Name
Tyler Stover
Linda Harmon
William Connally
Melissa Tellez
John Kuney
Suzanne Harvey
Natalie Gray
Irene Ricci
MaiLee Hung
Catherine Wilcox
Garry Star
Pamela Holley-Wilcox
Eric Hargrove
Jose Ibarra
Rachel Herring
Andra Belknap
Renee French
Nicole Facciuto
Russ Bishop
Tyler LaFlamme
Kevin Ahearn
Lori Prehn
Siddharth Mehrotra
Bianca Botta
Michelle Stevens
Roslyn Scheuerman
Edward Hazard (NARO California)
David Wappler
Matt Wickersham (on behalf of Clif Simonson,
CalNRG)
Rose Ann Witt
Ben Oakley (WSPA)
Marc Traut 7/27/22 @ 3:28 PM
Marc Traut 7/27/22 @ 3:24 PM
Marc Traut 7/27/22 @ 3:14 PM
Michael Russell
Aleta Owens (ABA Energy Corporation)

County of Ventura
Planning Commission Hearing
Case Nos. PL21-0099 and PL21-0100

Exhibit 6 - Public comments received by July 27, 2022 at 3:30 p.m. that were not part of the record submitted to the Planning Commission on July 28, 2022

Sussman, Shelley Zendejas, Daniela

Subject: Date: FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

: Tuesday, July 26, 2022 3:20:33 PM

From: Tyler Stover <Tyler.Stover.320922796@p2a.co>

Sent: Tuesday, July 26, 2022 12:51 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

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Dear Ventura County Planning Commission

I support the proposed amendments to the Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance related to oil and gas operations in Ventura County. I urge you to make these amendments even stronger, however, by doing the following:

- 1. Limiting permit expiration to 10 years.
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- 3. Increase the surety cap beyond \$5 million to ensure that wells are properly abandoned.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies pay their fair share.

Please protect our communities, air, water, endangered species, and the climate by incorporating the above suggestions into your resolution.

Thank you for your consideration, Tyler Stover 139 Prospect St Oak View, CA 93022

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:33 PM

From: Linda Harmon < Linda. Harmon. 56894486@p2a.co>

Sent: Tuesday, July 26, 2022 12:48 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Linda Harmon 412 N Fulton St Ojai, CA 93023

Sussman, Shelley

To:

Zendejas, Daniela
FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Subject: Date:

Tuesday, July 26, 2022 3:20:34 PM

From: William Connally < William. Connally. 333959215@p2a.co>

Sent: Tuesday, July 26, 2022 12:47 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, William Connally 1408 Orchard Dr Ojai, CA 93023

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:34 PM

From: Melissa Tellez < Melissa. Tellez. 323836744@p2a.co>

Sent: Tuesday, July 26, 2022 12:47 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Melissa Tellez 3700 Dean Dr Ventura, CA 93003

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Tuesday, July 26, 2022 3:20:35 PM

From: John Kuney < John. Kuney. 126249358@p2a.co>

Sent: Tuesday, July 26, 2022 12:46 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, John Kuney 2477 Fordyce Rd Ojai, CA 93023

Sussman, Shelley

To:

Zendejas, Daniela

Subject: Date: FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable Tuesday, July 26, 2022 3:20:36 PM

From: Suzanne Harvey <Suzanne.Harvey.126250608@p2a.co>

Sent: Tuesday, July 26, 2022 12:46 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Suzanne Harvey 4275 Grand Ave Ojai, CA 93023

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:36 PM

From: Natalie Gray <Natalie.Gray.114672487@p2a.co>

Sent: Tuesday, July 26, 2022 12:46 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Natalie Gray 918 Mercer Ave Ojai, CA 93023

Sussman, Shelley Zendejas, Daniela

Subject: Date: FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Tuesday, July 26, 2022 3:20:36 PM

From: irene ricci <irene.ricci.203400209@p2a.co>

Sent: Tuesday, July 26, 2022 12:41 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, irene ricci 334 El Plano Dr Ojai, CA 93023

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:37 PM

From: MaiLee Hung <MaiLee.Hung.562252198@p2a.co>

Sent: Tuesday, July 26, 2022 12:39 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, MaiLee Hung 131 S Lomita Ave Ojai, CA 93023

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:37 PM

From: Catherine Wilcox < Catherine. Wilcox. 126405912@p2a.co>

Sent: Tuesday, July 26, 2022 12:36 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Catherine Wilcox 1273 S Rice Rd Ojai, CA 93023

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:38 PM

From: garry star <garry.star.148477054@p2a.co>

Sent: Tuesday, July 26, 2022 12:36 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, garry star 3084 Chancery Pl Thousand Oaks, CA 91362

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:20:39 PM

From: Pamela Holley-Wilcox < Pamela. Holley Wilcox. 222275163@p2a.co>

Sent: Tuesday, July 26, 2022 12:35 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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As climate conditions worsen, it time for the County to adopt strong policies for ensuring that oil and gas companies pay their fair share and do not dump the cost of safely decommissioning wells onto the tax paying public.

Please protect our communities, environment, endangered species, and the planet by incorporating the above suggestions into your resolution.

Thank you for your consideration, Pamela Holley-Wilcox 4013 Galapagos Way Oxnard, CA 93035

Sussman, Shelley Zendeias, Daniela

Subject: Date: FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Tuesday, July 26, 2022 3:20:39 PM

From: Eric Hargrove < Eric. Hargrove. 562251856@p2a.co>

Sent: Tuesday, July 26, 2022 12:34 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Eric Hargrove 995 Foothill Dr Fillmore, CA 93015

Sussman, Shelley

To: Subject: Zendejas, Daniela FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:07 PM

From: Jose Ibarra < Jose.Ibarra.329184300@p2a.co>

Sent: Tuesday, July 26, 2022 3:20:46 PM (UTC-08:00) Pacific Time (US & Canada)

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Jose Ibarra 759 Tighe Ln Fillmore, CA 93015

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:10 PM

From: Rachel Herring < Rachel. Herring. 478274017@p2a.co>

Sent: Tuesday, July 26, 2022 12:31 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Rachel Herring 520 Foothill Rd Ojai, CA 93023 From: Sussman, Shelley
To: Zendejas, Daniela

Subject: FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date: Tuesday, July 26, 2022 3:21:11 PM

From: Andra Belknap < Andra. Belknap. 321270726@p2a.co>

Sent: Tuesday, July 26, 2022 12:31 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Andra Belknap 1125 Del Prado Ct Ojai, CA 93023

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:11 PM

From: Renee French < Renee. French. 322356423@p2a.co>

Sent: Tuesday, July 26, 2022 12:28 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Renee French 391 Wesleyan Ave Ventura, CA 93003

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:12 PM

From: Nicole Facciuto < Nicole. Facciuto. 343623702@p2a.co>

Sent: Tuesday, July 26, 2022 12:28 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Nicole Facciuto 995 Foothill Dr Fillmore, CA 93015

Sussman, Shelley Zendejas, Daniela

To: Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:14 PM

From: Russ Bishop < Russ. Bishop. 113807280@p2a.co>

Sent: Tuesday, July 26, 2022 12:25 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Russ Bishop 7864 Hayward St Ventura, CA 93004

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:15 PM

From: Tyler LaFlamme < Tyler. LaFlamme. 196992969@p2a.co>

Sent: Tuesday, July 26, 2022 12:24 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to Email.Security@ventura.org.

Dear Ventura County Planning Commission

I support the proposed amendments to the Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance related to oil and gas operations in Ventura County. I urge you to make these amendments even stronger, however, by doing the following:

- 1. Limiting permit expiration to 10 years.
- 2. Limit the number of wells on individual permits and adopt a "one-for-one" policy.
- 3. Increase the surety cap beyond \$5 million to ensure that wells are properly abandoned.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies pay their fair share.

Please protect our communities, air, water, endangered species, and the climate by incorporating the above suggestions into your resolution.

Thank you for your consideration, Tyler LaFlamme 1199 Lucero St Camarillo, CA 93010

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:15 PM

From: Kevin Ahearn < Kevin. Ahearn. 562250695@p2a.co>

Sent: Tuesday, July 26, 2022 12:24 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Kevin Ahearn 2430 Lexington Dr Ventura, CA 93003

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date: Tuesday, July 26, 2022 3:21:16 PM

From: Lori Prehn < Lori. Prehn. 417458281@p2a.co>

Sent: Tuesday, July 26, 2022 12:24 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

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Thank you for your consideration, Lori Prehn 1889 Channel Dr Ventura, CA 93001

Sussman, Shelley Zendejas, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:17 PM

From: Siddharth Mehrotra < Siddharth. Mehrotra. 320672217@p2a.co>

Sent: Tuesday, July 26, 2022 12:23 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

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Thank you for your consideration, Siddharth Mehrotra 2009 Las Estrellas Ct Camarillo, CA 93012

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:18 PM

From: Bianca Botta <Bianca.Botta.389610751@p2a.co>

Sent: Tuesday, July 26, 2022 12:22 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Bianca Botta 2430 Lexington Dr Ventura, CA 93003

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:18 PM

From: Michelle Stevens < Michelle. Stevens. 335143362@p2a.co>

Sent: Tuesday, July 26, 2022 12:22 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Michelle Stevens 1085 E Main St Ventura, CA 93001

Sussman, Shelley Zendeias, Daniela

Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 3:21:19 PM

From: Roslyn Scheuerman < Roslyn. Scheuerman. 325096456@p2a.co>

Sent: Tuesday, July 26, 2022 12:20 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

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Thank you for your consideration, Roslyn Scheuerman 8729 N Ventura Ave Ventura, CA 93001 From: Sussman, Shelley
To: Zendejas, Daniela

Cc: Juachon, Luz; Barnes, Jeffrey; Edsall, David

Subject: FW: Planning Commission Agenda Item #7, NARO-CA Public Comment Letter

Date: Wednesday, July 27, 2022 12:19:19 PM

Attachments: NARO-CA Letter to Ventura County Planning Commission 7-27-2022, 1st DRAFT.pdf

Hi Daniela.

Please add this to the list of comments.

Shelley

From: Edward S. Hazard <ehazard57@yahoo.com>

Sent: Wednesday, July 27, 2022 11:46 AM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>; Luz.Juacho@ventura.org

Cc: Ed Renwick <erenwick@hanmor.com>

Subject: Planning Commission Agenda Item #7, NARO-CA Public Comment Letter

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to Email.security@ventura.org.

Please accept the attached letter from NARO-California as public comment regarding Item #7 on the Ventura County Planning Commission Agenda for the meeting scheduled to be held on July 28, 2022.

Respectfully submitted by,

Edward S. Hazard President, NARO-California

Cell: (209) 481-7005

NARO CALIFORNIA

NATIONAL ASSOCIATION OF ROYALTY OWNERS - CALIFORNIA, INC.

Serving the Citizens Who Own California's Oil and Gas Resources

July 27, 2022

Ventura County Planning Commission c/o Shelley.Sussman@ventura.org. and Luz.Juachon@ventura.org

RE: Ventura County Planning Commission mtg. 7-28-2022, Agenda Item #7

Dear Ventura County Planning Commissioners,

My name is Edward S Hazard. I am the President of the California Chapter of the National Association of Royalty Owners (NARO-CA). Our members are California mineral owners. We have just learned that you have scheduled a hearing for July 28^{th} to consider amendments to the Oil and Gas Zoning Code that closely resembles proposals that the voters of Ventura County just rejected by a substantial margin. To propose such a measure on the heels of the election is an insult to the voters of Ventura County. Moreover the proposal, if enacted, will constitute a "taking" of our members' property rights which under the California Constitution as well as the U.S. Constitution will require the County of Ventura to pay just compensation. If what is being proposed becomes law there will be litigation.

Sincerely,

Edward S. Hazard, President

Edd 8. Mrs

Cc: Edward S. Renwick, Esq., Hanna and Morton, LLP

Founded in 1980, the National Association of Royalty Owners is the only national organization representing soley, and without compromise, oil and gas royalty owners' interests.

Sussman, Shelley Zendeias, Daniela

To: Subject:

FW: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Wednesday, July 27, 2022 3:04:43 PM

From: David Wappler < David.Wappler.51756844@p2a.co>

Sent: Wednesday, July 27, 2022 3:04:24 PM (UTC-08:00) Pacific Time (US & Canada)

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Subject: Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

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Please protect our communities, air, water, endangered species, and the climate by incorporating the above suggestions into your resolution.

Thank you for your consideration, David Wappler 6250 Telegraph Rd Ventura, CA 93003

Sussman, Shelley

To:

Zendejas, Daniela; Juachon, Luz

Cc:

Barnes, Jeffrey

Subject:

FW: 7-28-2022 Planning Commission - Agenda Item 7

Date:

Wednesday, July 27, 2022 3:30:50 PM

Attachments:

CalNRG comment letter re 7-28-22 PC Item 7[57] copy.pdf

Importance:

Hiah

Please add to Exhibit

Thanks, Shelley

From: Wickersham, Matt < Matt. Wickersham@alston.com>

Sent: Wednesday, July 27, 2022 3:23 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org>

Cc: Clif Simonson <clif.simonson@calnrg.com>; Olivia Simonson <olivia.simonson@calnrg.com>

Subject: 7-28-2022 Planning Commission - Agenda Item 7

Importance: High

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to Email.security@ventura.org.

