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STATEMENT OF REASONS FOR APPEAL; Case No. ZA-1989-17683-PA2-1A ENV-2020-1328-CE

On behalf of Neighbors for A Safe Environment (NASE), a California nonprofit corporation seeking to protect neighborhoods from the impacts of oil drilling and production, we provide this summary of our reasons for appeal of the improper reliance on a categorical exemption from the California Environmental Quality Act (CEQA) in the Zoning Administrator (ZA) review of the West Pico Controlled Drill Site, Case No ZA-1989-17683-PA2, ENV-2020-1328-CE, and Area Planning Commission (APC) appeal Case No ZA-1989-17683-PA2-1A.

The CEQA violations at issue in the APC Determination are due in large part to its reliance on the flawed ZA Determination. Both rely upon a categorical exemption to CEQA, which was imposed as part of the ZA's refusal to comply with a 2001 Settlement Agreement between NASE and the City requiring five year reviews of conditions for the West Pico Drill that, following Condition 78 of the 2000 ZA approval (ZA-1989-17683-PAD) and BZA ruling (BZA-2000-1697), must review compliance and also "evaluate neighborhood impacts" and "the efficacy of mitigation measures," and change them if warranted. Evaluating impacts and mitigation measures cannot be done outside of the CEQA process.

A. Reliance on Categorical Exemption to CEQA is Improper.

The ZA Determination improperly relies on Class 1 and 21 categorical exemptions to avoid environmental review under CEQA. It is the City's burden to prove that the ZA Determination on the Plan Approval project fits within a class of categorical exemption. (California Farm Bureau Fed'n v. California Wildlife Conservation Bd. (2006) 143 Cal.App.4th 173, 185-86; Save Our Big Trees v. City of Santa Cruz (2015) 241 Cal.App.4th 694, 697.) The City failed to meet its burden.

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1. The APC Determination Would Legitimize Illegal Oil Drilling and Create *De Facto* By-right Oil Drilling.

The Plan Approval relies on a Class 1 categorical exemption, which is a class of exemption for continuing operations with no expansion of existing use. By relying on this class of exemption, the Plan Approval attempts to legitimize years of illegal well drilling, redrilling and conversion, failing to recognize this is an expansion of use beyond what was approved by the ZA in 2000 in the last new project approval. Despite finding that the West Pico Drill Site was in substantial compliance with conditions, the 2021 ZA Determination acknowledged that "the operator completed numerous projects on the drill site which were not authorized as part of [the 2000 ZA approval] or the municipal code." Thus, the 2021 Plan Approval contradictorily legitimizes numerous illegal projects by claiming the operation of the site is in substantial compliance.

Interpreting the language of a Class 1 categorical exemption to allow a project proponent that commences illegal activities without seeking the necessary approvals to then claim those illegal uses are categorically exempt because they were already in (illegal) operation sets a dangerous precedent antithetical to CEQA's purposes. (See *Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116, 129 [environmental review must precede, not follow project approval].) "Exemption categories are not to be expanded or broadened beyond the reasonable scope of their statutory language." (*Mountain Lion Foundation v. Fish & Game Com.* (1997) 16 Cal.4th 105, 125.) "These rules ensure that in all but the clearest cases of categorical exemptions, a project will be subject to some level of environmental review." (*Save Our Carmel River v. Monterey Peninsula Water Management Dist.* (2006) 141 Cal.App.4th 677, 697; see also *Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259.)

At the West Pico Controlled Drill Site since 2000, there have been a rash of illegal, unapproved, and unreviewed projects, including 24 major oil well projects that include the drilling of 2 new wells, the redrilling of 12 wells, and the conversion of 10 wells. (Attachment 1, PCEC June 19, 2020 Email to ZA; Attachment 2, NASE August 27, 2021 Letter Requesting Reconsideration by APC.) As such, a categorical exemption is wholly inappropriate to these circumstances.

Moreover, to the extent this Plan Approval reviewed any of the illegal drilling, redrilling, and converting of wells that has been conducted at the site since 2000, the City is prohibited from relying on a categorical exemption by its own CEQA guidelines in ZA Memo 133.

What is at stake in this case is not just compliance with CEQA and the 2001 Settlement Agreement, but also the most elemental core of the City Code's main body of

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oil regulations that have been in force since February 1945 and clarified with great explicitness by an ordinance passed in 1955.

LAMC 13.01.H and 13.01.I require application to and approval from the ZA to drill a new oil well, redrill (or deepen) an existing well, and/or to convert a well between being a producer or injector well. The required ZA review for such projects is a discretionary action in which the ZA can deny the application or approve with conditions, and may modify any conditions previously assigned to a Controlled Drill Site. Since the advent of CEQA, the discretionary nature of these reviews has triggered the need for CEQA clearance.

The City Code does not allow by-right oil drilling in the parts of the City that are deemed as "urbanized" districts under LAMC 13.01. But in this case, in the use of the categorical exemptions that the APC Determination and the ZA Determination relied upon, the City allowed and enabled *de facto* by-right oil drilling. This poses a special danger to all in the City who live near an active Controlled Drill Site.

Reliance on a Class 1 categorical exemption for a Plan Approval that ignores illegal oil well projects incentivizes all oil companies operating in the City to evade application and review for projects in the future. Exempting these unapproved oil well projects from environmental review based on ongoing illegal activities piles illegality on top of illegality. Moreover, it deprives the public and decision makers of information necessary to assess the Project's impacts.

2. A Class 21 Categorical Exemption Does Not Apply Because the West Pico Drill Site Remains Noncompliant and the Review Required by the Settlement Agreement and Condition 78 Goes Beyond Mere Enforcement.

A Class 21 exemption exempts enforcement actions from environmental review. The Plan Approval was not an enforcement action, but instead, pursuant to a 2001 Settlement Agreement between the City and NASE and Condition 78, a required review to evaluate "neighborhood impacts," evaluate "the efficacy of mitigation measures" and to impose new or revised conditions if continuing impacts are determined. The ZA Determination, and the APC Determination through its acceptance of the findings of the ZA Determination, found that "the current conditions...may not be completely adequate to preserve the health, safety and general welfare of the nearby residential neighborhood." Development of new conditions to address these impacts is not an enforcement action, but instead a determination that requires an evaluation of the specific impacts that are not addressed and an evaluative process to assess how to mitigate those impacts. Such an action is not exempt from CEQA, as discussed below.

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Moreover, as set forth above, the APC Determination fails to require any corrective enforcement action for the illegal oil drilling, redrilling and conversion activities that have taken place at the West Pico Drill Site since 2000. Thus, reliance on a categorical exemption for enforcement actions is misplaced.

3. Exceptions to Categorical Exemption Require Environmental Review.

CEQA is clear that "[t]he categorical exemptions are not absolute." (*Save Our Carmel River v. Monterey Peninsula Water Management Dist.* (2006) 141 Cal.App.4th 677, 689.) "It follows that where there is any reasonable possibility that a project or activity may have a significant effect on the environment, an exemption would be improper." (*Wildlife Alive v. Chickering* (1976) 18 Cal.3d 190, 205–206.) Thus, categorical exemptions from CEQA are subject to exceptions. Even if a project fits within a specified class of categorical exemption, which the Plan Approval Project does not, an exemption is inapplicable if any of the exceptions to categorical exemptions apply. (CEQA Guidelines § 15300.2.) If an exception to a categorical exemption applies, CEQA review in the form of a mitigated negative declaration ("MND") or environmental impact report ("EIR") must be conducted. Several of the exceptions to reliance on categorical exemptions apply here.

a. Unusual Circumstances That May Result in a Significant Impact Prevent Reliance on a Categorical Exemption.

CEQA prohibits use of a categorical exemption when there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances." (CEQA Guidelines § 15300.2, subd. (c).) "[A]n unusual circumstance refers to 'some feature of the project that distinguishes it' from others in the exempt class. In other words, 'whether a circumstance is "unusual" is judged relative to the typical circumstances related to an otherwise typically exempt project." (Voices for Rural Living v. El Dorado Irrigation Dist. (2012) 209 Cal.App.4th 1096, 1109.) Unusual circumstances negating categorical exemptions include a project's context. (Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster (1997) 52 Cal.App.4th 1165, 1207-08; Lewis v. Seventeenth Dist. Agricultural Assn. (1985) 165 Cal.App.3d 823, 829; Meridian Ocean Systems, Inc. v. State Lands Com. (1990) 222 Cal.App.3d 153, 169.)

The ongoing legal violations on the site discussed above are unusual circumstances and those unusual circumstances have led to and will continue to lead to adverse air quality, odor, noise and other impacts on the surrounding community. This prevents reliance on a categorical exemption. Additionally, the location of an oil drilling site adjacent to a residential community is an unusual circumstance. (See *Lewis v*.

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Seventeenth Dist. Agricultural Assn. (1985) 165 Cal.App.3d 823 [location of racetrack near residences is unusual circumstance].) That unusual circumstance has led to the finding in the ZA Determination that current conditions are inadequate "to preserve the health, safety and general welfare of the nearby residential neighborhood." Thus, due to unusual circumstances, there is a fair argument supported by substantial evidence that approving the Plan Approval without imposing effective mitigation measures may have significant adverse impacts, prohibiting reliance on a categorical exemption.

b. Cumulative Impacts Prevent Reliance on a Categorical Exemption.

A categorical exemption is "inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant." (CEQA Guidelines § 15300.2(b).) The cumulative impact exception ensures that a project's potential cumulative impacts are not overlooked when a categorical exemption is applied because "environmental damage often occurs incrementally from a variety of small sources." (*Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 720.)

As with direct environmental impacts, CEQA requires preparation of an environmental impact report ("EIR") when a project's impacts may be cumulatively considerable. (Pub. Resources Code § 21083 subd. (b)(2).) Cumulative impacts mean "that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." (*Ibid.*) This exception to categorical exemption applies if the lead agency is presented with "evidence that there was a fair argument that the cumulative impact exception applied." (*Aptos Residents Assn. v. County of Santa Cruz* (2018) 20 Cal.App.5th 1039, 1052.)

Here, the cumulative impact of allowing illegal drilling activities on this site and, by precedent, on drill sites throughout the City, without enforcement actions or corrective measures, results in potentially significant adverse impacts Citywide. This is a cumulative impact that prevents reliance on a categorical exemption.

4. The City Cannot Rely on a Categorical Exemption When Mitigation Measures Are Required.

Categorical exemptions cannot be relied upon for projects such as this one where mitigation measures and new conditions are required. (*Salmon Protection and Watershed Network v. County of Marin* (2004) 125 Cal.App.4th 1098, 1108.) "An agency should decide whether a project is eligible for a categorical exemption as part of its preliminary

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review of the project (CEQA Guidelines, §§ 15060 and 15061), not in the second phase [of review] when mitigation measures are evaluated." (Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster (1997) 52 Cal.App.4th 1165, 1199-1201; City of Pasadena v. State of California (1993) 14 Cal.App.4th 810, 820, [determination of "applicability of an exemption must be made before ... [the] formal environmental evaluation..."].) By definition, a project does not qualify for a categorical exemption unless the agency has determined environmental impacts cannot occur and mitigation measures are unnecessary. An agency may not "evade these standards by evaluating proposed mitigation measures in connection with the significant effect exception to a categorical exemption." (Azusa Land, supra, 52 Cal.App.4th at 1201.) "Reliance upon mitigation measures (whether included in the application or later adopted) involves an evaluative process of assessing those mitigation measures and weighing them against potential environmental impacts, and that process must be conducted under established CEQA standards and procedures for EIRs or negative declarations." (Salmon Protection & Watershed Network v. County. of Marin (2004) 125 Cal.App.4th 1098, 1108.)

The APC Determination includes several new conditions intended to mitigate ongoing impacts arising at the West Pico Drill Site. These conditions include installation of fence-line monitoring and updated emergency signage. While NASE has been requesting emissions monitoring, the specifics of a monitoring program must be assessed through the environmental review process to ensure its efficacy. Analysis is required to determine the type of monitor, pollutants to be monitored, placement of the monitors, the reporting of recorded data to the City, and the establishment of a certain deadline for installation. The APC did not conduct the necessary analysis or include any specific terms for the installation of emissions monitoring. CEQA requires mitigation to be accomplished through the evaluative environmental review process and not based upon a categorical exemption. This is because mitigation measures need to be fully enforceable, and "not mere expressions of hope." (*Lincoln Place Tenants Ass'n v. City of Los Angeles* (2005) 130 Cal.App.4th 1491, 1508.)

The APC Determination also includes a mitigation condition that is not only improper due to reliance on a categorical exemption, but also is improperly deferred mitigation. A condition was included requiring submission of a new Plan Approval application from the West Pico Drill Site operator to start a new case, and they required that the application must request a City inspection program. Post approval review and mitigation is improper under CEQA. (CEQA Guidelines § 15126.4(a)(1)(B); Endangered Habitats League v County of Orange (2005) 131 Cal.App.4th 777, 793-94; Preserve Wild Santee v. City of Santee (2012) 210 Cal.App.4th 260, 280-82.) Further, this is a new condition that is needed now. Most of the compliance problems at the West Pico Drill Site stem directly or indirectly from the City's lack of inspection, compliance monitoring, and enforcement. The illegal well projects at West Pico are more numerous than at other

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drill sites in the City, but they are not unique. The City's failure to do compliance inspections is a systemic failure documented by the Petroleum Administrator's May 2018 report to Council and the City Controller's June 2018 report on City oil regulation. It is a known problem now in the review of the West Pico Drill Site. But by shunting this and other known issues to a future review, the APC Determination relies on mitigation that is improperly deferred, and thus fails to be fully enforceable.

