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February 28, 2023

Ted Cordova (A)
E & B Natural Resources
249 East Ocean Boulevard
Long Beach, CA 90802

Roman Catholic Archdiocese of Los Angeles (O)
3424 Wilshire Boulevard
Los Angeles, CA 90010

CASE NO. ZA-1959-15227-O-PA6
APPROVAL OF PLANS
2126 West Adams Boulevard and 2125 West 26th Place
South Los Angeles Community Plan
Zone: [Q]R4-1-O-HPOZ
C.D: 10
D.M.: 123B193
CEQA: ENV-2021-7445-CE
Legal Description: Lot A, Tract 9454

Pursuant to the California Environmental Quality Act, I hereby **DETERMINE**:

based on the whole of the administrative record, that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1), Section 15303 (Class 3), Section 15305 (Class 5), Section 15308 (Class 8), and Section 15321 (Class 21), and there is no substantial evidence demonstrating that any exceptions contained in Section 15300.2 of the CEQA Guidelines regarding location, cumulative impacts, significant effects or unusual circumstances, scenic highways, or hazardous waste sites, or historical resources applies.

Pursuant to Los Angeles Municipal Code (LAMC) Section 12.24 M, Condition No. 14 in Case No. ZA-1959-15227(O)(PA4), and LAMC Section 13.01-E,2(i), I hereby **DETERMINE**:

that, based on the whole of the administrative record, additional and modified conditions are required for the continued operation of the existing Murphy Oil Drill Site to increase the protection of and to preserve the health, safety and general welfare of the residents and stakeholders of the neighborhood. The additional conditions are also necessary to afford greater protection to surrounding property and to address the nuisance conditions which were demonstrated by substantial evidence.

The additional and modified conditions are:

Note: The conditions of approval from Case No. ZA-1959-15227(O)(PA4) are in standard type and font. The revisions to the Conditions of Approval are in **bold** print and underlined or ~~strikethrough~~

1. **MODIFIED**: ~~The existing and proposed well corridors shall be in substantial conformance with plot plans submitted and attached to the file identified as "Exhibit No. A-I dated March 27, 2007.~~ **Prior to any clearance on a building permit per Condition No. 23, a revised plot plan shall be provided showing the current production equipment locations on-site. Said plot plan shall provide a detailed description and inventory of production equipment, such as tanks, vessels, compressors, scrubbers, separators, micro-turbines, etc.**
2. All terms and conditions specified under extant ZA Case No. 15227, dated April 5, 1961, shall be strictly complied with, except as modified/clarified as follows:
3. All the conditions set forth in Section 13.01-E, 2 as well as Condition Nos. 3,4, 5, 8, 9, 17, 18, 19, 22, 23, 33, 37, 40, 50, 54, 58, and 59 of Subsection F of Section 13.01 of the Municipal Code are included in and by reference made a part of this approval and shall be complied with to the same extent as if herein restated in detail.
4. **MODIFIED**: Landscaping of the site shall be maintained as follows:
 - a. With respect to that portion of the drill site south of the cement block wall and facing 27th Avenue, the applicant shall: (1) remove the invasive/noxious plants; (2) plant **and/or maintain** 3 to 4 trees (of 24-inch box size) as infill trees along the south facing facility wall; (3) plant **and/or maintain** Ficus or climbing ivy, or similar plant-life (grown to 5 gallon size containers) along the South facing facility wall; (4) spread **and/or maintain** wildflower/grass mix in the open areas of south parcel (approx. 3/4 ac.); (5) install **and/or maintain** drip irrigation systems on the new plantings along south facing facility wall; (6) provide for temporary watering of the grasses and place sprinklers on timers to insure proper maintenance of the grassy area; (7) install **and/or maintain** new or improved cyclone fencing along 27th Avenue; (8) improve the appearance of the east fence by painting it; (9) install **and/or maintain** meandering dry creek bed hardscape on the south parcel, utilizing recycled broken concrete foundations from Drill Site facilities (final placement, configuration and length dependent on pipeline easement and other site facility considerations); (10) work with 10th Council District office (or its successor office) and Archdiocese to allow future public access.
 - b. With respect to that portion of the drill site east of the cement block wall and fronting on Adams Boulevard, the applicant shall: (1) install **and/or maintain** new/improved cyclone fencing along Adams, including raising the east facing step wall which is only 2-3 feet high; (2) upon receipt of the adjacent property owners' approval, install **and/or maintain** 2-foot high wrought iron fencing (or equivalent) on top of existing block wall (approximately 300 feet); (3) remove graffiti on east

- wall; (4) improve and/or maintain wall on west side of the parcel by painting and installing new cyclone inserts; (5) level and place gravel surface down approximately half the depth of the lot and place barriers to protect the remaining portion of the lot; obtain permits for use as a temporary parking lot; (6) install and/or maintain parking lot lighting; (7) plant and/or maintain ficus/climbing ivy, or similar along east and west walls to enhance its appearance (using 5 gallon size container plantings); (8) install and/or maintain drip irrigation on new plantings; (9) install and/or maintain sprinkler timers.
- c. A yearly review of the landscaping shall be conducted by the applicant with the Council District Office and the United Neighborhoods Neighborhood Council.
5. **MODIFIED**: That driveway access for ingress and egress to the drilling site shall be provided through the existing driveways fronting on Adams Boulevard. Furthermore, that the existing parking area on the enclosed drilling site area for use by vehicles employed in drilling and maintaining of oil wells on the property and for parking of automobiles of employees engaged in the drilling and production activities shall be augmented by additional parking on the area on the East of the drill site, outside of the enclosed area, which area shall be leveled and covered with a gravel surface to approximately one-half the depth of the lot for use as additional parking for employees. ~~and overflow parking for The Athletic Club.~~ Parking on the east side of the drill-site, outside of the enclosed area, shall not be used for heavy trucking operations or staging or storage of any. All such driveways and parking areas shall be regularly washed down, swept or otherwise kept free of accumulated cement, dust, or other materials which would produce dust in the use of said facilities. **There shall be no access to the site from 27th Street except for maintenance of the landscaped area fronting on 27th Street and south of the wall separating the landscaped area from the production site. Additionally, there shall be no parking of any vehicles by workers or equipment servicing the site on 27th Street. Any access for the maintenance of any infrastructure for the production site such as existing pipes in front of said wall shall be from the existing gate at the parking area on the easterly side of the facility with access from West Adams Boulevard only.**
6. **MODIFIED**: As further amplification of Condition No. 49 of Section 13.01-F of the Municipal Code, except for actual drilling and production operations, which may be conducted 24 hours a day, seven days a week, no work shall be conducted on the property between the hours of 7:00 p.m. of one day and 7:00 a.m. of the following day or on Sundays. While actual drilling operations are being conducted between the hours of 7:00 p.m. of and 7:00 a.m., the applicant shall operate its facility in "Quiet Mode". "Quiet Mode" shall mean that where possible, operation components shall be covered with acoustical shields/material, that all audible backup alarms shall be disabled and replaced with a spotter for safety purposes; operation of the cellar pump shall cease; the applicant's employees and contractors shall be prohibited from yelling, and the Derrick Man and Driller shall communicate by walkie-talkie only when the Derrick Man is on the derrick; no horns shall be used to signal for time for connection or to summon crew (except that a horn may be used for emergency

purposes only. The applicant shall conduct on-site meetings to inform all personnel of quiet mode operations.

In case of an emergency, all restrictions on the hours of operations shall be suspended for as long as is necessary to resolve the emergency situation, and for no longer.

Notwithstanding the foregoing, during the period necessary to set up and move the drilling **or workover** rig off the premises, and to conduct drilling or re-drilling operations as herein authorized, heavy ("permitted" oversized/overweight load) truck deliveries shall be permitted from 7:00 a.m. to 9:30 p.m., on week-days none during week-ends and holidays. Deliveries shall be made by approaching the facility off of Adams Boulevard exclusively. Delivery trucks are to be staged off-site so as to reduce the time that trucks need to wait to enter the facility. If there is not sufficient room within the interior of the facility to accommodate a given heavy delivery truck, the applicant shall not call for the delivery of such heavy truck unless and until another heavy delivery truck parked within the facility is scheduled to leave the facility within 15 minutes. The maximum number of heavy truck deliveries allowed for moving the drilling rig on and off the premises shall not exceed 20 loads per day for a period of four days. Except for the four days required to move the drilling rig on and off the premises, the number of "permitted" truck deliveries per day (week-days only, none on week-ends and holidays) shall be limited to a maximum of ten. The number of "non-permitted" truck deliveries per day (week-days only) shall be limited to a maximum of ten. The number of "non-permitted" truck deliveries per day (week-ends and holidays only) shall be limited to a maximum of five.

The applicant shall give all abutting property owners written notice (in both English and Spanish), served by mail at least seven days prior to the dates when heavy truck traffic will commence related to moving the rig in for the drilling or re-drilling of wells. **The operator shall also provide a landing page on a publicly available website where interested parties can sign up for email alerts as a supplemental effort for notification purposes. The operator shall provide the web address for the publicly accessible website within six (6) calendar months of the final determination of Case No. ZA-1959-15227-O-PA6.**

7. **MODIFIED: Until a permanent 45-foot high structure is built, in accordance with Condition No. 23, and, afterward for any portion of a workover, maintenance or drilling rig which exceeds 45 feet in height,** the applicant shall install the following sound mitigation systems and implement administrative noise controls as follows:
 - a. Erect a 30-foot high blanket sound wall on the west, **south and east** side of the **any workover, maintenance or** drilling rig at the Murphy drilling site (west, **south and east** side property line), with the layout and wall lengths determined after the drilling, **workover or maintenance** rig and equipment positioning has been established. Install the sound wall as close as possible to the drilling, **workover or maintenance** rig and associated equipment with no gaps or openings in the walls. The sound wall material should have a minimum STC rating of 25. Sound

wall gates shall be installed with the same sound loss rating as the wall material and the gates shall be closed at all times except for material delivery or pick up. The sound wall shall not be maintained for more than 120 continuous days. Should unforeseeable mechanical problems warrant the maintenance of the sound wall for a period exceeding the 120 continuous days, the applicant shall notify the Office of Zoning Administration and Council Office and inform the owners and occupants of surrounding property of the reasons for and estimated duration of the delay in the dismantlement of the wall.

- b. [Condition 7.b was deleted in Case No. ZA-1959-15227-O-PA4]
 - c. To reduce sound from the drilling, **workover or maintenance** rig's sub-structure, acoustical blankets shall be hung from the exterior of the rig floor down to the ground, covering the open area of the rig sub-structure on the side of the rig facing the west property line.
 - d. The stabbing platform on the rig's derrick shall be enclosed with STC-25 rated acoustical blankets.
 - e. To mitigate the drilling, **workover or maintenance** rig draw works and brake noise level, sound damping acoustical material shall be installed and maintained during drilling activities.
 - f. Position all ancillary noise generation equipment away from the nearest critical receptors when feasible and install temporary sound enclosures, where possible on all noise generation equipment and operations.
 - g. Install vibration isolation pads on shaker units and provide low frequency designed sound absorption and barring panels adjacent to the shaker units.
 - h. Implement Drill Site "quiet mode" operation procedures including limitation of material delivery schedules and other sound mitigation requirements.
 - i. To ensure adequate sound mitigation has been installed, and to identify any unusual or unique noise problems, sound level measurement and testing shall be complete as the rig starts up operations. To verify and document sound level compliance, continuous sound level measurement and monitoring may be considered during all **drilling, workover or maintenance activity to ensure adequate sound mitigation has been installed, and to identify any unusual or unique noise problems, sound level measurement and testing shall be complete as the rig starts up operations. To verify and document sound level compliance, continuous sound level measurement and monitoring may shall be considered during all drilling, workover or maintenance activity. The operator shall make known through both regular mail and website communication the results of such measurement and monitoring to abutting property owners and residents as required by Condition No. 21 elsewhere in this Determination.**
8. ~~**DELETED:** Drilling operations may be conducted seven days per week on a 24-hour basis, including any nationally recognized holiday. Drilling operations for the first~~

~~three wells identified in the grant clause of the instant determination shall be completed within 36 months from the effective date of this determination. The drilling for the following nine wells as hereby authorized shall be subject to a review of plans by the Zoning Administrator, without a public hearing, for the purpose of updating the record with the well identification and path. None of the wells hereby authorized shall be engaged in a production mode until the vault is complete.~~

~~The first three new wells may be drilled prior to the construction of the new well (vault) cellar using temporary cellar rings in substantial compliance with the "Ring Cellar Schematic" and the "Construction Plan: Well Cellar Rings" attached hereto (Exhibit B) subject to any permitting requirement of the Department of Building and Safety and the Department of Oil, Gas and Geothermal Resources.~~

~~Once these three wells have been completed, they will be shut so that the permanent well cellars can be constructed in compliance with plans approved by this grant (Exhibit A). During construction of the permanent well cellar, the temporary cellar rings shall be removed and the cellars shall be incorporated in the permanent well cellar. Drill operations shall be completed within 36 months from the effective date of this determination.~~

9. **NEW: All drilling, workover or maintenance rigs and equipment shall be removed from the premises immediately after drilling is completed, sump holes filled and derricks removed within sixty days after the completion of the work.**
10. **NEW: All oil drilling, production and maintenance operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration and noxious odors and shall be in accordance with the best accepted practices incident to drilling for and production of oil, gas and other hydrocarbon substances. Proven technological improvements in drilling, production and maintenance methods shall be adopted as they may become available, from time to time, if capable of reducing factors of nuisance and annoyance.**
11. **MODIFIED:** The applicant **operator** shall permanently post at all of the site's entry gates **(including those facing West Adams Boulevard and West 27th Street)**, the direct telephone number to **the** supervisor of the site at that time for residents to call and report any ongoing problem **or odors**. A call log shall be maintained including date and time of call and subject, and date and time of response and action. Said log shall be made available at the request of the Office of Zoning Administration. **Signage shall include instructions to call 911, the SCAQMD or the operator's hotline number in case of noxious odors caused by the operation. Signage shall also include the company's publicly available website where more information about activities are made available.**
12. The applicant shall conduct daily inspections of the premises, including the exterior of the concrete block wall and the open areas on the east side of the premises and

the south side, facing 27th Street. All trash and debris shall be removed from the site daily.

13. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.
14. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective conditions, if, in the opinion of the Zoning Administrator, such conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
15. **MODIFIED:** All lighting on the site shall be shielded and directed onto the site and no floodlighting shall be located so as to be seen directly from any adjacent residential area. **Any new exterior lighting at the project site shall be located below the top of the surrounding containment structure and property line walls and shall be directed onto the site. Except as directed otherwise by the Office of Zoning Administration or other public agency, no lights shall be located on the enclosure structure above the height of the surrounding exterior and property line walls. These lights shall be placed and designed to minimize their impact on neighboring properties.**
16. **MODIFIED:** At any time during the period of validity of this grant, should documented evidence be submitted showing continued violation of any condition of this grant, resulting in an unreasonable level of disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Zoning Administrator reserves the right to require the applicant to file for a plan approval application together with associated fees pursuant to LAMC Section 19.01-C (Plan Approval 12.24-M \$1,898 or as in effect at the time of filing), the purpose of which will be to hold a public hearing to review the applicant's compliance with and the effectiveness of these conditions. The applicant shall prepare a radius map and cause a notification to be mailed to all owners and occupants of properties within a 500-foot radius of the property, the Council Office, and the Los Angeles Police Department's corresponding Division. The applicant shall also submit a summary and any supporting documentation of how compliance with each condition of this grant has been attained. Upon this review the Zoning Administrator may modify, add or delete conditions, and reserves the right to conduct this public hearing for nuisance abatement/revocation purposes.
17. **NEW:** **As further required by Section 13.01-H and I or Section 12.23-C,4 of the Municipal Code, no maintenance acidizing is permitted on an existing production or injection well until a determination has been made by the Zoning Administrator.**

- 18. NEW: An Annual On-site Safety Inspection Report shall be performed by the applicant/operator and sent to the Petroleum Administrator and the Office of Zoning Administration, listing the inventory of equipment on site, any repair work, and / or maintenance done to keep the equipment in good operating condition at all times and any safety protocols of the responsible State, regional and City agencies. The first Annual Safety Inspection report shall be submitted within 45 days of the effective date of this action.**
- 19. NEW: Within 90 days of the effective date of this action, the applicant shall install a fence line air monitoring system which presents real-time air monitoring data, along the fence line between the oil drilling and production facility and the community. The system shall be designed and installed to provide real time data on-line via a website and provide quarterly reports to the SCAQMD, the Petroleum Administrator and the Office of Zoning Administration for up to three years from the effective date of this action. Monthly reports shall also be submitted to the Office of Zoning Administration via e-mail to planning.oildrilling@lacity.org. The fence line air monitoring system shall monitor for hydrogen sulfide, nitrogen oxide, sulfur dioxide, carbon dioxide, carbon monoxide, methane, benzene, ammonia, hexane, toluene, xylene, and other volatile organic compounds, reactive organic gases, and toxic substances. The monitoring equipment shall continuously measure Volatile Organic Compounds as listed above and Hydrogen Sulfide at the facility fence line with detection limits of 10-25 ppb of VOCs and 10 ppb of Hydrogen Sulfide.**
- 20. NEW: The applicant shall immediately notify the Los Angeles Fire Department, the Petroleum Administrator, the Office of Zoning Administration, the Department of Building and Safety and the local City Council office of an emergency, any incident, and/or spill that requires reporting to any State, County, or regional agency. In addition, the operator shall notify the Office of Zoning Administration's Oil Drilling Unit via email to planning.oildrilling@lacity.org within 24 hours whenever there is an emergency event that includes, but is not limited, to 911 calls for emergency services or CalOES hazardous event notifications. Operator staff can email planning.oildrilling@lacity.org for notifications.**
- 21. NEW: The applicant shall create a landing page for the public on the company website with information on monthly reporting on noise and emission levels at the drill site, current and planned operations, emergency contact information, emergency reporting instructions, and real time fence line air monitoring data. The operator shall have this website completed and in operation within six calendar months of the effective date of this action and provide the website address information to planning.oildrilling@lacity.org to be included in the administrative record.**
- 22. NEW: The operator shall notify all owners and occupants within 100 feet when permitted and approved drilling, re-drilling, deepening, rework activities, plugging and abandonment and maintenance acidizing activities will**

commence for any well(s) at the drill site. Notification shall be provided one calendar week prior to the anticipated start date of the project. The operator shall utilize the Los Angeles County Department of Public Health's Community Health and Safety Notification Plan. Notification shall be sent by way of certified United States Postal Service mail and be stated on the operator's website. The operator shall also use the landing page on their website for such notification. Rework activities shall be defined as any scope of work that requires a CalGEM Notice of Intention permit and maintenance acidizing shall be defined as anything that triggers SCAQMD Rule 1148.2 Oil and Gas Well Notification

23. NEW: Within 24 months of the effective date of this determination, completion of all required work shall be verified during the final inspection of the building permit and the building permit shall be finalized for an approximately 45-foot in height structure enclosing the oil production area of the site. No oil, gas or other hydrocarbon substances may be produced from any well hereby permitted unless all equipment necessarily incident to such production is enclosed within the 45-foot in height structure. Plans for said enclosure need to be submitted to the Department of Building and Safety for all necessary reviews, including reviews by other departments and agencies, as appropriate, and building permits secured prior to any construction. The operator shall provide a height survey if requested by the Department of Building and Safety. Notwithstanding the 45-foot height limit for the containment structure, where any drilling, maintenance, or workover rig which exceeds the 45-foot in height structure, such a rig must also be sound proofed as provided for in Condition No. 7. This structure, for the oil production area, shall be of a permanent type, of attractive design and constructed in a manner that will minimize, as far as practicable, dust, noise, noxious odors and vibrations or other conditions which are offensive to the senses, and shall be equipped with such devices as are necessary to minimize the objectionable features mentioned above. The architectural treatment of the exterior of such structure shall be subject to issuance of a Certificate of Compatibility with the approval of the Director of Planning, or their designee, after a maximum of two hearings by the Jefferson Park Historic Preservation Overlay Zone's Historic Preservation Board. See Exhibit B for the area that shall be enclosed. This area includes, but is not limited to: the well cellar, storage tanks, slop tank, compressors, and the microturbines.

a. Tanks and other equipment and buildings used in extraction and production activities shall be maintained on the site in such a manner that no portion of the tanks, equipment or buildings other than the upper portion of the rig shall extend above the height of the 45-foot permanent enclosure. In addition, no portions of the draw-works house, drilling equipment buildings, temporary mud and water storage tanks and future portable drilling mast used for servicing activities shall extend above the height of the 45-foot permanent enclosure.

b. In addition, the workover, maintenance or drilling rigs, that measure up to a height of 45 feet and the micro-turbines shall be within the 45-foot in height structure.

c. An enhanced vapor recovery system shall be installed along the top of the 45-foot in height enclosure structure for the oil production area. The vapor recovery recordings or report shall be submitted to the Office of Zoning Administration (via email to planning.oildrilling@lacity.org), the Petroleum Administrator, the State Fire Marshal, the California State Resources Board and the South Coast Air Quality Management District as required pursuant to city, county, state, and federal rules and regulations.

d. It is the applicant's responsibility to act in a timely manner to submit a building permit application and comply with all rules and requirements in order to secure and final the building permit for the 45-foot in height structure. It is also the applicant's responsibility to act in a timely manner to apply for and obtain a Certificate of Compatibility from the Jefferson Park HPOZ Board.

