PUBLIC COMMENTS
FOR
08/13/2020
City Council
Special Meeting

From: Nancy Smith [redacted]
Sent: Saturday, August 8, 2020 3:55 PM
To: Baker, Heather
Subject: Culver City Inglewood Oil Field
Attachments: IMG_5857.jpg

Nancy Smith
[redacted]

August 7, 2020

TO: Culver City Council Members:

Thank you for hearing me today councilmembers.

My name is Nancy Smith. I am a mineral owner and therefore a property owner with vested rights in Culver City. ***This property has been in my family since 1941*** .(see attachment)

I support the Inglewood Oil Field. The oil produced in Culver City supports my livelihood. I rely on this income to support my family. My mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily take away. You have not considered any of my rights or the damages you would owe to me in your process. Attempts to amortize my property rights are illegal when applied like this and I intend to defend myself to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights.

The City has spent millions of taxpayers dollars in failed attempts to marginalize the oil field, including the City's draft EIR and Specific Plans, all of which have resulted in nothing but wasteful spending. This City has declared a state of fiscal emergency, and yet again you are risking millions upon millions of taxpayer dollars to ultimately fail again. That is grossly irresponsible governing. Culver City cannot afford more egregious spending. I pay taxes in this City and urge you to redirect your efforts and our hard-earned money to advance the numerous truly pressing needs such as homelessness, which face the City and its constituents.

The Inglewood Oil Field has been deemed an essential business by the State and Federal Government – continuing to supply every one of us with a critical resource that we use every day all day long whether we realize it or not, throughout this crisis. The Inglewood Oil Field also employs hundreds of local workers with full time jobs – jobs with high pay and health coverage. If this study moves forward, you'd be putting those employees' and their families' futures at risk.

The Inglewood Oil Field also pays Culver City over $250,000 in taxes and fees each year – revenues that pay for our schools, police and fire protections. Services that are all currently at risk. Don't further jeopardize the jobs of our neighbors and the services we all enjoy by moving this study forward.

Between the City's refusal to join the Baldwin Hills CSD, legal action against the CSD, the halted Draft EIR and Specific Plan, and now this amortization study, Culver City has spent millions of taxpayer dollars with no tangible improvement to its legal footing.

Millions of public resources that could have gone toward police, fire protection, housing, education or other efforts were instead spent pursing a dead-end avenue that will result in millions more in legal fees and damages owed to the oil field operator when the process is over. The City filed a state of fiscal emergency just last year.

This amortization effort, which has serious questions as to legality in the context of a vested property of this type, is NOT a prudent use of Culver City's finite resources in the face of more pressing public needs. We encourage you to spend the public's funds more wisely, on services we need – not on putting more of our neighbors out of work. Please do not throw more money at this dead-end amortization effort.

California is an oil island. Without production from local oil fields, the state will be forced to import oil from abroad. Imported oil, from countries like Saudi Arabia, won't be produced under California's strong environmental regulations or with our human rights protections. Nor do those countries pay taxes to the state and county as California companies do.
California producers provide local jobs and much-needed local tax revenue for vital public programs, while generating reliable and affordable energy for Californians.
We ought to protect these quality jobs and this valuable tax revenue stream by supporting the Inglewood Oil Field rather than seeking to shut it down through an illegal process.

The Inglewood Oil Field employs about 200 full time staff and contracted workers every day. These individuals spend money in Culver City and contribute to the livelihood of the local economy. Oil Field jobs do not require a college education and pay an average of $80,000 a year. They also provide health insurance and retirement funds. The Inglewood Oil Field's workforce is also diverse – with the demographics of the field closely mimicking the community it serves. As millions are filing for unemployment, we should be protecting these strong local jobs – not looking to add more names to the ranks of the unemployed. Please do not move forward on enacting this illegal process that will harm our neighbors' livelihoods.

Sentinel Peak Resources donates over $100,000 a year to local nonprofits. They participate in monthly public meetings to inform the community of any activities on the oilfield. Sentinel Peak Resources has maintained a landscaping program to beautify the perimeter of the Inglewood Oil Field and went above and beyond the required specifics in that effort. They are good neighbors. They care about this community.Especially in times like these, we should be helping our neighbors, not seeking to put them out of work. Amortization of an oil field is just another attempt at an illegal taking and this process should be abandoned.

If you would like to speak to me further, my phone number is [redacted]

Sincerely,
Nancy Smith

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Nancy Smith
[redacted]

From: [redacted]
Sent: Sunday, August 9, 2020 5:14 PM
To: Baker, Heather
Subject: Inglewoood Oil Field Amortization Study

Re: Culver City Council Special Meeting of August 13, 2020

To: The Culver City Council,

My husband and I are very opposed to a shutdown of the portion of the Inglewood Oil Field that is in Culver City's limits. We presently receive a monthly benefit under the Moynier Tract land.

In a previous letter, we stated that we are senior citizens living on a fixed income and the money we receive as a mineral owner is very important to us and helps us meet our monthly expenses.

At this time when the majority of our population is struggling, it seems highly unjust to propose a shutdown of a part of the Inglewood Oil Field. Even Inglewood has declared a state of fiscal emergency.

We are also against having to be forced to import oil from abroad, because imported oil won't be produced under California's strong environmental regulations or with our human rights protections. These countries do not pay state and county taxes as California companies do.

We need to employ the nearly 200 full time staff and contracted workers, who spend money locally and support local economy. We need to protect these strong local jobs, not add to the unemployment that exists now.

Please take all of these points into consideration and not have a potential amortization program.

Thank you for your
consideration.

Respectfully,

Adrienne M. Larsen and Ralph J. Larsen

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Monday, August 10, 2020 3:36 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Lawrence Smith submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: RECEIPT AND FILING OF CORRESPONDENCE

eComment: Thank you for hearing me today Mr. Mayor and City Councilmembers. My name is Lawrence H.C. Smith, Trustee for the Margaret B. Koster Trust. We are one of the 140 mineral owners who have mineral rights in Culver City. We have owned the property since 1940 where my parents lived in a small ranch house on their Culver City property from 1940 until 1944. My father was in the oil production business during World War II and died in 1956. Over the years, my Mother had supported the Little League and watched the City grow and prosper. In 1976, the City asked my Mother to sell the 40acres of surface rights to the them. She agreed, and our land rights were acquired by the State Land Conservancy, who in turned gave the land to the City. But her Trust still owns the subsurface oil and gas rights and the surface sites retained for drilling purposes. The City honored my parent's gift by naming it the Ron C. Smith Little League Baseball Field. After many years the field was re-named Bill Botts Park, for all the fine work M. Botts had accomplished to make Culver City a powerhouse in the world of Little League Baseball. On opening day of baseball in the spring of 1978, my son, Larry, was honored with being asked to throw out the first pitch on Opening Day ceremonies. What a proud moment for our family, and particular my Mom, Margaret. She passed away in 2016 at the age of 101. I support the Inglewood Oil Field, a parcel of land in excess of 1,000 acres. Culver City only has jurisdiction over 80 acres, a very small portion of this field. The County of Los Angeles has jurisdiction over the majority 920 acres. Yet there are 140 royalty owners and taxpayers are affected by this latest attempt of the City to take away their rights through this Amortization effort. The oil produced in Culver City supports my livelihood and family, and my two brothers and their families. We rely on this income to support our families. As you know our mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily ignore or take away. During your Amortization effort, the City has not considered any of our rights or the compensation you would owe to the Trust if your Amortization process was successful. Our subsurface rights and 2 surface entry sites are being used for current production and will be available for future extraction from deeper formations. They have substantial value and the City and Baker & O'Brien have left our rights and interests OUT of this discussion and presentation to the City Council. Are you exercising the right of a government or its agent to expropriate private

property for public use, WITHOUT compensation? If so, please give us fair market value for our property rights. That would be legal, fair, and equitable. I have been told that attempts to amortize Sentinel Peaks property rights are illegal when applied like this and we intend to defend ourself to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights. The City has spent millions of taxpayer's dollars in failed attempts to marginalize the oil field, including the City's draft EIR and Specific Plans, all of which have resulted in nothing but wasteful spending. We spent over $80,000 to protect our interests against the City's lawsuit to shut down one of our previous operators. We settled the lawsuit when PXP stepped in. This City has declared a state of fiscal emergency, and yet again you are risking millions upon millions of taxpayer dollars to ultimately fail again. That is grossly irresponsible governing. Culver City cannot afford more profligate spending. In Summary 1. Reject the Amortization Program and its conclusions 2. OR Recommend including Mineral Rights owners in future studies. Sincerely yours, Lawrence H.C. Smith [redacted]
Trustee for the Margaret B. Koster Trust [redacted]

Ferrel, Mimi

From: Wilder Zeiser [redacted]
Sent: Monday, August 10, 2020 5:21 PM
To: Public Comment at Culver City
Subject: No more oil wells in Culver City

Dear Culver City local officials,

I'm writing to you to voice my strong support of phasing out oil wells within Culver City limits.

Phasing out oil operations is essential to protect the health and safety of residents of Culver City as well as our environment from the negative impacts of urban oil drilling, including exposure to toxic emissions and dangerous chemicals.

I'd like to encourage the City of Culver City to continue its leadership in addressing the problems of urban oil operations by instructing staff to develop a plan for phasing out oil operations in the Culver City portion of the Inglewood Oil Field (IOF). As you know many people who live and work in Culver City are strongly in favor of phasing out oil operations.

As far as timing, I request you proceed with the shortest possible timeline for phasing out oil operations in the Culver City portion of the Inglewood Oil Field, starting in January 2021.

There should be continued monitoring of the area to ensure that there are no other accidents, spills, or exposures. Any agreement with the operator must include measures to cover the costs of potential mishaps.

What's more, previous and current operators should be held responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction.

Finally, any agreement covering the costs of well plugging and abandonment should require living wage compensation of a properly trained and unionized workforce with preference for hiring local workers and consider a project labor agreement.

Thank you,

Kind regards,
Wilder Zeiser

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Monday, August 10, 2020 8:04 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Robert Stern submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Please close down the oil field and follow the Sierra Club's recommendations: Quick Timeline: Initiate the shortest possible phase out timeline, given our aforementioned concerns about the impacts of neighborhood oil drilling on our health, environment and climate. All oil and gas production should cease in January 2021 and the plugging, capping, abatement and remediation of the well and immediate area should be enacted as soon as possible. Polluter Pays: Hold previous and current operators responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction. The ACI in the report by Baker & O'Brien includes plug and abandonment costs, which "are required to safely and permanently remove a well from service and to restore the immediate area to its natural condition. These costs are considered to be capital investment." Good, Local, Union Jobs: Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized workforce with preference for hiring local workers and consideration of project labor agreement (PLA). Community Determination: In terms of future uses, Culver City residents should be engaged to help determine the site's future use. Free, prior and informed consent must be obtained from the local Indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as well as open greenspace. Future Safeguards: Institute continued monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of potential mishaps so these potential future costs do not fall on the city taxpayers.