Please see the attached comment letter for Agenda Item No. 7 on the 7/28/22 agenda for the Planning Commission. Kindly confirm receipt of this letter.

Best,

Matt Wickersham (be/him) | ALSTON & BIRD LLP

333 South Hope Street, 16th Floor | Los Angeles, CA 90071

matt.wickersham@alston.com | t: 213.576.1185 | c: 310.699.0931

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VIA ELECTRONIC MAIL

July 27, 2022

Shelley Sussman
Planning Commission of Ventura County
800 South Victoria Avenue
Ventura, CA 93009
Shelley.Sussman@ventura.org

Re: Planning Commission Meeting (July 28, 2022) – Agenda Item No. 7 – Proposed Coastal and Non-Coastal Zoning Ordinance Amendments

Dear Members of the Ventura County Planning Commission:

California Natural Resources Group, LLC ("CalNRG") writes to express its deep concern regarding the Planning Commission's proposed amendments to the Non-Coastal Zoning Ordinance ("NCZO") section 8107-5 and Coastal Zoning Ordinance ("CZO") section 8175-5 (collectively, "Zoning Amendments"), which will unlawfully limit and render financially infeasible all oil and gas activities in the County. The proposed Zoning Amendments place a 15-year expiration limit on new and modified Conditional Use Permits ("CUPs") and increase bonding and insurance requirements to levels that would make it impossible to operate in the County. Not only will the proposed Zoning Amendments shut down oil and gas operations in the County – which is undoubtedly the County's end goal – they will also proliferate dependence on foreign oil and increase energy prices.¹

Notably, in a clear effort to have a second bite at the proverbial apple, the proposed Zoning Amendments follow the recent results of the June 7, 2022 primary election where Ventura County residents voted to *repeal* the County's adoption of previous amendments to the CZO and NCZO, which would have had similarly devastating impacts on local oil and gas production. Rather than listen to the will of the electorate, the Planning Commission turned a blind eye and immediately rushed back to the drawing board to renew their efforts to phase out oil and gas production in the County.

¹ The County has made the goal of the proposed Zoning Amendments crystal clear – in fact, the Staff Report's required findings cite an April 23, 2021 quote from Governor Newsom where he "requested that the California Air Resources Board (CARB) analyze pathways to *phase out oil extraction across the state by no later than 2045*." (Staff Report at p. 23, emphasis added.)



And while the Planning Division apparently consulted behind closed doors with County Risk Management and various private consultants regarding the proposed Zoning Amendments (Staff Report at pp. 1, 7, 16), it failed to engage with the very stakeholders who will be impacted by these amendments – the local oil and gas industry. In fact, the Planning Commission held no workshop events, no stakeholder meetings, and absolutely no opportunities for the local industry to engage with the Commission regarding these unlawful amendments. The Planning Commission's efforts to operate in secrecy is at odds with basic democratic principles and wildly out of touch with the will of the electorate, as expressed during the June 2022 election.

Moreover, the timing of these attacks on the oil and gas industry could not be worse. Inflation is skyrocketing, Californians are paying record prices at the pump, and international conflicts, like Russia's invasion of Ukraine that has roiled energy markets, are highlighting the importance of energy independence. The County should play its part in alleviating these issues, rather than wasting taxpayer dollars on proposed Zoning Amendments that will threaten over 2,000 good-paying industry jobs, wipe out approximately \$56 million annually in state and local taxes, and increase dependence on foreign oil from countries with poor environmental and human rights standards.

I. The County has Rejected the Will of the Electorate

This is now the County's *second attempt* to amend the CZO and NCZO as a pretense to phase out oil and gas production in the County along with thousands of good-paying jobs. On November 10, 2020, the County adopted amendments to the CZO and NCO, which would have required the issuance of a new CUP, or approval of a discretionary permit adjustment or modification, to authorize all new oil and gas development, including that proposed under long-term permits, unless the proposed development is already specifically described as being authorized under an existing CUP. New development triggering the need for discretionary approval would have included the installation of new wells, tanks and other oil field facilities, and the re-drilling or deepening of existing wells.

Numerous County residents, oil and gas operators, royalty owners, and industry groups opposed the County's previous attempts to amend the CZO and NCZO, including because subjecting CUPs to discretionary approval would unlawfully impair the constitutionally protected vested property rights of the holders of such permits, and would subject the County to takings liability. The County also unlawfully determined that the amendments were exempt from review under the California Environmental Quality Act. Many residents and industry workers also expressed concern that the amendments would have devastating impacts on the oil and gas industry, which has created jobs and supported the local economy for decades. Indeed, the County admitted that this would be the precise consequence of its action: "[T]he proposed zoning amendments could slow and/or reduce the potential expansion of new local oil and gas development, which in turn could have a negative economic impact on this economic sector and its employment base . . ."



(Ventura County Resource Management Agency Letter to Board of Supervisors, Nov. 10, 2020, emphasis added.)

The County's adoption of the previous CZO and NCZO amendments was met with an onslaught of litigation. (See, e.g., California Natural Resources Group, LLC v. County of Ventura, et al., Case No. 56-2020-00546189; Western States Petroleum Association v. County of Ventura, et al., Case No. 56-2020-00547988; Lloyd Properties v. County of Ventura, et al., Case No. 56-2020-00546196; Carbon California Company, LLC, et al. v. County of Ventura, et al., Case No. 56-2020-00548181; National Association of Royalty Owners-California, Inc., et al. v. County of Ventura, et al., Case No. 56-2021-005505588; Aera Energy LLC v. County of Ventura, et al., Case No. 56-2020-00546180; ABA Energy Corporation v. County of Ventura, et al., Case No. 56-2020-00548077.) The County is now exposing itself to the risk of even further litigation by wasting taxpayer dollars on proposing and potentially adopting these unlawful Zoning Amendments.

Ultimately, the County gave voters the opportunity to repeal the CZO and NCZO amendments through Local Measures A and B on the June 7, 2022 ballot:

A. Shall Ordinance No. 4567, an ordinance of the County of Ventura repealing and reenacting Division 8, Chapter 1.1, Sections 8175-5.7 of the Ventura County Ordinance Code, to amend the Coastal Zoning Ordinance regulating oil and gas exploration and production, be adopted?

B. Shall Ordinance No. 4568, an ordinance of the County of Ventura repealing and reenacting Division 8, Chapter 1.1, Sections 8107-5 of the Ventura County Ordinance Code, to amend the Non-Coastal Zoning Ordinance regulating oil and gas exploration and production, be adopted?

A majority of Ventura County residents voted against Measures A and B, thereby soundly rejecting the County's efforts to amend the CZO and NCZO to shut down existing oil and gas production.²

Nevertheless, despite the *clear message* sent by voters during the June 2022 election, the County has persisted in its affront on the oil and gas industry and brazenly turned its back on the will of the electorate. Not only has the County rejected the will of the electorate, its newly

² Ventura County Clerk-Recorder-Registrar, June 7, 2022 Statewide Direct Primary Election, Election Night Reporting, https://results.enr.clarityelections.com/CA/Ventura/114132/web.285569/#/summary (as of July 20, 2022).



proposed Zoning Amendments are also unlawful and would render oil and gas production financially infeasible, as further discussed below.

II. Limits on New Conditional Use Permits to 15 Years Lack Factual Support

The proposed Zoning Amendments limit new discretionary permits for oil and gas operations to 15-years. According to the Staff Report:

One consideration related to establishing CUP terms is the estimated amount of time it takes for an operator to recoup its investment in the permitted operation. This can be referred to as the amortization of capital investment (ACI). Although there are several accounting methods that can be used to calculate amortization, in general, ACI occurs when cumulative income from an investment is sufficient to offset the initial capital investment and to provide a return on that investment to the owner.

(Staff Report at p. 4.)

The Staff Report then cites the Baker & O'Brien study titled, Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field, which concludes that the simple payback period for wells drilled prior to 1977 in the Inglewood Oil Field, was about five years, and that for wells drilled after 1977, ACI has allegedly "been achieved within a short time." (Id. at p. 5.)

Based on this single study, for a *different* oil field in a *different* municipality (Culver City), the Staff Report concludes that "a duration of 15 years for new and renewed CUPs (even independent of the possibility of an operator obtaining additional 15-year renewal periods), is reasonable to realize ACI depending on the capital investment and the price of oil during the time period." (*Ibid.*)

However, there are numerous flaws in the County's **sole** "consideration" for establishing 15-year CUP terms, i.e., the purported amount of time it takes for an operator to recoup its investment in the permitted operation, which is **solely** premised on the fundamentally flawed Baker & O'Brien report.

First, the Baker & O'Brien report ignores the substantial plugging and abandonment costs associated with operations in Culver City, which the proposed Zoning Amendments will substantially increase through the proposed bonding and insurance requirements. Wells are plugged and abandoned at the end of life of a field based on environmental and other regulations. The plugging and abandonment costs represent a significant capital investment to be incurred in the future, and to ignore those capital investments renders Baker and O'Brien's study economically



unsupportable and unreasonable. (See Review of the Baker & O'Brien Report by Robert Lang of Alvarez & Marsal, dated August 13, 2020 ("Lang Report 2020"), Section 64, attached hereto as **Exhibit 1**.) The Staff Report estimates that plugging and abandonment costs can average approximately \$143,300 per well. (Staff Report at p. 14.) It is impossible to determine when ACI will occur without including the costs of plugging and abandoning wells in the County, which, again, will be exacerbated by the County's proposed increases to bonding and insurance requirements.

Second, the Baker & O'Brien study is not (1) unique to any particular property on the Inglewood Oil Field and (2) is not based on any actual data about any specific operator's investment in the Inglewood Oil Field. This is troublesome since ACI must be "commensurate" with the specific operator's "investment." (Elysium Institute, Inc. v. County of Los Angeles (1991) 232 Cal. App. 3d 408, 436.) The County compounds these errors by applying the already flawed Baker & O'Brien study to different oil fields operated by different operators and does not even attempt to analyze or consider those operators' specific investments in their oil fields.

Third, and finally, the Baker & O'Brien report does not consider the variability of the price of oil to establish when ACI occurs.

For all these reasons, the County's **sole** "consideration" for establishing 15-year CUP terms – the Baker & O'Brien study – is fundamentally flawed, inapplicable, and does not support these arbitrary proposed terms.

Finally, separate from the flawed and irrelevant Baker & O'Brien study, the County has not identified any public health or safety reason to support the 15-year limits on new discretionary permits for oil and gas operations. While zoning and other land use controls may be a legitimate subject for legislative consideration under the police power, they must be "reasonable in object and not arbitrary in operation." (La Mesa v. Tweed & Gambrell Planning Mill (1956) 146 Cal.App.2d 762, 768.) Thus, the police power is not "illimitable and the marking and measuring of the extent of its exercise and application is determined by a consideration of the question of whether or not any invocation of that power . . . is reasonably necessary to promote the public health, safety, morals or general welfare of the people of a community." (Miller v. Board of Public Works (1925) 195 Cal. 477, 484; accord Griffin Dev. Co. v. City of Oxnard (1985) 39 Cal.3d 256, 272.)

However, the proposed term limits are not "reasonably necessary" to promote public health, safety, and general welfare of residents in the County. Indeed, the Planning Commission has not cited any studies demonstrating any negative public health or safety effects that would be resolved by these term limits. Instead, the sole reason the Planning Commission has proposed these term limits is because the Board of Supervisors directed the Resource Management Agency in November 2020 to "return to the Board with draft amendments to the NCZO and CZO addressing . . . limit[ing] new discretionary permits for oil and gas operations to 15 years." (Staff Report at p. 1.)



But the Board of Supervisors' directive was not tied to any public health or safety concern that would be resolved by these arbitrary limits.

III. Increased Surety and Insurance Requirements Will Phase Out Production

The proposed Zoning Amendments also substantially increase oil and gas bonding and insurance requirements. The County proposes three types of increased bonding requirements. First, the proposed Zoning Amendments impose Surface Restoration Surety requirements ranging from \$100,000 - \$10,000,000 depending on the number of wells (exclusive of properly abandoned wells). Second, the County has recommended Well Abandonment Sureties to reflect the alleged likelihood that some wells will be orphaned and to address the alleged impacts of orphaned wells. The proposed surety amount is \$36,000 per well not to exceed \$5 million for any single operator. Third, the County has recommended that operators provide a supplemental bond of \$15,000 for each Long-term Idle Well (not to exceed \$5 million for any individual operator) that has been idle for 15 years or more. However, as discussed below, these requirements will render oil and gas operations financially infeasible within the County, lack factual support, and are preempted by state law.

In addition, the County has proposed significantly increased insurance requirements without even attempting to estimate the costs for these insurance premiums. Taken together, the costs associated with the bonding and insurance requirements will make it impossible to continue operations in the County.