24. NEW: A Spill Prevention, Control and Countermeasure (SPCC) Plan shall be submitted via email to planning.oildrilling@lacity.org, annually. Amendments shall be made within six months of the review following preparation of any amendment. The updated document shall be submitted to the file to the satisfaction of the Bureau of Sanitation Watershed Protection Division, the Petroleum Administrator and the Office of Zoning Administration. This review shall include at a minimum, the following:

- Applicability of new prevention and control technology, which may significantly reduce the likelihood of a spill event from the Facility if such technology has been field proven at the time of the review;
- Accuracy of the SPCC Plan as compared to the current facility operation and SPCC Regulations;
- Capacity and structural integrity of secondary containment structures; and
- SPCC inspections and records retention to ensure continuity for a minimum period of three years.
- The site shall be staffed 24 hours a day, seven days a week. There shall be a minimum of two operators per shift so that meal and other breaks do not result in the site being unoccupied by staff.
- The dispersal system for any required odor control product shall be placed as far as practicable from any adjacent residential structures to the site. The current location of the system shall be moved to a more remote location in the drill site, but away from any open flames or ignition sources.

25.NEW: All drilling, workover, or maintenance rig operations at the site shall at all times be carried on only by electric power. All other operations on the site shall at all times be carried on only by means of electric power. Power may be generated on site by solar voltaic generators or natural gas powered micro-turbines placed within sound and odor proofed buildings or structures. Any methane used for the micro-turbines must come from methane produced as a by product from oil extraction. Methane may not be imported to power micro-turbines from off-site sources nor may it be pumped to the site from other oil production sites in the area.

- **The operator shall limit any microturbine PM emissions to 0,0035 lbs/mmbtu, or an equivalent reduction in the number and/or size of the microturbines, in order to reduce emissions to below local thresholds. The applicant will be subject to SCAQMD permit conditions that limit emissions from the set of microturbines, not just individual permit units.**

26.NEW: The use of diesel fueled equipment, including any drilling, workover or maintenance rig, is prohibited on the site nor may any backup generators use diesel fuel. Backup generators shall either be solar powered, be plugged into the electric power grid or powered by the on-site microturbines. Diesel powered vehicles are permitted on the site. Said vehicles, however, may not idle when on-site and must shut off their engines until they are to be moved off of the site or to another position on the site.

27.NEW: The operator shall remain in compliance with city, county, state and federal regulations specifically regulating idle wells. The operator shall plug and abandon idle wells as required by and in accordance with any city, county, state and federal regulations that identify a) when a well becomes idle and b) requirements to abandon an idle well. An idle well shall be defined and identified per CalGEM's Well Finder web application.

28.NEW: Monitoring Program. The following measures shall be utilized by the operator to maintain regular and assured oversight of the well site in a residential neighborhood.

- a. **The operator shall install an early alert detection system which will alert the Los Angeles City Fire Department (LAFD) of hydrogen sulfide and methane leaks. A protocol for the construction, installation and operation of the system shall be established to the satisfaction of the LAFD and CalGEM within 90 days of the effective date of this Determination letter and submitted to the Office of Zoning Administration for placement in the case file. Such system shall remain in operation during the lifetime of the drill site operation.**
- b. **The operator shall install a state-of-the-art fire suppression system which shall use, but not be limited to more effective fire suppressants**

such as foam. The system shall be constructed to the satisfaction of the LAFD; with the clearance from the LAFD for its design.

- c. The operator shall formally arrange with the LAFD Oil Wells Unit and the LAFD CUPA Program, for quarterly monitoring of the operation at the subject site, including but not limited to inspection of the systems described above. Such inspections shall occur quarterly during the first five years of operation following this Determination. Copies of a formal arrangement assuring inspection shall be sent the Office of Zoning Administration for placement in the case file. Copies of all monitoring inspection reports shall be filed with the Office of Zoning Administration and the Petroleum Administrator.

29.NEW: The operator, in the event of ceasing and/or decommissioning the drill site, shall test for potential hydrocarbon contamination in specific areas. The operator, or responsible party, shall test for soil data under the well cellar and tank battery area of the drill site. If contamination is found to be present then the area shall be remediated according to the standards and satisfaction of the Los Angeles Regional Water Quality Control Board. All excavations and depressions shall be filled with clean soil. All oil, refuse and waste shall be removed from the drill site pursuant to city, county, state and federal laws and regulations. The operator, or responsible party, shall remove all underground and above-ground storage tanks in accordance with city, county, state and federal laws and regulations.

30.NEW: All production installations or facilities shall be removed and the premises restored to its original condition after all oil and gas wells have been abandoned in accordance with city, county, state, and federal regulations.

31.NEW: The operator shall record a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard main covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Department of City Planning for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided for inclusion in case file.

32.NEW: When a Condition of ZA-1959-15227-O-PA6 conflicts with Los Angeles Municipal Code Section 12.23-C,4, as recently adopted by Ordinance No. 187,709, and effective on January 18, 2023, Section 12.23-C,4 shall supersede on matters regarding the drilling of new wells or the redrilling of existing wells to increase extraction. All other conditions in ZA-1959-15227-O-PA6 shall remain in effect.

33.NEW: Indemnification and Reimbursement of Litigation Costs. Applicant shall do all of the following:

- (i) Defend, indemnify and hold harmless the City from any and all actions against the City relating to or arising out of the City's processing and approval of this entitlement, including but not limited to, an action to attack, challenge, set aside, void, or otherwise modify or annul the approval of the entitlement, the environmental review of the entitlement, or the approval of subsequent permit decisions, or to claim personal property damage, including from inverse condemnation or any other constitutional claim.
- (ii) Reimburse the City for any and all costs incurred in defense of an action related to or arising out of the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages, and/or settlement costs.
- (iii) Submit an initial deposit for the City's litigation costs to the City within 10 days' notice of the City tendering defense to the Applicant and requesting a deposit. The initial deposit shall be in an amount set by the City Attorney's Office, in its sole discretion, based on the nature and scope of action, but in no event shall the initial deposit be less than \$50,000. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).
- (iv) Submit supplemental deposits upon notice by the City. Supplemental deposits may be required in an increased amount from the initial deposit if found necessary by the City to protect the City's interests. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).
- (v) If the City determines it necessary to protect the City's interest, execute an indemnity and reimbursement agreement with the City under terms consistent with the requirements of this condition.

The City shall notify the applicant within a reasonable period of time of its receipt of any action and the City shall cooperate in the defense. If the City fails to notify the applicant of any claim, action, or proceeding in a reasonable time, or if the City fails to reasonably cooperate in the defense, the applicant shall not thereafter be responsible to defend, indemnify or hold harmless the City.

The City shall have the sole right to choose its counsel, including the City Attorney's office or outside counsel. At its sole discretion, the City may participate at its own expense in the defense of any action, but such participation shall not relieve the applicant of any obligation imposed by this condition. In the event the Applicant fails to comply with this condition, in whole or in part, the City may withdraw its defense of the action, void its approval of the entitlement, or take any other action. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including its inherent right to abandon or settle litigation.

For purposes of this condition, the following definitions apply:

“City” shall be defined to include the City, its agents, officers, boards, commissions, committees, employees, and volunteers.

“Action” shall be defined to include suits, proceedings (including those held under alternative dispute resolution procedures), claims, or lawsuits. Actions includes actions, as defined herein, alleging failure to comply with any federal, state or local law.

Nothing in the definitions included in this paragraph are intended to limit the rights of the City or the obligations of the Applicant otherwise created by this condition.

TRANSFERABILITY

This authorization runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent upon you to advise them regarding the conditions of this grant.

VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR

Section 12.29 of the Los Angeles Municipal Code provides:

"A variance, conditional use, adjustment, public benefit or other quasi-judicial approval, or any conditional approval granted by the Director, pursuant to the authority of this chapter shall become effective upon utilization of any portion of the privilege, and the owner and applicant shall immediately comply with its Conditions. The violation of any valid Condition imposed by the Director, Zoning Administrator, Area Planning Commission, City Planning Commission or City Council in connection with the granting of any action taken pursuant to the authority of this chapter, shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this Code."

Every violation of this determination is punishable as a misdemeanor and shall be punishable by a fine of not more than \$2,500 or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

APPEAL PERIOD - EFFECTIVE DATE

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any Condition of this grant is violated or if the same be not complied with, then the applicant or his successor in interest may be prosecuted for violating these Conditions the same as for any violation of the requirements contained in the Municipal Code. The Zoning Administrator's determination in this matter will become effective after **March 15, 2023**, unless an appeal therefrom is filed with the Department of City Planning. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of

the Zoning Administrator's action, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. Forms are available on-line at <http://planning.lacity.org>. Public offices are located at:

Figueroa Plaza
201 North Figueroa
Street 4th Floor
Los Angeles, CA 90012
(213) 482-7077

Marvin Braude San Fernando Valley
Constituent Service Center
6262 Van Nuys Blvd., Room 251
Van Nuys, CA 91401
(818) 374-5050

West Los Angeles Development
Services Center
1828 Sawtelle Blvd., 2nd Floor
Los Angeles, CA 90025
(310) 231-2912

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

NOTICE

The applicant is further advised that all subsequent contact with this office regarding this determination must be with the Oil and Gas Facilities Unit of the Office of Zoning Administration. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished BY APPOINTMENT ONLY, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

AUTHORIZATION

Pursuant to LAMC Section 12.24 M, the Zoning Administrator may determine that existing uses may be extended on an approved site provided that plans are submitted to and approved by the Zoning Administrator.

Pursuant to LAMC 13.01-E.2(i) - A Zoning Administrator may impose additional conditions or require corrective measures to be taken if he or she finds, after actual observations or experience with drilling one or more of the wells in the district, that additional conditions are necessary to afford greater protection to surrounding property.

Pursuant to Case No. ZA-1959-15227(O)(PA4) Condition No. 14, at any time during the period of validity of the grant, should documented evidence be submitted showing continued violation of any condition of this grant, resulting in an unreasonable level of disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Zoning Administrator reserves the right to require the applicant to file for a plan approval application, together with associated fees, the purpose of which will be to hold a public hearing to review the applicant's compliance with and the effectiveness of these conditions. Upon review the Zoning Administrator may modify, add, or delete conditions.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith, and the statements made at the public hearing on April 28, 2022, all of which are by reference made a part hereof, the whole of the administrative record as well as knowledge of the property and surrounding district, I find as follows:

BACKGROUND

This Plan Approval Determination results from the research and findings of this office, as well as testimony raised by residents and stakeholders from the community surrounding the Murphy Oil Drill Site operation. This Determination is in response to the application filed by the operator on September 1, 2021.

Research and reports from the Department of City Planning (“LADCP”), the Department of Building and Safety (“LADBS”), the Los Angeles Fire Department (“LAFD”), the Southern California Air Quality Management District (“SCAQMD”), and the California Department of Conservation Geologic Energy Management Division (“CalGEM”) was conducted before issuing this Determination. Also, a review of current oil drilling and oil production best practices used to safeguard communities was conducted as a part of the evaluation of the Murphy Oil Drill Site operation.

This Plan Approval process began with a November 17, 2020 letter from the Department of City Planning’s Office of Zoning Administration to the operator inquiring about any recent well work at the Drill Site and if the operator had secured permits from CalGEM for recent work. On December 17, 2020, the operator responded to the City with additional information.

On June 1, 2021, the Department of City Planning’s Chief Zoning Administrator sent a letter to the operator notifying them of the requirement to file for a Plan Approval for a review of compliance with and effectiveness of the conditions imposed under Case No. ZA-1959-15227(O)(PA4). On September 1, 2021, the operator submitted an application to the Department of City Planning for a Plan Approval (Case No. ZA-1959-15227-O-PA6) to review compliance with the conditions of approval imposed under Case No. ZA-1959-15227(O)(PA4). The applicant included a letter in the application requesting additional conditions related to annual inspections, emergency reporting, air monitoring, and microturbines.

On July 28, 2021, the Department’s Chief Zoning Administrator sent a letter to the operator inquiring about possible well maintenance activities that would be subject to LAMC 13.01-H. On September 22, 2021, the operator responded to the City with additional information.

On December 22, 2021, the Chief Zoning Administrator sent a letter to the operator inquiring about toxic chemicals used to mask odors, use of radioactive materials on wells, and staff leaving the drill site at night. On January 17, 2022, the operator responded to the City with additional information.

A Public Hearing was conducted on April 28, 2022 to take formal testimony from the residents, stakeholders, community groups, and the operator. At the conclusion of the Public Hearing, the matter was taken under advisement.

The Office of Zoning Administration's review of the whole of the record and found that the applicant and operator were partially compliant with the Conditions of Approval. The details of this review, as well as the Zoning Administrator's responses, are provided in the "Review of Compliance with Conditions" section of the report. Because of the partial compliance and neighborhood complaints over odors and noise additional Conditions of Approval have been required.

Project Site

The subject property is a controlled drill site, known as the Murphy Oil Drill Site, which was first permitted in 1961. The site is a slightly sloping, irregular-shaped parcel of land consisting of approximately 3.2 acres, having a frontage of approximately 323 feet along West Adams Boulevard, 160 feet along West 26th Place, and 165 feet along West 27th Street. The site is in the [Q]R4-1-O-HPOZ zone and Urbanized Oil Drilling District No. 37 established by Ordinance No. 114,701 in 1959. The site contains wells bottoming in Urbanized Oil Drilling Districts Nos. 36-40, 81-84.

The northern portion of the drill site is enclosed with a concrete block wall which is set back from Adams Boulevard approximately 25 feet. Along 27th Street, the property is enclosed by a 6-foot high wrought iron fence with approximately 44,900 square feet (1.03 acre) of landscaped area immediately behind it. A block wall, varying in height from 21 feet to 29 feet because of topographical variations, is located a distance of 265 feet from 27th Street. In addition to the landscaped area, the site is developed with tanks, well cellars, pumps, generators, compressors, operational buildings, and a parking area on the easterly side of the property. The property is accessed via a pair of gates and driveways on Adams Boulevard and via a gate and driveway on 27th Street.

Neighboring properties to the north are zoned R4-1-O-HPOZ and are improved with one- and two-story buildings with a library (LA84 Foundation) and a seven-story residential building. Neighboring properties to the south are zoned RD2-1-O-HPOZ and are improved with single- and multi-family dwellings. Neighboring properties to the east are zoned R3-1-O-HPOZ and are improved with two-story multifamily dwellings (St. Andrews Garden Apartments). Neighboring properties to the west are zoned [Q]R4-1-O-HPOZ and R3-1-O-HPOZ and are improved with the two-story Carl Bean House (hospice) and the two-story Servants of Mary Convent. Also located within 500 feet of the site are St John of God rest home and hospital and the William Andrews Clark Memorial Library owned by U.C.L.A.

Adams Boulevard, adjoining the property to the north, is an Avenue I, with a designated width of 100 feet and is improved with a paved roadway, concrete curb, gutter, and sidewalk.

26th Place, adjoining the property to the west, is a Local Street – Standard, with a designated width of 60 feet and is improved with a paved roadway, concrete curb, gutter, and sidewalk. The street dead-ends into the perimeter wall of the project site with no traffic turn-around.

27th Street, adjoining the property to the south, is a Local Street – Standard, with a designated width of 60 feet and is improved with a paved roadway, concrete curb, gutter, and sidewalk.

Previous zoning related actions on the site include:

Case No. ZA 15227(O)(PA5) – On, June 30, 2016, the Zoning Administrator denied, the installation and use of a Clean Enclosed Burner ("CEB800") and appurtenant sound attenuation wall and modification of Condition No. 49 of Section 13.01-F with respect to hours of operation during project construction at the site.

Case No. ZA 15227(O)(PA4)-1A – On June 3, 2014, the South Los Angeles Area Planning Commission denied appeals from two appellants. The parties involved agreed that issues will be raised at the public hearing for a subsequent Plan Approval.

Case No. ZA 15227(O)(PA4) – On December 26, 2013, the Zoning Administrator approved the installation of the CEB800 and Sound Wall subject to specific conditions. On March 11, 2014, the Zoning Administrator issued a communication clarifying that the determination is appealable and established a fifteen-day appeal period.

Ordinance No. 181,769 – On June 28, 2011, the Los Angeles City Council passed an ordinance to establish the Jefferson Park Historic Preservation Overlay Zone (HPOZ).

Case No. ZA 15227(O)(PA4) – On December 26, 2007, the Zoning Administrator approved the expansion of an existing gas plant on the facility, subject to specific conditions. Equipment additions included six vertical absorbers, a gas compressor, a recirculation pump, a heat exchanger, and sound enclosures, all manufactured off-site, to be installed on the premises.

Case No. ZA 15227(O)(PA4) – On September 14, 2007, the Zoning Administrator approved methods and conditions controlling drilling and production operations for the expansion of the existing well cellar with a maximum of twelve new well slots, including the drilling of two new Class "A" oil wells and one Class "B" well, respectively identified as M-28, M-29, and M-30 of the Murphy Drill Site within Urbanized Oil Drilling District Nos. U-37 and M-30 respectively, and the future drilling of nine additional wells for a maximum total of 38 well slots.

Case No. ZA 15227(O)(PA3) – On March 13, 2006, the Zoning Administrator approved methods and conditions controlling drilling and production operations for the re-drilling of three Class "A" oil wells, including the conversion of two Class "B" wells into Class "A" wells, identified as M-2RD1, M-12RD1, and M-14RD2 of the Murphy Drill Site within Urbanized Oil Drilling District Nos. U-36, U-37, and U-82 respectively.

Case No. ZA 15227(O)(PA2) – On April 15, 2005, the Zoning Administrator approved a request for a Plan Approval pursuant to the instruction of the Chief Zoning Administrator, relative to initiating Council Motions (Ludlow-Reyes and Perry-Parks), dated April 13, 2004, in which it has been determined that the subject use poses no significant nuisance to adjoining or neighboring properties. The subject of the Council

Motions was, in part, concerning resident complaints of oil fumes and noise arising from recent oil drilling operations at site.

Case No. ZA 15227(O)(PA 1) – On August 1, 2003, the Zoning Administrator approved a request for an approval of plans to temporarily modify Condition No. 12 of Case No. ZA 15227 to allow the re-drilling of two oil wells on a 24-hour, seven day per week basis for approximately 40 days.