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Monday, August 10, 2020 8:29 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Louis Cangemi submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: From: Sierra Club, West Los Angeles Group & Clean Break Team To: Heather Baker, Assistant City Attorney, Culver City Re: Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field, prepared by Baker & O'Brien Submitted via email August 11, 2020 Dear Attorney Baker, CC: Honorable City Council Members, City of Culver City We are writing to you today regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. We urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible to protect our health, our environment and our economy. This letter comes to you not from distant parties who profit off urban oil drilling in our neighborhood, but from those who live and work in Culver City and suffer the negative impact of living next to the largest urban drilling fields in the country. We represent your neighbors, small business owners, and perhaps most importantly, your constituents. We applaud the recent actions taken by the Culver City City Council to put the health and well-being of its citizens and the environment over the interests of large fossil fuel companies. By spearheading the initiative to phase out oil drilling within city limits, this city council is in the process of transforming Culver City from an oil town into a nationwide leader in environmental justice. But that process is not complete. We are at a critical juncture where swift and decisive action must be taken to achieve the promise of a better, cleaner, greener Culver City. We encourage the City of Culver City to continue its leadership in addressing the problems of urban oil drilling by instructing staff to develop a plan for phasing out oil operations and remediating the immediate area in the Culver City portion of the IOF starting in January 2021 as indicated is possible by the Capital Investment Amortization Study. Based on the foregoing assessment, the Sierra Club's recommendations are as follows: Quick Timeline: Initiate the shortest possible phase out timeline, given our aforementioned concerns about the impacts of neighborhood oil drilling on our health, environment and climate. All oil and gas production

should cease in January 2021 and the plugging, capping, abatement and remediation of the well and immediate area should be enacted as soon as possible. Polluter Pays: Hold previous and current operators responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction. The ACI in the report by Baker & O'Brien includes plug and abandonment costs, which "are required to safely and permanently remove a well from service and to restore the immediate area to its natural condition. These costs are considered to be capital investment." The Sierra Club committed to working with the City of Culver City to ensure the best outcome of this matter for the City, its businesses and residents. Thank you for taking our recommendations into consideration. Sincerely, Louis Cangemi, Member Angeles Chapter - Clean Break Committee, Sierra Club

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Monday, August 10, 2020 9:12 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Ann Dorsey submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Culver City Council, I am deeply concerned abut the health and environmental impacts of oil operations and support the Culver City's actions to phase them out. Ideally the operations in the Culver City portion of the Inglewood Oil Field can be phased out starting in January 2021. The negative health impacts of those near oil operations are well studied and the sooner operations can be ended the better. It is also important that California law be followed and previous and current operators are held responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the Inglewood Oil Field so that it does not become a tax payer burden. Additionally, they should be required to provide restitution for the damage that they caused - to the land and to the health of the surrounding community. There should be continued monitoring of the area to ensure that there are no other accidents, spills, or exposures as well. Any agreement with the operator must include measures to cover the costs of potential mishaps. Furthermore, work done to decommission the oil wells should require a preference for local labor, pay a living wage and use a properly trained and unionized workforce. When considering the future of the site, the City must make sure that it is determined by the vision and needs of the community, through a process that actively empowers the community to lead the decision making process including free, prior and informed consent must be obtained from the local Indigenous community. I hope the Council will continue to lead by finding more ways to move the City away from oil and gas infrastructure, and towards clean energy such as, restarting the city's conversation around requiring electrification ordinances for new buildings and publicly calling for the shutdown of the neighboring Playa del Rey gas storage facility, and the rest of the Inglewood Oil Field. Thank you, Ann Dorsey

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Tuesday, August 11, 2020 12:11 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Laura Kapuchinski submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Thank you to the City Council for the recent steps taken in prioritizing the health of our community. I am excited at the prospect of continuing these actions and taking the final steps to ensure that human life and well being is placed above the interests of the fossil fuel industry. My husband and I have lived in Culver City for over five years now. I am currently pregnant with our first child and we have chosen to make Culver City home for our family. At this time, we are renters, but are actively on the market of our first home here. We have actually passed up some homes that would have otherwise been potential purchases because of their vicinity to the oil fields and ou great concern about respiratory health, specifically that of our future infant. It is time to phase out oil production by January 2021. We are in full support of previous and current operators being held responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. We are asking that the work be carried out by a qualified, unionized team . This is a tremendous opportunity to continue to enhance the city by repurposing the land in a way the serves the community, as the council has done previously. Let us be an example not only to Los Angeles County, but the entire country, of what can happen when our values supercede the power and disregard of industry. Stay safe. Best, Laura Kapuchinski

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Tuesday, August 11, 2020 12:12 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Prisca Gloor submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Hello Mayor, Vice-Mayor and Council members. I agree with the letter you received from the Sierra Club! Thank you very much for considering and following the recommendations Thank you, Prisca Gloor [redacted]. Based on the foregoing assessment, the Sierra Club's recommendations are as follows: Quick Timeline: Initiate the shortest possible phase out timeline, given our aforementioned concerns about the impacts of neighborhood oil drilling on our health, environment and climate. All oil and gas production should cease in January 2021 and the plugging, capping, abatement and remediation of the well and immediate area should be enacted as soon as possible. Polluter Pays: Hold previous and current operators responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction. The ACI in the report by Baker & O'Brien includes plug and abandonment costs, which "are required to safely and permanently remove a well from service and to restore the immediate area to its natural condition. These costs are considered to be capital investment." Good, Local, Union Jobs: Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized workforce with preference for hiring local workers and consideration of project labor agreement (PLA). Community Determination: In terms of future uses, Culver City residents should be engaged to help determine the site's future use. Free, prior and informed consent must be obtained from the local Indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as well as open green space. Future Safeguards: Institute continued monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of potential mishaps so these potential future costs do not fall on the city taxpayers. The Sierra Club committed to working with the City of Culver City to ensure

the best outcome of this matter for the City, its businesses and residents. Thank you for taking our recommendations into consideration. Sincerely, David Haake, Chair Angeles Chapter - Clean Break Committee, Sierra Club Moncia Embrey, Associate Director Beyond Dirty Fuels, Sierra Club

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Tuesday, August 11, 2020 12:31 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Giuliana Sarto submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: The people who live and work in Culver City support the shutdown of the Inglewood Oil Field (IOF) because oil extraction operations are extremely toxic and impact the health of the community and environment. It is important to mention that the location of the IOF is in predominantly black neighborhoods, raising the issue of environmental racism. As we move forward to eliminate the threat oil extraction poses to our community, we must hold previous and current operators accountable and responsible for the costs of well plugging and full remediation. The City must ensure that the future of this site is determined by the community, including consent from the local Indigenous communities and putting first the needs and demands from traditionally marginalized communities in this decision making process to empower the people. I ask that we expedite the process of phasing out oil operations and commence remediation by January 2021. If there is anything we have learned from the year 2020, it's that it is time to make a change. Change that benefits the people. Change that protects our land and environment for generations to come. Let's work together as a community to make 2021 the year where we ceased oil and gas operations to move in the direction of clean energy. Culver City has the chance to be apart of this movement where the people's voices are heard and real change happens every day. As we move into clean energy, we must also shutdown the neighboring Playa del Rey gas storage facility as well as the rest of the IOF.

From: Ralph Combs <RalphC@termoco.com>
Sent: Tuesday, August 11, 2020 2:15 PM
To: Baker, Heather
Subject: Amortization Study and Effort - Public Comment Submittal - Termo
Attachments: Termo - Culver City - Public Comment - Amortization Proposal - 2020-08-11.pdf

Dear Ms. Baker,
On behalf of The Termo Company, please find attached our written submittal regarding the above subject.
Feel free to contact me at any time as necessary.
Thank you in advance for your time and consideration.
Regards,

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

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

August 11, 2020

City of Culver City
City Attorney's Office
Attention: Heather Baker, Assistant City Attorney
9770 Culver Boulevard
Culver City, CA 90232

Via Email: Heather.Baker@culvercity.org

Re: Inglewood Oil Field Amortization Study

Dear Ms. Baker,

Termo is an independent oil and gas exploration and production company located in Long Beach. The company owns, and produces oil and gas from, minerals in the Los Angeles Basin. As such, we have noted, with concern, Culver City's effort to put in place a mandated amortization schedule for the privately held hydrocarbon producing minerals within the City limits.

Having read through the Baker & O'Brien Study, I can say with confidence that it is flawed and makes several mistaken assumptions. First and foremost is the application of another, larger operator's (CRC) production costs as a proxy for the cost per barrel of production in the Inglewood Oil Field. Operations cost vary widely between operating areas and operators. The crude oil pricing assumption and oil price forecast is also totally out of line and divorced from reality.

Regardless of the flaws in the study, the underlying motive for the effort is the most concerning. Culver City is trying to tell a business when they have made enough profit and, when that point is reached, that business cannot continue to operate, and the mineral owner's asset is effectively being devalued to zero. If Culver City pursues this strategy, for no other reason than a philosophical dislike of one industry over another, what is to keep the City from threatening the rights of other legal businesses and private property owners? The precedent the City is attempting to establish should be extremely concerning to all businesses, private property holders, and citizens. It is also short-sighted in a time of unprecedented economic difficulty, budget shortfalls, fiscal emergencies, and high unemployment. This action, if carried through, will inevitably end in numerous lawsuits against the City for the taking of private property without compensation.

We appreciate the opportunity to provide these comments and we wish you good health and safety during these unprecedented times.

Sincerely,

Ralph E. Combs
Manager of Regulatory and Government Affairs
The Termo Company

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 7:36 AM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Kate Grodd submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Phasing out oil operations is essential to protect the health and safety of residents of Culver City as well as our environment from the negative impacts of urban oil drilling, including exposure to toxic emissions and dangerous chemicals. Living near an active oil & gas extraction site comes at a deadly cost. Oil and gas extraction produces toxic air pollutants, such as volatile organic compounds (VOCs) like benzene, toluene, ethylbenzene and xylene (BTEX), formaldehyde, fine and ultra-fine particulate matter, hydrogen sulfide, crystalline silica, methanol, hydrofluoric acid, and more. There is an overwhelming amount of scientific evidence linking exposure to toxic chemicals from oil drilling to negative health outcomes including, nausea, headaches, asthma, lung and heart disease, birth defects, cancer, and more. In the middle of the COVID-19 pandemic that attacks the body's cardiovascular and respiratory systems, it is even more important to enact strong regulations to protect the health & safety of frontline communities in Los Angeles. Studies link air pollution to an increase in COVID19 deaths. Previous and current operators should be held responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction. California law already holds operators responsible for plugging and abandoning wells, clean up has always been something they were required to do at some point. As operators of the sites, they are responsible for providing restitution for the damage that they caused - to the land and to the health of the surrounding community.

