Exhibit 13
Additional Public Comments received for Planning Commission hearing, September 21, 2023

County of Ventura
Planning Commission Hearing
Case Nos. PL21-0099 and PL21-0100
Exhibit 13 – Additional Public Comments received for Planning Commission hearing, September 21, 2023

Juachon, Luz

From: Steven Nash <mrswn@hotmail.com>
Sent: Sunday, September 17, 2023 10:52 AM
To: Oil and Gas Ordinance
Subject: CASE NUMBERS: PL210099 AND PL210100

County of Ventura Resource Management Agency Planning Division
A. CASE NUMBERS: PL210099 AND PL210100 APPLICANT: County of Ventura

We must increase surety levels to reflect current costs for Surface Restoration Surety, a Well Abandonment Surety, and a Long-Term Idle Well Abandonment Supplement Surety. It is not punitive to the owner/operators of wells, it is simply the cost of doing business.

From Page 9 of 22 of the staff report, The “Average Total Liability Per Well” calculation includes average costs for well plugging and abandonment, well site remediation, as well as surface production facility decommissioning and production facility site remediation, based on what CalGEM has paid contractors for this work between 2011 and 2022, adjusted for inflation. The per well amount for the applicable Northern District, in which Ventura County is located, is $171,961. And with 7,652 oil and gas wells in unincorporated areas, that comes to a total of $1,315,845,572. This is a cost that must not be borne by Ventura County residents!

Page 16 of 22, “Planning Division staff has significantly decreased most of the proposed insurance coverage amounts, reducing most the required coverage levels by at least 50 percent”. It is not the job of the Planning Division Staff to accommodate the unproven claims of hardship from the oil and gas industry. By doing so, they are burdening the public with future liabilities that are the responsibility of the oil and gas producers and property owners.

Page 18 of 22, “In sum, the County has legal authority to set maximum permit term limits and require increased insurance and financial security obligations on new and existing wells to help ensure permit compliance, proper site restoration, and proper plugging and abandonment.” If the Planning Commission and the Board of Supervisors do not demand the oil and gas industry fully fund for well abandonment and well site remediation then this should be announced to the public.

Require updated insurance requirements from their current requirements that have been unchanged for 40 years, including General Liability for Oil & Gas Businesses, Environmental Impairment, Control of Well, and Excess (or umbrella) Liability Insurance. Again, this is simply the cost of doing business.

The Planning Commission and the Board of Supervisors must not override the already-approved 2040 General Plan. The guiding principles provided by the policies of Conservation and Open Space, Hazards and Safety, Economic Vitality, Climate Change and Resilience, and Environmental Justice must be adhered to, without exception.

The comment letters from the oil and gas industry all seem to deny the County of Ventura's right to regulate their business practices in order to mitigate the negative impacts of oil and gas production and henceforward provide for a realistic funding mechanism to deal with currently-producing and abandoned and orphaned wells. Why would the Planning staff and the County Board of Supervisors bow down to their demands for financial leniency? The threat of

litigation is not a valid reason to impose their cost of doing business on the residents of Ventura County. The County has the right to regulate land use and to secure the health, safety and welfare of its residents. Please abide by your obligations and demand that the oil and gas industry pay full freight for the cost of extracting petroleum and natural gas in Ventura County.

Best,
Steve Nash
2211 Laurel Valley Place
Oxnard, CA 93036

Juachon, Luz

From: Sheila <sheilas45@roadrunner.com>
Sent: Monday, September 18, 2023 2:10 PM
To: Oil and Gas Ordinance
Subject: Planning Division

County of Ventura Resource Management Agency Planning Division

A. CASE NUMBERS: PL210099 AND PL210100 APPLICANT: County of Ventura

Increase surety levels to reflect current costs for Surface Restoration Surety, a Well Abandonment Surety, and a Long-Term Idle Well Abandonment Supplement Surety. It is not punitive to the owner/operators of wells.

~ This is simply the cost of doing business.

From Page 9 of 22 of the staff report, The “Average Total Liability Per Well” calculation includes average costs for well plugging and abandonment, well site remediation, as well as surface production facility decommissioning and production facility site remediation, based on what CalGEM has paid contractors for this work between 2011 and 2022, adjusted for inflation. The per well amount for the applicable Northern District, in which Ventura County is located, is $171,961. And with 7,652 oil and gas wells in unincorporated areas, that comes to a total of $1,315,845,572.

~ If the oil and gas companies don’t pay this then the public will have to bear the cost.

Page 16 of 22, “Planning Division staff has significantly decreased most of the proposed insurance coverage amounts, reducing most the required coverage levels by at least 50 percent”. It is not the job of the Planning Division Staff to accommodate the unproven claims of hardship from the oil and gas industry. By doing so, they are burdening the public with future liabilities that are the responsibility of the oil and gas producers and property owners.

~ The Planning Division staff and Board of Supervisors are burdening the public with massive, future liabilities.

Page 18 of 22, “In sum, the County has legal authority to set maximum permit term limits and require increased insurance and financial security obligations on new and existing wells to help ensure permit compliance, proper site restoration, and proper plugging and abandonment.” If the Planning Commission and the Board of Supervisors do not

demand the oil and gas industry fully fund for well abandonment and well site remediation then this should be announced to the public.

~ Don't play games! Don't burden the public! We are aware of what is going on!

Require updated insurance requirements from their current requirements that have been unchanged for 40 years, including General Liability for Oil & Gas Businesses, Environmental Impairment, Control of Well, and Excess (or umbrella) Liability Insurance. Again, this is simply the cost of doing business.

~ Protect the health, safety and welfare of Ventura County residents!

The Planning Commission and the Board of Supervisors must not override the already-approved 2040 General Plan. The guiding principles provided by the policies of Conservation and Open Space, Hazards and Safety, Economic Vitality, Climate Change and Resilience, and Environmental Justice must be adhered to, without exception.

~ Don't cave in to industry pressure!

Sincerely.
Sheila M. Smith
Camarillo, Ca.

Juachon, Luz

From: Laurie Hope <Laurie.Hope.110315838@forgrassroots.com>
Sent: Monday, September 18, 2023 4:34 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Laurie Hope
2128 Sumac Dr
Ojai, CA 93023

Juachon, Luz

From: Thomas Burt <Thomas.Burt.149225539@advocacymessages.com>
Sent: Monday, September 18, 2023 4:34 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Thomas Burt
3863 Center Ave
Santa Barbara, CA 93110

Juachon, Luz

From: R.G. Tuomi <RG.Tuomi.322115790@yourconstituent.com>
Sent: Monday, September 18, 2023 4:34 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
R.G. Tuomi
1642 Orinda Ct
Thousand Oaks, CA 91362

Juachon, Luz

From: Kari Aist <Kari.Aist.149273851@foradvocacy.com>
Sent: Monday, September 18, 2023 4:35 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

C'mon, make a decision that protects the planet and the people! That should be your priority! 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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kari Aist
8892 Tacoma St
Ventura, CA 93004

Juachon, Luz

From: Jessica Dias <Jessica.Dias.320942613@advocatefor.me>
Sent: Monday, September 18, 2023 4:36 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jessica Dias
5696 Surfrider Way
Goleta, CA 93117

Juachon, Luz

From: Mark Chotiner <Mark.Chotiner.231537171@advocatesmessage.com>
Sent: Monday, September 18, 2023 4:37 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Mark Chotiner
355 Woodlet Way
Thousand Oaks, CA 91361

Juachon, Luz

From: Robert Turnage <Robert.Turnage.114279619@advocacymessages.com>
Sent: Monday, September 18, 2023 4:37 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Robert Turnage
414 Fairview Dr
Ventura, CA 93001

Juachon, Luz

From: Tessa Byars <Tessa.Byars.46719337@foradvocacy.com>
Sent: Monday, September 18, 2023 4:38 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Tessa Byars
904 El Paseo Rd
Ojai, CA 93023

Juachon, Luz

From: Timothy F <Timothy.F.93062163@p2a.co>
Sent: Monday, September 18, 2023 4:39 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

I see evidence everywhere in the wilds where industry has left scars on the land. We can't go back but we can stop it from continuing to happen from now forward.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Timothy F
4479 Sweet Briar St
Ventura, CA 93003

Juachon, Luz

From: Ricky escalera <Ricky.escalera.352213437@yourconstituent.com>
Sent: Monday, September 18, 2023 4:40 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

As a local surfer and visitor of the Ventura river I have noticed a large increase in build up of oil slicks and dirty water over the last ten years. The ocean and river seems to just be getting dirtier and dirtier and it's all because of the oil runoff from the roads and the oil fields. 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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Ricky escalera
342 Franklin Ln
Ventura, CA 93001

Juachon, Luz

From: Betsy Vanleit <Betsy.Vanleit.320687725@grassrootsmessage.com>
Sent: Monday, September 18, 2023 4:41 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Betsy Vanleit
1104 Oriole St
Ojai, CA 93023

Juachon, Luz

From: Sue Perrin <Sue.Perrin.11567622@p2a.co>
Sent: Monday, September 18, 2023 4:41 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Sue Perrin
2542 Yucca Dr
Santa Rosa Valley, CA 93012

Juachon, Luz

From: Rose Elfman <Rose.Elfman.128652439@yourconstituent.com>
Sent: Monday, September 18, 2023 4:42 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Rose Elfman
138 S Bryn Mawr St
Ventura, CA 93003

Juachon, Luz

From: Natalie Gray <Natalie.Gray.114672487@advocacymessages.com>
Sent: Monday, September 18, 2023 4:43 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

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

Juachon, Luz

From: Ralph Combs <RalphC@termoco.com>
Sent: Monday, September 18, 2023 4:45 PM
To: Oil and Gas Ordinance
Cc: Sussman, Shelley
Subject: CASE NUMBERS: PL21-0099 AND PL21-0100 - Oil and Gas Ordinance - Public Comment

Dear Planning Commission Chair and Commissioners,

The purpose of this email is to voice The Termo Company's significant concern, and opposition, to the proposed Amendments to the Oil and Gas Coastal and Non-Coastal Ordinance.

Termo operates a portion of two oil fields in unincorporated areas of Ventura County: South Mountain near Somis and Upper Ojai (Sulphur Crest) near Santa Paula. The operations include 40 wells, associated facilities, pipelines, and offices. We have owned these wells and operations since the mid 1990's. Several of our employees are Ventura County residents and the company owns property in Ventura County.

A rough calculation of the minimum bonding requirement of approximately $2,000,000 suggests that one of these operations would become uneconomic should this ordinance go into effect. As stated by others, there is significant uncertainty as to whether a bonding or surety instrument could even be available due to the onerous nature of the Ordinance language.

Termo has been actively plugging and abandoning our long-idle wells as we recognize the importance of doing so. We do not see a need for the County of Ventura to make this process more expensive and more prohibitive when the goal is to responsibly and efficiently plug wells.

In summary, Termo opposes this Amendment because it is duplicative (and pre-empted), unclear, and unnecessarily onerous, and potentially impossible to implement. All these points have been made by others in written comments to the Planning Commission. As a long-time Ventura County operator, we are hopeful that the Planning Commission will heed the advice of outside experts and forego adopting this Ordinance amendment. We strongly encourage you to do so.

Thank you,

Ralph Combs | Manager of Regulatory,
Community, and Government Affairs
The Termo Company

D / M / F: (562) 279-1955 | RalphC@TermoCo.com
P.O. Box 2767, Long Beach, CA 90801

Juachon, Luz

From: Brian Stafford <Brian.Stafford.113871423@grassrootsmessage.com>
Sent: Monday, September 18, 2023 4:46 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Brian Stafford
1195 Rancho Ct
Ojai, CA 93023

Juachon, Luz

From: Henny Grace <Henny.Grace.659084422@advocatefor.me>
Sent: Monday, September 18, 2023 4:48 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Henny Grace
2234 E Colorado Blvd
Pasadena, CA 91107

Juachon, Luz

From: Bill westendorf <Bill.westendorf.587615260@p2a.co>
Sent: Monday, September 18, 2023 4:48 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Bill westendorf
8333 Waters Rd
Moorpark, CA 93021

Juachon, Luz

From: Sheryl Dorris <Sheryl.Dorris.150471877@foradvocacy.com>
Sent: Monday, September 18, 2023 4:51 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Sheryl Dorris
2596 Cabin Cove
Port Hueneme, CA 93041

Juachon, Luz

From: Michael Russell <Michael.Russell.29082667@advocacymessages.com>
Sent: Monday, September 18, 2023 4:54 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

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

Juachon, Luz

From: Katherine Regester <Katherine.Regester.320690082@sendgrassroots.com>
Sent: Monday, September 18, 2023 4:56 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

I testified last year in the planning commission meeting. I am happy that you have decided to amend the ordinances for the oil and gas operations.

While you consider this, think of two probabilities: suppose there is an oil spill in the Upper Sespe! Suppose that Sespe Creek is filled with oily water and flows all the way to the Santa Clara River and out to the ocean. Consider whether the mitigation and cleanup will be covered by the small coverage you are asking for these relatively small closely held companies. Do you think they will be able to clean up an accident?? Then the County or the Federal Government will have to pay for the damages, and the difficult cleanup. Don't let this happen! Make sure that the inspection and maintenance conditions are rigorous enough to that 1)there will not be an oil spill and 2) the company can cover it!

Better yet, offer a premium payment, perhaps an annuity to reimburse the companies for shutting down those small wells for good! Preserve our precious rivers long into the future, please. Kay Regester

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Katherine Regester
75 S Evergreen Dr
Ventura, CA 93003

Juachon, Luz

From: Dana Hachigian <Dana.Hachigian.562304325@foradvocacy.com>
Sent: Monday, September 18, 2023 4:57 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Dana Hachigian
22 Krotona St
Ojai, CA 93023

Juachon, Luz

From: Geoffrey Pfeifer <Geoffrey.Pfeifer.126604597@yourconstituent.com>
Sent: Monday, September 18, 2023 4:57 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Geoffrey Pfeifer
910 Devereux Dr
Ojai, CA 93023

Juachon, Luz

From: Laura Hughes <Laura.Hughes.54028434@foradvocacy.com>
Sent: Monday, September 18, 2023 4:57 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Laura Hughes
2085 Koala Way
Ventura, CA 93003

Juachon, Luz

From: Tina Musser-Atkins <Tina.MusserAtkins.320736991@sendgrassroots.com>
Sent: Monday, September 18, 2023 5:00 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Tina Musser-Atkins
4564 Dean Dr
Ventura, CA 93003

Juachon, Luz

From: Michael Locher <Michael.Locher.417352035@advocacymessages.com>
Sent: Monday, September 18, 2023 5:00 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Michael Locher
918 Ruby Ave
Ventura, CA 93004

Juachon, Luz

From: CHARLEEN MICHAELS <CHARLEEN.MICHAELS.321437695@grsdelivery.com>
Sent: Monday, September 18, 2023 5:00 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
CHARLEEN MICHAELS
600 Vista Hermosa Dr
Ojai, CA 93023

Juachon, Luz

From: Grant Smith <Grant.Smith.328529579@grsdelivery.com>
Sent: Monday, September 18, 2023 5:04 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Grant Smith
5470 Avignon Ct
Westlake Village, CA 91362

Juachon, Luz

From: Dominique Alexandre <Dominique.Alexandre.322928383@grsdelivery.com>
Sent: Monday, September 18, 2023 5:06 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Dominique Alexandre
1965 E Linda Vista Ave
Ventura, CA 93001

Juachon, Luz

From: Russ Bishop <Russ.Bishop.113807280@sendgrassroots.com>
Sent: Monday, September 18, 2023 5:13 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

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

Juachon, Luz

From: S Praetorius <S.Praetorius.337808371@yourconstituent.com>
Sent: Monday, September 18, 2023 5:16 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
S Praetorius
13532 E Quail Summit Rd
Moorpark, CA 93021

Juachon, Luz

From: Wendy Ford <Wendy.Ford.148566389@yourconstituent.com>
Sent: Monday, September 18, 2023 5:18 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

I strongly 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 not to at all weaken the proposed amendments. The amendments are already followed in many other parts of the country and are far due here. There is no longer a justification to placate the oil industry.

As obvious climate change worsens, it is a critical time for the County to adopt strong policies ensuring that oil and gas companies maintain and clean up their infrastructure at the end of it's useful life, stop or at least minimize air and water contamination, and pay for the damage they've caused, so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the much needed proposed amendments.

Thank you for your consideration,
Wendy Ford
900 Boardman Rd
Ojai, CA 93023

Juachon, Luz

From: Shane Snow <Shane.Snow.337817687@yourconstituent.com>
Sent: Monday, September 18, 2023 5:19 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

Short term revenue related to ecological stripping does not hold Ventura County's future in the best interest. Please show your support for Ventura County for us and for our children.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Shane Snow
1965 E Linda Vista Ave
Ventura, CA 93001

Juachon, Luz

From: John Brooks <John.Brooks.50257506@advocatesmessage.com>
Sent: Monday, September 18, 2023 5:19 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

Do not weaken the proposed amendments to benefit the oil industry.
You have an obligation to health and safety first .
As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
John Brooks
246 Mountain View St
Oak View, CA 93022

Juachon, Luz

From: Stuart Bloom <Stuart.Bloom.148447606@yourconstituent.com>
Sent: Monday, September 18, 2023 5:17 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Stuart Bloom
2533 E Main St
Ventura, CA 93003

Juachon, Luz

From: Kay Renius <Kay.Renius.126235290@advocatesmessage.com>
Sent: Monday, September 18, 2023 5:21 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kay Renius
511 Canada St
Ojai, CA 93023

Juachon, Luz

From: Aran Darling <Aran.Darling.587906483@sendgrassroots.com>
Sent: Monday, September 18, 2023 5:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Aran Darling
1557 Raccoon Ct
Ventura, CA 93003

Juachon, Luz

From: David Harris <David.Harris.321326959@advocacymessages.com>
Sent: Monday, September 18, 2023 5:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
David Harris
670 Cedar Pl
Ventura, CA 93001

Juachon, Luz

From: Terri Fulton <Terri.Fulton.222526191@p2a.co>
Sent: Monday, September 18, 2023 5:26 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Terri Fulton
1322 Beachmont St
Ventura, CA 93001

Juachon, Luz

From: Deanna Foster <Deanna.Foster.323709835@forgrassroots.com>
Sent: Monday, September 18, 2023 5:30 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

Let's go ahead and protect this very precious nature and recreation area. Please!

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Deanna Foster
3241 Peppermint St
Thousand Oaks, CA 91320

Juachon, Luz

From: Linda Chaloupsky <Linda.Chaloupsky.43170618@sendgrassroots.com>
Sent: Monday, September 18, 2023 5:31 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Linda Chaloupsky
963 S Rice Rd
Ojai, CA 93023

Juachon, Luz

From: Maddy Gremaud <Maddy.Gremaud.320785249@advocatesmessage.com>
Sent: Monday, September 18, 2023 5:33 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Maddy Gremaud
7762 El Dorado St
Ventura, CA 93004

Juachon, Luz

From: Amy Cherot <Amy.Cherot.562287839@sendgrassroots.com>
Sent: Monday, September 18, 2023 5:36 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Amy Cherot
2258 Foster Ave
Ventura, CA 93001

Juachon, Luz

From: June Behar <June.Behar.233126111@yourconstituent.com>
Sent: Monday, September 18, 2023 5:47 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
June Behar
12048 Sulphur Mountain Rd
Ojai, CA 93023

Juachon, Luz

From: Beth McCabe <Beth.McCabe.320809341@foradvocacy.com>
Sent: Monday, September 18, 2023 5:50 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Beth McCabe
3606 Olds Rd
Oxnard, CA 93033

Juachon, Luz

From: Mel Vee <Mel.Vee.659087159@forgrassroots.com>
Sent: Monday, September 18, 2023 5:51 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Mel Vee
290 Portal St
Oak View, CA 93022

Juachon, Luz

From: Starr Fairchild <Starr.Fairchild.50445985@forgrassroots.com>
Sent: Monday, September 18, 2023 5:54 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Starr Fairchild
6894 N Auburn Cir
Moorpark, CA 93021

Juachon, Luz

From: Marvin Kwit <Marvin.Kwit.361682626@forgrassroots.com>
Sent: Monday, September 18, 2023 5:55 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Marvin Kwit
225 Cedar St
Ventura, CA 93001

Juachon, Luz

From: Barbara Ballenger <Barbara.Ballenger.231195072@forgrassroots.com>
Sent: Monday, September 18, 2023 6:00 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Barbara Ballenger
336 Los Padres Dr
Thousand Oaks, CA 91361

Juachon, Luz

From: Norene Charnofsky <Norene.Charnofsky.89671720@grsdelivery.com>
Sent: Monday, September 18, 2023 6:07 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Norene Charnofsky
10180 Norwalk St
Ventura, CA 93004

Juachon, Luz

From: Rachael Barkley <Rachael.Barkley.179825026@p2a.co>
Sent: Monday, September 18, 2023 6:15 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Rachael Barkley
1921 Meiners Rd
Ojai, CA 93023

Juachon, Luz

From: Timothy Teague <Timothy.Teague.148445699@forgrassroots.com>
Sent: Monday, September 18, 2023 6:15 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Timothy Teague
1975 Maricopa Hwy Spc 59
Ojai, CA 93023

Juachon, Luz

From: Jeff Chester <Jeff.Chester.562248896@foradvocacy.com>
Sent: Monday, September 18, 2023 6:24 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jeff Chester
7766 Paso Robles St
Ventura, CA 93004

Juachon, Luz

From: Gerry Williams <Gerry.Williams.150601322@advocatefor.me>
Sent: Monday, September 18, 2023 6:25 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

All OIL AND GAS PUMPING AND EXPLORATION MUST STOP IMMEDIATELY AS THE CARBON IT RELEASES IS CAUSING CLIMATE CHANGE. THIS IS DANGEROUS TO THE ENTIRE EARTH!

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Gerry Williams
3024 Potter Ave
Thousand Oaks, CA 91360

Juachon, Luz

From: Kory Thomas <Kory.Thomas.180767704@forgrassroots.com>
Sent: Monday, September 18, 2023 6:30 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kory Thomas
216 N Arnaz St
Ojai, CA 93023

Juachon, Luz

From: John Connor <John.Connor.148422388@forgrassroots.com>
Sent: Monday, September 18, 2023 6:30 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
John Connor
404 Appian Way
Ventura, CA 93003

Juachon, Luz

From: Kim Charnofsky <Kim.Charnofsky.659089814@foradvocacy.com>
Sent: Monday, September 18, 2023 6:49 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kim Charnofsky
7118 Wolverine St
Ventura, CA 93003

Juachon, Luz

From: Aura Carmi <Aura.Carmi.113811528@yourconstituent.com>
Sent: Monday, September 18, 2023 6:51 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Aura Carmi
5109 Kingsgrove Dr
Somis, CA 93066

Juachon, Luz

From: Debbie Diamond <Debbie.Diamond.91828615@grassrootsmessage.com>
Sent: Monday, September 18, 2023 6:53 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Debbie Diamond
2382 Buffalo Ave
Ventura, CA 93003

Juachon, Luz

From: Linda Phillips <Linda.Phillips.55883650@sendgrassroots.com>
Sent: Monday, September 18, 2023 7:04 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Linda Phillips
1676 Foothill Rd
Ojai, CA 93023

Juachon, Luz

From: Tiese Quinn <Tiese.Quinn.126610536@foradvocacy.com>
Sent: Monday, September 18, 2023 7:22 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Tiese Quinn
536 Villa Cir
Thousand Oaks, CA 91360

Juachon, Luz

From: Michael Scarber <Michael.Scarber.218283475@advocatefor.me>
Sent: Monday, September 18, 2023 7:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Michael Scarber
1118 Capello Way
Ojai, CA 93023

Juachon, Luz

From: Lori Bates <Lori.Bates.562253917@advocacymessages.com>
Sent: Monday, September 18, 2023 7:37 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Lori Bates
109 Camarillo Ave
Oxnard, CA 93035

Juachon, Luz

From: James Merrill <James.Merrill.37181640@p2a.co>
Sent: Monday, September 18, 2023 7:41 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
James Merrill
4411 Beaumont Ave
Oxnard, CA 93033

Juachon, Luz

From: Ruth Walker <Ruth.Walker.525848558@sendgrassroots.com>
Sent: Monday, September 18, 2023 7:55 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Ruth Walker
222 S Padre Juan Ave
Ojai, CA 93023

Juachon, Luz

From: Jill Shanbrom <Jill.Shanbrom.114352789@yourconstituent.com>
Sent: Monday, September 18, 2023 8:02 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jill Shanbrom
260 France Cir
Ojai, CA 93023

Juachon, Luz

From: Blaise Cannon <Blaise.Cannon.477522076@advocatefor.me>
Sent: Monday, September 18, 2023 8:06 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Blaise Cannon
2378 Kipana Ave
Ventura, CA 93001

Juachon, Luz

From: Terrell Fulton <Terrell.Fulton.323340140@advocatesmessage.com>
Sent: Monday, September 18, 2023 8:10 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Terrell Fulton
2077 Poli St
Ventura, CA 93001

Juachon, Luz

From: Steven Seligman <Steven.Seligman.148448407@yourconstituent.com>
Sent: Monday, September 18, 2023 8:11 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Steven Seligman
817 Grandview Ave
Ojai, CA 93023

Juachon, Luz

From: Steve Bly <Steve.Bly.543158275@advocatefor.me>
Sent: Monday, September 18, 2023 8:13 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Steve Bly
1144 Bonita Ct
Ventura, CA 93001

Juachon, Luz

From: Jackie Burton <Jackie.Burton.659093756@forgrassroots.com>
Sent: Monday, September 18, 2023 8:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jackie Burton
10900 N Ventura Ave
Oak View, CA 93022

Juachon, Luz

From: Jackie Burton <Jackie.Burton.659093756@p2a.co>
Sent: Monday, September 18, 2023 8:24 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Thank you for your consideration,
Jackie Burton
10900 N Ventura Ave
Oak View, CA 93022

Juachon, Luz

From: Rex Rude <Rex.Rude.328837586@p2a.co>
Sent: Monday, September 18, 2023 8:35 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Rex Rude
34 Loyola Ave
Ventura, CA 93003

Juachon, Luz

From: Eric Frye <Eric.Frye.113385513@advocatesmessage.com>
Sent: Monday, September 18, 2023 8:44 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Eric Frye
1310 McAndrew Rd
Ojai, CA 93023

Juachon, Luz

From: Marguerite Stouthamer <Marguerite.Stouthamer.659094610@advocatesmessage.com>
Sent: Monday, September 18, 2023 8:56 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Marguerite Stouthamer
401 Sierra Dr
Ventura, CA 93003

Juachon, Luz

From: Jessica Weaver <Jessica.Weaver.324147874@advocatesmessage.com>
Sent: Monday, September 18, 2023 9:07 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jessica Weaver
182 S Ann St
Ventura, CA 93001

Juachon, Luz

From: Fletcher Chouinard <Fletcher.Chouinard.11569486@forgrassroots.com>
Sent: Monday, September 18, 2023 9:08 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Fletcher Chouinard
43 S Olive St
Ventura, CA 93001

Juachon, Luz

From: Richard Maxwell <Richard.Maxwell.149342827@p2a.co>
Sent: Monday, September 18, 2023 9:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Richard Maxwell
935 Spring St
Oak View, CA 93022

Juachon, Luz

From: Henry Sanchez <Henry.Sanchez.320673973@foradvocacy.com>
Sent: Monday, September 18, 2023 9:38 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Henry Sanchez
963 Oso Rd
Ojai, CA 93023

Juachon, Luz

From: Jackson Piper <jacksonepiper@gmail.com>
Sent: Monday, September 18, 2023 9:30 PM
To: Oil and Gas Ordinance
Subject: Public Comment: 9/21/2023 Planning Commission Item 6A, Case Numbers: PL21-0099 AND PL21-0100

Dear Ventura County Planning Commissioners,

While I realize that this goes far beyond the operators in Ventura County, the oil and gas industry as a whole has not been responsibly run with respect to public safety in the present or consideration of any future needs to address the negative externalities created by fossil fuel production. The industry has a consistent pattern of obfuscating facts and shaping public opinion to fit its immediate profit motive.

Whether the current operators in Ventura County inherited their wells from family or bought into the local production market at either small or large scale, they ought to have been aware both of the risks presented by their choice of industry and of their responsibility to secure a safe and clean local environment, and the public within it, from the negative effects of their oil and gas production.

From what is present within the Staff Report, it is apparent that not only has the industry not done nearly enough to protect California communities from the hazards of their production process, but this County has, for 40 years, dropped the ball on this critical issue related to public health and safety by failing to regularly update its per-well surety requirements and liability insurance requirements. So now there is what the industry sees as a sudden huge increase due to decades of underprotection of the people of this County, and the owners and operators within the industry must bear that cost? I see no tragedy in this situation. Let the owners of small operations that are unable to function under the 2022 surety and insurance requirements sell their wells to the larger operations that can afford to either produce oil and gas responsibly or pay a reasonably high price for their failure to do so. Otherwise, it seems likely that it will be the residents and environment of Ventura County bearing future costs if and when those wells become abandoned.

Please maintain the 2022 surety and insurance requirements, and recommend denial of Case Numbers: PL21-0099 AND PL21-0100, Amendments to the Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance Related to Permit Terms, Surety and Insurance Requirements for Oil and Gas Operations.

Thank you,

Jackson Piper
Newbury Park, CA

Juachon, Luz

From: Melanie Berner <Melanie.Berner.284435491@advocatefor.me>
Sent: Monday, September 18, 2023 9:47 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Melanie Berner
5025 Thacher Rd
Ojai, CA 93023

Juachon, Luz

From: Katherine Warner <Katherine.Warner.114321558@sendgrassroots.com>
Sent: Monday, September 18, 2023 10:00 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Katherine Warner
117 N Mills Rd
Ventura, CA 93003

Juachon, Luz

From: Maximilian Sluiter <Maximilian.Sluiter.114315230@grsdelivery.com>
Sent: Monday, September 18, 2023 10:12 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Maximilian Sluiter
5744 Oak Bend Ln Unit 208
Oak Park, CA 91377

Juachon, Luz

From: Dominick Spruiell <Dominick.Spruiell.525609625@foradvocacy.com>
Sent: Monday, September 18, 2023 10:15 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Dominick Spruiell
1520 Avenida Del Manzano
Camarillo, CA 93010

Juachon, Luz

From: Susan Uyeno <Susan.Uyeno.125178097@foradvocacy.com>
Sent: Monday, September 18, 2023 10:15 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Susan Uyeno
8033 Stone Pl
Ventura, CA 93004

Juachon, Luz

From: Robert Porter <Robert.Porter.320929267@advocatefor.me>
Sent: Monday, September 18, 2023 10:44 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Robert Porter
140 El Camino Dr
Ojai, CA 93023

Juachon, Luz

From: Donna Shaw <Donna.Shaw.231817350@sendgrassroots.com>
Sent: Monday, September 18, 2023 10:59 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Donna Shaw
1720 Ahart St
Simi Valley, CA 93065

Juachon, Luz

From: Jacob Mackey <Jacob.Mackey.13316204@advocacymessages.com>
Sent: Tuesday, September 19, 2023 12:07 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jacob Mackey
5025 Thacher Rd
Ojai, CA 93023

Juachon, Luz

From: Roger Bartley <Roger.Bartley.634500840@advocacymessages.com>
Sent: Tuesday, September 19, 2023 2:52 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Roger Bartley
2807 Jason Ct
Thousand Oaks, CA 91362

Juachon, Luz

From: Lydia golden <Lydia.golden.321328858@advocatesmessage.com>
Sent: Tuesday, September 19, 2023 4:31 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Lydia golden
308 Raymond St
Ojai, CA 93023

Juachon, Luz

From: Tyler La Flamme <Tyler.LaFlamme.196992969@p2a.co>
Sent: Tuesday, September 19, 2023 6:53 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

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

Juachon, Luz

From: Christian Kondratowicz <Christian.Kondratowicz.321957201@foradvocacy.com>
Sent: Tuesday, September 19, 2023 6:54 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Christian Kondratowicz
2853 Omaha Ave
Ventura, CA 93001

Juachon, Luz

From: Paul Oemisch <Paul.Oemisch.345787268@advocatesmessage.com>
Sent: Tuesday, September 19, 2023 7:02 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Paul Oemisch
607 Ridgeline Dr
Oak View, CA 93022

Juachon, Luz

From: Jennifer Niles <Jennifer.Niles.320676178@advocatefor.me>
Sent: Tuesday, September 19, 2023 7:04 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jennifer Niles
1038 Dominion Rd
Ojai, CA 93023

Juachon, Luz

From: CHRISTINA KENNEDY <CHRISTINA.KENNEDY.321852054@grsdelivery.com>
Sent: Tuesday, September 19, 2023 7:21 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
CHRISTINA KENNEDY
570 S Brent St
Ventura, CA 93003

Juachon, Luz

From: CATHERINE ROSSBACH <CATHERINE.ROSSBACH.221856006@advocatefor.me>
Sent: Tuesday, September 19, 2023 7:40 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
CATHERINE ROSSBACH
7277 Unicorn Cir
Ventura, CA 93003

Juachon, Luz

From: Stephen Bryne <Stephen.Bryne.61813254@grsdelivery.com>
Sent: Tuesday, September 19, 2023 7:59 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Stephen Bryne
163 Cedar St
Ventura, CA 93001

Juachon, Luz

From: Dr Solomon <Dr.Solomon.341805676@sendgrassroots.com>
Sent: Tuesday, September 19, 2023 8:13 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Dr Solomon
2419 E Harbor Blvd
Ventura, CA 93001

Juachon, Luz

From: aaron zweig <aaron.zweig.126599909@yourconstituent.com>
Sent: Tuesday, September 19, 2023 8:30 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
aaron zweig
338 S Padre Juan Ave
Ojai, CA 93023

Juachon, Luz

From: Joy Pratt <Joy.Pratt.573065040@foradvocacy.com>
Sent: Tuesday, September 19, 2023 8:32 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Joy Pratt
5898 La Cumbre Rd
Somis, CA 93066

Juachon, Luz

From: Evan Praetorius <Evan.Praetorius.91964362@advocacymessages.com>
Sent: Tuesday, September 19, 2023 8:35 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Evan Praetorius
3045 A St
San Diego, CA 92102

Juachon, Luz

From: Silvia Berg <Silvia.Berg.151354623@yourconstituent.com>
Sent: Tuesday, September 19, 2023 8:45 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Silvia Berg
5609 Roundtree Pl
Westlake Village, CA 91362

Juachon, Luz

From: Bruce Livingstone <Bruce.Livingstone.334342966@yourconstituent.com>
Sent: Tuesday, September 19, 2023 9:04 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Bruce Livingstone
206 E Vince St
Ventura, CA 93001

Juachon, Luz

From: Charlene Sodergren <Charlene.Sodergren.339840562@yourconstituent.com>
Sent: Tuesday, September 19, 2023 10:24 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Charlene Sodergren
420 Lazy Brook Ct
Simi Valley, CA 93065

Juachon, Luz

From: Ms Lilith <Ms.Lilith.477654827@advocacymessages.com>
Sent: Tuesday, September 19, 2023 10:32 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Ms Lilith
3060 Channel Dr Apt 8
Ventura, CA 93003

Juachon, Luz

From: Harry Rabin <Harry.Rabin.659143183@foradvocacy.com>
Sent: Tuesday, September 19, 2023 11:05 AM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Harry Rabin
37 Humphrey Rd
Montecito, CA 93108

Juachon, Luz

From: Chuck Rocco <Chuck.Rocco.74554537@grsdelivery.com>
Sent: Tuesday, September 19, 2023 12:05 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Chuck Rocco
2298 Clover St
Simi Valley, CA 93065

Juachon, Luz

From: Lisa Adair <Lisa.Adair.110381457@advocacymessages.com>
Sent: Tuesday, September 19, 2023 12:10 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Lisa Adair
407 Palomar Rd
Ojai, CA 93023

Juachon, Luz

From: Adler, Noah <NAdler@manatt.com>
Sent: Tuesday, September 19, 2023 12:27 PM
To: Sussman, Shelley
Cc: Adler, Noah
Subject: Aera Energy LLC Comment Letter - Planning Commission Agenda Item No. 6A - Case Nos. PL21-0099 and PL21-0100
Attachments: Aera Energy LLC - 09-19-2023 Comment Letter Re Case Numbers PL21-0099 PL21-0100.pdf

Ms. Sussman,

Attached please find a comment letter submitted on behalf of Aera Energy LLC regarding Item No. 6.A on Thursday's Planning Commission meeting agenda (case numbers PL21-0099 and PL21-0100). At your earliest convenience, please confirm that the attached has been distributed to the Planning Commissioners and placed into the item's record.

Thank you,

Noah

Noah Adler
Senior Land Use Planner

Manatt, Phelps & Phillips, LLP
2049 Century Park East
Suite 1700
Los Angeles, CA 90067
D (310) 312-4153 **F** (310) 914-5726
NAdler@manatt.com

manatt.com

manatt

Sigrid R Waggener
Manatt, Phelps & Phillips, LLP
Direct Dial: (415) 291-7413
SWaggener@manatt.com

September 19, 2023

VIA ELECTRONIC MAIL

Shelley Sussman
Ventura County Planning Commission
800 South Victoria Avenue
Ventura, CA 93009-1740
Shelley.sussman@ventura.org

Re: Comments on Agenda Item No. 6.A - Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100) Related to Permit Terms, Surety, and Insurance Requirements for Oil and Gas Operations

Dear Commissioners:

This firm represents Aera Energy LLC ("Aera"), and we submit these comments on Aera's behalf to the County of Ventura ("County") in connection with September 21, 2023 Planning Commission Agenda Item No. 6.A, more particularly described as "Public Hearing to Consider and Make Recommendations to the Board of Supervisors Regarding Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100) Related to Permit Terms, Surety and Insurance Requirements for Oil and Gas Operations" (hereinafter, the "2023 Proposed Amendments"). We ask that this letter and the comments contained herein be made a part of the County's administrative record regarding this matter.

The 2023 Proposed Amendments suffer from a number of legal infirmities, including, but not limited to the following:

- Most of the regulatory changes contemplated as part of the 2023 Proposed Amendments are preempted by state and/or federal regulations;
- The 2023 Proposed Amendments cannot lawfully be adopted pursuant to the California Environmental Quality Act ("CEQA") exemptions the County purports to rely on under CEQA Guidelines sections 15061(b)(3), 15307, and 15308; and
- Adoption of the 2023 Proposed Amendments would constitute an abuse of discretion.

Aera also joins in the comments submitted to the County Planning Commission on this matter by: (1) Western States Petroleum Association ("WSPA"); and (2) Carbon California Company LLC.

A. RELEVANT BACKGROUND

The County attempted to advance an almost identical version of these 2023 Proposed Amendments just over one year ago. Specifically, on August 18, 2022, the Planning Commission heard Agenda No. 7, more particularly described as "recommended actions for proposed amendments to the Non-Coastal Zoning Ordinance (NCZO, Sections 8107-5.4, 8107-5.6.5, 8107-5.6.11 and 8107-5.6.12) and the Coastal Zoning Ordinance (CZO, Sections 8175-5.7.5 and 8175-5.7.8) related to permit terms, surety and insurance requirements for oil and gas operations" (hereinafter the "2022 Version of the Proposed Amendments").

At that time, Aera and others brought to the Planning Commission's attention that: (1) the information the County purported to rely on in recommending adoption of the 2022 Version of the Proposed Amendments was incomplete, inaccurate or incorrect; and (2) County staff had utterly failed to engage Aera or any other party impacted by the 2022 Version of the Proposed Amendments to obtain accurate information.

When the Planning Commission considered the 2022 Version of the Proposed Amendments on August 18, 2022, it unanimously voted to recommend that the Board of Supervisors fully consider the fiscal impacts of adopting the 2022 Version of the Proposed Amendments, with specific consideration given to: (1) funding to support staff oversight and enforcement of the amendments; (2) funding to support the County's legal defense of litigation regarding the amendments; and (3) an analysis of all other costs the County would incur in implementing the amendments. The Planning Commission additionally directed staff to: (1) hold at least one engagement meeting with the public, oil and gas operators and environmental groups and provide notes to the Board of Supervisors; (2) research insurance and bond requirements to ensure equity among operators, including establishment of different tiers/groupings according to operator size; and (3) research issues related to cost, availability and collateral requirements for sureties and insurance specific to the County market.

County staff held a single outreach meeting in November of 2022. Although a number of key issues were raised by stakeholders at that November meeting, those issues remain unaddressed in this latest iteration of the amendments. A comparison of the 2022 Version of the Proposed Amendments and the 2023 Proposed Amendments reveals that most sections are largely unchanged. As such, the 2023 Proposed Amendments still exhibit the various legal defects exhibited in 2022, including, but not limited to, being largely preempted and formulated without CEQA compliance. In light of these issues, and as discussed further below, we urge the Planning Commission reject County staff's recommendation and decline to further advance the 2023 Proposed Amendments.

B. THE 2023 PROPOSED AMENDMENTS CONTINUE TO EXHIBIT LEGAL DEFECTS

1. Most Provisions of the 2023 Proposed Amendments Are Preempted by State And Federal Regulations.

Under California law, "[a] county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws." (Cal. Const, art. XI, § 7.) However, "[i]f otherwise valid local legislation conflicts with state law, it is preempted by such law and is void." (*Sherwin-Williams Co. v. City of Los Angeles* (1993) 4 Cal.4th 893, 897, citing *Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885.) 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." (*Ibid.*) Local legislation is "duplicative" when it is coextensive of state law. (*Ibid.*) Local law is contradictory where it obstructs or harms state law. (*Id.* at p. 898.) Finally, local legislation enters an area that is "fully occupied" by state law when the legislature expressly or impliedly manifested intent to occupy the area. (*Ibid*; *see also Candid Enterprises, Inc.*, *supra*, 39 Cal.3d at p. 885.)

Moreover, implied preemption exists where the subject matter of the local legislation has been: (1) "so fully and completely covered by general law as to clearly indicate that it has become exclusively a matter of state concern;" or (2) "partially covered by general law couched in such terms as to indicate clearly that a paramount state concern will not tolerate further or additional local action." (*Sherman, supra*, 4 Cal.4th at p. 898; *see also Morehart v. County of Santa Barbara* (1994) 7 Cal.4th 725).

The new requirements set forth in the 2023 Proposed Amendments encroach upon areas already regulated by state law. For example, the 2023 Proposed Amendments' Surface Restoration and Well Abandonment and Long-Term Idle Well Abandonment Supplement surety requirements enter an area already regulated by the State.[1]

California's Public Resources Code affirms CalGEM's authority over bonding, plugging and abandonment of wells. Pub. Resources Code § 3240 *et. seq*. As part of CalGEM's authority, the State Oil and Gas Supervisor is authorized to require operators to bond their wells

[1] The County's July 28, 2022 staff report acknowledged: "[t]he California Geologic Energy Management Division (CalGEM) is mandated to supervise the drilling, operation, maintenance and abandonment of oil, gas and geothermal wells within California. CalGEM has jurisdiction over plugging and abandonment of wells (Cal. Code Regs., tit. 14, § 1723), collecting bonds for oil and gas operations in the state, maintaining the State's Idle Well Management Program, issuing plugging and abandonment orders, and ultimately plugging and abandoning orphan wells." Those admissions have been removed from the September 21, 2023 staff report even though CalGEM's authority over plugging and abandonment of wells remains consistent with County staff's July 28, 2022 assessment.