Case No. ZA 15227 – On February 15, 1994, the Zoning Administrator approved a request for methods and conditions for the expansion of an existing well cellar at the Murphy Drill Site in order to provide additional space for the future drilling of six Class "A" oil wells.

Case Nos. ZA 15227 and 16182 – On June 22, 1993, the Zoning Administrator approved a request for methods and conditions for the re-drilling of three Class "A" oil wells identified as 26RD2, 16RD, and 5RD of the Murphy Drill Site involving Urbanized Oil Drilling District Nos. U-82 and U-37.

Case Nos. ZA 15227 and 15890 – On January 22, 1993, the Zoning Administrator approved a request for an approval of plans to remove and distribute 366 cubic yards of dirt at the Murphy Drill Site in order to provide additional space for the re-drilling of three Class "A" oil wells.

Case Nos. ZA 15227 and 15890 – On December 29, 1992, the Zoning Administrator approved a request for methods and conditions for the re-drilling of three Class "A" oil wells identified as 10 RD2, 22 RD, and 21 RD of the Murphy Drill Site involving Urbanized Oil Drilling District Nos. U-36 and U-37.

Case Nos. ZA 15227 and 15890 – On February 4, 1992, the Zoning Administrator approved a request for methods and conditions for the re-drilling of one Class "A" oil well identified as Murphy No. 7 involving Urbanized Oil Drilling District Nos. U-36 and U-37.

Case No. ZA 15227 – On July 18, 1985, the Zoning Administrator approved plans for the installation and operation of gas treating equipment to extract carbon dioxide from natural gas on property identified as the Murphy Drill Site.

Case Nos. ZA 15227 and 20385 – On April 4, 1972, the Zoning Administrator approved plans for construction of an approximately 10 feet by 40 feet enlargement onto the easterly side of the well cellar on the Murphy Drill Site, with the new construction containing space for four additional oil wells.

Case No. ZA 20385 – On November 25, 1970, the Zoning Administrator approved a request for methods and conditions for the re-drill of Murphy No. 18 oil well bottomed under Oil Drilling District No. 36 and for drilling of Murphy No. 22 bottomed under U-82, and for temporary relaxation of Condition Nos. 1, 3, 6, 7, 8 and 12 of extant ZA Case No. 15227.

Case No. ZA 19951 – On September 10, 1969, the Zoning Administrator approved a request for methods and conditions for the resumption of drilling operations for oil wells to be bottomed in the involved Oil Drilling District U-37 and adjoining Districts U-36, U-38 and U-82.

Case No. ZA 15227 – On November 14, 1966, the Zoning Administrator approved plans for alterations primarily in the way of a new door and vent in the existing electric switch house on the southerly side of the subject property.

Case Nos. ZA 15227, 15891, and 15973 – On April 13, 1966, the Zoning Administrator approved the temporary installation and operation of an enclosed hydraulic pumping unit only for Well No. 10 on the controlled drill site.

Case No. ZA 15227 – On April 9, 1963, the Zoning Administrator approved plans for an addition to the compressor building, a new Glycol generator and absorber installation, and a clean-up tank.

Case No. ZA 16218 – On June 15, 1962, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 160-acre District No. U-82 for the bottoming of an exploratory oil well.

Case No. ZA 16185 – On June 15, 1962, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 160-acre District No. U-81 for the bottoming of an exploratory oil well.

Case No. ZA 16184 – On June 7, 1962, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 153-acre District No. U-84 for the bottoming of an exploratory oil well.

Case No. ZA 16183 – On June 7, 1962, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 150-acre District No. U-83 for the bottoming of an exploratory oil well.

Case Nos. ZA 15227 and 15937 – On June 1, 1962, the Zoning Administrator approved plans for the permanent production facilities, including additional gas-oil separators, a vapor compressor, tanks, gas scrubbers, and accessory buildings.

Case No. ZA 16182 – On May 24, 1962, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 160-acre District No. U-82 for the bottoming of an exploratory oil well.

Case Nos. ZA 15227 and 15937 – On December 27, 1961, the Zoning Administrator approved plans for limited production facilities on the site such as drain and skimmer pits, gas-oil separators, relief line scrubber and well manifolding.

Case No. ZA 15937 – On November 1, 1961, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 776-acre District No. U-36 to U-40 for the bottoming of not to exceed 16 oil wells.

Case No. ZA 15912 – On October 2, 1961, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 158-acre District No. U-40 for the bottoming of not to exceed eight oil wells.

Case No. ZA 15911 – On September 29, 1961, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 146-acre District No. U-39 for the bottoming of not to exceed seven oil wells.

Case No. ZA 15891 – On August 31, 1961, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 153-acre District No. U-38 for the bottoming of not to exceed seven oil wells.

Case No. ZA 15890 – On August 30, 1961, the Zoning Administrator approved the use of the subject drill site and use of the subsurface underneath the 160-acre District No. U-36 for the bottoming of not to exceed eight oil wells.

Case No. ZA 15227 – On May 9, 1961, the Zoning Administrator approved plans for landscaping, camouflage for the derrick acoustical quilt, derrick, DC converter house, mud pump, and shaker house.

Case No. ZA 15227 – On May 2, 1961, the Zoning Administrator approved plans for drilling equipment and various facilities, grading, retaining walls, masonry walls, drainage concrete structures, drilling cellar, drilling pad, and gates on the subject property.

Case No. ZA 15227 – On April 5, 1961, the Zoning Administrator approved the use of the subject property as a controlled drilling site not to exceed five oil wells under certain prescribed conditions and methods of operation with the understanding that additional wells may later be permitted.

Ordinance No. 114,701 – On October 6, 1959, the Los Angeles City Council passed an Ordinance amending Sections 12.04 and 13.01 of the Los Angeles Municipal Code, establishing Oil Drilling District No. U-37.

Ordinance No. 187,709 – On December 2, 2022, the Los Angeles City Council passed an Ordinance amending Sections 12.03, 12.20, 12.23, 12.24 and 13.01 of the Los Angeles Municipal Code to prohibit new oil and gas extraction and make existing extraction activities a nonconforming use in all zones.

Previous Los Angeles Fire Department (LAFD) actions on the site include:

December 22, 2021 – The LAFD conducted an inspection on December 22, 2021 and issued Notice to Comply No. DAEGYCDGP citing failure to amend the SPCC Plan within 6 months to include: 1) when the facility has had a change in design, construction, operation, or maintenance which affects the facility's discharge potential, and/or 2) to include more effective proven technology at the time of the 5-year SPCC Plan review and evaluation per HSC 6.67 25270.4.5(a); 40 CFR 1 112.5(a), 112.5(b); and failure to

describe in the SPCC plan facility security measures including: 1) how access to the oil handling, processing, and storage areas is secured and controlled, 2) how master flow

and drain valves are secured, 3) how unauthorized access to starter controls on oil pumps is prevented, 4) how out-of-service and loading/unloading connections of oil pipelines is secured, and 5) the appropriateness of security lighting to both prevent acts of vandalism and assist in the discovery of oil discharges per HSC 6.67 25270.4.5(a); 40 CFR 1 112.7(g). The operator was ordered to correct the violations within 30 days. All of the Fire Department violations were cured to the satisfaction of the Fire Department by March 2022.

December 22, 2021 – The LAFD conducted an inspection on December 22, 2021, and issued Notice to Comply No. DA3ADJRBD citing failure to electronically submit the Business Activities Page and/or Business Owner Operator Identification Page, or failure to report complete or accurate information on these forms per 19 CCR 4 2652(a)(1); HSC 6.95 25508(a)(1), 25508(a)(3); failure to electronically submit complete and accurate hazardous material inventory information for all hazardous materials on-site at or above reportable quantities per HSC 6.95 25506, 25505(a)(1), 25508(a)(1), 25508(a)(3); and failure to establish and/or electronically submit an adequate emergency response plan and procedures for a release or threatened release of a hazardous material, and to verify agricultural handler exemption per HSC 25507.1 19 CCR 4 2658 and HSC 6.95 25505(a)(3), 25508(a) (1), 25508(a)(3). The operator was ordered to correct the violations within 30 days. All of the Fire Department violations were cured to the satisfaction of the Fire Department by March 2022.

December 17, 2021 – The LAFD conducted an inspection on December 17, 2021 and issued Notice to Comply No. DAEL4TO06 citing failure to electronically submit complete and accurate hazardous material inventory information for all hazardous materials on site at or above reportable quantities per HSC 6.95 25506, 25505(a)(1), 25508(a)(1), 25508(a)(3); and failure to electronically submit a site map with all required content per HSC 6.95 25505(a)(2), 25508(a)(1), 25508(a)(3); and failure to establish and/or electronically submit an adequate emergency response plan and procedures for a release or threatened release of a hazardous material, and to verify agricultural handler exemption per HSC 25507.1 19 CCR 4 2658; HSC 6.95 25505(a)(3), 25508(a) (1), 25508(a)(3). The operator was ordered to correct the violations within 30 days. All of the Fire Department violations were cured to the satisfaction of the Fire Department by March 2022.

May 7, 2020 – The LAFD issued a Fire/Life Safety Violation Notice No. 2011456001 ordering the operator to “Comply With the Requirement as Noted” following a Fire and Life Safety Inspection on May 5, 2020, ordering the operator to abandon or reactivate a non-operating oil well (Murphy-21, LAFD#2572). LAFD signed off on June 5, 2020 after

conducting a re-inspection for code violation which found Murphy-21 now active and compliant.

Previous South Coast Air Quality Management District (SCAQMD) actions on the site include:

June 4, 2021 – SCAQMD issued Notice to Comply No. 51096, directing the operator to conduct a specific cause analysis for the June 4, 2021 confirmed order event and submit the specific case analysis report as required by Rule 1148.1(f). Resolved per SCAQMD online records portal.

February 9, 2021 - SCAQMD issued Notice of Violation (Assignment No. 1886357), citing that equipment shall not be operated within 1000 feet from the outer boundary of any K-12 schools. Resolved per SCAQMD online records portal.

January 5, 2021 – SCAQMD conducted an inspection (Assignment No. 1879454) related to SCAQMD Complaint Report regarding strong odor and fumes. Complaint was closed out.

January 27, 2021 – SCAQMD issued a Notice to Comply (Assignment No. 1886273) to provide information relating to permits to operate G61847 and G61848. Status has not yet been determined.

January 2, 2020 – SCAQMD issued Notice to Comply No. E46501, directing the operator to submit Rule 222 registration applications for two capstone microturbines per SCAQMD Rule 222. Resolved per SCAQMD online records portal.

December 18, 2019 – SCAQMD issued Notice of Violation No. 66850, citing two leaks greater than 50,000 ppm detected during district inspection in violation of SCAQMD Rule No. 1173(d)(1)(B); allowing produced gas to be vented to the atmosphere in violation of SCAQMD Rule No. 1148.1(d)(8); and failure to comply with Rule 1173 and 1148.1 in violation of SCAQMD Rule 203(b). Resolved per SCAQMD online records portal.

December 18, 2019 – SCAQMD issued Notice to Comply No. E50612 to repair leak (16,000 mph). Resolved per SCAQMD online records portal.

Previous California Geological Energy Management Division (CalGEM) (previously Department of Conservation, Division of Oil Gas and Geothermal Resources (DOGGR)) actions on the site include:

September 27, 2019 – CalGEM observed and issued Violation No. 12186681, citing that the perimeter enclosure is not comprised of fencing with at least three strands of barbed wire mounted at a 45-degree angle from the top of the fence, and indicated that the operator may submit a proposal to use other types of materials that can effectively restrict access. The violation was resolved on April 8, 2021.

PUBLIC HEARING

A Notice of Public Hearing was mailed to property owners and/or occupants residing near the subject site for which an application had been filed with the Department of City Planning. All interested parties were invited to attend the public hearing at which they could listen, ask questions, or present testimony regarding the project. Due to concerns over COVID-19, the Office of Zoning Administration Public Hearing was conducted via zoom and telephone on April 28, 2022, at approximately 9:00 a.m. The purpose of the hearing was to obtain testimony from affected and/or interested persons regarding the project. The hearing was conducted by Associate Zoning Administrator Charles J. Rausch, Jr. for Case No. ZA-1959-15227-O-PA6 and CEQA No. ENV-2021-7445-CE.

The public hearing was attended by the applicant's representative (Ted Cordova), a representative of the United Neighborhoods Neighborhood Council (Laura Meyers), approximately 105 members of the public (31 speakers, including representatives from Stand LA Coalition, Liberty Hill Foundation), and a representative of Council District 10 (Hakeem Parke-Davis).

The following testimony was provided at the hearing:

The Applicant's Representative stated the following:

- E&B Natural Resources received a letter from the ZA dated June 1, 2021 that required the filing of a Plan Approval. E&B submitted for a Plan Approval as requested. No project is being proposed.
- E&B took over the Murphy Drill Site in October 2019 from a previous operator (Sentinel Peak Resources). The site has been operating safely for decades. E&B has demonstrated an excellent compliance record since they took over as operator.
- E&B has been responsive to city questions about operations. The site is well regulated and inspected by multiple agencies including CalGEM, SCAQMD, LAFD CUPA, and others. There were no issues in a CalGEM inspection in 2021, LAFD inspection, or with other agencies. They are in compliance with existing regulations and guidelines including over 60 conditions. When issues arise from time to time, they try to fix them immediately for compliance. There have been no emergency events, spills, or alarms.
- E&B met with local community members and had good conversations before acquisition.
- E&B proposes 3 new conditions as best practices to safeguard the site and community, which are supported by both E&B and the community.
 - Annual inspections by the Petroleum Administrator and other City agencies.

- Supplemental emergency reporting to immediately notify appropriate agencies including LAFD, Petroleum Administrator, and Council District 10 of accidents or spills.
- Fenceline air monitoring system installation within 6 months of the determination letter that will provide continuous data to the Petroleum Administrator.
- E&B wants “clarification” from the ZA on Condition 43 of LAMC Section 13.01-F regarding microturbines. They have been using electric power through microturbines on a power grid that were installed by a prior operator. There are multiple references to micro-turbines in prior determination letters, and a stakeholder has inquired about it.

Those opposed to the project:

Byron Chan, Esq., on behalf of EarthJustice for Redeemer Community Partnership:

- Oil drilling is a dangerous activity using outdated methods, and they have failed to protect surrounding residents. EarthJustice requests to modernize the permit, in order to afford the same protections as those provided to Westside communities.
- Zoning Administrator has the authority under code to require that oil drilling be conducted in due regard with the surrounding district. An image shows that there is a dense residential community of 14,000 people in a half-mile radius around the drill site, including homes, schools, libraries, playgrounds, and health centers.
- Nearby residents are negatively impacted in a variety of ways, from excessive noise, noxious fumes, toxic air emissions, that are documented. Researchers have found that residents in proximity to drill sites are 2-3 times more likely to report wheezing, sore throat, eye and nose irritation symptoms, and experience overall reduction in lung function and capacity.
- The Zoning Administrator is responsible for making sure that regulatory oversight is not fragmented across different agencies. Fragmented oversight cannot meaningfully protect the community. The Zoning Administrator’s authority is tied to land use to protect the health, safety, and quality of life of residents. It is the Zoning Administrator’s responsibility to modernize the permit and reduce dangers of the drill site.
- Request 3 conditions be added to modernize and mitigate dangers of the operation:
 - Permanently enclose the drill site;
 - Only allow the use of electric workover rigs instead of diesel; and

- Ban burning methane gas on the drill site.
- These conditions have already been standardized at Westside drill sites. Packer Drill Site is already enclosed and disguised as an office building. Cardiff Drill Site is enclosed and disguised as a synagogue. Only electric workover rigs are allowed at both. These conditions demonstrate that the ZA prioritizes the health and safety of surrounding communities; the absence of such conditions is unacceptable. South LA residents deserve the same protections as West LA residents.
- In a 2013 Plan Approval, the Zoning Administrator addressed negative impacts at the Jefferson Drill Site one mile away that had a history of violations. The Zoning Administrator added Conditions to modernize that drill site, and he has a similar responsibility here to modernize the permit and bring protective standards to South LA.
- E&B offered “good neighbor” conditions, but they are not good neighbors. None of their provisions protect the residents. Reporting and monitoring is not adequate to hold them accountable. Modernizing the conditions is only the first step to protecting residents. At minimum, the conditions must match the Jefferson and West LA Drill Sites, and they must be enforced.
- There is documented evidence of violations. There is video evidence from February 2022 when E&B conducted maintenance work on injection wells and had tanker trucks with dangerous acids and toxic chemicals near senior housing. There is photo evidence of burning methane gas and microturbines that darken buildings, though it was never approved by the Zoning Administrator. The operator has been ignoring conditions.
- This is critical for the health, safety, and quality of life of surrounding residents that have endured dangers for too long, and should get the same protections as West LA. The Zoning Administrator began a process for equal protection in South LA by modernizing the Jefferson Drill Site, and it is their responsibility to advance the work at the Murphy Drill Site.

Laura Meyers, United Neighborhoods Neighborhood Council

- She stated that she has been engaged in multiple cases, updates, reviews of conditions on this site since 2004. They advocated to modify the Conditional Use regarding landscaping that created the rear park-like landscaped area, which undergoes annual landscape reviews with UNNC and CD10 to verify that landscaping is still there. Recently, E&B has been discussing opportunities to open it up as a park.
- The UNNC conducted 3 public meetings at the Planning and Zoning Committee and voted to support all 6 requested conditions in 2 separate motions.

- She is concerned that the organized opposition cannot embrace the other 3 conditions that the UNNC and Jefferson Park United requested for emergency planning, fence line monitoring, and annual inspections. The conditions would bring more transparency at a minimum.
- She requested clarification on if the city previously approved microturbines. It was discussed as an alternative to CEB Flare but is unsure if it was approved.
- Should require electric workover rigs instead of diesel.
- Should require closure of the site, but someone needs to define the drill site. ZA determinations in the 1960s used the perimeter wall as an early definition of the drill site.
- The site is in the Jefferson Park HPOZ, so building a building will require design review. Photos showing commercial corridor structures won't be achievable in this community.
- The UNNC is not in a position to determine whether or not the operator is compliant. Operator seems willing to have discussions, but they saw conflicting information between E&B and others.
- The UNNC is working on multiple of these cases and understands that the conditions imposed in the early 1960s were removed because of outdated technology. It is important to keep up with newer, better technologies in operations, and not demand that arcane conditions be removed, but that they be replaced with contemporary conditions.

Richard Parks:

- Smelled petroleum fumes from the drill site in January 2021 and experienced intense headaches and respiratory impacts. Photographed five 21,000-gallon frac tanks being gassed. Odors were reported to SCAQMD which deemed it illegal because of proximity within 1,000 feet from a school. Recorded workers without PPE drenched in oil to CalOSHA which resulted in 4 violations and fines.
- There are no quiet hours, as they run all hours of the day. There is evidence of excessive noise from workover pumping metal for hours. They operate heavy equipment past 9 p.m. which violates operational hours.
- E&B installs high pressure gas lines and high exhaust stacks. They fire microturbines which blacken the buildings. They are required to minimize pollution, but they chose to burn methane to generate power and create pollution.

- Tanker trucks and flatbed trucks make multiple deliveries with warning labels on them and acid maintenance jobs. Chemicals drip off-site, and there is documented evidence of killing plants on the downwind corner. They photographed a truck with radioactive isotopes and reported it to CHP which informed them it was illegal for roadway use.
- The drill site will never be safe for the neighborhood and is unsafe in the hands of an irresponsible operator. E&B hired a company that was cutting corners.
- Request that they close the drill site, require electric workover rigs, and prohibit methane burning. These protections were given to white communities decades ago.

