

CEQA EXEMPTION REVIEW

Ordinance to Terminate Nonconforming Oil and Gas Uses in Culver City

Completed By: City of Culver City, Project Manager
Reviewed By: City of Culver City, City Attorney
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Pursuant to California Public Resources Code §§ 21080(b)(9) and 21084, the California Environmental Quality Act of 1970, as amended (“CEQA”) does not apply to the City of Culver City (“City”) City Council’s adoption of the Ordinance to Terminate Nonconforming Oil and Gas Uses, as more fully defined and described in the Project Description below and the Categorical Exemption Environmental Checklist for the Ordinance to Terminate Nonconforming Oil and Gas Uses (the “Checklist”), if found to be exempt from CEQA under CEQA Guidelines Section 15061(b). This CEQA Exemption Review identifies and evaluates certain exemptions applicable to this project under CEQA Guidelines Section 15061(b), and establishes and determines that this project is exempt from the provisions of CEQA including, without limitation, requirements for CEQA review and preparation of environmental documents.

PROJECT DESCRIPTION

The project is the City Council’s adoption of a City-wide ordinance, Ordinance No. 2021-____, approving Zoning Code Amendment P2021-0036-ZCA, amending Culver City Municipal Code, Title 17: Zoning Code; Section 17.610.010.D Nonconforming Oil Use, as set forth in Exhibit A attached to and made a part of such ordinance (collectively, the “Oil Termination Ordinance”). Note that while this project description provides a summary of certain aspects of the Oil Termination Ordinance, the text of the Oil Termination Ordinance, including the Zoning Code Amendment text, controls (see Oil Termination Ordinance).

The Oil Termination Ordinance provides for (i) the termination of all nonconforming oil uses over a five-year period ending November 24, 2026; and (ii) effective November 24, 2021, the prohibition of new or expanded oil and gas activity (such as the drilling of new wells, the redrilling or deepening of existing wells, or the erection of any derrick, structure or equipment related to oil or gas production), except as required to facilitate termination of the nonconforming oil uses and existing oil and gas activities and operations allowed to continue until termination. Specifically, during the period after November 24, 2021 until the termination of all nonconforming oil uses in accordance with the Oil Termination Ordinance by November 24, 2026, production from existing oil wells, water injection to existing injection wells and permitted routine maintenance of existing wells and facilities shall be allowed to continue in compliance with Chapter 11.12 of the Culver City Municipal Code and the Oil Termination Ordinance, including the time frames established in an approved Termination Program and Schedule (as defined in the Oil Termination Ordinance). The Oil Termination Ordinance is not applicable to (i) common carrier oil pipelines intended for regionally-coordinated transport of hydrocarbons; (ii) injection wells that are permitted and demonstrated to be active and necessary as determined by the California Geologic Energy Management Division (“CalGEM”); (iii) service stations or like uses; and (iv) oil and injection wells verified plugged in accordance with all applicable local, state and federal laws, rules and regulations, including the California Statutes and Regulations overseen by CalGEM, and for which the well pad has been restored and revegetated to as near a natural state as practicable. The Oil Termination Ordinance does not change any existing City zoning or General Plan designations.

The Oil Termination Ordinance governs the entirety of the land surface within the City that has been used for the drilling, production, storage or transport of oil, gas or other hydrocarbons, or for injection or water flooding in connection with oil and gas activity (the "Oil Use Premises"). See the Project Location Map, Attachment A, which shows the locations and status of wells within the City as presented on the CalGEM website, public portal (October 1, 2021). The principal location of the project is the land and surface drilling facilities for the Inglewood Oil Field located within the City boundaries (the "City IOF"). (For ease of reference, oil well locations within the City IOF and oil well locations outside the City IOF are shown separately in Attachment A.) Based on available data from CalGEM, as of October 1, 2021, there are a total of 41 active or potentially active wells having top-hole locations within the City and an estimated 28 previously plugged wells, all within the City IOF. An additional approximately 70 previously plugged and closed wells are located within the remainder of the City. No active or potentially active wells are known to be located within the City that are outside the City IOF. As of October 1, 2021, the CalGEM public portal indicates five potential "idle" wells located outside the City IOF on properties that are developed with other uses. These five wells, which are non-operational and capped, are likely previously plugged. The number and status of all existing wells within the City will be confirmed in coordination with CalGEM as an initial step to implement the Oil Termination Ordinance. Those sites with previously closed oil or injection wells that are verified to have been properly plugged in accordance with all applicable local, state and federal laws, rules and regulations, including the California Statutes and Regulations and all other requirements overseen by CalGEM, for which well pads have been restored and revegetated to as near a natural state as practicable, may not require further closure and restoration activities under the Oil Termination Ordinance.