View and Analyze eComments

From: Edward S. Hazard [redacted]
Sent: Wednesday, August 12, 2020 8:28 AM
To: Baker, Heather
Subject: Inglewood Oil Field, Shutdown/Ammortization, Opposition
Attachments: NARO-CA Letter to Culver City Assistant City Attorney, Heather Baker August 10, 2020.pdf; NARO-CA Letter to Culver City Assistant City Attorney, Heather Baker August 10, 2020.docx

Dear Ms. Baker,

Please see the attached letter of opposition to the shut down of the Inglewood oilfield.

Sincerely,
Edward S. Hazard, President, NARO-CA

NATIONAL ASSOCIATION OF ROYALTY OWNERS – CALIFORNIA, INC.
Serving the Citizens Who Own California's Oil and Gas Resources

City of Culver City, City Attorney's Office
Attn: Heather Baker, Assistant City Attorney
9770 Culver Blvd.
Culver City, CA 90232

August 10, 2020

Re: Inglewood Oil Field Amortization Study

Dear Ms. Baker:

My name is Ed Hazard. My family and I are California oil and gas mineral and royalty owners. I am president of the California chapter of the National Association of Royalty Owners. We represent the interests of the estimated 500,000 oil and gas royalty owners of California.

I am writing to you in strong opposition to the proposed shutdown of the portion of the Inglewood Oil Field that is within the Culver City limits. The proposed shutdown and amortization will affect hundreds of royalty owners. The mineral rights owned by these royalty owners are valuable assets of theirs.

I don't know how you equitably amortize mineral rights, especially when there is production and known reserves. Nobody knows how many years of production are left in this field. Mineral owners can't move their mineral rights, can't produce their oil somewhere else. The oil needs to be produced from where it was placed by nature. It is not like a hardware store that can move its business to another location. The oil can only be moved if it is produced. The mineral and royalty owners' assets will have no value if they are no longer able to produce oil from them. Their assets will have been taken from them by the City. The royalty and mineral owners will be forced to take action to protect their assets.

If forced to take action, NARO-California will stand with the royalty owners, just as we did in Monterey County. When Monterey County passed the oil shutdown Measure Z, NARO-California filed suit together with over 80 royalty owners as named co-plaintiffs. In addition, five oil companies filed suit. Millions were spent on legal fees and costs. We won, the County lost. Legal action is a last resort. We do not take it lightly. It is something I hope we never have to do again. Please, do not pursue the proposed amortization and shutdown.

Sincerely,

Edward S. Hazard, President

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

Ferrel, Mimi

From: Maya Golden-Krasner <MGoldenKrasner@biologicaldiversity.org>
Sent: Wednesday, August 12, 2020 9:47 AM
To: Clerk, City
Cc: Ben Goloff; Liz Jones; Jason Pfeifle
Subject: Comments in support of File No. 21-158: IOF amortization study
Attachments: 20 08 12 CBD IOF Comments in support of subcommittee proposal.pdf

Hello,

Please see attached written comments in support of the Subcommittee's Proposal regarding the amortization study at the Inglewood Oil Field. Please contact me with any questions.

Best,
Maya

Maya Golden-Krasner (she/her)
Deputy Director | Senior Attorney
Climate Law Institute
CENTER *for* BIOLOGICAL DIVERSITY
660 S. Figueroa St, Suite 1000
Los Angeles, CA 90017
Tel: 213-785-5402
Cell: 213-215-3729

August 12, 2020

City Clerk
City of Culver City
9770 Culver Boulevard
Culver City, CA 90232
City.clerk@culvercity.org

via email

Re: File No. 21-158, Amortization Study for Culver City Portion of the Inglewood Oil Field

The Center for Biological Diversity ("Center") submits these comments in support of the City Council Oil Drilling Subcommittee's ("Subcommittee) recommendation for the Inglewood Oil Field ("IOF") to direct staff to develop a framework that identifies an appropriate period to phase out oil and gas activity, and to authorize the Oil Drilling Subcommittee to continue its work with staff on this framework.

Oil drilling near homes and schools increases numerous health and safety risks, especially for residents who live, go to school, play, or work within 2500 feet of the operations. In addition, approving new wells will only hinder achievement of the state's climate goals. Immediate and aggressive greenhouse gas emissions reductions are necessary to keep warming well below 2°C rise above pre-industrial levels—the temperature rise beyond which the most catastrophic effects of climate change are projected to occur.

The emission reduction potential of phasing out oil drilling in California alone is staggering. In February 2018, the Stockholm Environment Institute released a study concluding that restricting California oil production by 100 million barrels/year would likely decrease global GHG emissions by 8 to 24 million tons CO_2/year.[1] Overall emission benefits may be even greater if one factors in the upstream GHG emissions associated with producing, transporting, and processing that oil.[2]

Similarly, an Oil Change Institute report released in May 2018 found that halting new oil well permits and phasing out wells within 2,500 feet of sensitive areas—a distance within which public health studies suggest the greatest exposure to toxic air pollution occurs—could keep 660 million barrels of oil in the ground from 2019 through 2030.[3] This oil, if extracted and burned,

[1] Peter Erickson & Michael Lazarus, Stockholm Envtl. Institute, *How limiting oil production could help California meet its climate goals* at p. 3 (Feb. 27, 2018), *available at* https://www.sei.org/wp-content/uploads/2018/03/sei-2018-db-california-oil2.pdf ("SEI Report").
[2] *Ibid.*
[3] Oil Change International, "The Sky's Limit California: Why the Paris Climate Goals Demand that California Lead in a Managed Decline of Oil Extraction, at p. 8 (May 2018), *available at* http://priceofoil.org/content/uploads/2018/05/Skys_Limit_California_Oil_Production_R2.pdf.

would release more than 425 million metric tons of carbon pollution over the same time period.[4] Both of these studies found that reducing production in California would *not* result in an equal import of oil from other states or countries. Rather, reducing production locally results in a net reduction of overall oil produced. The Stockholm Environment Institute, for instance, confirmed that every barrel of California oil left in the ground will result in a net decrease of about half a barrel of oil consumption globally.[5]

The urgent need to prevent the worst impacts of climate change means that California cannot afford to continue investing in fossil fuel extraction and infrastructure that locks in carbon intensive oil production for years into the future. Thus, the Center fully supports phasing out oil drilling in the Culver City portion of the IOF.

In particular, we urge the City Council to:

- Move forward with phasing out oil production and remediation starting in January 2021;
- Ensure that the operator, not taxpayers, covers the full costs for remediation, and that workers hired for remediation are local and unionized;
- Create a process for community-led determination of the long-term transition vision for the site, including informed consent of the local Indigenous community.

Courts have upheld amortization periods for phasing out many different types of uses.

Furthermore, amortization of existing wells is a legally appropriate way of ending oil drilling here. In *Livingston Rock and Gravel Co. v. County of Los Angeles* (1954) 43 Cal.2d 121, Los Angeles County re-zoned an area from industrial to light manufacturing with a 20-year amortization period, and after a public hearing, revoked the company's right to operate a cement mixing plant, effective one year later. In upholding the right of the County to shorten the phase-out period, the Supreme Court recognized the legitimacy of amortization periods, noting that "zoning legislation looks to the future in regulating district development and the eventual liquidation of nonconforming uses within a prescribed period commensurate with the investment involved." *Id*. at 127.

In *City of Los Angeles v. Gage* (1954) 127 Cal.App.2d 442, the City of Los Angeles passed a zoning ordinance requiring discontinuance of nonconforming commercial and industrial uses of residential buildings in residential zones. A wholesale and retail plumbing business challenged the five-year amortization period, but the California Court of Appeal upheld it. The court stated that:

> Use of a reasonable amortization scheme provides an equitable means of reconciliation of the conflicting interests in satisfaction of due process requirements. As a method of eliminating existing nonconforming uses it allows the owner of the nonconforming use, by affording an opportunity to make new plans, at least partially to offset any loss he might suffer.

Id. at 460. After considering several fact-dependent factors, the court found that the amortization period was reasonable as applied to the plumbing business. *Id.* at 461.

[4] *Ibid.*
[5] SEI Report.

Furthermore, with respect to any potential argument that phasing out and amortizing fossil fuel production in the Culver City portion of the IOF would result in an unconstitutional taking, a court would be unlikely to find that a taking has occurred. First, the Culver City is a small portion of the productive capacity of the field. Second, any amortization period combined with an individual appeals process would mitigate financial losses. When weighed against the significant public health and environmental benefit, such a regulation is clearly a reasonable exercise of the City's police powers.

The Baker & O'Brien Amortization Study supports phasing out wells in the Culver City portion of the IOF starting in January 2021.

The study by Baker & O'Brien used two different methods to determine the time required for the amortization of capital investment ("ACI") by Sentinel Peak Resources, LLC: modeling the time for ACI for Sentinel's investment when it acquired Freeport McMoRan's portfolio of California oil and gas production properties, and modeling the time for ACI based on the original costs to drill and complete the wells and infrastructure made by other operators in the IOF between 1925 and 2016. The analysis demonstrates that the time for ACI for Sentinel's capital investment is within four to five years of Sentinel's acquisition date, thus by January 2021. In addition, even if particular wells fall short of the five-year ACI mark, the study confirms that high returns from performing wells offset low returns from marginal wells. The Center therefore urges the City Council and staff to develop a plan that begins to phase out wells starting in January 2021.

A just transition of the oil field to clean energy can help spur jobs and economic recovery.

A global survey of more than 200 of the world's most senior economists and economic officials found that investment in clean energy infrastructure, clean research and development spending, connectivity infrastructure investment, and other incentive spending have both climate benefits and the greatest stimulus effect ("economic multiplier") over time.[6] Green spaces and natural infrastructure investment and building upgrades for energy were both ranked as having high climate benefits though a lower economic multiplier.

Repurposing this portion of the IOF for clean energy, green spaces, natural infrastructure would do more to create jobs and stimulate Culver City's economy than maintaining the status quo. To that end, the City should look into: ensuring that Sentinel pays for plugging and abandoning the wells as well as remediation, rather than taxpayers; and including a project labor agreement for work done at the site to ensure that the workers receive a living wage, are properly trained, are unionized, and where possible, local.

For these reasons, the Center encourages the City Council to adopt the Subcommittee's recommendations as the best outcome for Culver City's residents. Please do not hesitate to contact me with any questions.