B. The Violation of Conditions and Mitigation Measures at the West Pico Drill Site is a Continuing CEQA Violation.

CEQA requires that mitigation measures "be fully enforceable through permit conditions, agreements, or other legally-binding instruments." (Guidelines § 15126.4(a)(2); see also *Lincoln Place Tenants Ass'n v. City of Los Angeles* (2005) 130 Cal.App.4th 1491, 1508 ["Mitigating conditions are not mere expressions of hope."]) "The purpose of these requirements is to ensure that feasible mitigation measures will actually be implemented...and not merely adopted and then neglected or disregarded." (*Federation of Hillside and Canyon Association v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1261, italics omitted.)

Conditions of approval were adopted for the West Pico Drill Site as part of the 2000 ZA Determination, which were also included in the mitigation, monitoring and reporting plan for the site. These conditions limit the West Pico Drill Site to the wells actually existing at the time of the approval (Condition 72). There are ongoing CEQA violations at the West Pico Drill Site due to the illegal well drilling and conversions that took place in violation of the conditions of approval and the illegal installation of microturbines, which violates the prohibition on generating electricity on site or anywhere in the 70-acre oil drilling district U-131 (Condition 49).

There have also been violations and continuing violations of Conditions 46, 47, 53, 57, 61 and 78 due to the documented odor impacts, improper waste disposal, noncompliance with fire safety requirements, noncompliance with State-required blowout preventer tests before commencing downhole work, South Coast Air Quality Management District's leak and emissions violations, and lack of timely conditions review.

Odor complaints have been persistent since the drill site opened in 1965 and have been pronounced since about 2016. On October 10, 2019, CD5 Council Member Paul Koretz provided recorded testimony about the West Pico Drill Site to the City Council's Committee on Energy, Climate Change, and Environmental Justice. He stated:

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I just visited a few days ago a shul that opened up a few years before directly across Pico and Doheny. I'm sure when they moved there they had no idea that was an oil site, in fact they told me so. You can smell the oil. You can taste the oil. It's just an accumulation of that pollution. On the other side of that site, there are housing units. I would say probably less than 50 feet away, and probably 75 feet away in front are that synagogue, the one next door and have a school that is about 600 feet away from it. I grew up near there and lived there for 20 years. My mother, I don't know whether there was a connection. My mother died from uterine cancer, pancreatic cancer and brain cancer. Maybe there is a connection, maybe not. If there is, and we can prove it, I would be pretty mad to say the least. There are a lot of people that are impacted. I presume whatever distance we pick, this site will be shutdown because it has so many sensitive uses and has housing and they are all within 100 feet. (emphasis added)

These ongoing and long-running CEQA violations must be rectified, and a categorical exemption is manifestly inappropriate for the task.

C. Due to the ZA's Predetermination to Rely Upon a Categorical Exemption for This Plan Approval, the ZA and APC Have Improperly Segmented Review.

CEQA prohibits evading comprehensive CEQA analysis by splitting projects into separate pieces. (CEQA Guidelines § 15378; *Bozung v. LAFCO*. (1975) 13 Cal.3d 263, 283-84; *Orinda Assn v. Board of Supervisors* (1986) 182 Cal.App.3d 1145, 1171.) The whole of the action includes "all phases of project planning, implementation, and operation;" all must be considered together when assessing environmental review for a project. (CEQA Guidelines §15063, subd. (a)(1).) Here, the APC Determination improperly piecemeals environmental review for the West Pico Drill Site by requiring a separate and new plan approval process, which is presumably to address the impacts and violations identified during this Plan Approval, although the APC Determination does not specify the reason for the separate review.

The piecemealing of environmental review at the West Pico Drill Site stems from the ZA's determination at the beginning of the Plan Approval process that a categorical exemption was the only CEQA approval to be considered. Subsequent to the ZA determining that a categorical exemption would be applied to the Plan Approval, NASE presented incontrovertible evidence of the illegal well drilling, redrilling and conversion activities that had taken place on the West Pico Drill Site. In written exchanges with the ZA's office, the current operator of the site agreed with this assessment. However, instead of addressing the illegal activity at the site during the current Plan Review, the ZA relied on the predetermined use of a categorical exemption to prevent review of those actions

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now.

At the August 27, 2020 public hearing, the ZA said he recognized that changed conditions were needed as even the applicant recognized, but the ZA declared that "We can't do these changes with this particular Categorical Exemption" (August 27, 2020 hearing, official recording, 1:38). The specifics of the action being reviewed should determine the proper level of environmental review. By inverting this requirement, the Plan Approval has improperly segmented review of these illegal actions to a subsequent process.

D. Misrepresentations of Facts Made at APC Hearing Taint the APC Determination.

At the August 18, 2021 APC hearing on NASE's appeal, significant misinformation was provided to the Commission by the ZA, most of which was presented after the close of the public testimony. In a post-hearing letter to the APC, NASE provided a detailed description of these errors along with clear documentation contained within the case file for the West Pico Drill Site. (Attachment 2.) In summary, the misrepresentations made at the APC hearing were: statements by the ZA that "no new wells" had been drilled on the West Pico Drill Site since the 2000 ZA approval, despite clear documentation that new wells were drilled in 2005-06 and 2010; a claim that the 2001 Settlement Agreement between NASE and the City prevents the alteration of any conditions of approval, including Condition 72, when the Settlement Agreement specifically requires 5 year reviews to evaluate and if needed revise or add new conditions; and statements that well conversions are mere reclassifications on paper and "vested rights" that require only the filing of paperwork, when the terms of LAMC 13.01.H and 13.01.I. require discretionary review and ZA approval of all well conversions.

NASE returned to the APC at its next meeting held September 1, 2021 to request reconsideration on the grounds that the ZA misinformed them so falsely about critical issues central to the case. At this meeting, several of the APC Commissioners acknowledged the issues in the letter, but the President of the Commission said that procedural concerns might lead them not to act. The City Attorney told them that they could act, but the Commissioners did not. However, the President of the Commission did note that if the APC did not act it would be acceptable because my clients would have the opportunity to take the case to City Council and to the Los Angeles County Superior Court. We now urge the City Council to correct the APC's failure to act on these issues.

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Conclusion.

For all of these reasons, and those to be presented in more detail before the City Council, this appeal seeks to overturn this Plan Approval due to significant and ongoing CEQA violations. NASE also reserves the right to provide supplemental evidence and analysis regarding the basis of this appeal.

Sincerely,

Amy Minteer

Enclosures:

Attachment 1, June 19, 2020 PCEC Email to ZA

Attachment 2, August 27, 2021 Request for Reconsideration

ATTACHMENT 1



PCEC West Pico Project

Michael Finch <mfinch@energyprojectlic.com>
To: Edber Macedo <edber.macedo@lacity.org>

Fri, Jun 19, 2020 at 4:34 PM

Cc: "Lisa.Webber@lacity.org" <Lisa.Webber@lacity.org>, "Estineh.Mailian@lacity.org" <Estineh.Mailian@lacity.org>, "Vanessa.Soto@lacity.org" <Vanessa.Soto@lacity.org>, "Jennifer.Tobkin@lacity.org" <Jennifer.Tobkin@lacity.org>, Dylan Sittig <dylan.sittlg@lacity.org>, Philip Brown <philip.brown@pceclp.com>, "Rick Clark (rick.clark@pceclp.com)" <rick.clark@pceclp.com>

Edber, per our conversation here is our thoughts on the items we discussed.

PCEC was recently contacted by a member of the public and several issues and outstanding questions have been brought to our attention, including (1) whether the wells that have been drilled, re-drilled, and/or converted since the 2000 ZA approval required further ZA approval under LAMC 13.01H and 13.01I; (2) whether activities such as drilling, re-drilling, and/or converting wells underwent adequate CEQA review as part of the EIR process for the 2000 ZA approval; and (3) whether Condition #1 of the 1965 ZA 17683 and Condition #B-49 of the 2000 ZAD 17683 need to be modified to reflect that onsite generation of power is occurring on the production site.

With regard to the first issue, after reviewing our well files, and the 2000 ZA determination, it is clear that certain wells have been drilled, re-drilled and converted since that approval – see "Well List" below. In light of LAMC 13.01H and 13.01I, a question has surfaced regarding whether these well activities required further authorization of approval by the ZA. We have not seen any approvals by the ZA and our conclusion is that applications were likely never submitted to the City. We believe this was because of Condition 72 of the 2000 ZAD 17683 determination which states in part "Without prior written approval from the Zoning Administrator, no more than the existing 69 wells may be drilled, operated or maintained at the site and these wells shall be located at their current surface locations." This condition suggests that the 2000 ZA approval covered a total of 69 wells and, provided the facility did not exceed the 69 wells, no further ZA approvals for drilling and redrilling were required. However, it appears the facility may not have had 69 existing wells at the time of the determination. This may have been a misunderstanding during the determination between well "slots" vs actual wells. In any event, a question now exists regarding whether the wells that have been drilled, re-drilled, and/or converted since the 2000 ZA approval required further ZA review and approval pursuant to LAMC 13.01H and 13.01I.

A follow along question concerns the scope of environmental review done for the 2000 approval and whether the review covered specific well activities. It's been suggested that as part of the 2000 approval (drill site modernization project) the activity of drilling, redrilling, and converting wells may not have been covered as part of the EIR process. Rather, the 2000 approval covered only construction of the perimeter walls and a permanent derrick, not drilling or well conversions, because apparently these activities were not part of the project description. If this is accurate, a question now exists regarding the adequacy of the currently proposed Categorical Exemption, and whether additional environmental review should be conducted to cover not only past well activities, but also those that are likely to occur in the future.

The last item is the installation of the microturbine. PCEC identified the installation of the microturbine in its February 2020 application to the City. This installation occurred in 2018 and PCEC obtained a SCAQMD permit, LA building permit, and a LA DWP permit. The 1965 ZA 17683 case Condition #1 included a provision, among others, requiring the project to comply with LAMC 13.01F(b)43.

13.01F(b)43 provides:

That drilling, pumping and other power operations shall at all times be carried on only by electrical power and that such power shall not be generated on the controlled drilling site or in the district.

In addition, 2000 ZAD 17683 Condition B-49 provides:

All Electric Power. All drilling and reworking operations at the site shall at all times be carried on only by electric power and such power shall not be generated on the controlled drilling site or in the district.

The 2000 ZAD 17683 Condition B-49 seems to suggest that power generation cannot happen at the controlled drill site or in the district for drilling and reworking operations, therefore the implication would be that this condition would not be applicable to the production operations.

The facility has two separate power meters. One is dedicated to the drill site and the other the production site. The microturbine is dedicated to the production site only. A question now exists whether Condition #1 of the 1965 ZA 17683 and Condition #B-49 of the 2000 ZAD 17683 need to be modified to reflect that onsite generation of power is occurring on the production site.

PCEC is working with historical documents and realize the City may have more insight. We are asking if the wells drilled, re-drilled, and converted since 2000 required a permit under 13.01H and 1301I? Also, did activities such as drilling, re-drilling, and/or converting wells undergo adequate CEQA review as part of the EIR process for the 2000 ZA approval, or is further review now required? Finally, does Condition #1 of the 1965 ZA 17683 and condition #B-49 of the 2000 ZAD 17683 need to be modified to reflect that onsite generation of power is occurring on the production site. If the answers to any of these questions is yes, then we would like to meet to discuss and decide how to address and reconcile these issues as part of the current process. We look forward to any guidance you can give us.

Thank you

Well List

New Drills

WP 58 - 2005

WP 59 - 2010

Redrills

WP 10 - 2010

WP 11 - 2005

WP 18-2003

WP 21 - 2003

WP 34 - 2010

WP 41 - 2004

WP 45 - 2004

RW 2 - 2003

OW 8 - 2003 and 2005

PW 9 - 2004

HW 10 - 2004

Conversions

WP 11 - 2006 converted to producer

WP 22 - 2000 convert injection 2007 convert to production

WP 26 - 2006 convert to injection

WP 29 - 2016 rescinded as injector and now idle producer - not really an conversion.

WP 42 - 2000 convert to injection. 2016 plug back and now idle.

WP 44 - 2003 convert to gas injection, 2005 convert to two string water and gas, 2014 rescinded as injector.

SW 7 – 2017 convert to injection

HW10 – it looks like a request was made for emergency gas injection. We know gas injection did not happen and the request was subsequently cancelled.

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ATTACHMENT 2



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August 27, 2021

Via Email (apcwestla@lacity.org)

West Los Angeles Area Planning Commission City of Los Angeles 200 N. Spring Street Los Angeles, CA 90012

Re: Request for Reconsideration of Determination on Case Nos. ZA-1989-17683-PA2, ENV-2020-1328-CE, ZA-1989-17683-PA2-1A

Honorable Commissioners:

On behalf of Neighbors for A Safe Environment (NASE), a California nonprofit corporation seeking to protect neighborhoods from the impacts of oil drilling and production, we write in follow-up to the appeal hearing regarding the West Pico Drill Site. The intent of this letter is to:

- Identify significant misstatements of information that were presented to the Commission at the August 18, 2021 West LA Area Planning Commission (APC) hearing on NASE's appeal; and
- Request that at the September 1, 2021 APC meeting, you vote to reconsider the NASE appeal because the significant misinformation was material to the central and largest issues in NASE's appeal and was relied upon by the Commission in your deliberations.