Jill Johnston, USC Peck School of Medicine, member of CalGEM experts panel:

- Study of Las Cienegas South LA oil field including Murphy Drill Site, demonstrates adverse impacts of oil drilling on air, water, and soil climate.
- Study of 750 individuals ranging from ages 10 to 85, shows evidence of poor lung capacity and lung strength for individuals living closer to a a drill site, after adjusting for freeway proximity or smoking. People who live within 1,000 meters downwind of a drill site have lower lung function than upwind and affect lung capacity similar to freeway or second-hand smoke.
- Community air monitoring network was able to distinguish air pollution between oil drilling versus freeway, and showed short term spikes in air pollution, methane, and gas.
- Study analyzed data around AllenCo site after oil production, and found reduction in toxins in air, and found that irritants and carcinogens were associated with headaches and disease and impaired lung function. Study demonstrated that active drilling can affect air quality and health.
- Scientific studies show that living closer to high density of wells leads to more health risk, and it is important to reduce exposures to neighborhoods.

Bhavna Shasunder, Associate Professor and Chair, Urban and Environmental Policy, Occidental College:

- Environmental health sciences study on oil drilling and place-based studies in South LA including the Murphy Drill Site. Studies showed that living nearby drill sites worsens lung function. There is substantive research on the proximity of drill sites and adverse impacts on human health. Murphy is close to a large population and living close to a drill site is worse for health.

- Chemicals migrate off-site due to fugitive emissions, spills, and leaks, and affects water, air, and noise. The use is toxic, carcinogenic, alters body hormone systems, results in long term developmental and reproductive harm. The air is vulnerable to toxic emissions and compromised by truck traffic. Electric rig is critical to air quality concerns.
- There is an unequal cumulative burden on environmental justice. This is the top 5% of most cumulatively burdened communities in the State of California.
- There are social economic barriers that mark daily life, and psychosocial stressors that worsen life impacts. Focus groups with residents showed that they experience stressors including lack of sufficient information of drill site and connection of agencies.
- Decisions should be grounded on scientific research. The Zoning Administrator has an important role in land use decision making, and should take scientific research into account, and consider environmental justice.

Other comments in opposition:

- The best solution is to close down the drill site and revoke the operator's conditional use permit. If the Zoning Administrator cannot close down the site, then they at minimum should require new operating conditions and extend the same protections afforded to West LA residents to enclose the site, require electric rigs, and ban methane burning on-site. They should put the health and safety of students and families ahead of oil operators.
- Would prefer the oil drilling be enclosed than pumping chemicals into the neighborhood. Aesthetics should not be prioritized over public health.
- The effect of inspections, data collection, and monitoring aren't comparable to the physical separation of an enclosure from noise, emissions, odors, and toxins that come from the drill site.
- The drill site is in the middle of a densely populated neighborhood that is primarily residential with families, children, and grandparents. There are up to 16,000 people living in a half mile radius of the site, and approximately 52,000 people within 1 kilometer. It is next to homes, health care facilities, churches, and 3 schools serving 1,300 students.
- Oil drilling is a harmful and hazardous land use. There are issues with air pollution, toxic chemicals, fumes, odors and noise, which makes it incompatible in land use with the residential neighborhood that existed before the drill site. Neighbors and oil drilling don't mix. It has a profound impact on the neighborhood even with regulatory controls and a good operator.

- The drill site affects quality of life for nearby residents. Children ride their bikes and skateboards, parents push strollers, and families exercise outdoors and walk around the neighborhood, but they are being exposed to pollution. Residents shouldn't have to suffer or live in fear of a catastrophic event.
- The drill site has been in operation for decades, and there are a multitude of documents which show violations and complaints. There is a persistent history of violations and disregard of the rules that were meant to protect health and safety. Over a hundred Public Record Act requests have been submitted to regulatory agencies which reveals 29 CalGEM violations since E&B began operations, 8 SCAQMD notices of violations and corrections, 9 CalOSHA violations, 1 LAFD violation for non-operating wells, and 10 LAFD CUPA notices of violations or notices to comply. In January 2021, they began to gas tanks and flood the neighborhood with noxious fumes. E&B has been served violations, citations, and fines from multiple regulatory agencies. E&B has disregarded operating conditions.
- There is documented evidence and studies of the long-term health impacts of oil drilling. Literature confirms the hazards of oil drilling, chemicals, and emissions used in extractions. Studies show connections with cancer, diabetes, obesity, birth defects, infertility, low birth rate, miscarriages, spontaneous abortions, nose bleeds, headaches, asthma, and other respiratory illnesses. Oil drilling releases toxic chemicals, carcinogens, and endocrine disrupters.
- A published report in 2015 called "Drilling Down" calls attention to hazards associated with urban drilling, and references experiences of neighbors noticing smells and odors with leaks that exceeded the allowable limit.
- There are multiple schools serving over 2,000 students that are in close proximity to the drill site. Within 100 feet there are over 1,300 students that are at schools that are open five days a week. There are various preschools, playgrounds, and recreation centers in the area. Students are legally required to be at school but are being exposed to toxins and health impairments. Children near drill sites get unexplained nosebleeds at school. Children's bodies are more susceptible to pollution.
- Los Angeles County Department of Public Health reports 60,000 students in LAUSD with asthma. School nurses have to go through district nursing asthma programs to help students control asthma and prevent bad outcomes during asthma attacks at school. Asthma is the leading cause of school absenteeism which affects their education. There is usually a school nurse or certified health professional on-site only one day a week.
- There have been numerous miscarriages within a one-mile radius of the site. Active drilling sites involve acids and chemicals that are endocrine disrupters that harm

reproductive health of both men and women and can be passed on to future generations.

- Individuals that recently move into the area experience new health issues even if they were previously healthy. Residents nearby experience decreased lung function, asthma, wheezing, and other health impacts. Children are diagnosed with cancer. Individuals experience seizures that could lead to death. It poses a risk to neighbors.
- Neighbors can't leave their windows open as they experience chronic headaches due to chemicals and odors. Neighbors wake up with vicious headaches and smell strong odors of burning plastic or weird soap smells in the middle of night. They have to shut the windows if they can't afford air purifiers or air conditioning. There is noise and humming overnight. Neighbors have to wear ear plugs at night because of the constant noise. The noise and odors force neighbors to close their windows and close themselves off from their neighbors which causes deep trauma.
- There are maps showing underground piping that go underneath homes and connect the Murphy, Jefferson, and AllenCo Drill Sites.
- E&B has disclosed that they use (chemcor odor jasmine) which is an odor counteractant that is sprayed in open air to mask toxic explosive gases. It is additional chemical. Safety data sheet shows it contains endocrine disrupter and causes birth defects and reproductive harm. It is being sprayed in the open air near homes, medical facilities, and schools. E&B is covering up one problem with another that causes long-term impacts on children.
- LA City Council and LA County Board of supervisors voted to phase out and prohibit new drilling, but the neighbors still experience the dangers of oil drilling due to violations at the site. Students and families can't wait a year for the drill site to close or 20 years for the city ordinance.
- CalGEM regulates oil extraction and moved in 2021 to create a 3,200-foot health and safety buffer around oil drills, but Murphy is 40 feet from the nearest home.
- A recent peer-reviewed study of 1,000 residents within 1,000 meters of Murphy and AllenCo showed substantial reduction in lung health and function, which was equivalent to daily exposure to second-hand smoke or living next to a busy freeway. Research notes that the harms appear to be permanent. This harms the health of children, limiting their potential, making them more vulnerable to debilitating respiratory diseases like COVID and asthma.
- It is a toxic facility and nuisance that poses health risks in a community of color and lower- and middle-income households. It is environmental racism. Statistics show that black and brown communities have been impacted by fossil fuels and are

discriminated against as they don't have the same protections as more affluent whiter communities on the Westside.

- These are small reasonable steps to provide protections that have already been granted to wealthier whiter communities on the Westside. This is an opportunity to protect, preserve the welfare of, and end discriminatory disparate practices against frontline communities. Every possible measure needs to be taken.
- The City has recognized that monitoring doesn't afford enough protection, as drill sites in Westside communities were enclosed and mandated to use workover rigs and banned from methane burning decades ago.
- South LA has long been targeted for undesirable land uses and underinvestment. Residents have been excluded from environmental benefits that ensure safety, health, and opportunities from across the city.
- Los Angeles has been a progressive city, and we should move to the 21st Century in our actions. Oil drilling is an outdated and antiquated land use. Fossil fuels have been obsolete for decades. Electric cars are safer, less noisy, and better for the environment. Allowing oil drilling will be incompatible with the direction of the city.
- The drill site has a piece of land that is landscaped nicely with trees, which should be made available to the public because there is a lack of green space in the neighborhood.
- Many families moved here because of the sense of community, open space, but did not know about the drill site. E&B is not a responsible operator. Most of it happens behind closed doors. Neighbors receive no notice of the activity. There is lack of transparent communication with the operator, and no warning or information from the operator when tanker trucks arrive.
- Only 20-30 people spoke at the public hearing, but there are 13,000 people living within 5 blocks of the site that are being poisoned every day. Some families could not join the meeting but are the most impacted. Some can't take time off from their jobs, don't have internet or computer access, and don't have the choice of moving away.
- The agreement between Union Oil and Catholic Archdiocese in the 1950s to operate oil at the site has affected successive generations.
- The City has not been addressing violations. LAFD has not enforced fire codes or mandates that idle wells be plugged. LADBS has approved electric permits for large gas-burning microturbines. OZA has not acted on illegal well conversions and installation of unauthorized gas generators. LAFD CUPA has not addressed concerns of personnel or maintenance staff leaving.

General comments/questions:

- Operator's proposed conditions are modernized and being applied for all urban sites. Annual inspections are more modern than what has been done in the past via desk inspections. Supplemental emergency notifications to the city are very progressive and modern and has been encouraged and supported by the community. Real-time fence-line monitoring with data that is shared with the community creates scientific data to understand and shared on a state-of-the-art platform transparently for the community. They seem modern and well beyond what's in place in the city.
- The site is enclosed. I would be alarmed to see a multi-story wall that would reflect road noise into the community and shade neighboring properties.
- There are allegations of violations at the CD10 and UNNC meetings, but documentation of such violations has not been established.
- The current operator brought multiple documents responding to the city and state agencies showing they are in good standing and meet the conditions.
- Is there a way to get access to the whole case to get background on previous decisions and conditions?
- Is it possible to get air monitoring device data publicly available? There are AQI indicators scattered across Los Angeles, so it will be useful to get empirical data to compare with other places in the city.
- What is their reasoning for acquiring the site with all the issues at play? Is it based on price/cost analysis, or do they factor in other considerations like environmental? Is E&B confident enough that this it's a clean facility that they would add publicly available data real-time from air quality monitors?

Council District 10 representative (Hakeem Parke-Davis) stated the following:

- The site has a storied history since first operations in 1961 by Union Oil. There are approximately 23 active wells, 8 chemical/water injection sites, 1 pressure injection well.
- It is an urban oil drilling facility surrounded by housing, religious institutions, schools, and parks.

- Community groups have reached out to the Council Office and advocated for monitoring, due to health complications with fugitive odors, noise impacts from alarms, and unmanned operations.
- E&B is a reputable operator and many violations and missteps have been corrected, but more can be done to ensure best practices and operating protocols are put in place. There should be a full study for compliance with PA4 conditions, as it seems that many are not in compliance.
- Request that the Zoning Administrator mirror the conditions requested by constituents, legal representatives, and E&B, including:
 - Enhanced air quality monitoring system. Fence-line monitoring should be extended to 500 feet at bare minimum with remote monitoring data that is publicly available for fugitive gases and other chemical monitoring to be readily available to the Zoning Administrator, Fire Department, and Office of Petroleum Administration.
 - Complete ban of burning methane on the site. E&B operates many drill sites across the city, some of which are enclosed or use electric workover rigs, and they should make the same improvements here. It's within their feasibility to modernize operations and enhance protection of the surrounding community that is continuing to densify.
 - Wells and storage tanks should be in an enclosed building with enhanced vacuum filtration. It should be covered since diesel fuel is affecting neighbors.
- Zoning Administrator should take into consideration the type and amount of infusion chemicals being used to simulate production. The Zoning Administrator and operator should work with the Fire Department to identify all operational wells and non-operational wells in order to cap those non-functioning wells.

Applicant statements in rebuttal:

- E&B's intent is to contribute to the city and community success. Public comments and testimony will help them to do that.
- California has the most stringent regulatory framework. E&B will be in a good position as a good neighbor with the existing conditions plus 3 proposed conditions.

The Associate Zoning Administrator placed the case under advisement for the public record to remain open for an additional 30 days, until May 31, 2022.

CORRESPONDENCE

- March 11, 2020** Letter from EarthJustice regarding abandonment of idle oil wells at the Murphy Drill Site
- June 25, 2020** Letter from EarthJustice inquiring into status of Murphy Well Nos. 8 and 16, and inquiring into work observed at the Murphy Site
- April 30, 2021** Letter from Redeemer Community Partnership regarding violations and nuisance activities including a new gas meter set assembly, hours of operation, graffiti, landscaping, good repair, neighborhood traffic, noise, odor complaints, good oilfield practice, new regulatory action, acid maintenance, and new research.
- October 15, 2021** Letter from Redeemer Community Partnership regarding operator's failure to maintain a 24/7 on-site security and emergency response presence, use of an unpermitted truck to transport and deploy radioactive isotopes, failures to keep site equipment permitted, use of a health-harming odor counteractant, and construction of high-pressure fossil gas infrastructure to import and burn methane.
- October 29, 2021** Letter from Redeemer Community Partnership regarding operations leaving Murphy Drill Site unattended.
- November 9, 2021** Letter from Redeemer Community Partnership regarding California Department of Industrial Relations Division of Occupational Safety and Health inspection of Murphy Drill Site.
- December 23, 2021** Letter from Redeemer Community Partnership regarding operator's failure to implement its Spill Prevention Control & Countermeasure Plan by leaving the Murphy Drill Site without 24-hour personnel coverage for extended periods.
- March 1, 2022** Letter from Empowerment Congress North Area Development Council (NANDC) indicating the NANDC Board voted to support the modernization of the Murphy Drill Site's operating conditions to health protections including enclosure of the facility, use of electric workover rigs, and prohibition on burning gas on-site either for power generation or flaring.
- November 15, 2022** A licensed petroleum engineer wrote in support of efforts to modernize the Murphy Drill Site's operating conditions. You have heard calls from the community and from the local Council Office requesting the modernization of the Murphy Drill Sites operating conditions including enclosing the facility by soundproofing the workover rig and raising the height of the

facility's walls, requiring the use of an electric workover rig and powering the facility with an electric utility connection. These operating conditions are entirely feasible and would be health and safety protective for adjacent resident, students and patients. The West Pico Boulevard Drill Site has operated under these conditions for more than 20 years since they were approved by the Zoning Administrator. The city also imposed these conditions on the Jefferson Drill Site in 2017. These operating conditions would reduce the community's exposure to noise, fumes, odors, light, and other factors of nuisance and annoyance. The letter writer (Anneliese Anderle, P.E.) retired from the California Division of Oil, Gas and Geothermal Resources in 2014.

The City's Petroleum Administrator, Erica Blyther, submitted a formal letter of correspondence commenting on potential new conditions proposed by the operator and proposed by community organizations for ZA 1959-15227 (O) (PA6). The Petroleum Administrator's formal letter, dated December 5, 2022, and addressed to the Associate Zoning Administrator, is summarized as follows:

1. *Third-party annual inspections:* The Petroleum Administrator commented on a proposed condition requiring the operator to hire a third-party consultant to perform an annual, on-site inspection for the Murphy Drill Site. They highlighted that a similar condition is already in place at another operation, the Rancho Park Drill Site. As a result, this measure is a feasible measure to add to the overall conditions of approval for the Murphy Drill Site. The operator would need to hire a consultant to perform the on-site inspection and also provide an overview of all compliance records and permits from the various government agencies that regulate the drill site. The Petroleum Administrator included in her correspondence a sample copy of an annual report submission from the Rancho Park Drill Site as required by a condition that requests the annual third-party on-site inspection.
2. *Air monitoring measures:* The Petroleum Administrator commented on the proposed inclusion of a condition of approval concerning air quality monitoring at the Murphy Drill Site. For this subject matter, the current Petroleum Administrator cited an Oil and Gas Health Report prepared by a previous City Petroleum Administrator, Uduak-Ntuk Joe, that is dated July 25, 2019. The current Petroleum Administrator highlighted that the 2019 report has extensive descriptions of how the local air district, the South Coast Air Quality Management District, regulates air quality for various operations which include oil and gas extraction and production facilities such as the Murphy Drill Site. Furthermore, the Petroleum Administrator outlines various recommendations and suggested parameters if the operator will be required to install a fence line monitoring system. The recommendations are to clearly identify which vapors, elements, and pollutants the

monitoring system should be able to capture and/or measure. They also recommend for any proposed condition of approval to identify whether there will be an automatic alarm system in place should the monitoring system record a significant level of a particulate element(s) and also recommend that the operator use specific types of equipment in their monitoring system. The recommended equipment the Petroleum Administrator references is meant to identify specific elements and vapors such as volatile organic compounds (VOCs) and hydrogen sulfide, among other elements.

3. *Use of microturbines:* The Petroleum Administrator shared that the South Coast Air Quality Management District regulates emissions from methane burning operations such as the microturbines found at the Murphy Drill Site. The air quality district permitting process for microturbines is separate from any City or higher state review. The Petroleum Administrator further commented that microturbines assist in offsetting energy needs associated with the drill site facility operations. She points out that there could be improvements in the capture and collection of emissions associated with operating microturbines. Microturbines are a source of emissions and vapors during normal operations. As a result, the Petroleum Administrator recommended that if the facility were to be permitted to use microturbines that the City Planning department can explore, requiring the operator to install a vapor recovery system, installation of low-bleed or zero-bleed pneumatic devices, and the urgent replacement of leaking equipment. Low-bleed or zero-bleed pneumatic devices are automated equipment devices or instruments that are used to maintain a certain pressure or closure of valves so that they prevent the release of gases or liquids.
4. *Workover maintenance rigs:* The Petroleum Administrator mentioned that the use of workover rigs is not entirely feasible at this time. She made a distinction that electric drilling rigs are available and used as a workover rig for oil well sites. At this time, however, electric workover rigs meant for rework and well abandonment projects are not commercially available in the United States. As a result, the Petroleum Administrator recommended that the Associate Zoning Administrator consider equipment and engine requirements for the Murphy Drill Site. In this case, the condition would require the drill site's diesel-powered workover rig to meet distinct technical specifications. The Petroleum Administrator recommended, as identified in the July 2019 Oil and Gas Health Report (Page 82), specific tiers for all diesel powered equipment and engines that would be a California Air Resources Board (CARB) verified engine (CARB Tier 3) and would have an engine equivalent to a vehicle (or equipment) that uses an Environmental Protection Agency (EPA) Tier 4 Engine Standards.
5. *Operator's use of maintenance acidizing:* The Petroleum Administrator provided key sources and literature surrounding how maintenance acidizing projects are regulated by

both the California Geologic Energy Management Division and by the South Coast Air Quality Management District. They also highlighted a research article that outlines that projects such as maintenance acidizing will become a project that consistently occurs at drill sites. One particular regulatory provision that the Petroleum Administrator highlighted was Rule 1148.2 that is facilitated and enforced by the South Coast Air Quality Management Districts. The local air district's rule requires that operators report all maintenance acidizing operations prior to beginning work, but the current Rule 1148.2 policy exempts all injection/waterflood wells. The Petroleum Administrator noted that in coming months, the South Coast Air Quality Management District will resolve that exemption by requiring operators to report all maintenance acidizing activities regardless of the well type which would include injection/waterflood wells. As a result, there would be increased transparency of when maintenance acidizing activities occur at operations such as the Murphy Drill Site.

For the full letter of correspondence from the City Petroleum Administrator, a full printed copy is enclosed in the physical case file for ZA 1959-15227 (O) (PA6).