(Cal Code Regs., tit 14 §1722.8). As part of that mandate, the Supervisor is required to establish a "life-of-well bond amount to cover the cost to properly plug and abandon each well, including site restoration, and the cost to finance a spill response and incident cleanup." (Cal Code Regs., tit 14 §1722.8(c)). In fact, an operator is expressly prohibited from plugging and abandoning a well until it has obtained approval from the Supervisor. The Public Resources Code also specifically provides that the determination of when a well has been properly abandoned must be shown "to the satisfaction of the supervisor," and includes the taking of "all proper steps …to prevent subsequent damage to life, health, property, and other resources." The authority vested in CalGEM and the Supervisor through state law evidence the State's clear intent to fully occupy the field of well plugging and abandonment. (Pub. Resources Code § 3208(a); Cal Code Regs., tit 14 §1745 *et. seq.*; *see also* Cal Code Regs., tit 14 §1752).[2]

The California Supreme Court's recent decision in *Chevron U.S.A., Inc. v. County of Monterey* (2023) 15 Cal.5th 135, also supports the conclusion that the 2023 Proposed Amendments are preempted. In *Chevron*, the Court held that an ordinance adopted by Monterey County was preempted by state law because it contradicted state law regulating oil and gas development. (*Id.* at p. 145.) In considering the preemption issue, the Court relied heavily on the language of section 3106 of the Public Resources Code, which says in pertinent part:

> The supervisor shall also supervise the drilling, operation, maintenance, and ***abandonment*** of wells so as to permit the owners or operators of the 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***.

(Cal. Pub. Res. Code § 3106, subd. (b), emphasis added.)

The Supreme Court held that a prohibition on certain production techniques contradicted the exclusive authority vested in the State Oil & Gas Supervisor to determine the suitable method in each case, and therefore would be preempted. The County's 2023 Proposed Amendments usurp the Supervisor's statutorily granted authority to decide when and how wells should be abandoned. Following the Court's reasoning in *Chevron*, the 2023 Proposed Amendments will be held preempted if adopted.

The Public Resources Code also requires that operators provide a bond, either individually or as a blanket bond, to ensure faithful compliance with the provisions of the Public Resources Code. (*Id.*, §§ 3204, 3205.) These bonds may only be canceled if the covered wells have been properly abandoned or a valid substitute bond has been provided. (*Id.*, § 3207(a).)

[2] CalGEM also inventories all of the idle wells in the State and extensively regulates how those wells are to be tested, maintained, and prioritized for plugging and abandonment. (Cal Code Regs., tit 14 §1772 *et. seq.*).

State law also provides a framework to require an operator "to provide an additional amount of security acceptable to the division based on the division's evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources." Pub. Res. Code §3205.3. The Public Resources Code limits the amount of additional security that may be required as "the lesser of the division's estimation of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities . . . or thirty million dollars ($30,000,000)." *Id*. This is further evidence of the State's intent to fully occupy the field of determining the security necessary to ensure proper well plugging and abandonment.

Contrary to State law, the 2023 Proposed Amendments would position the County as the ultimate authority on whether additional abandonment work was needed for a well. While including references to CalGEM, the 2023 Proposed Amendments provide that the surety could be released to any "County-approved" person to fund the abandonment and surface restoration of a well. Moreover, the 2023 Proposed Amendments provide that this work could be done in accordance with either CalGEM requirements or "any other applicable state and federal requirements," as decided by the County. This directly contradicts the statutes that confer authority on the Supervisor to determine: (1) a well has been properly abandoned; and (2) set the standards that must be followed by the operator in conducting the abandonment and restoration of wells.

Moreover, the 2023 Proposed Amendments' Surface Restoration and Well Abandonment Surety enters an area fully occupied by state regulation. California Code of Regulations, title 14, section 1776 already 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 unstable slope conditions.

These requirements evidence a clear intent by the state to comprehensively regulate the restoration of oil and gas sites, including the plugging and abandonment concerns purportedly addressed by the Surface Restoration and 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.)

2. Adoption of the 2023 Proposed Amendments Would Violate CEQA

The County concedes that the 2023 Proposed Amendments constitute a "project" for purposes of CEQA. However, the County's conclusion that this project is nonetheless exempt from environmental review under State CEQA Guidelines, sections 15061(b)(3), 15307, and

15308, is not supported by substantial evidence. Further, even if the project was exempt, exceptions barring the applicability of this exemption would apply.

For more than four years, the County has been in possession of ample, credible evidence documenting fact that decreasing in-County oil and gas production will result in measurable, substantial increases in greenhouse gas ("GHG") emissions due to the importation of foreign oil and gas to meet in-County demand. As the County has already acknowledged, the 2023 Proposed Amendments will reduce in-County oil and production. Thus, contrary to County staff's assertion, it can be seen with certainty that the 2023 Proposed Amendments will result in a significant adverse effect on the environment in the form of increased GHG emissions. As such, the County's reliance on CEQA Guidelines section 15061(b)(3) is improper and further CEQA review must be undertaken as a matter of law.

The County also continues to unlawfully pick and choose what constitutes the "environment" for purposes of CEQA. Mineral resources are indisputably part of the environment for purposes of CEQA review and compliance. Again, the County has already acknowledged that the 2023 Proposed Amendments will reduce in-County oil and gas production. In other words, the County has already acknowledged that the 2023 Proposed Amendments will reduce the availability of mineral resources—namely oil and gas hydrocarbons. That constitutes an ***adverse effect*** on a natural resource and cannot credibly be characterized as a benefit. As such, the County's reliance on CEQA Guidelines sections 15307 and 15308 is improper and further CEQA review must be undertaken as a matter of law.

3. Adoption of the 2023 Proposed Amendments Would Constitute an Abuse of Discretion

Finally, the County has failed to provide the evidentiary support necessary for adoption of the 2023 Proposed Amendments. As such, approval of the 2023 Proposed Amendments would constitute an unlawful abuse of discretion. Specifically, the County has provided no evidence that oil and gas operations pose a hazard to public health, safety or the environment. As addressed above in this letter, oil and gas development is already subject to a robust statutory and regulatory framework; CalGEM is the regulatory body with authority over oil and gas projects. The County fails to explain why the existing framework is inadequate to protect the County's public health and safety, and why instead the County's 2023 Proposed Amendments will do what adherence to existing regulations cannot.

Sincerely,

Sigrid Waggener

Juachon, Luz

From: Katherine Gschweng <Katherine.Gschweng.326681699@advocacymessages.com>
Sent: Tuesday, September 19, 2023 12:52 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Katherine Gschweng
681 Kenwood St
Thousand Oaks, CA 91320

Juachon, Luz

From: Rachel Ernst <Rachel.Ernst.572556118@grsdelivery.com>
Sent: Tuesday, September 19, 2023 1:16 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Rachel Ernst
1521 Carnation Ave
Ventura, CA 93004

Juachon, Luz

From: Junemarie Justus <Junemarie.Justus.626269360@yourconstituent.com>
Sent: Tuesday, September 19, 2023 1:26 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Junemarie Justus
5586 Calarosa Ranch Rd
Camarillo, CA 93012

Juachon, Luz

From: Chrystal Klabunde <Chrystal.Klabunde.114371751@grsdelivery.com>
Sent: Tuesday, September 19, 2023 1:48 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Chrystal Klabunde
1229 Nonchalant Dr
Simi Valley, CA 93065

Revised Planning Division Letter - mgp

Reply | Reply All | Forward

DA Douglas Alexander <dalexander@adjtlaw.com>
To Oil and Gas Ordinance
Cc Sussman, Shelley

Tue 9/19/2023 2:48 PM

You replied to this message on 9/19/2023 2:54 PM.

Planning Division Letter - mgp.pdf
83 KB

Apologies, Ms. Sussman. My Word program went wonky this afternoon, and the letter I sent you a short while ago was not the final version.

Could you please distribute this letter instead to the Planning Commissioners and Staff.

Sorry for the bother!

Doug

Planning Commission Agenda Item #6A on 9/19/2023

Reply | Reply All | Forward

DA Douglas Alexander <dalexander@adjtlaw.com>
To Oil and Gas Ordinance
Cc Sussman, Shelley

Tue 9/19/2023 2:00 PM

Planning Division Letter.pdf
83 KB

Dear Ms. Sussman:

Please see the attached comments from Astarta Farms for the upcoming Planning Commission hearing for Proposed Oil and Gas Ordinance Amendments.

I'd appreciate your bringing this letter to the attention of the Planning Commissioners and Staff.

If you have any questions, please let me know.

Best regards,

Douglas W. Alexander
Proprietor
Astarta Springs Sustainable Farms LLC

Douglas W. Alexander
Proprietor
dougalexan@gmail.com

515 Congress Avenue, Suite 2350
Austin, Texas 78701-3562

September 19, 2023

Ventura County Planning Division (oilandgasord@ventura.org)

Re: Case #: PL 21-009 and PL 21-0100 - County of Ventura proposed changes to Non-Coastal Zoning Ordinance and Coastal Zoning Ordinance for oil and gas operations, updated surety and insurance requirements

Dear Planning Commissioners:

Executive Summary: I am the sole proprietor of a zero-income 68-acre former oil field, with 16 wells that have not produced any oil or gas for many years. I am actively engaged with CalGEM on systematically abandoning my wells and transforming my property from brown to green. The proposed ordinance, if adopted, threatens to derail my plans, which would produce the precise opposite result of what the ordinance is intended to achieve. Accordingly, I urge, at a minimum, that the Planning Commission afford exceptions to small operators like me who are working in good faith to abandon wells and clean up property in Ventura County, and who do not have the financial resources to incur expenses beyond those committed to those efforts.

Zero-Income Operation: Seven years ago, I inherited a 68-acre property in the Upper Ojai Valley and became its sole proprietor. The property, known as Astarta, was one of the first oil fields to be established in California, with wells drilled as early 1889. However, since years before I inherited Astarta, it has not produced a drop of oil or gas. Nor will it produce any in the future, as my consultants and I have been working diligently with CalGEM on viable plans to abandon its wells.

High-Expense Operation: My plan to transform Astarta from a 130-year-old oil field to a property dedicated to sustainable and environmentally friendly beneficial uses has come at considerable expense. Though I have not received a dime of income from the property since I inherited it, I have expended thousands of dollars each year on maintaining it and keeping it regulatorily compliant. This year alone, I have already incurred over $80,000 in expenses on consultants working with CalGEM to develop a well-abandonment program; contractors clearing roads and cleaning up the property in preparation for well abandonment; CalGEM idle-well fees; Ventura County property taxes and permit renewal fees; liability insurance; and maintaining the integrity of idled wells. I have allocated monies to abandon the wells as required by CalGEM but do not have funds for additional administrative expenses such as those contemplated by the proposed ordinance changes.

Financial Threat to Abandonment Efforts: In my review of the proposed ordinance, I see that Astarta falls in the category of properties with **11-20** idle wells. The expenses I would have to incur for the Well Abandonment Surety, Long-Term Idle Well Abandonment Supplement Surety, and Insurance, would far outstrip the financial resources I have already set aside to abandon my wells. I note that in Table 3 on page 16 of the Staff Report the Estimated Operator Costs for All Sureties for a property, like mine, with 11-20 idle wells are projected to be **$15,540-$26,250**, based on a Bond Cost @ **3%**. Those are amounts I could afford. But they are unrealistic projections for a small operator like me because, in my experience, any bonding company would require a small, zero-income operation like mine to post **100% collateral** to obtain the bond. This means, according to Table 3, that I would have to post **$518k - $875k** as collateral. That would be an overwhelming financial burden, crushing my ability to pay for the well-abandonment program that my consultants have been actively working on with CalGEM. I fully understand the Commission's desire for Ventura County to be free of as many orphaned wells as possible. Unfortunately, for a small zero-income operation like mine, the proposed ordinance threatens the precise opposite.

Recommendations: In light of the above, I urge the Planning Commission to:

- Grant exceptions to the surety requirements for small, zero-income operations like mine that are not producing any oil or gas and are actively working with CalGEM on systematically abandoning wells and cleaning up their properties.

- Eliminate or at least substantially reduce the insurance amounts for non-producing operators actively engaged in well abandonment and cleanup because currently required insurance amounts suffice for those efforts.

Sincerely,

Douglas W. Alexander

cc: Shelley Sussman, General Plan Implementation Section Manager
(shelley.sussman@ventura.org)

Juachon, Luz

From: Stacie Strossman <Stacie.Strossman.435231679@advocatefor.me>
Sent: Tuesday, September 19, 2023 2:08 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Stacie Strossman
316 Hickory Grove Dr
Thousand Oaks, CA 91320

Juachon, Luz

From: Ben Oakley <boakley@wspa.org>
Sent: Tuesday, September 19, 2023 3:21 PM
To: Oil and Gas Ordinance
Cc: Ben Oakley; Sarah Taylor; Matt Wickersham
Subject: FW: Notice of Upcoming Planning Commission Hearing for Proposed Oil and Gas Ordinance Amendments
Attachments: WSPA Comment Letter on 2023 Revised Zoning Amendments 9-19-23.pdf

To Whom It May Concern,

In accordance with the stakeholder outreach notice below, please see the attached WSPA comment letter on the proposed Non-Coastal and Coastal Zoning Ordinances regarding oil and gas conditional use permit terms, and sureties and insurance requirements.

Regards,

Ben Oakley
Manager, California Coastal Region
WSPA
C 805.714.6973
boakley@wspa.org

From: Sussman, Shelley <Shelley.Sussman@ventura.org>
Sent: Thursday, September 14, 2023 6:01 PM
To: Ward, Dave <Dave.Ward@ventura.org>; Prillhart, Kim <Kim.Prillhart@ventura.org>; Sussman, Shelley <Shelley.Sussman@ventura.org>
Subject: Notice of Upcoming Planning Commission Hearing for Proposed Oil and Gas Ordinance Amendments

September 14, 2023

Dear Stakeholder,

The Planning Division will be presenting proposed amendments to the Non-Coastal and Coastal Zoning Ordinances regarding oil and gas conditional use permit terms, and sureties and insurance requirements to the Planning Commission on Thursday, September 21, 2023. To find out how you may participate, attend, and provide public comments and to review the staff report and exhibits for these proposed ordinance amendments, please go to the Planning Commission website: https://vcrma.org/en/planning-commission

If you wish to submit comments in advance of the hearing, it is *strongly encouraged that they be submitted by 3:30 p.m.* ***two days prior to the hearing***, (Tuesday, September 19, 2023). Please email comments to oilandgasord@ventura.org

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
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**

VIA ELECTRONIC MAIL

September 19, 2023

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

Re: **Planning Commission Agenda Item No. 6A for September 21, 2023 – PL21-0099 and PL21-0100 – Proposed Coastal and Non-Coastal Zoning Ordinance Amendments**

Dear Chair Boydstun and Ventura County Planning Commissioners:

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, "Amendments").

The proposed Amendments were previously heard before the Planning Commission on August 18, 2022. At the conclusion of that hearing, the Planning Commission directed Planning Division staff to engage with the public, oil and gas operators and environmental groups within 60 days. Staff was also directed to look at insurance and bond requirements to ensure equity among operators, and research issues related to cost, availability and collateral requirements for sureties and insurance specific to the Ventura County market.

WSPA relies again upon the comments that it previously provided in advance of those hearings. (Attached again hereto as Exhibit A.) WSPA also joins in the comments submitted concurrently by Aera Energy LLC and Carbon California LLC. Despite having considerable time to take into account the objections from industry, the proposed Amendments re-submitted before the Planning Commission do not significantly differ from the prior version and contain the same deficiencies. For these reasons and as further set forth below, WSPA respectfully requests that the Planning Commission reject Staff's recommendation and deny further consideration of these issues.

The County Is Simply Preempted from Interfering with CalGEM's Regulation of the Abandonments and Idle Wells.

Although not mentioned at all in the Staff Report, a recent decision by the California Supreme Court prevents the County from continuing in its attempt to dictate how oil operations are conducted within the County. On August 3, 2023, the California Supreme Court issued a decision in the case of *Chevron U.S.A. Inc. v. Cty. of Monterey* (2023) 15 Cal. 5th 135 ("*County of Monterey*"), which held that an ordinance adopted by Monterey County was preempted by state law because it contradicted the state law regulating oil and gas development. (*Id.* at p. 145.) The

voters of Monterey County had adopted "Measure Z" in November 2016, which, in relevant part, prohibited the drilling of new wells and the injection or impoundment of oil and gas wastewater. (*Id*. at p. 140.)

In considering whether Measure Z was preempted by state law, the Supreme Court relied heavily on the language of section 3106 of the Public Resources Code, which says in pertinent part:

> The supervisor shall also supervise the drilling, operation, maintenance, and ***abandonment*** of wells so as to permit the owners or operators of the 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***.

(Cal. Pub. Res. Code § 3106, subd. (b), emphasis added.)

The Supreme Court held that a prohibition on certain production techniques contradicted the exclusive authority provided to the State Oil & Gas Supervisor (the "Supervisor") to determine the suitable method in each case, and therefore would be preempted:

> By providing that certain oil production methods may *never* be used by anyone, anywhere, in the County, Measure Z nullifies—and therefore contradicts—section 3106's mandate that the state "shall" supervise oil operation in a way that permits well operators to "utilize *all* methods and practices" the supervisor has approved. In other words, whereas section 3106 directs *the supervisor* to make decisions about the use of *all* oil production methods—inclusive of those methods Measure Z identifies—Measure Z authorizes *the County* to make decisions regarding some of those methods. Thus, were any oil producer to ask the state to decide whether those methods are authorized for use in the County, Measure Z, by banning those methods, has made that decision for—and in lieu of—the supervisor; it has, in all cases, usurped the supervisor's statutorily granted authority to decide whether those methods are "suitable … in each proposed case.

(*Cty. of Monterey*, *supra*, 15 Cal.5th at p. 145, emphasis in original.) Ventura County's proposed Amendments also usurp the Supervisor's statutorily granted authority to decide when and how wells should be abandoned. They will be similarly held preempted if adopted by the County.

Surface Restoration and Well Abandonment Surety.

The Public Resources Code specifically provides that the determination of when a well has been properly abandoned must be shown "to the satisfaction of the supervisor," and includes the taking of "all proper steps …to prevent subsequent damage to life, health, property, and other resources." (Pub. Resources Code § 3208(a).) The scope of proper abandonment is not limited to subsurface work, but includes taking "all proper steps...to protect…surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance and to prevent subsequent damage to life, health, property, and other resources." (*Id.*, § 3208.) In addition, proper abandonment includes "decommissioning the attendant production facilities of the well … if determined necessary by the supervisor." (*Id.*)

The Public Resources Code also requires that operators provide a bond, either individually or as a blanket bond, to ensure faithful compliance with the provisions of the Public Resources Code. (*Id.*, §§ 3204, 3205.) These bonds may only be canceled if the covered wells have been properly abandoned or a valid substitute bond has been provided. (*Id.*, § 3207(a).)

Pursuant to AB 1057, the Public Resources Code also authorizes CalGEM to determine whether an additional amount of security is required based on its "evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources."[1] (*Id.*, § 3205.3(a).) "The additional security required by the division shall not exceed the lesser of the division's estimation of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities in accordance with Section 3208, or thirty million dollars ($30,000,000)." (*Ibid*.)

Based on the reasoning in the *County of Monterey* decision, Ventura County is clearly preempted from imposing any additional surety amounts that are tied to well abandonment, decommissioning or remediation costs. The State Legislature has specifically set the amount of bond requirements that it determined were sufficient to provide financial security for the proper abandonment of wells. (*Id.*, §§ 3204, 3205.) More importantly, it specifically placed in the Supervisor's discretion the authority to impose an additional bond requirement. (*Id.* § 3205.3(a).) If Ventura County decides that operators within Ventura County must provide even more financial surety, then that nullifies the Supervisor's statutorily conferred authority to determine that a lower amount of bond was appropriate for these operators. (*Cty. of Monterey*, *supra*, 15 Cal.5th at p. 149 [holding that a local ordinance is invalid where it "takes those methods off the table and nullifies the supervisor's express, statutorily conferred authority to decide what oil production methods are suitable in each case"].)

Further, the proposed Amendments would place the County as the ultimate authority on whether additional abandonment work was needed for a well. While including references to CalGEM, the Amendments provide that the surety could be released to any "County-approved" person to fund the abandonment and surface restoration of a well. It also provided that this work could be done in accordance with either CalGEM requirements or "any other applicable state and federal requirements," which apparently would be decided by the County. This directly contradicts the statutes that confer authority on the Supervisor to determine that (1) a well has been properly abandoned and (2) the standards that must be followed by the operator in conducting the abandonment and restoration of wells.

The Legislature has provided that the Supervisor has final authority to determine whether a well has been properly abandoned. At most, the County could require a surety to fund the future revegetation of drill sites, but any such surety would need to be considerably reduced to reflect a

[1] In a Notice to Operator, issued July 31, 2023, CalGEM stated that, starting in the third quarter of 2023, it intends to contact operators who may be required to post additional financial security mechanisms. (CalGEM, Notice to Operators, CalGEM's Bonding and Financial Security Program Implementation of Public Resources Code Section 3205.3 (NTO 2023-08, July 31, 2023), available at https://www.conservation.ca.gov/calgem/for_operators/Documents/2023-08%20NTO%20on%20AB%201057%20Implementation_ADA.pdf.)

reasonable estimate for the revegetation requirements. Otherwise, these overlapping sureties directly conflict with the Supreme Court's recent opinion and would entirely nullify the statutorily granted authority for the State Oil & Gas Supervisor to determine (1) the appropriate amount of surety needed to ensure abandonment and restoration, and (2) the manner of such abandonment.

Long-Term Idle Well Abandonment Supplement Surety

The proposed Amendments would also impose additional surety requirements on wells that have been idle for 15 years or more. The Staff Report supporting these proposed amendments stated that these "15+ idle wells" have an increased risk of desertion. (See Staff Report at p. 8.) As above, this proposed surety directly conflicts with the authority granted to CalGEM in the Public Resources Code.

In addition to the statutes discussed above providing discretion in the control of CalGEM and its Supervisor over well abandonments, the State Legislature has required that each operator must either pay an annual fee for each idle well or submit an idle well management plan providing for the management and elimination of all long-term idle wells. (Pub. Resources Code § 3206.) AB2729 added Section 3206.1, which requires CalGEM to adopt idle well testing and management requirements, including appropriate testing as determined by the Supervisor, verifying the mechanical integrity of idle wells, and "[f]or a well that has been an idle well for 15 years or more, an engineering analysis demonstrating to the division's satisfaction that it is viable to return the idle well to operation in the future." (*Id.,* § 3206.1(a).) By imposing an additional surety to pressure operators to abandon idle wells, the County is directly contradicting the Supervisor's ability to determine that certain idle wells are viable and should be allowed to remain.

Most relevant to the County's purported concern over the risk of desertion, the Legislature has already established the procedure by which a county can request abandonment of idle wells. Upon request from a city or county, the Supervisor must provide a list of all idle wells within its jurisdiction. (*Id.,* § 3206.5.) The city or county may then identify idle wells "which it has determined, based on a competent, professional evaluation, have no reasonable expectation of being reactivated, and formally request the supervisor to make a determination whether the wells should be plugged and abandoned." (*Id.*, § 3206.5(c)(1).) "The supervisor shall, within 120 days of receiving a written request, make a determination as to whether any of these wells should be plugged and abandoned, pursuant to the criteria contained in this chapter." (*Id.*, § 3206.5(c)(2).) While the Staff Report concedes the existence of these provisions and even recommends that the County conduct a professional evaluation to make a request of CalGEM under section 3206.5, it fails to note that this process is the only proper means for the County to seek action with respect to the idle wells within its jurisdiction.

In summary, the Legislature has already specified that counties may only request for the Supervisor to determine whether idle wells should be plugged and abandoned. The Supervisor has the explicit authority to make the final determination as to whether any of these wells should be plugged and abandoned. By imposing a financial penalty on long-term idle wells, the County's supplemental surety requirements are intended to add pressure to operators independent from this statutory-provided process. The County is trying to encourage operators to abandon wells even if the County has not requested that the Supervisor determine that these wells should be abandoned, or even if the Supervisor has already decided that these idle wells should be allowed to remain in

place. If the Supervisor has discretion to determine whether idle wells are allowed to remain within the County, then the additional bond requirements are directly nullifying the Supervisor's decision.

The Staff Report acknowledges that "CalGEM possesses exclusive statutory authority regarding the specifics of the timing and implementation of plugging and abandonment work." (Staff Report at p. 17.) The County cannot indirectly also regulate on the same issue by imposing additional surety amounts intended to interfere with the Supervisor's authority on this issue. In response, the Staff Report relies entirely upon a conversation with the Supervisor on June 8, 2022 that purportedly stated that the County has the jurisdictional authority to impose these Amendments. (Staff Report at p. 7.) As an initial matter, the Supervisor cannot abdicate the statutory duties that were set by the Legislature. Further, this conversation does not take into account the Supreme Court's recent *County of Monterey* decision, in which the court interpreted the statutory authority and held unanimously that local entities cannot act as co-equal regulators with CalGEM in prescribing how oil operations are conducted. For these reasons, we ask the Planning Commission to deny further consideration of this issue.

The Proposed Zoning Amendments Are Arbitrary, Capricious and Entirely Lacking in Evidentiary Support.

Even if the proposed Amendments were a proper subject of regulation by the County, the County staff have provided no justification for the amounts identified here.

For the Surface Restoration and Well Abandonment surety, the County simply applies an arbitrary 25% factor to CalGEM's cost estimate for plugging, abandonment and site remediation. The County provides no justification for its assumption that CalGEM's regulations will result in a 25% shortfall. In short, the County provides no support for this 25% factor, although it is fundamental to the surety amount chosen by the County.

Similarly, the Staff Report identifies the numerous state statutes and programs targeting the abandonment of existing wells, but provides no analysis as to how these actions have reduced any risk to the County from orphaned wells.[2] As shown by the Catalyst report attached as Exhibit 10 to the Staff Report, 50 out of 51 of the operators with approved Idle Well Management Plans are operating in compliance with the terms of their plan. (See Staff Report Ex. 10 at p. 2-8.) In addition to the legal bar against acting in conflict with state law, County staff have provided no factual basis to adopt these Amendments.

And despite the Planning Commission's prior direction for Planning staff to engage with oil and gas operators and research issues on cost, availability and collateral requirements specific to the Ventura County market, the Staff Report entirely dismisses the concerns that the bonding amounts are economically and practically infeasible. Instead of rebutting the statements that 100% cash collaterals will likely be required by insurance companies, the Staff Report still assumes that

[2] See, e.g., CalGEM, *State Abandonment Draft Expenditure Plan* (July 2023), available at https://www.conservation.ca.gov/calgem/Documents/state_abandonment_expenditure_plan_7-17-2023.pdf (discussing the methodology developed by CalGEM "to screen, rank, and prioritize California's more than 5,300 orphan and likely orphan wells to be considered for permanent plug and abandonment").

(against instruction to determine whether), the operators will only incur costs of 2-4% of the total surety amount, and then simply compares that percentage cost to the gross revenue hypothetically available to the operators. (Staff Report at pp. 19-20.) And by relying entirely on production volume and an average market price for crude oil (without any attempt to take into account the actual costs, expenses and surcharges), the Staff Report has failed to conduct even a remotely plausible analysis as to the economic feasibility of these surety amounts.

As such, the proposed Amendments are entirely arbitrary, as they will only exacerbate the problem that the County is purportedly trying to solve, by greatly reducing the funds otherwise available to operators to properly abandon and restore existing wells.

The Insurance Provisions in the Proposed Amendments Need to Be Clarified.

WSPA appreciates that Planning staff have revised the proposed insurance coverage amounts. However, it appears that one intended revision was not yet included in the submitted version.

The proposed Amendments still refer to "sudden and gradual" environmental pollution coverage. However, the Staff Report refers only to "sudden and accidental" pollution coverage. (Staff Report at p. 16.) The reference to "sudden and gradual" in the ordinance appears to be a mistake. Insurance coverage typically refers to either a "sudden & accidental" coverage or a "gradual" pollution policy. A "gradual" pollution policy is significantly more expensive and difficult to obtain, as reflected in the prior public comments submitted last year. Given that the Staff Report asserts that the 2023 revisions to the insurance coverage amounts bring the required coverage levels within the range of what smaller operators already possess, it seems that the continued reference to "gradual" pollution coverage in the proposed Amendments is an oversight and should be revised.

The Zoning Amendments Are Not Exempt under CEQA

Planning staff improperly assert that the proposed Amendments fit within several exemptions to CEQA. In doing so, they fail to provide sufficient evidence for their assertions. A determination by the County that the proposed ordinance fits within the CEQA exemptions will only be upheld if supported by substantial evidence. (*North Coast Rivers Alliance v. Westlands Water Dist.* (2014) 227 Cal. App. 4th 832, 852.) The proposed Amendments and the County's Staff Report fail to provide necessary evidence to qualify for a CEQA exemption. An initial study was apparently not prepared. Instead, the Staff Report only provides conclusory statements regarding potential impacts, which are insufficient to support the exemptions claimed.

First, the Staff Report states that the proposed ordinance fits within the "common sense exemption" under section 15061(b)(3) of the CEQA Guidelines. To support its position, the County states that it can be seen with certainty that there is no possibility that the surety requirements may have significant effect on the environment. However, as discussed below, the increased surety amounts will only reduce the ability to conduct local oil production within the County, which can and will have a material effect on the availability of mineral resources within the County and, consequently, greenhouse gas ("GHG") emissions due to the increased demand for foreign oil and the transport of foreign oil to the County. And importantly, CEQA recognizes

that limitations in the access to mineral resources create a significant environmental impact. Further, the Staff Report has not properly evaluated the impacts to air quality that well abandonment and well plugging may have on the environment. Limiting the ability to access oil and gas, a "known mineral resource that would be of value to the region and the residents of the state", constitutes a significant impact on the environment under State CEQA Guidelines (*See* State CEQA Guidelines, Appendix G, section XII(a).) The loss of these resources creates a significant environmental impact. Therefore, the County cannot accurately state that "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment," (CEQA Guidelines § 15061(b)(3)), and a proper analysis is required under CEQA.

The Staff Report also relies upon exemptions for actions by regulatory agencies for the protection of the environment (Class 8) under sections 15307 and 15308 of the CEQA Guidelines. These exemptions, however, only apply to actions taken by regulatory agencies, as authorized by state or local ordinance. The County is a legislative body, not a regulatory agency, and thus the exemptions cannot apply.

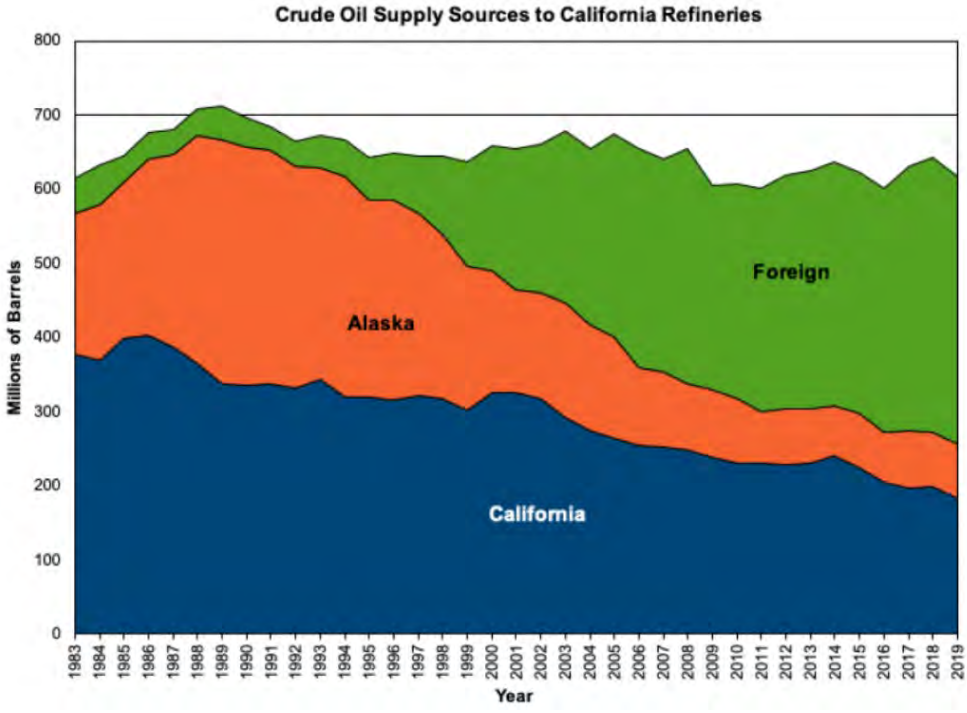
Additionally, the exemptions are not applicable where substantial evidence does not support that the proposed Amendments will involve procedures for the protection of the environment or natural resources. The proposed ordinance will have significant, adverse impacts to the County's mineral resources, air quality, and GHG, as discussed further below. The County cannot simply "circumvent CEQA merely by characterizing its ordinance[] as environmentally friendly and therefore exempt" under a Class 7 or Class 8 exemption. (*Save the Plastic Bag Coalition v. County of Marin* (2013) 218 Cal.App.4th 209, 219-220.) These exemptions do not apply to agency actions that improve one element of the environment but have significant effects on another. (*Dunn-Edwards Corp. v. Bay Area Air Quality Management District* (1992) 9 Cal.App.4th 644.)

None of the exemptions apply for the additional reason that the unusual circumstances exception under section 15300.2(c) bars reliance upon any exemption located within sections 15301 through 15333, including those raised by the County here. An unusual circumstance refers to "some feature of the project that distinguishes it from others in the exempt class." (*San Lorenzo Valley Community Advocate for Responsible Education v. San Lorenzo Unified School District* (2006) 139 Cal.App.4th 1356, 1381.) The proposed ordinance presents "unusual circumstances" for several reasons. The proposed ordinance does not impose procedures for the protection of the environment, but instead imposes permitting, surety and insurance conditions that will discourage and reduce oil production within the County. The unusual circumstances exception applies when evidence demonstrates a project will have a significant impact on the environment. (*World Business Academy v. Cal. State Lands Commission* (2018) 24 Cal.App.5th 476, 499.) The proposed Amendments will clearly have a significant impact on the environment. The loss of availability of known mineral resources that would be of value to the region and the residents of the state constitutes a significant impact on the environment under State CEQA Guidelines. (CEQA Guidelines, Appendix G, section XII(a).) State CEQA Guidelines, Appendix G, section XII(b) similarly finds a resulting significant environmental impact from "the loss of availability of a locally-important mineral resource recovery site delineated on a local general, specific plan or other land use plan[.]"

While the proposed Amendments will negatively impact the oil and gas industry in Ventura, these regulatory restrictions will not reduce the State's consumption of crude oil. In 2022, California was the sixth-largest producer of crude oil in the nation.[3]

Despite the decreased in-state production, the demand for oil within the State has remained high and is not likely to decrease in the near future.[4] California is the second-largest consumer of petroleum products in the nation and the largest consumer of motor gasoline and jet fuel. In 2021, 83% of the petroleum consumed in the state was used in the transportation sector.[5] Although the State has supported and subsidized the sale or lease of electric vehicles for decades, electric and hybrid vehicles still make up less than 4% of the light-duty vehicles on the road in California.[6]

As oil produced within California declined since 1986, imported oil from foreign countries has been used to replace the persistent demand within the State:



[3] California, State Profile and Energy Estimates, *available at* https://www.eia.gov/state/analysis.php?sid=CA#84.

[4] The Staff Report provides no justification for its unsupported assertions that the pandemic-induced dip in oil consumption will result in a long-term reduction in demand.

[5] U.S. Energy Information Administration, California Profile Report, *available at* https://www.eia.gov/state/analysis.php?sid=CA.

[6] California Energy Commission, *Light-Duty Vehicle Population in California*, *available at* https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle.

Source: California Energy Commission, *Oil Supply Sources to California Refineries*, available at https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/oil-supply-sources-california-refineries

Reduced domestic drilling will result in greater imports of crude oil from out of state sources, primarily foreign countries, which have not been analyzed by the County.[7] The use of foreign crude oil is associated with substantial emissions associated with transportation as foreign crude oil needs to be transported from between 4,000 miles (Ecuador) and 13,000 miles (Saudi Arabia) one-way to get to California. This causes the GHG lifecycle emissions associated with foreign crude oil to be higher than conventionally-recovered California crude oil as well as increasing the spill risks associated with tankering crude oil and the resulting impacts on marine biology.

As such, reduced domestic production of oil and gas is associated with increased emissions via higher reliance on imported oil from outside the County. The GHG emissions associated with the production, processing, and transportation of crude oil into the County will result in increased GHG emissions. For these reasons, CalGEM has already determined that alternatives that reduce in-state production using well stimulation techniques with respect to recovery of light oil as is recovered in Ventura County would ultimately result in greater environmental impacts from the expected increase in GHG emissions:

- "[V]iewed on a larger programmatic level, the indirect impacts outside of those fields would create much greater impacts to greenhouse gas emissions from the importation of oil and gas from out of the State that would result if Alternative 1 were implemented. Given the importance in California law of efforts to address climate change (e.g., Assembly Bill 32, the California Global Warming Solutions Act), DOGGR has given considerable weight to this negative attribute of Alternative 1, and finds that, for this reason, Alternative 1 cannot be the environmentally superior alternative."[8]

- "This alternative would restrict future oil and gas activity … The decrease in California production is not quantifiable (EIR Section 8.3.2). The replacement supply would increase the activity of tanker ships delivering foreign oil to California via ports and marine terminals in Los Angeles, Long Beach, and the San Francisco Bay Area, and it would increase the activity of rail trains hauling crude oil primarily from North Dakota and Canada. In-state emissions from oil and gas production would could [sic] occur at lower levels; however, these emissions would be offset by increasing levels of emissions from tanker ships and locomotives delivering crude to California and from terminal facilities necessary to offload and handle the imports."[9]

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[7] Argus Media, *California Crude Imports at Highest since 2019: EIA* (July 6, 2023), available at https://www.argusmedia.com/en/news/2466576-california-crude-imports-at-highest-since-2019-eia.

[8] See CalGEM, *Final Environmental Impact Report, Analysis of Oil and Gas Well Stimulation Treatments in California* (June 2015) at ES-23, available at https://www.conservation.ca.gov/calgem/Pages/SB4_Final_EIR.aspx.

[9] *Id*. at p. 12.3-8.

- "DOGGR has given considerable weight to the fact that increased oil imports would lead to increased greenhouse gas generation."[10]

In particular, the carbon intensity of Ventura crude oil is significantly lower than many of the foreign sources of crude oil that will be used to replace the lost production from the County.[11] By reducing production in Ventura County, that crude oil will be replaced with additional imported oil that will necessarily have a higher carbon intensity and thus generate greater GHG emissions than the crude oil available within the County. As such, the proposed Amendments create a significant environmental impact, which distinguishes the proposed Amendments from other ordinances covered under these CEQA exemptions.[12] The County must do an environmental analysis under CEQA to determine the potential impacts associated with the proposed Amendments.

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,

Sarah Taylor, Esq.

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[10] *Id*. at p. C.2-63.

[11] See, e.g., California Environmental Protection Agency, Air Resources Board, *Calculation of 2022 Crude Average Carbon Intensity Value* (August 3, 2023), *available at* https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/crude-oil/2022_Crude_Average_CI_Calculation_initial.pdf; California Energy Commission, *Foreign Sources of Crude Oil Imports to California 2022*, *available at* https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/foreign-sources-crude-oil-imports.

[12] The exemptions are also inapplicable to projects that result in cumulatively significant impacts. (*San Lorenzo Valley Community Advocate for Responsible Education v. San Lorenzo Unified School District* (2006) 139 Cal.App.4th 1356, 1381.) The proposed ordinance would result in cumulative environmental impacts from the many other restrictions on oil and gas operations concurrently being adopted, including by the City and County of Los Angeles and the increased setback provisions adopted by SB 1137. In failing to consider the cumulative impacts of the Proposed Amendments, the County has omitted critical analysis of potential environmental impacts, including impacts to mineral resources, air quality, marine biology, transportation impacts, and increased emissions of GHG.

EXHIBIT A

in support of WSPA's
September 19, 2023 Comment Letter
to Ventura County Planning
Commission

Ben Oakley
Manager, California Coastal Region

VIA ELECTRONIC MAIL

August 17, 2022

Shelley Sussman
Planning Commission of Ventura County
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Ventura, CA 93009
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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 further 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"). The Planning Commission previously conducted a hearing on the Zoning Amendments on July 28, 2022, and WSPA submitted comments in advance of the hearing. However, a subset of comments – including WSPA's – was not included in the public record to the Planning Commission. Therefore, WSPA submits these comments in advance of the Planning Commission's second hearing to consider the Zoning Amendments on August 18, 2022. We request that the Planning Commission seriously consider the issues raised in this comment letter, as well the July 27, 2022 comment letter submitted by WSPA, which is attached hereto as Attachment 1.

I. Well Abandonment Surety Is Flawed and Premature

The proposed Zoning Amendments would require oil operators to post well abandonment sureties "to help ensure that sufficient funds exist for the operators' wells to be properly plugged and abandoned." (Staff Report at p. 10.)[1] According to the Planning Division, the proposed Zoning Amendments reflect the alleged "likelihood that some wells in unincorporated Ventura County will be orphaned and that the State will lack adequate

[1] All references to the "Staff Report" are to the July 28, 2022 Staff Report for Planning Commission Agenda Item 7. The August 18, 2022 Staff Report for Planning Commission Agenda Item 7 notes that the "July 28, 2022 staff report, along with all exhibits and materials submitted in advance of the July 28, 2022 hearing remain relevant and applicable to [the] Commission's consideration of this item. No changes have been made to the project description, the proposed ordinance amendments, or staff recommendations."

resources to properly and timely plug and abandon them." (*Ibid*.) However, the Planning Division's rationale for requiring the well abandonment sureties is fundamentally flawed and unsupported by evidence.

The Planning Division contends that the well abandonment sureties are necessary because the State allegedly lacks adequate resources to plug and abandon orphaned wells. For example, the Staff Report claims that it costs "$974 million to plug and abandon approximately 5,356 currently known, orphaned, deserted, and potentially deserted wells statewide," but that this figure "does not include the estimated cost to plug and abandon any wells that have not yet been identified by CalGEM as orphaned or deserted." (Staff Report at pp. 5-6.) According to the Staff Report, although the State's Hazardous and Idle Deserted Well Abandonment Fund and Oil, Gas, and Geothermal Administrative Fund collectively provide $13 million for plugging and abandonment costs, that "represent[s] just over one percent of what CalGEM estimates it will cost to properly plug and abandon currently known orphaned and deserted wells." (*Id*. at p. 6.)

The Staff Report also relies upon a report commissioned by CalGEM and conducted by the California Council on Science and Technology (CCST) to further support its assertion that the well abandonment sureties are warranted in light of purportedly limited State resources to address plugging and abandonment.[2] The CCST Report presents what it calls a "coarse analysis" to determine wells that are at risk for becoming orphan by identifying six risk categories with varying levels of likelihood of occurrence and the costs to the State if all of the wells within each of these categories were to become orphan and require plugging and abandonment by the State. (CCST Report at pp. ix, xii, 17, 18, 40.) The study team commissioned by the CCST used a rough statistical estimation, based on review of a relatively small sample of well records provided by CalGEM. The report calculates the total potential liability to the State by multiplying the total number of identified wells by a unit cost for plugging and abandonment; with a worst-case scenario of the State facing responsibility to fund the plugging and abandonment of all active and idle wells currently in the State. (*Id*. at pp. x, 28.) The CCST report is – at best – a rough calculation useful to indicate further risk and financial analysis by CalGEM. It is hardly fit for supporting policy changes and vast increases in surety bonds.