This letter identifies the three most consequential pieces of misinformation that were provided to the Commission by the Zoning Administrator (ZA) during the appeal hearing, most of which was presented after the close of the public testimony. To demonstrate the errors, we will contrast the misrepresentations that were made with clear documentation contained within the case file for the West Pico Drill Site. In summary, the three issues we will focus on are:

• The ZA stated that "no new wells" had been drilled on the West Pico Drill Site since the ZA approval of 2000 (ZA-1989-17683-PAD) and the Settlement Agreement of 2001. NASE presents in this letter clear

documentation contained in the case file that new wells were drilled in 2005-06 and 2010.

- The ZA stated that the Settlement Agreement between NASE and the City prevents the alteration of any conditions of approval, including Condition 72, and that NASE was requesting the City rewrite the Settlement Agreement. This statement is based on a lack of review of the Settlement Agreement. The Settlement Agreement does not enshrine or mention Condition 72 and does not enshrine under court approval all of the conditions set in the 2000 cases. Instead, the Settlement Agreement references only Conditions 77 and 78, which expressly empower the ZA to revise all conditions and impose additional conditions when addressing "neighborhood impacts" and "the efficacy of mitigation measures" and extends the ability to revise conditions to the 5-year reviews required by the Settlement Agreement.
- The ZA informed the Commission that well conversions are mere reclassifications on paper and "vested rights" that require only the filing of paperwork. These statements are wholly untrue. Well conversions are construction projects that entail substantial changes to wells below the surface and above the surface. Well conversions have required full review and approval by the ZA as discretionary actions since at least 1955, by the terms of LAMC 13.01.H and 13.01.I.

1. New Wells Were Drilled In 2005-06 and 2010.

One of the largest, clearest, and most consequential untrue statements made by the ZA was his repeated assertion that "no new wells" had been drilled since the 2000 ZA approval in ZA-1989-17683-PAD and the Settlement Agreement. The ZA said this in response to questions from Commissioner Laing about the dates on which new wells were drilled. On the official recording of the hearing, you will find this exchange starting at the 1:58:45 mark. This statement is categorically incorrect, contrary to documentation in the ZA case file, contrary to documentation in the appeal case file, and contrary to knowledge of Planning staff.

First, and simplest of all, on June 19, 2020, the applicant and site operator, PCEC, straightforwardly informed the ZA, the Chief ZA, and the City Attorney that two new wells had been drilled since 2000 without the ZA approval required by LAMC 13.01.H and 13.01.I. PCEC identified the wells as West Pico 58 drilled in 2005-06 and West Pico 59 drilled in 2010.

Below are key excerpts from PCEC's June 19, 2020 email. Multiple copies of this email from PCEC are in the ZA case file and NASE also submitted copies of this email to the Commission in support of its appeal.



Dylan Sittig <dylan.sittig@lacity.org>

PCEC West Pico Project

Michael Finch <mfinch@energyprojectlic.com>
To: Edber Macedo <edber.macedo@lacity.org>

Fri, Jun 19, 2020 at 4:34 PM

Cc: "Lisa.Webber@lacity.org" <Lisa.Webber@lacity.org", "Estineh.Mailian@lacity.org" <Estineh.Mailian@lacity.org>, "Vanessa.Soto@lacity.org" <Vanessa.Soto@lacity.org", "Jennifer.Tobkin@lacity.org", "Jennifer.Tobkin@lacity.org", Dylan Sittig <dylan.sittig@lacity.org>, Philip Brown <philip.brown@pceclp.com>, "Rick Clark @pceclp.com"

Edber, per our conversation here is our thoughts on the items we discussed.

With regard to the first issue, after reviewing our well files, and the 2000 ZA determination, it is clear that certain wells have been drilled, re-drilled and converted since that approval—see "Well List" below. In light of LAMC 13.01H and 13.01I, a question has surfaced regarding whether these well activities required further authorization or approval by the ZA. We have not seen any approvals by the ZA and our conclusion is that applications were likely never submitted to the City. We believe this was because of Condition 72 of the 2000 ZAD 17683 determination which states in part "Without prior written approval from the Zoning Administrator, no more than the existing 69 wells may be drilled, operated or maintained at the site and these wells shall be located at their current surface locations." This condition suggests that the 2000 ZA approval covered a total of 69 wells and, provided the facility did not exceed the 69 wells, no further ZA approvals for drilling and redrilling were required. However, it appears the facility may not have had 69 existing wells at the time of the determination. This may have been a misunderstanding during the determination between well "slots" vs actual wells. In any event, a question now exists regarding whether the wells that have been drilled, re-drilled, and/or converted since the 2000 ZA approval required further ZA review and approval pursuant to LAMC 13.01H and 13.01I.

Thank you

Well List

New Drills

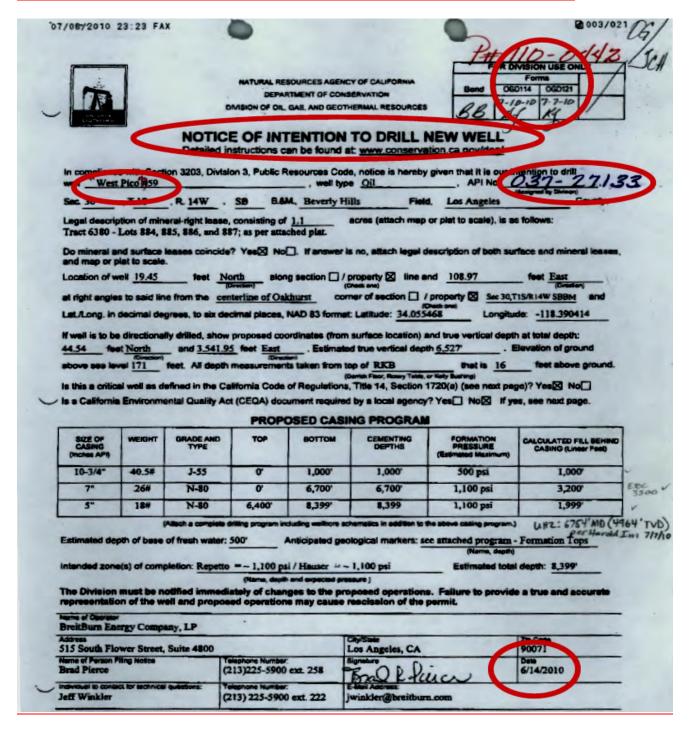
WP 58 - 2005 WP 59 - 2010

In addition to the documentation from the site operator, Professor Michael Salman also submitted copies of the State regulatory agency DOGGR's (now CalGEM's) documents proving that these two new wells had been drilled, one in 2005-06 and the other in 2010, sending the materials to the ZA, the Chief ZA, and the Director of Planning. Below are snapshots of key excerpts from the DOGGR permit applications for new wells, DOGGR permits for new wells, and the DOGGR work history forms submitted by the site operator.

These documents (and more in the ZA case file) prove beyond a shadow of a doubt that two new wells were drilled in 2005-06 and 2010. Thus, the APC's decision on

August 18, 2021 was based on inaccurate information provided by the ZA and should be re-evaluated in light of the facts.

DOGGR Application, Permit, and Well Summary for drilling of new well in 2010.



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Los An	geles, CA 90071						July 08, 2010
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	A.P.I. No. 037-27133	Name_	Brad Pierce [Person submitting repor	m)	Title(Pres	Agent ident, Secretary, or A	gent)
	Date 3/1/2011 (Month, day, year)		07	00	0.		
			Signature 1	ial r	- runc	~	
	Address 515 S. Flower St., Suite 4800 Los A	Angeles, CA	90071	Tele	phone Number	(213) 225	-5900
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11/8/2010	mud pump suction manifold and run accumulator lines and mud tanks for cleaning. Organize equipment and install rails to roll BOPE to south side of rig. Skild rig Tighten flowline flanges and installed flow sensor. Ready rig for drilling. Ship spud mud from storage tar hole and check for any possible junk at bottom of 20° c.	over WP-59. Over WP-59. Oump remain nk to mud pits	using walders, reving KCL fluid from no. Made up 9-7/8" bi	and. ramp suction nud pits and	lines and ins	talled 20" condu	actor and flowline.

NATURAL RESOURCES AGENCY OF CALIFORNIA

No. P 110-0442

DOGGR Application, Permit, Change of Well Name, and Well Summary for well drilled in 2005-06

	C.E.Q.A. INI	FORMATION				FURI	DIVISION USE ONLY	15 000
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Sec.30 , T.1 Legal description	s , R14						or plat to scale), is	
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10
- Street
Cypress, California
lovember 16, 2005

- Drilling fluid of a quality and in sufficient quantity to control all subsurface conditions in order to prevent blowouts shall be used while redrilling.
- 3. All oil, gas or freshwater sands behind the 7" casing shall be protected by either lifting cement or by multiple stage cementing.
- 4. A directional survey shall be made and filed with this Division.
- This Division shall be consulted and a Supplementary Notice may be required before making any changes in the proposed program.

STATE OF CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

REPORT ON PROPOSED CHANGE OF WELL DESIGNATION

ypress, California December 21, 2005

Chris Williamson BREITBURN ENERGY CO. LP 515 South Flower St., Suite 4800 Los Angeles, CA 90071

Your request, dated 12/7/2005, proposing to change the designation of well(s) in Sec. 30, T. 1S, 14W, SB B. & M., Beverly Hills Field, Los Angeles County, District 1, has been received.

The proposed change in designation, in accordance with Section 3203, Public Resources Code, is authorized as follows:

"West Pico" 46 API No. 037-26615 shall be known hereafter as "West Pico" 58.

Hal Bopp State Oil and Gas Supervisor

Production after 30 days

180 bopd

	Operato	Breitburn 8	nergy Compa	any LLC	Field E	ast Beverly Hi	ills	Coun		s Angeles	5
	Well	WP							14W	S.B.	B.8M.
	A.P.I. N	0. 037-	16615		Name	Chris William		Title	Agent L Secretary		_
	Date _	3/18/2006		_		1	1.6	1.1.	Courtary	- Address	
						Signature	un .	vien .		-	
	Address	515 S.	Flower St., S	Suite 4800 Los Ang	geles, CA 90071		Teleph	hone Number_	(213)	225-5900)
	the casi	ng, plugging, or ab	andonment,	Jse this form to rep with the dates there tails, sidetracked ju	eof. Include suc	h items as ho	le size, formation	of the well or du n test details, an	ring redr mounts o	rilling or a of cement	Itering used.
Casing:		10-3/4", 40.5#	stc 8rd ca	asing cemented	surface to 8	78'.					
		7", 26#, N-80 c	sg from su	rface to 8600',	cemented w	ith 1041cf.	Estimated T	OC at 3540'	(theore	etical).	
		5", 18#, L-80 H	ydril 511 lii	ner landed at 8	747', top at 6	3798', ECP	at 8730'.				
Plugs:		None									
Perforat	ions:	5" slotted w/2">	0.030",48F	K,o C siots odo							
Junk		5" slotted w/2"2		A,o C slots 660							
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49%

213 mcfd

90 psi

30 psi

2. The Settlement Agreement Does Not Prevent Revisions of Conditions, and it in Fact Requires Revisions When Warranted.

At the August 18 APC hearing, the ZA repeatedly stated the process before the Commission was a Review of Compliance with the conditions of the Settlement Agreement, and that everyone should "close the book on it" (2:11:37), not change his determination so that he could "clean it up" and move on to a new process, one that could allow for the revision of conditions of approval. This is a fundamental misrepresentation of the Settlement Agreement between NASE and the City and the process required by the Settlement Agreement.

Of overarching significance is the fact that the Settlement Agreement does not lock in place all 2000 conditions of approval and instead requires 5-year reviews of those conditions to ensure they are still adequate to protect the surrounding community and ensure compliance by the site operator. If the conditions fail to do so, the 5-year review is intended to be the process wherein new or revised conditions are imposed upon the West Pico Drill Site. The inaccuracy of the ZA's claims regarding the Settlement Agreement can be best demonstrated by a review of the Agreement itself, along with the condition it references.

Section 4.b of the Settlement Agreement, inserted below, refers expressly to Condition 78 of the 2000 ZA approval:

At the Review of Conditions required by Condition No. 78 b. imposed by the BZA and adopted by the City Council, to occur two years after construction and the issuance of a Temporary or Permanent Certificate of Occupancy, the Zoning Administrator will consider the findings and conclusions of the Risk Assessment Expert and impose any additional conditions deemed appropriate or within the Zoning Administrator's continuing jurisdiction under Condition No. 77 or otherwise. If the report of the Risk Assessment Expert indicates that the operations at the BreitBurn facility pose a risk of cancer of greater than one in a hundred thousand (1 x 10-5), BreitBurn will request a public hearing and a public hearing will be deemed warranted pursuant to Condition No. 78. provision does not otherwise limit the Zoning Administrator's discretion to set the matter for public hearing.) Within ninety (90) days prior to the fifth anniversary of the first review held

6

pursuant to Condition No. 78, and on each five-year anniversary thereafter, BreitBurn will request an additional review of conditions pursuant to the procedures prescribed in Condition No. 78 and the Zoning Administrator will conduct a review of conditions as prescribed in Condition No. 78 and will issue a report of its review and schedule a further public hearing, if warranted. Such report shall be promptly forwarded to NASE, BreitBurn and the applicable Neighborhood Council.