[6] Hepburn, Cameron et al., Oxford Smith School of Enterprise and the Environment, Working Paper No. 20-02 (May 4, 2020), forthcoming in the Oxford Review of Economic Policy 36(S1), https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf.

Sincerely,

Maya Golden-Krasner
Senior Attorney | Climate Law Institute
Center for Biological Diversity
mgoldenkrasner@biologicaldiversity.org
(213) 785-5402

From: Ivan Tether <ivan@tetherlaw.com>
Sent: Wednesday, August 12, 2020 11:16 AM
To: Baker, Heather
Subject: Comments: City Council consideration of the Inglewood Oil Field Amortization Study
Attachments: 2020-8-12 Ivan Tether comments on Inglewood Oil Field Amortization Study.pdf

Dear Ms. Baker,

Please see and share with the City Council Members the attached letter providing my comments regarding tomorrow night's City Council meeting Agenda.

Thank you. Please don't hesitate to contact me with questions.

Stay safe and well and have a very good rest of the week and weekend – and the same to the City Council Members and Staff.

Best regards, Ivan Tether

Ivan Tether / TETHER LAW / ivan@tetherlaw.com
Tel: (310) 573-2100 / Fax: (310) 573-2199
860 Via de la Paz, Suite E-3D, Pacific Palisades, CA 90272
WEBSITE: <www.tetherlaw.com>

Ivan Tether, Attorney
T: (310) 573-2100
F: (310) 573-2199

TETHER LAW

ivan@tetherlaw.com
860 Via De La Paz Ste E-3D
Pacific Palisades, CA 90272

August 12, 2020

By Email to Heather.Baker@culvercity.org

Heather Baker, Assistant City Attorney
City Attorney's Office
City of Culver City
9770 Culver Blvd., Culver City CA 90232

Subject: Inglewood Oil Field Amortization Study

Dear Ms. Baker,

We appreciate the opportunity to present these comments to the City Council. We respectfully ask you and the City Council to consider and respond to the many factors supporting continued oil and gas production in the Culver City portion of the Inglewood Field.

These are my personal comments. I am twice past president of the California Small Business Alliance and the Los Angeles Environmental Chair for the California Independent Petroleum Association.

Foreign governments are lobbying to restrict and destroy oil and gas production in the United States so that their oil and gas production can dominate. Maintaining US and specifically California production is key to pushing back against this attempt to dominate.

Oil and gas production in California is performed under the strictest laws and regulations that protect human health and the environment more than anywhere else in the World. From an environmental standpoint alone, local production, production close to the use, is better for the Planet. This is even more true for the Inglewood Field. The Los Angeles portion is subject to the Community Standards District requirements of the City of Los Angeles. The CSD elevates protection with the most stringent set of regulations for any onshore oil field in California.

Further, there are employment and financial issues that reinforce the value of local oil and gas production. The Inglewood Oil Field is run by and provides very good wages for about 80 full time employees and 100 to 150 contract workers. (Many of the contract workers are from small businesses.) California Assembly Member Mike Gipson from South Bay endorses local production because his constituents who work for the oil industry can "buy a house and send their kids to college" on their earnings.

Current high unemployment sets a very poor stage for eliminating jobs.

The Inglewood Oil Field is deemed an "essential business" by our Governor in the first and continuing safe at home orders. The field provides Culver City over $250,000 per year in fees and taxes, as well as supporting the living incomes of mineral royalty owners, including many retired senior citizens. And Sentinel Peak Resources donates over $100,000 a year to local non-profits.

Under the COVID-19 Pandemic, this is more than ever the time for all governments, businesses and regulators to stand together to support the livelihoods of workers, residents and Culver City.

The City Council plays an important role in protecting the health and safety of its residents. We ask that you rest your decisions on science and on the multiple reports and studies that reinforce the environmental safety of oil and gas production.

We respectfully request that the Culver City Council suspend pursuit of the destructive application of amortization to a key City business that is almost 100 years old.

Thank you. Please don't hesitate to contact me at (310) 573-2100 or ivan@tetherlaw.com with questions.

Stay safe and have a very good rest of the week, weekend and beyond.

Respectfully submitted,

Ivan Tether
Tether Law

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 11:25 AM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM

Maya Golden-Krasner submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: The Center for Biological Diversity ("Center") submits these comments in support of the City Council Oil Drilling Subcommittee's ("Subcommittee) recommendation for the Inglewood Oil Field ("IOF") to direct staff to develop a framework that identifies an appropriate period to phase out oil and gas activity, and to authorize the Oil Drilling Subcommittee to continue its work with staff on this framework. Oil drilling near homes and schools increases numerous health and safety risks, especially for residents who live, go to school, play, or work within 2500 feet of the operations. In addition, approving new wells will only hinder achievement of the state's climate goals. Immediate and aggressive greenhouse gas emissions reductions are necessary to keep warming well below 2°C rise above pre-industrial levels—the temperature rise beyond which the most catastrophic effects of climate change are projected to occur. The emission reduction potential of phasing out oil drilling in California alone is staggering. In February 2018, the Stockholm Environment Institute released a study concluding that restricting California oil production by 100 million barrels/year would likely decrease global GHG emissions by 8 to 24 million tons CO2/year. Overall emission benefits may be even greater if one factors in the upstream GHG emissions associated with producing, transporting, and processing that oil. Similarly, an Oil Change Institute report released in May 2018 found that halting new oil well permits and phasing out wells within 2,500 feet of sensitive areas—a distance within which public health studies suggest the greatest exposure to toxic air pollution occurs—could keep 660 million barrels of oil in the ground from 2019 through 2030. This oil, if extracted and burned, would release more than 425 million metric tons of carbon pollution over the same time period. Both of these studies found that reducing production in California would not result in an equal import of oil from other states or countries. Rather, reducing production locally results in a net reduction of overall oil produced. The Stockholm Environment Institute, for instance, confirmed that every barrel of California oil left in the ground will result in a net decrease of about half a barrel of oil consumption globally. The urgent need to prevent the worst impacts of climate

change means that California cannot afford to continue investing in fossil fuel extraction and infrastructure that locks in carbon intensive oil production for years into the future. Thus, the Center fully supports phasing out oil drilling in the Culver City portion of the IOF. In particular, we urge the City Council to: • Move forward with phasing out oil production and remediation starting in January 2021; • Ensure that the operator, not taxpayers, covers the full costs for remediation, and that workers hired for remediation are local and unionized; • Create a process for community-led determination of the long-term transition vision for the site, including informed consent of the local Indigenous community. The Center submitted a full support letter via email to city.clerk@culvercity.org. Please include the letter in the file.

From: Bill LaMarr <BillLaMarr@msn.com>
Sent: Wednesday, August 12, 2020 11:36 AM
To: Baker, Heather
Subject: COMMENT LETTER - INGLEWOOD OIL FIELD DISCUSSION - AUGUST 13, 2020
Attachments: csba_letter_to_culver.city.council_2020-8-12.pdf

Importance: High

CALIFORNIA SMALL BUSINESS ALLIANCE

Dear Ms. Baker:

On behalf of the members of the California Small Business Alliance, I am submitting a letter reflecting our comments and position relating to the Inglewood Oil Field discussion that will be on the agenda of the City Council at tomorrow night's meeting. I urge you to share the letter with the council members prior to the meeting, so they will have ample time to familiarize themselves with the content.

Should you have any questions, please don't hesitate to contact me.

Sincerely,

Bill La Marr
Executive Directive
California Small Business Alliance
(714) 778-0763 (O)
(714) 267-1464 (M)
E-mail: BillLaMarr@msn.com
Web: www.calsmallbusinessalliance.org

For more news about the issues that affect small business, check out our website at:
www.calsmallbusinessalliance.org.

CALIFORNIA Small Business Alliance

Dedicated to Environmental Progress and Economic Growth

August 12, 2020

By Email to Heather.Baker@culvercity.org

Heather Baker, Assistant City Attorney
City Attorney's Office
City of Culver City
9770 Culver Blvd., Culver City CA 90232

Subject: Inglewood Oil Field Amortization Study

Dear Ms. Baker,

I am writing on behalf of the California Small Business Alliance (Alliance), which represents **over 14,000 small businesses in the State of California. Small businesses provide nearly half of all the jobs in the United States. The Alliance advocates air quality and other regulatory programs consistent with the principle that solutions to environmental problems should be** guided by sound, verifiable scientific evaluations. We understand that many of the contract **workers at the Inglewood Oil Field are from small businesses. We are also concerned that the amortization procedure could provide future threats to the enterprises of our Members.**

We appreciate the opportunity to present these comments to the City Council. We respectfully ask that you and the City Council consider and respond to the many factors supporting continued **oil and gas production in the Culver City portion of the Inglewood Oil Field.**

All of the industrial activities in California, including oil and gas production, are performed under very strong laws and regulations. These requirements protect human health and the **environment more than anywhere else in the World. In addition, the Los Angeles portion of the Inglewood Oil Field is subject to the Community Standards District requirements of the City of Los Angeles. The CSD elevates protection with the most stringent set of regulations for any** onshore oil field in California.

Employment and financial issues reinforce the value of local oil and gas production. The **Inglewood Oil Field is run by and provides very good wages for about 80 full time employees and 100 to 150 contract workers. (Many of the contract workers are from small businesses.)**

Current high unemployment sets a very poor stage for eliminating jobs.

California's Governor Newsome deemed the Inglewood Field an essential business in the first and continuing safe at home orders. The field provides Culver City over $250,000 per year in fees and taxes, as well as supporting the living incomes of mineral royalty owners, including many retired senior citizens. **And Sentinel Peak Resources donates over $100,000 a year to local non-profits.**

Under the COVID-19 Pandemic, this is more than ever the time for all businesses, governments and regulators to stand together to support the livelihoods of workers, residents and Culver City.

The City Council plays an important role in protecting the health and safety of its residents. We ask that you rest your decisions on science and on the multiple reports and studies that reinforce the environmental safety of oil and gas production.

The Alliance respectfully requests that the Culver City Council suspend pursuit of the destructive application of amortization to a key City business that is almost 100 years old.

Thank you. Please don't hesitate to contact me at (714) 778-0763 or <billlamar@msn.com> with questions.

Respectfully submitted,

Bill La Marr,
Executive Director

Ferrel, Mimi

From: Ethan Senser <esenser@fwwatch.org>
Sent: Wednesday, August 12, 2020 12:48 PM
To: City Council
Cc: Clerk, City
Subject: Inglewood Oil Field Special Meeting - Food & Water Action Letter
Attachments: IOF_FWA_Letter.pdf

Councilmembers,

In advance of this Thursday's Special City Council meeting on the Inglewood Oil Field, Food & Water Action would like to submit the attached letter.