[2] California Council on Science & Technology, *Orphan Wells in California* (Nov. 2018), available at: https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf (accessed on Aug. 15, 2022) ("CCST Report").

The CCST Report concludes that 5,540 wells in California may be orphan, or "likely to be deserted," (*id*. at p. ix), and the Staff Report relies upon the following language from the report to support the proposed well abandonment surety requirements:

> The preliminary analysis performed here finds that 5,540 wells in California may already have no viable operator or be at high risk of becoming orphaned in the near future. The likely plugging and abandonment costs for these wells, based on the State's historical experience with orphan wells, exceed the available bond funds by a factor of 10 or more…The total net difference between plugging costs and available bonds across all oil and gas wells in the state is about $9.1 billion...This estimate ignores environmental or health damages that could be caused by orphan wells, which is a poorly understood category of potential impacts…

(Staff Report at pp. 11-12.)

However, the Planning Division's justification for recommending the increases in well abandonment surety is fundamentally flawed. In fact, the Planning Division concedes that ***CalGEM has not identified <u>any</u> orphan wells in Ventura County*** (Staff Report at p. 3), so imposing well abandonment sureties to address plugging and abandonment of orphan wells that have not yet been identified is arbitrary and premature. Furthermore, the very premise upon which the Planning Division bases the well abandonment surety – i.e., the belief that the State lacks adequate resources to plug and abandon orphaned wells – is false and unsupported for the three reasons set forth below.

1. The Planning Division Overestimates the Number of Orphan Wells

The CCST Report estimates that "5,540 wells in California may already have no viable operator or be at high risk of becoming orphaned in the near future." (Staff Report at p. 11.) However, this is a significant overestimate of the number of wells at high risk of becoming orphaned. In fact, a 2020 report by Catalyst Environmental Solutions – the same consultant the Ventura County Resource Management Agency retained to assist with the development of the Zoning Amendments (*id*. at p. 1) – found that the CCST report significantly overestimated the number of potential orphan wells in the State. (See Catalyst Environmental Solutions, *Analysis of CCST's Orphan Well Report* (May 30, 2020) at p. 1 ("Catalyst Report"), attached hereto as <u>Attachment 2</u>.)

For example, Catalyst reviewed the relevant well production and status data and assumptions of operator behavior used in the CCST report to start at a common point. (*Id*. at p.

1.) Catalyst then conducted additional evaluations of well records, well ownership, well production lifecycles, and Capital Matrix Consulting conducted operator interviews to obtain proprietary information to determine the validity of the assumptions used to define the number of likely orphan and high risk of becoming orphan wells in the State. (*Ibid*.) Using this information, Catalyst determined that the number of likely orphan and high risk of becoming orphan wells identified in the CCST report (5,540 in total) "***would be reduced by half or more, which would represent a corresponding reduction by half or more in potential net liability***." (*Ibid*., emphasis added; *see also id*. at pp. 8-10.) Thus, according to the County's own consultant, the Staff Report's contention that the State does not have adequate resources to plug and abandon wells is factually unsupported because it relies upon incorrect data regarding the number of likely orphan and high risk of becoming orphan wells.

2. The Planning Division Relies Upon "Unlikely" Worst-Case Scenarios

While the Staff Report notes that "the total net difference between plugging costs and available bonds across all oil and gas wells in the State is about $9.1 billion," the Planning Division omits that the CCST Report found that this $9.1 billion figure is "***an unlikely 'worst-case' scenario for the State plugging liability***." (CCST Report at p. 28.) It is inappropriate and misleading for the Planning Commission to premise the imposition of exorbitant well abandonment sureties on "unlikely, worst-case" scenarios, which Catalyst has already found are significantly overestimated.

3. The Planning Division Overlooks Recent Legislative and Regulatory Developments

The Staff Report also fails to recognize how recent legislative and regulatory developments have significantly reduced the State's liability to plug and abandon wells. As the Catalyst Report found:

> ***[R]ecent legislation and regulations relating to orphan wells are having substantial impacts*** in reducing the State's liability for orphan well abandonment. Reporting on the first year of implementation of new idle wells regulations indicates that the number of idle wells plugged and abandoned by operators in 2018 alone exceeded CalGEM expectations by 80%. Of the wells that were converted from idle to plugged in 2018, just the first year of the new regulations, we find that 25 had been identified by the CCST Orphan Well Report as Likely Orphan (Category 1), 41 had been categorized as high risk of becoming orphan (Category 2), 1,227 had been categorized as other marginal or idle wells

> (Category 3), and the remaining wells had either been classified as high-producing wells or had not been included in the CCST data analysis. The idle well regulation is working very well in ***reducing the State's liability for orphan wells***.

(Catalyst Report at p. 2, emphasis added; *see also id*. at pp. 16-18.)

The implication of the Catalyst Report, as well as the annual reports from CalGEM (2019-2020) on the performance of the revised Idle Well Management program, is that a change in the rules and incentives for maintaining wells in idle status has resulted in a significant recalculation by California operators of the potential productive value of their assets. The Planning Division seems to ignore this very significant change in operator behavior, and on the contrary seems to assume that the incentives built into the program are ineffective. This assumption is simply not supported by the actual evidence.

For example, **AB 2729 (Williams, 2016)** raises idle well fees, but allows operators to avoid these fees by entering an idle well management plan. Under the requirements of AB 2729, idle well management plans must commit operators to eliminating a minimum percentage of their long-term idle wells each calendar year. CalGEM notes that the idle well management plans are an effective way "to reduce the number of idle wells for which the State may become responsible."[3] At the time the CCST Report was published (November 2018), no data was yet available to review how implementation of this law would affect potential State liability related to wells becoming orphan. Even the CCST Report notes that, at the time of publication, the effects of the new idle well program at CalGEM were still to be realized.

CalGEM published its first legislative report covering the period January 1 through December 31, 2018, on July 1, 2019, and reported that it collected ***$4.3 million in idle wells fees***, and while operators were expected to eliminate a minimum of 596 long-term idle wells, they ***significantly exceeded*** the expected number of eliminations and 988 long-term idle wells were plugged and abandoned by operators.[4] CalGEM's second legislative report (2019) found that ***1,927 idle wells were plugged and abandoned*** and ***543 long-term idle wells were***

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[3] California Department of Conservation, *Idle Well Program*, available at: https://www.conservation.ca.gov/calgem/idle_well#:~:text=Since%201977%2C%20CalGEM%20has%20plugged,a%20cost%20of%202429.5%20million (as of Aug. 11, 2022). CalGEM's webpage on its Idle Well Program also notes that "***wells are now being plugged before they become a problem***" and "***operators are complying***." (*Ibid*., emphasis added.)

[4] California Department of Conservation, *Idle Well Program Report On Idle & Long-Term Idle Wells in California* (July 1, 2019), available at: https://www.conservation.ca.gov/calgem/idle_well/Documents/AB-2729-Idle-Well-Program-Report.pdf (as of Aug. 11, 2022); *see also* Catalyst Report at p. 16.

eliminated.[5] Finally, the third legislative report (2020), CalGEM found that ***2,154 idle wells were plugged and abandoned*** and ***558 long-term idle wells were eliminated***.[6]

AB 2729 also required CalGEM to substantially expand idle well testing requirements. CalGEM issued final regulations in April 2019 which require, among other things, operators to provide a detailed inventory of idle wells to CalGEM, and to conduct progressively more rigorous testing starting within 24 months of when they become idle. (14 CCR §§ 1772, 1772.1.) Companies can avoid these costly tests by putting idle wells into an approved idle-well testing waiver plan or idle well management plan. Wells put into the testing waiver plan must be plugged and abandoned within 8 years. (14 CCR § 1722.2.) In the three years since the new implementing regulations of AB 2729 were in effect, the State has seen a very significant and positive change in operators' calculation of financial risk, and a dramatic decline in the number of idle wells. According to Catalyst:

> Based on our interviews with producers, the new idle well testing requirement is having a major impact on their management of idle wells. Testing costs are high, and if issues are identified during testing, remediation costs are even higher. This has caused companies to carefully review their inventory of idle wells. In cases where reactivation seems less than likely, producers are putting the wells into the idle well testing waiver program, where they will be plugged and abandoned within 8 years. ***Based on responses we received, it appears that more than half of existing idle wells will be scheduled for abandonment.***

(Catalyst Report at p. 17, emphasis added.)

Other legislation will also reduce the State's liability to plug and abandon wells:

- **AB 1057 (Limon, 2019)** authorizes CalGEM to require (1) increased financial assurances from onshore operators if existing assurances are inadequate; and (2) additional documentation from operators when ownership of wells or facilities changes." The Catalyst Report notes that a study by the Interstate Oil and Gas Compact commission

[5] California Department of Conservation, *Idle Well Program Report On Idle & Long-Term Idle Wells in California* (March 2021), available at: https://www.conservation.ca.gov/calgem/idle_well/Documents/AB%202729%20Idle%20Well%20Program%20Report%202019.pdf (as of Aug. 11, 2022).
[6] California Department of Conservation, *Idle Well Program Report On Idle & Long-Term Idle Wells in California*, available at: https://www.conservation.ca.gov/calgem/pubs_stats/Documents/Idle%20Well%20Program%20Report%202021_FINAL.pdf (as of Aug. 11, 2022).

provides that California's financial assurance requirements already occupy the "high end" of the regulatory spectrum. (Catalyst Report at p. 18.)

- **Public Resources Code Section 3205.3**, codified in 2018 by AB 1057, provides CalGEM the authority to require an operator subject to CalGEM's indemnity bond requirements to provide an additional security, in an amount acceptable to CalGEM, based on CalGEM's evaluation of the risk that the operator will desert its wells and the potential threats the operator's wells pose to life, health, property, and natural resources. AB 1057 additionally gives the Oil and Gas Supervisor broad discretion to make a determination of desertion, and to thereby access budgetary resources to mitigate public risks.

- **Public Resources Code Section 3205.7,** amended by SB 551 (Jackson, 2019), requires each operator of a well to submit a report to CalGEM estimating the cost to plug and abandon all its wells, decommission all attendant production facilities, and complete site remediation. CalGEM has issued a pre-rulemaking discussion draft of the implementing regulations and is in the process of reviewing public comment in order to initiate a final rulemaking. The cost estimate reports provided by operators will provide a mechanism for CalGEM to assess the full costs associated with these activities and will inform a more accurate assessment of the level of surety bonding appropriate to an operator's assets.

- **SB 1295 (Limon/2022)** would increase the amount of money CalGEM can expend in one fiscal year to address plugging and abandonment **from $3 million to $5 million**.

- **California State Budget (2022-23)** includes a **$100 million** one-time General Fund over two years to plug orphan or idle wells, decommission attendant facilities, and complete associated environmental remediation.[7]

Accordingly, the Planning Division's justification for the well abandonment surety is premised upon faulty and misleading data regarding the number of potential orphan wells in the State and a highly unlikely worst-case scenario for the State's plugging and abandonment liability. The Division further overlooks the significant funding recently made available to address plugging and abandonment of idle and deserted wells, and prematurely assumes that CalGEM's efforts will be inadequate and ineffective.

[7] California State Budget – 2022-23, at pp. 67, 127 available at: https://www.ebudget.ca.gov/FullBudgetSummary.pdf (as of Aug. 11, 2022).

WSPA hopes that the Planning Commission seriously considers the issues raised in this letter, as well as the previous letter submitted in advance of the July 28 hearing. There are significant risks associated with moving forward with the proposed Zoning Amendments, not the least of which could be the undermining of an effective relationship with CalGEM and significant budget resources that could be made available in Ventura County. The proposed Zoning Amendments are arbitrary, legally indefensible, and vastly out of touch with Ventura County voters.

Respectfully,

Ben Oakley

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 *would lead to higher global [greenhouse gas ("GHG")] emissions* 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 ***none have yet been formally identified in the County***." (*Id*. at p. 3.) Since CalGEM has not identified *any* 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(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:

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.

Analysis of CCST's Orphan Well Report

Prepared for: Western States Petroleum Association

Date: May 30, 2020

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Table of contents

List of tables

Summary of Findings

Concerned about the potential financial risks involved with idle and orphan wells and aware of similar problems in other parts of North America, the Department of Conservation, California Geologic Energy Management Division (CalGEM) requested the California Center for Science and Technology (CCST) produce a study assessing the State's potential orphan well liabilities. Based on the assumptions and definitions of risk categories for determining wells likely already orphan and likely to become orphan, the CCST found that "5,540 wells in the State may already have no viable operator or be at high risk of becoming orphaned in the near future". This estimate includes all wells with Risk Categories 1 and 2. CCST calculates that the State's potential net liability for these wells is approximately $500 million. The CCST analysis finds an additional 69,425 economically marginal or idle wells that could also become orphan in the future as production declines and/or they are acquired by financially weak operators.

CCST determined the number of wells found within each of the high-risk categories based on what they called a "coarse analysis" of well production and status data and broad assumptions of operator behavior. Catalyst and Capital Matrix Consulting were retained by Western States Petroleum Association (WSPA) to review the CCST report and to further refine the coarse analysis based on this new information. Catalyst obtained and reviewed the input and output from the CCST analysis to start at a common point. We then conducted additional evaluations of well records, well ownership, and well production lifecycles, and Capital Matrix Consulting conducted operator interviews to obtain proprietary information to determine the validity of the assumptions used to define the risk categories. The new information indicates that the original CCST analysis over-estimated the number of potential orphan wells in the state (Table 1). Starting at CCSTs coarse analysis and adding additional information, including modified assumptions and definitions bounding each risk category the number of wells within each of the high-risk categories would be reduced by half or more, which would represent a corresponding reduction by half or more in potential net liability.

Table 1. Summary of Analysis and Potential Liability Based on Refined Assumptions

Risk Category	Definition and Primary CCST Assumptions	Number of Wells in CCST Analysis	Proposed Revised Assumptions Based on Additional Analysis	Reduction of Wells Included in the Risk Category	Percent Difference in Potential Liability to the State
Category 1 – Likely Orphan Wells	Wells within no production in the last five years that belong to operators with no California production or injection in the last five years.	2,565	1. Remove wells owned by operators known to still be present and active 2. Adjust analysis to reflect municipal protections to avoid adverse effects of buried wells and likelihood of State involvement in reabandonment.	1,200	47%

Category 2 – High Risk of Becoming Orphan	Wells with no production or injection in the last five years, where the responsible operator is currently active in California, but operator has primarily idle or marginal wells. Operators average production rate across all wells is less than 5 BOE/day and operator has less than 1,000 actively producing wells.	2,975	1. Revise operator size definitions to reflect that many active mid-size operators in the State. Small operators defined as <100 active wells.	1,800	60%
Category 3 – Other Idle and Marginal Wells	All idle wells that do not fit into Categories 1 or 2, plus wells that produce less than 5 BOE/day, plus currently active injection wells.	69,425	1. Remove the definition of "marginal wells" reflecting that low-production wells comprise more than half of the States active production wells and the majority are owned by large producers. 2. Remove injection wells from this category. Injection wells are necessary produced water disposal and enhanced oil recovery and are not more at risk of becoming orphan than other wells	44,785	64%

It is noteworthy that the CCST report also considered alternative rules for identifying orphan wells and the analytical result (Appendix B of the CCST report), in essence conducting a sensitivity analysis of the results of their coarse evaluation. The reduction in the number of wells found based on refinements to the CCST assumptions that are more reflective of oil and gas production in the State is within the range of CCST's sensitivity analysis.

Finally, both our review of data and results of interview with companies strongly suggest that recent legislation and regulations relating to orphan wells are having substantial impacts in reducing the State's liability for orphan well abandonment. Reporting on the first year of implementation of new idle wells regulations indicates that the number of idle wells plugged and abandoned by operators in 2018 alone exceeded CalGEM expectations by 80%. Of the wells that were converted from idle to plugged in 2018, just the first year of the new regulations, we find that 25 had been identified by the CCST Orphan Well Report as Likely Orphan (Category 1), 41 had been categorized as high risk of becoming orphan (Category 2), 1,227 had been categorized as other marginal or idle wells (Category 3), and the remaining wells had either been classified as high-producing wells or had not been included in the CCST data analysis. The idle well regulation is working very well in reducing the state's liability for orphan wells.

The idle well program waivers and idle well management plans include lists of wells planned for plugging and abandonment over the next few years. These data, which were not available at the time the CCST

report was prepared, is pertinent to the estimate of potential state liability for orphan wells and the number of wells identified is likely already orphan or high risk of becoming orphan in the CCST report. Idle wells that are planned for abandonment by current operators should not be considered in the tally of potential orphan wells that are a liability to the state.

Overall, we would therefore recommend that the analysis in the CCST report be modified as indicated in the table above based on new information, and that the number of potential orphan wells be further reduced based on the reported operator plugging and abandonment plans required by the new idle well program, in order to provide a more accurate estimate of potential liability for the State.

SECTION 1 Introduction

The California Department of Conservation, California Geologic Energy Management Division (CalGEM), requested the California Council for Science and Technology (CCST) prepare an assessment of potential future costs to the State for plugging and abandoning orphan wells. Orphan wells are wells that have no known operator responsible for long term maintenance, or no financially viable operator capable of plugging the well and decommissioning the well's production facilities.

The report presents what it calls a "coarse analysis" to determine wells that are at risk for becoming orphan by identifying six risk categories with varying levels of likelihood of occurrence and the costs to the State if all of the wells within each of these categories were to become orphan and require plugging and abandonment by the State. The total potential liability to the state is then calculated by multiplying the total number of identified wells by a unit cost for plugging and abandonment; with a worst-case scenario of the State facing responsibility to fund the plugging and abandonment of all active and idle wells currently in the State. The report concludes that 5,540 wells in California (the total of all wells in risk categories 1 and 2 defined in the report) may be orphan presently and that the potential net liability to the State from these wells is approximately $500 Million. The report also concludes that an additional 69,425 wells (the total of all wells in risk category 3) could become orphan in the future. The report was completed in 2018 and relies on production and well data from year ending 2017 or earlier. However, the report was first released in January 2020.

At the request of the Western State Petroleum Association (WSPA), Catalyst Environmental Solutions (Catalyst) and Capital Matrix Consulting reviewed the CCST Orphan Wells Report and prepared this report. The objective of our work was to start with the conclusions of the CCST coarse analysis, and then if available provide additional information not considered in the CCST report to refine the coarse analysis with relevant new information. We first evaluated the validity of the assumptions made in defining the six risk categories by reviewing publicly available well production, injection, and transfer records on CalGEM's Well Records Search feature on their website. In addition to reviewing the well records, we also interviewed oil producers in the State of California to further inform our analysis of the assumptions regarding operator behavior related to low-producing wells, well transfers of ownership from one operator to another. Finally, Catalyst staff spoke with the lead author of the report, Dr. Judson Boomhower, and the team at CCST to better understand the analysis methods, the data relied upon, and their assumptions via conference call on May 2, 2020. This discussion led to Dr. Boomhower providing the CalGEM data he relied upon, and the script for the statistical software that he used. Using this information, we were able to replicate the results presented in the CCST report.

Using the provided material and starting with the replication of results in the CCST report (that is, a common starting point of agreement), we suggest modifications to the assumptions in the CCST report based on this information from CalGEM records and operators, and then evaluate the resulting change to the output from CCST's analysis. Our focus in this analysis is on the wells identified as likely already orphan or high risk of becoming orphan (e.g. the breadth of the orphan well issue) rather than on CCST's approach for quantifying potential plugging and abandonment costs. We note that the CCST report includes a list of recommendations for CalGEM to be able to refine and verify the results of their

analysis, including review of well records and developing a better understanding well ownership dynamics. We agree that with these recommendations, the additional analysis in this report provides a more refined and accurate assessment of the potential future liability of orphan wells in California. As shown in this evaluation, conducting a more thorough analysis of the wells within the top three risk categories suggests that the liability is roughly half that identified in the CCST report.

We also compared the current regulatory protections in place that address idle wells in California and CalGEM's report summarizing operator compliance during the first year of implementation of CalGEM's updated Idle Well Regulations. As the CCST Orphan Well Report was completed in 2018, before initiation of CalGEM's idle well program, the CCST analysis could not have considered this highly relevant new information.

We also note that CalGEM is also engaged in an independent assessment of the likelihood and liability posed by orphan wells and is currently in the process of developing procedures to identify orphan wells in accordance with the recently adopted Idle Well Regulations. As suggested in our analysis, updating the CCST report to reflect current regulatory oversight and economic incentives for plugging and abandoning long-term idle wells, would further reduce the estimated liability in the top three risk categories.

SECTION 2 Evaluation of CCST Risk Categories and Data Analysis

This section evaluates the validity of the assumptions and definitions of the CCST report, based on our analysis of well records and CalGEM production data available on the CalGEM website and operator interviews that were not in the CCST report. Based on our discussion with Dr. Boomhower, who conducted the CCST study, we obtained the input data, statistical script, and output files from the underlying analysis provided in the CCST report. We were able to replicate the results provided in the CCST report using this information. Both this report and the CCST report therefore have a common starting point of the results of the CCST study. We then use additional information to determine how proposed adjustments to CCST's definitions bounding the different risk categories would affect the report conclusions regarding potential liability to the State from orphan wells. The first step of the CCST analysis was to define six risk categories for potential orphan wells based on broad assumptions of producer behavior. Table 2 provides the CCST definitions for each of the six risk categories and the number of wells that they determined for each category. The column labeled "CCST reasoning" is a summary of the basis for each of the definitions as described within the report. For the purposes of this report, and consistent with the CCST report, we have focused on Risk Categories 1, 2, and 3 as the only categories that have a meaningful liability to the state.

Table 2: Breakdown of CCST Categorization of Oil and Gas Wells

Category	Number of Wells	CCST Category Definition	CCST Reasoning
Category 1 – Likely Orphan Wells	2,565	Wells within no production in the last five years that belong to operators with no California production or injection in the last five years.	Lack of observable activity by the operator of these wells is an indicator that they may have no viable operator.
Category 2 – High Risk of Becoming Orphan Wells	2,975	Wells with no production or injection in the last five years, where the responsible operator is currently active in California, but operator has primarily idle or marginal wells. Operators average production rate across all wells is less than 5 BOE/day and operator has less than 1,000 actively producing wells.	Research from other states suggests that smaller operators are more likely to orphan wells and are harder to recover cost from in the event of default.
Category 3 – Other Idle and Marginal Wells	69,425	All idle wells that do not fit into Categories 1 or 2, plus wells that produce less than 5 BOE/day, plus currently active injection wells.	All active injection wells are included because of a lack of method to identify injection wells that are financially marginal. While many of these wells are owned by large companies, a single bankruptcy from

			one of these large companies could leave the state with many orphan wells.
Category 4 – Higher Producing Wells	31,722	Wells that produce more than 5 BOE/day	Low risk of becoming orphan. Even if current operators become insolvent, others would likely find it profitable to acquire the wells.
Category 5 – Wells Plugged Before Modern Requirements	41,390	Wells plugged before February 1978.	Likely will need to be reabandoned in the future. Note that plugged wells are not included in CCST analysis of potential orphan well costs.
Category 6 – Wells Plugged After Modern Requirements	80,571	Wells plugged after February 1978.	No additional explanation of these wells provided. Assume that these wells are considered low-risk. Note that plugged wells are not included in CCST analysis of potential orphan well costs.

The CCST report does not provide the specific wells that populate each risk category, instead providing the following caveat in the report:

> *It is important to note that this coarse categorization is a rough screen meant to assess the approximate magnitude of the orphan well problem in California using the best available data from the Division. The thresholds used in the analysis to define marginal wells and to categorize operators are by necessity somewhat arbitrary. In the appendix, we investigate the sensitivity of our categorizations to changes in these category thresholds. More broadly, this coarse approach is substantially less detailed than would be required to make legal determinations about the status of any given well. It is also less sophisticated than approaches used by regulators in other jurisdictions (e.g. Alberta, Canada), which rely on detailed, company-specific financial information that is not tracked by the Division.*

In other words, the CCST report provides a statistical analysis based on certain pre-defined thresholds to estimate the total number of wells within each of their defined categories. The report intentionally does not provide specific details regarding the individual wells the fall into each category. Dr. Boomhower informed us that reviewing individual well records and identifying the presence of potentially responsible parties was outside the scope of the CCST review. Legal determinations of the status of all wells is the responsibility of CalGEM, who is presently conducting their own internal analysis of how best to approach this determination. Respecting CCST's desire to not publish the output tables from their analysis, we have produced summary tables that explain each our analyses.

2.1 Category 1 – Wells Deemed Likely Orphan Due to No Production in the Last Five Years (2012-2017)

Wells placed in Category 1 are considered most likely already orphan within the CCST report. The designation is defined by wells that had no production between 2012 and 2017 and were owned by operators who had not operated in California within that same time frame. However, many of the wells that fall within this category are long-term idle wells that have been idle for decades. Following this classification of wells, CCST did not conduct any further investigation of the well records or operators for any wells that fell into any of the categories. Thus, no additional research or validation has been done to date to confirm how many of the **idle** wells CCST included in Category 1 are actually **orphan** wells with no responsible party.

As CCST did not intend to conduct further evaluation beyond the coarse analysis, we observed that the script for running the data analysis identifies wells only by operator code and stops short of the next step to assign the corresponding operator name. When we completed this step, we found that over 250 wells designated Category 1 were held by operators known to still be active and operating either in California or elsewhere or that had been reorganized or operations purchased by large, active operators in the State (e.g., Linn Western Operating Company reorganized as Berry Petroleum, and Union Oil of California holdings were purchased by Chevron)), or were held by government entities (e.g. State of California, City of Whittier, Bureau of Land Management, US Geologic Survey, City of Los Angeles). This new information from a review of operators suggests that conducting only a coarse analysis without results validation leads to a substantial overestimate of the magnitude of the potential issue.

Secondly, the CCST report notes that many of the wells in Category 1 are located in Los Angeles County. We reviewed the CCST data output and cross-checked the operators of the listed wells with the data available on Well Records Search feature of the CalGEM website. Using this feature, we were able to identify those wells classified as Buried-Idle, whereas the data sets provided to CCST by CalGEM did not include this distinction. Based on our rough analysis of CalGEM status and mapping of the buried wells using GIS software, approximately 1,000 of the wells included in Category 1 are buried beneath the City of Los Angeles for decades. While some may be accessible (e.g. beneath streets or open space areas), the vast majority are buried beneath buildings and for all practical purposes, are not accessible to be reabandoned by the State, even if further investigation by CalGEM determines that there is no viable operator. Therefore, the liability for Buried-Idle wells is addressed in a different manner than plugging and abandonment.

The City of Los Angeles has addressed the issue of buried wells and the high natural level of methane gas beneath the City the establishment of Methane Hazard Zones. The City of Los Angeles enacted two ordinances to address potential hazards (Ordinance 175790 and 180619). These ordinances defined methane hazard zones and methane buffer zones throughout the City, where it is known that methane concentrations are elevated. Any development within these zones requires implementation of mitigation measures overseen by the Los Angeles Department of Building and Safety to avoid adverse impacts. Such measures include preparation of a Methane Hazard Mitigation Standard Plan, site testing, detection standards, and installation of vents. The Department of Building Safety has the authority to withhold permits unless detailed plans for adequate protection against methane intrusion are taken.

Through the enaction of these ordinance and oversight by the City Department of Building and Safety, Los Angeles has effectively treated all historic wells the same regardless of whether they were plugged and sealed or not and implemented measures to avoid adverse impacts. That is, the City addresses the issue of unknown and buried wells by protecting the receptor points (buildings) rather than one of several potential sources of the methane (buried and inadequately abandoned oil wells). Los Angeles County and many cities have similar protections within their municipal codes that allow the issue to be addressed through construction standards.

Given that these wells are highly unlikely to be reabandoned by the State due to inaccessibility (i.e. location beneath active hospitals, multi-story office buildings, etc.) and that the City has addressed the primary hazards associated with the presence of these buried wells through their Building Code, we recommend the analysis exclude these wells from calculations of potential costs to the State. ***This would reduce the number of wells in Category 1 by approximately 1,000.***

2.2 Category 2 - Risk Based on Operator Size and Number of Active Wells

Category 2 assumes that operators with less than 1,000 wells are high risk of leaving orphan wells. Only eight operators in California own greater than 1,000 active wells: Chevron, CRC [considering all various forms of CRC entities], Aera, Berry, Sentinel Peak Resources, Seneca Resources, THUMS, and E&B Natural Resources Corporation. A cut-off of 1,000 active wells to define a high risk of producing orphan wells erroneously puts many successful long-term businesses in a category of high risk for leaving orphan wells to the State. These firms, such as Macpherson, Bellaire, Signal Hill Petroleum, Brea Canon, Matrix, Vaquero, and others have been operating in communities for decades, and have been operating within the regulatory framework, paying idle well fees and developing and implementing idle well management plans, all of which are part of the State's program for offsetting risk of orphan wells.

As stated by CCST in the report, this threshold is necessarily arbitrary, to allow CCST to do a rough screening of the approximate magnitude of wells with potential to become orphan in the State. CCST also acknowledges the sensitivity of their categorizations to changes in category thresholds in Appendix B1 of their report.

We recommend that CCST revise their definition of operator size to be inclusive of the larger independent producers that are common in the state, and provide a means to differentiate risk between medium-sized independent financially-solvent companies and smaller operations that maintain a very small portfolio in the State. A review of the DOGGR AllWells dataset shows that those operators with greater than 100 active wells, primarily have active wells as part of their portfolio (not including wells already plugged, active wells comprise >75% of the total wells). This adjustment in operator size definitions will more accurately reflect the reality of production in California. Therefore, we recommend CCST adjust their analysis as follows: Large operators should be defined as those operators with 400 or greater active wells. Medium-sized operators should be defined as those with 100-399 active wells, and small operators defined as any operator with less than 100 active wells in the State.

In duplicating CCST's steps in categorizing the wells within the databases they received from CalGEM, we found that CCST did not include a final step to identify the operators of the wells (they are instead defined by CalGEM operator codes, not names). Our findings suggest that had this step been taken and

operators classified as small, medium, large (as suggested in Section 2.1), and wells owned by medium-sized, active producers in the state removed (those operators with greater than 100 active wells), Category 2 would be reduced by over 1,800 wells. As discussed above, CCST's admittedly arbitrary threshold of 1,000 active wells is not reflective of most of the production in the State. There are many financially-solvent, actively producing, mid-size, independent producers in the State, and that have a long history of operating in the State.

Of the wells that would remain in Category 2 following this adjustment, Catalyst notes that 37 were still designated active in 2017 and 33 are defined as new. These wells also should have been reclassified to a category of less risk by the CCST. If these steps had been taken, the number of wells left in Category 2 would have been just over 1,000, comprised of wells owned by approximately 150 different small operators. Using the average cost of well abandonment in the CCST report ($68,000 per well), these additional steps in refining the model output would have reduced the estimated State liability by $71,196,000.

2.3 Category 3 – Risk Based on Low Production Rate

Category 3 considers that idle wells are at a higher risk of becoming orphan wells if they produce less than 5 BOE/day, which includes all active injection wells, in addition to production wells. Note that the CCST report does not have a middle category for production. In the Orphan Wells Report, wells are either considered marginal and low-producing if they produce less than 5 BOE/day (or less than 1,825 barrels of oil per year since the databases only provide monthly totals not daily totals for production) or they are considered high-producing if the average is greater than 5 BOE/day. This threshold is predicated on two underlying assumptions: 1) larger operators are more likely to sell off wells once they become low-producing, and 2) wells start off producing high and continuously taper off in production until such point that they are idled or plugged. We show in this section that there are several reasons why these assumptions are not correct with respect to California oil and gas production:

- More than half the production wells in the state produce less than 5 BOE/day
- Most lower production wells are owned by large producers
- The production trajectory of wells goes up and down over its lifecycle based on technology, economic market, and operator ability to manage produced fluids and get the product to market.

These points are addressed further in the following paragraphs. We note that our analysis of the data showing why these assumptions are false, is also consistent with statements contained within the CCST report to describe the wells within Category 3. Further, CCST's report acknowledges that these assumptions are a simplification of the data used to conduct their coarse analysis. As stated in footnote 9 of the CCST report, "The actual economic limit of any given well depends on field-level production costs, output prices, and other factors."

The false assumption that low-production wells have a comparatively high risk of becoming orphaned underpins all of Category 3. As shown in the data, there is not a minimum production level that would indicate the risk of a well becoming orphan. Further, as noted by CCST, there is not a clear method to identify economically-marginal injection wells but all injection wells (active and idle) were included in

Category 3. Injection wells by their nature, allow production wells to be economically-productive either through disposal of produced water or enabling enhanced oil recovery. Therefore, there is no clear reason why active injection wells are considered at a higher risk of becoming orphan. Based on the data, we suggest that Category 3 be reduced to only the remaining idle wells, after consideration of Categories 1 and 2. **This adjustment would reduce Category 3 from 69,425 wells to 24,640 wells and reduce the projected liability to the State if all wells in Category 3 were to become orphan by over $3 billion (using CCST's average cost of plugging and abandonment of $68,000 per well).**

2.3.1 Low-Producing Wells Comprise Over Half the Production Wells in the State and Most Are Owned by Large Operators

Table 3 and Chart 1 were produced by isolating active oil and gas production wells from CalGEM's production databases, totaling 67,330 wells. We examined the data from five separate Microsoft Access databases published by CalGEM and available on their website (2013, 2014, 2015, 2016, and 2017) to get a five-year average production for each well, in order to classify the wells as high-producing or low-producing (based on the CCST threshold of 5 BOE/day). As demonstrated by Table 3 and illustrated in the accompanying chart, wells that produced less than 5 BOE/day are a large part of most operator's portfolios of active wells, regardless of operator size. Large operators own 85% of all of the low-producing wells in the State. In fact, for large operators, low-producing wells make up 55% of the total portfolio of active wells. These wells make up more than half of all active production wells in the State of California and are therefore important to the total overall production in the State. Therefore, defining wells that produce less than 5 BOE/day as marginal and more likely to become idle and then orphaned is an inaccurate categorization.

Table 3: Comparison of the Number of Low-Producing Wells to High-Producing Wells Owned by Different Size Operators

Operator Size	Number of Low Producing Wells Owned by Operators (<5Bbl/day)	Percentage that Low Producing Wells Make Up of Total Portfolio within Operator Size Categories	Number of High Producing Wells Owned by Operators (>5Bbl/day)	Percentage that High Producing Wells Make up of Total Portfolio within Operator Size Category	Total Active Production Wells During the Subject Years
Small (<100 active wells)	3,056	75%	1,029	25%	4,085
Medium (<400 active wells)	2,772	63%	1,599	37%	4,371
Large (>400 active wells)	32,209	55%	26,665	45%	58,874
Total	38,037	56%	29,293	44%	67,330

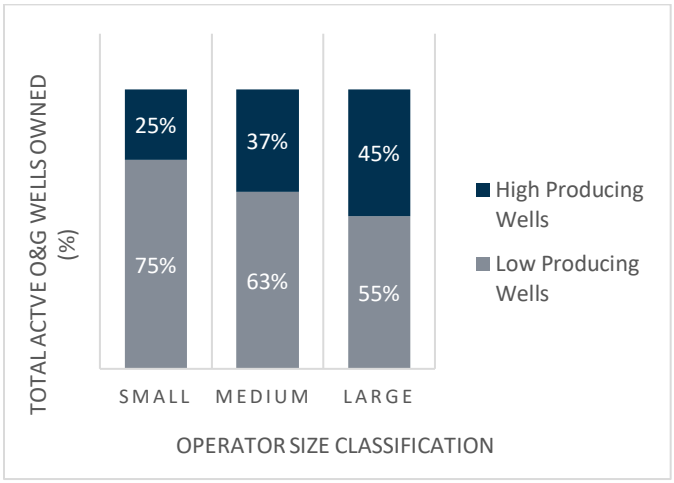

Chart 1. Ratio of the ownership of high-producing to low-producing wells based on operator size.

2.3.2 Wells Are Not Generally Transferred from Larger Operators to Smaller Ones Once They Become Low-Producing

The CCST report assumes that once wells begin to produce less and become "marginal", these wells are more likely to be sold by larger operators to smaller ones. However, as the data in the Table 3 above indicates, large operators maintain a large percentage of these lower producing wells in their portfolio, and there is not an indication, when looking at well ownership that there is a transfer of low-producing wells from larger to smaller operators.

Chart 2 further illustrates these points. Chart 2 compares the average production (barrels/year) of the wells categorized as either high-producing or low-producing, as owned by operators of various sizes. As shown in the chart, there is not a significant difference in the production levels of wells owned by small or large operators. The low-producing wells owned by smaller operators are not producing a significantly less amount of oil per day (1.27 bbl/day) than the low-producing wells owned by larger operators (1.65 bbl/day). Similarly, there is not much difference in the average annual production of the high-producing wells between the various size operators (the daily production rate for these wells is 17 bbl/day).

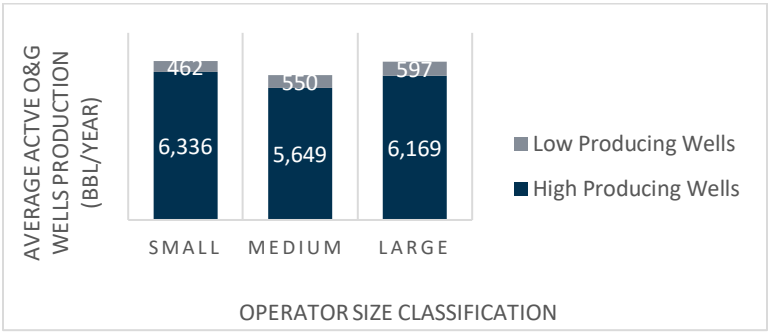

Chart 2: Production of low and high producing oil wells (averaged production from 2013-2017, Bbl/year) categorized by size of operator.

Based on a review of well records and interviews with major operators in the State, we find that wells are not generally transferred on a one-off basis. Rather, when a sale occurs, an operator will generally sell an entire lease or an entire drill site operation containing many wells, including high-producing, low-producing and injection wells. Well transfers and sales are reflective of operator finances, strategic decisions to focus in operations in specific fields or formations, and various other business decisions.

To further evaluate this assumed trend, we posed the question to several large producers in the State. The feedback we received from large producers indicate that systematic "down-selling" does not occur and is inconsistent with their business objectives for the following reasons

- Oil reserves in California are long-lived with slow decline rates. Producers indicated that they are able to operate low-production wells at a profit for a prolonged time period – sometimes for 20 years or more. This is partly due to the efficiency of oil operations in this state. Relative to other oil-producing regions, oil fields are more compact, with wells spaced tightly together, and thus able to share common power sources and other field infrastructure.
- Slow decline rates and compact fields work against a "down-selling" strategy for individual wells. Such a transfer does not work for either the buyer or seller. The buyer would not have access to power sources and infrastructure needed in the field, and the seller would have fewer producing-wells over which to share its fixed costs – making the remaining wells less cost-efficient and less profitable.

Indeed, company representatives we spoke to indicated that their acquisition and selling decisions typically involve single or multiple leases, or fields, and seldom involve individual wells. They indicated that their decisions regarding whether to hold or sell leases come down to whether the asset continues to align with the its broader business objectives, geological evaluations, and investment priorities. They indicated that the age of wells is not normally a factor in acquisition and divestiture decisions.

2.3.3 The Lifecycle of a Well Is Not a Straight Downward Trajectory in Production Until Plugged

To further this analysis, Catalyst reviewed the well production and status records over a 20-year period (1997 to 2017) to examine if there is a trend of low-producing wells becoming idle after a period of low production years. There were 12,528 low-producing wells in 1997 (between 1 and 1,852 bbl oil produced in 1997). Of these, 68% (8,512 wells) were still active, 20 years later in 2017. Furthermore, of those that remained active after a 20-year period, 27% (2,273 wells) were producing at a greater rate in 2017 than they were in 1997. This increase in production could be due to implementation of enhanced oil recovery techniques, reworking or recompletions in a different zone, or change in operator focus for production activity. Many different considerations go into operator strategy for production; but these data shows that the assumption that a well produces the most oil at the beginning of its life and tapers off for the rest of its productive years until it is idled or plugged is not accurate across the board, with respect to California oil fields, and that improvements in oil production technology can result in higher production levels at different points in the well lifecycle. Of the low-producing wells that were no longer active in 2017, 17% were plugged, buried, or cancelled and 16% were idle.

2.4 Other Proposed Refinements to the CCST Analysis

In addition to the specific reviews and refinements of the CCST category definitions provided above, we also reviewed the well type and well status designations of the wells in the output for each risk category. Table 4 shows the number of each type of well within the risk categories. As shown, the data sets included dry holes, observation wells, water source wells, and core holes (shaded light gray). These types of wells do not pose a liability for reabandonment as a hazard well because they did not encounter an oil reservoir. As such, these wells should have been excluded from the dataset prior to running the analysis. Excluding these non-oil wells form the analysis reduces the number of wells in Category 1 by 203, the number of wells in Category 2 by 23, and the number of wells in Category 3 by 2,963.

Table 4. CCST Risk Factor Designations by Well Type

Well Type	Category 1: Likely Orphan Wells	Category 2: High Risk of Becoming Orphan Wells	Category 3: Other Idle and Marginal Wells	Category 4: Higher-Producing Wells	Grand Total
Core Hole	11		95		106
Dry Gas			1		1
Dry Hole (DH)	182	3	20		205
Gas	61	111	1,315	675	2,162
Gas Storage		7	20	337	364
Injection	21	299	13,057	17	13,394
Multi	41	301	8,088	2,099	10,529
NA	150	5	185	13	353
Observation	7	7	2,744		2,758
Oil & Gas	2,088	2,229	43,243	28,203	75,763
Cyclic Steam	1		474	376	851
Steam Flood			15		15
Water Flood			64	2	66
Water Source	3	13	104		120
Total	**2,565**	**2,975**	**69,425**	**31,722**	**106,687**

We next reviewed the well status of each of the wells within the risk categories. Under regulations in effect when the report was finalized (2018), a well was not considered idle until it had been inactive for five consecutive years. We found that based on the CCST definition for categories 1 and 2 (no production for 5 years), the data analysis inadvertently included a small set of active wells and new wells in Category 1 (Table 5). As Category 1 is meant to define those wells at high risk for becoming orphan, these wells should have automatically been taken out of Category 1, and recategorized through a review of the actual well records. The active wells that were captured in this category consist of observation

wells, injection wells, which, by definition, would have had no production for five years, and a four production wells. A review of well records for the active production wells in this output, indicates that two are actually plugged and abandoned already, one is an active well owned by U.S. Geologic Survey, and only one has been converted from active to idle status since the CCST report was completed. By definition, new wells are likely those that were permitted and either not yet drilled (only to be confirmed through the actual well records) or wells that were recently drilled but have not yet been brought online. It is not surprising that production records for the new wells was zero and 2,060 new wells were therefore, classified as "marginal". These wells also shown have been excluded from the dataset prior to running the analysis.