Condition 78, inserted below, prescribes what is supposed to happen in the 5-year reviews required by the Settlement Agreement:

78. Review Of Conditions. Two years following completion of construction, and the issuance of a Temporary or Permanent Certificate of Occupancy, the applicant shall submit a Plan Approval application (\$523 fee) for the purpose of reviewing the effectiveness of these conditions. The applicant shall submit a 500-foot radius map with accompanying labels for owners and occupants. The applicant shall address each condition with appropriate supporting material, to the Zoning Administrator who shall contact all monitoring agencies, evaluate the neighborhood impacts of project operations and the efficacy of mitigation measures. The Zoning Administrator may impose corrective conditions if warranted. The Zoning Administrator may set the matter for public hearing if warranted.

Thus, pursuant to the Settlement Agreement and Condition 78, the ZA was required in the current review case to evaluate "neighborhood impacts," evaluate "the efficacy of mitigation measures," and the ZA was empowered to assign "corrective conditions." Unfortunately, the ZA failed to follow these requirements and has instead advocated for kicking the can down the road to an uncertain future process. Not only is this an inefficient use of City resources, it delays relief for the community. Moreover, while the 5-year review is legally required, the ZA does not have the authority require a new process at this time.

The ZA made additional misrepresentations regarding the Settlement Agreement that are also material to the Commission's determination. At the APC hearing, the ZA repeatedly said that Condition 72 was imposed by and enshrined in the Settlement Agreement, along with all other conditions, and therefore he did not have the authority to change it because the agreement was approved by a Court. (Statements made starting at 20:15 and 2:07:35 marks.) As set forth above, the Settlement Agreement specifically contemplates revisions to conditions, thus demonstrating this statement is incorrect. Moreover, as can be seen in a review of the attached Settlement Agreement, the only conditions of approval referenced within the Agreement are Conditions 77 and 78, both

of which provide the ZA the ability to revise the remaining conditions. (Attachment 1.) Condition 72 is not included in the Settlement Agreement, nor was it agreed upon in the Settlement Agreement as claimed by the ZA.

NASE presented in written and oral testimony that Condition 72 does not allow the site operator to drill new wells or convert existing wells without ZA approval or CEQA review, and to the extent it is interpreted as allowing redrilling of wells without ZA approval or CEQA review, the condition must be considered void because it violates the long-standing requirements of Los Angeles Municipal Code section 13.01.H and I. The misrepresentations made by the ZA prevented the Commission from addressing the illegality of Condition 72, as well as the illegal drilling, redrilling and conversion of wells. Thus, reconsideration of this appeal based on the facts at hand is necessary.

Finally, the ZA misled the Commission when stating on slide 9 of the powerpoint presented at the APC that there had been no violation of the Settlement Agreement. There can be no questioning the fact that 5-year reviews were not held in 2010-11 and 2015-16, and that both the City and the operator breached the terms of the Settlement Agreement. This is supported by findings buried within the ZA's June 2, 2021 determination:

The Office of Zoning Administration review of the whole of the record found that the operator was in violation of Condition 36, Condition 39, Condition 49 and Condition 72 of the conditions of approval imposed by the Board of Zoning Appeal in its action taken on BZA No. 2000-1697 (the appeal of Case No. ZA-1989-17683-PAD). Also, the Zoning Administrator found the operator was in violation of clause 4b of the 2001 Settlement Agreement.

2001 Settlement Agreement Condition

Clause 4.b: On June 8, 2001, the City of Los Angeles, the operator and concerned parties entered into an agreement where all parties mutually agreed to thirteen clauses in order to settle the litigation filed challenging the EIR certified in connection with the drill site modernization approval, *Neighbors for A Safe Environmental v. City of Los Angeles*, LASC Case No. BC240760. Pursuant to clause 4.b of the 2001 agreement, the operator is required to file a Plan Approval for compliance review on each five-year anniversary of the latest review. The latest review was completed March 13, 2006, in which case, the operator was required to file a Pan Approval in 2011 and failed to do so. The operator did not file the 2020 Plan Approval application until after the failure was pointed out by this Office.

> It is the intention of the parties that the Project be allowed to f. proceed immediately in accordance with the prior conditions of approval as amended only by the terms of this Agreement. In the absence of the complete implementation of the resolution of dispute provisions of this Agreement, including the right of BreitBurn to proceed immediately to complete and operate the project without any further administrative or legal proceedings, it is the intent of BreitBurn and the City to file an appeal from the judgment entered by the Superior Court on May 9, 2001. A Notice of Entry of Judgment was served by Petitioners in this case on May 17, 2001. Pursuant to California Rules of Court section 2(a) provides that a notice of appeal must be filed no later than July 16, 2001. If the City does not take the actions set forth in subsection 6(b) or the Court has not accepted the actions of the City as in compliance with the writ or set aside the writ as provided in subsections 6(b) or (c), on or before July 16, 2001, then, unless otherwise agreed to by all parties, any party thereto may file a notice of appeal on such date and this Agreement shall terminate and be void.

Thus, due to the misinformation the ZA presented to the Commission regarding the Settlement Agreement and the process required by the Settlement Agreement, the APC should reconsider its determination regarding NASE's appeal. Contrary to claims made by the ZA, the documentation presented herein and elsewhere in the record clearly demonstrates that the Settlement Agreement and the 2000 ZA approval both specifically empower the ZA to change conditions of use whenever necessary or warranted. Thus, the issue is not just that the ZA erroneously believed no changes were needed. The overarching issue is that the ZA short-circuited the review process and the CEQA process by claiming that conditions could not be revised.

3. Well Conversions Are Not Mere Paper Reclassifications and There is No Vested Right to Convert Wells.

There is no dispute that 10 well conversions have occurred on the West Pico Drill Site since 2000. PCEC provided documentation of these well conversions in their June 19, 2020 email. NASE also documented these well conversions with documents obtained by Professor Salman from DOGGR/CalGEM. At issue is that fact that the ZA misinformed the Commission regarding the nature of well conversions. At the APC hearing, the ZA stated that well conversions are mere paper reclassifications of wells, and nothing more, which is both a factual and legal misrepresentation. The ZA determination and written response to NASE's appeal also falsely claimed that well conversions were covered by Condition 72.

As an initial matter, NASE believes some background information on the nature of well conversions would be helpful. Well conversion refers to converting a producer well into an injection well, or vice versa. Most of the wells at the West Pico Drill Site are producer wells (Class A in the terms used in LAMC 13.01) that extract crude oil, natural gas, and brine water from well bottoms more than 8,000 feet deep. They extract a fluid and natural gas slurry by means of pumps that are located inside the wells. The pumps pull the slurry up out of the wells and push it into pipes that join together to connect to a pipeline that carries the slurry from the 9101 West Pico half of the drill site to the 9151 West Pico half of the drill site, the slurry is separated into its three major components of crude oil, natural gas, and "produced water" (aka brine water). The oil and natural gas are processed before being pumped into pipelines to take them out for sale. The produced water is sent to giant pumps located on the 9151 West Pico half of the drill site, which pump the produced water into a second pipeline crossing back to the 9101 West Pico half, where the water goes into injection wells.

The remainder of the wells at the West Pico Drill Site are injection wells (Class B in LAMC 13.01) that return produced water to the hydrocarbon bearing geological strata. Injection wells serve three major purposes: They are required by law to safely place the heavily contaminated brine water back down in the geological strata from whence it came. Returning the produced water helps to prevent subsidence of soil, which had been a major problem in some oil operations before the invention of injection wells in the 1940s. Last, the injected produced water both repressurizes the oil field and can sweep remaining oil toward the bottoms of producer wells, so the use of injection wells is part of oil production. All of this injection part of oil production is regulated by layers of City law, State law, and Federal law.

Converting wells entails substantial work both underground in the well ("downhole") and on the surface. A well conversion is a substantial physical project that can have significant impacts during the construction phase and later during ongoing operation.

To convert a producer well to an injector, at minimum the process involves:

- disconnecting the producer well from the surface pipes that collect the fluid and gas slurry from producer wells and send it by pipeline to the 9151 West Pico half of the drill site.
- opening up the well and removing the extraction pump
- remove production tubing and well packing at designated intervals that separate hydrocarbons from the fresh water table
- repairs and reworking of well components is common, and can be substantial
- generally, the production tubing is replaced with injection tubing called an "injection string" and new well packing is installed at designated intervals

• the well is then connected to new piping that connects to the pipeline bringing produced water back to the 9101 West Pico half of the drill site from the giant injection pumps located at the 9151 West Pico half of the drill site.

To convert an injection well to a producer is the same process in reverse, including installing a new downhole extraction pump and production tubing, etc.

With that background on the extensive physical activity and potential for impacts involved when converting wells, it becomes clear that these are not mere paper reclassifications as claimed by the ZA. The attached DOGGR permitting and work history documentation for 2 of the 10 well conversions that have taken place at the West Pico Drill Site since 2000 demonstrate the well conversion work is time consuming, taking one month for one well and 7 months for the other. (Attachment 2.)

In addition to being factually incorrect that well conversions are mere paper reclassification, the ZA was also incorrect as to the legal requirements applicable to well conversions. The City has established clear legal requirements for ZA discretionary review and consideration prior to the approval of well conversions, and also the need for environmental review of well conversions.

Below is Los Angeles Municipal Code section 13.01.I and the relevant section of LAMC 13.01.H addressing review procedure, both of which have been in effect in the City since 1955. For more than 65 years City Code has defined well conversions as a specific kind of project that requires application to and approval from the ZA as per LAMC 13.01.H. The ZA's claims that such review was not required was misleading and inaccurate.

- H. Drilling Site Requirements. Any person desiring to drill, deepen or maintain an oil well in an oil drilling district that has been established by ordinance, or to drill or deepen and subsequently maintain an oil well in the M3 Zone within 500 feet of a more restrictive zone shall file an application in the Department of City Planning on a form provided by the Department, requesting a determination of the conditions under which the operations may be conducted.
- I. Permits. No person shall drill, deepen or maintain an oil well or convert an oil well from one class to the other and no permits shall be issued for that use, until a determination has been made by the Zoning Administrator or Area Planning Commission pursuant to the procedure prescribed in Subsection H of this section.

Key passages from ZA Memo 133, in effect since September 2016, are also included below. This memorandum requires public hearings on well conversion projects

and forbids reliance on a categorical exemption from CEQA when approving a well conversion.

From page 6 of ZA Memo 133:

An application to drill, re-drill, deepen, or convert a well is not eligible for a categorical exemption and shall require an Initial Study or an EIR as described in section V.A.2. All

Page 5 of ZA Memo 133:

- Ensure that the City complies with all legal requirements of CEQA in approving Section 13.01-H projects;
- Provide all parties that may be impacted by a project subject to a Section 13.01-H application an opportunity to participate in a public hearing;
- Meet the intent of CEQA in the review and approval of CEQA findings and determinations, to provide adequate public participation;
- Emma that staff has lines to subsecutely consider and comment to if

Further, the ZA incorrectly claimed that well conversions are covered by Condition 72 of the 2000 ZA approval for the West Pico Drill Site. See page A10 of the ZA rebuttal to NASE's appeal:

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As for any existing well, the operator is only required to produce copies of the re-drilling filings as such wells are already authorized by the City of Los Angeles and the State of California. So, converting any of the existing 59 wells from production to injection, or injection to production, only requires that the copies of the filings to CalGEM be sent to the Zoning Administrator's office.

The Zoning Administrator acknowledges the failure of the operator to send copies of the filings pertaining to the drilling activities. The operator was instructed to submit copies to the office of Zoning Administrator within 60 days.

Whether Condition 72 on redrilling is legal or illegal, it says nothing about well conversions, which are a different project from redrilling a well. Here is Condition 72, copied from the 2000 BZA decision which did not alter Condition 72 from the original version in the 2000 ZA approval (ZA-1989-17683-PAD). Note that neither the words "well conversion" nor any synonym appear in Condition 72:

> 72. <u>Limitations On Well Redrilling</u>. Without prior written approval from the Zoning Administrator, no more than the existing 69 wells may be drilled, operated or maintained at the site and these wells shall be located at their current surface locations. All wells will be drilled from existing well cellars using existing strings of pipe or surface conductor pipe. In the event that applicant redrills any of the existing wells, the applicant shall provide the Zoning Administrators office with duplicate copies of all filings pertaining to such well filed with the California Division of Oil, Gas and Geothermal Resources, including such filings showing the bottom-hole location and the total depth of each such well. Furthermore, the applicant, upon request by the Zoning Administrator, shall furnish such additional information concerning the status, exact bottom hole location, productivity, etc., of the various wells drilled from the property, as to enable the Zoning Administrator to properly and intelligently administer the oil drilling regulations in this area; said information to be either verbal or in writing and to be kept confidential by the Zoning Administrator if so desired by the applicant.

During the August 18, 2021 APC hearing, the ZA provided this misinformation about well conversions and new wells to the Commission only after the public testimony phase of the hearing was closed. We therefore could not respond to his fundamental misinformation about the new wells and well conversion projects. Thus, we write now to urge you to reconsider your determination based on an accurate recitation of critical facts and legal requirements.

Conclusion

The three examples of misinformation detailed above were far from the only such examples, but do represent the most egregious. The entire 5-review process was tainted by the ZA's decision to improperly narrow the focus of the review, thus failing to fulfil the requirements mandated by the Settlement Agreement and Condition 78, and thus continues the City's violations of those binding obligations.