A. Surface Restoration Surety

The County has increased surety amounts to levels that would render oil and gas operations in the County financially infeasible, such that operators would have no choice but to end their operations. Currently, both the NCZO and CZO (Sections 8107-5.6.5 and 8175-5.7.8(e), respectively), state that "...a bond or other security in the penal amount of not less than \$10,000.00 for each well that is drilled or to be drilled. Any operator may, in lieu of filing such a security for each well drilled, redrilled, produced or maintained, file a security in the penal amount of not less than \$10,000.00 to cover all operations conducted in the County of Ventura..." Now, the County has proposed significantly increased Surface Restoration Sureties based on the number of wells, excluding properly abandoned wells, as set forth below:



Table 1 - Surface Restoration Surety Categories

Total Number of Active/Idle Wells per Operator	Number of Operators	Proposed Surface Restoration Surety \$100,000 \$185,000 \$300,000 \$500,000 \$1 million \$3 million \$5 million \$10 million		
1-5	8			
6-10	4			
11-20	4			
21-50	5			
51-100	1			
101-200	0			
201-400	0			
≥401	3			

Source: Staff Report at p. 9.

As discussed in the attached statement of Bart LeFevre, CalNRG would be required to pay the entire amount of the proposed \$10 million surety (along with another \$10 million for the well abandonment sureties) in collateral to the underwriting firm, which is prohibitively expensive and not financially feasible.

B. Well Abandonment Surety

The County has also created a new Well Abandonment Surety to ensure that sufficient funds exist for the operators' wells to be properly plugged and abandoned. According to the Staff Report, "staff is recommending a Well Abandonment Surety of \$36,000 per well, not to exceed \$5 million for any individual operator, which is approximately 25 percent of the estimated costs of closure per well (i.e., \$143,300 multiplied by 0.25)." (Staff Report at 15.) This new surety will compound the financial effects of the increased Surface Restoration Sureties.

Critically, the County's justification for the proposed Well Abandonment Surety is devoid of factual support. For example, the County contends that this surety "reflect[s] the likelihood that some wells in unincorporated Ventura County will be orphaned and that the State will lack adequate resources to properly and timely plug and abandon them." (Staff Report at p. 10.) Likewise, the County states that "staff is recommending this surety to address the negative impacts that orphaned wells pose to the environment, human health and safety, and the potential impairment of subsequent use or redevelopment of the affected land." (*Ibid.*) And yet the County simultaneously concedes that "orphan wells must be formally identified by CalGEM, and *none have yet been formally identified in the County.*" (*Id.* at p. 3.) Given that CalGEM has not identified a *single* orphaned well in the County, the Planning Commission has *zero* factual support for its contention that a Well Abandonment Surety is necessary to address alleged impacts associated with orphaned wells. Thus, the proposed Well Abandonment Surety is wholly unsupported by any evidence.



C. Long-Term Idle Well Abandonment Supplement Surety

The Planning Commission is also recommending a requirement that operators provide a supplemental bond of \$15,000 for each Long-term Idle Well (not to exceed \$5 million for any individual operator) that has been idle for 15 years or more. Again, this new surety in combination with the Surface Restoration Surety and Well Abandonment Surety will significantly increase the cost of operating in Ventura County by millions of dollars such that it is no longer financially feasible to operate in the County. While the County claims that these various sureties are intended to address purported environmental risks posed by orphaned and idled wells, the County offers no evidence to support those contentions. Instead, the County's feigned concerns are just a pretense to penalize an industry that has contributed millions of dollars to the local and state tax base and phase out oil and gas production in the County solely due to political reasons. But the County's attempts to end production in the County through the proposed Zoning Amendments are not in touch with the will of the electorate, which soundly rejected the County's previously proposed Zoning Amendments.

D. Surety Requirements are Preempted

The County's efforts to increase surety requirements are also preempted because they duplicate and enter an area that is fully occupied by state law, and they frustrate a statutory purpose of increasing the ultimate recovery of hydrocarbons.

Local legislation conflicts with state law where it "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." (Sherwin-Williams Co. v. City of L.A. (1993) 4 Cal.4th 893, 898.) Local legislation conflicts with state law where it "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." (Id. at 897.) Local legislation is "duplicative" when it is coextensive of state law. (Ibid.) In addition, legislation enters an area that is "fully occupied" by state law when the legislature expressly or impliedly manifested an intent to occupy the area. (Ibid.)

Here, state law already regulates areas of law that the proposed Zoning Amendments attempt to regulate. For example, with respect to the Surface Restoration Sureties, the restoration of oil and gas sites is thoroughly regulated and enforced by CalGEM through California Code of Regulations, title 14, section 1776. That state regulation requires well sites to be returned to as near a natural state as practicable within 60 days of plugging and abandonment of any oil well. Section 1776 also contains specific restoration requirements, including the plugging of any holes, removal of ground pipelines, debris, and other facilities and equipment, closing of sumps, and mitigation of slope conditions.

In addition, regardless of the Well Abandonment Surety and Idle Well Abandonment Supplement Surety, Public Resources Code section 3206.1 already mandated CalGEM to review, evaluate, and update its regulations pertaining to idle wells. These regulations implement new



testing requirements for idle wells and provide specific parameters for testing. (Cal. Code Regs., tit. 14 §§ 1772.1, 1772.1.4.) The regulations provide a 6-year compliance period for testing wells idle as of April 1, 2019 and a Testing Waiver Plan for those wells that an operator commits to plugging and abandoning within eight years. (*Id.*, § 1772.2.) Operators are also required to submit an idle well inventory and evaluation for each of their idle wells. (*Id.*, § 1772.) The regulations also provide requirements for monitoring and mitigating inaccessible idle wells, a regulatory definition for partially plugging idle wells, and requirements for operators to submit a 15-Year Engineering Analysis for each idle well idle for 15 years or more. (*Id.*, §§ 1722.1.2, 1772.4.)

These comprehensive requirements evidence a clear intent by the state to uniformly regulate the restoration of oil and gas sites, including the plugging and abandonment concerns addressed by the Well Abandonment Surety. The County's attempt to regulate these activities enters an area fully occupied by state law and is therefore preempted. (Sherwin-Williams, supra, 4 Cal.4th at 989.)

Furthermore, these sureties are preempted because they "duplicate" "an area fully occupied by general law, either expressly or by legislative implication." (*Sherwin-Williams*, *supra*, 4 Cal.4th at 897.) Indeed, the Staff Report notes that "[p]ursuant to Assembly Bill (AB) 2729 (2016), several new bonding and fee payment provisions were created to address the State's liability to properly plug and abandon wells that are orphaned by operator bankruptcy or failure to act." (Staff Report at p. 5.) For example, AB 2729 already requires:

- 1. Updated bond requirements for operators when they drill, re-drill, deepen, or permanently alter any well or any operator acquires a well.
- 2. Bonds intended to address the state's liability to properly plug and abandon wells that are orphaned by operator bankruptcy or failure to act.
- 3. Operators must file a \$25,000 bond with CalGEM for a well less than 10,000 feet deep and \$40,000 for each well that is greater than or equal to 10,000 feet deep; alternatively, an operator can file a blanket indemnity bond based on the number of wells they own (ranging from \$200,000 for 50 or fewer wells and \$3 million for more than 10,000 wells).
- 4. Idle well fees, which increase based on the length of time a well is idle (ranging from \$150 for 3-7 years idle to \$1,500 for 20 or more years idle).
- 5. An operator of an idle well must pay an annual fee or file an Idle Well Management Plan, which outlines the operator's plan to manage and eliminate (i.e., either plug and abandon or bring back into production) their idle wells. Idle well fees are paid into the Hazardous and



Idle-Deserted Well Abandonment Fund, which CalGEM uses to plug and abandon orphan wells and plug and/or decommission hazardous wells or production facilities.

In addition, AB 1057 (2019) authorizes CalGEM to require an operator filing an individual or blanket indemnity bond to provide an additional amount of security based on CalGEM's evaluation of various risks. The amount cannot exceed the lesser of CalGEM's estimate of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities, or \$30,000,000.

Furthermore, SB 84 (2021) revises and enhances the legislative reporting requirements of CalGEM's idle oil and gas well program. It also requires CalGEM's Supervisor to provide the Legislature with a report detailing the process used by the state to determine that the current operator of a deserted well does not have the financial resources to fully cover the cost of plugging and abandoning the well or the decommissioning of deserted production facilities.

In addition, the Ventura County Air Pollution Control District has extensive rules regarding the methane and other air quality concerns that the County purportedly seeks to address by its new surety requirements. (See, e.g., Ventura County APCD, Rules 71.1, 74.16.) "The Legislature has designated regional air pollution districts as the primary enforcers of air quality regulations." (So. Cal. Gas Co. v. So. Coast Air Quality Mgmt. Dist. (2012) 200 Cal.App.4th 251, 269.) And in fact, these rules are actively implemented and enforced by the APCD. The County lacks the statutory authority or justification to impose unnecessary surety requirements that are intended to address issues that the Legislature has already delegated to other agencies.

All of these statutory provisions demonstrate that the County's attempts to impose increased sureties are duplicative of bonding and related requirements already enacted by the Legislature. Accordingly, they are preempted as duplicative of state law. (Sherwin-Williams, supra, 4 Cal.4th at 897.) The Staff Report asserts, based on an unsupported citation to a "[p]ersonal communication" with the State Oil and Gas Supervisor, that these requirements are supported by CalGEM and within the County's jurisdictional authority. Even if these assertions were reasonable interpretations of whatever communication occurred (which seems unlikely), the jurisdictional authority of CalGEM to regulate oil and gas operations is set by statute, and cannot be disavowed by the agency. The Legislature has set in place a detailed statutory regime, as clarified by more detailed regulations adopted by CalGEM, and the County cannot impose duplicative requirements that lack any rational nexus to local concerns that are within the County's authority.

Finally, since these sureties will have the effect of phasing out oil and gas production in the County – which is an activity that a "statute or statutory scheme seeks to promote," they impermissibly "frustrate[] the statute's purpose" and are therefore preempted. (Great W. Shows, Inc. v. Cnty. of L.A. (2002) 27 Cal.4th 853, 867–870.) Indeed, California law vests complete authority in CalGEM to "supervise the drilling, operation, maintenance, and abandonment of wells so as to permit owners or operators of wells to utilize all methods and practices known to the oil



industry for the purpose of increasing the ultimate recovery of underground hydrocarbons and which, in the opinion of the supervisor, are suitable for this purpose in each proposed case." (Pub. Res. Code §3106, subd. (b).) Rather than "increase[e] the ultimate recovery of underground hydrocarbons," the proposed sureties will have the opposite effect, and therefore frustrate the purpose of Public Resources Code section 3106. And by making continued oil operations prohibitively expensive in Ventura County, the County will only make it difficult or impossible for operators to continue the aggressive well abandonment schedule that has been effectively encouraged by CalGEM's regulations.

E. Insurance Requirements

The current versions of the NCZO and CZO (Section 8107- 5.6.12 and 8175-5.7.8(l), respectively), require that "the permittee shall maintain for the life of the permit, liability insurance of not less than \$500,000 for one person and \$1,000,000 for all persons and \$2,000,000 for property damage. This requirement does not preclude the permittee from being self-insured." Now, the County has proposed increasing these requirements as follows:

- General Liability for Oil & Gas Businesses: General Liability, with at least \$2,000,000 each occurrence and \$4,000,000 general aggregate;
- Environmental Impairment: Pollution Liability Policy with coverage not less than \$10,000,000.
- Control of Well: (initial drill or well modification) coverage of a minimum of \$10,000,000 per occurrence.
- Excess (or umbrella) Liability Insurance: providing excess coverage for each of the perils
 insured by the preceding insurance policies with a minimum limit of \$25,000,000.

According to the County, these increases are "required to address potential operator liabilities and environmental damage arising from oil and gas operations." (Staff Report at p. 6.) And yet the County does not cite any evidence to support its assumption that "operator liabilities" and "environmental damage" allegedly associated with operations have substantially changed such that increased insurance requirements area now warranted.

Moreover, the County incorrectly contends that it is within its police power to increase these insurance requirements because they "would not alter or otherwise impair an operator's ability to produce oil and conduct its operations under its existing CUPs." Not true. The increased insurance and bonding requirements will render oil and gas operations in the County financially infeasible such that operators like CalNRG can no longer "produce oil and conduct . . . operations" under existing CUPs. Quite tellingly, the County does not even attempt to analyze or consider the costs of



premiums associated with these increased insurance requirements; instead, the County erroneously contends that "it is not possible to provide accurate cost estimates for insurance premiums."

These proposed amendments are grossly disproportionate to any practical need or justification. Accordingly, CalNRG requests that the Planning Commission withdraw its recommended actions that the Board of Supervisors adopt the proposed Zoning Amendments. To the extent that the County can identify an actual need to pursue these issues, CalNRG also requests that the Commission direct County staff to engage in a meaningful constructive dialogue with the local oil and gas industry and to return with provisions that have some legal and factual support. As currently written, not only are the proposed Zoning Amendments unlawful, they also contradict the will of the very people who elected the Board of Supervisors into office. The electorate spoke on the June 2022 ballot – the County should listen to its voters, not turn its back on them.