Table 5. CCST Risk Factor Designations by Well Status

Well Types	Category 1: Likely Orphan Wells	Category 2: High Risk of Becoming Orphan Wells	Category 3: Other Idle and Marginal Wells	Category 4: Higher-Producing Wells	Grand Total
Active	18	88	40,434	31,269	71,809
Idle	2,424	2,516	24,640	453	30,033
New	11	180	2,600		2,791
Unknown	112	191	1,751		2,054
Total	**2,565**	**2,975**	**69,425**	**31,722**	**106,687**

SECTION 3 Effects of Updated Idle Well Regulations on State Liability

CCST's report was completed in 2018, and as such, reflected the regulatory environment that existed during that year. Much has occurred since then, in terms of both enacted legislation and the drafting and adoption of new idle well regulations by CalGEM. The regulations followed significant public outreach and comment on drafts to address public health and environmental concerns. Collectively, these actions have substantially strengthened state protections against liabilities for plugging and abandoning orphan wells. We discuss these legislative and regulatory changes in more detail below.

3.1 AB 2729 (Williams/2016)

This measure, which is described in the CCST report, raises idle well fees, but allows operators to avoid these fees by entering into an idle well management plan. Under the requirements of AB 2729, idle well management plans must commit operators to eliminating a minimum percentage of their long-term idle wells each calendar year. The required rate of elimination of long-term idle wells is based on the total number of statewide idle wells in the operator's possession on January 1 of each year. Unless and until the operator has no long-term idle wells, the operator must eliminate the required rate of wells annually. The required elimination rates are as follows:

- Operators with 250 or fewer idle wells must eliminate at least 4% of their long-term idle wells.
- Operators with 251 to 1,250 idle wells must eliminate at least 5% of their long-term idle wells.
- Operators with more than 1,205 idle wells must eliminate at least 6% of their long-term idle wells.

At the time the CCST Orphan Well Report was completed no data was yet available to review how implementation of this regulation would affect potential state liability related to wells becoming orphan. CalGEM published its first legislative report covering the period January 1 through December 31, 2018, on July 1, 2019. In this report, CalGEM reported that it collected $4.3 million in idle well fees and received and approved idle well management plans from 76 oil and gas operators. Based upon the terms of the approved idle well management plans, operators were expected to eliminate a minimum of 596 long-term idle wells. Operators significantly exceeded the expected number of eliminations and eliminated 988 long-term idle wells. Nineteen operators eliminated more long-term idle wells than was required by their approved idle well management plan, resulting in those operators earning 453 elimination credits, which can be used for idle well management plan compliance for up to two years.

On January 1, 2019, the Supervisor conducted an annual review of each 2018 idle well management plans which yielded the following results:

- 52 operators were found in compliance with the terms of their approved IWMPs.
- 988 LTIW were eliminated in 2018 as part of approved IWMPs.

- Four operators eliminated all their LTIW in the State. Two of these operators plugged all their idle wells in the State.
- Sixteen operators voluntarily voided their 2018 IWMP and filed idle well fees, totaling $461,550 to remain in compliance with Public Resources Code section 3206.

Reviewing the summary tables in Appendix A of CalGEM's report, we find that of the 1,346 idle wells that were plugged in 2018, 25 had been identified by the CCST Orphan Well Report as Likely Orphan, 41 had been categorized as high risk of becoming orphan (Category 2), 1,227 had been categorized as other marginal or idle wells (Category 3), and the remaining wells had either been classified as high-producing wells or had not been included in the CCST data analysis. Based on these data, we think review of the submitted idle well management plans and the plans for plugging and abandonment of idle wells proposed within the plans is pertinent to the analysis of potential State liability for orphan wells. We suggest that this data be incorporated into CCST's analysis and liability estimates adjusted accordingly.

3.2 New well-testing regulations

In addition to the idle well fee and management plan provisions, AB 2729 required CalGEM to substantially expand idle well testing requirements. CalGEM issued final regulations in April 2019 following significant public outreach and comment on drafts to address public health and environmental concerns.

The regulations require operators to provide a detailed inventory of idle wells to CalGEM, and to conduct progressively more rigorous testing of wells starting within 24 months of when they become idle. Companies can avoid these costly tests by putting idle wells into an approved idle-well testing waiver plan or the previously mentioned idle well management plan. Wells put into the testing waiver plan must be plugged and abandoned within 8 years.

Based on our interviews with producers, the new idle well testing requirement is having a major impact on their management of idle wells. Testing costs are high, and if issues are identified during testing, remediation costs are even higher. This has caused companies to carefully review their inventory of idle wells. In cases where reactivation seems less than likely, producers are putting the wells into the idle well testing waiver program, where they will be plugged and abandoned within 8 years. Based on responses we received, it appears that more than half of existing idle wells will be scheduled for abandonment.

Consistent with these actions, companies we spoke to indicated they have sharply raised their budgets for plugging and abandonment. This was prior to the onset of the Covid-19-related economic contraction and oil price collapse, so it is possible that some of these expenditures will be delayed. However, what is clear from our conversations is that the testing requirements have fundamentally changed the financial calculations with respect to idle wells.

3.3 AB 1057 (Limon/2019)

This measure authorizes CalGEM to require (1) increased financial assurances from onshore operators if existing assurances are inadequate; and (2) additional documentation from operators when ownership

of wells or facilities changes. According to a recent study by the Interstate Oil and Gas Compact Commission (IOGCC), California's financial assurance requirements already occupy the "high end" of the regulatory spectrum. CalGEM is seeking 7 new positions in the 2020-21 budget to carry out these responsibilities.

Additionally, the bill provides CalGEM with additional authority to track and trace the ownership of wells and facilities with greater accuracy to enable it to take enforcement actions against the appropriate operators. A key impact of these track and trace provisions is better enforcement of SB 2007 (Costa), enacted in 1996, which makes oil producers jointly liable for plugging and abandonment costs. Under SB 2007, if a well is deserted but the operator cannot pay for the costs of plugging and decommissioning, CalGEM can pursue operators that owned the well as far back as January 1, 1996 for plugging and abandonment costs. Therefore, as is described in the CCST report, verification of whether the wells within the top two risk categories have responsible parties to pay for plugging and abandonment is the necessary next step to determining the potential State liability for orphan wells. CalGEM is currently developing their process for how they will determine orphan wells and address potential risks and identifying potentially responsible parties. We expect additional data regarding these wells to be available in the coming year, which would further inform the CCST report and liability estimates.

From:	Marc Traut
To:	Oil and Gas Ordinance
Cc:	Sussman, Shelley; Ward, Dave; Prillhart, Kim
Subject:	Public Comment - Planning Commission Hearing 9-21-2023 - Agenda Item 6.A
Date:	Tuesday, September 19, 2023 3:27:11 PM
Attachments:	Letter to VC PC NCZO proposed amendment - insurance 9-19-2023.pdf
Importance:	High

See attached.

Renaissance Petroleum, LLC

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

September 19, 2023 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, 9-21-2023
Project Description, 2023 Surety and Insurance Proposals, Section 6, Insurance

Dear Chair Boydstun, Vice-Chair Garcia, and Commissioners Sandlin, McPhail and Kestly,

Summary:

1. 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.
2. RenPet's current annual insurance premium is ~$40,000 / year.
3. RenPet's estimated annual premium under modified NCZO §8107-5.6.12 is estimated to be >$350,000 / year, **if such coverage could be obtained**.
4. The largest drivers to the increased costs would be for "Sudden and Gradual" Environmental Impairment coverage and Excess Liability coverage.
5. The increase in insurance costs would render RenPet's operation economically unsustainable.
6. Ventura County has not offered any legal basis for imposing modified insurance requirements on existing conditional use permits that are in good standing with the NCZO.
7. The imposition of the proposed requirements on a vested permit and the resulting negative financial 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.
8. Imposing the proposed insurance modifications on compliant conditional use permits will alter or otherwise impair RenPet's ability to produce oil and conduct its operation.

Discussion:

Ventura County is proposing a unilateral modification to NCZO §8107-5.6.12 whereby all existing conditional use permits and existing special use permits will be subject to the modified version of NCZO §8107-5.6.12 within 90 days of the effective date of the modified ordinance. The modified insurance products and coverages are itemized below:

- General Liability - $2,000,000 each occurrence / $4,000,000 aggregate
- Environmental Impairment - $5,000,000 Sudden and Gradual
- Control of Well - $5,000,000
- Excess (Umbrella) - $10,000,000

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: 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 existing NCZO §8107-5.6.12. The Planning Commission ("Commission") is now considering a proposed modification to NCZO §8107-5.6.12 brought forward by the Planning Division ("Planning") such that the amount of insurance coverage and type of insurance required will be increased and expanded significantly. According to the subject Staff Report dated 9-21-2023 ("2023 Staff Report"), the increased and expanded insurance requirements are a modified version from those same proposed insurance requirements that were presented to the Commission by Planning in 2022 by way of the Staff Report dated 7-28-2022 ("2022 Staff Report"). The latter have been further modified by Planning following a meeting with stakeholders held in early November of 2022. The table below provides a description of the insurance products that are involved (i.e., column A), the "As Is" Ventura County Requirements (i.e., column B), the proposed "To Be" Ventura County Requirements (i.e., column C), and the "As-Is" coverages maintained by RenPet (i.e., column D).

A	B	C	D
	Ventura County Insurance Requirements & Limits		
Products	**Current - "As Is"**	**Proposed - "To Be"**	**RenPet Current - "As Is"**
General Liability	$500,000-$1,00,000 (persons) / $2,000,000 (property)	$2,00,000 (each occurrence) / $4,000,000 (aggregate)	$1,00,000 (each occurrence) / $2,000,000 (aggregate)
Environmental Impairment	Not Required	$5,000,000 (Sudden & Gradual)	$5,000,000 (Sudden & Accidental)
Control of Well	Not Required	$5,000,000	$5,000,000
Excess/Umbrella	Not Required	$10,000,000	$5,000,000
			RenPet "As Is"
RenPet Annual Insurance Cost		**>$350,000/year (if coverages can be obtained)**	**~$40,000/year**

Be advised that, according to RenPet's commercial insurance agent, there is no guarantee that the required coverages shown in column C above will be available to RenPet. The contrast in annual cost to RenPet is shown in yellow. Note that the estimated increase annual insurance costs for RenPet is more than eight times the current annual cost.

It was noted that within proposed NCZO §8107-5.6.12(b)(2) that the Environmental Impairment coverage is to "apply to sudden and gradual pollution conditions…." This conflicts with Table 4 in the current 2023 Staff Report which specifically describes the insurance type as Environmental Impairment (Sudden and Accidental). Below is Table 4 from the 2023 Staff Report.

Table 4 – Insurance Coverages for Oil and Gas Operations

Insurance Type	Original Proposal for Coverage Amounts (July/August 2022)	Revised Proposal for Coverage Amounts (Sept. 2023)
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Control of Well	$10 million	$5 million
Excess or Umbrella	$25 million	$10 million

This conflict between Table 4 of the 2023 Staff Report and the text of the proposed NCZO §8107-5.6.12 – Insurance ("Proposed Insurance Text") is significant. The difference in cost between "Sudden and Accidental" and "Sudden and Gradual" is a game changer when it comes to finding affordable coverage, if such insurance can be obtained at all. In a highly regulated industry where surface facilities (i.e., tanks & piping), subsurface facilities (i.e., gathering lines, pipelines), and injection wells are mandated by State law to be frequently tested for integrity, and where Ventura County's own Environmental Health Department inspects surface facilities annually, the likelihood of gradual pollution amounting to a level of significance to require "Sudden & Gradual" insurance coverage is remote. From the conflict between the Table 4 of the 2023 staff Report and the Proposed Insurance Text it is obvious that at some time Planning switched, and adopted "sudden and gradual."

It is easy to see how the concept of "gradual pollution" can be abused. In 2019 the United States Geological Survey ("USGS") published preliminary results from a groundwater study on the Oxnard Plain in which traces of thermogenic hydrocarbon gases were detected. Local environmental activists seized on this information as evidence that the petroleum industry had, over time, polluted the fresh water aquifer beneath the Oxnard Plain thereby exposing residents and agriculture to toxic water. Subsequently, in 2021, the USGS published their final conclusions stating that the hydrocarbon gases were naturally occurring and not a product of oil and gas production. With the above as an example, coupled with the numerous natural oil seeps in Ventura County (i.e.,SR 150 from Santa Paula to Ojai), it is easy to see how easily Ventura County, prodded by environmental extremists, can be influenced into a dispute over who caused what and when. These are the types of situations that insurance underwriters consider when deciding where to write products such as gradual pollution coverage as well as how to price such coverage. Gradual pollution coverage in Ventura County will be prohibitively expensive for most oil and gas operators in Ventura County, if it can be obtained at all.

In RenPet's 7-25-2022 letter to the Commission regarding the proposed insurance requirements, I urged that the proposed coverages should reflect the associated risk involved and that they use relevant jurisdictions to determine appropriate limits instead of jurisdictions that have no oil and gas activity, as were used in the proposed 2022 insurance requirements. In some respects Planning did make some appropriate changes (i.e., See Planning's Table 4 above), but the scope and coverage of the proposed Environmental Impairment and the amount of Excess or Umbrella coverages are still way too high to be affordable. To use a term that I'd never heard before, but which I found to be appropriate for this matter, that was used in the 2023 Staff Report, the insurance levels and their respective costs would result in the "financial death" of RenPet.

At the 7-28-2022 Commission hearing RenPet recommended that Ventura County use the cities of Midlothian, TX, and Burleson, TX, as relevant jurisdictions for formulating insurance requirements rather than including jurisdictions such as Dallas, TX, Boulder, CO, and Santa Fe, NM, which have no oil and gas operations. The information on all of these jurisdictions was provided in Table 3 of the 2022 Staff Report. I suggest that the Planning Commission and Planning revisit RenPet's suggestion regarding appropriate jurisdictions as models for appropriate insurance levels as the ones that are currently proposed would increase RenPet's annual insurance costs to the point of "financial death."

Planning makes the claim in the 2023 Staff Report that Ventura County has the legal authority to increase insurance requirements but it fails to support that claim. Ventura County has the legal authority to modify its insurance requirements, but it does not have the authority to impose modified insurance requirements on existing permits that are in good standing within the framework of the

Ventura County NCZO. The application of such a modification should be reserved for future new conditional use permits or permit modifications to existing conditional use permits.

Ventura County's **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.

Be advised that RenPet has **never** received a notice of violation from Ventura County and is in **full compliance** with all of the conditions of its CUPs. Hence, the County has no legal authority under NCZO Section 8111-6.2 to impose newly modified insurance requirements on RenPet's conditional use permits. The imposition of the proposed requirements on a vested permit and the resulting negative financial 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**.

Imposing the proposed insurance modifications on compliant conditional use permits will alter or otherwise impair RenPet's ability to produce oil and conduct its operation.

I strongly recommend that the Commission reject the proposed modifications that include the modified insurance requirements to the NCZO Project PL21-0099.

Sincerely,

Marc Wade Traut

Marc Wade Traut
President

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

Juachon, Luz

From: Marc Traut <marc@renpetllc.com>
Sent: Tuesday, September 19, 2023 3:26 PM
To: Oil and Gas Ordinance
Cc: Sussman, Shelley; Ward, Dave; Prillhart, Kim
Subject: Public Comment - Planning Commission Hearing 9-21-2023 - Agenda Item 6.A
Attachments: Letter to VC PC NCZO proposed amendment - insurance 9-19-2023.pdf

Importance: High

See attached.

Renaissance Petroleum, LLC

P.O. Box 20456
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September 19, 2023 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
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Sincerely,

Marc Wade Traut

Marc Wade Traut
President

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

Juachon, Luz

From: Olivia Simonson <olivia.simonson@calnrg.com>
Sent: Tuesday, September 19, 2023 3:29 PM
To: Oil and Gas Ordinance; Sussman, Shelley
Cc: Ward, Dave
Subject: Planning Commission Item #6: CalNRG Comment Letter 9/21
Attachments: FINAL UPDATED CalNRG Planning Commission Letter .pdf

Dear Ms. Sussman,

Please find attached CalNRG's comment letter regarding item #6 on the agenda for the Planning Commission hearing this Thursday, September 21st.

We ask that you please confirm receipt of this email and the associated attachment.

Sincerely,

Olivia

Olivia Simonson

a: 1746 F South Victoria Avenue #245 | Ventura, CA 93003
e: olivia.simonson@calnrg.com | **w:** https://protect.checkpoint.com/v2/___www.calnrg.com___.YzJ1OmNvdmF2YW5hbjpjOm86NGQ3ODAwZTRh
p: 805-477-9805

VIA ELECTRONIC MAIL

September 19, 2023

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

Re: **Planning Commission Agenda Item No. 6A for September 21, 2023 – PL21-0099 and PL21-0100 – 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 limit CalNRG's ability to continue to produce essential energy resources in Ventura County. It is clear to CalNRG that the intended consequence of the proposed ordinances is the demise of the essential energy resource industry in Ventura County. Accordingly, CalNRG prepared this letter to clarify the following: 1) CalNRG's current efforts under the California Geologic Energy Management Division's ("CalGEM") existing regulations and 2) How the proposed insurance and bonding products will impact CalNRG.

CalNRG relies again upon the comments that it previously provided in advance of the Planning Commission's hearings on these ordinances. (Attached again hereto as Exhibit B.)

The Planning Division's proposals are an industry-ending solution looking for a problem. CalNRG asserts that a thriving local energy industry is the only way to assure that our County will be able to achieve the energy future that we desire, while supporting local families and the local economy.

Background

CalNRG is the largest locally owned energy producer in Ventura County with a focus on conventional oil and gas production. CalNRG embodies what it means to be small oil; CalNRG is based in Ventura County with an office in Ventura, almost all of CalNRG's production is in Ventura County, and it is owned by a Ventura-County based executive team. In November of 2021, CalNRG acquired substantially all of California Resources Corporation's ("CRC") Ventura Basin assets. As a local business, CalNRG is committed to making Ventura County lives better every day. This is achieved through some of the cleanest essential energy resource

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production in the world, and CalNRG's commitment to project-based community involvement and asset revitalization. CalNRG is also a proud employer that allows local families to not only survive but thrive in Ventura County with high paying jobs that do not require a college degree. CalNRG's employment statistics and demographics are as follows:

1. 95 – Number of direct employees in Ventura County
2. $135,000 – Average non-executive compensation for CalNRG employees
3. 50% – Of employees are women or people of color
4. 100+ – Individuals support CalNRG's operations via over two dozen vendors

In addition to being a high-paying employer of a diverse workforce in Ventura County, since November of 2021, CalNRG has made substantial contributions to the local community through unique projects. The outcome of those projects are as follows:

1. Demolition of the Edgington Refinery
2. Creation of Farmworker Housing
3. 35 acres of land returned to agriculture in the Oxnard Plain
4. Execution of PPA for nearly 200 acres of proposed solar in Ventura County
5. Painting of the Santa Paula "SP"
6. Nearly $200,000 contributed to local non-profit organizations

CalNRG can make these contributions to our local community because it is a healthy business that invests in its operations, community, and people. CalNRG seeks to continue to do so for decades to come, but ordinances like those proposed will eliminate CalNRG's ability to do so.

CalNRG's Work Under CalGEM

CalNRG already has a system in place, in full cooperation with CalGEM's oversight, to manage its well inventory. When CalNRG acquired CRC's Ventura Basin assets in November of 2021, CalNRG inherited a large amount of wells. Ventura County was a non-core CRC asset, and CRC focused their well inventory management efforts in other counties. By contrast, CalNRG has invested significant funds and man hours to solve an issue it did not create. CalNRG management has been actively working with CalGEM senior personnel on our idle well plans. They have reached full agreement and approval on a robust plan for both elimination and testing programs. CalNRG and CalGEM agree that a reduction in idle wells that no longer have a sound purpose is a priority.

CalNRG's efforts, guided by CalGEM regulations, have been as follows:

1. $35 million dollar abandonment commitment over the next 5 years
2. 86 Wells Eliminated in Ventura County since 2021

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3. 90 Wells Mechanical Integrity Tested in Ventura County since 2021

That is 176 wells eliminated or tagged and tested in Ventura County by CalNRG in accordance with CalGEM programs in under two years. It is the largest well elimination by a single operator in Ventura County's history.

The cost of accomplishing CalNRG's program under CalGEM is significant. It is paid for entirely by CalNRG. In a few short years, CalNRG has reinvested tens-of-millions of dollars, and hundreds of thousands of man-hours, into these programs. It cannot be understated that if CalNRG is required to place many millions of dollars into additional bonding and insurance it will surely short-circuit this working program. It will also undoubtedly stop the testing and plugging of wells.

CalGEM has been working diligently on implementing a series of bills that address idle wells, insurance, and bonding for the oil and gas industry. As recently as Thursday, September 14th, 2023, the California legislature approved Assembly Bill 1167 which also imposes new bonding requirements. On July 31st, 2023 CalGEM sent its latest Notice to Operators regarding the implementation of Assembly Bill 1057. Additionally, the Senate Bill 551 rulemaking process also commenced in early August. CalNRG has yet to wrap its arms around the realities and requirements of these new rules. The analysis by the Planning Division of the consequences and scope of these rules is sorely lacking, making it clear that the Planning Division has also failed to understand its role, liabilities, and impact in this evolving regulatory space.

CalNRG's ability to meet its obligations with CalGEM will be limited by the proposed ordinances. CalNRG asserts that the County has not provided sufficient information to show its role, and potential liability to the County, in an ever-evolving and complicated state-level regulatory regime.

Sureties & Insurance

CalNRG seeks to provide clarification regarding its ability to procure the proposed bonding and insurance. Attached as Exhibit A to this letter is a document from CalNRG's bonding and insurance broker, Bart LeFevre, the CEO of INPower Global Insurance Services, LLC. Mr. LeFevre has over 25 years of experience as an insurance professional across a myriad of industries, and he has provided an in-depth overview of the nature of the products available to CalNRG.

The summary of Mr. LeFevre's findings are as follows:

1. **Bonding:**
    a. Bonds cannot be procured *or* require a full cash deposit or letter of credit.

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b. Therefore, CalNRG would have to give the County of Ventura approximately $17.5 million in cash or post a letter of credit.

2. **Insurance:**
   a. CalNRG has coverage far exceeding the proposed requirements pertaining to Sudden and Accidental pollution coverage.
   b. Gradual Environmental Impairment is an atypical policy that would be prohibitively expensive for CalNRG and provides protection against less than 1% of actual pollution risk.
   c. Procurement of this policy would require CalNRG to reduce its coverage in other categories where coverage is more important to cover actual risks.
   d. There is no product in the insurance marketplace that has an excess or umbrella policy covering Gradual Pollution or Control of Well insurance.

Sureties

The proposed surety scheme is infeasible and will prevent CalNRG from meeting its existing CalGEM obligations. As the Planning Division clearly outlines in the Staff Report, the total consequence of the proposed sureties to CalNRG is $17,560,000. Posting a surety in this amount is completely infeasible for CalNRG because it requires 100% collateral either through a letter of credit or a cash deposit. CalNRG does not have the availability on its debt facility to issue such large letters of credit. Even if it did, the cost would be ~$1.6 million per year in bank fees alone.

Mr. LeFevre explains that regulatory uncertainty in California impacts the surety products available to California-based energy producers. Therefore, the response from the surety market continues to be twofold: 1) outright declinature or 2) requirement of cash collateral in the amount of the surety via a letter of credit or certificate of deposit. **CalNRG cannot make it any more clear—these products are not available unless they are fully collateralized by cash or letters of credit.**

CalNRG has experienced the realities of the California surety market first-hand. Mr. LeFevre aided CalNRG in procuring surety products required by CalGEM. The bonds currently in place are supported by a certificate of deposit, which means that the bond amount is held in cash sitting in a bank account for CalGEM.

CalNRG, and many other energy producers in Ventura County, asserted this information to the Planning Division last year at the first hearing, second hearing, and stakeholder meeting. The message has not changed. **The proposed sureties are not available unless they are fully collateralized by cash or letters of credit.** The Planning Division insinuates that healthy companies should be able to give them tens of millions of dollars in cash. CalNRG is expected to provide millions of dollars to the County to sit in a bank account, where its use remains

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ambiguous, and the Planning Division has written itself to be an arbitrary arbiter of the operations of local businesses. The Planning Division must be clearer about the precise liability, historical loss, and exposure to the County that the proposed policies are intended to address.

The Planning Division also draws broad assumptions about how local energy producers conduct their businesses and manage cash flows. CalNRG is investing its cash flow from operations into growing the economy of Ventura County, improving assets, and working with CalGEM via existing idle well programs. Every dollar that must sit idly with the County cannot be deployed by CalNRG to address the very purpose of the proposed ordinances. CalNRG reinvests in its assets to improve them. The list of special projects outlined above show what CalNRG as a healthy company has managed to achieve in less than two years. Further, to meet its existing regulatory requirements and continue to provide essential energy resources for the County in the best ways possible, CalNRG must maintain a healthy business that can reinvest in itself and community.

If the Planning Commission forces CalNRG to provide millions of dollars in cash, it is failing to allow CalNRG to do the right thing for its community. It also directly impedes CalNRG's ability to actively meet its regulatory obligations set forth by CalGEM. The Planning Division must complete additional analysis and research on these proposed policies considering this information and the serious harm it will cause to local businesses.

Insurance

CalNRG is sufficiently insured for the scope of its operations. The contemplated insurance changes are onerous, and in some cases, impossible for operators like CalNRG to procure. Mr. LeFevre provides a robust analysis of CalNRG's insurance program. CalNRG's position on the proposed insurance requirements can be summarized as follows:

1. CalNRG has coverage far exceeding the proposed requirements pertaining to Sudden and Accidental pollution coverage.
2. Gradual environmental impairment is an atypical policy that provides protection against less than 1% of actual pollution risk and is prohibitively expensive for CalNRG.
3. If the proposed requirements were implemented, to manage its insurance costs, CalNRG would have to reduce its coverage in other categories that cover actual risk.
4. It is impossible in the insurance market to have an excess or umbrella policy covering Gradual Pollution or Control of Well insurance. The product simply does not exist.

The Staff Report is misleading regarding the Environmental Impairment coverage requirements. They list Sudden and Accidental coverage as a parenthetical in Table 4 on page 16. CalNRG has Sudden and Accidental coverage far exceeding these requirements. However, as noted above, the actual language of the ordinance amendment also includes "gradual" pollution

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coverage. The staff report leaves this fact out and is either intentionally or unintentionally misleading the Commission and the public on the requirements it is attempting to impose. Our assumption is that the Planning Division is merely confused on the nuances of insurance policies they are unfamiliar with, and that it is an innocent mistake or omission.

The Planning Division seeks to implement policies that will end the energy industry in Ventura County in a death-by-a-thousand-cuts approach, including insurance coverages that are prohibitively expensive for locally owned and operated businesses. It must conduct additional analysis on the harm of these policies to local producers and explain why the Planning Division ignored stakeholder feedback that gradual policies are unnecessary and cost prohibitive. CalNRG does not want to sacrifice its current robust insurance coverage for unclear purposes.

Conclusion

CalNRG is a locally owned and operated small oil company dedicated to making lives better in Ventura County. CalNRG has made significant commitments in compliance with CalGEM's existing regulatory schemes to manage the well inventory it inherited from CRC in November of 2021. CalNRG is working diligently to solve the problems caused by CRC. CalNRG has eliminated and tagged and tested over 176 wells in Ventura County and will dedicate millions of dollars and thousands of man-hours to these continued efforts over the next several years. CalNRG's ability to achieve these goals cannot be met if Ventura County Planning Division is allowed to sit on over $17 million dollars in cash. The proposed ordinances are company killers for CalNRG. They will cause the exact harm in Ventura County they purport to prevent. The Planning Division must complete additional analysis and research on these proposed policies considering this information and the serious harm it will cause to local businesses.

Sincerely,

Clifton O. Simonson
President & COO

Attachments to Follow

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EXHIBIT A

Bart LeFevre Letter

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September 18, 2023

CalNRG Operating, LLC
Atten: Jeff Katersky, Chief Financial Officer
1746- F South Victoria Ave., Suite 245
Ventura, CA 93003

RE: Surety Capacity and Insurance Coverage for Oil/Gas Lease Operators in California

Dear Jeff,

Pursuant to our discussions, INpower has conducted an evaluation of the surety and insurance requirements proposed by the Ventura County Planning Commission. Accordingly, INpower has approached surety underwriters who specialize in Oil and Gas surety bonds, with a request to consider the following:

1. Surface Restoration and Well Abandonment Surety
2. Long Term Idle Well Abandonment Supplement Surety

Sureties

Our market capabilities analysis regarding the proposed surety requirements can be summarized as follows:

- Outright declinature- terms of obligation are too onerous
- Requirement for CalNRG to provide 100% collateral in the form of a full cash deposit or irrevocable Letter of Credit, plus payment of annual premium

The challenges with these surety requirements are significant. It is important to recognize that oil and gas surety companies are very conservative with their underwriting philosophy. Surety obligations are backed by an agreement, whereby the surety company maintains full recourse against the lease operator, should there be a claim. This factor, coupled with the dollar amount and onerous nature of the bond language, falls outside of our energy surety markets' appetites.

In my 30 years of oil and gas bonding and insurance experience, the above-referenced sureties are not viable when set against traditional oil and gas bond underwriting thought processes. These products are more available in other states. The regulatory uncertainty in California impacts the availability of these products for our California-based clients. INpower is also aware of the recent surety and insurance requirements passed by the California Legislature. We have not had the opportunity to analyze the impact on CalNRG of those state-level requirements at this time, although we anticipate that the scheme will require full cash deposit or letter of credit -collateralized products as well.

INpower
in it together

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Insurance

INpower's analysis of the requirement of Sudden and Gradual Environmental Impairment Insurance is as follows:

Sudden and Accidental pollution coverage is obtainable as part of your general liability coverage and, including your umbrella policy, you currently have coverage far exceeding the requirements in the Planning Commission proposal.

Gradual Environmental Impairment Insurance falls outside of the types of insurance our clients purchase. It is an atypical policy to be procured by our client oil and gas companies. The reason being that these instances rarely occur and, in the case of a client like CalNRG, these types of policies can be prohibitively expensive.

Greater than 99% of any pollution liability falls under Sudden and Accidental pollution coverage, of which CalNRG has fantastic coverage surpassing the requirements in the proposal. Given the prohibitively high premiums required to add a Gradual pollution policy, I would not recommend this to CalNRG, because it would require CalNRG to reduce its coverage in other categories, such as its Sudden and Accidental Pollution, to manage the company's insurance costs.

Excess or Umbrellas Liability Insurance: Section 2(d) of the insurance section of the Planning Commission Proposal requires excess or umbrella coverage for not just the general liability, but also the environmental impairment and control of well policies. CalNRG's umbrella policy covers its Sudden and Accidental pollution (including pollution caused by a Control of Well event) coverage because it is attached to it General Liability coverage.

There is no product in the insurance marketplace that has an excess or umbrella policy covering Gradual pollution or Control of Well insurance. It is impossible for any Operator to be in compliance with this section of the Planning Commission Proposal.

It is my experience that CalNRG maintains a significant amount of insurance for its operations, and it is in my professional analysis that CalNRG is more than sufficiently insured for the scope of its operations.

Should you have any questions, please let us know.

Best regards,

Bart J. Le Fevre
Chief Executive Officer & President

INpower Global Insurance Services, LLC

999 Corporate Dr | Suite 100 | Ladera Ranch | California | 92694 T 949.600.7995 | F 949.600.7998

EXHIBIT B

Previous CalNRG Letter

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VIA ELECTRONIC MAIL

August 16, 2022

Planning Commission of Ventura County\
c/o Shelley Sussman
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") submits the attached comment letter on 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"). CalNRG previously submitted this comment letter before 3:30 pm on July 27, 2022, as required for submission of comments for the Planning Commission's July 28 meeting. We later learned that this letter was never provided to the Commissioners for their review. We request that the Commissioners consider the attached letter seriously, particularly the descriptions of the significant impacts that will be inflicted on CalNRG's operations by these Zoning Amendments.

Sincerely,

Clif Simonson
President & COO

Attachments

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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.)

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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*** . . ."

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(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).

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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

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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.)

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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:

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Table 1 – Surface Restoration Surety Categories

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

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.

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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

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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

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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***

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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

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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

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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 J. LeFevre

Bart LeFevre
Chief Executive Officer

EXHIBIT 1

REVIEW OF THE BAKER & O'BRIEN REPORT

BY ROBERT LANG

August 13, 2020

INTRODUCTION

1. I was retained by Sentinel Peak Resources LLC, on behalf of Sentinel Peak Resources California LLC ("SPR") to review and provide opinions regarding the Baker & O'Brien report dated May 29, 2020 and titled Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field ("B&O Report" or "B&O").

2. The analyses upon which I have based my opinions, as outlined in this report, have been performed by me or by individuals working under my direction and supervision.

3. Founded in 1983, Alvarez & Marsal ("A&M") is a global professional services firm that helps clients in the corporate and public sectors solve financial and related problems. A&M has 53 offices located in 24 countries and 65 offices with more than 4,500 professionals. I am a Managing Director at A&M. I am experienced in financial, economic damage, and accounting matters related to the scope of my work on this matter. For more than 25 years, I have helped clients analyze complex commercial disputes and measure the financial impact of external events, operational changes, and other market factors.

4. I received a B.B.A. from Baylor University and am a CFA (Chartered Financial Analyst) charter-holder. I am a frequent guest lecturer in the Graduate Accounting program at Baylor University, where I also serve on the Advisory Board for the Accounting and Business Law department.

5. I have assisted companies across a wide variety of industries and have a particular expertise in the energy industry, dealing with matters throughout the product life cycle. I have assisted oilfield services, exploration and production (E&P), midstream, and downstream entities with valuation issues, transaction support/analysis, business interruptions, royalty disputes and many other matters.

6. Many of my cases also involve the measurement of value and quantifying the creation or destruction of value. I have analyzed the value of entities and assets ranging from oil & gas operations to steel mills to complex securities to the world's largest cancer tumor bank. I have performed these assignments for clients in the US, Canada, Mexico, South America, the Middle East and Asia.

7. My resume at Attachment A provides a summary of my experience and credentials.

INFORMATION CONSIDERED

8. Attachment B provides a list of the documents and information I have considered in preparing my report and supporting analyses. I may supplement and amend the opinions in this report in response to additional information received including the actual income models, supporting workpapers and document references cited by the B&O Report or to address issues raised later.

LEGAL FRAMEWORK

9. This report is to be considered in conjunction with the legal framework set forth in the letter submitted simultaneously by Alston & Bird LLP dated August 13, 2020.

10. As described in that letter, an existing use to extract natural resources (diminishing asset) cannot be eliminated through an amortization period because vested rights for a diminishing asset include an expansion of the use. To the extent that some form of amortization could apply to a diminishing asset, the fair market value to be amortized would be required to consider the expanded use, among other factors.

SUMMARY OF OPINIONS

A. The B&O Report does not establish fair market value for the use of a diminishing asset, including the life of the Inglewood Oil Field, and is therefore irrelevant to determine any amortization period.

B. The concept of Amortization of Capital Investment used in the B&O Report is inappropriate and irrelevant in the context of this matter.

C. Even if Amortization of Capital Investment was appropriate or relevant, both ACI calculations performed by B&O contain numerous errors and false/unsupported assumptions that render the conclusions completely unreliable.

INTERESTED PARTIES

11. Founded in 1917, the City of Culver City (the "City") is an incorporated city in Los Angeles County in California and is within a few miles of downtown Los Angeles and the Los Angeles International Airport.

12. In 2016, SPR acquired the rights to multiple leases that allows it the exclusive right to explore, drill, and produce oil and gas in the Inglewood Oil Field ("IOF") which covers approximately 1,000 acres. This also includes acreage in the City limits ("City IOF"), which covers about 78 acres.

13. As noted, SPR does not actually own the IOF minerals, rather it leases the minerals from mineral owners. SPR pays royalty amounts to the property owners based on production value received. Tens of millions of dollars in royalty payments are paid to over 13,000 property owners of the IOF each year.[1]

14. In addition to paying royalties, SPR pays ad valorem taxes to Los Angeles County and fees to the City. In 2015, the IOF was a source of over $12 million in ad valorem taxes paid to Los Angeles County.[2] SPR has paid fees of approximately $340,000 to the City since 2018.

SUMMARY OF THE B&O REPORT

15. B&O was hired by the City to prepare a study of the amortization of capital investment ("ACI") for existing oil and gas production facilities located in the approximately 78-acre portion of the City IOF. The B&O Report states the information developed by its report will be considered by the City in its review of the possible termination of oil and gas operations within the City IOF.

16. A calculation of ACI first establishes the amount of capital investment as of a certain date and then projects cash flows forward from that date to determine when there have been sufficient cash flows to cover both the capital investment and a "reasonable" rate of return. B&O defines ACI as occurring 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. The income model uses the Internal Rate of Return and Net Present Value as tests to determine when ACI would occur."*

[1] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

[2] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

Thus, in calculating the time to ACI, B&O is considering the initial investment and an IRR or required rate of return.

17. B&O prepared two different approaches to estimate the time to ACI. The first approach estimates the capital investment made by SPR in 2016 and then projects SPR's cash flows from that date forward to develop a time to ACI ("SPR ACI Model"). The second approach utilizes historical transaction data relating to all owners dating back to 1977 and attempts to estimate time to ACI related to those historical capital investments ("All Owners ACI Model"). B&O additionally performs a sensitivity analysis related to the SPR ACI Model.

A. SPR ACI Model

18. Because the City IOF is a relatively small piece of SPR's total acquisition of the Inglewood Oil Field, B&O estimated the amount of SPR's capital investment specific to the City IOF. B&O attempted to back into the amount of that capital investment by performing a valuation of the City IOF utilizing three valuation methods (Section 6 of the B&O Report). B&O then developed a ten-year cash flow projection spanning mid-year 2017 through 2026. B&O utilized this cash flow analysis to determine when SPR would achieve ACI. B&O determined ACI was achieved in 2020 (Section 6 of the B&O Report). As will be described in more detail later in this report, not only is this approach inappropriate in its entirety, even if this approach was appropriate, both B&O's estimate of capital investment and projection of cash flows are fatally flawed and rife with inaccuracies and false assumptions.

B. All Owners ACI Model

19. B&O performed a second calculation of ACI to determine how long it would take the various oil and gas operators that drilled and completed wells within the City IOF since 1977 to achieve ACI (Section 7 of the B&O Report). B&O did this by using historical production data related to previous operators of the City IOF to determine the amount of capital investment. B&O utilizes a similar income model as previously described in order to estimate how long it took the prior owners to achieve ACI.

20. The B&O Report determined that the string of investors drilling and completing wells since 1977 achieved ACI "well before 2016." It also appears that B&O is concluding that all wells drilled

prior to 1977 achieved ACI by 1976. The All Owners ACI Model is similarly flawed to the SPR ACI Model and should be likewise disregarded.

ANALYSIS AND OPINIONS

The B&O Report does not establish fair market value of a diminishing asset, nor does it establish a fair market value for the City IOF.

21. The B&O report calculates a time to ACI for the City IOF and does not develop a fair market value for the value of a diminishing asset or other measure for the value of the City IOF. The California State Board of Equalization ("CSB") defines fair market value as:

> "the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other."[3]

22. The CSB Handbook also identifies the three acceptable methods on how to calculate fair market value; the market approach, the cost approach, and the income approach. In the oil and gas exploration industry, all three approaches are considered, but the first two methods have inherent limitations. Therefore, the oil gas industry heavily relies on the income approach.

23. The fair market value of an oil field at any given time, such as the IOF and City IOF, is related to the amount of oil and gas that can be expected to be recovered over the life of the oil field. There are three categories of reserves; proved reserves, probable reserves, and possible reserves. While each of the categories have value, proved reserves are the most certain and most valuable, for which I will focus on in this section.

24. To determine fair market value of proved reserves, reserve reports are developed to determine how much oil and gas production can be reasonably extracted and at what cost and when cash flow will go out and cash flow will come in. Based on the reservoir characteristics and other factors, engineers will determine how many wells need to be drilled and when/where/how they

[3] California State Board of Equalization, Assessor's Handbook Section 566 Assessment of Petroleum Properties, August 1996, ("CSB Handbook"), page I-21.

should be drilled. The reserve report is typically based on a discounted cash flow calculation (income model). Inputs into discounted cash flow model estimates include:

- Expected product in the ground that can be produced, along with what price it may receive (revenue) and when
- Expected development costs to drill wells and get them ready to produce (initial capital investment)
- Sustaining capital investments required to maintain production capacity
- Operating expenses
- Income taxes
- Royalties due
- Abandonment costs
- Discount rate to estimate a current value of a future cash flow stream based on the above estimated data inputs

25. The status of proved reserves also have subcategories including:

- Proved, developed and producing ("PDPs") – Wells and facilities that are in place and producing at the time of an estimate
- Proved, developed, but not producing ("PDNPs") – Wells and facilities that are in place, but are not producing at the time of an estimate (i.e., idle wells). The well or zone is currently not producing, but requires little or no investment to be brought to production
- Proved, but undeveloped ("PUDs") – Wells that have been proved but would require significant capital expenditure for the well to come on to production.

26. Over time, reserve reports are adjusted as new data is learned, such as the amount of oil and gas actually being produced, new technology, current pricing conditions that may make it more or less economic to drill new wells that were previously scheduled to be drilled, or to idle wells that have already been drilled because they are uneconomic at current sale prices. In fact, some wells that were idle may be turned to active wells if prices increase that make it profitable. In addition, existing wells that were idle can be re-drilled with new technology that make them profitable once again. Companies will continue to allow wells to produce if it makes economic sense, even if the production volumes are minimal.

27. When companies sell oil & gas assets, the fair market value is based not only on what existing wells and equipment are currently in place, but also the future value to be derived through the life of the oil field as represented in the various categories of proved reserves, probable reserves, and possible reserves.

28. B&O has not performed an analysis of the current fair market value of the reserves and operations of the City IOF. Instead, they have attempted to back in to SPR's initial capital investment and then determine how long it would take for SPR to recover its sunk costs plus a reasonable rate of return. B&O refers to this as ACI. B&O's ACI is unrelated to and entirely divorced from fair market value of a diminishing asset or the IOF or City IOF.

29. One of the reasons B&O's ACI is unrelated to fair market value is that it ignores everything but the PDPs. Because it is only interested in determining the sunk capital costs and how long it would take to recover those costs, B&O's ACI ignores the consideration given and value of the other categories of reserves such as PDNPs and PUDs, or probable or possible reserves. This serves to significantly understate the value of the City IOF and the diminishing asset.

30. To demonstrate the magnitude of error, SPR's website states since the inception of the IOF in 1924, which covers about 1,000 surface acres, approximately 1,600 wells have been drilled, producing more than 400 million barrels of oil. Production over the last 10 years has averaged between 2.5-3.1 million barrels a year.[4] With technological advances in the oil and gas industry, engineers estimate that as much as 50% of the field's oil resources remain in place in producing zones and can be readily accessed through drilling and production activities.[5] Considering there is possibly 400 million barrels of oil still in the ground, which would include reserves within the City IOF, SPR would certainly consider drilling new wells and/or work over current wells to continue production in the City IOF. As a result, the B&O Report does not calculate a fair market value of the City IOF.

[4] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

[5] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

The concept of amortization is inappropriate and irrelevant in the context of a diminishing asset and the City IOF.

31. Amortization has been referenced by the Supreme Court of California in a decision involving extractive industries, for which the oil and gas exploration and production industry would be included. However, that same court case stated that the state of California recognizes the "diminishing asset doctrine" as it relates to extractive industries.[6]

32. I understand the diminishing asset doctrine protects owners' rights to value in a property even if city ordinances or zoning laws change the allowed use of that property. For operations that were not yet built, the owner has the vested right to continue and expand operations if it had objectively manifested the intent to expand its operations into those areas as of the rezoning dates.[7]

33. In other words, the California Supreme Court has concluded that extractive industries, such as the oil and gas industry, have the right to normal expansion of its operations in the aggregate. The diminishing asset doctrine protects explicit value associated with the continued development and exploration in an oil field and this value must be taken into account.