The only proper solution is to overturn the ZA's decision in its entirety: the determination, findings, and fatally flawed statements of fact. If allowed to stand, the ZA's determination and findings will give *de facto* approval to by-right oil drilling without ZA approval. It will put the City in breach of the Settlement Agreement. It will put the City in continuing violation of CEQA and its own CEQA guidelines. And it will make an utter hash out of any ability to rely on the City's Zoning Administration process when it comes to oil cases at this drill site and at all the others.

We ask the Commission to please vote to reconsider its decision of August 18, 2021, to retain and extend jurisdiction over this case, to set it on the agenda for a meeting in the near future, and, most of all, for the Commissioners to take the time necessary to get down to the facts in a complicated case.

Sincerely,

Julit
Amy Minteer

Enclosures

cc: Oscar Medellin, Deputy City Attorney (<u>oscar.medellin@lacity.org</u>)

James K. Williams, APC Executive Assistant (<u>james.k.williams@lacity.org</u>)

Attachment 1

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the "Agreement") is entered into effective as of the date of last execution shown opposite the signature blocks below (the "Effective Date"), between the CITY OF LOS ANGELES, a municipal corporation and local public agency, the CITY COUNCIL OF THE CITY OF LOS ANGELES, a local public agency, (collectively these two parties are sometimes referred to herein as "City"), NEIGHBORS FOR A SAFE ENVIRONMENT, a California nonprofit corporation ("NASE"), RAE DRAZIN, Ph.D., an individual, MINA SOLOMON, an individual, (NASE, Drazin and Solomon are sometimes collectively referred to as "Petitioners"), and BREITBURN ENERGY COMPANY LLC, a California limited liability company ("BreitBurn"). The purpose of this Agreement is to settle litigation relating to the approvals for the construction and operation of the West Pico Drillsite Modernization Project, Los Angeles County, California.

RECITALS

- A. In 1999, BreitBurn applied for a change in its Determination of Conditions and Methods of Operations for an existing drillsite located at 9101 West Pico Boulevard, Los Angeles, California (the "Project"). The Project calls for the modernization of the drillsite and the recovery of additional oil reserves and includes, among other things, the raising of the exterior wall, the enclosure of the drilling and workover rig in a soundproofed and architecturally treated structure, and the building of an enclosed support building. The Project also includes the removal of the existing diesel workover rig. The Project also removes prior limitations on permissible days and hours for redrilling and reworking of wells.
- B. The environmental assessment process began in 1998. A Draft EIR was completed and distributed for comments on April 15, 1999. The Final EIR was issued by the City in October of 1999.
- C. The Zoning Administrator held a public hearing on December 2, 1999 (ZA Case No. 17683-PAD). The Zoning Administrator issued her decision on April 5, 2000. That decision approved a modification of the existing conditions and methods of operation for the drillsite and imposed 78 conditions on the approval.

EXHIBIT A

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- D. The Petitioners filed an appeal of the Zoning Administrator's decision to the Board of Zoning Appeals ("BZA"). A public hearing was held before the BZA on May 23, 2000 (BZA Case No. 2000-1697). The BZA approved certification of the EIR, the adoption of the Mitigation Monitoring Plan and adopted the environmental findings made by the Zoning Administrator. The BZA then denied the appeal and adopted the plan approval and conditions imposed by the Zoning Administrator, with corrections recommended by the Zoning Administrator ("Plan Approval"). The Plan Approval was not further appealable.
- E. The Petitioners appealed the BZA decision on the EIR certification to the City Council. A public hearing was held before the full City Council on October 25, 2000 (Council File No. 2000-1842). The City Council voted in favor of certifying the EIR and adopting the findings of the BZA as the findings of the City Council. The Notice of Determination of the certification was filed with the County Clerk the same day.
- F. The Petitioners filed a petition for writ of mandate in the Superior Court of Los Angeles County styled Neighbors For A Safe Environment, etc., et al. v. City of Los Angeles, et al., LASC No. BC 240760 (the "Action") seeking to set aside the certification of the EIR and the underlying permit approvals.
- G. On May 9, 2001, the Superior Court, Judge David P. Yaffe, presiding, entered a judgment ordering the clerk to issue a peremptory writ of mandate ordering the City to set aside its certification of the EIR and related approvals. The Statement of Decision of the Court indicates that the Court was concerned about the EIR's response to questions concerning nighttime noise.
- H. On May 16, 2001, the City mailed to interested persons an Addendum to the EIR addressing the issue of nighttime noise and informing them of further proceedings before the City Council on May 22, 2001. The Addendum concluded that noise from the facility at night will not alter any resident's ability to sleep. The Addendum and related City Staff report were circulated to approximately 800 owners and occupants of all properties surrounding the Project. The Petitioners filed objections to the report with the City.

- I. On June 1, 2001, BreitBurn and the City filed a Notice of Intention to Move for a New Trial.
- J. The parties have reached an agreement resolving all of the issues in the Action and wish to fully and finally terminate the Action pursuant to this Agreement. By entering into this Agreement, BreitBurn and the City have agreed to undertake additional measures relating both to nighttime noise, air quality and enforcement at the Project.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

Obtaining of air quality data

- a. On occasions to be prescribed by the Air Quality Consultant (defined in Item 1(d), below), the Air Quality Consultant will sample fugitive and other emissions inside the derrick structure. BreitBurn will, as far in advance as is practicable and at least 24 hours in advance, inform the Air Quality Consultant of the timing of those operations most likely to produce such emissions, including those periods when solvents are utilized. The Air Quality Consultant will take samples at representative times and will determine, in conjunction with BreitBurn, the relative percentages of time the facility undertakes various operations.
- b. The Air Quality Consultant will order that the samples be tested for such substances as shall be specified by the Risk Assessment Expert (defined in Item 2, below).
- c. The analysis of the emissions analyzed pursuant to this agreement will be performed by an independent laboratory certified by the State to perform such tests.

- d. NASE will designate a consultant (the "Air Quality Consultant") who shall be a certified industrial hygienist or an individual with a minimum of 5 years experience in air emissions sampling in the Los Angeles Basin.
- e. BreitBurn may request and thereupon will be given split samples obtained by the Air Quality Consultant under this section for the purpose of BreitBurn performing duplicate testing at its expense.
- f. On occasions to be determined by the Air Quality Consultant, and simultaneous with the obtaining of the samples within the BreitBurn facility, the Air Quality Consultant will obtain ambient air quality samples upwind and downwind from the BreitBurn facility. Those samples will be analyzed at the same laboratory for the same substances as were tested for within the BreitBurn facility.
- g. BreitBurn and NASE will deliver to each other, and to the Risk Assessment Expert (described in Item 2, below) a copy of the laboratory results of all testing performed under the provisions of this section, and of the reports of the Air Quality Consultant as to the manner of taking the samples and the rationale for such manner, and the determination concerning the various operations at the facility pursuant to subsection 1(a), in order that the risk assessment, described in the next section, accurately characterizes the emissions from the facility over time.

Development of Risk Assessment

- a. NASE will designate a toxicologist who shall be a Ph.D. level Diplomat of the American Board of Toxicology (the "Risk Assessment Expert").
- The Risk Assessment Expert will prepare and deliver to NASE. b. to BreitBurn, and to the Zoning Administrator a report (the "Risk Assessment Report") detailing the professional conclusions of the Risk Assessment Expert concerning the incremental risk to the nearest off-site human receptors of cancer and other indicated diseases posed by operations at the BreitBurn facility. The Risk Assessment Report will specifically address the population in close proximity to the site, e.g., children of school age. The Risk Assessment Report, including all modeling, will be conducted in a manner consistent with relevant and applicable guidance documents published by the United States Agency Environmental Protection and the California Environmental Protection Agency. The Risk Assessment Expert shall exclude from his or her analysis of incremental risk all chemicals and risks associated with ambient air at the site received from any sources other than the BreitBurn facility.

8. Noise

- a. In carrying out Conditions No. 77 and 78, and in addition to the other Conditions imposed, the Zoning Administrator will consider, based on data and reports, if any, submitted by BreitBurn, NASE or any neighbor, the extent to which the nighttime operations of the BreitBurn facility disturb the sleep of surrounding residents.
- b. In developing the noise requirements prescribed by the City, BreitBurn and its consultant shall consider, and the Zoning Administrator will review, the properties of sounds generated by the facility, in addition to decibels, that may contribute to the disturbance of the community at night and the data gathered pursuant to subsection 3(a).

- c. If the Zoning Administrator determines that nighttime noise from facility—operations creates an unreasonable impact on nearby residents, the Zoning Administrator shall consider such additional mitigating measures as shall be required to eliminate any such impact. In the event that the Zoning Administrator determines that nighttime operations cannot be sufficiently mitigated by other means to eliminate unreasonable impacts, the Zoning Administrator shall order that workover or other operations not occur during the nighttime hours.
- Actions taken by the Zoning Administrator shall be subject to normal City procedures and appeals.

4. Enforcement

- a. If at any time the Risk Assessment Expert determines that the operations at the BreitBurn facility pose a risk of cancer of greater than one in a million (1 x 10-5), the Risk Assessment Consultant shall report that finding and recommendations to the Department of Building and Safety, the Zoning Administrator, the South Coast Air Quality Management District, and the Division of Oil and Gas.
- At the Review of Conditions required by Condition No. 78 Ъ. imposed by the BZA and adopted by the City Council, to occur two years after construction and the issuance of a Temporary or Permanent Certificate of Occupancy, the Zoning Administrator will consider the findings and conclusions of the Risk Assessment Expert and impose any additional conditions deemed appropriate or within the Zoning Administrator's continuing jurisdiction under Condition No. 77 or otherwise. If the report of the Risk Assessment Expert indicates that the operations at the BreitBurn facility pose a risk of cancer of greater than one in a hundred thousand (1 x 10-5), BreitBurn will request a public hearing and a public hearing will be deemed warranted pursuant to Condition No. 78. provision does not otherwise limit the Zoning Administrator's discretion to set the matter for public hearing.) Within ninety (90) days prior to the fifth anniversary of the first review held

pursuant to Condition No. 78, and on each five-year anniversary thereafter, BreitBurn will request an additional review of conditions pursuant to the procedures prescribed in Condition No. 78 and the Zoning Administrator will conduct a review of conditions as prescribed in Condition No. 78 and will issue a report of its review and schedule a further public hearing, if warranted. Such report shall be promptly forwarded to NASE, BreitBurn and the applicable Neighborhood Council.

c. For a period of two years following completion of construction, the City will designate one or more individuals at the managerial level of the Department of Building and Safety, who will receive complaints regarding odore or noise at the BreitBurn site on a 24-hour basis. The Department of Building and Safety will forward logs of such complaints to NASE and the Zoning Administrator's office. The Department of Building and Safety will report complaints within two (2) hours to the appropriate agency; e.g., the Police Department for noise; the South Coast AQMD for odors.

5. Financial Provisions

- BreitBurn will pay:
 - \$65,000 to NASE for attorney's fees and costs in this matter;
 - \$25,000 to NASE to be used by it to engage technical advisors and perform testing not otherwise provided for in the Agreement and/or for other community projects;
 - Invoices from the laboratories utilized by NASE, the Air Quality Consultant, or the Risk Assessment Expert to analyze the air quality samples;
 - Invoices from NASE or the Air Quality Consultant described in Section 1 for the work described therein;

- Invoices from the Risk Assessment Expert-or from any other costs associated with the risk assessment work described in Section 2 for the work described therein;
- Any fees assessed by the City for the services described in Section 4(c);
- Any other reasonable and necessary costs of carrying out the provisions of the Agreement.
- 8. The maximum cumulative total that BreitBurn shall be required to pay for items 3 through 5 above, shall not exceed \$150,000. No expense of BreitBurn for split samples, consultants to BreitBurn or any other voluntary expenditure of BreitBurn shall be included within said \$150,000. BreitBurn shall send statements to NASE periodically showing the sums expended in conjunction with such activities. NASE shall contractually require the Air Quality Consultant and the Risk Assessment Expert to perform their services in a manner prescribed by this Agroement, but BreitBurn shall promptly pay their duly presented invoices irrespective of any disagreement that BreitBurn may have concerning their findings and conclusions or their manner of performance.
- h Itams 1 and 2 shove shall he due and navable immediately unon

6. Resolution of Dispute

- a. Within three days of the approval of the Agreement by all parties thereto, each of the Petitioners, through a letter submitted to the City Clerk by their counsel, will withdraw their objections before the City to the Project and will support the making of any related actions of the City necessary to implement the Plan Approval and this Agreement.
- b. Following approval by the City of this Agreement, each of the Petitioners will stipulate to, and join in any motion or request made by BreitBurn to, set aside the judgment previously entered in this case and dismiss the action with prejudice and request that the Court enter a new judgment denying in its entirety the requested writ of mandate or in the alternative to enter an order unconditionally quashing the writ of mandate previously issued. That stipulation and/or joinder shall recite that the parties have reached a settlement in this case, and that costs and fees shall not be awarded to either party under the judgment to be entered. Should the judgment of the Court thereafter award costs or fees to either party, such party shall not seek to enforce that provision.
- c. If the Superior Court will not set aside the Judgment heretofore entered, and/or will not quash the writ of mandate heretofore entered and served, the Petitioners will join in supporting and will not thereafter object to the return to the Superior Court's writ of mandate to be filed by the City and describing its actions as in accordance with this Agreement as in satisfaction of the requirements of the writ.
- d. Neither party shall make any post-judgment motion nor seek to appeal the judgment entered, following resolution of this matter in accordance with this Agreement.
- e. Nothing in this Agreement shall constitute an admission by any party of any fact, nor shall it constitute a waiver of any right or objection of any petitioner to the facility or any of the operations thereof in the future, outside of the context of the Action.