Given the health, environmental, and economic risks posed by the Inglewood Oil Field, we express our strong support for the amortization study under consideration, and for the City's continued commitment to a rapid, equitable and community-led transition process for the IOF.

Sincerely,

Ethan Senser (he/him)
Southern California Organizer
Food & Water Watch and Food & Water Action

[redacted]
esenser@fwwatch.org

915 Wilshire Blvd, Suite 2125
Los Angeles, CA 90017

Fight like you live here.

FOOD & WATER ACTION
Fight like you live here.

915 Wilshire Boulevard
Suite 2125
Los Angeles, CA 90017
T +323.843.8450
foodandwateraction.org

Dear Mayor Eriksson and members of the Culver City Council:

As an organization dedicated to ensuring a healthy and safe environment for the residents of Culver City, Food & Water Action would like to state its strong support for the Council's leadership in moving to shut down the Culver City portion of the Inglewood Oil Field through a responsible and fair amortization process.

As a global pandemic makes visible the vulnerability of our state's oil and gas industry to crisis, and as the science of global climate change makes clear the necessity of a societal transition off of fossil fuels, the soundness and urgency of such action could not be more apparent. Timely and bold interventions, like that being taken by Culver City, not only help the climate - they help ensure that communities and workers will be protected over the course of our transition to clean energy.

The best way to do this is by ensuring that those responsible for the harm done by oil extraction are in turn responsible for the costs of repair. California law already requires companies to pay for remediation, but the City should explore every option, including litigation, to ensure that past and current owners are accountable to the damage done the site, its surroundings, and the neighboring community.

Such remediation will not only protect community health and aid in environmental restoration; it will allow for the creation of much needed jobs. With that in mind, any agreements made in regards to the transition of the site must include the hiring of a unionized workforce, require living wage compensation, and give preference to local workers. Project labor agreements must likewise be pursued when applicable.

In envisioning a future of this area, we must ensure that the needs and voice of the residents are centered through a participatory decision-making process. Communities that have been historically harmed by fossil fuel production should be prioritized, and free, prior and informed consent must be sought and obtained from the local Indigenous community.

Every resident of Culver City deserves to live in a safe, healthy neighborhood. We applaud the Culver City Council for its foresight in closing down these drill sites, and urge the city to continue taking bold action to divest Culver City from fossil fuels.

Thank you for your attention and action on these matters that directly impact the health and safety of residents living near oil drilling operations. Please feel free to contact us as resources and as partners in building a regenerative future for Culver City.

Sincerely,

Ethan Senser
Southern California Organizer
Food & Water Action

From: L G [redacted]
Sent: Wednesday, August 12, 2020 1:19 PM
To: Baker, Heather
Subject: Sentinel Peak mineral rights and property in Culver City

Thank you councilmembers for reading this important letter regarding the Inglewood Oil Field.

Our names are Shawn and Lynne Gale. We are mineral and property owners with vested rights in Culver City.

We support the Inglewood Oil Field, and rely on the oil produced in Culver City to support our family.

The Inglewood Oil Field employs around 200 people who pay taxes, and invest their earnings in the community.

We are very concerned that the Culver City Council is trying to illegally (amortize) take our mineral and property rights.

Please do not move forward on enacting this illegal process. You will cause people to become unemployed and cause mineral and property owners to lose necessary income.

Thank you for listening.

Sincerely,
Shawn and Lynne Gale

From: Jim McCart [redacted]
Sent: Wednesday, August 12, 2020 1:21 PM
To: Baker, Heather
Subject: For the Special Meeting on Inglewood Oil Field
Attachments: councilmembers.docx

Hello Ms. Baker

The attached document concerns the special meeting on August 13, 2020 at 6 PM on the Inglewood Field discussion.

Thank you

James McCart

Thank you for hearing me today councilmembers.

My name is _James McCart____. I am a mineral owner and therefore a property owner with vested rights in Culver City.

I support the Inglewood Oil Field. The oil produced in Culver City supports my livelihood. I rely on this income to support my family.

My mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily take away. You have not considered any of my rights or the damages you would owe to me in your process.

Attempts to amortize my property rights are illegal when applied like this and I intend to defend myself to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights.

The City has spent millions of tax payer's dollars in failed attempts to marginalize the oil field, including the City's draft EIR and Specific Plans, all of which have resulted in nothing but wasteful spending.

This City has declared a state of fiscal emergency, and yet again you are risking millions upon millions of taxpayer dollars to ultimately fail again. That is grossly irresponsible governing.

Culver City cannot afford more egregious spending.

Taxpayer resources are precious.

I pay taxes in this City and urge you to re-direct your efforts and our hard-earned money to advance the numerous truly pressing needs such as homelessness, which face the City and its constituents.

A vital further point for all is that California is an oil island.

Without production from local oil fields, the state will be forced to import oil from abroad.

Imported oil, from countries like Saudi Arabia, won't be produced under California's strong environmental regulations or with our human rights protections. Nor do those countries pay taxes to the state and county as California companies do.

California producers provide local jobs and much-needed local tax revenue for vital public programs, while generating reliable and affordable energy for Californians.

We ought to protect these quality jobs and this valuable tax revenue stream by supporting the Inglewood Oil Field rather than seeking to shut it down through an illegal process.

Thank you for your attention to these important matters.

Sincerely

James McCart

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 3:25 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 1: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #1: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Rashelle Zelaznik submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #1: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Dear Attorney Baker, CC: Honorable City Council Members, City of Culver City I am writing to you today regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. I support the Oil Subcommittee recommendations to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program.

From: Susan Pacini [redacted]
Sent: Wednesday, August 12, 2020 3:24 PM
To: Baker, Heather
Subject: Mineral Rights

Dear Ms. Baker,

My name is Susan Pacini and I am writing to you today on behalf of myself and my cousin, Christina Essex. Our family has owned property and mineral rights in Culver City long before Culver City was even a city. Dating back to the 1700s. We support the Inglewood Oil Field. The oil produced in Culver City supports our livelihood. Our great grandparents specifically retained their mineral rights when property was sold, so it is a mystery to me why the City has decided we no longer have rights to our property. Our mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily take away. You have not considered any of our rights or the damages you would owe us in your process.

Attempts to amortize my property rights are illegal when applied like this and we intend to defend ourselves to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights.

We are certainly living in an unusual time. This City has declared a state of fiscal emergency, and yet again you are risking millions upon millions of taxpayer dollars to ultimately fail again. That is grossly irresponsible governing. Is this the best use of taxpayer dollars? It appears no one has thought thru the long term financial consequences to the city.
The Inglewood Oil Field has been deemed an essential business by the State and Federal Government – continuing to supply every one of us with a critical resource that we use every day all day long whether we realize it or not, throughout this crisis. Is the city in the position to lose the current revenue (over $250,000 in taxes and fees) from the Inglewood Oil Field? How does the city plan to replace these revenue dollars?
Additional, the Inglewood Oil Field employs about 200 full time staff and contracted workers every day. These individuals spend money in Culver City and

contribute to the livelihood of the local economy. Is this really the time to cause additional jobs to be lost? No, it is not.

I urge you to reconsider your position, as this will not go away easily or without a huge expense to the city. And we all know, The City will not win.

Thank you,
Susan Pacini and Christina Essex
Mineral rights holders in Culver City

Susan Pacini
Realtor
BRE #01509884

Vista Sotheby's International Realty
2501 Sepulveda Blvd Manhattan Beach CA 90266
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Susan.Pacini@Vistasir.com VistaSIR.com

From: Rod & Mary Anne Ekren [redacted]
Sent: Wednesday, August 12, 2020 4:00 PM
To: Baker, Heather
Subject: Inglewood

Thank you for hearing me today councilmembers.

My name is Mary Anne Ekren, daughter of Bertha Barbot, land owner/mineral holder with vested rights in Culver City.

Inglewood Oil Field has been in our family long before Culver City stretched to the border of the oilfield.

My mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily take away. You have not considered any of my rights or the damages you would owe me and my family in your process.

Attempts to amortize my property rights are illegal when applied like this and I intend to defend myself and family to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights.

At the last meeting it was mentioned that two family members had cancer from living close to the oil field. Though I am sorry they have cancer, I too have cancer along with a few of my friends. We do not live close to an oilfield. There is no proof that oil extraction is a cause of cancer and therefore, should not be used as an argument to shutdown oil production.

Culver City benefits in multiple ways from the oilfield. It receives tax revenues from the oilfields. Sentinel Peak Resources donates over $100,000 per year to local non-profits. The Inglewood Oil Field also employs hundreds of local workers with full time jobs - jobs with high pay and health coverage. If this study moves forward, you'd be putting those employees' and their families' future at risk.

Culver City has already declared a state of fiscal emergency and the state is projecting huge budget shortfalls due to the current pandemic. The Inglewood Oil Field pays Culver City over $250,000 in taxes and fees each year. These revenues pay for services that are currently at risk. Please don't further jeopardize the jobs of the citizens and services provided to them by moving this study forward.

The city has no right to shutdown production of that portion of the Inglewood Oil Field. It is illegal no matter what title the city puts on the process.

In conclusion, please reconsider shutting down the oilfield. It provides many benefits not only for the mineral holders, but also for the residents and city of Culver City.

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 4:33 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #1: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #1: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Meredith Hackman submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #1: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: I support the Oil Subcommittee recommendations to shut down the oil field in Culver City. I urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field asap beginning in January 2021 to protect our health, our environment and our economy.

From: Blair Zucker [redacted]
Sent: Wednesday, August 12, 2020 4:55 PM
To: Baker, Heather
Cc: Betty Zucker; aparsons@sentinelpeakresources.com
Subject: Council Special Meeting Culver City Inglewood Oil Field

Dear Ms. Baker,

Please accept these comments from Betty G. Zucker who will be adversely impacted by the City's proposed amortization process that will result in a negative impact to her Mineral Rights. She is my mother and is 90 years old. At this time, she is not able to send you an email. Therefore, I am submitting the following statement as her proxy with her on copy.

We wrote to you in June to express concerns as a mineral owner and as a property owner with vested rights in Culver City. The oil produced in your City supplements her meger Social Security income. She relies on the income from the Inglewood Oil Field to support herself.

As a mineral owner she has several concerns. First, her mineral rights are vested property rights derived from the oilfield and they are not yours to arbitrarily take away. You have not considered any of her rights or the damages you would owe to her in your process.

Second, the City has spent millions of tax payer's dollars in attempts to marginalize the oil field, including the City's draft EIR and Specific Plans. These efforts have resulted in nothing but wasteful spending. We urge the City Council to re-direct its efforts and money to advance the numerous truly pressing needs such as homelessness, which face the City and its constituents.