34. On SPR's website, it states since the inception of the IOF in 1924, which covers about 1,000 surface acres, approximately 1,600 wells have been drilled, producing more than 400 million barrels of oil.[8] Production over the last 10 years has averaged between 2.5-3.1 million barrels a year.[9] With technological advances in the oil and gas industry, engineers estimate that as much as 50% of the field's oil resources remain in place in producing zones and can be readily accessed through drilling and production activities.[10] Considering there are possibly 400 million barrels of oil still in the ground, SPR would certainly consider drilling new wells and/or work over current wells to continue production. This has been publicly stated on SPR's website for all the world to see.

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[6] Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)
[7] Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)
[8] History of the Inglewood Oilfield, available at https://inglewoodoilfield.com/history-future/history-inglewood-oilfield/
[9] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/
[10] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

35. In addition, both the previous operator and SPR have provided annual reports to the Baldwin Hills Community Standards District ("CSD") related to its drilling operations for the upcoming year. I noted in these annual reports the following:

    - The 2017 Plan prepared by Freeport McMoRan and filed with and approved by the CSD stated it intended to drill/redrill 53 wells in 2017.
    - The 2018 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2018. Based on discussions with SPR, it did not perform all of these activities due to then current oil and gas prices.
    - The 2019 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2019. Based on discussions with SPR, it did not perform all of these activities due to then current oil and gas prices.
    - The 2020 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2020. Based on discussions with SPR, it does not expect to drill/redrill these wells due to current oil and gas prices.

36. Excluding bonus wells, the 2020 Plan shows that only 127 wells have been drilled, leaving an additional 373 wells that SPR could drill under the settlement agreement, which permits drilling activity through October 1, 2028 or during the remaining life of the CDS, *whichever is later*. Based on discussions with SPR, it has not expressed an intent to abandon its rights to drill these additional wells within the County IOF or City IOF, rather it has delayed drilling due to continued suppressed oil and gas prices.

37. The B&O Report did note that SPR had not drilled the wells it planned in 2017-2020. However, B&O has not expressed an opinion that this lack of drilling as scheduled allows the City to claim SPR has lost its vested right. It is my understanding that SPR does not lose its vested right to drill any future wells because it didn't drill the wells in the year it planned. B&O's Report has no justification to ignore the value of the City IOF protected by the diminishing asset doctrine. The ACI as developed by B&O is incapable of measuring this value that should be considered.

38. On a side note, Section 4.2 of the B&O Report states that SPR has not provided any drilling plans for the City IOF that present information about historical production, planned drilling of new wells, or planned abandonment of wells not issued any drilling plans for the City IOF. B&O ultimately concludes that it appears unlikely that SPR will drill new wells within the City IOF or

plan to plug and abandon wells that are currently idle or shut in. First, as noted by the City itself, the City regulations do not require SPR to make such reports to the City.[11] Second, SPR has not abandoned any rights to drill/redrill within the City IOF, it just postponed any drilling/redrilling activities due to suppressed pricing.

Even if amortization was appropriate or relevant (which it is not), the SPR ACI Model contains so many errors and false/unsupported assumptions as to render the analysis completely unreliable.

39. As previously described, ACI is not equivalent to fair market value for a diminishing asset, the IOF or City IOF, or oil & gas operations generally.

40. B&O has not provided all the data and supporting schedules supporting its conclusions, but even without that information, it is clear that in addition to being inappropriate and irrelevant, the B&O model is riddled with data input errors and/or false/unsupported assumptions. Following is a listing of the errors I have identified to date.

A. Errors Related to B&O's Determination of SPR's Initial Capital Investment

41. In order to calculate SPR's initial capital investment, B&O looked at three "indications of value" the income indication of value, the cost indication of value, and the market indication of value. These three approaches are traditionally considered when determining the fair market value of an asset. However, B&O made numerous errors in assessing each indication of value, and then inappropriately averaged the three indications instead of using them as a guide to determine the best indication of value. As a result, B&O severely underestimated the fair market value that SPR paid for the City IOF.

42. B&O's own sensitivity tests in section 8 of the B&O Report show as the acquisition cost or initial capital investment increases, the time to ACI increases as well. B&O identifies changes to the initial capital investment as having a "moderate" impact on the time to achieve ACI. Thus, this

[11] Comparison of Proposed Culver City Drilling Regulations to Existing City Regulations and Approved County Community Standards District (CSD) and Settlement Agreement, dated 10/5/2017 from City of Culver City website, available at https://www.culvercity.org/home/showdocument?id=9884

inappropriate underestimation in the value of the initial capital investment has a meaningful impact in decreasing the time frame that SPR could achieve ACI.

i. B&O inappropriately calculated the Income Indication of Value Related to the Initial Capital Investment in the City IOF.

43. Section 6.1.1 of the B&O Report states it prepared a discounted cash flow model based on future income and expenses from the City IOF which resulted in a fair market value of the City IOF of $5.34 million as of January 1, 2017. As discussed on page 15 of its report, B&O only considered wells that existed as of SPR's acquisition date in 2016 for which it identified only 41 production and injection wells that existed as of 2016 (as noted on Exhibit E to its report). As a result, B&O makes no consideration of PDNPs, PUDs, probable reserves, or possible reserves. By ignoring reserves, B&O's determination of the fair market value of the City IOF using the income method is understated and cannot be relied upon.

44. Further, B&O calculated cash flows for ten years from the date of purchase to estimate the income indication of value. However, all of these wells have lifespans greater than a ten-year period. In actuality, wells identified in Exhibit E of the B&O Report have been in existence for an average of 58 years in the case of operating wells and 41 years in the case of injection wells (as seen in Exhibit 1). B&O provides no support to only value 10 or more years of remaining production, which is in contrast to the long history of the operating wells identified.

ii. B&O provided no support for its Cost Indication of Value Related to the Initial Capital Investment in the City IOF.

45. Section 6.1.2 of the B&O Report states that it determined the functional replacement value ("FRV") for the oil and gas production wells within the City IOF in 2017 was $15.1 million and the deferred replacement value ("DRV") was $3.00 million. It used the DRV as one of the three indicators of value for the fair market value of the City IOF as of January 1, 2017. While B&O does provide a short description of deferred replacement cost, it did not provide a description of what it considers functional replacement value. In addition, it provided no support on how it calculated either FRV or DRV or why it chose DRV as it cost indication of value. B&O further stated it has not visited the site to determine the condition of the wells. In short, B&O has provided no support on its calculation of the cost indication of fair market value.

46. In addition to providing no support for the FRV and DRV values it calculated there is no indication that B&O placed a value on PUDS, probable reserves and possible reserves or equipment serving the City IOF that is in the County IOF.

iii. The Market Indication of Value of the City IOF Prepared By B&O is grossly oversimplified and unreliable.

47. As noted by B&O, the market approach uses similar transactions to try to infer a fair market value for a subject property such as the City IOF. B&O stated they found a small number of potential transactions, but there was insufficient public information available to make suitable adjustments to derive a supportable market indication of value.

48. As a result, B&O attempted to use the SPR/Freeport-McMoRan ("FCX") transaction in 2016 that involved numerous different and differentiating properties to estimate the City IOF fair market value. In B&O's attempt to create a market indication of fair market value for the City IOF, they determined the total sales price of the SPR/FCX transaction was $742 million (per Exhibit I of their report). B&O states that the total production from all of the properties that SPR purchased produced 28,000 barrels of crude oil per day ("BPD") in 2017 and the City IOF crude production (apparently based on the 41 City IOF wells it identified) was only 211 BPD. Utilizing nothing more than rudimentary math, B&O determined that 211 BPD/28,000 BPD equal .75%. As a result, B&O assumed the City IOF purchase price was .75% of the $742 million purchase price (and resulting fair market value), or $5.59 million.

49. There are several items inherently wrong with B&O's market value method. There is not enough public information to ensure that it a reasonable market value indicator. For instance, B&O cannot make any adjustments for the size of the reservoirs that SPR purchased in multiple locations, the condition of the equipment, the quality of the crude, transportation costs and ultimate netback pricing or operating costs nor any of the other relevant data points as noted in paragraph 24 of my report. As noted in FCX's 2015 10-K, there are significant differences in the quality and cost of the crude as noted below:

> "*Onshore California.* FM O&G's onshore properties are located in the Los Angeles Basin and San Joaquin Basin. FM O&G holds a 100 percent working interest in the majority of its onshore positions including the Inglewood, Las Cienegas, Montebello, Packard and San Vicente fields in the Los Angeles Basin, and the Cymric, Midway Sunset, South Belridge, and North Belridge fields in the San Joaquin Basin. The Los Angeles Basin properties are characterized by light crude

> oil (21 to 32 degree American Petroleum Institute (API) gravity), have well depths ranging from 2,000 feet to over 10,000 feet and include both primary production and secondary recovery using waterflood methods (whereby water is injected into the reservoir formation to displace residual oil), where producing wells have a high ratio of water produced compared to total liquids produced (high water cuts). The San Joaquin Basin properties are characterized by heavier oil (12 to 16 degree API gravity) and shallow wells (generally less than 2,000 feet) that require enhanced oil recovery techniques, including steam injection."[12]

50. Therefore, B&O's analysis using the market indication of value is unreliable. Additionally, it only addressed PDPs and did not address PDNPs, PUDs, probable reserves and possible reserves and these related costs. As a result, even if allocating the SPR/FCX production volumes was a reasonable methodology, it severely understates the number of wells and equipment, which understates the fair market value.

iv. B&O provides no support for why it averaged three different methods of calculating fair market value.

51. On page 25 of its report, B&O weighted the three methods of determining the fair market value of the IOF giving each method equal weighting of 1/3 to determine the fair market value of the City IOF as of January 1, 2017 without providing any explanation. In fact, the CSB specifically states not to use the simple mathematical average to reach a conclusion.[13] Typically in fair market valuation calculations, one will choose one method over another. This approach of just averaging the three methods to determine the value is inappropriate and unusual.

52. Further, by averaging the three methods B&O significantly depresses their assumed investment as the cost indication of value calculated an indication of value over 44% lower than the other two measurements of value. This greatly depresses B&O's initial indication of value of SPR's investment, and as previously stated, decreased the time to ACI.

B. Errors Related to B&O's Determination of SPR's Cash Flows

53. B&O estimated SPR's expected cash flow from January 1, 2017 forward by multiplying estimated production volumes from the City IOF wells that existed as of January 1, 2017 times B&O's estimate of expected sales prices. B&O then estimates the costs associated with the ongoing

[12] Freeport-McMoRan 2015 Form 10-K, page 43.
[13] CSB Handbook, page 5-3.

expenditures of the City IOF such as sustaining capital, operating costs, and taxes. For every one of these revenue and expense categories, B&O utilized faulty and erroneous assumptions and failed to include categories that must be considered.

i. Production Volumes (Oil and Gas)

54. Per Section 5.4.1 of the B&O report, to determine the production volumes from January 1, 2017 forward, B&O estimated the total production for 41 wells within the City IOF as of 2016 using a proprietary software package. I have not seen the production volume estimates; therefore, I cannot comment on the calculation. However, due to the diminishing asset doctrine, B&O should have looked at reserve reports and expected drilling plans, among other factors, to estimate production from future wells, which apparently it did not do. As a result, the B&O Report underestimates expected future production volumes (and capital expenditures), which severely underestimated the time that SPR could achieve ACI.

ii. Production Pricing (Netback Crude Oil Prices)

55. In Section 5.4.6, the B&O Report provides a description in bits and pieces on how it determined netback crude oil prices including using Brent crude pricing as the starting point plus adjustments for crude quality and transportation costs. The B&O Report states the netback crude oil prices that it estimates SPR received is shown on Exhibit G. Exhibit G is only a graph, so it is hard to determine the exact prices it used. However, it appears that B&O used approximately $58/barrel for 2017, over $70 per barrel for 2018, about $75 for 2019, and over $75 for 2020. B&O states that it used data available up until January 2020.

56. In addition, B&O states it used data through January 1, 2020. The actual Brent daily price average for 2017 was $54.12, for 2018 was $71.34 and for 2019 was $64.30. This does not comport with B&O's own Exhibit G, as Brent Crude decreased in 2019 relative to the prior year.[14]

57. This difference in actual netback crude oil prices received versus what B&O projected significantly overstates the amount of cash SPR has received, which significantly decreases the time in which SPR would be able to achieve ACI.

[14] Average Daily price of Brent Spot Price FOB available from the U.S. Energy Information Administration, at https://www.eia.gov/dnav/pet/hist/RBRTED.htm.

58. In addition, the FCX 2017 10-K indicates that SPR took over various financial derivates that would put a cap on how much SPR could receive for its crude oil production after actual sales prices were received. FCX's 2017 10-K states:

> "As part of the terms of the agreement to sell the onshore California oil and gas properties, FM O&G entered into derivative contracts during October 2016 to hedge (i) approximately 72 percent of its forecasted crude oil sales through 2020 with fixed-rate swaps for 19.4 million barrels from November 2016 through December 2020 at a price of $56.04 per barrel and costless collars for 5.2 million barrels from January 2018 through December 2020 at a put price of $50.00 per barrel and a call price of $63.69 per barrel, and (ii) approximately 48 percent of its forecasted natural gas purchases through 2020 with fixed-rate swaps for 28.9 million British thermal units (MMBtu) from November 2016 through December 2020 at a price of $3.1445 per MMBtu related to these onshore California properties. Sentinel assumed these contracts at the time of the sale in December 2016."

59. It does not appear that B&O considered the financial derivates that limited the actual cash SPR would ultimately receive, which severely decreases the time ACI would be achieved.

iii. Production Pricing (Netback Natural Gas Prices)

60. In Section 5.4.7, the B&O Report describes how it estimated future natural gas prices that SPR would receive based on Henry Hub prices published in the AEO 2019, which it listed on Exhibit G to its report. Exhibit G is expressed in price/barrel. Therefore, I am not exactly sure what price B&O is projecting for natural gas. Looking at B&O's glossary, assuming it used an industry standard 6:1 conversion rate to calculate barrels of oil equivalent, then B&O's projected price is about $3.33 per mcf.

iv. Sustaining Capital

61. The B&O Report states that it included sustaining capital for workovers during the projection period related to 1) return idle wells to oil and gas production, and 2) renovation of operating production wells at seven-year period interval basically at a cost of $180,000 per well. B&O has not provided any information on how it determined that a seven-year interval of $180,000 per well or $180,000 per well was reasonable. Without further detail, I cannot comment on the reasonableness of their assumption on how often a workover would be needed or the reasonableness of the cost estimate.

62. Additionally, B&O makes no consideration for maintenance capital required to sustain facilities and offices that support the City IOF. The regulations by both the City and LA County regarding maintenance would result in sustaining capital costs of the operation that should be considered by B&O but are not.

v. Operating Costs

63. B&O has underestimated operating costs. In Section 5.4.1, B&O states it used operating cost information related to fields owned by CRC and later describes in Section 5.4.9 that CRC has similar operating costs as SPR. However, while CRC provides information relating to water-flood fields like those contained within the City IOF, B&O fails to make any adjustment for differences between the relevant fields that would have an impact on the costs associated with drilling the fields. For example, the wells at the Mt. Poso fields referenced by CRC are much more shallow than the IOF oil fields.[15] Further, the majority of CRC fields are not in heavily urbanized metro areas like the IOF meaning costs associated with development of the fields are lower due to the lack of having to work around existing city infrastructure.[16] Additionally, the CRC fields may have access to an aquifer that supplies the necessary pressure rather than having to inject water to provide the necessary pressure, decreasing costs.

vi. Plug and Abandonment Costs

64. B&O stated it did not include plug and abandonment costs in its income model. There is an assumed $100 million liability included in SPR's purchase price for plug and abandonment costs, which is not considered in the B&O Report. Without further detail on why B&O excluded these costs, I cannot comment on this assumption.

vii. General and Administrative Costs

65. Further, B&O makes no estimates or consideration regarding general and administrative costs relating to the operation that should be included in their model.

[15] "California Oil & Gas Fields Volume 1 – Central California," California Department of Conservation Division of Oil, Gas, and Geothermal Resources, pages 293-300. See also California Oil & Gas Fields Volume 2 – Southern, Central Costal, and Offshore California Oil and Gas Fields," California Department of Conservation Division of Oil, Gas, and Geothermal Resources, pages 192-194.

[16] Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018, page 7.

viii. Income Taxes

66. B&O has assumed a 35% corporate federal tax rate prior to 2018 and 21% in 2018 onward and a California state corporate income tax rate of 9%, respectively the highest corporate tax rates. However, as a limited liability company ("LLC") SPR does not realize corporate tax rates. LLCs are pass through entities where the profits and losses are passed on to the owners and these amounts are then taxed on the individuals. Profits realized from SPR would experience individual tax rates which are as high as 37% in 2020 and even higher in years prior to 2020 for individuals at the federal level.[17] California state income taxes reach as high as 13.3% in 2020 for individuals and were as high as 12.3% in years prior.[18] As a result, B&O has significantly underestimated tax rates.

C. Errors Related to B&O's Determination of SPR's Discount Rate (Reasonable Rate of Return)

67. The discount rate is the interest rate used to calculate the present value of future cash flows from a project or investment. An appropriate discount rate will take into consideration the risks and requirements specific to the project and the investor. In B&O's ACI calculation, the discount rate serves as the reasonable rate of return previously described in this report. Recall that B&O defines ACI as the time it takes for cash flows to amortize, or cover, the initial capital investment plus a reasonable rate of return. Therefore, the time to ACI is significantly affected by the selection of the discount rate.

68. In Section 5.4.11, B&O states it used an industry rate of return by evaluating the weighted average cost of capital for exploration and production companies. B&O references a New York University publication. Based on B&O's evaluation of this website data, it determined it would use an 8% discount rate (reasonable rate of return) to apply to the cash flows. B&O states this is above the average of companies engaged in oil and operations from 2016 through 2019.

[17] "IRS provides tax inflation adjustments for tax year 2020," available at https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2020.

[18] H&R Block California Tax Rates 2020, available at https://www.hrblock.com/tax-center/filing/states/california-tax-rates/. "Standard deductions, exemption amounts, tax rates, and doing business thresholds updated for 2019," available at https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/december-2019/standard-deductions-exemption-amounts-tax-rates-and-doing-business-thresholds-updated-for-2019.html

69. While I generally agree that an industry rate of return using the weighted average cost of capital is an adequate starting point, many adjustments must be considered. In B&O's definition and description of ACI, the discount rate must reflect the risks and profile of the specific investment and investor—in this case SPR and the City IOF. Following is a non-exhaustive list of project specific risk factors that would require upward adjustments to the discount rate:

- Regulatory costs and risks associated with being located in an urban area, specifically Los Angeles County, California and specifically in the City and being subject to over 20 regulatory entities.
- Potential political risks (such as the case with the City of Culver City initiating this study and its desire to stop production completely within the City IOF).
- Development risk associated with developing in a heavily urbanized area.
- Environmental related costs associated with running complex water flood wells.
- Risks associated with the company size of SPR on the cost of capital commonly referred to as the size premium.
- Risks dealing with a lack of marketability as SPR is a privately held company.

70. B&O fails to adjust their discount rate for project specific factors in order to determine an appropriate discount rate for the County IOF or City IOF. Further, as the reasonable rate of return should be specific to SPR, there should be consideration given that private equity owned companies generally require a rate of return in excess of 20% to reflect the risk inherent in their investments.

Even if amortization was appropriate or relevant, the All Owners ACI Model contains so many errors and false/unsupported assumptions as to render the analysis completely unreliable.

71. Based on my review of Section 7 of the B&O Report, the All Owners ACI Model not only tries to analyze wells that were drilled since 1977, but also attempts to analyze wells that were drilled from 1925 through 1976 and conclude, in the aggregate, that all wells drilled prior to 1976 achieved ACI within a few years. Based on my review of the description of the analysis B&O performed, I find the opinion completely unreliable.

72. As noted by B&O in Section 5.2 of its report, just as it needed in its first income model, it needs the following data to prepare a reasonable income model and resulting ACI:

- Capital Investments
- Sustaining capital investments required to maintain production activity
- Revenue (which means production volumes and price received)
- Changes in revenues due to market events
- Operating expenses
- Incomes taxes, ad valorem taxes
- Market rates of return

73. First, as noted in Section 7 of the B&O Report, B&O admits that the public data is "generally incomplete or unavailable" to develop baseline assumptions for an income model. Records date back to the first well drilled within the City IOF in 1925, nearly 100 years ago. However, B&O still made broad brushed assumptions for wells drilled from 1925-1976 based on only 6 wells drilled from 1977 to 2002.

74. Even in their Executive Summary on page 5, B&O noted there was significant variability among just these six wells, with only four wells achieving ACI and two wells not achieving ACI. B&O's rationale to accept this variability was to analyze them in the aggregate.

75. While aggregating may give one the answer they are looking for, trying to use this data to apply it to other wells drilled in the previous 50 years is inappropriate and speculative. B&O does not have the data for the older wells and can only make broad brushed assumptions. As it noted in its own report, there were two world wars, increase in number of light vehicles, changes in technology, changes in environmental laws, oil embargos, etc. B&O has performed some various analytics to try and support their apparent conclusion that all wells, in the aggregate, have achieved ACI by 1976, but there are too many data inputs with very little support to reasonably conclude that this occurred.

76. In addition, other facts/factors may have occurred whereby the wells drilled within the City IOF did not achieve ACI in the aggregate. The City IOF is only 78 acres of the IOF which is approximately 1,000 acres. B&O has provided no data regarding the previous and/or expected volumes associated with the specific City IOF wells, instead they make broad brush assumptions assuming the City IOF wells achieved ACI based on sale of the full IOF.

77. Lastly, in my opinion, whether the City IOF wells from 1926-1975 achieved ACI is irrelevant. SPR purchased its interest in the City IOF in 2016 and the City had no laws regulating ACI. From a financial perspective, it is not reasonable to take away land for which SPR paid millions of dollars without legal justification.

Attachment A

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Certification

Chartered Financial Analyst (CFA)

Accredited by AICPA in Business Valuation (ABV)

Professional History

Navigant Consulting
(2010 – 2016)

UHY Advisors
(2005 – 2010)

Arthur Andersen/FTI Consulting
(1995-2005)

Professional Affiliations

CFA Society

CFA Society of Dallas

American Bar Association Commercial Litigation—Energy Committee

Education

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For the past 25 years, Robert has been trusted by attorneys and companies to analyze complex commercial disputes and measure the financial impact of external events, operational changes, and other market factors. He has served as an expert and testified in high profile cases involving hundreds of millions of dollars and has led large investigations into complex economic and accounting issues.

Robert has assisted companies across a wide variety of industries and has a particular expertise in the energy industry, dealing with matters throughout the product life cycle. Robert has assisted oilfield services, E&P, midstream, and downstream entities with valuation issues, transaction support/analysis, business interruptions, royalty disputes and many other matters.

Many of Robert's cases involve the measurement of value and quantifying the creation or destruction of value. He has analyzed the value of entities and assets ranging from oil & gas operations to steel mills to complex securities to the world's largest cancer tumor bank. He has performed these assignments for clients in the US, Canada, Mexico, South America, the Middle East and Asia.

Robert serves as a guest lecturer in the Graduate Accounting program at Baylor University, where he also serves on the Advisory Board for the Accounting and Business Law department. He is a frequent speaker, author, and instructor on oil and natural gas issues, valuation, and financial analysis.

Representative practice areas and example engagements include:

Energy Related Disputes

- Conducted valuation analysis and testified as an expert for an energy industry client regarding the value of lost opportunities.
- Analyzed project economics and calculated damages on behalf of an oil field services company involved in converting natural gas into clean diesel. Analyzed the impact of several interruptions on the project.
- Performed several calculations of damages and testified at jury trial regarding contract losses and fraud damages suffered by an oilfield services company in the Fayetteville Shale.
- Calculated contract damages in a pricing dispute between a Marcellus natural gas fracking operator and an oilfield services company.
- Analyzed the impact of alleged negligence by a drilling operator on the

economics of a project in the Monterrey Shale. Testified as an expert on resulting cost increases and overall impact to the project.

- Analyzed damages and drafted expert report on over $150mm of economic losses suffered by a refinery. Analysis included review of economic and operational issues leading to bankruptcy and determination of resulting losses.

- Assisted a major Barnett Shale natural gas producer faced with hundreds of royalty litigation cases regarding midstream deductions. Analyzed gathering costs including review of cost of service model used to determine cost. Evaluated reasonableness of terms, including targeted rate of return, negotiated with the midstream company after producer spun it out into a separate entity. Reviewed net wellhead prices and reasonableness of all deductions. Analyzed impact of trading operations on royalty payments.

- Assisted a litigation trust with financial advisory and litigation related to the bankruptcy of a coal producer. Reconstructed the accounting environment of the bankrupt entity, analyzed more than 50 entities and thousands of related party transactions, performed solvency and valuation analysis, and calculated damages.

- Calculated damages and provided expert testimony in a large claim on behalf of an offshore oil & gas operator in litigation over repair, rebuild, and pollution cleanup costs.

- Assisted a major oil and gas client in developing a “net-back pricing” model for litigation that tracked the delivery of and payment for product originating in 4,000 wells and covering five pricing pools over seven years.

- Conducted royalty audits and performed numerous damage calculations in royalty disputes on behalf of major oil and gas clients.

- Constructed a highly complex model and calculated damages in a dispute over appropriate reductions in calculating natural gas liquids royalties.

- Calculated lost business value and provided expert opinion regarding the construction of fueling stations for a major airline.

- Calculated damages and drafted expert report to determine the lost profits suffered by a refinery as a result of contractor negligence and the resulting inability to produce cyclohexane and paraxylene. Analysis included an estimation of “but for” market prices in the absence of the supply shock.

- Calculated lost profits and performed valuations in a dispute between a major oil and gas company and numerous franchised service stations.

- Assisted oilfield services company with complex database analysis to identify and characterize competing sales in an anti-trust matter.

Valuation, Forensic Accounting and Commercial Damages

- Analyzed damages and testified as an expert regarding the lost business value suffered by a radiology management provider that resulted from an alleged faulty installation of Customer Relationship Management software.

- Determined lost research value suffered by medical school following a tropical storm. Testified as an expert on over $100mm of losses when claim was litigated. Judge ultimately awarded the exact damage calculation.

- Analyzed damages and testified as an expert regarding lost business value in a dispute between former business partners of a consumer products company.

- Served as court-appointed auditor in an alleged real-estate investment Ponzi scheme. Traced funds, identified improper transfers, and analyzed distributions within over 100 investment and development funds.

- Performed analysis and testified at trial regarding an alleged Ponzi scheme involving 1031 exchange investments and alleged violations of the Texas Securities Act.

- Performed valuation analysis and testified in bench trial regarding the difference in standard and liquidated values.

- Calculated damages and testified regarding damages suffered by a warehouse equipment distributor due to an alleged breach of contract.

- Analyzed and investigating facts, documents, and damages in a False Claims Act matter.

- Calculated damages and investigated allegations in a healthcare quit am action.

- Analyzed lost profits suffered by a regional airline that resulted from non-performance of a software vendor that was engaged to install an ERP system.

- Developed damage analysis and drafted expert report regarding an

investment fund's participation in a regional shopping mall as compared with suitable alternative investments.

- Assisted a multibillion-dollar underwriter in litigation regarding the profitability of its automotive extended-warranty business and the causes of decreasing margins.

- Quantified damages for defendant in a breach of contract suit concerning the distributorship agreement of a large athletic shoe company.

- Performed analysis of tracking data collected from a website in a class action lawsuit alleging deceptive billing practices against a dating website.

Bankruptcy Litigation and Restructuring

- Designated as an expert and performed valuation and solvency analysis in a dispute between a trustee and the previous owners of a multi-billion dollar telecommunications company.

- Calculated damages, rebutted opposing expert's calculation of lost business value, and analyzed solvency issues for a telecom company concerning a breach of contract with a developer of GPS technology who claimed the alleged breach forced bankruptcy.

- Analyzed debtors' plans for reorganization while working on behalf of creditors' committees in several bankruptcy matters.

- Advised a large manufacturer in restructuring various operations and financial structure.

- Developed damage model, refuted opposing expert's analysis, and drafted expert report for a utility industry client concerning the valuation of an acquired security alarm company and the impact of the software on the operations of the business.

- Analyzed transactions and calculated damages alleged by several municipalities against the investment bank that assisted in bond issuances.

Insurance and Construction Claims

- Assisted numerous clients in preparing insurance claims and negotiating settlements for business interruption and property damage totaling nearly $1 billion. Served as the National Practice Leader for the Business Insurance Claims practice of a large accounting firm. Clients have included oil and gas processing facilities and refineries, cogen facilities,

universities, hotels, hospitals, retailers, engine manufacturer, cement plant, power plant, steel plants, retailers, grocery stores, golf clubs, and numerous other manufacturers.

General Strategic and Business Advisory

- Helped a textile manufacturer identify the causes of lagging profits, streamline operations, reduce throughput, determine which plants to close, and determine the impact to shareholder value of the recommendations.
- Assisted several start-up businesses in formulating business plans, building financial infrastructure and structuring the financing.
- Assisted several growing private companies in securing private placements of additional capital.

Publications

- Low Crude Oil Price Impacts: Market Dynamics, Economic Implications, and Disputes, May 2015.
- The Shale Energy Revolution: A Lawyer's Guide, Chapter 3—Common Contractual Disputes-Royalty Disputes.
- Rising Tide: Litigation Wave from Low Oil Prices & Economic Implications, May 2015
- Gas Royalty Disputes on the Rise, NG Market Notes, April 2014
- Unconventional Oil & Gas Litigation Trends, A Geographical View, ABA Panel Moderator, July 2014
- Gas Royalty Disputes, Energy Law Advisor Volume 8 No. 3, July 2014
- Trends Emerging from Unconventional Oil & Gas Resources, ABA Energy Litigation Article, July 2014
- Capital Investment Decisions in Oil and Gas, April 2014
- Trends and Outlook for Shale Oil & Gas, New York County Lawyer's Association, February 2014
- Primer on Shale Oil & Gas, Industry Trends and Outlook, San Diego, California, September 2014

Attachment B
Documents Considered

Reports

- Capital Investment Amortization Study for the City of Culver Portion of the Inglewood Oil Field, prepared by Baker & O'Brien Incorporated

Letters

- Letter submitted simultaneously by Alston & Bird LLP dated August 13, 2020

Publicly Available Material

- Daily Brent Crude Spot Price FOB, U.S. Energy Information Administration, available at https://www.eia.gov/dnav/pet/hist/RBRTED.htm
- California State Board of Equalization, Assessor's Handbook Section 566 Assessment of Petroleum Properties, August 1996
- "California Oil & Gas Fields Volume 1 – Central California," California Department of Conservation Division of Oil, Gas, and Geothermal Resources
- "California Oil & Gas Fields Volume 2 – Southern, Central Costal, and Offshore California Oil and Gas Fields," California Department of Conservation Division of Oil, Gas, and Geothermal Resources
- Comparison of Proposed Culver City Drilling Regulations to Existing City Regulations and Approved County Community Standards District (CSD) and Settlement Agreement, dated 10/5/2017 from City of Culver City website, available at https://www.culvercity.org/home/showdocument?id=9884
- Freeport-McMoRan 2015 Form 10-K
- Freeport-McMoRan 2017 Form 10-K
- Freeport-McMoRan 2017 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2016
- Sentinel Peak Resources 2018 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2017
- Sentinel Peak Resources 2019 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2018
- Sentinel Peak Resources 2020 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2019
- Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018

Attachment B
Documents Considered

Website Articles

- History of the Inglewood Oilfield, available at https://inglewoodoilfield.com/history-future/history-inglewood-oilfield/
- Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/
- "IRS provides tax inflation adjustments for tax year 2020," available at https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2020
- H&R Block California Tax Rates 2020, available at https://www.hrblock.com/tax-center/filing/states/california-tax-rates/
- Standard deductions, exemption amounts, tax rates, and doing business thresholds updated for 2019," available at https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/december-2019/standard-deductions-exemption-amounts-tax-rates-and-doing-business-thresholds-updated-for-2019.html

Court Cases

- Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)

Review Of The Baker & O'Brien Report
Average Number of Years Since Well Was Drilled
Exhibit 1

Model #	Drill Year	Status	Lease Name	Well #	Years Since Well was Drilled as of 2020
3700248	1966	Operating	TVIC	59	54
3700249	1966	Operating	TVIC	63	54
3707468	1947	Operating	Block	22	73
3707475	1961	Operating	Block	29	59
3707477	1964	Operating	Block	31	56
3707873	1941	Operating	Machado	3-A	79
3707881	1952	Operating	Machado	7-A	68
3708129	1954	Operating	VRU	105	66
3709082	1979	Operating	VRU	113-A	41
3709086	1953	Operating	VRU	116	67
3709113	1925	Operating	TVIC	25	95
3709118	1953	Operating	TVIC	30	67
3709139	1961	Operating	TVIC	55	59
3709140	1962	Operating	TVIC	56	58
3709145	1957	Operating	TVIC	62	63
3709149	1966	Operating	TVIC	74	54
3720069	1967	Operating	TVIC	54	53
3725342	2002	Operating	TVIC	100	18
3725375	2002	Operating	TVIC	101A	18
			Operating Wells Average Years Since Drilling		**58**

Model #	Drill Year	Status	Lease Name	Well #	Years Since Well was Drilled as of 2020
3707876	1957	Injection	Machado	5	63
3709083	1977	Injection	VRU	114A	43
3709087	1954	Injection	VRU	117	66
3709088	1954	Injection	VRU	118	66
3720042	1967	Injection	TVIC	64	53
3722281	1980	Injection	TVIC	220	40
3725079	1998	Injection	TVIC	268	22
3725221	2000	Injection	VRU	284	20
3725222	2000	Injection	TVIC	271	20
3725256	2000	Injection	TVIC	272	20
			Injection Wells Average Years Since Drilling		**41**

Source:
B&O Report Exhibit E

Juachon, Luz

From: Kathy Bremer <Kathy.Bremer.27169393@grassrootsmessage.com>
Sent: Tuesday, September 19, 2023 3:33 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

The county must stand in support of the State of California suit against the oil companies for the deception they have practiced for decades regarding their knowledge of the climate impacts caused by their industry. With that in mind, Ventura County must take local steps to protect our residents.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kathy Bremer
450 Dorothy Ave
Ventura, CA 93003

Juachon, Luz

From: Al Adler <aba@abaenergy.com>
Sent: Tuesday, September 19, 2023 3:30 PM
To: Oil and Gas Ordinance
Cc: Sussman, Shelley
Subject: Ventura County Planning Commission Meeting of September 21, 2023 regarding proposed Amendments to the NonCoastal Zoning Ordinance (PL210099) and Coastal Zoning Ordinance (PL210100).
Attachments: Letter from ABA Energy Corporation to VCPC - RE Agenda item No. 6 VCPC Public Hearing of 9-21-23.pdf

Please find the attached concerning the subject matter above.

ABA

ENERGY CORPORATION

September 19, 2023

Sent Via Email Only - oilandgasord@ventura.org
shelley.sussman@ventura.org

County of Ventura – Resource Management Agency – Planning Division
Ventura County Planning Commission
Hall of Administration
800 S. Victoria Avenue
Ventura, CA 93009-1740
Attn: Ms. Shelley Sussman, Case Planner

RE: Ventura County Planning Commission Meeting of September 21, 2023, to consider and make recommendations via Agenda Item No. 6, to the Ventura County Board of Supervisors regarding proposed Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100).

Dear Chair Boydstun, Vice Chair Garcia, and Members of the Ventura County Planning Commission:

This letter provides comments on behalf of ABA Energy Corporation ("ABA") opposing the proposed amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100) (the "Zoning Amendments"). ABA further adopts the comments and comment letters and evidence heretofore submitted, or submitted after this letter, by and on behalf of those oil and gas industry groups and companies that oppose the Zoning Amendments and ABA incorporates the same into this letter as though fully set forth. ABA also adopts and incorporates herein in full by reference all of ABA's prior comment letters to the County, including, without limitation, ABA's comment letters of July 27, 2022 and August 17, 2022 sent to the Planning Commission, two comment letters written by ABA's Insurance Agency (Stockdale) dated November 1, 2022 and sent to the Planning Commission by ABA regarding the Planning Commission's November, 2022 stakeholder meeting, any and all other prior comment letters sent by ABA to the Planning Commission, and all of those comment letters sent by ABA to the Board of Supervisors. **For your convenience, a true and correct copy of the aforementioned comment letters dated July 27, 2022, August 17, 2022, and November 1, 2022 are set out in Attachment #1 and by this reference are made a part hereof and are incorporated herein in full by reference. Additionally, two comment letters just written by ABA's Insurance Agency (Stockdale), which are both dated September 19, 2023, concerning current insurance and surety matters are also set out in Attachment #1 and by this reference are made a part hereof and are incorporated herein in full by reference.**

While the aforementioned prior submittals by ABA and others regarding the opposition to the Zoning Amendments remain appropriate and on point, there have been a few new developments since the last submittals from November 2022 which need to be addressed (i.e. issues addressed in the recently released Staff Report for the September 21, 2023 Hearing ("Staff Report")). Rather than re-state the subject matter of all of the prior submittals, ABA will here simply address the new developments and issues in the

context thereof and ABA otherwise refers the Commissioners to its prior submittals on the other issues.

As an initial matter, it is quite troubling that since the November 2022 Planning Commission Stakeholder meeting regarding the Zoning Amendments, which meeting was greatly appreciated and seemingly quite productive, there have been no additional workshops, no further stakeholder meetings, and no other opportunities for the local energy industry or insurance representatives to engage with the Planning Department and/or the Planning Commission regarding the Zoning Amendments. If such meetings had been held, many issues which have arisen since the last meetings of 2022 could have been vetted and discussed in a collaborative fashion. By way of example, one of the marquis suggestions we discussed in the November 2022 stakeholder meeting was the notion that the rules considered by the Zoning Amendments should be tailored to account for an Operator's historical performance or at least provide discretion to the Planning Staff to do so. Of great concern in that theme, of course, is that companies like ABA—who have been in business for 32 years with an exceptional track record—have to bear the burden of others who do not operate up to the same standards as ABA. The Zoning Amendments should account for these differences.

Based on the foregoing, please consider the following:

(i) While ABA appreciates some reduction in the recommended insurance limits by the Staff since late 2022, the currently proposed increased insurance limits and bonding requirements set out in the Staff Report and Zoning Amendments **remain to be economically infeasible for the reasons previously explained by ABA and furthermore because the California insurance/surety climate has actually degraded since this issue was last discussed in 2022. At a minimum, ABA requests that the County include an economic feasibility limitation on the insurance and bonding requirements in the Zoning Amendments to address situations where the insurance coverage and bonds cannot feasibly be obtained in the market.**

(ii) While raised by ABA in its prior comments, the Zoning Amendments still include an ambiguously worded umbrella mandate that adds $10 million to ***all*** of the limits in ***all*** categories of insurance. As of the date hereof, we are only aware of the ability to obtain an umbrella to go over the top of general liability (GL) insurance and even in that case, ABA and most other operators can only get $1MM of GL and $4MM umbrella coverage resulting in a total of $5MM with the inability of ***ANY*** umbrella to go over the top of control of well or pollution policies. **ABA thus requests that the Zoning Amendments be revised to clarify that the umbrella mandate only applies to the GL policy and not the control of well and pollution policies and again requests an economic feasibility limitation on the amount of the umbrella.**

(iii) While the Staff Report argues that the insurance limits need to be raised because they have not been amended in 40 years, operators like ABA bind insurance limits which cover the potential loss, not the minimum suggested by the County, resulting in higher coverage than the current minimums in any event. Regardless of the forgoing, the infeasibility/mismatch of what the County suggests for mandated coverage and what is available will result in

ABA and many operators not being able to operate (if they cannot secure mandated insurance coverage) and therefore will result in the loss of Ventura County mineral resources and will damage ABA and its lessors. This loss/impact not only renders the County's reliance on a CEQA exemption unlawful since there will be a loss in availability of mineral resources, but also will unquestionably result in further litigation against the County for the unconstitutional taking of vested real property rights from mineral owners and their lessees, like the Maulhardt Family and ABA. (See additional information regarding same in item v (below).)

(iv) As ABA has explained in its prior comment letters, State law already regulates the areas covered by the proposed Zoning Amendments. Indeed, the State has adopted numerous statutes and regulations that comprehensively regulate virtually all aspects of oil and gas operations. However, in addition to the case law previously submitted by ABA and the industry, an August 3, 2023 California Supreme Court decision solidifies that State law preempts the County's efforts to regulate bonding and insurance for plugging and abandonment and restoration work, and also reaffirms the importance of maximizing the production of California's resources, such as oil and gas. (*See e.g., Chevron U.S.A. INC. v. County of Monterrey* (2023) 15 Cal. 5th 135). As the Staff Report is replete with language that confirms overlap between the County and CalGEM for handling bonding/surety issues, the County makes no provision to address this overlap, nor could it lawfully do so as the matter is preempted by State law. The County apparently envisions a standard by which ABA and other operators would somehow have to satisfy both County and State standards before certain sureties were released. A potential mismatch of skillsets, standards, and opinions is one of the very reasons the preemption standard exists. And State law already provides for increased bonding if there is a concern of desertion of wells and/or facilities—the same concern addressed by the Zoning Amendments. (Pub. Res. Code § 3205.3.) The County is thus preempted from adopting the Zoning Amendments.

(v) Additionally, and as discussed above for the new insurance requirements, the suggested new surety amounts, and methodology thereof, contained in the Zoning Amendments result in an infeasibility/mismatch of what the County suggests for mandated coverage and what is available to companies like ABA in the market. If enacted, ABA and many operators will therefore not be able to operate their assets (if they cannot secure mandated surety coverage) and the Zoning Amendments will result in the loss of Ventura County mineral resources and will damage ABA and its lessors. This loss/impact not only renders the County's reliance on CEQA exemptions unlawful, but also will unquestionably result in further litigation against the County for the taking of vested real property rights from mineral owners and their lessees, like the Maulhardt Family and ABA. Lastly, please understand that for over 30 years, ABA has historically received plugging and abandonment bids for work on its wells where the value of its salvageable equipment (i.e. tubing, wellheads, pumping units, etc.) was used by the abandonment company bidder to either greatly reduce or eliminate the cash portion of the cost to plug and abandon the wells. The suggested bond amounts should take this into consideration, but the Staff Report fails to include this reality in its discussion of the appropriate bond amounts.