Sincerely,

Clif Simonson

President & COO

ATTACHMENT



Statement by Bart LeFevre

I am the Co-Founder, President and CEO of INpower Global Insurance Services, a specialty insurance brokerage & risk management firm, established in 2008. I have over 25 years of experience in the insurance brokerage industry, providing loss mitigation and risk management services to companies in the areas of commercial real estate, marine/energy, alternative energy, transportation and manufacturing.

I have reviewed the requirements for surety and insurance coverages that are proposed in the zoning amendments for consideration by the Ventura County Planning Commission on July 28, 2022. Based on my experience in procuring surety bonds and insurance policies for oil and gas companies throughout California, including in Ventura County, the required surety and insurance coverages will be prohibitively expensive for the majority of independent oil and gas companies currently operating in Ventura County.

The hostile political and regulatory environment in California has also made it more difficult to find carriers that would be willing to issue bonds and insurance products for oil development activities. As a result, we are also seeing unprecedented pricing increases and diminished capacity.

Even if an insurers' underwriting department approves a bond that would satisfy the proposed zoning amendments, the operator would likely need to provide 100% collateral in order to satisfy the underwriting requirements. This amount of collateral is not feasible for most operators in the County, especially independent operators.

The proposed amendments also do not specify whether a surety bond can be cancellable. When a surety bond is not cancellable, underwriters are extremely reluctant to issue a bond.

Sincerely,

Bart LeFevre

Chief Executive Officer

Bart J. L. Ferre

From:

Sussman, Shelley

To:

Zendejas, Daniela; Juachon, Luz

Subject: Date: FW: Agenda Item7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Wednesday, July 27, 2022 3:32:51 PM

Please add to exhibit

Thx/sms

From: rawitt@verizon.net <rawitt@verizon.net>

Sent: Wednesday, July 27, 2022 3:29 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Subject: Agenda Item7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry

Accountable

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Subject: Agenda Item7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commissioners,

My name is Rose Ann Witt. I am a 28-year Ventura County resident. My house sits just 2 lots beyond hillsides scorched black by the Woolsey Fire which forced me, and 295,000 of my VC neighbors, to evacuate our homes in 2018. I am also writing as the parent of a child who struggles to breathe due to petroleum-pollution-triggered asthma. I hold a degree in biology and understand both the magnitude and terrifying consequences of the climate and ecological breakdown we currently face as a result of our continued fossil fuel dependence. I support strengthening the proposed amendments to the Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance related to oil and gas operations in Ventura County.

As you may or may not know, *ours is the fastest-heating county in the continental United States.* Ventura County's average temperature has already soared 4.7 degrees. By 2040, it's expected to rise by 2-3 degrees more along our coast and 3-5 degrees more inland — heat that fuels our recurring wildfire nightmare and puts our families on the frontlines of ongoing, escalating Climate Catastrophe. The more fossil fuels burned, the hotter it gets; the hotter it gets, the drier it gets; the drier it gets, the more flammable it gets.

The Intergovernmental Panel on Climate Change (IPCC) warned over three years ago that preventing an overshoot of 1.5°C of Global Heating, and the most catastrophic impacts of Climate Breakdown (including the devastating heat, drought and wildfires already plaguing our county), requires massive cuts in the use of coal, oil and fossil (aka "natural") gas. IPCC's report makes it absolutely clear that in a world where clean energy renewables are not only available but also less expensive

than traditional polluting counterparts, fossil fuel energy is not worth its health, safety, and climate justice impacts and is *incompatible* with our county, national, and global climate goals. The International Energy Agency further warned that *meeting those* goals requires no new fossil fuel investment beginning **last year**. That means that you, and people in agencies like yours, at every level of government, must prohibit or at least minimize any additional fossil fuel infrastructure ... not at some later date, but starting **right now!** (IEA further explained that doing so would result in tremendous benefits by creating 30 million new jobs, preventing 2.5 million deaths every year, and adding 0.4% to annual, global GDP growth.)

Part Two of IPCC's Sixth Assessment Report, Climate Change 2022: Impacts, Adaptation and Vulnerability (https://www.ipcc.ch/report/sixth-assessment-report-working-group-ii/), released on 2/28/22, made clear, again, that everything we value is riding on ambitious and immediate Climate Action. The International scientific community warns that the world's window for cutting greenhouse gas pollution, and our capacity to adapt to resulting impacts, is rapidly narrowing and will quickly reach "hard limits" beyond which adaptation becomes impossible.

Allowing global average temperatures to rise above 1.5C, in line with current trends, will result in *irreversible impacts and the amplification of unstoppable and self-reinforcing feedback loops* forcing escalating Climate Breakdown. As retired U.S. Army Colonel Lawrence Wilkerson, who served as Colin Powell's chief of staff during the Iraq war, put it, "If you look at that [technical] section [of that IPCC report], you can conclude that you do not *want* to live in a 1.5 degree world, you probably *can't* live in a 2 degree world, and we are very likely *headed* for a 3 or4 degree world." (https://www.youtube.com/watch?v=BMGBSN6RmRQ)

From record-breaking heatwaves, to prolonged water scarcity, to intensely destructive fast-moving wildfires, to the most recent IPCC reports – we know beyond doubt that the time for small, incremental action is over. State and federal action has been, and continues to be inadequate. Local governments must pursue every opportunity available to protect our residents and our economies.

Droughts and floods are already pummeling U.S. farm productivity; local farmers are warning that the former will mean the end of our two billion dollar farming economy within the next decade if change doesn't come soon. Without immediate, rapid, large-scale fossil fuel cuts now, Americans can expect: heatwaves too hot to grow food and work outside, vitamin and mineral-deficient fruits and vegetables, 10-25% lower crop yields for every extra degree of heating, and 30% less usable farm and pasture.

IPCC also warns the extent of losses and damages will escalate with every additional increment of Global Heating and lists the mounting dangers to people, wildlife, ecosystems and economies in the million & billions of people at risk, and the potential damages in the trillions of dollars. How many people die from heat waves, disease, extreme weather, air pollution and starvation due to Global Heating depends on how much heat-trapping coal, oil and natural gas decision-makers like yourselves allow to be burned from today forward.

United Nations Secretary General Antonio Guterres described the February IPCC

report as "an atlas of human suffering and a damning indictment of failed climate leadership," declaring, "Nearly half of humanity is living in the danger zone – now. Many ecosystems are at the point of no return – now. Unchecked carbon pollution is forcing the world's most vulnerable on a frog march to destruction – now." (https://www.youtube.com/watch?v=8-yfYxtZ9zQ)

Scientists are calling ever more loudly for urgent and ambitious action; current progress is both inadequate and far too slow at every level of government. February's IPCC report makes absolutely clear that local, state, federal and global leaders cannot afford to squander humanity's diminishing opportunity to reverse Climate Catastrophe. There is no time left to lose.

In addition to the climate impacts of extracting and burning fossil fuels, idle, orphaned and improperly abandoned oil and gas wells can also contaminate air and drinking water aquifers through hazardous releases of poisons like arsenic, chromium and lead, and of explosive gases leaking from both the casings and the pipes that connect to them ... including methane, which is a super-potent, climate-warming greenhouse gas. (Methane, the main component of "natural" gas, is 104 times more potent than carbon dioxide (CO2) at heating our atmosphere over a 10-year period -- the timeframe in which scientists warn we must cut greenhouse gas pollution 43% to have any hope of limiting Global Heating sufficiently to avoid the dire impacts detailed in IPCC's latest reports.) People who live within a mile of these oil and gas wells also face exposure to cancer-causing toxins like benzene and formaldehyde.

Reducing exposure to oil and gas activities, by reducing and phasing out oil and gas production and use, is necessary to save lives and improve health through better air quality and enhanced local food security, sustain Ventura County's productivity through lowered heat stress, and help preserve our county's overall well-being and prosperity.

The fact that current oil and gas bonding, both onshore and off, is woefully inadequate to meet the expected costs of remediation essential to ensuring these outcomes poses a grave threat to both our residents' physical and our government's fiscal health.

Inadequate bonding lets oil and gas companies dump the liabilities of unproductive wells on taxpayers ... taking Ventura County's public resources, monetizing them for private profit, and saddling residents with both astronomical health and safety risks and cleanup costs for industry's air, water and climate pollution.

I therefore urge you to make the amendments proposed under Agenda Item 7A even stronger, by modifying them in accordance with the recommendations proposed by Los Padres Forest Watch and the Climate First: Replacing Oil and Gas:

- 1. Limit permit expiration to 10 years.
- 2. Limit the number of wells on individual permits and adopt a "one-for-one" policy.
- 3. Increase the surety cap beyond \$5 million to ensure that all wells are properly abandoned.

Please protect our county's communities, air, water, wildlife, climate, and economic prosperity by incorporating the above-noted suggestions into your resolution.

Sincerely,

Rose Ann Witt

From:

Sussman, Shelley

To:

Juachon, Luz; Zendejas, Daniela

Subject:

FW: WSPA Comment on Agenda Item 7.A. Amendments to Zoning Ordinance

Date:

Wednesday, July 27, 2022 3:35:16 PM

Attachments:

image001.png

WSPA Comments - Planning Commission Agenda Item No. 7 - Proposed Coastal and Non-Coastal Zoning

Ordinance Amendments (7-27-22).pdf

Hi Daniela,

This should be the last one. Posted sent at 3:30.

Shelley

From: Ben Oakley <bookley@wspa.org>
Sent: Wednesday, July 27, 2022 3:30 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org> **Cc:** Sophie Ellinghouse <sellinghouse@wspa.org>

Subject: WSPA Comment on Agenda Item 7.A. Amendments to Zoning Ordinance

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Ms. Sussman, please see the attached letter regarding agenda item 7 for tomorrow's hearing.

Ben Oakley

Manager, California Coastal Region



C 805.714.6973 boakley@wspa.org



Ben Oakley

Manager, California Coastal Region

VIA ELECTRONIC MAIL

July 27, 2022

Shelley Sussman
Planning Commission of Ventura County
800 South Victoria Avenue
Ventura, CA 93009
Shelley.Sussman@ventura.org

Re: Planning Commission Agenda Item No. 7 – Proposed Coastal and Non-Coastal Zoning Ordinance Amendments

Dear Members of the Ventura County Planning Commission:

The Western States Petroleum Association ("WSPA") appreciates this opportunity to provide comments on the proposed amendments to the Non-Coastal Zoning Ordinance ("NCZO") section 8107-5 and Coastal Zoning Ordinance ("CZO") section 8175-5 (collectively, "Zoning Amendments"). WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas, and other energy supplies in California and four other western states. The industry contributes \$152 billion every year in economic activity and directly contributes \$21.6 billion in local, state, and federal tax revenue to support schools, roads, public safety, and other vital services. More specifically, in Ventura County alone, the oil and gas industry contributes over \$56 million in state and local tax revenue annually.

On July 28, 2022, the Planning Commission will hold a public hearing to consider recommending that the County Board of Supervisors adopt the proposed Zoning Amendments. The proposed Zoning Amendments limit new discretionary permits for oil and gas operations to 15-years and significantly increase surety and insurance requirements. These proposed amendments will render oil and gas operations in the County financially infeasible such that companies will be forced to shut down their operations.

Ventura County voters have already spoken on the County's unlawful attempts to phase out oil and gas production in the state through amending the CZO and NCZO. In rejecting Measures A & B on the June 7, 2022 ballot – which sought to repeal the County's adoption of restrictive amendments to the CZO and NCZO that would have radically disregarded property rights held by oil and gas operators and mineral rights owners throughout the County – Ventura

County voters sent a clear message: stop trying to shut down the most highly regulated oil and gas production activities in the nation.

By rejecting Measures A & B, voters blocked the dangerous policies that would have arbitrarily shut down local production, eliminated thousands of local jobs and tens of millions in tax revenues, and led to an even greater dependence on unstable and costly foreign oil for everyday energy needs. The California Geologic Energy Management Division ("CalGEM") has recognized that "alternatives that would increase the importation of oil into California <u>would lead to higher global [greenhouse gas ("GHG")] emissions</u> because California imposes GHG-reduction requirements on oil and gas production that do not exist in the countries and states that would have to supply any imported oil and gas needed to make up for the reductions in domestic production that would occur under those action alternatives."¹

The results of the June 7 election show that the County's efforts to eliminate local energy production are wildly out of step with a broad, bipartisan coalition of Ventura County voters.

Nevertheless, the County has persisted in its attack on local oil and gas production with the newly proposed Zoning Amendments. But County officials cannot turn their backs on the very people who elected them to office. Accordingly, for the reasons detailed below, we urge the Planning Commission not to move forward with recommending the adoption of the proposed Zoning Amendments to the Board.

I. Increased Surety Requirements

The proposed Zoning Amendments significantly increase oil and gas bonding requirements to levels that would render operations within the County financially infeasible. These increases come in the form of Surface Restoration Sureties, Well Abandonment Sureties, and Long-Term Idle Well Abandonment Supplement Sureties.