Fourth, do not forget that the Inglewood Oil Field has been deemed an essential business by the State and Federal Government. It employs 200 local workers with full time jobs – jobs with high pay and health coverage. If this study moves forward, you'd be putting those employees' and their families' futures at risk. This is not the time to jeopardize anyone's employment

Finally, the Inglewood Oil Field pays Culver City over $250,000 in taxes and fees each year and you are using the revenues to pay for needed Services. This is money that the City can use for services.

In this time of crisis, we should be helping one another to support the livelihood of those in our community. Please refrain from attempting an illegal amortization process that will cause the City further financial destruction.

Sincerely,

Blair Zucker on behalf of Betty G. Zucker

Copies to Betty Zucker & Amanda Parsons DeRosier
--

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 7:19 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Karina Maher submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: As pediatrician who has worked in Culver City for 18 years caring for children of all ages, I am writing to make certain you are aware of the health impacts of living near oil drilling sites, as you deliberate plans for the Inglewood Oil Field. The medical evidence is clear: children who live near oil extraction sites have an increased risk of cancer, asthma, and birth defects and are more likely to be born prematurely. We know that the children most affected are those of color and those from low income homes. COVID-19 affects those same people disproportionately so the timing of this is urgent. Now more than ever, it is crucial that you do what you can to stop oil drilling and protect the health of the children who live in and near Culver City. Thank you, Karina Maher, MD

Ferrel, Mimi

From: Charlotte Soestini [redacted]
Sent: Wednesday, August 12, 2020 8:53 PM
To: Public Comment at Culver City
Subject: in Support of File No. 21-158: IOF amortization study

Hi,

As a Culver City resident, I support the Oil Subcommittee recommendations.
Given the findings of the report, I feel strongly that Culver City should:

1. Move forward in phasing out oil production and the remediation and regeneration of the site starting January 2021 and complete as quickly (and as safely!) as possible.
2. Ensure that ***oil operators, not taxpayers,*** cover the full cleanup costs for the site, and that workers hired for the remediation are local and unionized.
3. Create a process for community-led determination of the long term remediation vision for the site, ***one which ensures the free, prior and informed consent of the local Indigenous community.***

I'm interested in ensuring the health and safety of the residents of our city, and want to mitigate and protect our environment from the impacts of urban drilling, especially considering the facts. There is an overwhelming amount of scientific evidence linking exposure to toxic chemicals from oil drilling to negative health outcomes including, nausea, headaches, asthma, lung and heart disease, birth defects, cancer, and more. In the pandemic, these outcomes are especially dangerous.

I also want to make sure that any agreement covering the costs of well plugging and abandonment should require living wage compensation of a properly trained and unionized workforce with preference for hiring local workers and consideration of project labor agreements (PLA).

I also feel strongly that:

- The City must make sure that the future of the site is determined by the **vision and needs of the community**, through a process that actively **empowers the community to lead** the decision making process.
    - Free, prior and informed consent must be obtained from the local Indigenous community.
    - The needs and demands of traditionally marginalized communities should be prioritized in any decision making process.

- The Council must **continue to lead** by finding more ways to move the City away from oil and gas infrastructure, and towards clean energy.
    - Consider renewable energy generation and storage as a potential beneficial reuse of the oil field site after proper remediation
    - Restart the city's conversation around requiring electrification ordinances for new buildings.
    - Publicly call for the shutdown of the neighboring Playa del Rey gas storage facility, and the rest of the Inglewood Oil Field.

It's also important to me that there should be continued monitoring of the area to ensure that there are no other accidents, spills, or exposures. Any agreement with the operator must include measures to cover the costs of potential mishaps.

Thanks so much.

Charlotte Soestini

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Wednesday, August 12, 2020 10:48 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Allison Kanak submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: My name is Allison Kanak and I've lived in Culver City for five years. Last April's oil spill flowed out and contaminated my own street, Duquesne Avenue, where I walk my dog Jack everyday. Where residents access the beloved Ballona Creek bike path. Where children attend a local preschool. This is just the latest in a growing list of dangerous Inglewood Oil Field failures: a tank leak in 2018, a methane seepage that led to the dog park closure in 2010, and two major toxic releases in 2005 and 2006, among others. Phasing out oil operations is essential to protect the health and safety of our residents - your constituents. I strongly support the recommendation for the shortest possible timeline for phasing out oil operations in the Culver City portion of the Inglewood Oil Field, starting in January 2021. Exposure to oil and gas drilling is linked to a host of health impacts, including nose bleeds, headaches, eye irritation, increased risk of asthma and other respiratory illnesses, premature births and high-risk pregnancies, cancer, and yes, even death. We must shut it down now. We cannot wait any longer. Please don't give in to those who profit from the deterioration of your own people's health and safety. Please do what is right. Thank you, Allison Kanak

From: Ronald Gibson [redacted]
Sent: Thursday, August 13, 2020 6:32 AM
To: Baker, Heather
Cc: aparsons@sentinelpeakresources.com
Subject: Amortization program for Inglewood Oil Field

My name is Leska Gibson . I am a mineral owner and therefore a property owner with vested rights in Culver City. I support the Inglewood Oil Field.

The Study did not take into consideration the vested mineral rights of the owners. It only questioned if Sentinel Peak had or when it will recover its capital investment in the oil field. The study ignores the opportunity cost of the mineral owners if the oil field is closed. The closing of the oil Field by Culver City would be synonymous to a governmental taking without remuneration to the mineral rights owners and is illegal.

I thank the Council for the opportunity to express my thoughts on this issue.

Leska Gibson

Sent from my iPad

From: David Haake <[redacted]
Sent: Thursday, August 13, 2020 7:21 AM
To: Baker, Heather; Public Comment at Culver City
Cc: Monica Embrey
Subject: Sierra Club Comments regarding Agenda Item A-1 for the August 13th Special City Council Meeting: Inglewood Oil Field
Attachments: Sierra Club - Culver City Amortization Letter - August 2020.pdf

Dear Attorney Heather Baker,

Please find attached the Sierra Club's comments regarding Agenda Item A-1 for the August 13th Special City Council Meeting on the Inglewood Oil Field.

With best regards,

David Haake, Chair, Angeles Chapter - Clean Break Committee, Sierra Club

Monica Embrey, Associate Director, Beyond Dirty Fuels, Sierra Club

From: Sierra Club, West Los Angeles Group & Clean Break Team
To: Heather Baker, Assistant City Attorney, Culver City
Re: Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field, prepared by Baker & O'Brien

Submitted via email

August 13, 2020

Dear Attorney Baker,
CC: Honorable City Council Members, City of Culver City

We are writing to you today regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. **We support the Oil Subcommittee recommendations** to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program.

We further urge you **to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021** to protect our health, our environment and our economy. This should be completed in a manner that **ensures previous and current operators are responsible for the full costs** of well plugging, abandonment, and full remediation of the site, not Culver City taxpayers. Furthermore, the agreement covering the costs of well plugging and abandonment should include **living wage compensation for a properly trained and unionized workforce with preference for hiring local workers**.

This letter comes to you not from distant parties who profit off urban oil drilling in our neighborhood, but from those who live and work in Culver City and suffer the negative impact of living next to the largest urban drilling fields in the country. We represent your neighbors, small business owners, and perhaps most importantly, your constituents.

We applaud the recent actions taken by the Culver City City Council to put the health and well-being of its citizens and the environment over the interests of large fossil fuel companies. By spearheading the initiative to phase out oil drilling within city limits, this city council is in the process of transforming Culver City from an oil town into a nationwide leader in environmental justice. But that process is not complete. We are at a critical juncture where swift and decisive action must be taken to achieve the promise of a better, cleaner, greener Culver City.

We encourage the City of Culver City to continue its leadership in addressing the problems of urban oil drilling by instructing staff to develop a plan for **phasing out oil operations and remediating the immediate area in the Culver City portion of the IOF starting in January 2021** as indicated is possible by the Capital Investment Amortization Study**.**

As the oil and gas operations are a non-conforming use of its land, the City of Culver City has the legal right to phase out these operations once the ACI period has elapsed. The oil operator, Sentinel Peak Resources (SPR) acquired Culver City's portion of the IOF when it purchased a portfolio of California oil and gas properties from Freeport McMoRan in January 2017. According to the income model described in the report, ACI would occur within four years of SPR's purchase of the City's portion of the IOF. That four years will have passed this coming January, 2021.

The phasing out of oil operations within city limits will have a proportionately small negative impact on the total operations of SPR. According to the report, during 2017, in the Culver City portion of IOF, 21 wells were in operation to produce oil and gas, 10 production wells were idle, and 10 wells were used for injection of water into the reservoir. This is just a fraction of the total number of wells currently situated in the oil field as a whole.

By contrast, closing this small number of wells will have a massive positive impact on the residents of Culver City. It will help **protect the health and safety of nearby residents of Culver City, as well as our environment**, from the negative impacts of urban oil drilling, including exposure to toxic emissions and dangerous chemicals.

Many peer-reviewed studies link exposure to oil and gas drilling to a host of health impacts, including nose bleeds, headaches, eye irritation, increased risk of asthma and other respiratory illnesses, preterm births and high-risk pregnancies, cancer and premature death. The majority of these studies noted more hazards, risks and health impacts due to increase in exposure from both closer proximity and higher well density. The proximity and density of oil and gas development in Culver City and the surrounding area is often as high or higher than that of oil and gas development associated with health impacts in studies outside of the region.[1]

[1] Shonkoff, S.B.C., et al. Human health and oil and gas development: A review of the peer-reviewed literature and assessment of applicability to the City of Los Angeles (2019), available at https://www.psehealthyenergy.org/wp-content/uploads/2019/08/Literature-Review.pdf.

Oil and gas extraction produces toxic air pollutants, such as volatile organic compounds (VOCs) like benzene, toluene, ethylbenzene and xylene (BTEX), formaldehyde, fine and ultra-fine particulate matter, hydrogen sulfide, crystalline silica, methanol, and hydrofluoric acid. According to South Coast Air Quality Management District records, between June 2013 and February 2017, oil companies in Los Angeles County used more than 98 million pounds — or 49,000 tons — of chemicals known to cause serious health effects in humans. In total during this period, air toxics were reportedly used over 11,000 times across Los Angeles County.[2] Oil companies claimed "trade secret" protection nearly 12,000 times for chemicals used. This means that even more air toxics and other hazardous chemicals could have been used than were disclosed, including at the drill sites in Culver City. Other potential harms from urban oil drilling include water contamination, light and noise pollution, spills of toxic chemicals, and explosions. Ending drilling operations near sensitive places is necessary to avoid these serious public health risks.