(vi) **As previously submitted, and as stated above, the Zoning Amendments are not exempt from CEQA because, among other reasons, they likely will result in the loss of availability of a known mineral resource.** As it is likely that the new arbitrary and capricious insurance and bonding requirements will likely render the production of ABA's minerals infeasible or impossible, it is improper to rely on a CEQA exemption. "[L]oss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact. (CEQA Guidelines, Appendix G, § XII(a), (b) (emphasis added).) Categorical exemptions cannot apply where substantial evidence in the record indicates that the action will likely result in a significant environmental impact. (CEQA Guidelines, 15300.2(c); *Berkeley Hillside Preservation v. City of Berkeley* (2015) 60 Cal.4th 1086.) As discussed above, the proposed Zoning Amendments will likely impact the availability of mineral resources in the County. In *San Francisco Baykeeper, Inc. v. Cal. State Land Commission* (2015) 242 Cal.App.4th 202, 227-228, the Court of Appeal confirmed that, in the context of analyzing potential environmental impacts to mineral resources, the phrase "loss of availability" means "loss of accessibility," as opposed to depletion, of a known mineral resource. There, the State Lands Commission approved a private mining permit, and determined in its environmental impact report that the project would not result in significant adverse environmental impacts to mineral resources, under the thresholds relating to the "loss of availability" of a valuable mineral resource. (*Id.* at p. 226.) The Petitioner group sued, alleging that because the mining activities would deplete the mineral resource, the Commission should have determined that environmental impacts would occur. (*Id.* at p. 227.) The State Lands Commission rebutted on grounds that "the purpose of a CEQA impact analysis was not to assess whether mining would deplete the mined resource, but rather whether the project would interfere with important mineral resource deposit areas that should be conserved for purposes of the extraction of the valued mineral, and not be lost to an incompatible use." (*Id.* at p. 226.) The Court sided with the Commission, concluding that CEQA's concern with "impacts on accessibility to a known mineral resource that would be valuable to the region or locality is consistent with state policies regarding the regulation of land uses that are incompatible with mineral extraction." (*Id.* at p. 228, citing to Pub. Resources Code, § 2711(a) ["the extraction of minerals is essential to the continued economic well-being of the state and to the needs of the society"]; § 2711(d) ["the production and development of local mineral resources that help maintain a strong economy and that are necessary to build the states infrastructure are vital"]; § 2790 [authorizing the state geologist to designate geographic areas as areas of statewide or regional significance in order to prevent premature development incompatible with the "advantages that might be achieved from extraction of the minerals of the area"].) The County has attempted to avoid conducting a CEQA analysis of the proposed Zoning Amendments by asserting that the adoption of the proposed Zoning Amendments is exempt from CEQA review pursuant to, among other things, CEQA Guidelines sections 15307 and 15308 as an action by a regulatory agency to assure maintenance or protection of the environment "where the regulatory process involves procedures for protection of the environment." However, a new regulation that strengthens some environmental requirements may not be entitled to an exemption if the new requirements could result in other potentially significant effects. (See *California Unions for Reliable Energy v. Mojave Desert Air Quality Management Dist.* (2009) 178

Cal.App.4th 1225, 1240.) In the *California Unions* case, the agency found exempt from CEQA a new rule regarding the use of road paving as a mitigation measure to offset fugitive dust emissions. The Court of Appeal overturned the exemption because newly-paved roads could lead to adverse environmental impacts from increased vehicle emissions. The Court of Appeal noted that the agency "failed to show that those effects would be either de minimis or too speculative to analyze." The proposed Zoning Amendments do not qualify for a categorical exemption because they will adversely impact the environment both directly and indirectly. Public Resources Code § 21060.5 defines the "environment" to mean "the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, or objects of historic or aesthetic significance". Here, the Zoning Amendments will impact the availability of mineral resources in the County. Requiring oppressive bonding, surety and insurance limits, or limits rendering their acquisition impossible, will obviously have a negative impact on the ability to produce minerals, which is a direct impact on the environment. Further, it is reasonably foreseeable that an indirect physical change in the environment will occur as the County's preference for imported foreign oil over locally produced oil will result in greater amounts of Greenhouse Gases being produced to the detriment of the environment (a fact the County has recently acknowledged in its FEIR for the 2040 General Plan Update, which is incorporated herein in full by reference.) The State also has acknowledged that reduction in local production will result in increased tankers and trucks to bring that production to the State, thereby adversely impacting the environment. (See Attachment #2 hereto for excerpts from the State EIR on Senate Bill 4.) ABA reasonably estimates that it has many millions of barrels of oil left to produce by drilling additional wells and if the oppressive bonding, surety and insurance limits prohibit ABA from developing fully the oil and gas reserves as provided in its existing SUP, these millions of barrels of oil will be replaced by imported oil that contains a higher Carbon Intensity, as determined by CARB, and the long-distance transportation of such oil will also result in an increase in air emissions including Greenhouse gases. **In other words, eliminating locally produced oil and gas will have the exact opposite environmental effect as is being touted by the County to justify their refusal to study the environmental impacts of the proposed Zoning Amendments.** The County is expressly aware of this as the FEIR for the recently approved 2040 General Plan Update expressly acknowledged that eliminating local production would result in an increase in greenhouse gases, but the County refuses to study those impacts. **Simply put, the County must analyze these environmental impacts and cannot rely on a CEQA exemption to avoid doing so. The County is obligated under CEQA to analyze the GHG emissions that are likely to result from the project. The CEQA Guidelines provide that "[a] lead agency shall make a good-faith effort, based to the extent possible on scientific and factual data, to describe, calculate or estimate the amount of greenhouse gas emissions resulting from a project." (Cal. Code Regs., tit. 14, § 15064.4.) As part of this obligation, the County must make either a quantitative or qualitative evaluation of the resulting GHG emissions. By claiming that the proposed Zoning Amendments are exempt from CEQA, the County is essentially admitting that it did not even attempt to analyze the GHG impacts that would result from its efforts to reduce oil production within the County. By refusing to make any effort to calculate the effects from the increased import of oil and gas, the County has failed to make any effort to analyze**

the GHG emissions resulting from the project, much less a "good-faith effort," as required by section 15064.4. The proposed Zoning Amendments in combination with the recent 2040 General Plan Update policies that were heretofore approved by the Board of Supervisors will undoubtedly have a significant impact on GHG emissions as a result of the increased importation of oil into the State. As noted in ABA's prior comment letters from 2020, the Carbon intensity of Ventura crude is significantly less than that of imported oil. California's crude oil production has fallen 54 percent from 1986 to 2022. The decreased in-state production has resulted in corresponding increases in the import of oil from foreign sources. Since 1986, the proportion of foreign crude oil imported into California has swelled from 5% to over 58%. Currently, most of the crude oil accepted by California refineries for in-state consumption arrives in tanker ships from foreign countries such as Saudi Arabia, Ecuador, or Iraq. Any decrease in domestic production will result directly in an increase in deliveries by tanker ships from foreign countries. The County has refused to analyze or even consider these significant impacts and is essentially burying its head in the sand as it blindly goes about stripping the vested rights of its citizens and harming the environment by directly causing the importation of more foreign oil to the detriment of everyone.

(vii) It seems that the Staff Report includes quite a lot of data from NGOs and out of State authors but a paucity of data from local operators, insurance experts, and stakeholders. For instance, on page 4 of the Staff Report, it is suggested that "surety levels are generally commercially available to responsible operators, although costs and collateral requirements will vary depending on an individual operator's financial condition". The evidence from local insurance experts is to the contrary. Further, the assertion seems to indicate that if the market will not offer to a particular Operator the levels of coverage demanded by the County, then such Operator is not responsible. It should be understood that responsible, small Operators like ABA would prefer, and can best afford, to use their cash to fund operations, including abandonment and restoration work, rather than give that capital to the government who is not qualified to do the work and may not ensure that it is accomplished in the first place. Proof of the lack of understanding of issues relevant to Operators such as ABA can be found in the second part of the Staff Report which states, "Regardless, operators can avoid costs associated with procuring bonds by providing sureties in the form of a letter of credit or posting the funds directly with the County." Given what ABA and the industry have endured over the past 3 years just to maintain business, including attacks on our business and industry, unexplained permit condition changes (some of which are described in a recent whistleblower lawsuit against the State), and the time and costs of litigation, please understand that ABA needs its capital for operations, not duplicative and unjustified additional insurance, sureties, and other costs. On Page 13 of the Staff Report, the Ojai Oil Company financial situation is mentioned as if that is the "standard in the industry," but companies like CalNRG, who have been responsibly abandoning many wells each year in the County, are not even mentioned, let alone acknowledged. Additionally page 15 of the Staff Report states that, "Planning Division staff has learned that the practice of requiring oil and gas operators to post collateral (potentially up to 100 percent of the amount of the bond) is becoming more common. Generally, collateral is not necessary for the issuance of a surety bond, as the surety bonds are usually collateralized by the full faith and credit of the operator's company

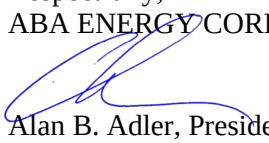
itself. However, collateral can be required if the underwriter has concerns about the individual operator being able to fulfill its obligations under the surety, making it more likely that the underwriter may have to pay out on the surety obligation". Not only is this the practice of requiring collateral not common because it is rarely used, but the comment suggests that the term full faith and credit of an Operator's company is somehow different than its assets and is blind to the notion of reducing such burden as ABA has explained above. This appears to be another misleading comment meant to harm the industry, not solve the stated problem.

None of the analysis concerning the Zoning Amendments even considers the sensitivity and impact of higher oil prices in the future. Higher oil and gas prices will actually lead to some wells which are today idle, being commercial and thereby subject to additional production absent regulatory obstructions. Consider that WTI crude prices today are about $92/barrel, but a 16-ounce bottle of water at a gas station is selling for $1.50 a bottle, the equivalent of $504/barrel. What product, besides oil, is cheaper today than it was in 2007? It is interesting to note that despite claims of the world reducing oil consumption, the opposite is true. In fact, global demand, which just set a new record for consumption at ~101.5 Million barrels per day, is accelerating and, more notably, California imports are also growing due to the shrinking supply of production in our State, a logical result yielded by the California policies being promulgated at State and local levels such as the actions affecting operators in Ventura County, including through the Zoning Amendments. Impacts to the environment from increased tanker and truck importation of oil to address these demands should be analyzed by the County and it is a violation of CEQA to fail to do so. Please use the following link to review data in support of the forgoing:

https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/annual-oil-supply-sources-california).

Despite the clear message sent by voters during the June 2022 referendum 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, but its newly proposed Zoning Amendments are also unlawful and would render oil and gas production financially infeasible if not impossible for Operators like ABA, all as discussed above. ABA thus requests that the Planning Commission not recommend approval of the proposed Zoning Amendments or, at a minimum, include an economic feasibility limitation on these requirements to address situations where the insurance and bonds are not available in the market to a particular Operator.

Respectfully,
ABA ENERGY CORPORATION



Alan B. Adler, President

ATTACHMENT #1 TO COMMENT LETTER DATED 9-19-23 BY ABA ENERGY CORPORATION

RE: Proposed Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100).

Ventura County Planning Commission Hearing- Agenda Item 6 - September 21, 2023

Stockdale
INSURANCE AGENCY, INC

Lic. #OC26131
1675 Chester Ave., Suite 310
Bakersfield, CA 93301

661-327-3321 Phone
661-327-3490 Fax
www.stockdaleinsurance.com

September 19, 2023

ABA Energy Corporation
7612 Meany Avenue
Bakersfield, Ca. 93308

Attn: Al Adler

RE: Bonding Capacity - Oil and Gas Bonds

Dear Al,

Per your request, we have just approached all of our bond markets again in order to provide you with a current impact status as to the County of Ventura's 2023 proposed requirements for a Site Restoration Bond (per well site and for your facilities) and an additional Oil and Gas Abandonment Bond (per well) over and above ABA's current State of California Oil and Gas Well Bonds.

The results have not been encouraging, and far more draconian than explained in our November 2022 letter to you on this subject. There now exists only 1 market for the proposed new oil and gas bonding limits which requires 100% cash collateral for the Oil and Gas Well Bonds. However, be advised that the requested Site Restoration Bonds are now unavailable.

I believe that the County does not realize the current market environment for bonding of the Energy Sector, nor does it realize that Bond are not like Insurance, Bond claims are paid by the Bonding company and then the Principal is required to repay the Bonding company. Unlike Insurance where the Insured pays a premium for the coverage and any claim is paid by the Insurer with no obligation of the insured to repay the claim. Please let me know if you have any questions concerning the above.

Sincerely

Andy Naworski
Surety Department Manager

Stockdale
INSURANCE AGENCY, INC.

Llc. #OC26131
1675 Chester Ave., Suite 310
Bakersfield, CA 93301

661-327-3321 Phone
661-327-3490 Fax
www.stockdaleinsurance.com

September 19, 2023

ABA Energy Corporation
7612 Meany Avenue
Bakersfield, Ca. 93308

Attn: Al Adler

RE: Oil and Gas Insurance Policy Limits.

Dear Al,

Per your request, we have approached our insurance markets regarding the policy limits requested by the County of Ventura via their 2023 proposed ordinance changes.

We have determined that a $10 Million Excess/Umbrella policy for General Liability would not be obtainable, notwithstanding the fact that in 32 years (and ~170 wells) of ABA operating an oil and gas business, the totality of ABA's claims have been two (2), a chipped tooth and an operator passing out. Also notable is that due to the State of the California Insurance industry, ABA was only able to obtain this year its current $5 million GL policy but only by amalgamating (2) tranches of GL coverage ($1 million & $4 Million). With respect to the proposed "pollution policy" limits which, as set out and defined via table 4 on page 16 of the Staff Report, now simply proposes a $5MM sudden and accidental pollution policy, be advised that this peril is already covered by ABA's existing $5MM Control of Well policy ("OEE") if, and only if, germane to the operation of a well. With respect to any other cause/loss not covered and/or excluded by such OEE policy, the recently quoted costs for these proposed limits ($5MM) are ~$225,000/year (incremental) and as such, are seemingly economically unfeasible given the extremely low historical loss rate due to such occurrences and the benefits potentially derived therefrom (if any).

Further, as discussed in our writing to you in late 2022, it is un-clear what the County desires for excess on the other policies as the verbiage is ambiguous and confusing in that they state they want "Excess (or umbrella) Liability Insurance, providing excess coverage for each of the perils described by the preceding types of insurance policies with a minimum limit of $10,000,000". The confusing issue we see is that Excess Liability is just that, excess on the GL policy **only**, however, the County has historically used the words ***"each of the perils insured by the preceding insurance policies (plural)" which*** seems to infer that the County's ask may include $10 Million over the top of not only the GLpolicy, but also Control of well Policy and any Environmental policy, the latter of the two are not possible in form, and the umbrella limits as to the $10 MM ask, is simply not obtainable. In any event, The limits required by the County are not obtainable for ABA as described above.

Please let me know if you have any questions concerning the above.

Sincerely,

Andy Naworski
Commercial Lines Executive Vice President

Stockdale
INSURANCE AGENCY, INC.

Lic. #0C26131
1675 Chester Ave., Suite 310
Bakersfield, CA 93301

661-327-3321 Phone
661-327-3490 Fax
www.stockdaleinsurance.com

November 1, 2022

ABA Energy Corporation
7612 Meany Avenue
Bakersfield, Ca. 93308

Attn: Al Adler

RE: Bonding Capacity – Oil and Gas Bonds

Dear Al,

Per your request, we have approached all of our bond markets in order to provide you with the County of Ventura's requirements for a Site Restoration Bond (per well site) and an additional Oil and Gas Abandonment Bond (per well) over and above the State of California's Oil and Gas Well Bond.

The results have not been encouraging. First, of the eight markets that provide Energy sector Bonds, 6 have outright declined the Oil and Gas Bond requirement and 5 have declined the Site Restoration Bond. The remaining markets have all required 100% collateral for both the Oil and Gas Well Bonds and the Site Restoration Bond.

I believe that the County does not realize the current market environment for bonding of the Energy Sector, nor does it realize that Bond are not like Insurance, Bond claims are paid by the Bonding company and then the Principal is required to repay the Bonding company. Unlike Insurance where the Insured pays a premium for the coverage and any claim is paid by the Insurer with no obligation of the insured to repay the claim.

Please let me know if you have any questions concerning the above.

Sincerely

Andy Naworski
Surety Department Manager

Stockdale
INSURANCE AGENCY, INC.

Lic. #0C26131
1675 Chester Ave., Suite 310
Bakersfield, CA 93301

661-327-3321 Phone
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www.stockdaleinsurance.com

November 1, 2022

ABA Energy Corporation
7612 Meany Avenue
Bakersfield, Ca. 93308

Attn: Al Adler

RE: Oil and Gas Insurance Policy Limits.

Dear Al,

Per your request, we have approached our insurance markets regarding the policy limits requested by the County of Ventura via their proposed ordinance changes.

We have determined that a $25 Million Excess/Umbrella policy for General Liability would not be obtainable, notwithstanding the fact that in 31 years of operating an oil and gas business, the totality of ABA's claims have been two (2), a chipped tooth and an operator passing out. Also notable is that due to the state of the California Insurance industry, ABA was only able to obtain this year its current $10 million GL policy by amalgamating (3) tranches of GL coverage ($1 million, $4 Million, and $5 Million).

Further, it is un-clear what the County desires for excess on the other policies as the verbiage is ambiguous and confusing in that they state they want "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 confusing issue we see is that Excess Liability is just that, excess on the GL policy only, however, the words ***"each of the perils insured by the preceding insurance policies (plural)"*** seems to infer that the County's ask may include $25 Million over the top of not only the GL policy, but also Control of well Policy Environmental policy.

In any event, The limits required by the County are not obtainable for ABA.

Please let me know if you have any questions concerning the above.

Sincerely,

Andy Naworski
Commercial Lines Executive Vice President

ENERGY CORPORATION

August 17, 2022

Sent Via Email Only - shelley.sussman@ventura.org

County of Ventura – Resource Management Agency – Planning Division
Ventura County Planning Commission
800 S. Victoria Avenue
Ventura, CA 93009-1740
Attn: Ms. Shelley Sussman, Case Planner

RE: Planning Commission Meeting of August 18, 2022 to consider and make recommendations via Agenda Item No. 7a, to the Board of Supervisors regarding Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100).

Dear Chair McPhail and Members of the Ventura County Planning Commission:

This letter provides comments on behalf of ABA Energy Corporation ("ABA") opposing the proposed amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100) (the "Zoning Amendments"). ABA further adopts the comments and comment letters and evidence heretofore submitted, or submitted after this letter, by and on behalf of those oil and gas industry groups and companies that oppose the proposed Zoning Amendments and incorporates same into this letter as though fully set forth. ABA also adopts and incorporates herein by reference all of ABA's prior comment letters to the County, including its comment letter of July 27, 2022 and all of its prior comment letters to the Planning Commission and the Board of Supervisors.

As an initial matter, it is quite troubling that the Planning Department held no workshops, no stakeholder meetings, and provided absolutely no opportunities for the local industry or insurance representatives to engage with the Planning Department regarding the proposed Zoning Amendments. If the Planning Department had held such meetings, it would have learned the facts that are now being presented via comment letters—**the increased insurance and bonding requirements are economically infeasible and will result in a loss of development of mineral resources in the County**. This impact not only renders the County's reliance on a CEQA exemption unlawful but also will unquestionably result in further litigation against the County for the taking of real property rights from mineral owners and their lessees, like ABA.

The County has already spent significance taxpayer dollars on litigation to stop oil and gas activities only to be reversed by the will of its own taxpayers. Indeed, the proposed Zoning Amendments are being introduced at a time when the ink is barely dry on the election certification for the June 7th referendum election, whereby the Ventura County residents voted to repeal the County's adoption of previous amendments to the zoning ordinance, which would have had similarly devastating impacts on local oil and gas production, including ABA's ability to continue to operate in the County. It is interesting that the County chose to continue the assault on the Ventura County energy industry, as well as the local landowners who benefit from our oil and gas production, rather than listen to the will of the electorate and even sit

down with industry and discuss the issues. It is unimaginable that the County is ignoring the will of the people and then does not even educate itself as to the question of why the referendum vote went the way it did.

Please consider the following with respect to the proposed Zoning Amendments that will threaten over 2,000 good-paying industry jobs, wipe out approximately $56 million annually in state and local taxes, increase dependence on foreign oil from countries with poor environmental and human rights standards and create further litigation and liability for the County:

The Insurance and Bonding Limits are Arbitrary and Capricious, May Not Even Be Available to ABA Without Personal Guarantees and Letters of Credit or Cash Backing and are Economically Infeasible.

The Staff Report suggests new insurance limits for Operators and yet provides absolutely no rational justification for the increases. (ABA for instance, carries limits on its policies commensurate with the reasonable amount of an actual loss (in that unlikely event).) The limits suggested by the Staff Report are collectively overreaching with no understandable or reasonable justification.[1]

ABA has yet to receive firm approval that it can even acquire the increased insurance coverage and bonding requirements without a personal guarantee from its officers, which is completely unreasonable and unacceptable and would force ABA to shut down operations. ABA also has been informed that it likely will need to put up a letter of credit or the cash to back the new bonding amounts, which would be $983,000 in cash in addition to an extra $49,000/year of bonding fees. Again, ABA would be forced to shut down operations if required to provide this type of collateral for the new bonding limits. The Staff Report simply fails to account for these types of devasting impacts from the proposed Zoning Amendments.

As far as potential costs, ABA has received one quote that to obtain the increase insurance and bonding limits, assuming that ABA even qualifies without the restrictions noted above, ABA would be bearing an approximate increase of 332% of its current annual costs totaling $243,000 (current insurance and bonding costs are $73,000). While this would be an extreme, and unwarranted hardship, the more realistic and grim outcome is that with an insurance industry that is quickly tightening, our underwriters will not be able to bind these increased limits, preventing ABA from developing its mineral rights in the County. The same result will happen, as discussed above, if the bonding underwriter invokes the likely scenario where ABA must put up a letter of credit or cash for the increased bonding limit.

In short, these new suggested insurance and bonding limits are unreasonable, impractical, arbitrary and capricious, lacking in any rational basis and quite frankly, punitive. Perhaps that is why the cost burden and lack of availability to Operators were not even addressed in the Staff Report and no meetings were held with Operators to discuss the issues. **More importantly, these policies, as shown above, would likely, directly cause a loss of availability of a known mineral resource—the reserves of ABA and the Maulhardt Family beneath the Maulhardt Ranch.**

[1]In addition to the suggested increase of limits, hidden at the bottom of the list is an ambiguously worded umbrella mandate that adds $25 million to each of the preceding limits. As of the date hereof, we have assumed that the requested $25 million umbrella is only meant to go over the top of the General Liability policies.

The Proposed Zoning Amendments Would Likely Result in the Elimination of ABA's Ability to Develop its project under SUP #672 and therefore will be a Wrongful Taking of ABA's Vested Rights.

If the County adopts the proposed Zoning Amendments, such adoption will likely have the effect of eliminating the vested rights ABA has under SUP #672, and the County's actions will constitute a taking of ABA's property interests, which are presently estimated to be valued in excess of a third of a billion dollars. The imposition of new draconian limits on bonding, surety, and insurance likely will result in a deprivation of ABA's economically productive use of its leases, facilities, and minerals and will thereby result in a taking of ABA's property interests. (*See e.g., Lucas v. S.C. Coastal Council* (1992) 505 U.S. 1003, 1015–1020, 112 S. Ct. 2886, 120 L. Ed. 2d 798).

These policies also will deprive ABA of its distinct, investment-backed expectations--expectations that were generated by the County's own actions. In *Penn Cent. Transp. Co. v New York City* (1978) 438 US 104, 98 S Ct 2646, the Supreme Court determined what constitutes a regulatory taking by reiterating the generalized principle that courts are to decide whether "'justice and fairness' require that economic injuries caused by public action be compensated by the government, rather than remain disproportionately concentrated on a few persons." (438 US at 123.) It added some specificity to that, however, by explaining that while the determination "depends largely 'upon the particular circumstances [in that] case,'" three factors are particularly significant (438 US at 124): "The economic impact of the regulation on the claimant"; "[T]he extent to which the regulation has interfered with distinct investment-backed expectations"; and "[T]he character of the governmental action." Under these factors, the proposed Zoning Amendments likely would result in a taking of ABA's real property rights.

The Proposed Zoning Amendments are Not Exempt from CEQA Because They Likely Will Result in the Loss of Availability of a Known Mineral Resource.

As it is likely that the new arbitrary and capricious insurance and bonding requirements could render the production of ABA's minerals infeasible or impossible, it is improper to rely on a CEQA exemption. **"[L]oss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact.** (CEQA Guidelines, Appendix G, § XII(a), (b) (emphasis added).) Categorical exemptions cannot apply where substantial evidence in the record indicates that the action will likely result in a significant environmental impact. (CEQA Guidelines, 15300.2(c); *Berkeley Hillside Preservation v. City of Berkeley* (2015) 60 Cal.4th 1086.) As discussed above, the proposed Zoning Amendments will likely impact the availability of mineral resources in the County.

In *San Francisco Baykeeper, Inc. v. Cal. State Land Commission* (2015) 242 Cal.App.4th 202, 227-228, the Court of Appeal confirmed that, in the context of analyzing potential environmental impacts to mineral resources, the phrase "loss of availability" means "loss of accessibility," as opposed to depletion, of a known mineral resource. There, the State Lands Commission approved a private mining permit, and determined in its environmental impact report that the project would not result in significant adverse environmental impacts to mineral resources, under the thresholds relating to the "loss of availability" of a valuable mineral resource. (*Id.* at p. 226.) Petitioner group sued, alleging that because the mining activities

would deplete the mineral resource, the Commission should have determined that environmental impacts would occur. (*Id.* at p. 227.) The State Lands Commission rebutted on grounds that "the purpose of a CEQA impact analysis was not to assess whether mining would deplete the mined resource, but rather whether the project would interfere with important mineral resource deposit areas that should be conserved for purposes of the extraction of the valued mineral, and not be lost to an incompatible use." (*Id.* at p. 226.) The Court sided with the Commission, concluding that CEQA's concern with "impacts on accessibility to a known mineral resource that would be valuable to the region or locality is consistent with state policies regarding the regulation of land uses that are incompatible with mineral extraction." (*Id.* at p. 228, citing to Pub. Resources Code, § 2711(a) ["the extraction of minerals is essential to the continued economic well-being of the state and to the needs of the society"]; § 2711(d) ["the production and development of local mineral resources that help maintain a strong economy and that are necessary to build the states infrastructure are vital"]; § 2790 [authorizing the state geologist to designate geographic areas as areas of statewide or regional significance in order to prevent premature development incompatible with the "advantages that might be achieved from extraction of the minerals of the area"].)

The County has attempted to avoid conducting a CEQA analysis of the proposed Zoning Amendments by asserting that the adoption of the proposed Zoning Amendments is exempt from CEQA review pursuant to, among other things, CEQA Guidelines section 15308 as an action by a regulatory agency to assure maintenance or protection of the environment "where the regulatory process involves procedures for protection of the environment." However, a new regulation that strengthens some environmental requirements may not be entitled to an exemption if the new requirements could result in other potentially significant effects. (See *California Unions for Reliable Energy v. Mojave Desert Air Quality Management Dist.* (2009) 178 Cal.App.4th 1225, 1240.) In the *California Unions* case, the agency found exempt from CEQA a new rule regarding the use of road paving as a mitigation measure to offset fugitive dust emissions. The Court of Appeal overturned the exemption because newly-paved roads could lead to adverse environmental impacts from increased vehicle emissions. The Court of Appeal noted that the agency "failed to show that those effects would be either de minimis or too speculative to analyze."

The proposed Zoning Amendments do not qualify for a categorical exemption because they will adversely impact the environment both directly and indirectly. Public Resources Code § 21060.5 defines the "environment" to mean "the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, or objects of historic or aesthetic significance". Here, the Zoning Amendments will impact the availability of mineral resources in the County. Requiring oppressive bonding, surety and insurance limits, or limits rendering their acquisition impossible, will obviously have a negative impact on the ability to produce minerals, which is a direct impact on the environment. Further, it is reasonably foreseeable that an indirect physical change in the environment will occur as the County's preference for imported foreign oil over locally produced oil will result in greater amounts of Greenhouse Gases being produced to the detriment of the environment (a fact the County has recently acknowledged in its FEIR for the 2040 General Plan Update.) ABA reasonably estimates that it has many millions of barrels of oil left to produce by drilling additional wells and if the oppressive bonding, surety and insurance limits prohibit ABA from developing fully the oil and gas reserves as provided in its existing SUP, these millions of barrels of oil will be replaced by imported oil that contains a higher Carbon Intensity, as determined by CARB, and the long-distance transportation of such oil will also result in an increase in air emissions including Greenhouse gases. **In other words, eliminating locally produced oil and gas will have the exact opposite environmental effect as is being touted by the County to justify their refusal to study the environmental impacts of the proposed Zoning**

Amendments. The County is expressly aware of this as the FEIR for the recently approved 2040 General Plan Update expressly acknowledged that eliminating local production would result in an increase in greenhouse gases, but the County refuses to study those impacts.

Simply put, the County must analyze these environmental impacts and cannot rely on a CEQA exemption to avoid doing so. The County is obligated under CEQA to analyze the GHG emissions that are likely to result from the project. The CEQA Guidelines provide that "[a] lead agency shall make a good-faith effort, based to the extent possible on scientific and factual data, to describe, calculate or estimate the amount of greenhouse gas emissions resulting from a project." (Cal. Code Regs., tit. 14, § 15064.4.) As part of this obligation, the County must make either a quantitative or qualitative evaluation of the resulting GHG emissions. By claiming that the proposed Zoning Amendments are exempt from CEQA, the County is essentially admitting that it did not even attempt to analyze the GHG impacts that would result from its efforts to reduce oil production within the County. By refusing to make any effort to calculate the effects from the increased import of oil and gas, the County has failed to make any effort to analyze the GHG emissions resulting from the project, much less a "good-faith effort," as required by section 15064.4.

The proposed Zoning Amendments in combination with the recent 2040 General Plan Update policies that were heretofore approved by the Board of Supervisors will undoubtedly have a significant impact on GHG emissions as a result of the increased importation of oil into the state. As noted in my prior comment letters from 2020, the Carbon intensity of Ventura crude is significantly less than that of imported oil. California's crude oil production has fallen 54 percent from 1986 to 2022. The decreased in-state production has resulted in corresponding increases in the import of oil from foreign sources. Since 1986, the proportion of foreign crude oil imported into California has swelled from 5% to over 58%. Currently, most of the crude oil accepted by California refineries for in-state consumption arrives in tanker ships from foreign countries such as Saudi Arabia, Ecuador, or Iraq. Any decrease in domestic production will result directly in an increase in deliveries by tanker ships from foreign countries. The County has refused to analyze or even consider these significant impacts and is essentially burying its head in the sand as it blindly goes about stripping the vested rights of its citizens and harming the environment by directly causing the importation of more foreign oil to the detriment of everyone.

The Proposed Zoning Amendments Will Likely Deprive ABA of Its Vested Rights.

As noted above, the proposed Zoning Amendments will likely strip ABA and other similarly situated Operators of their vested rights, and eliminate ABA's ability to develop the applicable petroleum resources for which ABA has already expended millions of dollars in anticipation of recouping significant revenues, all without legal or factual substantial evidence. Further the disparate treatment of ABA and the entire industry via the imposition of new draconian limits on bonding, surety, and insurance is not only a violation of due process, but violates the Equal Protection Clause as applied through the 14th Amendment. ABA will likely suffer grievous economic harm as a direct result of County's action.

In 2014, County Counsel for the County of Ventura specifically addressed the issue of vested rights and "antiquated permits" in an 8-page memorandum. This thorough and thoughtful legal analysis considered the County's authority, or lack thereof, to impose new conditions on existing oil and gas operations subject to an existing SUP/CUP. Without reciting the full legal authority and citations here, it is enough to note County Counsel's conclusion that "vested rights cannot be terminated or impaired by ordinary police power regulations, and can be revoked or impaired (such as by new conditions imposed by

a county) only to serve a "compelling state interest," such as a harm, danger or menace to public health and safety or public nuisance, and that the government's interference with the vested right be narrowly tailored to address the compelling interest and its magnitude."

Rather than cite any actionable harm, danger or menace to public health and safety or public nuisance, the County seeks to impose draconian bonding, surety, and insurance limits that would be financially infeasible or impossible for ABA to achieve. In doing so, the County thus would be eliminating the vested rights of property owners such as ABA because the drilling of additional wells in order to properly recover the natural resources would be impossible and/or impactable.

The County has Rejected the Will of the Electorate

This is now the County's second attempt to amend the zoning ordinances as a pretense to phase out oil and gas production in the County along with eliminating thousands of good-paying jobs. On November 10, 2020, the County adopted amendments to the zoning ordinance, 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.

The County's adoption of the previous amendments to the zoning ordinance was met with an onslaught of opposition from residents, operators, royalty owners and industry groups. Many were concerned about the impact on the local economy. 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.)

Moreover, the County already is incurring the expense of seven lawsuits, including one filed by ABA, as a result of its actions against oil and gas operations in the County and has incurred an expensive referendum vote that resulted in rejection of the County's prior zoning amendments on oil and gas operations. **The County is now again exposing itself to the risk of even further litigation by the adoption of the newly proposed Zoning Amendments, as well as the additional risk of another referendum vote thereon. The County thereby will be wasting more taxpayer dollars on these issues when the will of the voters has been made clear through the referendum vote in June on the previous amendments.**

Ultimately, the County gave voters the opportunity to repeal the previous zoning amendments through the referendum on the June 7, 2022 ballot. A majority of Ventura County residents voted against the referendum, thereby soundly rejecting the County's efforts to amend the zoning ordinance to shut down existing oil and gas production. 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, but its newly proposed Zoning Amendments are also unlawful and would render oil and gas production financially infeasible if not

impossible for Operators like ABA, as discussed above. ABA thus requests that the Planning Commission not recommend approval of the proposed Zoning Amendments.

Respectfully,
ABA ENERGY CORPORATION

8-17-22
Alan B. Adler, President

ENERGY CORPORATION

July 27, 2022

Sent Via Email Only - shelley.sussman@ventura.org

County of Ventura – Resource Management Agency – Planning Division
Ventura County Planning Commission
800 S. Victoria Avenue
Ventura, CA 93009-1740
Attn: Ms. Shelley Sussman, Case Planner

RE: Planning Commission Meeting of July 28, 2022 to consider and make recommendations via Agenda Item No. 7, to the Board of Supervisors regarding Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100).

Dear Chair McPhail and Members of the Ventura County Planning Commission:

This letter provides comments on behalf of ABA Energy Corporation ("ABA") opposing the proposed amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100) (the "Zoning Amendments"). ABA further adopts the comments and comment letters and evidence heretofore submitted, or submitted after this letter, by and on behalf of those oil and gas industry groups and companies that oppose the proposed Zoning Amendments and incorporates same into this letter as though fully set forth.

ABA Energy Corporation is an Oil and Gas Operator as well as a Mineral Rights Lessee in Ventura County and therefore has Standing to Oppose the Proposed Zoning Amendments.

By way of background, since graduating from Texas A&M University in 1983 with a degree in Petroleum Engineering, I have spent my entire 39-year career exploring for and producing oil and gas. I began my career with ARCO as a petroleum engineer drilling wells both oversees and domestically and later led the management team of a smaller public oil and gas producer. I founded ABA in 1991 as a California based exploration and production company and presently all of ABA's oil and gas operations are focused in the Oxnard Oilfield in Ventura County. I remain the President of ABA and direct and control its operations. The statements in this letter are true and correct and my opinions are given to the best of my ability as a petroleum engineer with 39 years in the business. ABA has entered into, or acquired the Lessee's interest in, various oil and gas leases and thereby is charged with exploring for and producing oil and gas from lands within the County of Ventura on behalf of a variety of mineral rights owners who will be severely impacted if the proposed Zoning Amendments are adopted.

ABA Conducts Oil and Gas Operations Pursuant to a Valid and Existing Special Use Permit.

In 2010 ABA became an owner of the lessee's interest in, and the operator of, an oil and gas lease referred to as the "Maulhardt Lease" situated in the Oxnard Oilfield that was and continues to be subject to Special Use Permit #672 ("SUP #672"). SUP #672 was issued on November 5, 1957 by the Ventura County Board of Supervisors who voted in a public hearing to accept and approve a thoroughly-considered, site-

specific, detailed, and fully-conditioned discretionary permit in accord with the recommendation of the Ventura County Planning Commission for the following purposes:

"Drilling for and extraction of oil, gas and other hydrocarbon substances and installing and using buildings, equipment, and other appurtenances accessory thereto, including pipelines, but specifically excluding processing, refining and packaging, bulk storage or any other use specifically mentioned in Division 8, Ventura County Ordinance Code, requiring review and Special Use Permit . . ." A true and correct copy of SUP #672 is included in Attachment #1.

Since ABA commenced operations under SUP #672, more than $60 million has been invested in wells and infrastructure. ABA has plans to continue that development on behalf of itself and the mineral owners, and ABA has worked cooperatively with County staff to conduct its operations in an exemplar fashion. In that regard, ABA has consistently applied for and been granted ministerial zoning clearances for each of the wells it has drilled and based on this past practice, has expended substantial sums of money and incurred substantial liabilities relating to future drilling operations under SUP #672. These expenses and liabilities include the installation of facilities to accommodate future operations and reasonable development and investment expenses. Please understand that if the proposed Zoning Amendments are adopted, the County would strip ABA, and the mineral rights owners it serves, of the ability to benefit from their investments and deprive them of the value of the minerals in the ground.

As further detailed below, the proposed Zoning Amendments are preempted by State law, arbitrary and capricious, developed with flawed data and logic, are being adopted in violation of CEQA and will unlawfully limit and/or render financially infeasible oil and gas activities in the County, thereby unlawfully taking vested property rights. The proposed Zoning Amendment certainly will have the opposite effect on the environment, and the economy, from that which the Planning Commission and the Board of Supervisors believe will result therefrom.

Moreover, it is quite conspicuous that the proposed Zoning Amendments are being introduced at a time when the ink is barely dry on the election certification for the June 7th referendum election, whereby the Ventura County residents voted to repeal the County's adoption of previous amendments to the zoning ordinance, which would have had similarly devastating impacts on local oil and gas production, including ABA's ability to continue to operate in the County. It is interesting that the County chose to continue the assault on the Ventura County energy industry, as well as the local landowners who benefit from our oil and gas production, rather than listen to the will of the electorate and even sit down with industry and discuss the issues. In fact, the Planning Commission held no workshops, no stakeholder meetings, and provided absolutely no opportunities for the local industry to engage with the Planning Commission regarding the proposed Zoning Amendments. It is unimaginable that the County is ignoring the will of the people and then does not even educate itself as to the question of why the referendum vote went the way it did.

Please consider the following with respect to the proposed Zoning Amendments that will threaten over 2,000 good-paying industry jobs, wipe out approximately $56 million annually in state and local taxes, increase dependence on foreign oil from countries with poor environmental and human rights standards and create further litigation and liability for the County:

The proposed Zoning Amendments on Bonding and Insurance Are Preempted by State Law.

Under California law, "[a] county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws." (Cal. Const., art. XI, § 7.) However, "[i]f otherwise valid local legislation conflicts with state law, it is preempted by such law and is void." (*Sherwin-Williams Co. v. City of L.A.* (1993) 4 Cal.4th 893, 897, citing *Candid Enterprises, Inc. v. Grossmont Union High School Dist.* (1985) 39 Cal.3d 878, 885.) 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., supra*, at 897.) Local legislation is "duplicative" when it is coextensive of state law. (*Ibid.*) Local law is contradictory where it obstructs or harms state law. (*Id.* at 898.) Finally, local 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*; see also *Candid Enterprises, Inc.*, *supra*, 39 Cal.3d at 886.)

Because the State of California has a "primary and supreme interest" in the state's oil and gas deposits, it has long assumed primary responsibility for regulating all aspects of oil and gas operations within the State. (Pub. Resources Code ["PRC"], §§ 3400, 3106(d).) More than a century ago, the California Legislature created the agency now known as the California Geologic Energy Management Division, or CalGEM, to oversee the beneficial exploitation of oil and gas and to ensure the safe recovery of energy resources in the State. Since that time, CalGEM has been the primary regulatory authority for oil and gas development in the State. (PRC, § 3106.) CalGEM is managed by the governor-appointed California State Oil and Gas Supervisor ("State Supervisor"). (PRC, §§ 690, 3004.)

Public Resources Code, section 3106(b), authorizes the State Supervisor to permit the use of "all methods and practices known to the oil industry" to increase the ultimate recovery of underground hydrocarbons and to determine whether those methods and practices are suitable on a case-by-case basis. State law also authorizes the State Supervisor to balance the State's hydrocarbon energy needs against its environmental concerns by entrusting the State Supervisor to "prevent, as far as possible, damage to life, health, property, and natural resources," while simultaneously "increasing the recovery of underground hydrocarbons," and "encourag[ing] the wise development of oil and gas resources." (PRC, § 3106(a), (b), (d); see also § 3011(a) ["The purposes of this division include protecting public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state"], emphasis added.)

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 [state] supervisor, are suitable for this purpose in each proposed case." (PRC, § 3106(b).) Through this all-encompassing regulatory scheme, the California legislature has manifested its intent to fully occupy the field of oil and gas exploration, extraction, operations, methods, and procedures, to the exclusion of local governments.

Simply put, State law already regulates the areas covered by the proposed Zoning Amendments. Indeed, the State has adopted numerous statutes and regulations that comprehensively regulate virtually all aspects of oil and gas operations. (See PRC, §3000 et. seq.; Cal. Code Regs., tit. 14, § 1712 et. seq.). These

statutes and regulations address, among other things, **bonding** (§§ 3204-3207); **abandonment** (§ 3208); **idle wells** (see e.g., § 3206.1; Cal. Code Regs., tit. 14, § 1772, *et seq.*); and **surface restoration** (Cal. Code Regs., tit. 14, § 1776). CalGEM's implementing regulations are also extensive and "statewide in application for onshore drilling, production and injection operations." (Cal. Code Regs., tit. 14, § 1712.) Since State law fully occupies the field, including that of bonding, idle and orphaned wells, abandonment and surface restoration, the proposed Zoning Amendments on bonding and insurance are preempted.

The Staff Report fails to recognize numerous facts which render the proposed Zoning Amendments arbitrary and capricious and not supported by the evidence.

Each Operator in California, including ABA, not only complies with current bonding and surety requirements set out by CalGEM (described in the Staff Report), but the Operators, not the State, ultimately bear the cost of the wells which the State abandons each year. These costs are actually funded by annual taxes levied by the State each year which are 100% borne by the Operators. These taxes pay for both the abandonments implemented by CalGEM, as well as the balance of CalGEM's program costs such as the salaries of the CalGEM employees, rents, etc. The foregoing not only renders the proposed increases in bonding and surety via the proposed Zoning Amendments unnecessary and thus arbitrary and capricious, but also brings into question why this fact was not considered before proposing the Zoning Amendments. Perhaps as mentioned above, if the Planning Commission had engaged with industry on these issues, the County would have been educated on the true nature of how many costs are borne by Operators already and the funds thus available at the State level for plugging and abandonment operations. In short, Operators like ABA are charged with bearing the costs for their own abandonments, as well as the costs for those Operators who become insolvent or who otherwise do not fulfil their obligations, all under State law which preempts the County's efforts here.

In addition to the State bonds placed upon each well, which ostensibly would help pay for the abandonment of a given well, the value of the wellhead, tubing, rods, and pumping units are quite substantial and usually dwarf the value of the bonds such that cumulatively, there is more than enough value to abandon a well if the Operator fails to do so. The same is normally true for the facility abandonment and the inherent value of the assets located therein. The experts cited in the Staff Report appear to have ignored these facts.

More importantly, if ABA was forced to increase the bonding and surety levels to those set out in the proposed Zoning Amendments, it would be an extreme hardship that would not be financially feasible and ABA most likely would have to cease operations. ABA also notes that it places cash bonds with the State on each and every well it operates and therefore does not have a blanket bond under State law, which was an area of concern raised in the Staff Report.

Lastly, 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.) The County, however, 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.) 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." (*Id.* at p. 10.) But again, CalGEM has not identified a single orphaned well in the County. The Planning Commission

therefore has no factual support for its contention that additional surety is necessary to address alleged impacts associated with orphaned wells. Thus, the proposed sureties are wholly unsupported by any evidence and are arbitrary and capricious.