The City IOF is a small 78-acre portion of the entire approximately 1,000-acres of surface drilling and production areas for the Inglewood Oil Field (the "IOF") established during the 1920s (See the Location Vicinity Map, attached as Attachment B). The City IOF's 41 existing wells, comprised of 31 producing wells and 10 water flooding injection wells, were drilled between 1925 and 2002. Only six production wells were drilled between 1977 and 2002, and no new wells have been drilled in the City IOF in nearly 20 years. The City IOF contains less than 10 percent of the IOF's producing wells and produces less than five percent of the IOF's total oil production. None of the core processing or transport facilities for the IOF are located within the City IOF.

The Oil Termination Ordinance requires completion of the termination of nonconforming oil uses by November 24, 2026. The termination and restoration activities include (i) the cessation of production and drilling operations, (ii) the closure and plugging of all oil and gas wells, including water flooding injection wells, except injection wells as permitted and demonstrated to be active and necessary by CalGEM; (iii) the dismantling and removal of all surface facilities associated with the nonconforming oil use, including storage tanks, above-ground pipelines, equipment, debris and other physical operational components; (iv) the plugging/capping of subsurface pipelines; and (v) the remediation, restoration and revegetation of the areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable, free from all oil, rotary mud, oil-soaked earth, asphalt, concrete, litter, debris and other substances associated with oil operations. Internal road and access ways and storm water retention and drainage features and facilities shall remain in place.

These oil use termination and restoration activities will be performed in accordance with all applicable local, state and federal laws, regulations, rules and standards, including the California Statutes and Regulations and all other requirements overseen by CalGEM as the

principal regulatory authority for the closure of oil and gas production sites. Closure, removal and restoration activities will occur within previously disturbed and developed areas of the Oil Use Premises.

The closure of production wells entails plugging the wells in place in accordance with the California Statutes and Regulations and all other applicable requirements as overseen by CalGEM. Generally, the upper five to 10 feet of well casing and all surface well site appurtenances are removed and disposed of in accordance with applicable regulations. The production zone of the well is plugged with concrete, the remainder of the borehole up to five to 10 feet below ground surface is filled with concrete or mud, and the uppermost segment of the borehole is filled with soil. The well plugging materials do not constitute hazardous materials.

Each well closure is anticipated to require use of a workover rig for approximately two weeks during allowed daytime work hours and will include associated deliveries and work crews (i.e., six deliveries of concrete or mud over the course of two weeks, and a two- to four-person work crew per day). During the plugging of each well, an average of 10 passenger vehicle trips per day for two weeks is assumed, in addition to two trips per day by a concrete/mixing truck and the operation of a truck-mounted workover rig.

The surface facilities to be dismantled and removed include tanks and above-surface pipelines within the City IOF. The five tanks (three 5,000-barrel tanks, one 3,000-barrel tank, and one 1,000 barrel-tank) are clustered on a graded pad near the center of the City IOF, known as the T-Vickers Tank Farm. Gravity settling tanks separate the oil and water and the oil is routed to holding tanks. The produced oil and water are pumped from storage tanks to other facilities centralized within the IOF but outside the boundary of the City IOF. Various above-surface pipelines are used to convey oil, produced water and gas from City IOF wells to the tanks and to the other IOF facilities outside the boundary of the City IOF for processing and distribution.

One storm water retention basin, known as the Dabney Lloyd Basin, is located near the northern end of the City IOF. It receives runoff from the northwest portion of the IOF, and it will remain in place.

The purpose of the Oil Termination Ordinance is to remove nonconforming oil uses in an expedited manner, balancing the protection of the public health, safety and welfare, while concurrently considering important logistical issues to ensure that the termination of oil uses is completed in a thoughtful, safe and secure manner that facilitates protection of the environment. Among the objectives of the Oil Termination Ordinance are: (1) eliminating obsolete, industrialized nonconforming oil-production uses established a century ago that are determined to be incompatible with the current urban context and the character of the surrounding community uses; (2) enhancing public health, welfare and safety, and protection of the environment with the closure of wells and removal of ancillary equipment that is aging and vulnerable to failure and poses a threat to public safety and damage to the environment; (3) addressing growing concern and lack of continuity resulting from a succession of changes in City IOF operators, as experienced most recently in 2017, that may have a limited interest to invest in achieving compliance with City standards; (4) prioritizing the public health, safety and welfare of the community and developing a strategy for the safe and responsible closure of the City IOF; and (5) providing for the betterment, restoration and protection of the environment by, among other things, improved air quality and climate change conditions associated with the cessation of oil use operations within the City, and improved visual effects and aesthetics by the restoration of areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable.