As COVID-19 continues to spread across California, early research is showing the disproportionate impact the virus is having in communities burdened by air pollution and pre-existing health conditions. People sheltering in place in close proximity to oil and gas facilities are facing increased health risks by staying home. Preliminary research from Harvard University indicates that at the county level, COVID-19 mortality rates are higher in areas with elevated levels of fine particulate matter air pollution over the long term.[3] Now more than ever, California must act to reduce exposure to pollution and improve public health – particularly in communities most impacted by COVID-19.

In addition, closing the City's portion of the IOF would **create new job opportunities required for abandonment and capping of existing wells, remediation of the immediate area and regeneration of the site**. It is critical that these costs be covered by the oil and gas operators, and not the city or taxpayers.

Well and site remediation is an important part of a just transition to a clean, renewable energy economy. New jobs would be created when workers are employed in the capping and abandonment of all active and idle oil wells and injection wells. This is one way to meet the goal of creating jobs in the fossil fuel industry that could put displaced laborers back to work. Furthermore, full site remediation of the immediate vicinity, including soil and water, will be necessary to provide critical environmental, public health, and fiscal benefits to Culver City, while also creating more jobs. Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized

[2] Fleming, J. and Kim, C. Danger Next Door (2017) https://www.biologicaldiversity.org/publications/papers/DangerNextDoor.pdf

[3] Exposure to air pollution and COVID-19 mortality in the United States. Xiao Wu, Rachel C. Nethery, Benjamin M. Sabath, Danielle Braun, Francesca Dominici. medRxiv 2020.04.05.20054502; doi: https://doi.org/10.1101/2020.04.05.20054502

workforce with preference for hiring local workers. Consideration should also be given to a project labor agreement (PLA) and apprenticeship training program to develop the workforce.

Finally, accelerating the remediation of all active and idle wells will allow for a beneficial reuse and regeneration of the IOF site. We encourage the council to consider a public process that allows locally impacted residents to provide meaningful input into the site's future use. Furthermore, the council should engage in dialogue with free, prior and informed consent of the Tongva indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as part of the Clean Power Alliance. Transitioning the area into open greenspace as part of the Baldwin Hills Park Master Plan in partnership with the Baldwin Hills Conservancy was envisioned a decade ago should also be taken into consideration..

The ACI in the report by Baker & O'Brien includes plug and abandonment costs, which "are required to safely and permanently remove a well from service and to restore the immediate area to its natural condition. These costs are considered to be capital investment." Sentinel Peak Resources and potentially previous oil operators must be held financially responsible for the responsibility of covering all plugging, capping, abandonment and remediation costs as Culver City taxpayers for far too long have paid for the costs of this oil field in the form of their health, welfare and environment.

There have been numerous spills and accidents both within the Culver City boundaries and within the unincorporated LA County boundaries of the Inglewood Oil Field over the last few years. Given that, there may also be the need to institute continuous air and soil monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of monitoring as well as potential mishaps so these potential future costs do not fall on the city taxpayers.

Based on the foregoing assessment, the Sierra Club's recommendations are as follows:

- **Quick Timeline:** Initiate the shortest possible phase out timeline, given our aforementioned concerns about the impacts of neighborhood oil drilling on our health, environment and climate. All oil and gas production should cease in January 2021 and the plugging, capping, abatement and remediation of the well and immediate area should be enacted as soon as possible.

- **Polluter Pays:** Hold previous and current operators responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction.

- **Good, Local, Union Jobs**: Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized workforce with preference for hiring local workers and consideration of project labor agreement (PLA).

- **Community Determination:** In terms of future uses, Culver City residents should be engaged to help determine the site's future use. Free, prior and informed consent must be obtained from the local Indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as well as open greenspace.

- **Future Safeguards:** Institute continued monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of monitoring and potential mishaps so these potential future costs do not fall on the city taxpayers.

The Sierra Club committed to working with the City of Culver City to ensure the best outcome of this matter for the City, its businesses and residents. Thank you for taking our recommendations into consideration.

Sincerely,

David Haake, Chair
Angeles Chapter - Clean Break Committee, Sierra Club

Moncia Embrey, Associate Director
Beyond Dirty Fuels, Sierra Club

From: [redacted]
Sent: Thursday, August 13, 2020 8:13 AM
To: Baker, Heather
Subject: Inglewood Oil Field Amortization Study

Dear Ms. Baker,

Please include my comments below for the Council's consideration. Thank you so much!

Best,
David

Dear Councilmembers,

Thank you for receiving input for your deliberations on the Inglewood Oil Field and its impact on Culver City.
I write today to express my support for the oil field. I am a mineral owner of the field and the very modest income derived from my mineral rights is critical for me supporting my family, especially in these difficult times. I have lost my job because of the corona virus and this is all I have left.

I have owned the mineral rights since my father passed away in 2007 and have been paying taxes on them in California and Culver City ever since, so as a Culver City taxpayer, I believe I have standing. I hope you will consider my rights in your process and the impact of any action on my family.

In the middle of this pandemic and subsequent economic collapse bringing our entire nation to the precipice of a depression, the loss of revenue for Culver City will do great harm to your residents. In these extraordinary times, like every other jurisdiction in the country facing significant revenue shortfall, this makes no sense.

I strongly urge you to rethink your direction. Your action could significantly, and irrevocably, hurt a great many people, including myself and my family.

Thank you again for inviting input.

My Best,
David Smith
[redacted]

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 8:45 AM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

D. Shay submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: Thank you for hearing me today council members. I am a mineral owner and therefore a property owner with vested rights in Culver City. I support the Inglewood Oil Field. The oil produced in Culver City supports and has supported my family. My mineral rights are vested property rights derived from the oilfield that are not yours to arbitrarily take away. Attempts to amortize my property rights are illegal when applied like this and my family intends to defend it to the fullest protection afforded by the law and will join the many others who stand similar to me to defend our rights. The City has spent millions of tax payer's dollars in failed attempts to marginalize the oil field, including the City's draft EIR and Specific Plans, all of which have resulted in nothing but wasteful spending. This City has declared a state of fiscal emergency, and yet again you are risking millions upon millions of taxpayer dollars to ultimately fail again. That is grossly irresponsible governing. Culver City cannot afford more egregious spending. I pay taxes in this City and urge you to re-direct your efforts and our hard-earned money to advance the numerous truly pressing needs such as homelessness, which face the City and its constituents. Thank you, D. Shay John Richardson Operator

Ferrel, Mimi

From: Ben Oakley <boakley@wspa.org>
Sent: Thursday, August 13, 2020 10:14 AM
To: Public Comment at Culver City
Cc: Weiss, Charles; Hill, Alonzo E; Z-Adam Smith; Patty Senecal; Bob Brown
Subject: WSPA Comment Letter - Culver City Amortization Program (August 13, 2020 Agenda Item A1. 21-158)
Attachments: WSPA Culver City Amortization Program Comment 8-13-20.pdf

To Whom It May Concern, please see the attached comment letter on the Culver City Amortization Program (August 13, 2020 City Council Meeting Agenda Item A1. 21-158)

Regards,

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

Ben Oakley
Manager – California Coastal Region

August 13, 2020

Hon. Goran Eriksson, Mayor
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

Culver City Council
9770 Culver Blvd.
Culver City, CA 90232

Re: Opposed to Amortization Program Phasing Out Oil and Gas Activity (August 13, 2020 Agenda Item A1. 21-158)

Dear Mayor and City Council,

The Western States Petroleum Association (WSPA) is strongly opposed to the proposed "amortization program" and oil and gas "phase out" period being considered by the City of Culver City (agenda item A1. 21-158 of the August 13, 2020 special meeting of the Culver City Council). WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas, and other energy supplies in California and four other western states, with member company interests within Culver City (City).

The Inglewood Field provides good-paying jobs, essential products that we all use every day, critical support for small businesses and community organizations, and tax revenues that fund essential public services. The field operates under the most restrictive local land use controls, in the air district with the most extensive emission controls, in the state with world-leading safety, labor, human rights and environmental standards for oil production. The County Department of Public Health conducted a comprehensive Community Health Assessment in 2011 which found the health of residents surrounding the field to be similar to the overall population of Los Angeles County. The field is also subject to extensive monitoring and reporting requirements from Los Angeles County to ensure the safety and health of surrounding communities.

Despite these many benefits and rigorous regulatory oversight, the City is now considering a proposal that seeks to shut down production in the field. The proposed amortization program has significant legal, economic, and regulatory flaws and would result in financial hardship for local workers and businesses, reduced funding for critical public services, and increased reliance on foreign oil to meet California's demand for reliable energy. We urge the City not to move forward with this misguided proposal.

Oil and gas production in the Inglewood Field directly supports 200 jobs, providing opportunities for workers across the entire educational spectrum and contributing to the economic vitality of the local community. These jobs provide head-of-household wages with benefits and opportunities for upward mobility for local residents without the need for a college degree. The Inglewood Field's workforce closely mirrors the ethnically diverse community it serves.

The proposed amortization program will threaten many of these jobs at a time when millions of Californians are already unemployed due to the COVID-19 pandemic. The City should be protecting these vital jobs, not adding to the financial hardship of local workers.

The amortization program also has serious legal issues embedded in its many assumptions. Amortization may work for movable property like billboards, liquor stores or cannabis shops. The City can enable those owners to recoup the entire value of their businesses and, importantly, they can then move their remaining inventory to a new location. Amortization fails entirely when the property is in a fixed location – like oil and natural gas deposits. This is true with respect to the field operator, but even more so for other mineral rights owners whose entire property value is in the oil and natural gas, as is the case in the Inglewood Field with one of our member companies.

Furthermore, the proposed amortization program completely ignores the rights of mineral owners. They are treated simply as a cost to the operator, and not in their own right. The City can't deny them access to their mineral property – regardless of the field operator's plans and how much the operator has earned from its investments. The proposed amortization program also assumes that the field has reached its full development in the City and there will be no further drilling. The program doesn't address the oil and gas resources remaining in the field and the resulting productive life of those reservoirs and facilities.

And despite the City's assertions to the contrary, the proposed amortization program will accelerate California's reliance on foreign oil. In support of the proposed program, the City cites shifts in "Public Tolerance and Economic Demand" along with "legislative and regulatory support" for renewable energy in coming to the rather speculative conclusion that demand for oil will likely diminish over time[1]. Data published by the California Energy Commission (CEC), the state's primary energy policy and planning agency, strongly suggest otherwise. Rather than reduce California's overall demand for crude oil, policies that restrict in-state oil and gas production such as the City's proposed amortization program have dramatically increased our reliance on foreign crude. That trend is best illustrated by the CEC's "Oil Supply Sources to California Refineries" graph[2] (Figure 1).