REVIEW OF COMPLIANCE WITH CONDITIONS

The applicant filed for a Plan Approval in compliance with Condition No. 14 at the request of the Department of City Planning. The Zoning Administrator reviewed the whole of the record, including public testimony and correspondence, and found that the operator of the Murphy Drill Site was compliant with 23 Conditions of Approval, was partially in compliance with five (5) Conditions of Approval and in violation of two (2) Conditions of Approval. The applicant filed for a Plan Approval in compliance with Condition No. 14.

The following identifies the degree of compliance with the conditions of Case No. ZA1959-15227-O-PA6 based upon testimony at the public hearing, planning staff's visit to the site, and information in the case file:

[Note: The Zoning Administrator's response to each condition is in ***Bold Italics***.]

1. The existing and proposed well corridors shall be in substantial conformance with plot plans submitted and attached to the file identified as "Exhibit No. A-I dated March 27, 2007.

COMMENT: *In compliance with the plot plans.*

2. All terms and conditions specified under extant ZA Case No. 15227, dated April 5, 1961, shall be strictly complied with, except as modified/clarified as follows:

COMMENT: *In compliance, except as noted below in the Comments on each Condition. Condition No. 43 from Sub-section 13.01-F was eliminated from the Conditions of Approval by Plan Approval No. 4.*

3. All the conditions set forth in Section 13.01-E, 2 as well as Condition Nos. 3,4, 5, 8, 9, 17, 18, 19, 22, 23, 33, 37, 40, 50, 54, 58, and 59 of Subsection F of Section 13.01 of the Municipal Code are included in and by reference made a part of this approval and shall be complied with to the same extent as if herein restated in detail.

COMMENT: *In compliance with 13.01-E,2. See subsection F items outlined below.*

LAMC 13.01-F Condition No. 3: That the operator of any well or wells in the district shall post in the Office of Zoning Administration a \$5,000 corporate surety bond conditioned upon the faithful performance of all provisions of this article and any conditions prescribed by a Zoning Administrator. No extension of time that may be granted by a Zoning Administrator or change of specifications or requirements that may be approved or required by him or her or by any other officer or department of the City, or other alteration, modification or waiver affecting any of the obligations of the grantee made by any City authority shall be deemed to exonerate either the grantee or the surety on any bond posted as required in this article.

COMMENT: *In compliance. The wells were drilled many years ago in compliance with this requirement.*

LAMC 13.01-F Condition No. 4: That the operators shall remove the derrick from each well within thirty (30) days after the drilling of said well has been completed, and thereafter, when necessary, such completed wells shall be serviced by portable derricks.

COMMENT: *In compliance. No drilling is currently ongoing at the site. For servicing, portable production rigs are used.*

LAMC 13.01-F Condition No. 5: That the drilling site shall be fenced or landscaped as prescribed by the Zoning Administrator.

COMMENT: *In compliance. The site is fenced and landscaped and inspected annually.*

LAMC 13.01-F Condition No. 8: That adequate fire-fighting apparatus and supplies, approved by the Fire Department, shall be maintained on the drilling site at all times during drilling and production operations.

COMMENT: *In compliance. The Fire Department approved the site's fire systems, and regular inspections and testing are performed in compliance with the Chief's Regulation 4.*

LAMC 13.01-F Condition No. 9: That no refining process or any process for the extraction of products from natural gas shall be carried on at a drilling site.

COMMENT: *In compliance. The facility does not perform refining of natural gas products. It does, however, use natural gas which is a by- product from the*

extraction of oil from the on-site wells to power a co-generation micro-generator facility for power on the site and to help clean natural gas for sale to the Southern California Gas Company. As much as one-third of the power used on the site is generated by this micro-generator facility. The Conditions contained in Section 13.01-F are not mandatory on all drilling sites. They MAY be imposed by the Zoning Administrator in determining the drilling site requirements. In this particular case, the prohibition against on-site power generation contained in Condition 43 was imposed in the original Determination detailing the additional requirements. In Plan Approval No. 4 at the applicant's request, this Condition was eliminated, but there was no outright permission to grant the use of microgenerators on the site. Thus, in this case, because there was not an outright prohibition, the use of micro-generators was permitted on the site. The applicant did request, as a part of the application for this Plan Approval, clarification of the use of micro-generators on the site. The Zoning Administrator has clarified the use of micro-generators on the site in New Condition No. 25. The Zoning Administrator did require that any micro-generators be included within the containment structure that has been required to enclose the production site with an enhanced vapor recovery system so as to contain any odors which have been a complaint in the community and any noise so generated. Also prohibited was the use of any natural gas pumped to the site from any other drill sites in the area or from any other off-site source. Only natural gas produced on the site as a by-product of oil resource recovery may be used in the micro-turbines.

LAMC 13.01-F Condition No. 17: That any person requesting a determination by the Zoning Administrator prescribing the conditions under which oil drilling and production operations shall be conducted as provided in Subsection H, shall agree in writing on behalf of him or herself and his or her successors or assigns, to be bound by all of the terms and conditions of this article and any conditions prescribed by written determination by the Zoning Administrator; provided, however, that the agreement in writing shall not be construed to prevent the applicant or his or her successors or assigns from applying at any time for amendments pursuant to this Article or to the conditions prescribed by the Zoning Administrator, or from applying for the creation of a new district or an extension of time for drilling or production operations.

COMMENT: *In compliance. E&B Natural Resources has agreed to be bound by the terms and conditions of the Zoning Administrator's approvals.*

LAMC 13.01-F Condition No. 18: That all production equipment used shall be so constructed and operated that no noise, vibration, dust, odor or other harmful or annoying substances or effect which can be eliminated or diminished by the use of greater care shall ever be permitted to result from production operations carried on at any drilling site or from anything incident thereto to the injury or annoyance of persons living in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in

methods of production shall be adopted as they, from time to time, become available if capable of reducing factors of nuisance or annoyance.

COMMENT: NOT IN COMPLIANCE. Though the site is inspected regularly by several agencies including by the SCAQMD, LA City Fire CUPA, and CalGEM, records show several potential violations with Condition 18. 19 phone calls that were made to SCAQMD from December 2020 to June 2021 complaining of odors and strong tar/oil smells from the site. Dates of potential violation include December 11, 2020; January 5, 2021; February 12 and 13, 2021; March 19, 22, 24, and 31, 2021; and June 4, 2021. On June 6, 2021, the SCAQMD inspector issued a Notice to Comply No. E51096 regarding more than six complaints about nuisance odors. On October 15, 2021, staff received photographic evidence from a constituent about a chemical usage disclosure from the operator's PA6 application. The chemical's composition (Odor Control Jasmine) has elements that are toxic. While the applicant has stated that any violations have been resolved with the subject issuing authority, such violations show non-compliance with the Conditions of Approval.

LAMC 13.01-F Condition No. 19: Wells which are placed upon the pump shall be pumped by electricity with the most modern and latest type of pumping units of a height of not more than sixteen (16) feet. All permanent equipment shall be painted and kept in neat condition. All production operations shall be as free from noise as possible with modern oil operations.

COMMENT: In compliance. Well pumps are run by electricity though complaints have been registered about noise when workover rigs and other maintenance equipment are in operation. These are controlled by separate Conditions or by new Conditions.

LAMC 13.01-F Condition No. 22: Upon the completion of the drilling of a well the premises shall be placed in a clean condition and shall be landscaped with planting of shrubbery so as to screen from public view as far as possible, the tanks and other permanent equipment, such landscaping and shrubbery to be kept in good condition.

COMMENT: In compliance. The site uses a directional drilled pattern and has no permanent structures that are visible from adjacent public rights-of-way. The front of the site adjacent to West Adams Boulevard is landscaped with grass in-front of a green wall approximately 10 feet in height which blocks the view of the site except for a number of pipes which are above the level of the fence but hard to view. The fence also has a number of trees and low hedges placed in-front of the wall. The rear portion of the site has been landscaped and maintained as green space though the public, at the moment, is not permitted onto the site. There is also landscaping including trees, hedges and a required wrought iron fence and gate adjacent to the parking area adjacent to the drilling site with access from West Adams. The required concrete block wall for screening is present on the easterly property line and said fence obeys all fencing provisions of the R4 Zone. The westerly property line is enclosed

by a concrete block wall with a wooden cap to conceal the area from the adjacent properties to the west of the site.

LAMC 13.01-F Condition No. 23: That not more than two wells may be drilled in each city block of the drilling district and bottomed under that block. However, at the discretion of the Zoning Administrator, surface operations for additional wells may be permitted in each of the blocks where each additional well is to be directionally drilled and bottomed under an adjacent block now or hereafter established in an oil drilling district in lieu of a well drilled on the adjacent block and under a spacing program which will result in not exceeding two wells bottomed under each block.

COMMENT: *In compliance.*

LAMC 13.01-F Condition No. 33: That drilling operations shall be commenced within 90 days from the effective date the written determination is made by the Zoning Administrator or Area Planning Commission, or within any additional period as the Zoning Administrator may, for good cause, allow and thereafter shall be prosecuted diligently to completion or else abandoned strictly as required by law and the premises restored to their original condition as nearly as practicable as can be done. If a producing well is not secured within eight months, the well shall be abandoned and the premises restored to its original condition, as nearly as practicable as can be done. The Zoning Administrator, for good cause, shall allow additional time for the completion of the well.

COMMENT: *In compliance. The wells were drilled many years ago in compliance with this requirement. Subsequently drilled wells permitted by the Zoning Administrator after the original approval of the drilling site have also been completed within the 90-day limit.*

LAMC 13.01-F Condition No. 37: All waste substances such as drilling muds, oil, brine or acids produced or used in connection with oil drilling operations or oil production shall be retained in water-tight receptors from which they may be piped or hauled for terminal disposal in a dumping area specifically approved for such disposal by the Los Angeles Regional Water Pollution Control Board No. 4.

COMMENT: *In compliance. The site is in compliance with all applicable environmental requirements for disposal of waste substances used in connection with oil production.*

LAMC 13.01-F Condition No. 40: The Department of Water and Power of the City of Los Angeles shall be permitted to review and inspect methods used in the drilling and producing operations and in the disposal of waste and shall have the right to require changes necessary for the full protection of the public water supply.

COMMENT: *In compliance. The Department of Water and Power may review and inspect the site as needed.*

LAMC 13.01-F Condition No. 50: That no earthen sumps shall be used.

COMMENT: *In compliance. There are no earthen sumps on location.*

LAMC 13.01-F Condition No. 54: That there shall be no tanks or other facilities for the storage of oil erected or maintained on the premises and that all oil products shall be transported from the drilling site by means of an underground pipeline connected directly with the production pump without venting products to the atmospheric pressure at the production site.

COMMENT: *Partially in compliance. The site transports oil products by means of underground pipelines, and gas on the site is piped to the local utility's onsite equipment, injected into the well field or used in the microturbines for energy production. As previously mentioned, complaints have been raised in the Community regarding smells from the burning of methane products in the microturbines. Condition No. 23-d requires that an enhanced vapor recovery system be installed around the top of the containment structure to neutralize any odors produced by the micro-turbines which are also currently operated within an enclosed building.*

LAMC 13.01-F Condition No. 58: That no sign shall be constructed, erected, maintained or placed on the premises or any part thereof, except those required by law or ordinance to be displayed in connection with the drilling or maintenance of the well.

COMMENT: *In compliance. The informational signs placed on site are in compliance with applicable legal requirements or Conditions of Approval of this case.*

LAMC 13.01-F Condition No. 59: That suitable and adequate sanitary toilet and washing facilities shall be installed and maintained in a clean and sanitary condition at all times.

COMMENT: *In compliance. The site's toilet and washing facilities are properly maintained.*

4. Landscaping of the site shall be maintained as follows:
 - a. With respect to that portion of the drill site south of the cement block wall and facing 27th Avenue, the applicant shall: (1) remove the invasive/noxious plants; (2) plant 3 to 4 trees (of 24-inch box size) as infill trees along the south facing facility wall; (3) plant Ficus or climbing ivy, or similar plant-life (grown to 5 gallon size containers) along the South facing facility wall; (4) spread wildflower/grass mix in the open areas of south parcel (approx. 3/4 ac.); (5) install drip irrigation systems on the new plantings along south facing facility wall; (6) provide for temporary watering of the grasses and put sprinklers on timers to insure proper maintenance of the grassy area; (7) install new or improved cyclone fencing along 27th Avenue; (8) improve the appearance of the East fence by painting it; (9) install meandering dry creek bed

hardscape on the South parcel, utilizing recycled broken concrete foundations from Drill Site facilities (final placement, configuration and length dependent on pipeline easement and other site facility considerations); (10) work with 10th Council District office and Archdiocese to allow future public access.

COMMENT: *In compliance. The landscaping was largely in place before E&B Natural Resources became the operator. E&B recently painted a fence along 27th Ave. E&B is in communication with Council District 10, the United Neighborhoods of the Historic Arlington Heights, West Adams, and Jefferson Park Communities Neighborhood Council (UNNC) and the Archdiocese related to public access. The operator stated, in reference to public access, "The pandemic slowed the operator down, but they remain optimistic that there is a path forward."*

- b. With respect to that portion of the drill site East of the cement block wall and fronting on Adams Boulevard, the applicant shall: (1) install new/improved cyclone fencing along Adams, including raising the East facing step wall which is only 2-3 feet high; (2) upon receipt of the adjacent property owners' approval, install 2-foot high wrought iron fencing (or equivalent) on top of existing block wall (approximately 300 feet); (3) remove graffiti on East wall; (4) improve wall on West side of the parcel by painting and installing new cyclone inserts; (5) level and place gravel surface down approximately half the depth of the lot and place barriers to protect the remaining portion of the lot; obtain permits for use as a temporary parking lot; (6) install parking lot lighting; (7) plant ficus/climbing ivy, or similar along East and West walls to enhance its appearance (using 5 gallon size container plantings); (8) install drip irrigation on new plantings; (9) install sprinkler timers.

COMMENT: *In compliance. Majority done before E&B was operator.*

- c. A yearly review of the landscaping shall be conducted by the applicant with the Council District Office and the United Neighborhoods Neighborhood Council.

COMMENT: *In compliance. This year's (2022) review will be done towards the end of year.*

5. That driveway access for ingress and egress to the drilling site shall be provided through the existing driveways fronting on Adams Boulevard. Furthermore, that the existing parking area on the enclosed drilling site area for use by vehicles employed in drilling and maintaining of oil wells on the property and for parking of automobiles of employees engaged in the drilling and production activities shall be augmented by additional parking on the area on the East of the drill site, outside of the enclosed area, which area shall be leveled and covered with a gravel surface to approximately one-half the depth of the lot for use as additional

parking for employees and overflow parking for The Athletic Club. Parking on the East side of the drill-site, outside of the enclosed area shall not be used for heavy trucking operations or staging or storage of any. All such driveways and parking areas shall be regularly washed down, swept or otherwise kept free of accumulated cement, dust, or other materials which would produce dust in the use of said facilities.

COMMENT: *In partial compliance. Complaints were raised in communications to the Department about vehicles for the installation of infrastructure for the production site accessing the entire site from 27th Street instead of from West Adams Boulevard. Though Condition No. 5 limits access to the drilling site to West Adams Boulevard, there is no current specific prohibition for access from the site from 27th Street. This has been rectified by a modification to Condition No. 5 to prohibit access to the site from 27th Street except for landscaping maintenance to the southerly portion of the site.*

6. As further amplification of Condition No. 49 of Section 13.01-F of the Municipal Code, except for actual drilling and production operations, which may be conducted 24 hours a day, seven days a week, no work shall be conducted on the property between the hours of 7:00 p.m. of one day and 7:00 a.m. of the following day or on Sundays. While actual drilling operations are being conducted between the hours of 7:00 p.m. of and 7:00 a.m., the applicant shall operate its facility in "Quiet Mode". "Quiet Mode" shall mean that where possible, operation components shall be covered with acoustical shields/material, that all audible backup alarms shall be disabled and replaced with a spotter for safety purposes; operation of the cellar pump shall cease; the applicant's employees and contractors shall be prohibited from yelling, and the Derrick Man and Driller shall communicate by walkie-talkie only when the Derrick Man is on the derrick; no horns shall be used to signal for time for connection or to summon crew (except that a horn may be used for emergency purposes only). The applicant shall conduct on-site meetings to inform all personnel of quiet mode operations.

In case of an emergency, all restrictions on the hours of operations shall be suspended for as long as is necessary to resolve the emergent situation, and for no longer.

Notwithstanding the foregoing, during the period necessary to set up and move the drilling rig off the premises, and to conduct drilling or re-drilling operations as herein authorized, heavy ("permitted" oversized/overweight load) truck deliveries shall be permitted from 7:00 a.m. to 9:30 p.m., on week-days, none during week-ends and holidays. Deliveries shall be made by approaching the facility off of Adams Boulevard exclusively. Delivery trucks are to be staged off-site so as to reduce the time that trucks need to wait to enter the facility. If there is not sufficient room within the interior of the facility to accommodate a given heavy delivery truck, the applicant shall not call for the delivery of such heavy truck unless and until another heavy delivery truck parked within the facility is scheduled to leave the facility within 15 minutes. The maximum number of heavy

truck deliveries allowed for moving the drilling rig on and off the premises shall not exceed 20 loads per day for a period of four days. Except for the four days required to move the drilling rig on and off the premises, the number of "permitted" truck deliveries per day (week days only, none on week-ends and holidays) shall be limited to a maximum of ten. The number of "non-permitted" truck deliveries per day (week-days only) shall be limited to a maximum of ten. The number of "non-permitted" truck deliveries per day (week-ends and holidays only) shall be limited to a maximum of five.

The applicant shall give all abutting property owners written notice (in both English and Spanish), served by mail at least seven days prior to the dates when heavy truck traffic will commence related to moving the rig in for the drilling or re-drilling of wells.

COMMENT: Partially in compliance. Operator did experience one emergent situation, during production operations, where they needed to work past 7pm slightly. Operator did communicate this to the Planning Department as a courtesy that same day. Internally their goal is 8am to 6pm. They did have one crane truck show up 15 minutes prior to 7am for production operations. They did not begin crane operations until after 7am.

Non-Compliance with hours of operation: Constituent raised concern about loud evening work on March 26, 2021, and operator acknowledged in email that well maintenance activity on that date went beyond the permitted time.

7. The applicant shall install the following sound mitigation systems and implement administrative noise controls as follows:
 - a. Erect a 30-foot high blanket sound wall on the west side of the drilling rig at the Murphy drilling site (west side property line), with the layout and wall lengths determined after the drilling rig and equipment positioning has been established.
 - b. Install the sound wall as close as possible to the drilling rig and associated equipment with no gaps or openings in the walls. The sound wall material should have a minimum STC rating of 25. Sound wall gates shall be installed with the same sound loss rating as the wall material and the gates shall be closed at all times except for material delivery or pick up. The sound wall shall not be maintained for more than 120 continuous days. Should unforeseeable mechanical problems warrant the maintenance of the sound wall for a period exceeding the 120 continuous days, the applicant shall notify the Office of Zoning Administration and Council Office, and inform the owners and occupants of surrounding property of the reasons for and estimated duration of the delay in the dismantlement of the wall.

COMMENT: In compliance. No drilling has occurred recently or under this operator's control

- c. (Condition 7.b was deleted in Case No. ZA-1959-15227-O-PA4)

COMMENT: Not applicable.

- d. **MODIFIED:** To reduce sound from the drilling rigs sub-structure, acoustical blankets shall be hung from the exterior of the rig floor down to the ground, covering the open area of the rig sub-structure on the side of the rig facing the west and east property lines.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site, but Section 12.23 of the LAMC prohibits new drilling and re-drilling in the City. The Condition remains as Ordinance 187,709 is being litigated by among others the operator of the site. The Condition was modified to take into account that the property to the east is now a residential complex.

- e. The stabbing platform on the rigs derrick shall be enclosed with STC-25 rated acoustical blankets.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site.

- f. To mitigate the drilling rig draw works and brake noise level, sound damping acoustical material shall be installed and maintained during drilling activities.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site.