A. Surface Restoration Surety

According to the County, the proposed Surface Restoration Sureties are intended to "establish funds for surface demolition, removal of structures and equipment, and restoration/remediation of both well sites and related facilities if the operator does not fulfill these requirements at the end of its permitted operations. Surface infrastructure associated with oil and gas operations can include large pieces of equipment and significant development, including but not limited to storage tanks, water treatment systems, gas separation and

¹ See CalGEM, Well Stimulation Environmental Impact Report (June 2015) ("WST EIR"), at C.2-66, available at https://www.conservation.ca.gov/calgem/Pages/SB4 Final EIR.aspx (select "Access SB4 EIR").

treatment systems, waste storage areas, pipelines, and appurtenant infrastructure." (Staff Report at p. 8.)

Currently, both the NCZO and CZO (Sections 8107-5.6.5 and 8175-5.7.8(e), respectively), state that "...a bond or other security in the penal amount of not less than \$10,000.00 for each well that is drilled or to be drilled. Any operator may, in lieu of filing such a security for each well drilled, redrilled, produced or maintained, file a security in the penal amount of not less than \$10,000.00 to cover all operations conducted in the County of Ventura..." Now, the County has proposed significantly increased Surface Restoration Sureties based on the number of wells, excluding properly abandoned wells, ranging for \$100,000.00 for 1-5 active/idle wells to \$10 million for over 401 active/idle wells. (*Id.* at p. 9.) According to the County, three operators would qualify for the \$10 million surface restoration surety.

The County justifies these astronomical increases of 1 to 4 *orders* of magnitude, based on "information" from Catalyst (Exhibit 6 to Staff Report), which estimates unit costs for removal of physical infrastructure and equipment. Notably, the Catalyst report does not identify the source of information or basis for these estimates. Nevertheless, the costs for this surety, which can reach \$10 million, will render oil and gas operations in the County financially infeasible.

B. Well Abandonment Surety

The County has also created a new Well Abandonment Surety to ensure that sufficient funds exist for the operators' wells to be properly plugged and abandoned. According to the Staff Report, "staff is recommending a Well Abandonment Surety of \$36,000 per well, not to exceed \$5 million for any individual operator, which is approximately 25 percent of the estimated costs of closure per well (i.e., \$143,300 multiplied by 0.25)." (Staff Report at 15.) This new Well Abandonment Surety is *in addition to* required bonds and annual fees operators already pay the state to address plugging and abandonment of orphan wells, including those identified on page 5 of the Staff Report and Exhibit 5 thereto.

Notably, the Well Abandonment Surety is preempted by state law. Local legislation conflicts with state law where it "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." (Sherwin-Williams Co. v. City of L.A. (1993) 4 Cal.4th 893, 898.) Local legislation enters an area that is "fully occupied" by state law when the legislature expressly or impliedly manifests an intent to occupy the area. (Ibid.)

Here, the restoration of oil and gas sites is thoroughly regulated and enforced by CalGEM through the California Code of Regulations, title 14, section 1776. That state regulation requires well sites to be returned to as near a natural state as practicable within 60 days of

plugging and abandonment of any oil well. Section 1776 also contains specific restoration requirements, including the plugging of any holes, removal of ground pipelines, debris, and other facilities and equipment, closing of sumps, and mitigation of slope conditions. These comprehensive requirements evidence a clear intent by the state to uniformly regulate the restoration of oil and gas sites, including the plugging and abandonment concerns addressed by the Well Abandonment Surety.

The County's attempt to regulate these activities enters an area fully occupied by state law and is therefore preempted. (Sherwin-Williams, supra, 4 Cal.4th at 989.) While the County cites Public Resources Code section 3205.3(c)(8) for the proposition that local governments may require their own well abandonment sureties, that section only references CalGEM's obligation in evaluating abandonment risks to consider "whether the operator's well or wells are subject to any bonding or financial assurance requirements by a local government" generally, and make no specific reference to bonding or financial assurance requirements related to the alleged issues the Well Abandonment Surety attempts to address, i.e., proper plugging, abandonment, and decommissioning. (Staff Report at p. 10.) The Well Abandonment Surety also enters an area that is already fully occupied by state law since CalGEM has exclusive jurisdiction over plugging and abandonment of wells (Cal. Code Regs., tit. 14 § 1723) and issuing plugging and abandonment orders.

Finally, the proposed Well Abandonment Surety is unsupported by any evidence. The Staff Report states that "Planning Staff is recommending that a separate Well Abandonment Surety be required to reflect the likelihood that some wells unincorporated Ventura County will be orphaned and that the State will lack adequate resources to properly and timely plug and abandon them . . ." (Staff Report at p. 10.) And yet the County acknowledges that "orphan wells must be formally identified by CalGEM, and <u>none have yet been formally identified in the County</u>." (Id. at p. 3.) Since CalGEM has not identified <u>any</u> orphaned wells in the County, the Planning Commission's proposed Well Abandonment Surety is based on pure conjecture, rather than a reasonable basis in fact.

C. Long-Term Idle Well Abandonment Surety

Finally, the County is recommending a Long-Term Idle Well Abandonment to address the "Board's direction to encourage the timely plugging and abandoning of long-term idle wells that have been idle for 15 years or more." (Staff Report at p. 15.) If adopted, operators would be required to provide a supplemental bond of \$15,000 for each Long-Term Idle Well (not to exceed \$5 million for any individual operator) that has been idle for 15 years or more. The County has recommended this surety even though (1) several state laws already address plugging and abandonment of wells (e.g., Cal. Code Regs., tit. 14 §§ 1723, 1723.1, 1723.7, 1723.8, 1722.8, 1722.1.1) (2) CalGEM has jurisdiction over plugging and abandonment of wells

(Cal. Code Regs., tit. 14 § 1723) and issuing plugging and abandonment orders, and (3) operators of idle wells are required to either pay annual fees to the State for each idle well or file an Idle Well Management Plan, which outlines and operator's plan to manage and eliminate idle wells. (Staff Report at pp. 2, 5.) In other words, despite the extensive statutory and regulatory regime governing timely plugging and abandonment of long-term idle wells, the County proposes to impose further restrictions without consideration of how the associated costs will impact operations. And while the County notes that there are long-term idle wells in Ventura County (Staff Report at p. 7), it fails to address or acknowledge whether any of these wells have *already* been properly plugged and abandoned.

Taken together, these sureties will significantly increase the cost of operating in Ventura County by millions of dollars such that it will no longer be financially feasible to operate in the County for many operators. Indeed, the proposed Zoning Amendments frustrate the state's statutory duty "to permit owners or operators of wells to utilize all methods and practices known to the oil industry for the purpose of *increasing the ultimate recovery of underground hydrocarbons*..." (Pub. Res. Code §3106, subd. (b).) Rather than increase the ultimate recovery of hydrocarbons, the proposed Zoning Amendments will have the opposite effect by phasing out production in the County. And since the proposed Zoning Amendments will unlawfully frustrate the purpose of Public Resources Code Section 3106, they are preempted by state law. (*Great W. Shows, Inc. v. Cnty. of L.A.* (2002) 27 Cal.4th 853, 867–870 ["[W]hen a statute or statutory scheme seeks to promote a certain activity and, at the same time, permits more stringent local regulation of that activity, local regulation cannot be used to completely ban the activity or otherwise frustrate the statute's purpose."].)

II. Increased Insurance Requirements

The current versions of the NCZO and CZO (Section 8107- 5.6.12 and 8175-5.7.8(I), respectively), require that "the permittee shall maintain for the life of the permit, liability insurance of not less than \$500,000 for one person and \$1,000,000 for all persons and \$2,000,000 for property damage. This requirement does not preclude the permittee from being self-insured." Now, the County has proposed increasing these requirements as follows:

- 1. General Liability for Oil & Gas Businesses: General Liability, with at least \$2,000,000 each occurrence and \$4,000,000 general aggregate;
- 2. Environmental Impairment: Pollution Liability Policy with coverage not less than \$10,000,000.
- 3. Control of Well: (initial drill or well modification) coverage of a minimum of \$10,000,000 per occurrence.

4. Excess (or umbrella) Liability Insurance: providing excess coverage for each of the perils insured by the preceding insurance policies with a minimum limit of \$25,000,000.

The County has not cited any justification for these proposed increases, other than they are purportedly "required to address potential operator liabilities and environmental damage arising from oil and gas operations." (Staff Report at p. 6.) But the County does not cite any evidence to support its assumption that "operator liabilities" and "environmental damage" allegedly associated with operations have substantially changed such that increased insurance requirements are now warranted. Nor does the County analyze or consider the costs of premiums associated with these increased insurance premium requirements.

The proposed insurance hikes will compound the financial effects of the proposed increased surety requirements to render oil and gas operations in the County infeasible – which is contrary to the will of the electorate when they voted on Measures A and B.

III. Improper Piecemealing

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

In Laurel Heights Improvement Assoc. v. Regents of Univ. of Cal (1988) 47 Cal.3d 376, 396, the Supreme Court established the following test for illegal piecemealing: "We hold that an EIR must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project; and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects."

Here, the County committed illegal piecemealing when it certified the EIR for the 2040 General Plan that expressly omitted any consideration or analysis of the actions the County knew would be necessary to implement the General Plan's proposed oil and gas policies, i.e., the newly proposed Zoning Amendments. At the time the EIR was certified, the County committed illegal piecemealing by moving the originally proposed (and subsequently repealed)

Zoning Amendments through the County's review process, and the County has now compounded that error by proposing new Zoning Amendments that should have been analyzed in the EIR.

In addition, the newly proposed Zoning Amendments will "change the scope or nature of the initial project [the General Plan Update] or its environmental effects" by phasing out oil and gas production. (Laurel Heights, supra, 47 Cal.3d at 396.) Moreover, the County expressly recognizes that the newly proposed Zoning Amendments will have growth-inducing impacts, which the CEQA Guidelines define as "ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment." (Cal. Code Regs., tit. 14, § 15126.2(d).) Indeed, the County uses nearly identical language from the regulatory definition of "growth-inducing impacts" and states that the proposed Zoning Amendments could "foster economic growth, job creation, potentially provide for development of new housing and recreational opportunities . . . " (Staff Report at p. 24.) By definition, those are growth-inducing impacts, that were never analyzed in the EIR for the General Plan Update. As such, any approval of these Zoning Amendments cannot be considered exempt from CEQA.

IV. The Required Findings for the Proposed Zoning Amendments are Not Supported by the Evidence

The County is required to make findings in order to adopt the proposed Zoning Amendments. *First*, the County must find that the proposed Zoning Amendments would not be detrimental to the public health, safety, or general welfare. However, as discussed above, the proposed Zoning Amendments will render oil and gas operations in the County financially infeasible and thus result in the eventual phase out of these operations. However, phasing out oil and gas production in the County will result in a comparable increase in production elsewhere. Overall crude demand has held steady in California for the past 20 years, but the percent of domestic (California) production has declined due to several factors, including regulatory constraints.² Crude oil imports from Saudi Arabia, Ecuador, Columbia, Iraq, Kuwait, and Alaska have offset the decline of California production over the last two decades.³ Because California does not have any interstate pipelines that supply crude oil to the State from other states, it is isolated from the larger national petroleum network and therefore must rely on

² U.S. Energy Information Administration, Alaska Field Production of Crude Oil, Annual, 1988-2019, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=mcrfpak2&f=m (as of March 21, 2022); U.S. EIA, California Field Production of Crude Oil, Annual, 1985-2019, available at https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=MCRFPCA2&f=M.

³ California Energy Commission, Foreign Sources of Crude Oil Imports to California 2019, updated July 15, 2020, available at: https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/foreign-sources-crude-oil-imports-0.

foreign and Alaskan sources of oil that are transported by marine tankers. Any reduction in supply from the County cannot be offset by increasing imports from another state. The marine transport emits GHGs and leads to a net increase in lifecycle GHG emissions if the County adopts the proposed Zoning Amendments.⁴ The net increase in GHG emissions will be detrimental to the public health, safety, or general welfare.

Second, contrary to the County's findings, the proposed Zoning Amendments do not constitute good zoning practice. (Staff Report at pp. 23-24.) The County states that the "proposed zoning amendments also require greater amounts of financial sureties," which will purportedly "help facilitate the redevelopment and reuse of former oil and gas production sites in the unincorporated area upon cessation of oil production. This will help foster economic growth, job creation, potentially provide for development of new housing and recreational opportunities, and otherwise allow for the beneficial use of former oil facilities located in the unincorporated." (Staff Report at p. 24.) But the County's finding that this would constitute a "good zoning practice" is nonsensical.