FINDINGS AND CONCLUSIONS

The potential for environmental effects associated with the Oil Termination Ordinance project has been reviewed under the Checklist in connection with the determination as to whether the City Council's adoption of the Oil Termination Ordinance is exempt from CEQA under CEQA Guidelines Section 15061(b)(3), the common sense exemption, in that it can be seen with certainty that there is no possibility that the Oil Termination Ordinance project may have a significant effect on the environment. In addition, the Checklist has been prepared in connection with the determination as to whether application of any of the classes of categorical exemptions applicable to the Oil Termination Ordinance project under CEQA Guidelines Section 15300 is barred by certain exceptions under CEQA Guidelines Section 15300.2. Specifically, the Checklist addresses whether, under CEQA Guidelines Section 15300.2(b), the cumulative impact of successive projects of the same type in the same place, over time is significant and, under CEQA Guidelines Section 15300.2(c), whether there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

The Checklist concludes that the Oil Termination Ordinance project would have no impact as to any environmental issues, as documented in the review of environmental issues in Section C of the Checklist, and that it can be seen with certainty that there is no possibility that the Oil Termination Project may have a significant effect on the environment. The Checklist thereby supports the determination, as concluded in 1 and 2(a) below, that the Oil Termination Ordinance project is exempt from CEQA as to all applicable categorical and statutory exemptions, including but not limited to the common sense exemption under CEQA Guidelines Section 15061(b)(3) and the following categorical exemption classes under CEQA Guidelines Section 15061(b)(2): Class 1 – Existing Facilities (CEQA Guidelines Section 15301); Class 4 – Minor Alterations to Land (CEQA Guidelines Section 15304); and Class 8 – Actions by Regulatory Agencies for the Protection of the Environment (CEQA Guidelines Section 15308). In addition, as documented in the review of the applicability of certain exemptions under CEQA Guidelines Section 15300.2 presented in Section D of the Checklist, the application of the classes of categorical exemptions applicable to the Oil Termination Ordinance project under CEQA Guidelines Section 15300 is not barred by either of those exceptions under CEQA Guidelines Section 15300.2. Specifically, under CEQA Guidelines Section 15300.2(b), the cumulative impact of successive projects of the same type in the same place, over time is not significant and, under CEQA Guidelines Section 15300.2(c), there is not a reasonable possibility that the Oil Termination Ordinance project will have a significant effect on the environment due to unusual circumstances, as concluded in 2(b) below.

Consistent with CEQA and the CEQA Guidelines, it is concluded that the Oil Termination Ordinance project is exempt from the provisions of CEQA, including, without limitation, requirements for CEQA review and preparation of environmental documents. Such determination includes, but shall not be limited to, the following:

1. **Common Sense Exemption.** The Oil Termination Ordinance project is exempt from CEQA because the Oil Termination Ordinance is exempt pursuant to Section 15061(b)(3), the common sense exemption, in that it can be seen with certainty that there is no possibility that it may have a significant effect on the environment, as documented in the Checklist.
2. **Classes of Categorical Exemptions.** The Oil Termination Ordinance project is exempt from CEQA under CEQA Guidelines Section 15061(b)(2) because the Oil Termination

Ordinance project is exempt pursuant to classes of categorical exemptions as provided in CEQA Guidelines Section 15300, which have been determined not to have a significant effect on the environment and, therefore, have been declared to be categorically exempt from the provisions of CEQA; and the application of classes of categorical exemptions to the Oil Termination Ordinance project is not barred by any of the exceptions set forth in CEQA Guidelines Section 15300.2:

- a. The classes of categorical exemptions applicable to the Oil Termination Ordinance project include, but shall not be limited to, the following:
 - i. Class 1 (CEQA Guidelines Section 15301) – Existing Facilities. The Oil Termination Ordinance constitutes a City regulatory action as to the operation, maintenance, permitting and licensing of existing private facilities within the City, namely the Oil Use Premises, in that it requires the cessation of such nonconforming oil uses within a five-year period ending on November 24, 2026 and prohibits any increase or expansion of existing facilities for the nonconforming oil uses by November 24, 2021, as specified in the Oil Termination Ordinance. The purpose of the Oil Termination Ordinance is to terminate existing nonconforming oil uses within the City by requiring the plugging and removal of the existing facilities on Oil Use Premises and the remediation, restoration and revegetation of areas within the Oil Use Premises affected by the plugging and removal activities in accordance with applicable laws and regulatory requirements within the specified five-year period. Thus, there can be no expansion of the existing nonconforming oil use within any Oil Use Premises within the City, and the project involves no expansion of the existing oil uses on Oil Use Premises within the City.
 - ii. Class 4 (CEQA Guidelines Section 15304) – Minor Alterations to Land. The Oil Termination Ordinance requires minor private alterations in the condition of land and vegetation which do not involve the removal of healthy, mature, or scenic trees. The Oil Use Premises are previously disturbed and developed oil use sites within the City. The short-term plugging, removal and restoration activities for the termination of oil uses will involve previously developed and disturbed areas of Oil Use Premises. The Oil Termination Ordinance requires the restoration of areas within the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable in compliance with all applicable laws and regulatory requirements. This may involve activities such as the plugging of previously existing boreholes with earth, concrete and mud, and remediation, restoration and revegetation involving minimal refinishing of surface soil contours and similar minor alterations in the condition of the land and vegetation. The Oil Termination Ordinance project does not involve the removal of healthy, mature, scenic trees.
 - iii. Class 8 (CEQA Guidelines Section 15308) – Actions by Regulatory Agencies for Protection of the Environment. The Oil Termination Ordinance constitutes a regulatory action by the City, as authorized by state and local law, to assure the maintenance, restoration, enhancement and protection of the environment where the regulatory process involves procedures for the protection of the environment. Specifically, the City

has the authority to terminate nonconforming uses through amortization procedures, such as the Oil Termination Ordinance, and has determined that requiring the termination of all nonconforming oil uses in the City within a five-year period ending on November 24, 2026, and prohibiting new or expanded facilities for such oil and gas activities, effective November 24, 2021, will in the short-term reduce and, ultimately, will eliminate such incompatible industrial uses for the enhancement and protection of the environment. The termination of the nonconforming oil uses includes the closure of oil wells, the removal of surface facilities, including storage tanks, above-ground pipelines and equipment, the plugging of subsurface pipelines as well as the remediation, restoration and revegetation of the areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable in accordance with all applicable laws and regulatory requirements. Such termination and closure activities and the standards under the Oil Termination Ordinance applicable to such termination and closure activities will not allow environmental degradation, as more fully described in the Checklist. The Oil Termination Ordinance would eliminate existing nonconforming oil use facilities and activities that pose a risk to the public health, safety and welfare and to the environment, thereby providing for the betterment, restoration and protection of the environment.

- b. **No Exceptions Apply.** The application of classes of categorical exemptions to the Oil Termination Ordinance project is not barred by any of the exceptions set forth in CEQA Guidelines Section 15300.2:
- i. Location. As to Class 4, the Oil Termination Ordinance project relates to disturbed and previously developed Oil Use Premises within the City, and none of the Oil Use Premises contains an environmental resource of hazardous or critical concern that has been designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Consequently, the Oil Termination Ordinance project will not impact an environmental resource of hazardous or critical concern.
 - ii. Cumulative Impact. No cumulative impact of successive projects of the same type in the same place, over time, is significant. The Oil Termination Ordinance encompasses all Oil Use Premises within the City. Consequently, no successive projects addressing the termination of Oil Use Premises within the City will occur over time. No cumulative impact will result from the prohibition of new and expanded facilities for oil use on the Oil Use Premises, effective November 24, 2021, or the termination of all nonconforming oil uses within the City by November 24, 2026. As documented in the Checklist, including Sections C and D, the Oil Termination Ordinance project could not have a cumulative impact under CEQA Guidelines Section 15300.2(b).
 - iii. Significant Effect. As documented in the Checklist, including Section D, there are no unusual circumstances related to the Oil Termination Ordinance project, and, as documented in the Checklist, including Sections C and D, there is not a reasonable possibility that the Oil

Termination Ordinance project will have a significant effect on the environment due to unusual circumstances.