It is the intention of the parties that the Project be allowed to f. proceed immediately in accordance with the prior conditions of approval as amended only by the terms of this Agreement. In the absence of the complete implementation of the resolution of dispute provisions of this Agreement, including the right of BreitBurn to proceed immediately to complete and operate the project without any further administrative or legal proceedings, it is the intent of BreitBurn and the City to file an appeal from the judgment entered by the Superior Court on May 9, 2001. A Notice of Entry of Judgment was served by Petitioners in this case on May 17, 2001. Pursuant to California Rules of Court section 2(a) provides that a notice of appeal must be filed no later than July 16, 2001. If the City does not take the actions set forth in subsection 6(b) or the Court has not accepted the actions of the City as in compliance with the writ or set aside the writ as provided in subsections 6(b) or (c), on or before July 16, 2001, then, unless otherwise agreed to by all parties, any party thereto may file a notice of appeal on such date and this Agreement shall terminate and be void.

7. Knowing Agreement

The parties each affirms that he/she/it has carefully read the foregoing and understands that this is a settlement agreement, and further affirms that each has reviewed and discussed the same with its counsel and knows the contents herein and has discussed the legal effect hereof and that the party executing the same does so of its own free act.

8. Entire Agreement

This Agreement embodies the entire understanding of and agreement between the parties as of the Effective Date and the parties each hereby agrees that the terms and provisions of this Agreement can only be changed, altered, or modified in any respect, by an instrument in writing and signed by all of the parties.

9. California Law

This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California and enforcement of this Agreement may be had in any court of appropriate jurisdiction in California.

10. Binding Effect and Benefit

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Authority of Signatories

All persons executing this Agreement on behalf of any entity hereby represent that they have proper authority to do so and to bind the entity to it.

12. Interpretation of Agreement

The parties have all participated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against or in favor of any party on the basis that it or another proposed specific language.

13. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement will become effective only when executed by all parties.

///signatures follow on next two pages///

BREITBURN ENERGY COMPANY LLC. a California limited liability company Dated: June 8 , 2001. Randall H. Breitenbach Co-President CITY OF LOS ANGELES AND CITY COUNCIL FOR THE CITY OF LOS ANGELES Dated: June ___ 2001. NEIGHBORS FOR A SAFE ENVIRONMENT, a California nonprofit corporation Dated: June ___, 2001. Dr. Rochelle Feldman President NEIGHBORS FOR A SAFE ENVIRONMENT, a California nonprofit corporation Dated: June ____ 2001. By: Rae Drazin Vice-President NEIGHBORS FOR A SAFE ENVIRONMENT, a California nonprofit corporation By: Dated: June ___, 2001. Mina Solomon

Member of the Board

BREITBURN ENERGY COMPANY LLC. a California limited liability company

Dated:	June	 2001.

By. Randall H. Breitenbach

Co-President

CITY OF LOS ANGELES AND CITY COUNCIL FOR THE CITY OF LOS ANGELES

Dated: June 12 2001.

Keith Pritsker, Deputy City Attorney

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corporation

Dated: June 1, 2001.

Dr. Rochelle Feldman

President

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corporation

Dated: June L 2001.

Rae Drizin, Ph.D. Vice-President

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corpopation

Dated: June 10, 2001.

Mina Solomon Member of the Board

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corporation

FROM : G S P

BREITBURN ENERGY COMPANY LLC. a California limited liability company

Dated: June ___ 2001.

By: Randall H. Breitenbach

Co-President

CITY OF LOS ANGELES AND CITY COUNCIL FOR THE CITY OF LOS ANGELES

Dated: June ___ 2001.

By:

NEIGHBORS FOR A SAFE ENVIRONMENT, a California nonprofit corporation

Dated: June 7, 2001.

President

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corporation

Dated: June 1 2001.

Res Drizin, Ph.D. Vice-President

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nonprofit

corporation

Dated: June 10, 2001.

Mina Solomon Member of the Board

NEIGHBORS FOR A SAFE

ENVIRONMENT, a California nouprofit

corporation

FROM : G S P

PHONE NO. : 310 837 3933

Jun. 18 2001 89:52PM P2

Dated: June <u>\$</u> 2001.

RAE DRAZIN, Ph.D., an individual

Dated: June 10, 2001.

MINA SOLOMON, an individual

Additional Signature Page to Settlement Agreement
between the City of Los Angeles, et al., with respect to litigation relating to the
approvals for the construction and operation of the West Pico Drillsite
Modernization Project, Los Angeles County, California

BREITEURN ENERGY COMPANY LLC, a California limited Hability

company

Dated: June & 2001.

Halbert S. Washburn

Co-President

15

188.9 92152 10\68\80

12302013

rec business center

Attachment 2a

DOGGR Application, Permit, and Well Summary of downhole work to convert well West Pico 26, API 037-20926, in 2006

		TION . N	0	The second second
	DIVISION OF OIL AND G	TION	OGD114 OGD121	EDP WELL
	NOTICE OF INTENTI		0GD114 0GD121	FILE
06-3NE	REWORK WELL	ON TO	131119-13110100	
			The section is	
This notice and an indemnity or cash bond must be file information.) If operations have not commenced within				
In compliance with Section 3203, Division 3	3, Public Resources Code, not	tice is hereby given	that it is our intent	ion to
REWORK WELL WP26		, API No.	037-20926	
	DESIGNATION)	D		Field
Sec, T, R.	, SBB&M.,	Beverly Hi	iis East	Field,
Los Angeles	County.			
The complete casing record of the well (p	present hole), including plugs	and perforations, is	s as follows:	
Casing: 10-3/4" 40.5#, K-55, csg				
5-1/2", 18#, K-55 liner hu	csg cemented from surface to ing 7,102'-9,740'.	9,740 W/1,350CF	in 9-776 hole.	
Plugs: 9740'-9657'				
Perforations:				
7" perfed with 4spf 6908'	-6952'.			
5-1/2" perfed 7160'-7170	', 7180'-7230', 7277'-7312', 73	50'-7370', 7452'-74	460', 7540'-7552',	
	, 7680'-7688' (squz'd off), 769	8'-7722', 7795'-787	5', 7885'-7925',	
9450'-9493', 9505'-9520',	, 9555-9600			
Junk: Remains of cement retain	ner chased to 9657'.			
2. The total depth is: 9801'	feet. The effective	e depth is:	9657'	feet.
	feet. The effective			feet.
3. Present completion zone (s): DM, F	Hauser, Ogden . Anticipate	d completion zone	(s): Same	
Present completion zone (s): DM, H Present zone pressure: 1000	Hauser, Ogden . Anticipated psi. Anticipated/existing	d completion zone new zone pressure	(s): Same	psi.
3. Present completion zone (s): DM, F	Hauser, Ogden . Anticipate	d completion zone	(s): Same	
3. Present completion zone (s): DM, F 4. Present zone pressure: 1000 5. Last production: Mar-99 or (Date) Last injected:	Hauser, Ogden . Anticipated psi. Anticipated/existing 0 (Oil, B/D)	d completion zone new zone pressure 80 (Water, B/D)	(s): Same	psi. 9 Mcf/D)
3. Present completion zone (s): DM, F 4. Present zone pressure: 1000 5. Last production: Mar-99 or (Date) Last injected: (Date)	Anticipated Anticipated (Oil, B/D) (Water, B/D)	d completion zone new zone pressure 80 (Water, B/D) (Gas, B/D)	(s): Same : _ 1000 (Gas,	psi. 9 , Mcf/D) essure, psig)
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RESOURCES AGENCY OF CALIFORNIA **DEPARTMENT OF CONSERVATION** DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

No. P 105-0193

PERMIT TO CONDUCT WELL OPERATIONS

WATERFLOOD PROJECT

Cypress. California March 13, 2006

Chris Williamson, Agent BREITBURN ENERGY CO. 515 South Flower St, Suite 4800 LOS ANGELES CA 90071

Your proposal to rework(convert to injection) well "West Pico" 26, A.P.I. No. 037-20926, Section 30, T. 1S, R. 14W, S.B. B. & M., Beverly Hills Field, East area, Pliocene, Miocene pool, Los Angeles County, dated 3/8/2006, received 3/9/2006 has been examined in conjunction with records filed in this office.

THE PROPOSAL IS APPROVED PROVIDED:

- Blowout prevention equipment with hydraulic controls, equivalent to this Division's Class II2M requirements, or better, shall be installed and maintained in operating condition.
- Well killing fluid of a quality and in sufficient quantity to control all subsurface conditions in order to prevent blowouts shall be used.
- A pressure test is conducted to demonstrate the mechanical integrity of the 7" casing.
- Within three months after injection is started, and every two years thereafter, this Division shall be furnished with sufficient data to confirm the confinement of the injected fluid to the intended zone of injection and to demonstrate the mechanical integrity of the 7" casing, injection tubing and packer.
- 5. Prior to any sustained injection above a gradient of .8 psi per foot of depth as measured at the sand face, injectivity and profile tests shall be made. The results of these tests and the proposed method of operations as to input rate, pressure and water distribution by subzones shall be submitted to this Division for approval.
- This Division shall be consulted and a Supplementary Notice may be required before making any changes in the proposed program.

THIS DIVISION SHALL BE NOTIFIED TO:

- a. Witness an inspection of the installed blowout prevention equipment prior to commencing downhole operations.
- Witness a pressure test of the 7" casing prior to injection.
- Witness the running of an injection survey.

NOTE:

- A crew drill may be required at the time of the blowout prevention equipment inspection.
- This well shall conform to the provisions set forth in our letter dated 3/19/1985, revising the project.
- The fresh water will be protected by the 7" casing cemented at 9740' with sufficient cement to reach to surface.
- The water to be injected tests approximately 27,000 mg/l TDS and is water produced from neighboring wells.
- The water is to be injected into the Dunsmuir, Hauser, Ogden zone and contains a mixture of oil and water. The formation water tests approximately 23,000 mg/l TDS.

11/2/hot Tom Latiner /OM - Ole to IWC 9618'- 9175', instead FML:fl cc: Update of Ble 9300't. Die to withers Placing, lottion of bookers. EDP BLANKET BOND

PROJECT CODE: 051 Engineer: Floyd Leeson

State Oil and Gas Supervisor

Phone: 714/816-6847

A copy of this permit and the proposal must be posted at the well site prior to commencing operations. Records for work done under this permit are due within 60 days after the work has been completed or the operations have been suspended.