- g. Position all ancillary noise generation equipment away from the nearest critical receptors when feasible and install temporary sound enclosures, where possible on all noise generation equipment and operations.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site. In addition, Condition No. 23, requires that all production machinery be placed within a structure to reduce noise and odor impacts.

- h. Install vibration isolation pads on shaker units and provide low frequency designed sound absorption and barring panels adjacent to the shaker units.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site.

- i. Implement Drill Site "quiet mode" operation procedures including limitation of material delivery schedules and other sound mitigation requirements.

COMMENT: In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site. To ensure adequate sound mitigation has been installed, and to identify any unusual or unique noise problems, Condition No 7 has been modified to require sound level measurement and testing to be completed as the rig starts up

operations. To verify and document sound level compliance, continuous sound level measurement and monitoring shall be considered during all drilling activity.

- j. To ensure adequate sound mitigation has been installed, and to identify any unusual or unique noise problems, sound level measurement and testing shall be complete as the rig starts up operations. To verify and document sound level compliance, continuous sound level measurement and monitoring may be considered during all drilling activity To ensure adequate sound mitigation has been installed, and to identify any unusual or unique noise problems, sound level measurement and testing shall be complete as the rig starts up operations. To verify and document sound level compliance, continuous sound level measurement and monitoring may be considered during all drilling activity.

COMMENT: : *In compliance as no drilling has been performed. Will be required when any drilling or re-drilling occurs on the site. As stated above, the Condition has been modified to make mandatory during any re-drilling or workover operations.*

8. Drilling operations may be conducted seven days per week on a 24-hour basis, including any nationally recognized holiday. Drilling operations for the first three wells identified in the grant clause of the instant determination shall be completed within 36 months from the effective date of this determination. The drilling for the following nine wells as hereby authorized shall be subject to a review of plans by the Zoning Administrator, without a public hearing, for the purpose of updating the record with the well identification and path. None of the wells hereby authorized shall be engaged in a production mode until the vault is complete.

The first three new wells may be drilled prior to the construction of the new well (vault) cellar using temporary cellar rings in substantial compliance with the "Ring Cellar Schematic" and the "Construction Plan: Well Cellar Rings" attached hereto (Exhibit "B"), subject to any permitting requirement of the Department of Building and Safety and the CalGEM.

Once these three wells have been completed, they will be shut so that the permanent well cellar can be constructed in compliance with plans approved by this grant (Exhibit "A"). During construction of the permanent well cellar, the temporary cellar rings shall be removed, and the cellars shall be incorporated in the permanent well cellar.

COMMENT: *In compliance. No drilling of new wells has occurred under this operator. This condition, however, was deleted in ZA-1959-15227 (O)(PA6).*

9. The applicant shall permanently post at all of the site's entry gates a direct telephone number to the supervisor of the site at that time for residents to call and report any ongoing problem. A call log shall be maintained including date and time of call and subject, and date and time of response and action. Said log shall be made available at the request of the Office of Zoning Administration.

COMMENT: *In compliance. The Condition has been modified and updated to current Department standards for problem resolution.*

10. The applicant shall conduct daily inspections of the premises, including the exterior of the concrete block wall and the open areas on the east side of the premises and the south side, facing 27th Street. All trash and debris shall be removed from the site daily.

COMMENT: *In compliance.*

11. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.

COMMENT: *Partially in Compliance: From time to time, the operator does spot graffiti and clean it up immediately. However, and fortunately, it is a rare occurrence to see at the property. Operator had one incident – the words “20s” graffiti on the east side fence in the empty parking area and the operator did not catch it for some time. Operator indicates they did their best to catch any and all graffiti and have increased our protocols and training in this area.*

12. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective conditions, if, in the opinion of the Zoning Administrator, such conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.

COMMENT: *Not in compliance. The operator proposed “good neighbor” conditions - including annual inspections and air monitoring. Additional Conditions beyond what the applicant has requested have been added to the Determination to bring into compliance with this Condition addressing enclosure, noise and odor control and access to site.*

13. All lighting on the site shall be shielded and directed onto the site and no floodlighting shall be located so as to be seen directly from any adjacent residential area.

COMMENT: *In compliance.*

14. At any time during the period of validity of this grant, should documented evidence be submitted showing continued violation of any condition of this grant, resulting in an unreasonable level of disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Zoning Administrator reserves the right to require the applicant to file for a plan approval application together with associated fees pursuant to LAMC Section 19.01-C (Plan Approval 12.24-M \$1,898 or as in effect at the time of filing), the purpose of which will be to hold a public hearing to review the applicant's compliance with and the effectiveness of these conditions. The applicant shall prepare a radius map and cause a notification to be mailed to all owners and occupants of properties within a 500-foot radius of the property, the Council Office, and the Los Angeles Police Department corresponding Division. The applicant shall also submit a summary and any supporting documentation of how

compliance with each condition of this grant has been attained. Upon this review the Zoning Administrator may modify, add or delete conditions, and reserves the right to conduct this public hearing for nuisance abatement/revocation purposes.

COMMENT: In process. E&B indicates they welcome a review of compliance with the Office of Zoning Administration and have applied for the same.

FINDINGS

After thorough consideration of the statements contained in the application, the plans submitted therewith, the statements made at the public hearing on April 28, 2022, all of which are by reference made a part hereof, as well as knowledge of the property and surrounding district, I find as follows:

1. The site, known as the Murphy Drill Site, is located on a slightly sloping, irregular shaped property fronting on the south side of West Adams Boulevard, between Cimarron Street to the west and Manhattan Place to the east. The site overlays a portion of the Las Cienegas Oil Field. The property has dimensions of 323 feet along the south side of West Adams Boulevard, 165 feet along the north side of 27th Street and a non-uniform depth of 588 feet and an overall square footage of 3.25 acres. The Drill-site is located in the [Q]R4-1-HPOZ Zone and is within Urbanized Oil Drilling District U-37 as established in 1959 by Ordinance No. 114,701. The portion of the drill-site containing the existing drilling and production equipment is enclosed with a concrete block wall that is set back from West Adams Boulevard by approximately 25 feet. The portion of the drill-site within the block wall is accessed through one of two gates and driveways from West Adams Boulevard. The easterly portion of the drill-site, located outside of the block wall, is utilized for parking and has a separate driveway off of West Adams. The southerly portion of the drill-site fronts along 27th Street and is enclosed by a 6-foot wrought iron fence. This southerly area is landscaped and can be accessed from the drilling and production area enclosed by the block wall via an existing gate. Vehicular access to the landscaped area is through an existing driveway on 27th Street. Set back approximately 270 feet from 27th Street is the southerly line of the block wall which encloses the drilling machinery. The area to the south of the block wall is landscaped with mature landscaping and a circular driveway. There are also some pipes which extend through the block wall and go underground about one third of the way across the wall going from west to east.

The site is improved with tanks, vessels, well cellars, pumps, generators, compressors and various pieces of equipment for operating the facility. There are also some microturbines used for co-generation of electric power which are powered by excess natural gas which is a byproduct of the oil drilling. These generators are used to generate approximately one-third of the power used for site operations. There are a small number of operational buildings on the site located in the R4 zoned portion of the site.

The owner of the site is the Roman Catholic Archbishop of Los Angeles who leases the site to the E & B Natural Resources Management Company (E&B). E&B is the leaseholder of the entire drill-site which extends from Adams to 27th Street. This has been indicated as such on the plot plan for the site which has existed from 1959 to the present. Existing entitlements and Zoning Administrator actions have never restricted the operational portion of the drill-site to the operating area of the drill-site between West Adams Boulevard and the block wall which encircles the current operating area. Though not currently used except for the fore-mentioned pipes extending from the block wall, the area to the south of the wall has been required to be landscaped. Thus, the full 3.25 acre site has been preserved as the drill-site by the Office of Zoning Administration determinations from 1959 to the present.

2. The site is surrounded by residential and institutional uses. To the immediate east of the site is the 191 unit Saint Andrews Gardens apartment complex in the [Q]R4-1-HPOZ Zone. Properties to the south comprise a number of single-family homes, duplexes and triplexes in the RD2-1-HPOZ Zone. Properties to the west are occupied by a convent of Roman Catholic Nuns adjacent to 27th Street and an AIDS Healthcare Foundation hospice on Adams Boulevard also in the [Q]R4- 1-HPOZ Zone. Neighboring properties to the north are zoned R4-1-O-HPOZ and are improved with one- and two-story buildings with a library (LA84 Foundation) and a seven-story residential building. Also located within 500 feet of the site are St John of God rest home and hospital and the William Andrews Clark Memorial Library owned by University of California at Los Angeles.
3. A review of the past record and information contained in the file indicates that oil drilling and oil production have taken place on the site since it was first authorized to be operated at this location on April 5, 1961 pursuant to ZA Case No. 15227, subject to 24 Conditions of Approval. Development of the site for oil and gas drilling and production operations has been subject to a zoning approval process referred to as a "Review of Plans" for the construction of buildings and the installation of equipment necessary for the production of oil on the site. In addition, subsequent cases have also regulated oil drilling and production on the property, mainly addressing the need for occasional drilling and re-drilling of new or existing wells. The last such submittals were approved by the Zoning Administrator on September 14, 2007 for the expansion of the well cellar and approval of the drilling of 3 new wells, the future drilling of 9 additional wells in ZA 15227(0)(PA4), the related December 26, 2007 Review of Plans for the expansion of gas handling facilities, the August 26, 2008 Review of Plans for the approval to drill Well M-31 and the May 14, 2013 Review of Plans for approval to drill Wells M-37, M-33 and M-40 all as part of the 9 additional wells approved on September 14, 2007. It should be pointed out that a further review of the approvals for the gas handling facilities was to clean the by-product natural gas which was released by the oil drilling in order to sell the natural gas to the Southern California Gas Company.

This Plan Approval Determination results from the research and findings of this office, as well as letters and complaints raised by residents and stakeholders from the community surrounding the Murphy Oil Drill Site operation. These complaints revolved

around odors caused by oil pumping, the burning of methane gas in the microturbines and work on the site that exceeded the hours of operation contained in the Conditions of Approval. This Determination is in response to the application filed by the operator on September 1, 2021.

Research and reports from the LADCP, LADBS, LAFD, SCAQMD, and CalGEM were conducted before issuing this Determination. Also, a review of current oil drilling and oil production best practices used to safeguard communities was conducted as a part of the evaluation of the Murphy Oil Drill Site operation.

This Plan Approval process began with a November 17, 2020 letter from the Department of City Planning's Office of Zoning Administration to the operator inquiring about any recent well work at the Drill Site and if the operator had secured permits from CalGEM for recent work. On December 17, 2020, the operator responded to the City with additional information. In its letter, E&B stated that they had been doing no new well drilling on the site nor any deepening, re-drilling, plugging or permanently altering any of the casing of a well or its function. The City believes that any of these above stated work items would require that the site operator file for a Determination of Conditions for such work pursuant to Sec 13.01-H of the LAMC. This Section has since been superseded by Section 12.23-C.4 of the LAMC and Zoning Administrator's Interpretation No. ZA-2022-8997-ZAI, which prescribes new procedures for well maintenance for existing non-conforming oil well drill sites as well as what constitutes well maintenance. The ordinance prohibits any new drilling, re-drilling, deepening or maintenance unless approved under Section 12.23-C.4. In addition, Zoning Administrator's Memorandum No. 141 outlines the application procedures for Section 12.23-C.4 and states that "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.

Since none of this work has been conducted by the applicant, no current Determination of Conditions has been required for such activities on the site. The applicant, however, has been performing maintenance on their injection wells on the site. The question arises as to whether or not an injection well is integral to the production well as gas and water are by-products of produced oil on the site. The injection wells are used to inject water and excess natural gas back into the substrata. Complaints have arisen about the use of acids, and the odors produced, to reduce scale in the injection well. While a strict reading of 13.01-H mentions that only the drilling, deepening or maintenance of an "oil well" needs to apply for a Determination of Methods and Conditions, E&B and most other companies have interpreted this as being for production wells only. However, Section 13.01-B (Definitions) defines an "Oil Well" as

"any well or hole already drilled, being drilled or to be drilled into the surface of the earth which is used or intended to be used in connection with coring, or the drilling for prospecting for or producing petroleum, natural gas or other hydrocarbon substance, or is used or intended to be used for the subsurface injection into the earth of oil field waste, gases water or liquid substances, including any such existing

hole, well or casing which has not been abandoned in accordance with the requirements of Article 7 of Chapter 5 of this Code ...”

Therefore, new Condition No. 17 requires that acidification in order to maintain injection wells requires a Plan Approval to Determine Methods and Conditions for such work. In the recently enacted ordinance 187,709, this activity must be requested pursuant to a discretionary Health and Safety Exception.

On June 1, 2021, the Department of City Planning’s Chief Zoning Administrator sent a letter to the operator notifying the applicant of the requirement to file for a Plan Approval for a review of compliance with and effectiveness of the conditions imposed under Case No. ZA-1959-15227(O)(PA4). On September 1, 2021, the operator submitted an application to the Department of City Planning for a Plan Approval (Case No. ZA-1959-15227-O-PA6) to review compliance with the conditions of approval imposed under Case No. ZA-1959-15227(O)(PA4). The applicant included a letter in the application requesting additional conditions related to annual inspections, emergency reporting, air monitoring, and the operation of the microturbines.

The Zoning Administrator has agreed to the additional conditions requested by the applicant. Condition Nos. 18, 19 and 20 regarding annual on-site safety inspections and reports, fence line monitoring of various pollutants and immediate notification of appropriate City agencies including the Fire Department, the Petroleum Administrator, the Office of Zoning Administration, Department of Building and Safety and the local Council Office of an emergency, accident or spill which requires reporting to State, County or Regional agencies respectively. These Conditions are similar to those required on other drilling locations in the locality and standardize these Conditions on E&B Natural Resources Management Company’s local operations.

E&B also asked for a “clarification” on the use of microturbines on the site which are used for both cleaning natural gas generated by the wells for sale to the Southern California Gas Company and for electrical generation. There are numerous documented complaints in the file about the burning of natural gas on the site and that Condition No. 43 of Section 13.01-F prohibits the generation of electricity on the site. Condition No. 43 was included in the original Determination for the Drill Site. Section 13.01-F includes over 60 additional conditions that may be placed on a drill site other than the Standard Conditions located in Section 13.01-E, 2. The Conditions in Section 13.01-F are discretionary in that the introductory language of the Section states:

“In addition to the standard conditions applying to oil drilling districts, the Council by Ordinance or the Zoning Administrator **MAY** impose other conditions in each district as deemed necessary and proper.”

In the case of the Murphy Site, the original prohibition against generating electricity on the site was eliminated by the Zoning Administrator in Plan Approval No.4 (PA4). The use of the microturbines is for both the cleaning of natural gas and the production of electricity on the site. The microturbines are powered by natural gas which is a by-product of oil production on the site. Eliminating the turbines would result in not only

being unable to clean the natural gas to current standards of the State's California Air Resources Board (CARB) but would place additional power demand on the City's Department of Water and Power power grid. As the previous Zoning Administrator has permitted this use, this Determination will let it continue. However, in order to contain any noxious odors from this use, Condition No. 23 requires the micro-turbines to be contained within the required containment structure with an additional state of the art vapor recovery system. The turbines, themselves, are already contained within a building. Condition No. 23 requires that the additional containment structure will also contain this building in order to further reduce noxious odors in the neighborhood.

On July 28, 2021, the Department's Chief Zoning Administrator sent a letter to the operator inquiring about possible well maintenance activities that would be subject to LAMC 13.01-H. On September 22, 2021, the operator responded to the City with additional information. The letter stated that over a two-day period, the operator performed a scale cleaning operation on two non-producing oil wells used as injector wells using 1,600 gallons of solvent mix, 500 gallons of mud acid mix and 500 gallons of brine water on each well. Neither CalGEM or the SCAQMD require permits for such work, but the operator does have to report to CalGEM in their end of year reporting of their aggregate well plan. In future months, SCAQMD will be amending their agency's regulation, Rule 1148.2, to include notifications for any maintenance acidizing on injection wells and workover rig operations, but that has not been made effective as of this determination. As stated above, however, the language of Section 13.01-H of the LAMC does include the maintenance acidizing of injection wells as requiring a Determination of Methods and Conditions to be filed. As such, Condition No. 17 was added to the Conditions of Approval. Condition No. 17 does not require a separate Plan Approval or Health and Safety Exception hearing every time that the operator is performing well maintenance on injection wells. A one-time Plan Approval is required so that the City and its residents are informed of the materials used in such well cleaning, the toxicity, if any, of the material and notification of such work being done. Presently nothing is required which details what is used and when such work is occurring. The filing of a one-time Plan Approval should not be onerous to the operator as it will result in full disclosure of such activities in the neighborhood and can be updated over time as best practices change.

On December 22, 2021, the Chief Zoning Administrator sent a letter to the operator inquiring about toxic chemicals used to mask odors, use of radioactive materials on wells, and staff leaving the drill site at night. On January 17, 2022, the operator responded to the City with additional information. The operator responded to the December 2021 letter on January 17, 2022. In compliance with SCAQMD regulations the operator installed an aromatic diffuser system for potential odor mitigation. Specifically, the odor control system is used to neutralize potential diesel odor for well servicing work. According to the applicant, the counteractant called Odor Control Jasmine is safe, non-toxic and 100% biodegradable. However, the Safety Data Sheet for the product includes hazard statements claiming that it is a flammable substance which can cause serious eye or skin irritation, and if the product is somehow ingested, it can result in gastrointestinal complaints, irritation of mucous membranes and nausea. These are by products of a

component which is in regular use for odor controls. Complaints were raised at the public hearing and in written testimony against its use because of odor of the product and possible health concerns. The smell of natural Jasmine is a strong odor and its use to mask diesel and other odors would be a practical use of the product.

The Zoning Administrator is not about to quibble with the operator as to their choice of required odor masking products; however, he is concerned about the present location of the equipment for dispensing the product which is on the western side of the property close to the adjacent AIDS Healthcare Foundation's hospice building. The equipment should be removed from its present site to an area of the drill site which is as far away as possible from adjacent residential uses and away from any flammable uses on the site. People in a hospice situation are not mobile and any problems with the dispersal equipment should not affect adjacent residential properties especially for those with terminal medical conditions. Though it is required to be diluted by liquid and is in its product container, it can cause vapor and liquid spills. These should not be used adjacent to health facilities or residences in general.

Complaints against the use of radioactive materials were mentioned in the Chief Zoning Administrator's letter. E&B Natural Resources stated that such radioactive tracer surveys are required by the State of California's Government Code Section 14 CA Code of Regulations 1724.10.2. As this is a requirement of the Government Code, the City cannot place its own regulations on the tracer surveys as the State of California is a superior agency to the City. The use of Iodine 131 is common in hospitals for imaging solutions. The use of Iodine 131 is regulated by the United States Environmental Protection Agency, CalGEM and the California Department of Health Services. The operators must also notify CalGEM when such a tracer survey is to occur and a CalGEM inspector must be on the site to monitor the test. No further conditions have been imposed to regulate such a test.

As to comments in letters to the Department and photographs showing the on-site staff leaving the site during their shift, E&B mentions that there is no current requirement in the Conditions of Approval requiring staff be on-site for 24 hours. They do claim that they have at least one or more personnel on site every day and that the staff is assigned two, twelve hour shifts daily. While E&B suggests that there are redundant systems, multiple alarm systems including on the recently installed fence line monitoring system, a 24-hour answering system, approved safety and emergency response plans, the Zoning Administrator has included an additional Condition in Condition No. 24 to require that there always be someone on the site. This would require a two person shift for the two shifts so that if staff takes a dinner break there would still be a staff monitor on the site in case any problems should arise. This is not a Condition of the site's 2020 Spill Prevention, Control and Countermeasure Plan with the Fire Department as mentioned in letters to the file, but the Zoning Administrator believes that for an otherwise industrial facility in a residentially zoned and built community there should be personnel on the site, 24-hours a day for both security and to monitor on-site equipment. E&B, though not currently required to do so, has stated to the Community that there are two 12-hour shifts on the site and that there is always someone on the site. As spills and leaks can occur at any time at a drilling facility, as occurred at the Rancho Park drilling facility which

had a mercaptan leak which permeated the air in much of the City's Rancho Park, West Los Angeles and Palms communities, trained staff should always be on the site to monitor and control the equipment.