- iv. Scenic Highways. The Oil Termination Ordinance will not result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. Instead, the Oil Termination Ordinance requires restoration of areas of the Oil Use Premises affected by plugging and removal activities to as near a natural state as practicable.
- v. Hazardous Waste Sites. None of the Oil Use Premises is a site which is included on any list of hazardous waste sites compiled pursuant to Section 65962.5 of the Government Code.
- vi. Historical Resources. None of the Oil Use Premises constitutes an historical resource and the implementation of the Oil Termination Ordinance and the remediation, restoration and revegetation of the areas of the Oil Use Premises affected by the plugging and removal activities to as near a natural state as practicable will not cause a substantial adverse change in the significance of a historical resource.

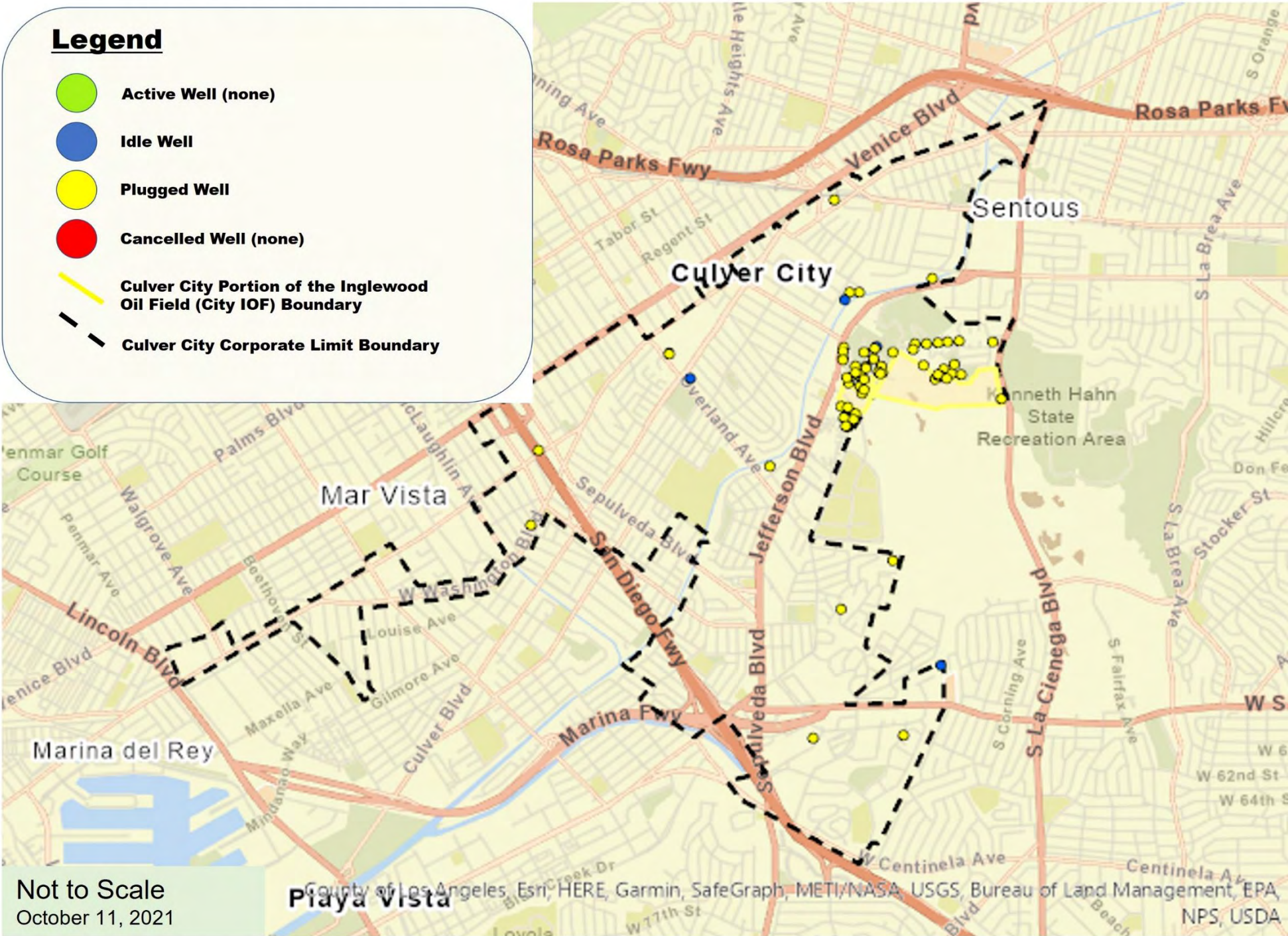
ATTACHMENTS:

- A. Project Location Map
- B. Location Vicinity Map

Oil Well Locations in Culver City – Outside the City IOF

Legend

- Active Well (none)
- Idle Well
- Plugged Well
- Cancelled Well (none)
- Culver City Portion of the Inglewood Oil Field (City IOF) Boundary
- Culver City Corporate Limit Boundary



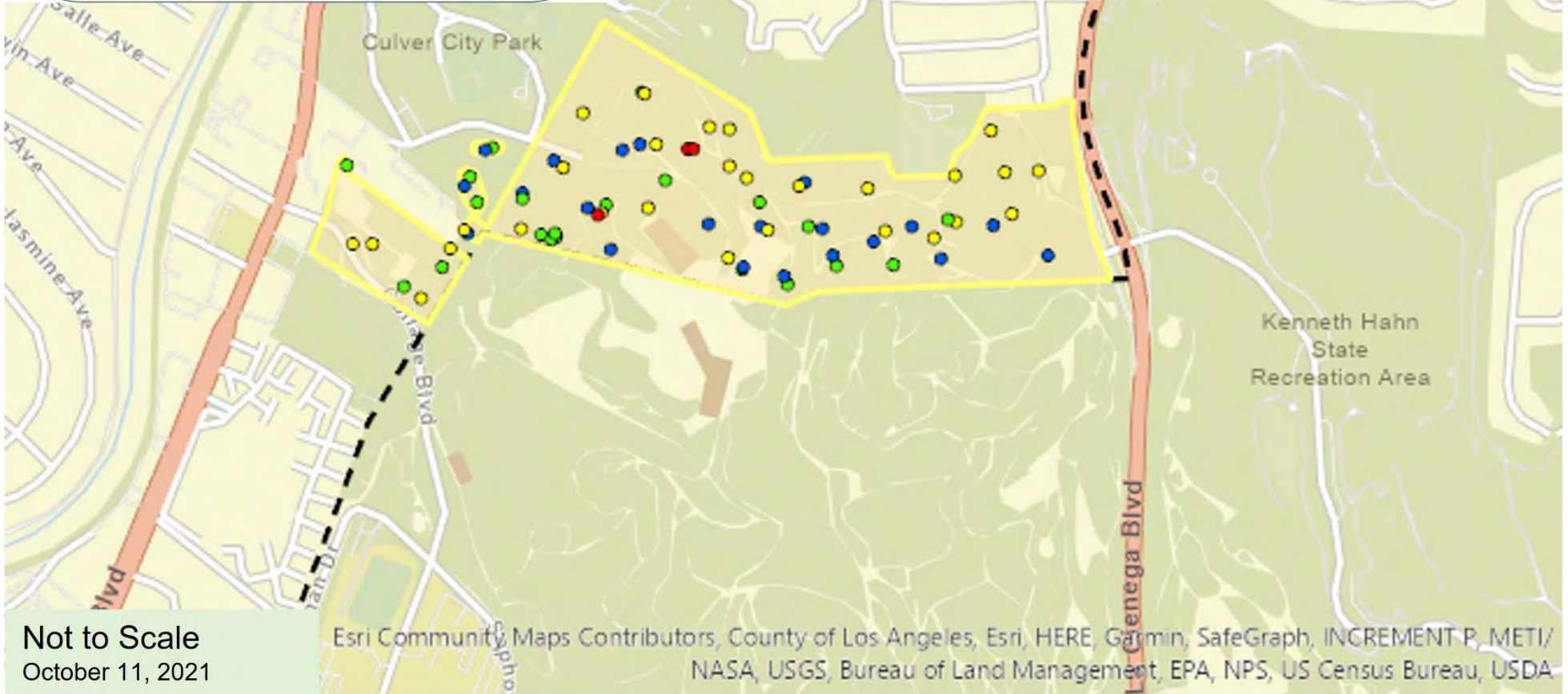
Not to Scale
October 11, 2021

County of Los Angeles, Esri, HERE, Garmin, SafeGraph, METI, NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

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Esri Community Maps Contributors, County of Los Angeles, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/ NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA

City IOF – Location Vicinity Map