The local oil and gas industry *already* supports over 2,000 good-paying jobs, including entry-level jobs that provide a meaningful path to the middle class for those who would otherwise be left out of the workforce or stuck in low-paying work with limited career opportunities. The local industry also contributes \$56 million dollars in local and state taxes for priorities like schools and public safety. Thus, the County conveniently overlooks the jobs that the proposed Zoning Amendments *will kill* and revenue that they will *cut* – and the devastating effects that would have on the livelihood of over 2,000 workers, as well as schools, roads, public safety and other vital services dependent on revenue from oil and gas operations – when it finds that the proposed Zoning Amendments will create jobs and foster economic growth. That is not "good zoning practice" – rather, it is an illogical step, which is out of touch with the electorate as expressed in the recent election.

Third, the County incorrectly finds that the proposed Zoning Amendments are consistent with the County General Plan. However, the Zoning Amendments conflict with the General Plan in numerous regards. For example, the proposed Zoning Amendments conflict with:

 The (1) Hazards and Safety Guiding Principles, (2) Climate Change Guiding Principles, and (3) Community Greenhouse Gas Emissions Reduction Target for 2030, 2040, and 2050 by increasing reliance on foreign oil, which will lead to increases in greenhouse gas

⁴ See, supra, fn. 1. See also Sharath Ankaathi, et al., Greenhouse gas emissions from the global transportation of crude oil (March 23, 2022) ("Oil tankers alone accounted for 13% of total maritime emissions in 2015, or 101 million metric tons.").

emissions, as a result of zoning provisions that will make it harder to produce oil and gas within the County.⁵

 The Economic Vitality Guiding Principles, which seek to foster economic and job growth, by phasing out an industry that employs over 2,000 individuals and generates tens of millions of dollars in tax revenue.

Thus, the proposed Zoning Amendments are patently inconsistent with the General Plan, and the County's findings are unsupported by evidence.

WSPA is committed to a truly sustainable energy future and empowering the future energy mix, partnering with state, local, and community leaders in civil public discourse and calling out potentially damaging policy changes such as the ones being considered here that threaten equality, economy, environment, and energy. We urge the Planning Commission not to move forward with its recommendations that the Board of Supervisors adopt the proposed Zoning Amendments.

Respectfully,

Ben Oakley

Cc: Sophie Ellinghouse, Vice President, General Counsel & Corporate Secretary (WSPA)

⁵ See, supra, fn. 1 at p. C.2-84 ("On a global scale, this switch to a greater reliance on imported fuels will lead to more GHG emissions, as those emissions will not be subject to offset requirements or caps as they would be in California."); see also, supra, fn. 4.

From:

Sussman, Shelley

To:

Zendejas, Daniela; Juachon, Luz

Subject:

FW: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Well Abandonment Surety

Date:

Wednesday, July 27, 2022 3:31:39 PM

Attachments:

Letter to VC PC NCZO proposed amendment - well abd surety 7-26-2022.pdf

Importance:

High

Please add to exhibit

From: Marc Traut <marc@renpetllc.com> Sent: Wednesday, July 27, 2022 3:28 PM

To: Sussman, Shelley < Shelley. Sussman@ventura.org >

Cc: Fogg, Mindy <Mindy.Fogg@ventura.org>; Prillhart, Kim <Kim.Prillhart@ventura.org>

Subject: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Well Abandonment Surety

Importance: High

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to Email.Security@ventura.org.

Ms. Sussman,

Please provide the attached letter to the Planning Commission in advance of tomorrow's hearing on PL21-0099. Please confirm receipt of this email.

Thanks in advance.

Marc Traut

President

Renaissance Petroleum, LLC

Renaissance Petroleum, LLC

P.O. Box 20456 Bakersfield, CA 93390-0456 Phone 661-324-9901 / Fax 661-324-9902

July 26, 2022

By: email only

Ventura County Planning Commission c/o Resource Management Agency – Planning Division 800 South Victoria Avenue Ventura CA 93009-1740

Re:

Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099

Staff Report, 7-28-2022

Project Description, Section 6.b, Well Abandonment Surety

Dear Chair McPhail, Vice-Chair Boydstun, and Commissioners Aidukas, King and Garcia,

Summary:

- 1. According to the Staff Report three operators in Ventura County are responsible for 73% of the long term idle wells ("LTIW").
- 2. CalGEM is the responsible agency for the plugging and abandonment of orphaned wells.
- 3. CalGEM is pursuing an aggressive program to manage idle wells and LTIW.
- 4. County should give CalGEM the opportunity to follow through on its idle well management plan and measure the results before imposing a Well Abandonment Surety on operators.
- 5. As crafted, the Well Abandonment Surety provides the operators with the largest number of LTIW a "discount," and penalizes operators with fewer wells. County should treat all operators equally, without providing favorable terms for the operators with the most likelihood of needing to abandon the largest number of wells.
- 6. Renaissance Petroleum (RenPet) would be impaired by the expenses associated with the new Well Abandonment Surety, and because of the impairment, RenPet would recognize the implementation of the new Well Abandonment Surety condition as a **taking**.
- 7. The County cannot justly apply NCZO Section 8111-6.2 to RenPet because none of the causes for a permit modification, suspension, or revocation has occurred. RenPet has never received a notice of violation from the County and is in full compliance with the conditions of its CUPs.
- 8. The Staff Report's cited section of the Public Resources Code ("PRC") § 3205.3(c)(8) provides the County the authorization to require sureties to help ensure that sufficient funds exist for the operators to properly plug and abandon wells. It does not, however, provide the County authorization to impose bonding; rather, it provides CalGEM the opportunity to reconsider the operator's bonding if it finds that an "operator's well or wells are subject to any bonding of financial assurance requirements by a local government." This could result in the transfer of responsibility for well abandonment from the State to the County.

Discussion:

Renaissance Petroleum, LLC ("RenPet") appreciates the concern that Planning has concerning long term idle wells ("LTIW") in Ventura County. As stated in the Staff Report, as of January 1, 2022 there were 1520 wells in Ventura County that are classified as LTIW, and Ventura County has a legitimate concern that some of these wells may become orphaned in the future. According to the Staff Report, three operators in the County are responsible for 73% of the reported LTIW within the County and that each of the operators has more than 400 LTIW.

As correctly stated in the Staff Report, it is the State through its agency CalGEM that is the responsible agency for the plugging and abandonment of orphaned wells. CalGEM recognizes the issue of orphan wells, idle wells and LTIW and is pursuing an aggressive program to require operators to formulate idle well management plans so to establish an orderly plan for the timely abandonment of idle and LTIW. Concurrently, CalGEM is mandating that operators of pay idle well fees that increase through time. The money collected from these fees is added to its hazardous and idle-deserted well abandonment fund for the support and plugging and decommissioning of hazardous or potentially hazardous wells and facilities. The Staff Report makes the general statement that "orphan wells pose increased risks to groundwater, air, and the surface environment," but it offers no examples of such cases in Ventura County, and further, CalGEM and the Staff Report state reports that there are no orphaned wells in Ventura County. It would be appropriate for the County staff to coordinate with CalGEM on the identification of idle wells within the County that pose a risk to groundwater, air, and the surface environment so that CalGEM can prioritize these wells for abandonment. The aggressive efforts being made by CalGEM to minimize idle wells and LTDIW through its idle management plan will undoubtedly decrease the number of possible orphan wells in the future. Ventura County should give CalGEM the opportunity to follow through on its idle well management plan and measure the results after a reasonable amount of time before imposing a new requirement on operators in the form of the proposed amendment creating the Well Abandonment Surety.

Nonetheless, if the Commission elects to move forward with and propose the creation of the Well Abandonment Surety, it should be aware of the conflicts and the potential financial harm that it will impose on existing operators. As proposed, the new Well Abandonment Surety will be assessed on all operators of wells within Ventura County and the Well Abandonment Surety amount is to be provided to Planning within 180 days following 60 days after approval of the proposed new ordinance. The proposed Well Abandonment Surety is to be effective on all existing and new permits with the amount of the Well Abandonment Surety being \$36,000 per well to be capped for a single operator at a total of \$5,000,000.

Planning's discussion concerning the Well Abandonment Surety amount focused on two primary assumptions. The first was that of the 1520 LTIW identified in the County, 80% of would not be returned to production and would require abandonment (i.e., closure). The second assumption was that the average cost to abandon a well in California, based on CalGEM information, was \$143,300 per well. Using the above data, Planning further made the somewhat arbitrary determination that an appropriate Well Abandonment Surety amount would be 25% of the CalGEM average abandonment cost, or \$36,000 per well.

Because the proposed new Well Abandonment Surety has a cap of \$5,000,000 for an individual operator, it effectively provides a discount to the very operators that operate the largest number of LTIW in the County. As such, the three operators that operate 73% of the reported LTIW within the County would have a Well Abandonment Surety obligation of \$12,500 per well (i.e., \$5,000,000 / 400 = \$12,500) while the remaining operators would be burdened with the full obligation of \$36,000 per well. This "conflict" is counterproductive to the objective of the proposed Well Abandonment Surety. Further, well abandonments are not widgets. Each one is unique. Hence, there are limited cases to recognize economies of scale. It is RenPet's position that the proposed Well Abandonment Surety should be either \$12,500 per well for all operators or \$36,000 per well for all operators to eliminate the obvious inconsistency with scaling the amount of the Well Abandonment Surety. Either option would be equitable, and therefore less likely to be challenged in litigation as opposed to the scaled manner in which the proposed amendment is presently drafted which offers a "discount" to the largest operators.

For a small operator such as RenPet, there are two options to fund the proposed Well Abandonment Surety. The first is to put up a cash bond in favor of Ventura County. The second is to engage a surety company to underwrite a bond. The former crimps the firm's ability to have adequate working capital to maintain a continuous safe and efficient operation for the benefit of itself and its customers, the mineral rights owners that share in the production of the resource. The latter effectively becomes a form of mortgage that must be serviced monthly. To RenPet this would represent a payment on the order of \$3000 per month based on an estimate monthly fee of 1% per month. If a Well Abandonment Surety expense is added to the other expenses that RenPet will have to bare as a result of the proposed NCZO amendments its operation, at its current level of production, becomes economically unsustainable, even at current high oil process. Lastly, RenPet has no idle wells, so from our perspective RenPet and its customers, again, mineral owners in Ventura County, are being financially punished for the inactivity of others.

Pages 6 and 7 of the Staff Report contain Planning's explanation that the County has the legal authority to impose the proposed amendments for a new Well Abandonment Surety on currently vested permits based on the County's constitutional police powers "because these requirements: (a) would not alter or otherwise impair an operator's ability to produce oil and conduct its operations under its existing CUPs; (b) these requirements protect the public health and safety by helping avoid environmental harm and nuisance-type situations from occurring later based on failure to comply with preexisting legal requirements; (c) the regulations do not expand the County's powers because the County can already modify an existing permit to protect the public health and safety and to prevent a public nuisance pursuant to NCZO Section 8111-6.2 and CZO Section 8181-10.1, subject to the same hearing and notice procedures for approval of the original permit; and (d) as described in the proposed amendment language and as required under the County's current zoning ordinances, the sureties listed below would be exonerated (i.e., released) after all regulatory requirements pertaining to proper well abandonment and site restoration have been met."

Needless to say, RenPet has a different interpretation of the County's utilization of police powers to unilaterally modify a vested land use entitlement that is operating in compliance with the terms of its conditions. Besides the fact that under (a) as provided in the paragraph above, that RenPet <u>will</u> be impaired by the expenses associated with the new Well Abandonment Surety, there is the County's stretch to apply NCZO Section 8111-6.2 for justification. NCZO Section 8111-6.2 requires that one or

more of the following causes be proved, in this case by Planning, for a permit to be modified, suspended, or revoked:

- a. That any term or condition of the permit or variance has not been complied with;
- b. That the property subject to the permit or variance, or any portion thereof, is or has been used or maintained in violation of any statute, ordinance, law or regulation;
- c. That the use for which the permit or variance was granted has not been exercised for at least
- 12 consecutive months, has ceased to exist, or has been abandoned;
- d. That the use for which the permit or variance was granted has been so exercised as to constitute a public nuisance;
- e. That the permittee has failed to pay any fees, charges, fines, or penalties associated with processing or enforcing the permit; or
- f. That the permittee has failed to comply with any enforcement requirement established in Article 14.

RenPet has never received a notice of violation from the County and is in full compliance with all of the conditions of its CUPs. Hence, the County has no legitimate legal authority to claim NCZO Section 8111-6.2 as justification for the modification and implementation of the proposed amendment for a new Well Abandonment Surety. It is RenPet's opinion that Planning is attempting to expand NCZO Section 8111-6.2 ft to the extent that oil and gas operations are a "nuisance," hence they collectively trigger NCZO Section 8111-6.2 and therefor justify the proposed amendment to the NCZO to add a Well Abandonment Surety. With the implementation of the proposed amendment to the NCZO for a new Well Abandonment Surety condition, operators are going to be punished now for a nuisance that might occur in the future. Is that good policy?

Because of the impairment to RenPet as discussed above, RenPet would recognize the implementation of the new Well Abandonment Surety condition as a <u>taking</u>.