The new Insurance Limits described in the proposed Zoning Amendments are arbitrary and capricious and the Staff Report cites only a few jurisdictions to justify the new limits.

The Staff Report suggests new insurance limits for Operators and yet provides absolutely no rational justification for the increases. (ABA for instance, carries limits on its policies commensurate with the reasonable amount of an actual loss (in that unlikely event).) The limits suggested by the Staff Report are collectively overreaching with no understandable or reasonable justification. In addition to the suggested increase of limits, hidden at the bottom of the list is an ambiguously worded umbrella mandate that adds $25 million to each of the preceding limits. It is highly likely that is will be economically infeasible and an extreme hardship on ABA, and at worst, the insurance policies might not even be available as our underwriter has been unable to date to confirm the same. It is woefully inappropriate that the Staff Report, and the experts retained by the County, could not with so much lead time (the proposed Zoning Amendments have been in the works for years) ascertain the costs to the Operators of their proposed increase in limits and determine if they were even feasible or obtainable by the Operators in the County. It is unacceptable that the proposed Zoning Amendments were drafted without consulting those affected, speaking with the insurance industry, and fully researching the issues and impact to Operators, unless, of course, the goal of the County is to ignore those issues so that it can put the oil and gas industry out of business.. In short, these new suggested insurance limits are punitive, impractical, arbitrary and capricious and lacking in any rational basis and that is why the cost burden to Operators was not even addressed in the Staff Report.

The Proposed Zoning Amendments are Not Exempt from CEQA, the findings on page 29/30 of the Staff Report notwithstanding.

The County has attempted to avoid conducting a CEQA analysis of the proposed Zoning Amendments by asserting that the adoption of the proposed Zoning Amendments is exempt from CEQA review pursuant to, among other things, CEQA Guidelines section 15308 as an action by a regulatory agency to assure maintenance or protection of the environment "where the regulatory process involves procedures for protection of the environment." However, a new regulation that strengthens some environmental requirements may not be entitled to an exemption if the new requirements could result in other potentially significant effects. (See *California Unions for Reliable Energy v. Mojave Desert Air Quality Management Dist.* (2009) 178 Cal.App.4th 1225, 1240.) In the *California Unions* case, the agency found exempt from CEQA a new rule regarding the use of road paving as a mitigation measure to offset fugitive dust emissions. The Court of Appeal overturned the exemption because newly-paved roads could lead to adverse environmental impacts from increased vehicle emissions. The Court of Appeal noted that the agency "failed to show that those effects would be either de minimis or too speculative to analyze."

The proposed Zoning Amendments do not qualify for a categorical exemption because they will adversely impact the environment both directly and indirectly. Public Resources Code § 21060.5 defines the "environment" to mean "the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, or objects of historic or aesthetic significance". Here, the Zoning Amendments will impact the availability of mineral resources in the

County. "Mineral resources" are an environmental factor pursuant to CEQA, and the "loss of availability of a known mineral resource that would be a value to the region and the residents of the state" or the "loss of availability of a locally important mineral resource recovery site" constitutes an adverse environmental impact. (CEQA Guidelines, Appendix G, § XII(a), (b).) Requiring oppressive bonding, surety and insurance limits, or limits rendering their acquisition impossible, will obviously have a negative impact on the ability to produce minerals, which is a direct impact on the environment. Further, it is reasonably foreseeable that an indirect physical change in the environment will occur as the County's preference for imported foreign oil over locally produced oil will result in greater amounts of Greenhouse Gases being produced to the detriment of the environment (a fact the County has recently acknowledged in its FEIR for the 2040 General Plan Update.) ABA reasonably estimates that it has many millions of barrels of oil left to produce by drilling additional wells and if the oppressive bonding, surety and insurance limits prohibit ABA from developing fully the oil and gas reserves as provided in its existing SUP, these millions of barrels of oil will be replaced by imported oil that contains a higher Carbon Intensity, as determined by CARB, and the long-distance transportation of such oil will also result in an increase in air emissions including Greenhouse gases. **In other words, eliminating locally produced oil and gas will have the exact opposite environmental effect as is being touted by the County to justify their refusal to study the environmental impacts of the proposed Zoning Amendments.** The County is expressly aware of this as the FEIR for the recently approved 2040 General Plan Update expressly acknowledged that eliminating local production would result in an increase in greenhouse gases, but the County refuses to study those impacts.

The County Must Come Clean by Studying the Increase in Greenhouse Gas Impacts Due to Its Preference for Imported Oil.

The County attempts to justify its attack on the local oil and gas industry through the imposition of the proposed Zoning Amendments by claiming such policies will reduce impacts to air quality emissions and greenhouse gas impacts, but the County has failed to perform a meaningful analysis of the actual impacts from greenhouse gas emissions that will result from the County's proposed changes. The County is obligated under CEQA to analyze the GHG emissions that are likely to result from the project. The CEQA Guidelines provide that "[a] lead agency shall make a good-faith effort, based to the extent possible on scientific and factual data, to describe, calculate or estimate the amount of greenhouse gas emissions resulting from a project." (Cal. Code Regs., tit. 14, § 15064.4.) As part of this obligation, the County must make either a quantitative or qualitative evaluation of the resulting GHG emissions. By claiming that the proposed Zoning Amendments are exempt from CEQA, the County is essentially admitting that it did not even attempt to analyze the GHG impacts that would result from its efforts to reduce oil production within the County. By refusing to make any effort to calculate the effects from the increased import of oil and gas, the County has failed to make any effort to analyze the GHG emissions resulting from the project, much less a "good-faith effort," as required by section 15064.4.

The proposed Zoning Amendments in combination with the recent 2040 General Plan Update policies that were heretofore approved by the Board of Supervisors will undoubtedly have a significant impact on GHG as a result of the increased importation of oil into the state. As noted in my prior comment letters from 2020, (which comment letters are incorporated herein by reference), the Carbon intensity of Ventura crude is significantly less than that of imported oil. California's crude oil production has fallen 54 percent from 1986 to 2022. The decreased in-state production has resulted in corresponding increases in the import of oil from foreign sources. Since 1986, the proportion of foreign crude oil imported into

California has swelled from 5% to over 58%. Currently, most of the crude oil accepted by California refineries for in-state consumption arrives in tanker ships from foreign countries such as Saudi Arabia, Ecuador, or Iraq. Any decrease in domestic production will result directly in an increase in deliveries by tanker ships from foreign countries. The County has refused to analyze or even consider these significant impacts and is essentially burying its head in the sand as it blindly goes about stripping the vested rights of its citizens and harming the environment by directly causing the importation of more foreign oil to the detriment of everyone.

Because the passage of the proposed Zoning Amendments is indeed capable of causing both a direct and a reasonably foreseeable indirect physical change in the environment and no exemption is applicable, **the County must conduct a CEQA analysis of the direct and reasonably foreseeable indirect impacts of the proposed Zoning Amendments.**

The County is Engaging in Piecemealing by Refusing to Study or Consider Cumulative Impacts in Violation of CEQA

The purpose of the cumulative impacts analysis is to avoid considering projects in a vacuum, because failure to consider cumulative harm may risk environmental disaster. (*Whitman v Board of Supervisors* (1979) 88 Cal.App.3d 397, 408.) Without this analysis, piecemeal approval of several projects with related impacts could lead to severe environmental harm. (*San Joaquin Raptor/Wildlife Rescue Ctr. v County of Stanislaus* (1994) 27 Cal.App.4th 713, 720.) An adequate analysis of cumulative impacts is particularly important when another related project might significantly worsen the project's adverse environmental impacts. (*Friends of the Eel River v Sonoma County Water Agency* (2003) 108 CA4th 859.)

The County is impermissibly piecemealing its analysis of its effort to eliminate local oil and gas production by refusing to consider or undertake a study of the impacts of the proposed Zoning Amendments prior to and in conjunction with, enacting the 2040 GP as well as the other zoning amendments which were just voted down in the June 2022 referendum. The proposed Zoning Amendments are part of the County's one-two punch to knocking out local oil and gas exploration and production. Simply put, no effort was made to study those cumulative impacts in the FEIR for the 2040 General Plan Update and the County now seeks to shirk its obligation to study the harmful impacts caused by preference for foreign oil suppliers by claiming a CEQA exemption to which it is not entitled. Because the County is engaged in an active plan with a unified goal of eliminating local oil and gas exploration and production which will have a direct and indirect negative impact on the environment, the County must study the cumulative impacts created by the adoption of the 2040 General Plan Update and the instant proposed Zoning Amendments. **If there is no validity to the foregoing and the proposed Zoning Amendments genuinely were so crucial to protecting the public, then the Planning Commission would not have waited 2 years and for the results of the referendum vote to introduce these proposed Zoning Amendments.**

The Proposed Zoning Amendments Would Likely Result in the Elimination of ABA's Ability to Develop its project under SUP #672 and therefore will be a Wrongful Taking of ABA's Vested Rights.

If the County adopts the proposed Zoning Amendments, such adoption will likely have the effect of eliminating the vested rights ABA has under SUP #672, and the County's actions will constitute a taking of ABA's property interests, which are presently estimated to be valued in excess of a third of a billion

dollars. The imposition of new draconian limits on bonding, surety, and insurance will result in a deprivation of ABA's economically productive use of its leases, facilities, and minerals and will thereby result in a taking of ABA's property interests. (*See e.g., Lucas v. S.C. Coastal Council* (1992) 505 U.S. 1003, 1015–1020, 112 S. Ct. 2886, 120 L. Ed. 2d 798).

These policies also will deprive ABA of its distinct, investment-backed expectations--expectations that were generated by the County's own actions. In *Penn Cent. Transp. Co. v New York City* (1978) 438 US 104, 98 S Ct 2646, the Supreme Court determined what constitutes a regulatory taking by reiterating the generalized principle that courts are to decide whether "'justice and fairness' require that economic injuries caused by public action be compensated by the government, rather than remain disproportionately concentrated on a few persons." (438 US at 123.) It added some specificity to that, however, by explaining that while the determination "depends largely 'upon the particular circumstances [in that] case,'" three factors are particularly significant (438 US at 124): "The economic impact of the regulation on the claimant"; "[T]he extent to which the regulation has interfered with distinct investment-backed expectations"; and "[T]he character of the governmental action."

As noted above, the proposed Zoning Amendments will strip ABA and other similarly situated operators of their vested rights, and eliminate ABA's ability to develop the applicable petroleum resources for which ABA has already expended millions of dollars in anticipation of recouping significant revenues all without legal or factual substantial evidence. Further the disparate treatment of ABA and the entire industry via the imposition of new draconian limits on bonding, surety, and insurance is not only a violation of due process, but violates the Equal Protection Clause as applied through the 14th Amendment. ABA will suffer grievous economic harm as a direct result of County's action.

In 2014, County Counsel for the County of Ventura specifically addressed the issue of vested rights and "antiquated permits" in an 8-page memorandum. This thorough and thoughtful legal analysis considered the County's authority, or lack thereof, to impose new conditions on existing oil and gas operations subject to an existing SUP/CUP. Without reciting the full legal authority and citations here, it is enough to note County Counsel's conclusion that "vested rights cannot be terminated or impaired by ordinary police power regulations, and can be revoked or impaired (such as by new conditions imposed by a county) only to serve a "compelling state interest," such as a harm, danger or menace to public health and safety or public nuisance, and that the government's interference with the vested right be narrowly tailored to address the compelling interest and its magnitude."

Rather than cite any actionable harm, danger or menace to public health and safety or public nuisance, the County seeks to impose draconian bonding, surety, and insurance limits that would be financially infeasible or impossible for ABA to achieve. In doing so, the Court would thus be terminating the vested rights of property owners such as ABA because the drilling of additional wells in order to properly recover the natural resources would be impossible and/or impactable.

The County is barred from enacting the proposed Zoning Amendments within 1 year after the June 2022 referendum was certified.

As discussed above, the proposed Zoning Amendments, which were developed prior to and in conjunction with, enacting the 2040 GP as well as the zoning amendments which were just voted down in the June 2022 referendum, are all inextricably linked with each other and as such are cumulatively and

collectively part of the County's one-two punch to knock out local oil and gas exploration and production. The County thus is prohibited under applicable election laws from adopting the proposed Zoning Amendments for one year after certification of the June 2022 referendum. The County cannot deny that all of these efforts seek to limit oil and gas production in the County.

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 based on one 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." (Staff Report at p. 5.) There are numerous flaws in the County's reliance on that one report, including that it is not unique to any particular property, is not based on actual investment dollars and ignores the substantial plugging and abandonment costs associated with operations, which the proposed Zoning Amendments will substantially increase through the proposed bonding and insurance requirements. The plugging and abandonment costs represent a significant capital investment to be incurred in the future, and to ignore those capital investments renders the Culver City study economically unsupportable and unreasonable. The County compounds these errors by applying the already flawed Culver City study to different oil fields operated by different operators. The County does not even attempt to analyze or consider those operators' specific investments in their oil fields.

The County also has not identified any public health or safety reason to support the 15-year limits on new discretionary permits for oil and gas operations. The County 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.

In closing, the ACI method of analysis is patently un-American, especially in this situation where it will completely deprive ABA of any other use of its property rights since those rights limited to development of the mineral estate. It is repugnant when government attempts to tell a person who has taken risks what an acceptable return is in the eyes of the very government who seeks to truncate the use of his or her assets. In the case of a garden variety eminent domain restitution for a house which must be used for a freeway, the market value of the house is used, not simply the cash flow for a government derived period of time. The reality is that the very existence of this type of overreach will thwart production. While this may be the goal for some politicians and some staff in Ventura County, it is impossible to reconcile these actions and simultaneously comment on the level of gas prices today.

The County has Rejected the Will of the Electorate

This is now the County's second attempt to amend the zoning ordinances as a pretense to phase out oil and gas production in the County along with eliminating thousands of good-paying jobs. On November 10, 2020, the County adopted amendments to the zoning ordinance, 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.

The County's adoption of the previous amendments to the zoning ordinance was met with an onslaught of opposition from residents, operators, royalty owners and industry groups. Many were concerned about the impact on the local economy. 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.)

Moreover, the County already is incurring the expense of seven lawsuits, including one filed by ABA, as a result of its actions against oil and gas operations in the County and has incurred an expensive referendum vote that resulted in rejection of the County's prior zoning amendments on oil and gas operations. **The County is now again exposing itself to the risk of even further litigation by the adoption of the newly proposed Zoning Amendments, as well as the additional risk of another referendum vote thereon. The County will thereby be wasting more taxpayer dollars on these issues when the will of the voters has been made clear through the referendum vote in June on the previous amendments.**

Ultimately, the County gave voters the opportunity to repeal the previous zoning amendments through the referendum on the June 7, 2022 ballot. A majority of Ventura County residents voted against the referendum, thereby soundly rejecting the County's efforts to amend the zoning ordinance to shut down existing oil and gas production. 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, but its newly proposed Zoning Amendments are also unlawful and would render oil and gas production financially infeasible, as discussed above. ABA thus requests that the Planning Commission not recommend approval of the proposed Zoning Amendments.

Respectfully,
ABA ENERGY CORPORATION

7-27-22

Alan B. Adler, President

Enclosures

ATTACHMENT #1 TO COMMENT LETTER DATED 7-27-22 OF ABA ENERGY CORPORATION

RE: Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100). Ventura County Planning Commission Hearing- Agenda Item 7 - July 28, 2022

BOX 30

1.8.672

GRANTING **SPECIAL USE PERMIT TO TIDEWATER OIL COMPANY**
UNDER PROVISIONS OF VENTURA COUNTY ORDINANCE CODE

WHEREAS, **Tidewater Oil Company** in accordance with the provisions of Division 8 of the Ventura County Ordinance Code, did on the **2nd** day of **October**, 1957, file **their** application in writing with the Ventura County Planning Commission for a **Special Use Permit for oil and gas production on certain lands within Subdivisions 34 and 36, Rancho Colonia, located adjacent to and west of Rice Road and south of Wooley Road about 1/2 mile east of the City of Oxnard, and;**

WHEREAS, proof is made to the satisfaction of this Board, and this Board finds, that notice of the hearing of said application and petition has been regularly given in accordance with the provisions of said Division 8 of the Ventura County Ordinance Code, and said application and petition having come on regularly for hearing before said Commission, and said Commission having announced its findings and made its decision after hearing the evidence presented at said hearing; and,

WHEREAS, the findings and decision of said Commission have been transmitted to this Board for its action thereon; and,

WHEREAS, the Board has considered the application and petition of the applicant and the findings and decision of said Commission thereon,

NOW, THEREFORE, upon motion of Supervisor **Ax**, seconded by Supervisor **Appleton**, and duly carried,

IT IS ORDERED AND RESOLVED, that said application and petition be approved and allowed, and that a **Special Use Permit** be, and it is hereby, issued to said applicant for the following purposes, to-wit:

Drilling for and extraction of oil, gas and other hydrocarbon substances and installing and using buildings, equipment, and other appurtenances accessory thereto, including pipelines, but specifically excluding processing, refining and packaging, bulk storage or any other use specifically mentioned in Division 8, Ventura County Ordinance Code, requiring review and Special Use Permit,

and subject to the following conditions:

1. That the permit is issued for the land as described in the application.
2. That any derrick used in connection with the drilling of a well, and all machinery or equipment used to operate such derrick, shall be enclosed with fire-resistant and sound-proofing material, whenever such well or derrick is located within five hundred (500) feet of any dwelling not owned by the lessor or lessee.
3. That the use and purpose for which this permit is issued shall conform in all respects to the regulations and requirements of the California State Regional Water Pollution Control Board No. 4.
4. That no earthen sumps shall be constructed or maintained within 500 feet of any natural channel in which there is, or may be, flowing water.
5. That all oil drilling and production operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for and the production of oil, gas, and other hydrocarbon substances. Where economically feasible and where generally accepted and used, proven technological improvements in drilling and production methods shall be adopted as they may become from time to time, available, if capable of reducing factors of nuisance and annoyance.
6. That within ninety (90) days after the drilling of each well has been completed, and said well placed on production, the derrick, all boilers and all other drilling equipment shall be entirely removed from the premises unless such derrick and appurtenant equipment is to be used within a reasonable time limit determined by the Ventura County Planning Commission and the Board of Supervisors for the drilling of another well on the same premises.
7. That all sumps, or debris basins, or any depressions, ravines, gullies, barrancas or the like, which are used or may be used for the impounding or depositing of water, mud, oil, or any other fluid, semi-fluid, or any combination thereof, shall be fenced; when located more than one-half (1/2) mile from any school, playground or dwelling shall be entirely enclosed by a cattle fence in accordance with specifications adopted by the Planning Commission on January 11, 1954; and when located within one-half (1/2) mile of any school, playground or dwelling shall be entirely enclosed by a wire fence in accordance with specifications adopted by the Planning Commission on December 14, 1953.
8. That all water, mud, oil, or any other fluid, semi-fluid, or any combination thereof, which is removed from the limits of the land for which a Special Use Permit is issued for the purpose of disposal as waste material, shall only be deposited in an approved disposal site. If such disposal is done by other than the permittee, the permittee shall inform the hauling or disposal contractor or agent of the requirements of this condition.
9. That no wells shall be drilled within 150 feet of the centerline of the right of way of any public road, street or highway and that no permanent buildings or structures shall be erected within 100 feet of the centerline of any public road, street or highway.
10. That the permittee shall at all times comply with the provisions of Section 3220 and Section 3221 of the Public Resources Code of the State of California, relating to the protection of underground water supply.
11. That the permittee shall at all times comply with the provisions of Chapter 3, Article 3600, Public Resources Code of the State of California, regarding the proper location of wells in reference to boundaries and public streets, roads or highways.
12. That upon abandonment of any well or when drilling operations cease, all earthen sumps or other depressions containing drilling mud, oil or

other waste products from the drilling operation shall be cleaned up by removing such waste products or by consolidating all mud, oil or other waste products into the land by disking, harrowing and leveling to restore the land to the condition existing prior to the issuance of this permit as nearly as practicable so to do.

13. That the permittee shall comply with all conditions of the Ventura County Ordinance Code applicable to this permit.

THIS IS TO CERTIFY that the foregoing is a full, true and correct copy of the resolution or order adopted by the Board of Supervisors of Ventura County, California, on the 5th day of Nov 1957, a majority of the members being present and voting for the adoption of the same.

Dated this 8th day of Nov, 1957.

L. E. HALLOWELL, County Clerk and ex-officio Clerk of said Board of Supervisors

By Bernice Klark Deputy

Copies to:
Tidewater Oil Co.
Planning
Calif.Reg.Water Pollution Control Board
United Water Conservation Dist
Calleguas Soil Conservation Dist.

File (2)
Item 6D
11/5/57

BOARD OF SUPERVISORS

VENTURA COUNTY PLANNING COMMISSION

Meeting of October 28, 1957

RESOLUTION NO. 1362

RECOMMENDING GRANTING SPECIAL USE PERMIT TO TIDEWATER OIL COMPANY (APPLIC. NO. 672) IN ACCORDANCE WITH VENTURA COUNTY ORDINANCE CODE, FOR THE PRODUCTION OF OIL AND GAS ON LAND LOCATED ABOUT 1/2 MILE EAST OF THE CITY OF OXNARD.

WHEREAS, in accordance with the provisions of Ventura County Ordinance Code, an application was filed October 2, 1957, by Tidewater Oil Company, Ventura, California, for a Special Use Permit for oil and gas production on certain lands within Subdivisions 34 and 36, Rancho Colonia, located adjacent to and west of Rice Road and south of Wooley Road, about 1/2 mile east of the City of Oxnard, as set forth in legal description attached to said application and shown on the map attached thereto, and

WHEREAS, a public hearing on this matter was held by the Planning Commission at Oxnard, California, on October 22, 1957, and notice of said public hearing was published, pursuant to law, as shown by affidavit of publication and notices have been mailed or posted as shown by certificate of public notice as filed with this application, therefore be it

RESOLVED, that as a result of investigation caused to be made by the Planning Commission and testimony given at the public hearing, the Commission finds as follows:

1. That the land involved is located adjacent to and west of Rice Road and adjacent to and south of Wooley Road, about 1/2 mile east of the City of Oxnard, is in a level area, and is generally unimproved and being used for citrus production and row crops.
2. That the land involved is located in an area which is remote from any intensive residential use and adjacent to an oil producing area for which Special Use Permits have been previously granted.
3. That the land involved is located in the "A-1" Agricultural (unrestricted) Zone.
4. That under certain conditions stated hereafter, the production of oil and gas would not constitute any material detriment to existing or probable surface uses of other lands in the same zone and vicinity, and it is

FURTHER RESOLVED, that the Ventura County Planning Commission finds and declares that under the conditions cited herein, the granting of the Special Use Permit would conform to the general purpose of Division 8, Ventura County Ordinance Code, and therefore recommends to the Honorable Board of Supervisors that the permit be granted for the following purposes:

> Drilling for and extraction of oil, gas and other hydrocarbon substances and installing and using buildings, equipment, and other appurtenances accessory thereto, including pipelines, but specifically excluding processing, refining and packaging, bulk storage or any other use specifically mentioned in Division 8, Ventura County Ordinance Code, requiring review and Special Use Permit,

and subject to the following conditions:

1. That the permit is issued for the land as described in the application.
2. That any derrick used in connection with the drilling of a well, and all machinery or equipment used to operate such derrick, shall be enclosed with fire-resistant and sound-proofing material, whenever such well or derrick is located within five hundred (500) feet of any dwelling not owned by the lessor or lessee.
3. That the use and purpose for which this permit is issued shall conform in all respects to the regulations and requirements of the California State Regional Water Pollution Control Board No. 4.
4. That no earthen sumps shall be constructed or maintained within 500 feet of any natural channel in which there is, or may be, flowing water.
5. That all oil drilling and production operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for and the production of oil, gas, and other hydrocarbon substances. Where economically feasible and where generally accepted and used, proven technological improvements in drilling and production methods shall be adopted as they may become from time to time, available, if capable of reducing factors of nuisance and annoyance.
6. That within ninety (90) days after the drilling of each well has been completed, and said well placed on production, the derrick, all boilers and all other drilling equipment shall be entirely removed from the premises unless such derrick and appurtenant equipment is to be used within a reasonable time limit determined by the Ventura County Planning Commission and the Board of Supervisors for the drilling of another well on the same premises.
7. That all sumps, or debris basins, or any depressions, ravines, gullies, barrancas or the like, which are used or may be used for the impounding or depositing of water, mud, oil, or any other fluid, semi-fluid, or any combination thereof, shall be fenced; when located more than one-half (1/2) mile from any school, playground or dwelling shall be entirely enclosed by a cattle fence in accordance with specifications adopted by the Planning Commission on January 11, 1954; and when located within one-half (1/2) mile of any school, playground or dwelling shall be entirely enclosed by a wire fence in accordance with specifications adopted by the Planning Commission on December 14, 1953.
8. That all water, mud, oil, or any other fluid, semi-fluid, or any combination thereof, which is removed from the limits of the land for which a Special Use Permit is issued for the purpose of disposal as waste material, shall only be deposited in an approved disposal site. If such disposal is done by other than the permittee, the permittee shall inform the hauling or disposal contractor or agent of the requirements of this condition.
9. That no wells shall be drilled within 150 feet of the centerline of the right of way of any public road, street or highway and that no permanent buildings or structures shall be erected within 100 feet of the centerline of any public road, street or highway.
10. That the permittee shall at all times comply with the provisions of Section 3220 and Section 3221 of the Public Resources Code of the State of California, relating to the protection of underground water supply.
11. That the permittee shall at all times comply with the provisions of Chapter 3, Article 3600, Public Resources Code of the State of California, regarding the proper location of wells in reference to boundaries and public streets, roads or highways.
12. That upon abandonment of any well or when drilling operations cease, all earthen sumps or other depressions containing drilling mud, oil or

other waste products from the drilling operation shall be cleaned up by removing such waste products or by consolidating all mud, oil or other waste products into the land by disking, harrowing and leveling to restore the land to the condition existing prior to the issuance of this permit as nearly as practicable so to do.
13. That the permittee shall comply with all conditions of the Ventura County Ordinance Code applicable to this permit.

This is to certify that the foregoing is a full, true and correct copy of Resolution No. 1362, adopted by the Planning Commission of Ventura County, California, on the 28th day of October, 1957, the required number of members being present and voting for the adoption of the resolution.

Dated this 29th day of October, 1957.

L. J. BORSTELMANN, Secretary

cc to:
Tidewater Oil Company
Commissioner Sweetland
Supervisor Carty
Board of Supervisors
County Surveyor
County Health Officer
County Fire Warden
City of Oxnard
Calif. Regional Water Pollution Control Board
United Water Conservation District
Calleguas Soil Conservation District

SUMMARY OF PERTINENT TESTIMONY

Public Hearing - October 22, 1957
Oxnard, Calif. - 10.00 A.M.

RE: Application (No. 672) Tidewater Oil Co., Ventura, California, for a Special Use Permit for oil and gas production on certain lands within Subdivisions 34 and 36, Rancho Colonia, located adjacent to and west of Rice Road and south of Wooley Road, about 1/2 mile east of the City of Oxnard, as described in application on file.

Presiding Commissioner: J. N. Sweetland

Secretary: Edna Johnson

Also present:
E. E. Lee, Tidewater Oil Company
G. H. Maulhardt, owner of the subject property

Commissioner Sweetland opened the hearing.

A map showing the area involved was displayed and the Secretary read the following:
Application,
Notice of Public Hearing,
Certificate of names of persons notified of said public hearing,
Affidavit of newspaper publication of notice of hearing,
Statement of names of persons to whom matter had been referred for investigation and stated the only reply received was memorandum dated October 15, 1957 from Public Works Dept., stating "no comment".

The Secretary reported that an investigation of this matter had been made and the following conditions found:

1. That the land involved is located in a level area at the southwest intersection of Wooley Road and Rice Road, 1/2 mile east of the City of Oxnard, is generally unimproved and being used for citrus production and row crops.
2. That the land involved is located in an area which is remote from any intensive residential use and adjacent to an oil producing area for which Special Use Permits have been previously granted.
3. That the land involved is located in the "A-1" Agricultural (unrestricted) Zone.

Commissioner Sweetland asked if the applicant had anything additional to state in connection with the application.

Mr. Lee stated that he represented the applicant and believed the application covered everything pertinent to the matter.

Commissioner Sweetland called for testimony.

Mr. Maulhardt stated that he is the owner of the subject property, is present as a matter of interest, and would of course be glad if production is obtained.

Commissioner Sweetland stated that in the absence of any other interested persons and testimony they might have to offer, he is about to close this hearing, and the matter will be on the agenda of the next meeting of the Planning Commission to be held Monday, October 28, 1957 at 2.00 P.M. in the Planning Commission Meeting Room, 56 North California St., Ventura, California.

The hearing closed.

Edna Johnson

EDNA JOHNSON, Assistant Secretary
Ventura County Planning Commission

c.c. to: Commissioner Sweetland
Supervisor Carty

VENTURA COUNTY PLANNING COMMISSION
56 North California Street
Ventura, California.

Application No. 672

File

Date October 11, 1957

In accordance with the provisions of the Ventura County Zoning Ordinance, an application has been filed **on October 2, 1957**

by **Tidewater Oil Company, P. O. Box 811, Ventura, California**

for **a Special Use Permit for oil and gas production on certain lands within Subdivisions 34 and 36, Rancho Colonia, located adjacent to and west of Rice Road and south of Wooley Road, about 1/2 mile east of the City of Oxnard, as described in Appl. No. 672.**

A PUBLIC HEARING on this matter will be held by the Planning Commission on **Tuesday, October 22, 1957** at the hour of **10:00 a.m.** at **Oxnard City Hall, Oxnard, California.**

The Commission will further consider this matter on **October 28, 1957.**

Further information is available at the office of the Commission.

It is requested that you consider this matter and present to the Planning Commission, not later than the time of the scheduled public hearing, a statement of your recommendations. If no reply to this notice is received, it will be assumed that you offer no objections.

Very truly yours,

L. J. BORSTELMANN, Secretary
Ventura County Planning Commission

Sent to:

X County Surveyor, Ventura County

X County Health Officer, Ventura County

X City of **Oxnard**

~~California State Division of Highways~~

X County Fire Warden

X Calif. Regional Water Pollution Control Bd.

X **United Water Conservation District**

X **Calleguas Soil Conservation District**

PC-17 7-55-1000

ATTACHMENT #2 TO COMMENT LETTER DATED 9-19-23 BY ABA ENERGY CORPORATION

RE: Proposed Amendments to the Non-Coastal Zoning Ordinance (PL21-0099) and Coastal Zoning Ordinance (PL21-0100)

Ventura County Planning Commission Hearing- Agenda Item 6 - September 21, 2023

although this Final EIR identifies an environmentally superior alternative, it is possible that the decision maker may balance the importance of each impact area differently and reach different conclusions.

The Draft EIR identified the project as the environmentally superior alternative. The basis for this conclusion was that with implementation of the project standards for resource protection as related to water recycling, habitat, surface water and groundwater, and all recommended mitigation measures contained in that document, the project would have the fewest direct and indirect impacts. Numerous parties commented the Draft EIR's alternatives analysis and the selection of the project as the environmentally superior alternative; these comments ranged from agreement with DOGGR's determination to strong condemnation of the selection of any alternative other than the No Future Well Stimulation Treatments Alternative (Alternative 1) as the environmentally superior alternative. As a consequence of these comments, and similar comments on the project's standards, great care was placed on consideration of the alternatives, as demonstrated in Final EIR Chapter C (Responses to Review Comments on the Draft Environmental Impact Report), and most notably Global Responses GR-15 and GR-16.

With implementation of all of the mitigation measures contained in this Final EIR, the project is still considered to be the environmentally superior alternative. Alternatives 3 through 5 were designed to consolidate impacts and reduce overall ground disturbance, reduce impacts to urbanized areas, and reduce seismic impacts. Based upon the revised analysis contained in this Final EIR, the project would be largely similar to Alternatives 3 through 5, although somewhat less area might be affected under these alternatives. These alternatives, however, have been developed primarily for consideration by local agencies and would not be implemented by DOGGR by itself; thus they are largely outside of DOGGR's control. It is also possible that these alternatives would not be implemented, as the local agencies at issue may choose not to take the actions recommended by these alternatives. Therefore, their implementation is uncertain. Given that the impacts of the project and these three alternatives would be largely similar, DOGGR gave preference to the project because it could be solely implemented by DOGGR, and its implementation was not uncertain. Therefore, in contrast to Alternatives 3 through 5, the actions necessary to mitigate or avoid the environmental effects of the project would be under the control of DOGGR and reasonably expected to occur as described in this Final EIR.

Under Alternative 6 (the No Project Alternative), the project's mitigation measures as identified in this EIR would not be implemented. Therefore, due to much greater environmental impacts associated with all issue areas except population and housing, where impacts would remain less than significant (Class III), Alternative 6 was not found to be environmentally preferable to the project.

Because Alternative 1 (the No Future Well Stimulation Alternative) would prohibit all well stimulation treatments within and outside of existing oil and gas fields, Alternative 1 would be environmentally superior for the programmatic level analysis at the Wilmington, Inglewood, and Sespe Oil and Gas Fields, because it would eliminate all direct environmental impacts, including all surface and subsurface disturbances, associated with well stimulation activities. Although additional conventional wells would likely be drilled to make up for lost production, some wells may also be abandoned within the fields, which would partially offset this indirect impact. However, viewed on a larger programmatic level, the indirect impacts outside of those fields would create much greater impacts to greenhouse gas emissions from the importation of oil and gas from out of the State that would result if Alternative 1 were implemented. Given the importance in California law of efforts to address climate change (e.g., Assembly Bill 32, the California Global Warming Solutions Act), DOGGR has given considerable weight to this negative attribute of Alternative 1, and finds that, for this reason, Alternative 1 cannot be the environmentally superior alternative.

12.3.2.4 Impact Significance Summary

Please refer to Table 12.3.24-1 for a summary of these impacts by each impact criterion and their corresponding mitigation measures. Where impacts are the result of intensified drilling rather than well stimulation, the mitigation measures would have to be adapted to project approvals other than well stimulation treatment permits.

12.3.3 Air Quality

12.3.3.1 Introduction

This section provides an evaluation of the potential impacts to air quality associated with Alternative 2. This evaluation is based on the exact same technical approach used for the programmatic evaluation of the project addressed in EIR Section 10.3 (Air Quality) and the programmatic evaluation of specific oil and gas fields addressed in EIR Section 11.3 (Air Quality). For the purposes of this analysis please refer to EIR Sections 10.3.2 and 11.3.2 for relevant State, federal, and local regulations and standards (as applicable at either a study region or field-specific scale), EIR Sections 10.3.3 and 11.3.3 for a description of the affected environment for air quality (as applicable at either a study region or field-specific scale), and EIR Section 10.3.4 for details regarding the impact methodology and significance criteria that have been used.

12.3.3.2 Programmatic Level Analysis of Impacts and Mitigation Measures

Impact AQ-1 Conflict with or obstruct implementation of an applicable air quality plan

This alternative would restrict future oil and gas activity by halting well stimulation activities except for within existing oil and gas fields. This would avoid the emissions during well stimulation treatments that could otherwise occur outside of existing fields, and it would also lead to a decrease in California oil production. This could lead to fewer indirect impacts of new conventional wells and less well abandonment than Alternative 1, as existing fields could use well stimulation treatments.

The decrease in California production is not quantifiable (EIR Section 8.3.2). The replacement supply would increase the activity of tanker ships delivering foreign oil to California via ports and marine terminals in Los Angeles, Long Beach, and the San Francisco Bay Area, and it would increase the activity of rail trains hauling crude oil primarily from North Dakota and Canada. In-state emissions from oil and gas production would could occur at lower levels; however, these emissions would be offset by increasing levels of emissions from tanker ships and locomotives delivering crude to California and from terminal facilities necessary to offload and handle the imports. The resulting levels of emissions from tanker ships, locomotives, and terminal facilities in Alternative 2 would remain at levels potentially inconsistent with the forecasts of air quality plans, as with the project, resulting in a potential conflict with local air quality plans. Each local air district, especially SCAQMD and BAAQMD, would need to assess the potential growth in activity and emissions from ocean-going vessels and trains to ensure that these mobile sources are accurately reflected in inventories.

Mitigation identified for the project would apply to well stimulation treatments within existing fields, and comparable mitigation would also need to be developed or adapted for the increased emissions marine vessels and trains that import oil and gas and for new facilities to deliver imports. The mobile sources and facilities that handle imports fall under the jurisdiction of the ARB, local air districts, and counties and cities with land use authority, and these agencies would need to identify any necessary mitigation. Because DOGGR cannot require local air districts to update planning inventories or establish specific rules for sources related to oil and gas importation, this impact would be a Class I: Significant and Unavoidable Impact.

Rather, agencies, at the time of project approval, must focus on particular significant impacts of proposed projects, and see whether such impacts can be mitigated to less than significant levels. If the answer is yes, then the agency has fully satisfied its obligations under CEQA. If the answer is no, then the agency must go on to consider whether any of the alternatives in the EIR are environmentally superior with respect to those particular significant, unmitigated impacts of the project. If one of these alternatives is feasible, the agency may be required to adopt it (or to deny the project if a private project proponent will not accept being "stuck" with an alternative it does not like). If none of these alternatives is feasible, the agency must describe the reasons why they are infeasible, and thus reasons must be supported by substantial evidence.[216]

Nothing in the reference to "the environmentally superior" alternative in Section 15126.6 of the State CEQA Guidelines requires lead agencies, in trying to identify that alternative, to focus their analysis on those handful of impacts that might be significant and unavoidable for "the project." Rather, the lead agency's determination is apparently intended to focus on the *overall* characteristics of the various action alternatives. This requirement, then, is not directly related to the substantive policy of CEQA, but rather is more informational in nature. Thus, a decision making body's awareness of which of the EIR alternatives is "the environmentally superior alternative" might inspire the body to approve that alternative, but CEQA's substantive policy will not necessarily require the approval of that alternative, even if it is feasible. As explained above, agencies are frequently able to fully comply with the substantive policy without approving what they had determined to be the environmentally superior alternative.

Since State CEQA Guidelines Section 15126.6(e)(2) provides no directions or instructions as to *how* lead agencies should make such a determination, the exercise is inevitably and necessarily somewhat subjective, as it implicitly requires agencies to balance competing kinds of environmental impacts against each other, and to assign more weight to some than to others.

Here, lacking methodological direction in the law, DOGGR, in the Draft EIR, "explain[ed] the environmental advantages and disadvantages of each alternative in comparison with the project," as recommended in the above-quoted CEQA treatise.[217] But DOGGR also went further, identifying "the project" as mitigated as the environmentally superior alternative. In doing so, DOGGR gave considerable weight to two factors: first, the fact that, following common practice, the project (unlike the alternatives) would be subject to numerous mitigation measures addressing impacts not specifically addressed by the permanent regulations;[218] and second, the fact that, by avoiding a reduction in oil output in California, the project would avoid the indirect effects associated with increased importation of oil.[219]

Although reasonable minds could have reached a different conclusion, DOGGR has given considerable weight to the fact that increased oil imports would lead to increased greenhouse gas generation. As explained in Global Response GR-19, California is strongly committed to reducing its greenhouse gas emissions, and is pursuing a whole series of policies to facilitate such reductions. As the Final EIR

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[216] See, e.g., *Flanders Foundation v. City of Carmel-by-the-Sea* (2012) 202 Cal.App.4th 603, 620-623; *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 996-1003. See also State CEQA Guidelines Section 15091(a)(3), (b).

[217] Kostka and Zischke, *supra*, at p. 15-43.

[218] The Draft EIR also mentioned that the project would be subject to the four proposed Resource Protection Standards. As explained in Response GR-1 and GR-6, these standards have been transformed into more traditional mitigation measures, though two of them (relating to Water Recycling and Surface Water) are being converted into proposed regulations.

[219] Draft EIR, pp. 14-12 – 14-13.

Juachon, Luz

From: Coral Taylor <Coral.Taylor.320710359@grsdelivery.com>
Sent: Tuesday, September 19, 2023 4:39 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Coral Taylor
4862 Cochran St
Simi Valley, CA 93063

Juachon, Luz

From: Haley Ehlers <haley@cfrog.org>
Sent: Tuesday, September 19, 2023 4:38 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6A
Attachments: Community Sign On 091923.pdf

Hello,

Please find the attached comment letter for Agenda Item 6A for the 9/21 Planning Commission hearing.

Thank you,
Haley

--
Haley Ehlers (she/her)
Director
CFROG - Climate First: Replacing Oil & Gas
(805)263-7408 | haley@cfrog.org
www.cfrog.org

09/19/23 NOTE: The 17 undersigned organizations and their thousands of members would like to resubmit this 08/15/22 letter to reemphasize the broad community support for the County of Ventura taking progressive and responsible action to increase oil and gas surety and insurance amounts and address long-term idle wells.

August 15, 2022

County of Ventura
Planning Commission
800 S Victoria Ave
Ventura CA 93009

Re: Agenda Item 7A - Proposed Amendments to Oil and Gas Regulations (Case Numbers: PL21-0099 and PL21-0100)

Dear Chair McPhail and Commissioners:

On behalf of the 17 undersigned organizations and their thousands of members in Ventura County, we are writing to urge the Commission to approve staff recommendations—with the recommended changes below—regarding proposed amendments to the Non-Coastal Zoning Ordinance (NZCO) and Coastal Zoning Ordinance (CZO) related to permit terms, surety, and insurance requirements for oil and gas operations.

Just a few weeks ago, on July 28th, the Planning Commission first considered and approved the proposed amendments from County staff. During this hearing, Commissioners received over 150 comments from the public in support of the following recommendations to improve the consistency, equity, and accountability related to the amendments. In this second hearing, **we urge you to respect the concerns of your communities by seriously considering the recommendations below.**

According to the most recent state data, as of January 2022, there are 2,267 idle oil and gas wells in Ventura County, 1,520 of which are considered "long-term idle wells," meaning that they have been idle for at least eight years. At least 1,275 of these wells have been idle for 15 or more years, and 155 wells have been idle for a century or more.

The "idle well problem" is likely to soon become an "orphan well problem" in Ventura County. Orphan wells have no financially solvent operator of record, therefore pushing the cleanup to the state and costs to the taxpayer. Since the staff report was written, CalGEM has distributed a list of potentially deserted, deserted, and orphaned wells throughout the state.

- 306 potentially deserted wells in Ventura County
- 4 deserted wells in Ventura County
- 2 orphan wells in Ventura County
- An additional 1,340 potentially deserted, deserted, or orphan wells with unknown county locations, some possibly in Ventura County

These zoning amendments and our recommendations below are an essential step toward protecting communities, holding oil and gas operators accountable, and ensuring our environment is not plagued by legacy fossil fuel infrastructure.

The impacts that these idle and orphan wells cause are clear and well-documented including surface and drinking water contamination and air pollution. Many are located near neighborhoods, schools, farms, and waterways where air and water pollution can have a disproportionate impact on low-income communities and people of color. Many others are located in or adjacent to parks, open spaces, and wildlife habitats, including the Los Padres National Forest, Sespe Condor Sanctuary, and Hopper Mountain National Wildlife Refuge, where idle wells pose threats to recreation, clean water, and rare plants and animals.