4. After listening to the testimony at the public hearing held on April 28, 2022, reading the letters and emails to the file for the hearing and receiving information from the City's Petroleum Administrator on December 6, 2022, the Zoning Administrator has determined that E&B Natural Resources is in partial compliance, as shown above in the Compliance Review Section of this Determination, of the Conditions of Approval for Z.A. 17525 (PAs 1 through 5). One of the main points of contention at the public hearing was that the Murphy Drill Site's Conditions of Approval were not consistent with other drill sites in the South Los Angeles area and that the South Los Angeles drill sites did not have Conditions of Approval consistent with drill sites in wealthier communities on the westside of Los Angeles.

The Condition Compliance report submitted by E&B (It should be pointed out that the condition numbers stated in this finding and the Condition Compliance Report are different from the condition numbers in this Determination. This is due to the additional conditions placed in the Conditions of Approval of this determination.) stated that they were in compliance with all of the previous Conditions of Approval. Department staff in reviewing the Condition Compliance report agreed with E&B on 23 of the Conditions of Approval, in partial compliance with four Conditions and non-compliant with two Conditions. Many of the 30 Conditions deal with the drilling of the wells. The six which were in partial, or non-compliance dealt with operational conditions. Among the partially compliant conditions were Condition 13.01-F, 54 (complaints over odors from burning methane gas), Condition No. 5 (all access from Adams Boulevard), Condition No. 6 (hours of operation) and Condition No. 11 (removal of graffiti). Staff found that Condition No. 13-F, 18 (no noise, dust, odors or vibrations from operating equipment) was violated and citations issued by oversight agencies. Additionally Condition No 12, which requires the use to be operated at all times with due regard for the character of the surrounding district, has been violated in that the operator has been cited for a number of violations of odor controls and un-cited noise complaints by the neighborhood. Condition No 12 also allows the Zoning Administrator to impose additional conditions if proven necessary for the protection of the neighborhood or occupants of adjacent property. Though the applicant has not stated that they have violated these conditions except for a violation of hours of operation for maintenance work on the site, they did realize problems with the neighborhood and proposed three "good neighbor" conditions to be added to the Conditions of Approval. The Zoning Administrator has imposed additional conditions Nos 18, 19 and 20 regarding annual on-site safety inspections and reports by an independent contractor, enhanced fence line monitoring and supplemental emergency reporting to City agencies including the Fire Department, the Office of Zoning Administration, the Petroleum Administrator, Department of Building and Safety and the local Council Office of any spill, accident or other emergency that requires reporting to a State, Regional or County agency.

At the public hearing and in correspondence before the hearing, Earthjustice, representing Redeemer Community Partnership, recommended three additional

conditions that were placed on both the Jefferson Drill Site, which is one mile away from the Murphy Site and on other drill sites in West Los Angeles be added to the conditions of operations for this drill site. The proposed conditions are: fully enclose the Murphy Drill Site in a permanent enclosure with an enhanced vapor recovery system; only allow the use of all-electric workover rigs; and prohibit the burning of methane gas at the drill site.

The Zoning Administrator has required in additional conditions the enclosure of the site and the use of electric workover rigs. Additionally, trucks are not allowed to idle their engines when they are on the site but must turn them off until such time as they are leaving the site or moving to another location on the site. The Zoning Administrator did not prohibit the burning of methane gas for the microturbines as that is presently permitted though not stated in the conditions. The microturbines are, however, required to be located within the enclosure structure with an enhanced vapor recovery system to control odors from the burning of the gas. Finding No. 5 goes into greater detail on this subject. Additional modifications to existing conditions and new conditions were added to the Conditions of Approval as described below.

Condition No. 1 was modified by adding language requiring a new site plan for the drill site to be submitted to the Office of Zoning Administration which shows the location of all current production equipment on the site including but not limited to tanks, vessels, compressors, scrubbers, microturbines and oil and injection wells. This modification was made so that the Office of Zoning Administration has a current site plan of the site for the file. It should also be updated as each new Plan Approval or Health and Safety Exception Project determination for the site is approved. A recently passed City Ordinance prohibits additional oil well and injection well drilling on the site and in the City.

Condition No. 5 was modified to prohibit any access to the site from the 27th Street entrance except for landscape maintenance of the park-like area on the southern portion of the site. The current Condition limits access to the drilling site to Adams Boulevard only. However, complaints were raised at the hearing and in written comments stating that the Southern California Gas Company was using the 27th Street entrance for the placing of a new industrial sized meter for the production site. The southern portion of the drill site property has always been used as a park-like area with all oil production equipment to be located on the north half of the site. There is a wall and a low ridge which separate the two portions of the site and except for some pipes attached to the wall and the aforementioned gas meter no production material is located south of the wall. There is presently a gate at the easterly parking area for the site which allows access to the landscaped area which will allow workers to maintain the pipes and gas meter. The 27th Street driveway is surrounded by residential properties and a convent for Roman Catholic nuns in the R4 and RD2 zones. Such a residential street and area should not be subject to any traffic accessing the industrial use that constitutes the drill site. The current conditions do not limit access to the area though the existing Condition obliquely limits access to the drill site from Adams only. This modification will make it clear that 27th Street should not be used for any access except for landscaping purposes.

Condition No. 6 was modified to place additional language in the Condition to require that the notice required of abutting property owners regarding heavy truck operations should also be placed on the newly required (Condition 21) landing page for public information on E&B's web page. A further explanation for Condition 21 is included below.

Condition No. 7 was modified to include language regarding the enclosure of the site required by Condition No. 22. The modification states that the required enclosure structure shall be 45 feet in height compliant with the maximum height of the R4 Zone in Height District No. 1. Since the workover and drilling rigs exceed 45 feet in height the sound proofing required by Condition No. 7 is still in effect for the portion of the rig which exceeds 45 feet. Again, the Condition has been modified so that sound level measurement and monitoring be required during the use of any workover or maintenance rig and that the resulting measurements be placed on the website for the facility. In this manner, the operator will be encouraged to follow the City's Noise Ordinance as closely as possible and will result in the public being made aware of the actual noise levels instead of attempting to guess at the levels. The intent is to bring down the level of noise from drilling and maintenance operations as this is a residential neighborhood with a number of medical, school and library structures in the immediate area.

Condition No. 8 was deleted.

Condition No. 9 was added to the Conditions of Approval from the list of additional conditions which may be placed on drill sites by Section 13.01-F of the Municipal Code. It has been included as a requirement for the operator to remove all rigs from the site when drilling is completed including the use of workover and maintenance rigs. This is another of numerous discretionary conditions in 13.01-F to control the appearance of the site by removing rigs, derricks and other drilling equipment which is not being used by the operator. This is a residential area and all such equipment which exceeds the height of either the required structure or the view blocking fence at the front of the property shall be removed so that the industrial nature of the well site is concealed from both passersby on Adams Boulevard and from the adjacent residential properties.

New Condition No. 10 (Condition No. 45 of Section 13.01-F of the LAMC) was not included in the original Conditions of Approval. It is a requirement that the operation of the site shall be operated to reduce as far as practicable dust, noise and vibration and noxious odors resulting from the use of the site. It also requires that as technological improvements and equipment become available to reduce dust, noise, vibration and odors, it should be adopted for use or installed by the operator. It also requires that a Plan Approval or Health and Safety Exception be filed before the new equipment or operating procedures can be installed. As can be seen by the actions of the applicant and former operators of the site, the Plan Approval process has not always been applied to new equipment or well maintenance activities which is required by Section 13.01 of the Code. The addition of this Condition makes it an unmistakable requirement for any such changes or operations.

Condition No. 15 regarding on-site lighting of the site was modified to take into account lighting on the new containment structure which at 45 feet exceeds the height of other buildings in the area. Any lights must be below the height of the surrounding fencing at the property lines of the site. Again, the site is in a residential area and industrial strength lighting should not be placed into it or if necessary for security reasons, such lighting should not be readily viewable from adjacent residences. Such lighting requirements are standard for commercial and institutional uses which are adjacent to residential areas, and as this is a midblock intrusion of a use which is normally allowed only in a M3 heavy manufacturing zone, the lighting should be compatible with and not an evening and nighttime intrusion into the peaceful enjoyment of evening and sleep time use of the adjacent residential properties.

New Condition No. 17 was added to the Conditions of Approval because the applicant has not included maintenance activities for the existing wells including injection wells into the Plan Approval process as is required by Sub-section 13.01-I and the definition of an "Oil Well" in Sub-section 13.01-B of the LAMC which includes Injection Wells. This Condition was needed due to the materials that are used in well maintenance procedures which include such items as acids to clean out calcium deposits in wells which can block either oil coming out or byproduct fluids being reinjected into the sub-strata. As oil well maintenance is required by State law and best practices and happens to include acids, Iodine 131, which is radioactive, and other noxious fluids and solids, the methods and procedures for such activities are required by the Code either through a Plan Approval to the original case or by a Health and Safety Exception pursuant to Section 12.23-C,4 of the LAMC. Complaints were raised against the current and former operators of the site for not filing a Plan Approval for the determination of methods and procedures for maintenance of all wells as is required by the Code. This Condition makes clear to the operator that the maintenance of all wells is required so that there is no doubt as to the process. The Condition only requires one Plan Approval or Health and Safety Exception to set the overall methods and procedures for all maintenance activities of the wells as maintenance activities can occur multiple times a year and the procedures do not change for each individual maintenance activity. If new procedures are requested by the applicant or new maintenance materials are needed, then a new Plan Approval or Health and Safety Exception would be needed. New Condition No. 23 requires notice for residents within 100 feet of the site and posting on their web page when any maintenance activities will take place.

New Condition No. 18 was added at the request of the operator. It requires an annual On-site Safety Inspection Report of all equipment on the site as well as repair or maintenance work done to keep all equipment in good working order. Such reports are normally performed by third parties and the reports sent to the Petroleum Administrator and the Office of Zoning Administration. The report is a compendium of the equipment on site and the repair and maintenance performed on the equipment.

Condition No. 19 was also requested by the applicant and by the City's Petroleum Administrator. This would result in a fence line monitoring system which would measure any volatile organic compounds, reactive organic gases and toxic substances which are present in oil drilling operations. The fence line monitoring will detect the concentrations

of these by products and also if any are escaping into the surrounding residential neighborhood. Fence line monitoring has become a best practice in the oil production industry, especially when well sites are located in residential areas, and a fence line monitoring system has already been installed on the site by the operator. This condition is not redundant as it will be required to be monitored as a part of the equipment inspection required in the annual On-site Safety Inspection report. The existing system may not be set up to monitor all of the mentioned production byproducts so there may be some expense for the operator in meeting this Condition but as all of the listed substances are either toxic or cause obnoxious odors in the neighborhood, they should be monitored for the air quality and safety of nearby residents.

New Condition No. 20 was added at the request of the applicant. The Condition requires the notification of various City agencies with jurisdiction over the site whenever there is an emergency, accident or spill that requires reporting to any State, County or Regional agency. This Condition became necessary after a spill of Mercaptan, an agent used to place an odor on natural gas which in its natural form has no smell, at a West Los Angeles drill site which caused a nauseous odor to escape and effect a large swath of West Los Angeles without proper notification of City agencies at the time that it occurred.

New Condition No. 21 was added because this is a best practice that strengthens transparency between the operator, the City and those that reside within the vicinity of the drill site. The technology and software to illustrate this type of information exists, and the operator has been given an appropriate amount of time to implement the landing page on the company's website.

New Condition No. 22 was added because it formalizes a best practice that was first introduced in unincorporated Los Angeles County oil/gas extraction sites. The Los Angeles County Department of Public Health (LACDPH) introduced a notification template for oil companies to send out when they would begin work at drill sites. LACDPH posted this template on their website for any oil companies and/or municipalities to use at their discretion. This template has been discussed at various meetings centered around safety protections for those who reside around oil drill sites and received positive reviews by residents. The County explained that the "template" is a tool recommended by Public Health for operators and developers to use to communicate with fence line and nearby communities. Information included should include but not be limited to an overview of the activities conducted on-site, the hazards and potential risks for the community, the mitigation s to protect public health and safety, what will happen in case of emergency and whom to contact with questions or concerns.

New Condition No. 23 was added at the request of numerous stakeholders. An enclosure was a requirement of the recent Plan Approval for the Jefferson Drill Site and has been required on certain drill sites in West Los Angeles. This Condition also implements Condition 13.01-F, 52, a discretionary Condition of Sub-section 13.01-F of the Code, which states in part that "no oil, gas or other hydrocarbon substances may be produced from any well hereby permitted unless all equipment necessarily incident to such production is completely enclosed within a building." The Condition goes on to require that the structure be of a permanent type and constructed in a manner that will

eliminate as far as practicable, dust, noise, noxious odors and vibrations and other conditions which are offensive to the senses and shall be equipped with such devices as are necessary to eliminate the objectionable features noted above. This Condition also requires the use of enhanced vapor recovery systems to control noxious vapors on the site. Because the site is within the boundaries of the Jefferson Park Historic Preservation Overlay Zone (HPOZ), the Code requires any structures which are not contributing buildings within HPOZs to acquire a Certificate of Compatibility from the HPOZ's Preservation Board. Additional language in the Condition states that the Board may only hold a maximum of two hearings in order to recommend approval of the design only of the structure. The two hearing maximum was placed on the Board so as not to delay the construction of this necessary containment structure which is to be emplaced to reduce odors, noise and vibrations to the surrounding community. The Board is to only look at the design of the structure and has no ability to deny its construction. The construction of such a structure was also a recommendation of the former City Petroleum Administrator in his comments to the Zoning Administrator on the Plan Approval for the Jefferson Well Site and was included in the Conditions of Approval for that case. Such a containment structure with enhanced vapor recovery systems will reduce the amount of noxious odors from the site as well as contain noise from operating and cogeneration systems.

New Condition No. 24 was added to make the Murphy site's conditions consistent with recent Jefferson drill site conditions of approval and are also consistent with a report of the City Petroleum Administrator to the Zoning Administrator for that case. The Plan is required so that any spills which occur on site are regulated so as not to affect groundwater and soil. The Plan would evaluate newly available prevention and control technology which may be installed to forestall spill events and evaluate the structural integrity of secondary containment structures on the site that would prevent spills from reaching soil on the site and ground water. The Condition also requires that the site be staffed for 24 hours per day. The operator currently volunteers that there be two, twelve hour shifts daily with staffing throughout the shift. Testimony and photographic evidence were shown to the Zoning Administrator which showed that, especially in the evening, the site was not fully staffed. In order to permit staff to take dinner breaks, the Condition requires at least two people be on the site during each shift. Thus, if anyone needs to take a dinner break off-site or needs to be off-site due to sickness or family emergency, there will always be a staff person on-site to monitor the facility and notify operational staff if there is any emergency on-site which needs to be met by more than one person or City Fire Department or Police personnel. The site is in an area surrounded by residences and health care facilities and continuous staffing is necessary both to monitor the site and to deter any criminal activity that could occur on-site. The Condition also requires that any odor control dispersal system be placed as far away from any residential uses as possible. Currently photographs of the site show the odor control dispersal system to be located on the westerly portion of the site close to the outer fence line of the site. This site is adjacent to residences and the AIDS Healthcare Foundations medical facility. Since there are very low-level toxic material in the odor control substance, it should not be placed near residential uses as exposure to the material can cause eye irritation and nausea. The Condition requires it to be moved to an area that

is non-adjacent to residential uses. Eventually when the site is enclosed the odor control may be made unnecessary by the enhanced vapor control system or it can be enclosed within the containment structure.

New Condition No. 25 was added at the applicant's request for a clarification of whether or not the methane fueled microturbines are allowed on the site. It, also, is in response to the Community's request that there be no methane burned on the site and that the microturbines be removed because they were not permitted in the original Conditions of Approval. The Zoning Administrator reviewed previous Plan Approvals for the site as to the question of the microturbines. Subsection 13.01-F Conditions 26 and 43 both require that operations on the site be carried out only by electric power and that the power not be generated on-site. As previously stated in this Determination, the Conditions in Subsection 13.01-F are discretionary to the Zoning Administrator to place on the site and are not mandatory. Condition No. 43 was placed in the original Conditions of Approval. Because of the natural gas which was a by-product of oil pumping, the operator of the site in Plan Approval No. 3 requested that the Condition be removed. The Zoning Administrator refused to remove the Condition and required that if the operator wished to remove the Condition that it be done in a separate Plan Approval. The Condition was removed in subsequent Plan Approval No. 4. The microturbines were needed on the site to both clean the natural gas to the requirements of the California Air Resources Board and the Southern California Gas Company who was purchasing the gas. Though the Condition was removed, there was no condition which expressly permitted the turbines. Thus, the confusion on the part of the applicant and the Community as to whether or not they were permitted. The Zoning Administrator has permitted them to be used with this Condition. The use of the microturbines has been limited by permitting them to be fueled only by natural gas generated on the site and not by any other well sites in the area and then sent to the site by pipeline or by natural gas supplied by the Southern California Gas Company. Thus, the microturbines can only be powered by gas generated on-site. This is to prevent the Murphy site from becoming a repository for natural gas produced by other drill sites and burned in the midst of this residential community. Complaints were raised about the odors produced by the burning of methane on the site. The odors produced by the burning of methane in the microturbines will be controlled in the future by the containment building and the enhanced vapor control systems. As to any applicant complaints about needing to import additional methane to the site to operate the turbines, it should be pointed out that this Zoning Administrator was the same one who denied a previous operator of the site who wanted to install a gas flare on the site to remove excess methane from the site that was not used in the microturbines. If there was too much gas at that time over what was needed in the microturbines then there should be no need to import methane from other drill sites in the area. There is additional language in the Condition which was requested by the Petroleum Administrator limiting the amount of particulate matter which may be generated by the microturbines and that ensure that the operator complies with SCAQMD permit conditions that limit the emissions from the full set of turbines not just individual permitted units.

New Condition No. 26 was imposed at the request of the Community. The City's Petroleum Administrator in a letter of comment on the Public Hearing received by the Office of Zoning Administration on December 5, 2022 stated that electric drilling rigs exist, but that electric workover rigs are not available in the United States. Workover rigs are necessary for both repair of existing wells and for proper abandonment of existing wells. The Condition, however, is similar to a Condition placed on the Jefferson Drill Site and on the Packard site on Pico Boulevard in West Los Angeles where the Condition has been in effect since the year 2000 and specifically mentions workover rigs have to be electric. The new Condition also requires that other equipment used on the site not be powered by diesel equipment including backup generators. The backup generators should either be plug in electric, solar powered or powered by the on-site microturbines. Backup generators are generally used when there is a power outage which affects the site thus obviating the use of plug in power. The use of the on-site microturbines in generating electricity or solar powered generators remain the only backup power readily available. The Condition also states that diesel powered vehicles (trucks and semi-trucks) are permissible on the site, but that idling engines on the site is prohibited. Engines must be turned off except when being moved off of the site or when repositioning a vehicle on the site. This is a standard air quality improvement requirement placed on diesel vehicles by the City in order to reduce PM10 generation in the City.