OG 111

RESOURCES AGENCY OF CALIFORNIA
DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES
HISTORY OF OIL OR GAS WELL

	Operator Breitburn Energy Company LLC Field	Beverly Hills			os Angeles
	Well West Pico #26	Se	c. 320 T. 1S	R. 14 W	S.B. B.&M.
	A.P.I. No. 037-20926 Name	Tom Myers (Person submitting report)	Title	Ager President, Secreta	
	Date 6/18/07	(Ferson such many resort)	- 1	r realization, Georgia	at or reserve
	(Month, day, vear)	Signature V	on huse	n	
	Address 515 S. Flower St., Suite 4800 Los Angeles, CA 900	071	Telephone Nu	mber (21)	3) 225-5900
	Addition of the state of the st	VI.			7 220 3000
	History must be complete in all detail. Use this form to report all opera the casing, plugging, or abandonment, with the dates thereof. Include s top and bottom of plugs, perforation details, sidetracked junk, bailing te	such items as hole size	ze, formation test de		
Date	<u>cn</u>				
11/15/2006	Moved rig to WP 26. Rigged up, nippled up BOPE and secured well 45 deg. Collar + 527' 2-7/8" NSL tubing. Added perfs in 5" liner from	NOTE: Top of fish 8454' - 8750', 8762'	at 8853' with 17' 2-7 - 8820', and 8840'	7/8" NSL tubin - 8882' on 5/9	g at 9380'. Left in hole 1/2006.
11/16/2006	Bled well. Serviced EDM tower and lubricated rig. Pulled donut. Popipe in derrick to driller side. Installed PGSR. Picked up and made ut 7/8" P-105 work string to 6704". Mixed 200 barrels of KCI fluid volument secured well.	up Central Fishing To	ols 4" OD x 3-1/8" II	0 x 20/72' was	shover shoe. RIH on 2-
11/17/2006	Bled well. Serviced EDM tower and lubricated rig. Worked with rig on combination 2-7/8" P-105 work string and 2-7/8" IF drill pipe. M circulated KCl fluid, took 40 barrels to get circulation. Cleaned out fr Had ¾ gallon can of fin sand in returns. Circulated well clean, pumpe down wt. = 35K, ROT. Wt. = 47K. Fluid loss = 122 barrels.	Made up 2-7/8" IF dri from 8847' to 8853', v	I pipe working stan vashed over fish fro	d tagged at 8 m 8853' to 88	847'. Conditioned and 870' top of tubing collar.
11/18/2006	Bled well. Serviced EDM tower and lubricated rig and grease rack. new fill, POOH and laid down Central Fishing Tools washover shoe. 2-7/8" grapple and 6 3-1/8" drill collars. RIH with Central Fishing Tools well. Total fluid loss = 122 barrels.	. Picked up and mad	le up Central Fishin	g Tools 4-1/8"	over shot dressed with
11/19/2006	Bled well. Serviced EDM tower and lubricated rig. RIH with 4-1/8° intensifier from 6696' to 8852'. Made up working stand. Circulated POOH. Laid down 6 3-1/8' drill collars and Central Fishing Tools fit pipe, removed cross over and working stand. Repaired brake band 492' of 2-7/8" NSL tubing kill string. Shut in and secured well. Total 6	d and worked over la shing tools and fish (on hydraulic tubing to	atch fish at 8853'. recovered all of fish ongs. Laid down 72	Jarred 88K a). RIH with 7	nd pulled free at 130K. 2 joints of 2-7/8" IF dril
11/20/2006	Bled well. Serviced EDM tower and lubricated rig. Unloaded 82 joi and rig crew. Solid tested 2 joints of 2-3/8° 8RD rubbing. Made up 8RD tubing testing to 5000 psi. Changed out hydro test tools from 2 test tool not working, frouble shoot and changed all cups. Continued tested to 5000 psi. Shut in and secured well.	hydro test tools. Pic 2-3/8" to 2-7/8". TIH	cked up and TIH with 2-7/8" NSL tub	th 45 deg. Co	Ilar + 80 joints of 2-3/8° ting to 5000 psi. Hydro
11/21/2006	Bled well. Serviced EDM tower and lubricated rig, Pulled 25 hy Continued to TiH with 2-7/8" NSL tubing to 9450", no fill. Hydro Weatherford hydro tester. POOH above perfs to 6700". Re-arranged Laid down 123 joints of 2-7/8" NSL tubing. Shut in and secured well.	tested all 2-3/8" 81 d support bay to lay of	RD and 2-7/8" NSL	tubing to 50	000 psi. Rigged down
11/22/2006	Bled well. Serviced EDM tower and lubricated rig. Laid down 2-7/8 tubing, 6 3-1/8" drill collars and wash pipe. RIH with 2-7/8" tubing. Lijoints). RIH with kill string to 516' and secured well.				
11/23/2006	Loaded tubing from support bay onto truck. Serviced rig and greas onto truck. Continued cleaning. Unladed tubing (243 joints of 2-7/6 scraper with bumper sub. RIH picking up tubing (45 joints). Secured	8" N-80 8RD, 81 join	floor and support b ts 2-3/8" N-80 8RD)	ay. Loaded to POOH with	ubing from support bay kill string. Made up 7
11/24/2006	Serviced rig and EDM tower, mixed KCl. Picked up 2-7/8" tubing an rabbited tubing. Rigged up to reverse circulate. Reverse circulated was a serviced tubing.				
11/25/2006	Serviced rig and EDM tower. POOH and laid down 7" scraper. Rigg RIH. RIH with 2-7/8" tubing. Scraper stopped at 8868'. Attempted solids. POOH to 6889' and secured well.	ged up 2-3/8" tools. I to work through tight	Made up 5" scraper, spot – would not go	tally and pick c. Reverse ci	red up 2-3/8" tubing and reulated, full returns, no
11/26/2006	Serviced rig and EDM tower. POOH with tubing. Held safety me Repaired test tools. RiH testing in. Waited on extra tubing deliver tubing. Rigged down 2-3/8" test tools, rigged up 2-7/8" test tools. Se	ry. Cleaned rig. Fin	ster. Solid tested ished testing 2-3/8"	7 joints of tub tubing. Cha	ning. Rigged up tester nged over to run 2-7/8

11/27/2006	Serviced rig and EDM tower. RIH testing tubing to 5000#. Tagged fill at 9572'. Rigged down tubing tester. Rigged up to reverse circulate. Reverse circulated and cleaned out from 9572' to 9618'. POOH 3 stands – tubing plugged. Kelly up, tried to circulate – no results, tried to reverse – no results. POOH wet tubing to 6876', secured well.
11/28/2006	Serviced rig. POOH with we tubing. Tubing plugged with rubber and metal. RIH with tubing to 7101'. Reverse circulated clean. POOH to 6875', secured well, grease rack.
11/29/2006	Serviced rig. RIH with tubing to 9556'. Held safety meeting and rigged up cementers. RIH with tubing to 6816'. Pumped cement plug from 9618' to 9111', cement in place at 11:42am. POOH to 9120'. Reverse circulate 3 tubing volumes (trace of cement). POOH to 6874'. Reverse circulated 1 tubing volume, secured well. Waited on cement – cleaned rig and location. NOTE: Grace P. Brandt (DOGGR) inspected and witnessed BOPE and waived witness of pumping cement plug.
11/30/2006	Bled well. Serviced EDM tower and lubricated rig. RIH with combination 2-3/8" 8RD N-80 and 2-7/8" 8RD N-80 tubing and tagged cement plug at 9123". Waited on CDOGGR. Cleaned rig location. CDOGGR Grace Brandt witnessed tag of cement plug at 9123". POOH and laid down 50 joints of 2-3/8" 8RD N-80 tubing. Worked on accumulator control handles. RIH with 500" kill string. Shut in and secured well. Cleaned rig and location.
12/1/2006	Bled well. Serviced EDM tower and lubricated rig. Waited on Weatherford, no serviceman available. POOH with kill string. Changed oil in top drive. Cleaned rig and location. RIH with 500' kill string. Shut in and secured well. Note* Weatherford serviceman available in morning 12/2/2006.
12/2/2006	Bled well. Serviced EDM tower and lubricated rig. POOH with 500' kill string. Made up 5" and 7" Weatherford Dual Injection packer assembly, RIH to 1180. POOH and made a change on the bottom hole assembly. RIH slowly with Weatherford 5" and 7" dual injection packer assembly to 6607". Grease rack and sheaves in crown, checked all pins in shackles. Shut in and secured well.
12/3/2006	Bled well. Serviced EDM tower and lubricated rig. RIH with 5" and 7" Weatherford Dual Injection Packer assembly on combination 2-3/8" 8RD N-80 and 2-7/8" 8RD N-80 tubing, stopped at 7550'. POOH with Weatherford Dual Packer assembly and stood back. Made up and RIH with Weatherford 5" casing scraper + B/S to 6663'. Shut in and secured well. NOTE: set down 2k at 7550' took aver 4k over up weight to pull free.
12/4/2006	Bled well. Serviced DEM tower and lubricated rig. Made up working stand. RIH with 5" casing scraper + B/S on combination 2-3/8" 8RD N-80 and 2-7/8" 8RD N-80 tubing. Made several passes at 7550'. Reamed from 7550' to 8000'. POOH to 5785'. Rigged down and shut down. Rig mechanic trouble shoot problem. Found bad incoders on rig motors A and F, replaced. Shut in and secured well.
12/8/2006	Bled well and serviced rig. POOH with tubing and scraper (repaired air hose on slips). Held safety meeting with Weatherford and discussed packer running procedure. Made up packer assembly and RIH to 6920'. Secured above liner top. Greased EDM rack. Cleaned rig and BOPE.
12/9/2006	Serviced rig. RIH with packers and tagged tight spot at 6420°. Attempted to work through tight spot (no success). POOH and inspected packers for damage (none detected). Picked up and made up 7° scraper, RIH with tools to 6420°. Worked though tight spot. POOH with tubing to 1481°. Secured well.
12/10/2006	Serviced rig. POOH with tubing and laid down 7" scraper. Held safety meeting with Tiger wireline and rigged up. Calibrated tools. Ran casing caliper and collar locator logs (lost calibration, POOH). Recalibrated tool and RIH with wireline. Installed centralizers for 7" casing and ran 7" casing log. Rigged down wireline. Made up packer assembly and RIH to 2088', secured well.
12/11/2006	Serviced rig. RIH woth 5" packer to 7936' and 7" to 6356'. Pumped setting ball to seat. Set packers and tested annulus to 500# for 10 minutes. Nipple down BOPE and nippled up injection tree. Made and replaced rubber o-rings for tubing hanger. Rigged down and prepared location for rig move. Released rig at 1900 hours.
3/11/2007	Held safety meeting. Tubing on vacuum, fluid level at 7965'. Casing had 65 psi. Loaded out V-door extension into support bay. Rigged up and tore down. Skid rig to WP 26 and rigged up. Attempted to bleed down casing. Casing flowing oil and gas. Production operator tank was full. Waited on production to empty tank. Cleaned rig and location. Rigged up and shipped oil and gas to production from casing. Casing at 25 psi at 1700 hours. Continued to clean location.
3/12/2007	Held safety meeting, serviced rig and EDH tower. Tubing on vacuum casing had 0 psi. Flowed 50 barrels over night. Nippled down injection tree. Nippled up BOPE. Function tested with remote. Released 7" hydraulic packer with 76K pull. Released Arrowset 1x mechanical packer right hand packer pulled 85K. POOH slowly in 5" liner and perfs. Pulled 228 joints of 2-78" 8RD N-80 tubing. 7" packer lost all rubber on it. Pulled 28 joints of 2-7/8" N-80 tubing. 5" packer had all rubber left on it. RIH with 10 joints of 2-7/8" N-80 tubing. Note: All tubing looks like new.
3/13/2007	Held safety meeting, serviced rig and EDH tower. Tubing on vacuum casing had 0 psi. Flowed 50 barrels over night. Nippled down injection tree. Nippled up BOPE. Function tested with remote. Released 7" hydraulic packer with 76K pull. Released Arrowset 1x mechanical packer right hand packer pulled 65K. POOH slowly in 5" liner and perfs. Pulled 228 joints of 2-7/8" 8RD N-80 tubing. 7" packer lost all rubber on it. Pulled 28 joints of 2-3/8" 8RD-N-80 tubing. S" packer had all rubber left on it. RIH with 10 joints of 2-7/8" N-80 tubing. Note: All tubing looks like new.
3/14/2007	Held safety meeting. Cleaned and painted rig and location. Serviced rig, checked bolts on top drive.
3/15/2007	Held safety meeting and serviced rig. POOH and picked up cement retainer. Made up tools and RIH to 6861' (RIH slowly from 6400' to 6861'). Set retainer at 6861' (sheared at 58K over string weight). Filled annulus and tested retainer at 500# for 10 minutes. Prepared for cement job, cleaned location and finished panting V-door.
3/16/2007	Held safety meeting and serviced rig. Rigged up cementers. Pumped lease water down tubing (40 barrels) 2.5 barrels per minute at 600#. Held safety meeting with cementers. Pumped cement (350 sacks). Cement in place at 1010 hours. Top of cement estimated at 6734*. POOH to 6548' and reverse circulated 3 tubing volumes (100 barrels). Rigged down cementers. POOH 84 joints. Prepared bay to lay down tubing. Laid down 138 joints of N-80 tubing and HES setting tool with stinger. RIH to 1592', secured well.
3/17/2007	Held safety meeting and serviced rig. RIH with tubing. Laid down 90 joints N-80 tubing. RIH and laid down 28 joints 2-3/8" tubing. Nippled down BOPE. Shut down to X-Ray skid track. Continued to nipple down BOPE and secure well. Picked up V-door extension and lugged down. Prepared location for rig move, moved rig. Rig released at 1830 hours.
3/22/2007	Held safety meeting and serviced EMT tower and equipment. Hung V-door extension for rig move, prepared rig for move to WP 26. Skid rig north. Removed V-door extension and stored in support bay. Removed south cellar beams. Worked with electricians. Changed out belts on safe air fans in crown of rig. Cleaned location over last well. Skid rig and rigged up on WP 26. Nippled down production tree. Nippled up BOPE. Function tested BOPE and remote.

