuant to LAMC Section 12.24-M.2 and upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712), per Article 13 - Section 13B.2.2, unless otherwise appealed.

1.10. Appeals

An operator or any other person aggrieved by a decision of the Zoning Administrator may appeal the decision to the Area Planning Commission pursuant to LAMC Section 12.24-M.2 and upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712), per Article 13 - Section 13B.2.2.G. All appeals shall be filed within 15 days of the date on the letter of determination on forms provided by the DCP, as also explained in the determination letter. The appellant decision of the Area Planning Commission shall be final and effective as provided in Charter Section 245.

A CEQA action can only be appealed if a non-elected decision-making body makes a determination for a project that is not further appealable. CEQA appeals can be filed pursuant to LAMC Section 11.5.13 and upon the operative date of the Process and Procedures Ordinance (Ordinance No. 187,712), per Article 13 - Section 13B.11. All appeals shall be filed within 15 days of the Project approval becoming final and on forms provided by the DCP.

2. Administrative Emergency Health and Safety Exception Projects

2.1. Application

In accordance with the procedures set forth in this ZA Memo, an operator may submit the documentation for an Administrative Review of an emergency Health and Safety scope of work. This emergency scope of work would only be subject to an

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administrative review process. The process will determine whether the emergency Health and Safety scope of work proposed (or completed) was to prevent or respond to an imminent, emergency threat to public health, safety, and/or the environment. These criteria include, but are not limited to:

- Formal order or requirement from any city, county, state, or federal agency indicating that the work is required due to an emergency or imminent threat
- Disaster Response to the California Governor's Office of Emergency Services (CalOES Spill Incident)
- Emergency Response from the County Fire Department's Health and Hazardous Materials Division
- Emergency Response from the City Fire Department
- Formal, written acknowledgement from any city, county, state, or federal agency that operator needs to perform specific oil well activities within an urgent timeframe in order to prevent or respond to an imminent, emergency threat to public health, safety, and/or the environment.

Projects will be administratively reviewed to determine whether the requested scope of work meets the above criteria.

2.2. Forms

For detailed instructions regarding how to file for a request for the emergency Health and Safety exception, please refer to and complete the Administrative Emergency Health and Safety Exception Projects for Oil & Gas Drill Sites (Form CP-4079). The operator shall complete a checklist and answer all questions in the form. This checklist shall be completed with accurate answers and submitted at time of filing with Administrative Review forms at the Metro Development Services Center.

2.3. Fees

Pursuant to LAMC Section 19.04, the City Planning application fee for an Emergency Health and Safety Exception request shall be paid upon filing and shall correspond to the "Administrative Review - Major" fee amount. This fee is paid in anticipation of the amount of staff time and resources spent on this administrative review process. The Administrative Emergency Health and Safety

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Exception review process is administrative in nature (no public hearing, no mailing notices, etc.), but does require detailed review, coordination with various government agencies, and issuance of a determination letter. This aligns with the processes associated with the ADM Major fee in Article 9 of the LAMC and is subject to future amendments and annual adjustments.

2.4. Filing

An appointment can be scheduled online and operators shall file their discretionary application only at the Metro Development Services Center Public Counter in Downtown Los Angeles. Once an application is filed, the project is assigned a case number and routed to the appropriate staff members to review and process.

2.5. Administrative Determination

Upon deeming the submittal package complete, staff shall begin reviewing the information and answers provided in the checklist. Staff reserves the right to clarify with the operator any answers or information provided. The Zoning Administrator or City Planning staff may also contact any city, county, state, or federal agency to discuss the content of what the operator included in this checklist, including the nature of the imminent emergency threat to public health, safety, and/or the environment. Upon verifying that the operator's information constitutes an imminent emergency threat, the operator will be notified and a Letter of Determination will be issued for the administrative record. Upon verifying that the operator's information was not sufficient and/or does not justify that the situation was an imminent emergency threat, the DCP may begin a course of action to remedy the potential and/or confirmed violation(s) of LAMC Section 12.23-C.4.

V. Conclusion

Operators shall follow the procedures and policies outlined above when requesting a review for any scope of work that involves drilling, redrilling, deepening and/or well maintenance for a legally nonconforming well pursuant to LAMC 12.23-C.4. This ZA Memo facilitates the implementation of policies that advance the City's goal of phasing out oil and gas extraction. These new procedures and policies are an extension of the policy goals identified in Ordinance No. 187,709, which aim to eliminate oil drilling from

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communities, especially environmental justice communities that have been disproportionately impacted by negative land use effects.

For questions, or to get digital copies of the application and instructions forms for the Health and Safety Exception, please contact the OZA Oil Regulations team at the following email address: Planning.OilDrilling@lacity.org. The application forms will soon be available on our website.

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