New Condition No. 27 was included in the Conditions of Approval at the suggestion of the Oil and Gas Facilities Unit of the Office of Zoning Administration. Though all oil companies are required by Federal, State and Local agencies to cap wells when they are idle or abandoned, many companies have not done so on a timely basis claiming a desire to either reopen or repurpose the wells. Idle wells pose a public health and public safety risk to those in the vicinity. Idle well management is imperative to prevent both fugitive emissions and emergency incidents. Idle wells have been found to be leaking natural gas and other substances at idled or inappropriately plugged wells in the Pico-Union and eastern Angeleno Heights (on hills opposite Dodger Stadium) areas of the City. A recent explosion of an idled well in the Kern County area near Bakersfield has shown the importance of properly plugging or otherwise maintaining idle wells. Thus, the operator is to remain in compliance with all regulations concerning idle wells and their management, including any requirements to plug and abandon idle wells. Most notably, State regulations and the Los Angeles City Fire Code regulate idle wells and the operator shall comply with those standards for idle wells.

New Condition No. 28 was added to bring the Murphy Drill Site into compliance with other well site cases in South Los Angeles and West Los Angeles. This Condition requires the operator to install an early alert detection system in the event of hydrogen sulfide and methane leaks. The construction of the containment building and the vapor recovery system will help to control any leaks of these substances especially outside of the containment building. A state of the art fire suppression system is also required to be developed with the concurrence of the Fire Department and a clearance from the Fire Department prior to the Department of City Planning signing off on the Building Permit for such equipment. The Fire Department is also required to arrange for a quarterly inspection of the fire suppression equipment to access their effectiveness and

maintenance. The report shall be given to the Office of Zoning Administration on a quarterly basis for a five-year period of time. Upgrades to fire control systems for such industrial uses in a residential area should always be required as fires in oil wells and storage tanks can easily become out of control and residences or healthcare facilities are as close to the production site as 63 feet with overhanging trees.

New Condition No's 29 and 30 were added in because currently there are no conditions for the decommissioning of the drill site. Condition No. 29 lists the tests for soil and ground water contamination which must be analyzed before the site is closed to operations and the appropriate agencies. Condition No. 30 enforces Condition 62 of Sub-section 13.01F. Condition 62 requires that all onshore drilling and production facilities shall be removed and the premises restored to their original condition after all oil and gas wells have been abandoned. This condition is a best practice measure to ensure both that the drill site operator and/or property owner remediates any contamination found at the property and that an expert agency formally signs off on any remediation efforts that occur. Currently, the Regional Water Quality Control Board only becomes involved in a clean-up effort if they are formally asked by the property owner and/or drill site operator. This condition memorializes the requirement for the operator to test for contaminants and take a proactive approach in reaching out to the Water Board to review their testing and remediation process. Condition 30 is also based on Condition No 62 of sub-section 13,01-F which requires that all existing infrastructure from the site be removed and the site returned to its original condition.

New Condition No. 31 was imposed to enforce Condition 17 of Sub-section 13.01-F. This Condition requires any person requesting a determination by the Zoning Administrator prescribing the methods and conditions that oil drilling and production shall agree in writing to be bound by all of the terms and conditions of this article and by any written determination of the Zoning Administrator. The standard method of the Department of City Planning for such an agreement is the filing of a covenant and agreement with the County Clerk to comply these Conditions.

New Condition No. 33 was imposed as it is a standard condition for all Department of City Planning cases which may be litigated.

6. Both the applicant who wanted clarification of the legality of the on-site microturbines and the neighborhood stakeholders who wanted there to be no burning of methane on the site had concerns about the microturbines on the site which generate electricity for on-site operations. As has been previously stated in these findings, the original determination for the drill site did not permit the generation of electricity on the site and adopted Condition No. 43 of Section 13.01-F which states: "That drilling, pumping and other power operations shall at all times be carried on only by electrical power and that such power shall not be generated on the controlled drilling site or in the district."

As a part of required Plan Approval No. 3, the applicant requested that Condition 43 be removed from the Conditions of Approval. The Zoning Administrator hearing the case refused to so as the request was not noticed and was not a part of the original application for the Plan Approval. The applicant was told to reapply for a new Plan Approval

mentioning the change. Subsequently, a “new Plan Approval was filed asking for the right to use microturbines on the site. This request was granted in Plan Approval No. 4, but instead of specifically allowing the use in the Conditions of Approval, the request was approved by merely eliminating Condition 43. Thus, there is some lack of clarity as to if the use of the microturbines is permitted.

The Conditions contained in Sub-section 13.01-F are discretionary in nature. The introductory language to the Sub-section states: “F. Additional Conditions. In addition to the standard conditions applying to oil drilling districts, the Council by ordinance, or the Zoning Administrator MAY impose other conditions in each district as deemed necessary and proper.” Thus, the Conditions of 13.01-F are discretionary, and a Zoning Administrator may pick and choose among the list of 64 Conditions or write new ones as the list is somewhat static and can only be changed in the Code by another ordinance. Accordingly, Condition No. 25 has been added which permits the burning of natural gas or methane if that is the product of the wells. It further limits the natural gas to only that which is generated on-site and not pumped in from other drill sites. The Murphy site currently also burns natural gas pumped in by pipe from the nearby Jefferson Drill Site. This was prohibited so that the Murphy Site does not become a repository for natural gas from other drill sites. Nor does the Condition permit the operator to buy gas from the Southern California Gas Company for use in the microturbines. In an application for the installation of a Natural Gas Burner in 2017, Freeport McMoran that the burner was requested to constitute a redundant system to complement the gas burned in the microturbines. As there was an adequate amount of gas to power the microturbines at that time with a request to burn the rest or reinject it into the well, this Zoning Administrator finds no reason that the operator should be importing more gas from off-site to run their microturbines. The Condition also requires that the microturbines be placed into the new containment structure with an enhanced vapor recovery system to reduce any odors from the microturbines as well as any noise produced. At the suggestion of the Petroleum Administrator, a limit on microturbine PM10 emissions was also included. Again, the containment structure will help to reduce the amount of PM10 generated by the microturbines and the limitation on emissions will further reduce it.

The Petroleum Administrator also mentioned that the California Air Resources Board in their 2022 draft scoping plan for achieving carbon neutrality mentions the use of microturbines as a reasonably foreseeable compliance response to reduce emissions from existing oil and gas facilities including vapor recovery systems. Collected vapors would be routed to sales gas lines, microturbines, fuel gas systems, low NOX flares or ground injection wells. The existing Murphy Drill Site uses the sale of by-product natural gas to the Southern California Gas Company and the use of on-site microturbines for both cleaning natural gas for sale and for generating electricity which was previously approved by PA 4 of this case. The use of a flare was denied by the Zoning Administrator in 2017. Thus, the use of the microturbines has been approved for the site as they are used for both cleaning existing natural gas to industry and CARB standards and for the generation of electricity on the site for other uses of the facility. The only other methods of disposal for the byproduct natural gas is to burn it in a flare which has already been denied by the Office of Zoning Administration or reinjecting it back into the substrata by

the site's injection wells. This would result in a large amount of natural gas being stored beneath a residential neighborhood. After recent experience with reinjected natural gas in the Aliso Canyon well field of the Southern California Gas Company, which was in a well field at least one mile from nearby homes, it is equally dangerous to store natural gas beneath a solidly residential community at this location. While this is not a response desired by the neighborhood stakeholders, the use of the microturbines in an enclosed containment structure with proper vapor controls should eliminate or greatly reduce the noise, odor and PM10 emissions generated by the burning of natural gas at the site.

ADDITIONAL MANDATORY FINDINGS/DISCUSSIONS (ENVIRONMENTAL REVIEW)

As a Plan Approval related to a review of conditions on an existing drill site, the Proposed Project qualifies for exemption from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Article 19, Sections 15301 (Class 1), 15303 (Class 3) 15305 (Class 5), 15308 (Class 8) and 15321 (Class 21).

Section 15301; Class 1: Consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The key consideration is whether the project involves negligible or no expansion of use.

The proposed Project is a Plan Approval to review compliance with and effectiveness of conditions imposed in Case No. ZA-1959-15227(O)(PA4) for the existing 3.2 acre Murphy Oil Drill Site. There is no proposed expansion of the oil drilling use. This review is authorized by Section 13.01 of the Los Angeles Municipal Code (LAMC) and Condition No. 14 in Case No. ZA-1959-15227(O)(PA4) and will be conducted pursuant to LAMC Section 12.24-M. The Project does not involve the approval of new wells or conversion of existing wells nor will the Project result in a change the number of wells as the capacity of the oil and gas extraction facility will remain the same as it was at the time of the application submittal (September 1, 2021). Therefore, this will not result in any expansion of use at the well site.

Section 15301; Class 1 Category (f): Addition of safety or health protection devices for use during construction of or in conjunction with existing structures, facilities, or mechanical equipment, or topographical features including navigational devices.

Following a review of the effectiveness of the current conditions, revisions were made to the existing conditions and additional conditions added to require the installation of enclosures, structures and equipment such as fence line monitoring devices, vapor recovery equipment and a containment structure which are necessary for reducing and neutralizing noxious odors, noise and fluid spills from the site. Other conditions require additional monitoring and regulatory plans and reports to State, Regional and Local agencies such as CalGEM, South Coast Air Quality Management District, and the City of Los Angeles' Department of Building and Safety, the Fire Department and the Department of City Planning's Office of Zoning Administration. The construction of the

containment structure is necessary to block odors from oil and natural gas which is extracted on the site from migrating to adjacent residential and medical uses. The walls of the structure will also reduce impacts on nearby residences from any noise which is generated by the operation of the extraction of oil or the co-generation of electricity from the burning of natural gas on the site. The enhanced vapor recovery system within the containment building will reduce any airborne vapor and odors from migrating to adjacent properties.

Section 15303; Class 3 involves the new construction or conversion of small structures or facilities and installation of small new equipment and facilities in small structures.

The required containment structure consists of walls with no roof. This results in an open-air structure with vapor recovery equipment to reduce odor, noise and dust impacts on the surrounding residential neighborhood. The structure qualifies as a Class 3 small structure in that it is designed to contain the production facility and reduce noxious odors, noise and dust in the area. It is not designed to draw people or vehicle traffic to the site due to any operational effects. It is solely built to contain and reduce noxious operational impacts of the existing use on its surrounding neighborhood.

Section 15305; Class 5: Consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which does not result in any changes in land use or density.

The proposed Project is a Plan Approval to review compliance with and effectiveness of conditions imposed in Case No. ZA-1959-15227(O)(PA4) for the existing 3.2 acre Murphy Oil Drill Site. There is no proposed expansion of the oil drilling use. This review is authorized by Section 13.01 of the Los Angeles Municipal Code (LAMC) and Condition No. 14 in Case No. ZA-1959-15227(O)(PA4) and will be conducted pursuant to LAMC Section 12.24-M. The site is relatively flat with only a slight slope, well below 20%. The Project does not change the land use or the density of the subject site. Nor does it result in an intensification of the number of wells, either for production or injection, on the site. The Project does not involve expanding allowed uses on a site; instead, this review is narrowly limited to a review of existing conditions. The Plan Approval is making modifications to the existing conditions and adding targeted new conditions that do not result in any changes in land use or density. The Project's scope is limited to the City's review of the Applicant's compliance with the applicable conditions of approval and the effectiveness of those conditions, it does not include the approval of any drilling, re-drilling, or converting of wells. Any new construction of structures is limited to the purpose of containing noxious odors, noise, spills and dust which have migrated to the surrounding residential neighborhood.

Section 15308; Class 8: Consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement or protection of the environment where the regulatory process involves procedures for protection of the environment.

The Department of City Planning is one of the City's regulatory agencies which control oil drilling in the Los Angeles by determining the methods, standards and conditions for oil drilling sites in the City. The modified and additional conditions contained in this Plan Approval are designed to lessen the effects of odors, noise and dust which result from the drilling operation on the surrounding residential neighborhood. The neighborhood also includes four medical facilities (the AIDS Healthcare Foundation facility adjacent to the site, the John Tracy Clinic and Center 125 feet west of the site, the Western Convalescent Hospital 350 feet west of the site and the Saint John of God Hospital and Rest Home 500 feet east of the site at the corner of Adams Boulevard and Western Avenue) in proximity to the drill site and numerous other educational facilities. The additional monitoring and vapor recovery devices required by the conditions of approval will reduce and control the known environmental effects of oil drilling including noxious odors, noise, vapors and dust which are affecting this residential neighborhood.

Section 15321; Class 21 Category 2: Consists of Actions by regulatory agencies to enforce or revoke a lease, permit, license, certificate, or other entitlement for use issued, adopted, or prescribed by the regulatory agency or enforcement of law, general rule, standard, or objective, administered, or adopted by the regulatory agency. This includes the adoption of an administrative decision or order enforcing or revoking the lease, permit, license, certificate, or entitlement for use or enforcing the general rule, standard, or objective.

The proposed project qualifies for the Class 21 exemption because it involves a Plan Approval to review compliance with and effectiveness of conditions imposed in Case No. ZA-1959-15227(O)(PA4). The proposed project allows the continued operation of the drill site subject to the existing conditions and added or revised conditions. This regulatory action would not result in any adverse impacts on the environment as any required construction or installation is for the purpose of odor and noise control of the site and for the health and safety of both area residents and employees of the site as well as enforcement of the existing conditions of approval.

CEQA Section 15300.2: Exceptions to the Use of Categorical Exemptions.

The City has considered whether the Proposed Project is subject to any of the six (6) exceptions that would prohibit the use of a categorical exemption as set forth in CEQA Guidelines Section 15300.2. The six (6) exceptions to this Exemption are: (a) Location; (b) Cumulative Impacts; (c) Significant Effect; (d) Scenic Highways; (e) Hazardous Waste Sites; and (f) Historical Resources.

1. Location. *Classes 1, 3, 5, 8 and 21 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.*

The Subject Site is located within a Methane Zone and is located approximately 2.5 kilometers from the Puente Hills Blind Thrust Fault and is subject to specific Regulatory Compliance Measures (RCMs) in the City of Los Angeles. These measures regulate the grading and construction of projects in these particular types of “sensitive” locations and reduce any potential impacts to less than significant; thus, the following RCMs would apply:

- Regulatory Compliance Measure RC-GEO-1 (Seismic): The design and construction of the project shall conform to the California Building Code seismic standards as approved by the Department of Building and Safety.
- Regulatory Compliance Measure RC-HAZ-2: Explosion/Release (Methane Zone): As the Project Site is within a methane zone, prior to the issuance of a building permit, the Site shall be independently analyzed by a qualified engineer, as defined in Ordinance No. 175,790 and Section 91.7102 of the LAMC, hired by the Project Applicant. The engineer shall investigate and design a methane mitigation system in compliance with the LADBS Methane Mitigation Standards for the appropriate Site Design Level which will prevent or retard potential methane gas seepage into any new building or structure built on the site. The Applicant shall implement the engineer’s design recommendations subject to CalGEM, LADBS and LAFD plan review and approval. Additional conditions to reduce and prevent odors, noise and dust from migrating into the adjacent neighborhood have been required

These RCMs have been historically proven to work to the satisfaction of the City Engineer to reduce any impacts from the specific environment of the Project Site. Thus, in conjunction with the above RCMs and compliance with other applicable regulations, the Project will not result in a significant impact based on its location.

2. Cumulative Impacts. *All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

According to the California Department of Conservation (CalGEM) Well Finder database, the closest oil drilling facility is located near the intersection of Washington Boulevard and 4th Avenue, approximately 0.7 miles away from the project site. This site is no longer operational. As such, there are no known successive projects of the same type and in the same place as the proposed project. The Plan Approval review of conditions of approval compliance and the subsequent reporting involves no changes of the existing baseline conditions as the resulting review will not change the number of wells or the production activities. Therefore, this exception does not apply.

3. Significant Effect. *A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

The Project is a Plan Approval to review compliance with and effectiveness of conditions imposed in Case No. ZA-1959-15227(O)(PA4) for the existing 3.2 acre Murphy Oil Drill Site. There is no proposed expansion of the oil drilling use.

Trees and plants will continue to line the exterior of the walls. The exterior walls will remain the same. Condition No. 23 requires the enclosure of the equipment within the production portion of the site consistent with other drill sites in the area. This will reduce impacts to noise and odors caused by the pumping of oil at the site and the generation of electricity by the on-site microturbines. Adjacent properties to the north, east, and west of the project site will remain zoned R3-1-O-HPOZ and R4-1-O-HPOZ. Properties to the north, east, and west of the project site are developed with single-family and multifamily residential, healthcare, and religious uses. Properties to the south across 27th Street will remain zoned RD2-1-O-HPOZ and developed with single-family residential buildings. The existing drill site's operation remains bound by all prior conditions of approval and regulatory requirements from the Southern California Air Quality Management District (SCAQMD). Therefore, the baseline conditions will remain unchanged and there are no foreseeable impacts from the project. The Plan Approval has resulted in additional or modified conditions that will reduce the known impacts of odors, noise and dust that exist in the area. Thus, there are no unusual circumstances and no reasonable possibility that the project and on-site activities will lead to a significant effect on the environment, and this exception does not apply.

4. *Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.*

The only State Scenic Highway within the City of Los Angeles is the Topanga Canyon State Scenic Highway, State Route 27, which travels through a portion of Topanga State Park. The project site is approximately 15 miles east of State Route 27. Therefore, the proposed project will not result in any damage to any scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway, and this exception does not apply.

5. *Hazardous Waste. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

According to Envirostar, the State of California's database of Hazardous Waste Sites, neither the project site, nor any site in the vicinity, is identified as a hazardous waste site, and this exception does not apply.

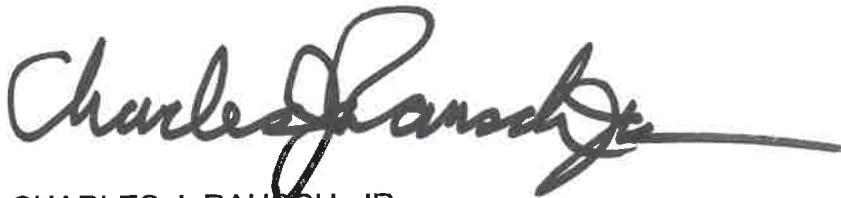
6. *Historic Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.*

The Project is a Plan Approval to review compliance with and effectiveness of conditions imposed in Case No. ZA-1959-15227(O)(PA4) for the existing 3.2 acre Murphy Oil Drill Site. There is no proposed expansion of the oil drilling use. This review is authorized by Section 13.01 of the Los Angeles Municipal Code (LAMC) and Condition No. 14 in Case No. ZA-1959-15227(O)(PA4) and will be conducted pursuant to LAMC Section 12.24-M.

The project site has not been identified individually as a potential historic resource in Survey LA, the citywide survey of Los Angeles, and is not designated individually as a historic resource. However, the project site is identified as a non-contributor within an identified historic district, the Jefferson Park Historic Preservation Overlay District. The site's non-contributor status is verified by the Historic Preservation Overlay Referral Form dated December 29, 2021.

A substantial adverse change in the significance of a historic resource means demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of a historical resource would be materially impaired. Condition No. 23 of the project requires that a maximum 45-foot high structure be constructed to contain noise, odor and other objectionable byproducts of oil drilling and retrieval and co-generation of electricity on the site. Because such a structure is located within the boundaries of the HPOZ, it is required by Section 12.20.3-L of the Municipal Code to receive a Certificate of Compatibility from the Director of Planning. The HPOZ's Historic Preservation Board will make a recommendation to the Director as to its compatibility with the HPOZ's Historic Preservation Plan. The Project would not result in any substantial adverse change to any historical resource, including to any neighboring contributing or altered contributing structures or to the HPOZ as a whole, and this exception does not apply.

Inquiries regarding this matter shall be directed to Sarahi Ortega, Planning Staff for the Department of City Planning at sarahi.ortega@lacity.org.



CHARLES J. RAUSCH, JR
Associate Zoning Administrator

CJR:MS:CC:ds

cc: Councilmember Heather Hutt
Council District No.10
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Baldev Gill, California Geologic Energy Management Division
Jeff Holwager, Los Angeles County Fire Department - HHMD
Terrence Mann, South Coast Air Quality Management Division

Attachment:

Exhibit B – Oil Production Area outline

Exhibit B - ZA 1959-15227 (O)(PA6)