Moreover, idle and orphan wells are known to emit methane, a climate-damaging greenhouse gas. According to the Intergovernmental Panel on Climate Change, oil and gas methane emissions must be reduced by at least 30% by 2030 to avert catastrophic climate change. To help reach this goal, local governments must ensure that idle wells are appropriately remediated and emissions minimized. A recent study from the Permian Basin in Texas—the world's largest oil production basin—found that idle wells can be a "substantial source" of methane emissions. A separate California study reached a similar conclusion. Just last month, 38 idle oil wells were found to be leaking methane in or near two neighborhoods in Bakersfield. One well showed emissions at a minimum of 50,000 parts per million (ppm), the maximum level the inspector's device could record. This well had been sitting idle since 1988, a timeline similar to the other identified wells. Addressing idle wells and methane emissions is consistent with the goals and strategies set forth in the County's General Plan for climate change and greenhouse gas emissions reduction.

While we generally support staff's recommendations regarding the proposed amendments to the NZCO and CZO, we urge you to consider and adopt our own recommendations below.

Recommendations

1. *Based on the precedent set by the Planning Commission and amortization of capital investment (ACI) analysis, limit the permit expiration limit to 10 years and require formal consideration of a permit's consistency with emission reduction goals and energy developments.*

   The last conditional use permit (CUP) approved by the Planning Commission (February 17, 2022) was limited to 10 years; 10 years less than the operator applied for and staff recommended.[1] Commissioners cited the growing threat of climate change and the county's commitment to reducing greenhouse gas (GHG) emissions in their discussion. The last time this CUP was up for renewal in the early 1990s, it was approved with a 25-year expiration date. Commissioners specifically noted that since then, Ventura County and society as a whole have learned significantly more about the detrimental impact fossil fuel burning and extraction has on our environment and for that reason, a reduction in time was reasonable.

   These zoning amendments were directed by the Board of Supervisors in 2020. Since then, Ventura County has continued to rank the fastest warming county in the continental United States, increasing our risk and experience of extreme weather events and climate disasters. Additionally, in the last two years, the scientific community has stated "unequivocally" that human influence, largely from the burning of fossil fuels, is to blame for atmospheric warming. Based on the Planning Commission's own rationale, a further limit to 10 years is reasonable.

   Additionally, the staff report shares evidence suggesting that operators can get a return on their investment on an oil permit in as little as five years. A 10-year expiration limit is sound financially and environmentally, considering the escalating crisis of climate change.

   While the permit expiration limit should be set to a *maximum* of 10 years, county staff must consider current climate urgencies and the progress made toward meeting state and county emission reduction goals when considering a new permit renewal or extension. Similar to the staff report for these zoning amendments, new applications should be analyzed in terms of their consistency with the Ventura County General Plan, particularly the GHG emission reduction targets and the county's current progress toward these goals, at the time of the application.

   By requiring a formal consistency analysis, planning staff can also weigh the need for a permit renewal against rapid developments in renewable energy production. Renewable energy has more than tripled in California since 2005 and the state remains ahead of the goal of achieving 100 percent clean electricity by 2045.

[1] CASE NUMBER PL18-0058 – Applicant, Carbon California Operating Company, LLC at February 17, 2022 Ventura County Planning Commission Hearing

2. *Include limits on the number of wells and redrills allowed on a permit—establish a "one-for-one" policy.*

   The county has the authority to limit the number of wells on a permit, in the case of non-antiquated permits. This limit should be formalized within the amendments and should apply to all existing active and idle wells. If the operator is given permission to drill a new well per a permit renewal, one idle well must be abandoned in order to meet the permitted limit for wells. This "one-for-one" policy will ensure old, inactive infrastructure is being cleaned up at the same rate as new development.

   This type of "one-for-one" policy has proved successful in addressing the long-term idle well problem in Los Angeles. For example, a permit renewal issued in 2014 by Los Angeles County required that one idle well be abandoned prior to the drilling of one new well.[2] The permit refers to new wells as "replacement" wells because the permit has a hard cap of 34 total wells (active and idle), as set by the county. There is also a total limit on the number of new wells that may be drilled (4) regardless of their status as replacement wells.

   At the very least, this rationale should be applied to create a mechanism that requires operators to address long-term idle wells before new wells can be drilled. This would require the county to consider an operator's complete inventory of wells when considering a particular permit, rather than only those located within the permit parcel.

   Additionally, it is usual for a permit to include no limit on the number of well redrills or reworks. A quick review of well records in the area reveals that reworking or redrilling can occur as often as twice a year in one well. While this fast-paced well work is unlikely to continue for years, there is no way to be sure what the level of impact open-ended permits might have on air quality, traffic, noise, water usage, or wildlife. In a recent hearing, the Planning Commission followed the "reasonable case" detailed in a staff report and limited re-drilling to one per well.[3]

3. *Increase the renewal application deadline to 24 months prior to the expiration of the current permit and include stipulations for late applications.*

   To account for possible limited county staff capacity, sufficient CEQA review, and appeals, operators should be required to submit for renewal two years before the current permit expires. Additionally, this amendment should include detailed instructions and ramifications for applications submitted after the deadline.

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[2] See page 24 of well record, condition 25-N

[3] CASE NUMBER PL18-0058 – Applicant, Carbon California Operating Company, LLC at February 17, 2022 Ventura County Planning Commission Hearing

Our recommendation is based on recent timelines for oil and gas permit renewals in Ventura County. For example, the operator of CUP 2941 (Basenberg lease) applied for permit renewal in April 2018, just six months prior to permit expiration. The permit renewal received Planning Director approval in September 2021 (more than three years after application submittal) and Planning Commission approval in February 2022.

One year does not give staff, the applicant, or the public adequate time to thoroughly review and consider a permit renewal prior to its expiration. We recommend a two-year timeframe for application deadline.

4. *Increase the $5 million maximum caps on proposed sureties to more accurately reflect the resources needed to properly abandon all wells and the financial capacity of operators.*

   As noted in the staff report: Based on the existing numbers of idle wells in the County reported by CalGEM, three operators would be required to provide the $5 million maximum Well Abandonment Surety and only one operator would be required to provide the $5 million maximum Long-term Idle Well Supplemental Surety. If no maximum was proposed, the surety obligations (for the three largest operators) would range from approximately $21 million to approximately $63 million. These caps essentially operate for the benefit of the largest oil producers, who are the most able to afford a higher cap and hold the most wells throughout the county.

   In reality, oil operators only outright pay 1-5 percent of total bond amounts. With record high profits this year, increased bond amounts are well within the budgets of major operators. Aera Energy LLC, a corporation jointly owned by Shell and ExxonMobil, is the largest operator in Ventura County and had $2 billion in revenue in 2021. Without the caps, the most aggressive estimate of cost directly paid by Aera is only 0.1 percent of their annual revenue. Aera operates 485 idle wells throughout Ventura County - representing 20 percent of all idle wells in the county—in addition to 700 active wells that have the potential to become idle in the future.[4]

5. *Surface restoration and remediation should include all legacy surface* infrastructure *on a permit parcel and be informed and directed by local ecology and Indigenous experts.*

   Currently, permits do not include the full inventory of wells on a parcel by foregoing plugged and abandoned wells. The staff report defines these wells as having been “permanently sealed and closed pursuant to regulatory standards” but should have added, “of the time of abandonment”. A recent study conducted by CFROG determined that over 40 percent of plugged wells in Ventura County cannot be confirmed as properly plugged. After reviewing all 4,000+ plugged well records, it was found that 1,629 wells were abandoned before 1953 when modern plugging standards were established, 372 wells were plugged with insufficient materials, and 391 wells had missing or incomplete

[4] Per CalGEM’s WellSTAR data, accessed July 25, 2022

abandonment documentation. While the state has dedicated funds to cleaning up orphan and idle wells, poorly abandoned wells have not received any regulatory or financial attention. A common issue noted in these well records is insufficient surface plugs or issues in the well cellar - both pieces of infrastructure at or near the surface.

Therefore, all poorly abandoned wells on a parcel should be included in the surety amount calculation and should be addressed in restoration activities.

An additional amendment to the restoration and remediation requirements (NCZO Section 8107-5.6.11 and CO Section 8175-5.7.8.) should be made to specifically recognize and require local ecology and Indigenous experts in the restoration of oil and gas permit parcel land. According to a recent study, actively involving Indigenous peoples and communities in restoration efforts can (1) help in site and species selection for restoration, (2) increase local participation in restoration activities and in the monitoring and maintenance of restored areas, and (3) provide historical information on ecosystem state and management and an understanding of local successional processes.

6. *Develop a way forward for the prioritization of idle wells for closure with little support or coordination with CalGEM.*

   We support the staff's request that the Board consider funding and directing a commissioned professional evaluation to identify idle wells that should be prioritized for abandonment. We recommend that a plan be developed to ensure this evaluation can be successfully accomplished with little support or coordination from CalGEM, considering their limited capacity and past history with local requests.

   In 2016, after assessing the regulatory responsibilities of crude oil pipelines, the Ventura County Grand Jury recommended that the Board require the development of an annual report which summarizes the state of crude oil pipelines. In 2017, the Board asked DOGGR (present-day CalGEM) to provide a follow-up report and presentation to explain how this report could be completed. It has been five years and there has been, to our knowledge, no follow-up. The county still does not know the maintenance status of the *several hundred miles* of pipelines running throughout the area.

We urge the Commission to adopt a resolution recommending that the Board of Supervisors take the actions described in the staff report and amended with our suggestions above. This is a critical juncture for the County of Ventura to take appropriate steps to ensure that current and future oil and gas operations are more adequately regulated to protect human health and the environment, especially as climate change worsens and its consequences become more pervasive.

Thank you for considering these much-needed amendments to oil and gas regulations.

Sincerely,

Alan Weiner
Chapter Lead
350 Conejo / San Fernando Valley

Jan Dietrick
Policy Team Leader
350 Ventura County Climate Hub

Lucia Marquez
Associate Policy Director
Central Coast Alliance United for a Sustainable Economy (CAUSE)

Haley Ehlers
Associate Executive Director
Climate First: Replacing Oil & Gas (CFROG)

Rose Ann Witt
Co-Founder
Conejo Climate Coalition

Wayne Morgan
Chair
The Climate Reality Project: Ventura County

Michael Chiacos
Director of Climate Policy
Community Environmental Council

Tomás Morales Rebecchi
Central Coast Organizing Manager
Food & Water Watch

Indivisible Ventura

Alasdair Coyne
Conservation Director
Keep Sespe Wild

Bryant Baker
Director of Conservation and Research
Los Padres ForestWatch

Abigail Thomas
Environmental Employee Engagement
Patagonia

Kathleen Baker
Managing Director
Runners for Public Lands

Katie Davis
Chair
Sierra Club Santa Barbara-Ventura Chapter

Cynthia Hartley
Executive Director
Ventura Audubon Society

Kathleen Wheeler
Co-Founder
Ventura Climate Coalition

Faith Grant
Co-Group Lead
Ventura County Chapter-Citizens' Climate Lobby

Juachon, Luz

From: Dori Thompson <dthompson@thompco.org>
Sent: Tuesday, September 19, 2023 4:48 PM
To: Oil and Gas Ordinance
Subject: Oil & Gas Proposal Ordinance Amendments 9/21/23
Attachments: Planning Commission Hearing-Proposed Oil & Gas Amendments 9-21-23.doc

9/19/23

May I please submit these comments to the Planning Commission?

Dori Thompson-Brown
President

Thompco

THOMPSON OIL COMPANY INC.

Certified WBENC Women's Business Enterprise

899 Mission Rock Road
Santa Paula CA 93060
Office : 805 933-8048
Fax: 805 933-8049
Email: dthompson@thompco.org

6/14/21

Planning Division
Ventura County Resource Management Agency

Re: Proposed Oil & Gas Ordinance Amendments
9/21/23 8:00AM

As a Woman Owned Business in the oil fields of Ventura County, I take a particular interest in what is happening to the lease owners and operators in the surrounding area.

Equally important, I am a resident of the Upper Ojai Valley, populated with oil wells, with concerns for my backyard & surrounding environment. I am writing to you today once again to urge you to use common sense when determining any new additional use permit terms, sureties &/or insurance requirements. The current state bonding, county bonding & costly abandonment requirements are driving the train in the right direction but oil companies can still hold on & a make living, provide much needed jobs & continue to provide revenue for the county. Any catastrophic changes requiring additional bonding at the level proposed is just a disaster for the oil companies & the county itself. You will get exactly what you say you do not want. Bankrupt oil companies with idle wells handed back to you.

Oil and natural gas have been a vital part of our local economy for decades, providing jobs to families, veterans, single parents, second chancers, and immigrants. It is important we consider the impact of bankrupt oil producers could have on our local job market and economy. Not to mention the loss of tax revenue to the County. The average citizen is not aware of the positive financial impact the oil industry has on our local economy.

As a local small business owner, I urge you to consider the following. We need the oil companies to not only survive but ultimately thrive. They are woven in the fabric of this county & part of our long history.

Thank you in advance for your consideration.

Dori Thompson-Brown, President

Juachon, Luz

From: Kevin McDevitt <Kevin.McDevitt.337822915@grsdelivery.com>
Sent: Tuesday, September 19, 2023 5:11 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kevin McDevitt
706 E Oak St
Ojai, CA 93023

Juachon, Luz

From: David Vidal <David.Vidal.352492681@advocatefor.me>
Sent: Tuesday, September 19, 2023 5:23 PM
To: Sussman, Shelley
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
David Vidal
15714 Zeigler Ct
Ramona, CA 92065

Juachon, Luz

From: Meital Carmi <Meital.Carmi.113888669@yourconstituent.com>
Sent: Tuesday, September 19, 2023 7:17 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Meital Carmi
5109 Kingsgrove Dr
Somis, CA 93066

Juachon, Luz

From: John Newman <John.Newman.417428932@foradvocacy.com>
Sent: Tuesday, September 19, 2023 7:55 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
John Newman
8744 Nye Rd
Ventura, CA 93001

Juachon, Luz

From: Russel erickson <Russel.erickson.339283408@advocatesmessage.com>
Sent: Tuesday, September 19, 2023 8:07 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Russel erickson
509 Burnham Rd
Oak View, CA 93022

Juachon, Luz

From: Andrea Dransfield <Andrea.Dransfield.110427113@advocatesmessage.com>
Sent: Tuesday, September 19, 2023 9:18 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Andrea Dransfield
622 Florence Ave
Port Hueneme, CA 93041

Juachon, Luz

From: Elena Lozano <Elena.Lozano.202872711@grassrootsmessage.com>
Sent: Tuesday, September 19, 2023 9:19 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Elena Lozano
65 Kunkle St
Oak View, CA 93022

Juachon, Luz

From: William Skresvig <William.Skresvig.339928600@grassrootsmessage.com>
Sent: Wednesday, September 20, 2023 5:26 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
William Skresvig
882 Newbury Rd
Thousand Oaks, CA 91320

Juachon, Luz

From: Jamie Green <Jamie.Green.149251747@advocatesmessage.com>
Sent: Wednesday, September 20, 2023 8:18 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Jamie Green
9727 Sweetwater Ln
Ventura, CA 93004

Juachon, Luz

From: Gemma Godina <Gemma.Godina.477580496@advocacymessages.com>
Sent: Wednesday, September 20, 2023 8:23 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Gemma Godina
8744 Nye Rd
Ventura, CA 93001

Juachon, Luz

From: K Neprud <K.Neprud.659231699@advocatesmessage.com>
Sent: Wednesday, September 20, 2023 9:32 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
K Neprud
3134 Channel Dr
Ventura, CA 93003

Juachon, Luz

From: Charles Myers <Charles.Myers.149235691@grsdelivery.com>
Sent: Wednesday, September 20, 2023 9:40 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Charles Myers
328 Oak View Ave
Oak View, CA 93022

Juachon, Luz

From: Denise Swanson <Denise.Swanson.659234966@grassrootsmessage.com>
Sent: Wednesday, September 20, 2023 9:50 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Denise Swanson
1924 Potter Rd
Chico, CA 95928

Juachon, Luz

From: Kelly Hollis <Kelly.Hollis.126408748@advocacymessages.com>
Sent: Wednesday, September 20, 2023 10:02 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

Dear Ventura County Planning Commission:

I want my voice to be heard: 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 NOT TO WEAKEN the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Kelly Hollis
810 Grandview Ave
Ojai, CA 93023

Juachon, Luz

From: Isha Nager <Isha.Nager.205622715@advocatesmessage.com>
Sent: Wednesday, September 20, 2023 10:08 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Isha Nager
245 N Alvarado St
Ojai, CA 93023

Juachon, Luz

From: Nitana Rey <Nitana.Rey.326428447@yourconstituent.com>
Sent: Wednesday, September 20, 2023 10:26 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

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Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Nitana Rey
314 W Aliso St
Ojai, CA 93023

Juachon, Luz

From: Ixchel Gladstone <Ixchel.Gladstone.650866702@advocatesmessage.com>
Sent: Wednesday, September 20, 2023 10:34 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Ixchel Gladstone
1079 Serenidad Pl
Oak View, CA 93022

Juachon, Luz

From: Brittany L. Nesbitt <bnesbitt@fcoplaw.com>
Sent: Wednesday, September 20, 2023 10:36 AM
To: Juachon, Luz; Oil and Gas Ordinance
Cc: Maguire, Neal
Subject: September 21, 2023, Agenda Item No. 6A
Attachments: Letter to PC re Bonding Ordinance.PDF

Dear Chair Boydstun, Vice-Chair Garcia, and Planning Commissioners:

Please see the attached correspondence with today's date from Neal Maguire.

Thank you,

Brittany Nesbitt
Assistant to Neal P. Maguire, Shane M. Maguire and Ian L. Elsenheimer | Ferguson Case Orr Paterson LLP
a: 1050 S Kimball Rd, Ventura, CA 93004
e: bnesbitt@fcoplaw.com **w:** www.fcoplaw.com
p: (805) 659-6800, ext. 242 **f:** (805) 659-6818

FERGUSON CASE
ORR PATERSON LLP
ATTORNEYS AT LAW

Writer's Email:
nmaguire@fcoplaw.com

Reply to: Ventura Office

September 20, 2023

Via Email

Chair Scott Boydstun
Planning Commission
County of Ventura
800 S. Victoria Avenue, L#1740
Ventura, CA 93009-1740
Email: luz.juachon@ventura.org
oilandgasord@ventura.org

Re: *September 21, 2023, Agenda Item No. 6A*

Dear Chair Boydstun, Vice-Chair Garcia, and Planning Commissioners:

On behalf of CalNRG[1] and Carbon California[2], we offer the following comments regarding the proposed amendments to the County of Ventura's zoning ordinances (PL21-0099; PL21-0100).

At outset, we note that the proposed (and pretextual) ordinance amendments reflect yet another effort by the County to curtail local oil and gas production. The County's staff report relies heavily on a commissioned report from Carbon Tracker, whose chief executive officer has stated publicly that "we need to focus not so much on energy demand reduction – turning off the lights, switching to electric cars and so on (all good, of course), *but on constraining the supply of fossil fuels*." His goal is to "[s]witch the narrative from trying to constrain demand … *to constraining supply*." It is illuminating that County staff is associating itself with Carbon Tracker, let alone using its work as a primary authority in its staff report.

[1] California Natural Resources Group, LLC and California Natural Resources Group Ventura County, LLC.
[2] Carbon California Company, LLC, and Carbon California Operating Company, LLC.

The County also continues to fail to recognize the protections afforded to mineral resources by the California Environmental Quality Act (CEQA). As we have repeatedly noted to the County, CEQA requires local agencies such as the County to evaluate the potential impacts of certain decisions on the environment and mineral resources, including oil and gas deposits, are themselves part of the "environment" under CEQA. (Cal. Pub. Resources Code, § 21060.5 [defining the "environment" to mean "the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, or objects of historic or aesthetic significance"].)

Because mineral resources are part of the protected environment, the CEQA Guidelines provide, in Appendix G, significance thresholds for impacts to those resources. A project that exceeds those thresholds has a potentially significant environmental impact. The same is true for a project that exceeds the County's local CEQA thresholds, the Initial Study Assessment Guidelines, or ISAG. The ISAG include thresholds of significance for petroleum-based mineral resources (defined as oil and gas deposits) that address the issue of whether a project "involves hampering or precluding extraction of, or access to, this resource." A project that hampers or precludes oil and gas extraction or access has a potentially significant environmental impact.

The staff report for the above-referenced Item 6A erroneously concludes that the proposed zoning amendments are exempt from CEQA pursuant to Guidelines sections 15061, 15307, and 15308. Sections 15307 and 15308 exempt certain actions involving the maintenance, restoration, enhancement, or protection of a natural resource or the environment "where the regulatory process involves procedures for protection of the environment." In order to invoke this exemption, the County must demonstrate with the substantial evidence that its action are pursuant to a regulatory process for the protection of the environment.

The County has not met that burden. Sections 15307 and 15308 do not apply to any action that may be protective of the environment. There must be an *existing* and qualifying regulatory *process* that contains *procedures* for the protection of the environment. The County's staff report cites no such process or procedures, just the County's general "regulatory powers." That is insufficient, as evident in section 15307, which provides an example of an appropriately exempted activity: "wildlife preservation activities of the State Department of Fish and Game," which are subject to an existing, robust procedural framework.

Moreover, sections 15307 and 15308 do not apply to agency actions that involve adverse impacts on the environment or environmental trade-offs. That is, a project designed to improve one element of the environment cannot include a corresponding adverse environmental impact and still be exempt. For example, in *Save Our Big Trees v. City of Santa Cruz* (2015) 241 Cal.App.4th 694, a city could not rely on CEQA Guidelines section 15308 to exempt amendments to the city's heritage tree regulations because the regulations strengthened some provisions but weakened others. In *California Unions for Reliable Energy v. Mojave Desert Air*

Quality Management District (2009) 178 Cal.App.4th 1225, the agency found exempt from CEQA a new rule regarding the use of road paving as a mitigation measure to offset fugitive dust emissions. The Court of Appeal overturned the exemption because newly-paved roads could lead to adverse environmental impacts from increased vehicle emissions. Finally, in *Dunn-Edwards Corp. v. Bay Area Air Quality Management District* (1992) 9 Cal.App.4th 644, CEQA Guidelines section 15308 could not exempt from CEQA new regulations designed to reduce volatile organic carbons (VOCs) in paint because the regulations could increase other VOC emissions.

Additionally, the exemptions contained in Guidelines sections 15307 and 15308 are categorical. They do not apply if any of the exceptions from CEQA Guidelines section 15300.2 are applicable. Section 15300.2, subdivision (c) invalidates the section 15308 exemption "where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances." Pursuant to our Supreme Court's decision in *Berkeley Hillside Preservation v. City of Berkeley* (2015) 60 Cal.4th 1086, 1114-15, a party invoking the "unusual circumstances" exception may establish the exception when there is "evidence that the project *will* have a significant environmental effect."

The proposed ordinance amendments will have a direct, and significant, impact on the environment by limiting oil and gas production. As CalNRG and Carbon California have already informed County staff, it is not feasible to obtain the sureties the County proposes to require. Similar to the deficiencies in certain 2040 General Plan policies, the County does not make an exception for that infeasibility. Consequently, the only alternative is for operators to put up the full amount of the sureties, an option that even Carbon Tracker's CEO acknowledges "makes the whole company uneconomic."

In other words, the proposed amendments will put operators out of business, aggravate the problem the County is purportedly trying to address, and in turn hamper local oil and gas production. This constitutes a significant impact under CEQA. CEQA Guidelines sections 15307 and 15308 do not apply at all, and they are negated by section 15300.2. Nor does section 15061 apply, as the "common sense" exception requires *certainty* that there will be *no* possibility of an environmental impact. That extremely high bar certainly cannot be cleared when the proposed ordinances will have significant impacts on mineral resources.

Sincerely,

Neal Maguire

Juachon, Luz

From: Samuel Thomas <Samuel.Thomas.114285685@p2a.co>
Sent: Wednesday, September 20, 2023 10:51 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Samuel Thomas
1671 E Avenida De Las Flores
Thousand Oaks, CA 91362

Juachon, Luz

From: Sara Benson <Sara.Benson.659243759@sendgrassroots.com>
Sent: Wednesday, September 20, 2023 10:51 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Sara Benson
1139 Robin Ct
Ojai, CA 93023

Juachon, Luz

From: Carolyn Fox <Carolyn.Fox.322798469@grassrootsmessage.com>
Sent: Wednesday, September 20, 2023 10:52 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Carolyn Fox
205 Shady Ln
Ojai, CA 93023

Juachon, Luz

From: Sandra Galvan <Sandra.Galvan.659246558@advocacymessages.com>
Sent: Wednesday, September 20, 2023 11:04 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Sandra Galvan
3634 Via Marina Ave
Oxnard, CA 93035

Juachon, Luz

From: Lee Buckmaster <Lee.Buckmaster.351839128@advocatefor.me>
Sent: Wednesday, September 20, 2023 11:23 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Lee Buckmaster
5360 Calle Real Apt C
Santa Barbara, CA 93111

Juachon, Luz

From: Carrie Sanders <Carrie.Sanders.322035988@p2a.co>
Sent: Wednesday, September 20, 2023 11:37 AM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
Carrie Sanders
119 Felix Dr
Ojai, CA 93023

Juachon, Luz

From: William Barclay <William.Barclay.446107701@grsdelivery.com>
Sent: Wednesday, September 20, 2023 12:00 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6a, Case Numbers PL21-0099 and PL21-0100: Hold the Oil and Gas Industry Accountable

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 not to weaken the proposed amendments to placate the oil industry.

These proposals should go further but this is at least a start.

As climate change worsens, it is a critical time for the County to adopt strong policies for ensuring that oil and gas companies clean up their infrastructure at the end of its useful life, minimize air and water contamination, and pay their fair share so that taxpayers aren't left footing the bill.

Please protect our communities, air, water, endangered species, and the climate by recommending to the Board of Supervisors that they adopt the proposed amendments.

Thank you for your consideration,
William Barclay
304 Tulane Ave
Ventura, CA 93003

Juachon, Luz

From: Carla Mena <carla@lpfw.org>
Sent: Wednesday, September 20, 2023 12:04 PM
To: Oil and Gas Ordinance
Subject: Agenda Item 6A CASE NUMBERS: PL21-0099 AND PL21-0100
Attachments: Final Draft_20230921_Agenda Item 6A _Proposed Amendments to Oil and Gas Regulations .docx

Greetings,
We request this letter to be submitted as a written comment for tomorrows Planning Commission meeting regarding support for agenda item 6A CASE NUMBERS: PL21-0099 AND PL21-0100.

Carla

Carla Mena M.P.P.
Director of Policy & Legislative Affairs
Los Padres ForestWatch
Office: 805-617-4610 ext. 5
Direct: 805-770-8692
Website: forestwatch.org
PO Box 831 • Santa Barbara CA 93102

Protecting the Los Padres National Forest, the Carrizo Plain National Monument, and other public lands along California's Central Coast

September 21, 2023

County of Ventura
Planning Commission
800 S Victoria Ave
Ventura CA 93009
oilandgasord@ventura.org.

Re: SUPPORT Agenda Item 6A - Proposed Amendments to Oil and Gas Regulations (Case Numbers: PL21-0099 and PL21-0100)

Dear Chair Boydstun and Commissioners:

Los Padres ForestWatch along with its seven thousand members and online advocates in Ventura County urge the Commission to approve staff recommendations regarding proposed amendments to the Non-Coastal Zoning Ordinance (NZCO) and Coastal Zoning Ordinance (CZO) related to permit terms, surety, and insurance requirements for oil and gas operations. We recommend that a plan be developed to ensure this evaluation can be successfully accomplished with little support or coordination from Cal GEM, considering their limited capacity and history with local requests.

We would like to express our strong support for the current proposal, even though it exhibits slight differences from the one previously presented. It's important to note that during the previous presentation of this proposal, we were in favor of its stronger set of protections. We continue to endorse its approval and applaud your proactive approach to addressing this pressing issue.

As stated in the staff report per the State Legislature summary for AB 2729 (2016). There are approximately 4,000 active and idle wells in Ventura County, of which 1,275 are LTIW's that have been idle for 15 years or more. CalGEM identified over 90% of all wells (active, idle, plugged, and abandoned) are within unincorporated Ventura County. We believe that it is crucial to recognize the potential long-term consequences that may arise if no action is taken to mitigate the issues at hand. The Public Resources Code section 3250 found and declared, hazardous and certain deserted oil and gas wells to be a public nuisance that must be abandoned, reabandoned, produced, or otherwise remedied to mitigate, minimize, or eliminate their danger to life, health, and natural resources.

In particular, we wholeheartedly support the staff report, specifically the Surface Restoration and Well Abandonment Surety section. Per the staff report, Haynes and Boone, LLP a company that has monitored North American oil and gas producer Chapter 11 bankruptcies since 2015. There have been 266 oil and gas producer bankruptcies over the last 6 years including California Resource Corporation (CRC), one of the major oil and

gas producers. CalGem identified 439 wells in Ventura County as potentially deserted or deserted due to the operator's failure to pay idle well fees. It would cost the county $63 million in liability fees to cover the cost of orphaned wells far exceeding the amount the state collected to cover orphan well closures statewide. The Surface Restoration and Well Abandonment Surety section, which holds each operator accountable until the Planning Director or designee confirms that they have fulfilled their obligations, is a necessary safeguard to ensure that the proposed measures are effectively implemented. We are pleased to see the inclusion of sensible liability insurance with the minimum limit set to $10,000,000. This sensible proactive approach serves as a crucial mechanism to hold Oil and Gas companies accountable for their actions and potential environmental impacts before this issue gets worse. By doing so, it will also alleviate the burden and responsibility that would otherwise fall on the county and taxpayers in the long run. This is a fair ask to the oil companies who should carry appropriate levels of insurance, bonding, and responsibility.

Lastly, we would like to direct the Planning Commission's attention to the July 27, 2022 comment letter (Attachment 1) submitted by 17 conservation organizations, which expressed support for these critical action-oriented steps to ensure protections for Ventura County on multiple fronts.

In light of the impending challenges posed by idle wells potentially turning into orphan wells, your recommendation to adopt a resolution recommending that the Board of Supervisors take the actions described in the staff report is a vital call to action to halting this growing issue.

In conclusion, we urge you to continue your efforts in support of this proposal, which represents a significant step towards responsible resource management and environmental protection. We believe that the adoption of these measures will benefit our community and environment for generations to come.

Sincerely,

Carla Mena

Director of Policy and Legislative Affairs
Los Padres ForestWatch

Attachment 1

July 27, 2022 Multi NGO- Comment Letter

350 CONEJO / SAN FERNANDO VALLEY • 350 VENTURA COUNTY CLIMATE HUB CENTRAL COAST ALLIANCE UNITED FOR A SUSTAINABLE ECONOMY (CAUSE) CLIMATE FIRST: REPLACING OIL & GAS (CFROG) • CONEJO CLIMATE COALITION THE CLIMATE REALITY PROJECT: VENTURA COUNTY COMMUNITY ENVIRONMENTAL COUNCIL • FOOD & WATER WATCH INDIVISIBLE VENTURA • KEEP SESPE WILD • LOS PADRES FORESTWATCH PATAGONIA • RUNNERS FOR PUBLIC LANDS SIERRA CLUB, SANTA BARBARA-VENTURA CHAPTER • VENTURA AUDUBON SOCIETY VENTURA CLIMATE COALITION • VENTURA COUNTY CHAPTER - CITIZENS' CLIMATE LOBBY

July 27, 2022

County of Ventura
Planning Commission
800 S Victoria Ave
Ventura CA 93009

Re: Agenda Item 7A - Proposed Amendments to Oil and Gas Regulations (Case Numbers: PL21-0099 and PL21-0100)

Dear Chair McPhail and Commissioners:

On behalf of the undersigned organizations and their thousands of members in Ventura County, we are writing to urge the Commission to approve staff recommendations—with the recommended changes below—regarding proposed amendments to the Non-Coastal Zoning Ordinance (NZCO) and Coastal Zoning Ordinance (CZO) related to permit terms, surety, and insurance requirements for oil and gas operations.

According to the most recent state data, as of January 2022, there are 2,267 idle oil and gas wells in Ventura County, 1,520 of which are considered “long-term idle wells,” meaning that they
have been idle for at least eight years. At least 1,275 of these wells have been idle for 15 or more years, and 155 wells have been idle for a century or more.

The “idle well problem” is likely to soon become an “orphan well problem” in Ventura County. Orphan wells have no financially solvent operator of record, therefore pushing the cleanup to the state and costs to the taxpayer. Since the staff report was written, CalGEM has distributed a list of potentially deserted, deserted, and orphaned wells throughout the state.

- 306 potentially deserted wells in Ventura County
- 4 deserted wells in Ventura County

- 2 orphan wells in Ventura County
- An additional 1,340 potentially deserted, deserted, or orphan wells with unknown county locations, some possibly in Ventura County

These zoning amendments and our recommendations below are an essential step toward protecting communities, holding oil and gas operators accountable, and ensuring our environment is not plagued by legacy fossil fuel infrastructure.

The impacts that these idle and orphan wells cause are clear and well-documented including surface and drinking water contamination and air pollution. Many are located near neighborhoods, schools, farms, and waterways where air and water pollution can have a disproportionate impact on low-income communities and people of color. Many others are located in or adjacent to parks, open spaces, and wildlife habitats, including the Los Padres National Forest, Sespe Condor Sanctuary, and Hopper Mountain National Wildlife Refuge, where idle wells pose threats to recreation, clean water, and rare plants and animals.

Moreover, idle and orphan wells are known to emit methane, a climate-damaging greenhouse gas. According to the Intergovernmental Panel on Climate Change, oil and gas methane emissions must be reduced by at least 30% by 2030 to avert catastrophic climate change. To help reach this goal, local governments must ensure that idle wells are appropriately remediated and emissions minimized. A recent study from the Permian Basin in Texas—the world's largest oil production basin—found that idle wells can be a "substantial source" of methane emissions. A separate California study reached a similar conclusion. Just last month, 38 idle oil wells were found to be leaking methane in or near two neighborhoods in Bakersfield. One well showed emissions at a minimum of 50,000 parts per million (ppm), the maximum level the inspector's device could record. This well had been sitting idle since 1988, a timeline similar to the other identified wells. Addressing idle wells and methane emissions is consistent with the goals and strategies set forth in the County's General Plan for climate change and greenhouse gas emissions reduction.

While we generally support staff's recommendations regarding the proposed amendments to the NZCO and CZO, we urge you to consider and adopt our own recommendations below.

Recommendations

1. *Based on the precedent set by the Planning Commission and amortization of capital investment (ACI) analysis, limit the permit expiration limit to 10 years and require formal consideration of a permit's consistency with emission reduction goals and energy developments.*

   The last conditional use permit (CUP) approved by the Planning Commission (February 17, 2022) was limited to 10 years; 10 years less than the operator applied for and staff

recommended.[1] Commissioners cited the growing threat of climate change and the county's commitment to reducing greenhouse gas (GHG) emissions in their discussion. The last time this CUP was up for renewal in the early 1990s, it was approved with a 25- year expiration date. Commissioners specifically noted that since then, Ventura County and society as a whole have learned significantly more about the detrimental impact fossil fuel burning and extraction has on our environment and for that reason, a reduction in time was reasonable.

These zoning amendments were directed by the Board of Supervisors in 2020. Since then, Ventura County has continued to rank the fastest warming county in the continental United States, increasing our risk and experience of extreme weather events and climate disasters. Additionally, in the last two years, the scientific community has stated "unequivocally" that human influence, largely from the burning of fossil fuels, is to blame for atmospheric warming. Based on the Planning Commission's own rationale, a further limit to 10 years is reasonable.

Additionally, the staff report shares evidence suggesting that operators can get a return on their investment on an oil permit in as little as five years. A 10-year expiration limit is sound financially and environmentally, considering the escalating crisis of climate change.

While the permit expiration limit should be set to a maximum of 10 years, county staff must consider current climate urgencies and the progress made toward meeting state and county emission reduction goals when considering a new permit renewal or extension. Similar to the staff report for these zoning amendments, new applications should be analyzed in terms of their consistency with the Ventura County General Plan, particularly the GHG emission reduction targets and the county's current progress toward these goals, at the time of the application.

By requiring a formal consistency analysis, planning staff can also weigh the need for a permit renewal against rapid developments in renewable energy production. Renewable energy has more than tripled in California since 2005 and the state remains ahead of the goal of achieving 100 percent clean electricity by 2045.

2. *Include limits on the number of wells and redrills allowed on a permit—establish a "one-for-one" policy.*

[1] CASE NUMBER PL18-0058 – Applicant, Carbon California Operating Company, LLC at February 17, 2022 Ventura County Planning Commission Hearing

The county has the authority to limit the number of wells on a permit, in the case of nonattenuated permits. This limit should be formalized within the amendments and should apply to all existing active and idle wells. If the operator is given permission to drill a new well per a permit renewal, one idle well must be abandoned in order to meet the permitted limit for wells. This "one-for-one" policy will ensure old, inactive infrastructure is being cleaned up at the same rate as new development.

This type of "one-for-one" policy has proved successful in addressing the long-term idle well problem in Los Angeles. For example, a permit renewal issued in 2014 by Los Angeles County required that one idle well be abandoned prior to the drilling of one new well.[2] The permit refers to new wells as "replacement" wells because the permit has a hard cap of 34 total wells (active and idle), as set by the county. There is also a total limit on the number of new wells that may be drilled (4) regardless of their status as replacement wells.

At the very least, this rationale should be applied to create a mechanism that requires operators to address long-term idle wells before new wells can be drilled. This would require the county to consider an operator's complete inventory of wells when considering a particular permit, rather than only those located within the permit parcel.

Additionally, it is usual for a permit to include no limit on the number of well redrills or reworks. A quick review of well records in the area reveals that reworking or redrilling can occur as often as twice a year in one well. While this fast-paced well work is unlikely to continue for years, there is no way to be sure what the level of impact open-ended permits might have on air quality, traffic, noise, water usage, or wildlife. In a recent hearing, the Planning Commission followed the "reasonable case" detailed in a staff report and limited re-drilled to one per well.[3]

3. *Increase the renewal application deadline to 24 months prior to the expiration of the current permit and include stipulations for late applications.*

   To account for possible limited county staff capacity, sufficient CEQA review, and appeals, operators should be required to submit for renewal two years before the current permit expires. Additionally, this amendment should include detailed instructions and ramifications for applications submitted after the deadline.

4. *Increase the $5 million maximum caps on proposed sureties to more accurately reflect the resources needed to properly abandon all wells and the financial capacity of operators.*

[2] See page 24 of well record, condition 25-N

[3] CASE NUMBER PL18-0058 – Applicant, Carbon California Operating Company, LLC at February 17, 2022 Ventura County Planning Commission Hearing

As noted in the staff report: Based on the existing numbers of idle wells in the County reported by CalGEM, three operators would be required to provide the $5 million maximum Well Abandonment Surety and only one operator would be required to provide the $5 million maximum Long-term Idle Well Supplemental Surety. If no maximum was proposed, the surety obligations (for the three largest operators) would range from approximately $21 million to approximately $63 million. These caps essentially operate for the benefit of the largest oil producers, who are the most able to afford a higher cap and hold the most wells throughout the county.

Aera Energy LLC, a corporation jointly owned by Shell and ExxonMobil, is the largest operator in Ventura County and had $2 billion in revenue in 2021. Without the caps, the most aggressive estimate of surety amount is only 3 percent of their annual revenue. Aera operates 485 idle wells throughout Ventura County - representing 20 percent of all idle wells in the county—in addition to 700 active wells that have the potential to become idle in the future.[4]

5. *Surface restoration and remediation should include all legacy surface infrastructure on a permit*
parcel and be informed and directed by local ecology and Indigenous experts.

Currently, permits do not include the full inventory of wells on a parcel by foregoing plugged and abandoned wells. The staff report defines these wells as having been "permanently sealed and closed pursuant to regulatory standards" but should have added, "of the time of abandonment". A recent study conducted by CFROG determined that over 40 percent of plugged wells in Ventura County cannot be confirmed as properly plugged. After reviewing all 4,000+ plugged well records, it was found that 1,629 wells were abandoned before 1953 when modern plugging standards were established, 372 wells were plugged with insufficient materials, and 391 wells had missing or incomplete abandonment documentation. While the state has dedicated funds to cleaning up orphan and idle wells, poorly abandoned wells have not received any regulatory or financial attention. A common issue noted in these well records is insufficient surface plugs or issues in the well cellar - both pieces of infrastructure at or near the surface.

Therefore, all poorly abandoned wells on a parcel should be included in the surety amount calculation and should be addressed in restoration activities.

An additional amendment to the restoration and remediation requirements (NCZO Section 8107-5.6.11 and CO Section 8175-5.7.8.) should be made to specifically

[4] Per CalGEM's WellSTAR data, accessed July 25, 2022

recognize and require local ecology and Indigenous experts in the restoration of oil and gas permit parcel land. According to a recent study, actively involving Indigenous peoples and communities in restoration efforts can (1) help in site and species selection for restoration, (2) increase local participation in restoration activities and in the monitoring and maintenance of restored areas, and (3) provide historical information on ecosystem state and management and an understanding of local successional processes.

6. *Develop a way forward for the prioritization of idle wells for closure with little support or coordination with CalGEM.*

   We support the staff's request that the Board consider funding and directing a commissioned professional evaluation to identify idle wells that should be prioritized for abandonment. We recommend that a plan be developed to ensure this evaluation can be successfully accomplished with little support or coordination from CalGEM, considering their limited capacity and past history with local requests.

   In 2016, after assessing the regulatory responsibilities of crude oil pipelines, the Ventura County Grand Jury recommended that the Board require the development of an annual report which summarizes the state of crude oil pipelines. In 2017, the Board asked DOGGR (present-day CalGEM) to provide a follow-up report and presentation to explain how this report could be completed. It has been five years and there has been, to our knowledge, no follow-up. The county still does not know the maintenance status of the several hundred miles of pipelines running throughout the area.

We urge the Commission to adopt a resolution recommending that the Board of Supervisors take the actions described in the staff report and amended with our suggestions above. This is a critical juncture for the County of Ventura to take appropriate steps to ensure that current and future oil and gas operations are more adequately regulated to protect human health and the environment, especially as climate change worsens and its consequences become more pervasive.

Thank you for considering these much-needed amendments to oil and gas regulations.

Sincerely,

Alan Weiner
Chapter Lead
350 Conejo / San Fernando Valley

Jan Dietrick
Policy Team Leader

350 Ventura County Climate Hub

Lucia Marquez
Associate Policy Director
Central Coast Alliance United for a Sustainable Economy (CAUSE)

Haley Ehlers
Associate Executive Director
Climate First: Replacing Oil & Gas (CFROG)

Rose Ann Witt
Co-Founder
Conejo Climate Coalition

Wayne Morgan
Chair
The Climate Reality Project: Ventura County

Michael Chiacos
Director of Climate Policy
Community Environmental Council

Tomás Morales Rebecchi
Central Coast Organizing Manager
Food & Water Watch Indivisible Ventura

Alasdair Coyne
Conservation Director
Keep Sespe Wild

Bryant Baker
Director of Conservation and Research
Los Padres ForestWatch

Abigail Thomas
Environmental Employee Engagement
Patagonia

Kathleen Baker
Managing Director
Runners for Public Lands

Katie Davis
Chair
Sierra Club Santa Barbara-Ventura Chapter

Cynthia Hartley
Executive Director
Ventura Audubon Society

Kathleen Wheeler
Co-Founder
Ventura Climate Coalition

Faith Grant
Co-Group Lead
Ventura County Chapter - Citizens' Climate Lobby