In the body of Staff Report section 6.b addressing the Well Abandonment Surety, Planning states that Public Resources Code ("PRC") § 3205.3(c)(8) provides the County the authorization to require sureties to help ensure that sufficient funds exist for the operators to properly plug and abandon wells. The cited section of the PRC does not provide the County authorization to impose bonding, rather it provides CalGEM the opportunity to reconsider the operators bonding if it finds that an "operator's well or wells are subject to any bonding or financial assurance requirements by a local government." Simply put, the proposed Well Abandonment Surety is redundant with CalGEM's bonding requirements and the addition of the Well Abandonment Surety could result in the transfer of the abandonment liability from the Sate and CalGEM, to the County per PRC § 3205.3(c)(8). In RenPet's opinion, Planning has misinterpreted PRC § 3205.3(c)(8) and it could eventually harm the County and it is no small wonder why CalGEM Supervisor "supported the County's surety approach."

Further, the imposition of the proposed requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop the resources per the vested permits is undeniably a **taking**.

The proposed amendment to the NCZO to add a Well Abandonment Surety is poorly crafted policy. That should come as no surprise with it having its roots with former Supervisor Bennet and his quest to purge Ventura County of oil and gas operations. That crusade is his white whale.

I strongly recommend that the Commission reject the proposed amendment that includes the new Well Abandonment Surety to the NCZO Project PL21-0099. Moving it forward will only cause the County further embarrassment and legal costs, not unlike its experience with Measures A&B.

Sincerely, Mare Wade Trank

Marc Wade Traut

President

CC: Kim Prillhart, Director, Ventura County RMA, by email

From:

Sussman, Shelley

To:

Zendejas, Daniela; Juachon, Luz

Subject:

FW: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Surface Restoration Surety

Date:

Wednesday, July 27, 2022 3:28:17 PM

Attachments:

Letter to VC PC NCZO proposed amendment - surface restoration surety 7-27-2022.pdf

Importance:

High

Hi-

Please add to Exhibit.

Thanks, Shelley

From: Marc Traut <marc@renpetllc.com> Sent: Wednesday, July 27, 2022 3:24 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Cc: Fogg, Mindy <Mindy.Fogg@ventura.org>; Prillhart, Kim <Kim.Prillhart@ventura.org>

Subject: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Surface Restoration Surety

Importance: High

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to <u>Email.security@ventura.org</u>.

Ms. Sussman,

Please provide the attached letter to the Planning Commission in advance of tomorrow's hearing on PL21-0099. Please confirm receipt of this email.

Thanks in advance.

Marc Traut

President

Renaissance Petroleum, LLC

Renaissance Petroleum, LLC

P.O. Box 20456 Bakersfield, CA 93390-0456 Phone 661-324-9901 / Fax 661-324-9902

July 27, 2022

By: email only

Ventura County Planning Commission c/o Resource Management Agency – Planning Division 800 South Victoria Avenue Ventura CA 93009-1740

Re:

Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099

Staff Report, 7-28-2022

Project Description, Section 6.b, Surface Restoration Surety

Dear Chair McPhail, Vice-Chair Boydstun, and Commissioners Aidukas, King and Garcia,

Summary:

- 1. The State agency CalGEM regulates oil and operations in California.
- 2. Ventura County, through its Planning Division, regulates land use.
- 3. The Public Resources Code ("PRC") addresses the issue of idle-deserted oil and gas wells and hazardous and deserted facilities and places the cost of carrying out such abatement of these nuisances on the State's oil and gas producers.
- 4. RenPet maintains a private Well Abandonment and Drillsite and Lease Restoration account.
- 5. Even at current oil prices, with RenPet's current production level, the cost to maintain the Surface Restoration Surety increase in combination with other amendments would render RenPet's operation economically unsustainable.
- 6. RenPet challenges Ventura County's legal authority to utilize its "police powers" to amend agreed permit requirements prior to a request for a permit modification or extension.
- 7. The imposition of the proposed requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop their resources per the vested permits is undeniably a **taking**.

Discussion:

Renaissance Petroleum, LLC ("RenPet") operates the Cabrillo Oil Field located on the south side of the Oxnard Plain in Ventura County. RenPet's operations include two conditional use permits; they are CUP-4384 and CUP-5252. CUP-4384 is a one-acre drillsite that includes one well and storage and processing facilities for the Cabrillo Oil Field. CUP-5252 is a three-acre drillsite that includes eight wells. The two sites are connected by two gathering lines. RenPet appreciates the concern that Planning has concerning the surface remediation of oil and gas facilities. It was for that reason that RenPet has included a Well Abandonment and Drillsite and Lease Restoration provision in its operating agreements and contracts. Each of those accounts is currently capped at \$500,000.

Contrary to what Planning states in the subject Staff Report, Ventura County does not regulate oil and gas operations that occur above ground. Oil and gas operations are regulated by the State agency CalGEM. Ventura County, through its Planning Division, regulates land use. Further, the State's Public Resources Code ("PRC"), Division 3, Chapter 1, Article 4.3, §3205-§3262, clearly addresses the issue of idle-deserted oil and gas wells and hazardous and deserted facilities and places the cost of

carrying out such abatement of these nuisances on the State's oil and gas producers. The language as well as the responsibility is unambiguous. The proposed amendment to the NCZO to reframe the existing §8107-5.65 from Securities to Sureties for Oil and Gas Exploration and Production certainly establishes a higher surety than is currently secured by the County but it is in parallel and has the same objective as the mission of CalGEM under the PRC citation above.

With the implementation of the proposed amendment <u>Surface Restoration Surety there are two options for RenPet.</u> The first is to put up a cash bond in favor of Ventura County. The second is to engage a surety company to underwrite a bond. The former crimps the firm's ability to have adequate working capital to maintain a continuous safe and efficient operation for the benefit of itself and its customers, the mineral rights owners that share in the production of the resource. The latter effectively becomes a form of mortgage that must be serviced monthly. To RenPet this would represent a payment on the order of ~\$2000 per month based on an estimate monthly fee of 1% per month. If a <u>Surface Restoration Surety</u> expense is added to the other expenses that RenPet will have to bear as a result of the proposed NCZO amendments, at current level of production, its operation becomes economically unsustainable, even at current high oil process. Lastly, RenPet already has a private Well Abandonment and Drillsite and Lease Restoration account to fund the proposed end of operation surface remediation.

Pages 6 and 7 of the Staff Report contain Planning's explanation that the County has the legal authority to impose the proposed amendments for a Surface Restoration Surety on currently vested permits based on the County's constitutional police powers "because these requirements: (a) would not alter or otherwise impair an operator's ability to produce oil and conduct its operations under its existing CUPs; (b) these requirements protect the public health and safety by helping avoid environmental harm and nuisance-type situations from occurring later based on failure to comply with preexisting legal requirements; (c) the regulations do not expand the County's powers because the County can already modify an existing permit to protect the public health and safety and to prevent a public nuisance pursuant to NCZO Section 8111-6.2 and CZO Section 8181-10.1, subject to the same hearing and notice procedures for approval of the original permit; and (d) as described in the proposed amendment language and as required under the County's current zoning ordinances, the sureties listed below would be exonerated (i.e., released) after all regulatory requirements pertaining to proper well abandonment and site restoration have been met."

Needless to say, RenPet has a different interpretation of the County's utilization of police powers to unilaterally modify a vested land use entitlement that is operating in compliance with the terms of its conditions. Besides the fact that under (a) as provided in the paragraph above, that RenPet <u>will</u> be impaired by the expenses associated with the new Surface Restoration Surety, there is the County's stretch to apply NCZO Section 8111-6.2 for justification. NCZO Section 8111-6.2 requires that one or more of the following causes be proved, in this case by Planning, for a permit to be modified, suspended, or revoked:

- a. That any term or condition of the permit or variance has not been complied with;
- b. That the property subject to the permit or variance, or any portion thereof, is or has been used or maintained in violation of any statute, ordinance, law or regulation;
- c. That the use for which the permit or variance was granted has not been exercised for at least 12 consecutive months, has ceased to exist, or has been abandoned;
- d. That the use for which the permit or variance was granted has been so exercised as to constitute a public nuisance;
- e. That the permittee has failed to pay any fees, charges, fines, or penalties associated with processing or enforcing the permit; or

f. That the permittee has failed to comply with any enforcement requirement established in Article 14.

RenPet has never received a notice of violation from the County and is in full compliance with all of the conditions of its CUPs. Hence, the County has no legitimate legal authority to claim NCZO Section 8111-6.2 as justification for the modification and implementation of the proposed amendment for a Surface Restoration Surety. It is RenPet's opinion that Planning is attempting to expand NCZO Section 8111-6.2 fto the extent that oil and gas operations are a "nuisance," hence they collectively trigger NCZO Section 8111-6.2 and therefore justify the proposed amendment to the NCZO to add a Well Abandonment Surety. With the implementation of the proposed amendment to the NCZO for a new Surface Restoration Surety condition, operators are going to be punished now for a nuisance that might occur in the future. Is that good policy? Will it withstand a legal challenge?

Because of the impairment to RenPet as discussed above, RenPet would recognize the implementation of the new Surface Restoration Surety condition as a <u>taking</u>.

In the body of Staff Report section 6.b addressing the Well Abandonment Surety, Planning states that Public Resources Code ("PRC") § 3205.3(c)(8) provides the County the authorization to require sureties to help ensure that sufficient funds exist for the operators to properly plug and abandon wells. The same PRC citation applies to the decommissioning of any attendant production facilities. The cited section of the PRC does not provide the County authorization to impose bonding, rather it provides CalGEM the opportunity to reconsider the operator's bonding if it finds that an "operator's well or wells are subject to any bonding or financial assurance requirements by a local government." Simply put, the implementation of the proposed Surface Restoration Surety could result in the transfer of surface restoration responsibility from the State and CalGEM, to the County per PRC § 3205.3(c)(8). In RenPet's opinion, Planning has misinterpreted PRC § 3205.3(c)(8) and it could eventually harm the County and it is no small wonder why the CalGEM Supervisor "supported the County's surety approach."

Further, the imposition of the proposed Surface Restoration Surety requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop the resources per the vested permits is undeniably a <u>taking</u>.

The proposed amendment to the NCZO to add a Surface Restoration Surety is poorly crafted policy. That should come as no surprise with it having its roots with former Supervisor Bennet and his quest to purge Ventura County of oil and gas operations.

I strongly recommend that the Commission reject the proposed amendment that includes the Surface Restoration Surety to the NCZO Project PL21-0099. Moving it forward will only cause the County further embarrassment and legal costs, not unlike its experience with Measures A&B.

Sincerely, Mare Wade Trank

Marc Wade Traut

President

CC: Kim Prillhart, Director, Ventura County RMA, by email

From:

Sussman, Shelley

To: Cc: Zendejas, Daniela; Juachon, Luz Barnes, Jeffrey; Ward, Dave

Subject:

FW: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Insurance

Date:

Attachments:

Wednesday, July 27, 2022 3:19:38 PM

Importance:

Letter to VC PC NCZO proposed amendment - insurance 7-25-2022.pdf

Hi Daniela.

High

Please add this to the Exhibit. Shelley

From: Marc Traut <marc@renpetllc.com> Sent: Wednesday, July 27, 2022 3:14 PM

To: Sussman, Shelley <Shelley.Sussman@ventura.org>

Cc: Fogg, Mindy < Mindy. Fogg@ventura.org>; Prillhart, Kim < Kim. Prillhart@ventura.org>

Subject: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099 - Insurance

Importance: High

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to <u>Email.Security@ventura.org</u>.

Ms. Sussman,

Please provide the attached letter to the Planning Commission in advance of tomorrow's hearing on PL21-0099. Please confirm receipt of this email.

Thanks in advance.

Marc Traut

President

Renaissance Petroleum, LLC

Renaissance Petroleum, LLC

P.O. Box 20456 Bakersfield, CA 93390-0456 Phone 661-324-9901 / Fax 661-324-9902

July 25, 2022 By: email only

Ventura County Planning Commission c/o Resource Management Agency – Planning Division 800 South Victoria Avenue Ventura CA 93009-1740

Re: Non-Coastal Zoning Ordinance (NCZO") Project PL21-0099

Staff Report, 7-28-2022

Project Description, Section 6.b, Insurance

Dear Chair McPhail, Vice-Chair Boydstun, and Commissioners Aidukas, King and Garcia,

Summary:

- 1. The "relevant" analog jurisdictions that were used by Planning Division staff ("Staff") to determine increased and expanded insurance requirements for amended NCZO §8107-5.6.12 do not reflect similar oil and gas operations to those found in Ventura County, and, in fact, in three out of the seven "jurisdictions" there were **no oil and gas operations whatsoever**.
- 2. Renaissance Petroleum, LLC ("RenPet") currently has coverage beyond that required under NCZO §8107-5.6.12 that includes control of well and environmental impairment coverage.
- 3. RenPet's current annual insurance premium is ~\$40,000 / year.
- 4. RenPet's estimated annual premium under amended NCZO §8107-5.6.12 is estimated to be >\$200,000 / year, if such coverage could be obtained.
- 5. Even at current oil prices, with RenPet's current production level, the increase in insurance costs would render RenPet's operation economically unsustainable.
- 6. RenPet challenges Ventura County's legal authority to utilize its "police powers" to amend agreed permit requirements prior to a request for a permit modification or extension.
- 7. The imposition of the proposed requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop their resources per the vested permits is undeniably a taking.