3/24/2007	Held safety meeting and serviced EMT tower and equipment. Test ran pump and top drive. Rigged up to reverse circulate. Worked with electrician to wire up centerfuge and desander. Picked up 6-1/8" bit. Measured and picked up 4 4-3/4" drill collars. RIH with 2-7/8" hydrill tubing. Tagged cement at 6419", Rigged up pump. Hole standing full. Drilled out 3' cement bridge to 6422". Continue to RIH. Tagged cement at 6747". Drilled on cement from 6747" to 6809'. Circulated hole clean.
3/25/2007	Held safety meeting and serviced EMT tower and equipment. Drilled on cement from 6809' to 6861'. Drilled on retainer from 6861' to 6864'.
3/26/2007	Held safety meeting and serviced EMT tower and equipment. Drilled on retainer and cement to 6867°. Circulated hole clean. POOH and secured well.
3/27/2007	Held safety meeting and serviced EMT tower and equipment. Rigged down PGSR. POOH. Picked up new 6-1/8" bit. RIH to 6887'. Drilled on retainer and cement.
3/28/2007	Held safety meeting and serviced EMT tower and equipment. Drilled on retainer and good cement to 7095', 5' from top of liner. Circulated hole clean. Tested casing to 500 psi for 10 minutes (OK). POOH and secured well.
3/29/2007	Held safety meeting and serviced EMT tower and equipment. POOH with tubing and laid down 4 4-3/4" drill collars and 6-1/8" bit. Changed head and liner in #1 pump. Picked up and made up 4-1/8" bit and 6 3-1/8" drill collars. Rigged up to run 2-3/8" tubing. Picked up and RIH with 63 joints of 2-3/8" tubing. Secured well.
3/30/2007	Held safety meeting and serviced EMT tower and equipment. Rigged up to run 2-7/8" rubbing. RIH to 7095'. Flushed surface lines. Drilled out cement from 7095' to 7229'. Circulated hole clean and POOH above liner to 7020' and secured well.
3/31/2007	Held safety meeting and serviced EMT tower and equipment. RIH and continued drilling out from 7229' to 7556', circulated hole clean. Pulled out of liner to 7020', secured well.
4/3/2007	Held safety meeting and serviced EMT tower and equipment. Change dliner and head in pump #1. RIH and drilled out cement from 7556' to 7763'. Flushed rocks and debris from pump #1, circulated hole clean. Drilled out cement from 7763' to 7794'. Circulated hole clean and POOH to liner top at 7020', secured well.
4/4/2007	Held safety meeting and serviced EMT tower and equipment. POOH with tubing and 3-1/8" drill collars. Changed 4-1/8" bit. Made up new bit, RIH with drill collars and tubing. Broke circulation and continued drilling out cement from 7794' to 7834'. POOH above liner top to 7020'. Secured well.
4/5/2007	Held safety meeting and serviced EMT tower and equipment. RIH to 7825' and circulated. Drilled on hard cement from 7834' to 8300'. Total for day was 466'. Circulated hole clean. POOH to top of liner at 7101'. Secured well.
4/6/2007	Held safety meeting and serviced EMT tower and equipment and grease rack. Rigged up new 2-7/8" elevators. RIH to 8258' and circulated. Drilled on hard cement from 8300' to 8645'. Total for day was 346'. Circulated hole clean. POOH to top of liner at 7101'. Secured well.
4/7/2007	Held safety meeting and serviced EMT tower and equipment. RIH to 8630' and circulated. Drilled on hard cement form 8645' to 8900'. Drilled on rubber at 8889'. Dropped free at 8900' to 9000'. Circulated hole clean. POOH to 8754'. Secured well. Transferred fluid from pits to west storage tank. Cleaned pits. Filled pit with lease water and mixed 60 sacks of KCI.
4/8/2007	Held safety meeting and serviced EMT tower and equipment. RIH to 9000'. Changed hole over with 320 barrels of 3% KCI water from 9000'. POOH, Laid down 6 3-1/8" drill collars. Cleaned rig floor. Measured and picked up 5" casing scraper and bumper sub. RIH to top of liner at 7068'.
4/9/2007	Held safety meeting and serviced EMT tower and equipment. Continued to RIH with 5" casing scraper to 8000'. POOH an odd break. Laid down 1 bad joint. Stood back 14 joints of 2-3/8" tubing. Laid down 35 joints of 2-3/8" tubing in support bay. Organized tubing and rods in support bay. Picked up 5" Weatherford mechanical packer. RIH with 28 joints of 2-3/8" N-80 8RD EU tubing. 2-3/8"x2-7/8" x-over. Picked up 180 joints of 2-7/8" N-80 8RD EU tubing. EOT at 6420'. Secured well. NOTE: Chris McCullough with DOG approved variation from permit to run cement retainer. to 9175' at 12:20pm.
4/10/2007	Held safety meeting and serviced EMT tower and equipment. Continued to pick up 2-7/8" N-80 8RD Eu tubing. Total 227 joints. Picked up tubing hanger and landing joint and swivel. Set Weatherford Arrowset 1-X mechanical packer at 7895' with 15k compression. Attempted to pressure casing (back side of packer) test no good. Tubing hanger leaked. Nippled down BOPE. Picked up landing joint and pulled up tubing hanger. Replaced O-rings. Landed hanger. Nippled up production tree. Pressure up backside pf packer to 500 psi for 15 minutes, tested OK. DOG waived witness of pressure test. Prepared to move rig to west side. Moved skid beams to east side.
4/12/2007	Held safety meeting and serviced EMT tower and equipment. Rigged up Tiger wireline to perforate. Held safety meeting. RIH with 1 st gun run through tubing – gun stopped at 7085°. POOH with wireline and rigged down. Change of orders – move to PW 9. Moved and installed extension beams for rig move. Rigged up hose and pump to neutralize storage tank.
4/28/2007	Rigged up Baker chemical truck to pump scale squeeze. Worked on safe air fans on rig. Rigged down rig extension beams. Moved rig to WP 9 and rigged up. Laid down V-door extension. Cleaned location. Nippled down production tree and nippled up BOPE and function tested. Secured well.
4/29/2007	Held safety meeting with crew and serviced rig. Released 5" packer and POOH. Cleaned rig and location, replaced antifall sala blocks safety devices and secured well.
4/30/2007	Held safety meeting with crew and serviced rig. Waited on packer delivery. Made up packer and RIH with 2-3/8" tubing, drifting. Changed out 1 joint. Rigged up 2-7/8" tubing equipment and RIH with 2-7/8" tubing, drifting, changed 3 joints. Attempted to set packer at 7896', pulled to 7865' and attempted to set packer. Rigged up to reverse circulate and reversed 50 barrels of lease water. Attempted to set packer, rigged up to circulate ahead. Circulated down tubing, attempted to set packer – packer set at 7833' in neutral. Secured well.
5/1/2007	Held safety meeting with crew and serviced rig. Nippled down BOPE. Nippled up production tree, rigged up and tested packer for 10 minutes at 500#. Continued to work on safe air fan on top drive. Prepared location and lugged down and moved rig. Released rig at 1200 hours.
5/5/2007	Perforated with 1-9/16" OD RTG guns, 1 spf 0 degree phasing with Jet Research Center Millennium Charges. 0.21" entry hole and 11.34" penetration. Perforated from: 8841' <8882', 8762' - 8819', 8455' - 8749', 8357' - 8406', 8276' - 8319', 8048' - 8250'.

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Printed on recycled paper.

Attachment 2b

DOGGR Permit, and Well Summary of downhole work to convert well SW 7, API 037-21181, in 2017. (Application is not in State agency's online file)

DIVISION OF OIL, GAS &	OF CONSERVATION GEOTHERMAL RESOUF	
5816 Corporate Ave., Suite	100 Cypress, CA 90630 - 473	31 <u>Old</u> 054
PERMIT TO CONDUC	CT WELL OPERAT	FIELD C
	er Flood CAL WELL	OO POOL C
		Cypress,
M. Thamas McCallina Areas	EXPIRED	February
Mr. Thomas McCollum, Agent	CANCELLED	
Pacific Coast Energy Company LP (B6127) 1555 Orcutt Hill Road		
Orcutt, CA 93455	MAILED 2.22	19 TL
Crount, On 30400	EMAILED 2.00	
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laws, regulations, and ordinances.

Page 2 Well #: "SW" 7 API #: 037-21181 Permit : P 117-0046 Date: February 22, 2017

- 8. The injection gradient will be 0.6 psi/ft. This injection gradient shall not be exceeded. A higher injection gradient may be approved by this Division subject to a step rate test conducted for this well.

 If the results of the SRT is significantly higher than the project injection gradient of **0.6 psi/ft.**, a new SAPT may
- 10. No program changes are made without prior Division approval.11. THIS DIVISION SHALL BE NOTIFIED TO:
- - a. Inspect the installed BOPE prior to commencing downhole operations.
 b. Witness an SAPT of the 8 5/8" casing prior to commencing injection, and every 5 years thereafter.
 - c. Witness the running of an injection survey within 90 days of commencing injection, and every 2 years thereafter.

NOTE:

- 1. All depths are based on well KB, which is 13.5' above ground level. Ground level is at elevation 171'
- The base of the freshwater zone is at 550'±.
- The base of the USDW zone is at 845'±.
- The top of the Repetto zone (TIZ) is at 5500'±.
- The top of the Hauser zone is at 6480'±.
- No operation shall be undertaken or continued that will contaminate or otherwise damage the environment.
- 7. Upon completion of the proposed work, a History of Oil or Gas Well (form OG103) shall be submitted to this office, noting the effective date of reactivation.

NATURAL RESOURCES AGENCY OF CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

HISTORY OF OIL OR GAS WELL

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	Title Agen (President, Secreta Spain / Las Donal Store Telephone Number (805) 93

History must be complete in all detail. Use this form to report all operations during drilling and testing of the well or during redrilling or altering the casing, plugging, or abandonment, with the dates thereof. Include such items as hole size, formation test details, amounts of cement used, top and bottom of plugs, perforation details, sidetracked junk, bailing tests, and initial production data.

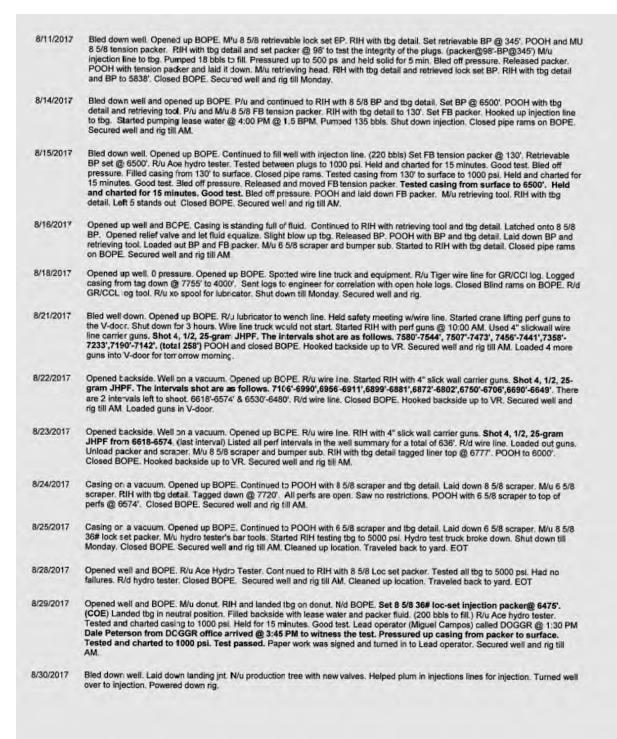
Pre-Work Condition:

20"		Conductor	C. 53.5' MD
13-3/8"	48#	H40	C. 1200' MD
8-5/8*	36#	K55 / N80	C. 6800' MD
6-5/8"	23.6#	Liner	6777 - 7919' MD
		1, %" JHPF	6674'-8618', 8649'- 6690', 6706'-6750', 5802'- 6672', 6881'-8899', 5911'- 6656', 6990'-7106', 7142'- 7190', 7233', 7358', 7441'- 7456', 7473'-7507', 7544'- 7590', 7587'-7595', MD

Post-Work Condition:

20°		Conductor	C. 53.5' MD
13-3/8"	48#	H40	C. 1200' MD
8-5/8"	36#	K55 / N80	C. 6800' MD
6-5/8"	23.6#	Liner	6777 - 7919' MD
		1, ½° JHPF	6674'-6618',6649'- 6690',6706'-6750',6802'- 6872',6881'-6899',6911'- 6956',6990'-7106',7142'- 7190',7233'-7358',7441'- 7458',7473'-7507',7441'- 7580',7587'-7595' MD
		4, 1½ JHPF	6574'-6618',6649'- 6690',6706'-6750',6802'- 6872',6881'-6899',6911'- 6956',6990'-7106',7142'- 7190',7233'-7358',7441'- 7456',7473'-7507',7544'-

Date	HISTORY: CTI
8/02/2017	Power up rig. Move v-door into place. Move accumulator into place. Clean up location. Traveled back to yard. EOT , NOTE: Pat Vigeant lease Forman contacted DOGGR @ 1:48 PM and spoke to Renee and scheduled a BOPE inspection for 2:00 PM on 8/3/17.
8/03/2017	Bled down well. N/u xo spool, riser and BOPE. Hooked up kill line. Eric Weigand from cypress DOGGR office arrived @ 2:00 PM for BOPE inspection. BOPE inspection was passed and paper work is singed and in place. Continued to unscrew donut studs. Unland donut. POOH with tbg detail. Closed BOPE. Secured well and rig till AM. Started to prepare and lay out new 2.7/8 tbg detail in support bay.
8/04/2017	Laid out new 2 7/8 bg in support bay to measure. Unload scrapers and bumper sub. Took picture and measured 8 5/8 all weight scraper and bumper sub. M/u scraper and bumper sub. Started picking up 2 7/8 tbg detail. RIH with 8 5/8 scraper. Tagged a few spots of scale build up @ 1297' & 1638'. Worked scraper up and down through the rough spots. Pick up and ran in 134 jnts of 2 7/8 tbg. Closed BOPE and tbg valve. Secured well and rig till AM. Hooked backside up to VR.
8/07/2017	Bled well down. Continued to P/u and RIH with tog detail. Tagged spot @ 5934'. Worked 8 5/8 scraper through. Continued to RIH with work string to tag 6 5/8 liner top @ 6777'. POOH with tog detail. P/u and M/u 8 5/8 tension packer. R/u Hydro tester. Started to RIH testing tog to 5000 psi. Closed BOPE and tog valve. Secured well and rig till AM. Hooked backside up to VR.
8/08/2017	Biled well down and opened up BOPE. Continued to RIH with £ 5/8 packer and hydro testing tbg. RIH to 1505' to test packer. Set packer in tension. (40,000 over string weight) Unable to fill casing. Released packer and POOH to 733'. Set packer in tension. Unable to fill casing. Released packer and POOH to check packer. Packer looks good. RIH to 66' and set packer. Unable to fill casing. POOH and removed the unloader valve. RIH and set packer @ 58'. Unable to fill casing. Noticed slight blow up tbg. Released packer. POOH to 8' and set packer. Filled casing. Scheduled Tiger wire line for casing caliper log. Released packer. POOH and laid down packer. Closed BOPE. Secured well and rig till AM.
8/09/2017	Bied down well and opened up BOPE. Swapped out accumulator's. R/d hydro tester's tools. Spotted Tiger wire line truck. R/u pole and wire line sheaves. R/H with caliper tool. Logged casing from top of liner @ 6765' to surface. Consulted with engineer and lease Forman. Turned logs into lease Forman. Closed BOPE. Secured well and rig till AM.



OG103 (6/97/GSR/5M)