Discussion:

Renaissance Petroleum, LLC ("RenPet") operates the Cabrillo Oil Field located on the south side of the Oxnard Plain in Ventura County. RenPet's operations include two conditional use permits; they are CUP-4384 and CUP-5252. CUP-4384 was modified in 2005 (i.e. LU05-0086) and CUP-5252 was modified in 2010. The agreed conditions of approval for both permit modifications included insurance requirements as per NCZO §8107-5.6.12. The Planning Commission ("Commission") is now considering a proposed amendment to NCZO §8107-5.6.12 such that the amount of insurance coverage and type of insurance required will be increased and expanded significantly. According to the subject Staff Report, the increased and expanded insurance requirements were determined after consultation with Ventura County's Risk Management Office, other consultants knowledgeable about oil and gas insurance requirements, and considering insurance coverages for oil and gas operations in other jurisdictions. Table 3 of the Staff Report provides insurance coverage examples for oil and operations for the jurisdictions. There are several extremes which include:

- 1. Commercial/Comprehensive/General Liability; Santa Fe, New Mexico; \$10,000,000
- 2. Pollution Liability; Boulder, CO; \$25,000,000
- 3. Control of Well Liability; Carson, CA; \$40,000,000
- 4. Excess/Umbrella Liability; Carson, CA; Dallas, TX; Boulder, CO; Larimer County, CO; all \$25,000,000.

The proposed Ventura County limits for amended NCZO §8107-5.6.12 are as follows:

- 1. Commercial/Comprehensive/General Liability; \$4,000,000
- 2. Pollution Liability; \$10,000,000
- 3. Control of Well Liability; \$10,000,000
- 4. Excess/Umbrella Liability; \$25,000,000.

The table below was compiled by RenPet from the specific oil and gas regulatory agency that is operating in each of the "jurisdictions" (i.e, see Source) in addition to geographical and demographic information pertinent to each jurisdiction.

	.,	Dellac	Causan	Midlothi	Burleson	Boulder	Larimer	Santa FE,
	Ventura	Dallas	Carson					
	County,	TX	CA	an TX	TX	CO	County,	NM
	CA						СО	
Area (Mi²)	2,208	386	19	64	28.3	27.3	2,634	52.3
Population (k)	845	1,300	91	33	47	108	350	84
Population	383	3,367	4,789	515	1,660	3,956	133	1,606
Density								
(pop/Mi²)								
Total number	8,435	1	588	10	617	15	768	0
Wells Drilled								
in Jurisdiction								
Total number	1,648	0	52	7	577	0	188	N/A
Active Wells in								
Jurisdiction				-				
Total number	2,386	0	32	0	5	- 0	29	N/A
Idle Wells in	2,500							
Jurisdiction								
Total number	4,401	1	504	3	35	15	551	N/A
	4,401		304					,
Plugged Wells								
in Jurisdiction	G 1GEN	TDXZ	C ICEM	TV DDC	TV DDC	COCCC	COGCC	NM-
Source	CalGEM	TX	CalGEM	TX RRC	TX RRC	COGCC	COUCC	U
		RRC						emnrd

The determination of practical commercial limits for insurance coverages should reflect the associated risk involved. It appears that Planning, with the help of its consultants, has attempted to do that by relying on the insurance requirements from "relevant" jurisdictions. How relevant are jurisdictions with no oil and gas operations? They can't be relevant. In fact, it looks as though certain of the referenced jurisdictions have purposefully raised insurance limits beyond reasonable limits in an effort to discourage any future oil and gas operations, specifically Carson, Ca with a \$40,000,000 requirement for control of well and Dallas, TX with a \$25,000,000 requirement for umbrella coverage, with the best example of a poor analog being Santa Fe New Mexico with a \$10,000,000 requirement for general liability where there has never been any oil and gas operations. How did Planning take the information from the relevant jurisdictions and make the determinations that the

revised amounts were appropriate? No form of comparative analysis or discussion is provided in the staff report. Consultant Catalyst in its report obliquely claims that it was the County that determined what insurances were appropriate but offers nothing in its report to the County as to appropriate amounts and the basis for such amounts.

The staff report does make reference to the costs associated with the cleanup of the oil spill near Refugio Beach in Santa Barbara County and the Aliso Canyon natural gas leak associated with the gas storage facility in northwestern Los Angeles County in a tangential attempt to justify the higher limits for required insurance as are included in the proposed amendment. However, neither of these events is related to oil and gas operations. The pipeline spill was the direct result of the breach of an oil transmission pipeline in the immediate vicinity of Refugio Beach. To conflate a crude oil transmission pipeline event with oil and gas production operations is purposefully misleading. In the same manner, conflating the gas leak at the Southern California Gas ("SCG") Aliso Canyon facility with oil and gas operations is a logical fallacy. In that case, SCG, the operator of the gas storage facility, repurposed legacy oil and gas wells for an application for which they were never designed. There is no connection.

So then, how did Planning arrive at the insurance requirements that make up the proposed amendment? A basis for these numbers is not provided.

The table below provides information on RenPet's current insurance coverages and limits as well as its annual premium for these coverages and compares it to the "to-be" coverages and premium amounts that RenPet would be exposed to with the implementation of the proposed amendments. RenPet already significantly exceeds the current requirements as required under its vested CUPs. The estimates of coverage in the to-be case could be very low when it is considered that some of the proposed required coverages may not be readily available. The quoted amounts were provided to RenPet on 7-14-2022 and as noted by our insurance representative, "It is likely we will have to find multiple carriers to take on specific layers to get to the \$25M total limit." These types of insurance arrangements are very costly. As shown in the table below, RenPet's level of insurance expense based on the proposed amendments will be near or more than 6x RenPet's current annual premium total. Even at current oil prices, at RenPet's current level of production, this increased cost is economically unsustainable.

C B A Limits Proposed "To Be" "As Is" \$2,000,000/\$4,000,000 \$500,000-\$1,00,000 (persons)/\$2,000,000 (property) General Liability \$10,000,000 Not Required 2 Environmental Impairment \$10,000,000 **Not Required** 3 Contrpl of Well \$25,000,000 **Not Required** 4 Excess/Umbrella RenPet"As Is" \$1,000,000/\$2,000,000 5 General Liability \$1,000,000 6 Environmental Impairment \$5,000,000 7 Control of Well 8 Excess/Umbrella \$5,000,000 Proposed "To Be" RenPet"As Is" 9 >\$250,000/year RenPet Annual ~\$40.000/year 10 (if coverages can be obtained) **Insurance Cost**

The imposition of the proposed insurance requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop the resources per the vested permits is undeniably a **taking**.

Pages 6 and 7 of the Staff Report contain Planning's explanation that the County has the legal authority to impose the proposed amendments to insurance requirements on currently vested permits based on the County's constitutional police powers "because these requirements: (a) would not alter or otherwise impair an operator's ability to produce oil and conduct its operations under its existing CUPs; (b) these requirements protect the public health and safety by helping avoid environmental harm and nuisance-type situations from occurring later based on failure to comply with preexisting legal requirements; (c) the regulations do not expand the County's powers because the County can already modify an existing permit to protect the public health and safety and to prevent a public nuisance pursuant to NCZO Section 8111-6.2 and CZO Section 8181-10.1, subject to the same hearing and notice procedures for approval of the original permit; and (d) as described in the proposed amendment language and as required under the County's current zoning ordinances, the sureties listed below would be exonerated (i.e., released) after all regulatory requirements pertaining to proper well abandonment and site restoration have been met."

Needless to say, RenPet has a different interpretation of the County's utilization of police powers to unilaterally modify a vested land use entitlement that is operating in compliance with the terms of its conditions. Besides the fact that under (a) as provided in the paragraph above, that RenPet <u>will</u> be impaired by the significant increases in insurance coverage, there is the County's stretch to apply NCZO Section 8111-6.2 for justification. NCZO Section 8111-6.2 requires that one or more of the following causes be proved, in this case by Planning, for a permit to be modified, suspended, or revoked:

- a. That any term or condition of the permit or variance has not been complied with;
- b. That the property subject to the permit or variance, or any portion thereof, is or has been used or maintained in violation of any statute, ordinance, law or regulation;
- c. That the use for which the permit or variance was granted has not been exercised for at least 12 consecutive months, has ceased to exist, or has been abandoned;
- d. That the use for which the permit or variance was granted has been so exercised as to constitute a public nuisance;
- e. That the permittee has failed to pay any fees, charges, fines, or penalties associated with processing or enforcing the permit; or
- f. That the permittee has failed to comply with any enforcement requirement established in Article 14.

RenPet has <u>never</u> received a notice of violation from the County and is in <u>full compliance</u> with all of the conditions of its CUPs. Hence, the County has no legal authority to claim NCZO Section 8111-6.2 as justification for the modification and implementation of proposed amendment to insurance requirements. The imposition of the proposed requirements on a vested permit and the resulting impact on the ability of the property owner(s), mineral rights holder(s) and operator(s) to develop the resources per the vested permits is undeniably a <u>taking</u>.

The proposed amendment to the NCZO to modify insurance requirements is poorly crafted policy. That should come as no surprise with it having its roots with former Supervisor Bennet and his quest to purge Ventura County of oil and gas operations.

I strongly recommend that the Commission reject the proposed amendment that includes the modified insurance requirements to the NCZO Project PL21-0099. Moving it forward will only cause the County further embarrassment and legal costs, not unlike its experience with Measures A&B. The proper time and place to impose new insurance requirements on oil and gas operations is when a new permit is generated or an old permit is modified in accordance with the NCZO.

Sincerely,

Marc Wade Traut

Mare Wade Trant

President

CC: Kim Prillhart, Director, Ventura County RMA, by email

From: To: Michael Russell
Sussman, Shelley

Subject:

Agenda Item 7a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Date:

Tuesday, July 26, 2022 12:51:47 PM

WARNING: If you believe this message may be malicious use the Phish Alert Button to report it or forward the message to Email.Security@ventura.org.

Dear Ventura County Planning Commission

I support the proposed amendments to the Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance related to oil and gas operations in Ventura County. I urge you to make these amendments even stronger, however, by doing the following:

- 1. Limiting permit expiration to 10 years.
- 2. Limit the number of wells on individual permits and adopt a "one-for-one" policy.
- 3. Increase the surety cap beyond \$5 million to ensure that wells are properly abandoned.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies pay their fair share.

Please protect our communities, air, water, endangered species, and the climate by incorporating the above suggestions into your resolution.

Thank you for your consideration, Michael Russell 630 N 9th St Santa Paula, CA 93060 From:

Sussman, Shelley

To:

Zendejas, Daniela

Subject: Date: FW: Planning Commission Agenda Item Thursday, August 4, 2022 10:27:55 AM

Attachments:

image001.png image002.png

Hi Daniela,

Here is the correspondence with Aleta Owens from ABA Energy.

Thanks, Shelley

From: Sussman, Shelley

Sent: Tuesday, July 26, 2022 11:23 AM

To: aowens@abaenergy.com

Cc: Garcia, Angel <angel.garcia@ventura.org> **Subject:** RE: Planning Commission Agenda Item

Hello Ms. Owens,

As Angel Garcia noted, your speaker can send comments to me. Ideally, I would like to receive written comments no later than 5:00 p.m. today, as I'm assembling recent comments received that will be provided to the Planning Commission; however, I can accept them until 3:30 tomorrow. Speakers can also make a statement directly to the Planning Commission on Thursday at the hearing or on Zoom. Instructions for submitting comments can be found here:

https://vcrma.org/en/public-comments-for-planning-commission-hearings

Thank you.

Shelley Sussman, MPA | Planning Manager General Plan Implementation Section shelley.sussman@ventura.org

Ventura County Resource Management Agency
Planning Division
P. (805) 654-2493 | F. (805) 654-2509
800 S. Victoria Ave., L #1740 | Ventura, CA 93009-1740
Visit our website at vcrma.org
For online permits and property information, visit VC Citizen Access



From: Garcia, Angel <angel.garcia@ventura.org>

Sent: Monday, July 25, 2022 4:48 PM

To: aowens@abaenergy.com

Cc: Sussman, Shelley < Shelley Sussman@ventura.org >

Subject: Planning Commission Agenda Item

Hello Aleta.

Regarding your request to have the meeting rescheduled to have the speaker speak before the commission, unfortunately won't be possible given it is a set date. If the speaker can't attend in person, they are able to attend via zoom, or send a letter to have it submitted into the record. I have included Shelley Sussman in this email and is the Planning Staff member for this item. If you would like to submit a letter, please send it to Shelley so it may be submitted into the record before July 28th.

Thank you for calling Supervisor Ramirez's office and let me know if you have any questions. Sincerely,

Angel Garcia,

Executive Assistant to Supervisor Carmen Ramirez 800 S. Victoria Ave. L#1860 Hall of Administration Ventura, CA 93009 805-654-2695

Angel.Garcia@ventura.org