[1] August 13, 2020 Culver City Special City Council Agenda Item A1. 21-128 Staff Report, Pages 7-8

[2] Source: California Energy Commission – Oil Supply Sources to California Refineries
https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/oil-supply-sources-california-refineries

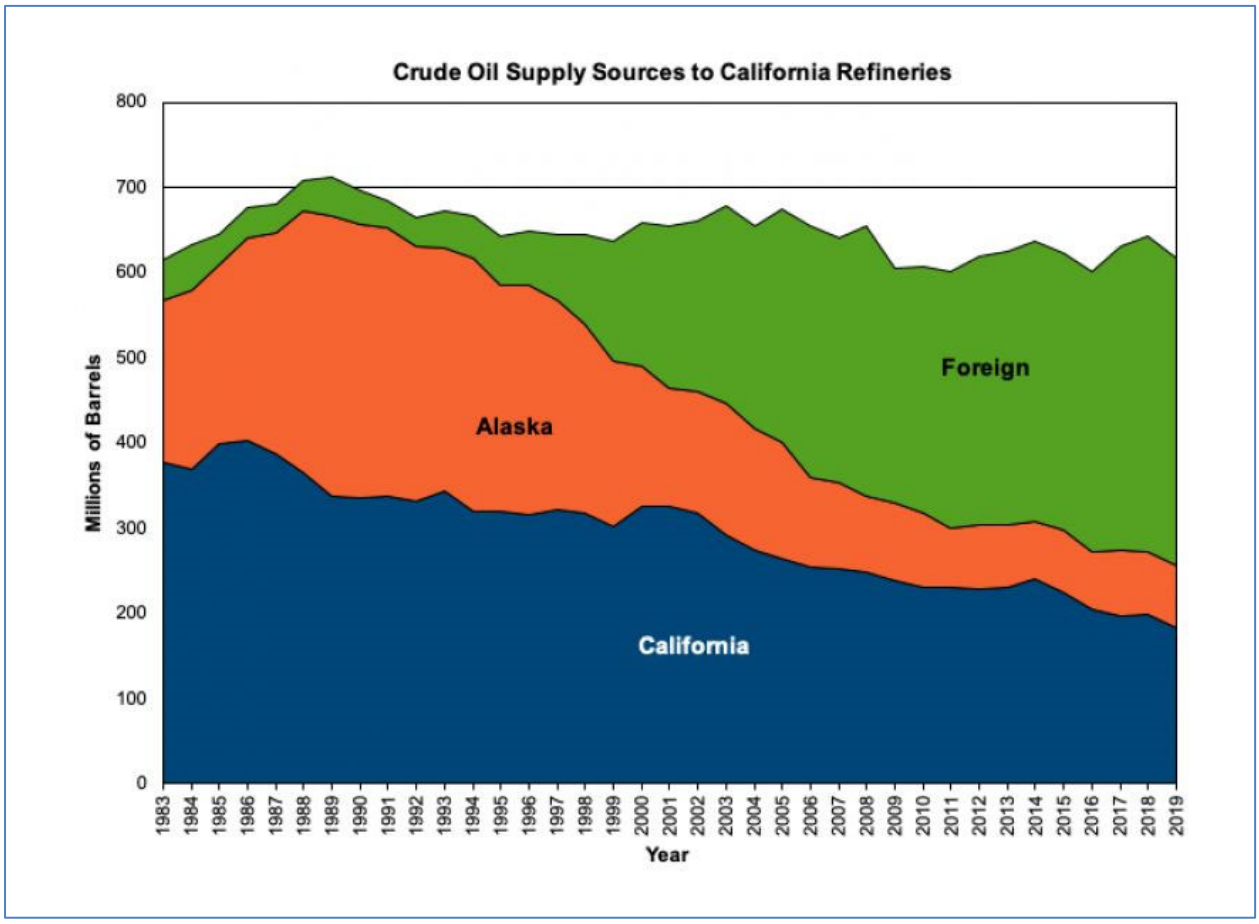

Figure 1 - Oil Supply Sources to California Refineries

Given that most foreign suppliers of crude oil do not have the same world-leading safety, labor, human rights and environmental standards for oil production established by California for in-state producers, the City should not support policies that increase our reliance on foreign crude such as the proposed amortization program.

We believe that a truly sustainable energy future is one that is fact and data-driven, supports social equality, and safeguards our environment without sacrificing the economic well being of our communities. Unfortunately, the City's proposed amortization program will inflict hardship on local workers, is legally flawed, and will increase our reliance on foreign oil. For these reasons, we urge the City not to move forward with the proposed program.

If you have any questions, please contact me at (805) 714-6973 or boakley@wspa.org.

Respectfully,

From: Jeff Cooper [redacted]
Sent: Thursday, August 13, 2020 9:58 AM
To: Baker, Heather
Subject: Comments on Culver City Amortization Study
Attachments: 2020-8-12 Jeff Cooper comments on Inglewood Oil Field Amortization Study.docx

Dear Ms. Baker,

Please review the attached letter and share with other Council Members.

Have a great day,

Jeff Cooper
Cooper & Brain, Inc.

Jeff Cooper
[redacted]

August 13, 2020

By Email to Heather.Baker@culvercity.org

Heather Baker, Assistant City Attorney
City Attorney's Office
City of Culver City
9770 Culver Blvd., Culver City CA 90232

Subject: Inglewood Oil Field Amortization Study

Dear Ms. Baker,

Thank you for the opportunity to present my comments to the City Council. We respectfully ask you and the City Council to consider and respond to the many factors supporting continued oil and gas production in the Culver City portion of the Inglewood Field.

These are my own observation. I am on the Board of the California Independent Petroleum Association, an active member of their Los Angeles Basin Environmental Committee and owner/operator of a small family energy/raw material supply business.

Foreign governments are lobbying to restrict and destroy oil and gas production in the United States so that their oil and gas production can dominate. These volumes are easily illustrated by simply gazing off the coast of Long Beach, Seal Beach and Huntington Beach at the numerous tankers at anchor. Maintaining US and specifically California production is key to pushing back against this attempt to dominate.

Oil and gas production in California are performed under the strictest laws and regulations that protect human health and the environment more than anywhere else in the World. From an environmental standpoint alone, local production, production close to the use, is better for the Planet. This is even more true for the Inglewood Field. The Los Angeles portion is subject to the Community Standards District requirements of the City of Los Angeles. The CSD elevates protection with the most stringent set of regulations for any onshore oil field in California.

It is my understanding that the Inglewood Oil Field is run by and provides very good wages for about 80 full time employees and 100 to 150 contract workers. (Many of the contract workers are from the small businesses that we also employ at our locations) California Assembly Member Mike Gipson from South Bay endorses local production because his constituents who work for the oil industry can "buy a house and send their kids to college" on their earnings.

Current high unemployment sets a very poor stage for eliminating jobs.

Under the COVID-19 Pandemic, this is more than ever the time for all governments, businesses and regulators to stand together to support the livelihoods of workers, residents and Culver City.

The City Council plays an important role in protecting the health and safety of its residents. We ask that you rest your decisions on science and on the multiple reports and studies that reinforce the environmental safety of oil and gas production.

We respectfully request that the Culver City Council suspend pursuit of the destructive application of amortization to a key City business that is almost 100 years old.

Please don't hesitate to contact me at [redacted] or [redacted] with questions.

Very truly yours,

Jeff Cooper
Vice President
Cooper & Brain, Inc.

JC

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 10:17 AM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Amanda Millstein submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: As physician representatives for Climate Health Now, a group of over 350 healthcare professionals throughout California, we would like to make certain you are aware of the health impacts of living near oil drilling sites, as you deliberate plans for the Inglewood Oil Field. The medical evidence is clear: those who live near oil extraction sites have an increased risk of cancer, heart attack, stroke, asthma, and birth defects. We know that the people most affected are those of low income and of color. COVID-19 affects those same people. When a person is already sick from the pollution that surrounds them, their body is weakened, they are more likely to get infected with SARS-CoV-19 and more likely to die from it. As you know, last week the Senate Committee on Natural Resources and Water did not pass AB 345 which would have required the establishment of a minimum setback distance between oil and gas production and the places where people live, work, and go to school. For more information, see the letter Climate Health Now wrote to State lawmakers in support of AB 345. Now more than ever, it is crucial that you do what you can to stop oil drilling and protect the health of those who live in and near Culver City. After all, what is more important than our health? Sincerely, Amanda Millstain, MD Ashley McClure, MD Cynthia Mahoney, MD Karina Maher, MD Sarah Schear, UCSF School of Medicine for Climate Health Now

From: JOHN ATKINSON [redacted]
Sent: Thursday, August 13, 2020 10:32 AM
To: Baker, Heather
Subject: oil wells

Dear Board:

My husband and I are elderly and depend on our monthly oil well income to keep us going in our retirement years. Please consider us and many more like us in your vote today.

Sincerely,

Anita Atkinson

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 11:32 AM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Amanda Millstein submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: Dear City Councilors, As physician representatives for Climate Health Now, a group of over 350 healthcare professionals throughout California, we would like to make certain you are aware of the health impacts of living near oil drilling sites, as you deliberate plans for the Inglewood Oil Field. The medical evidence is clear: those who live near oil extraction sites have an increased risk of cancer, heart attack, stroke, asthma, and birth defects. We know that the people most affected are those of low income and of color. These communities, already overburdened by pollution, are also facing the heaviest burden of SARS-CoV-19 infection, and evidence is growing that chronic air pollution exposure increases their risk of dying from COVID-19. As you know, last week the Senate Committee on Natural Resources and Water did not pass AB 345, which would have required the establishment of a minimum setback distance between oil and gas production and the places where people live, work, and go to school. For more information, see the letter Climate Health Now wrote to State lawmakers in support of AB 345 (https://link.medium.com/zl7Qq1jjQ8). Now more than ever, it is crucial that you do what you can to stop oil drilling and protect the health of those who live in and near Culver City. After all, what is more important than our health? Sincerely, Amanda Millstein, MD Ashley McClure, MD Cynthia Mahoney, MD Karina Maher, MD Sarah Schear, MS, MD Candidate for Climate Health Now

Ferrel, Mimi

From: Michelle Ghafar <mghafar@earthjustice.org>
Sent: Thursday, August 13, 2020 11:35 AM
To: Public Comment at Culver City; Clerk, City; Lee, Daniel; Fisch, Alex; Small, Thomas; Eriksson, Goran; Sahli-Wells, Meghan
Subject: Comments in support of File No. 21-158: Inglewood Oil Field amortization study
Attachments: 2020-8-13 EJ comment letter re Culver City amortization process.pdf

Dear Members of the Culver City Council:

Earthjustice submits the attached comment letter regarding Culver City's recently released amortization study on its portion of the Inglewood Oil Field. Thank you for considering these comments, and please do not hesitate to contact us if you have any questions.

Michelle Ghafar
She/Her/Hers
Associate Attorney
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
T: 415-217-2186
F: 415-217-2040
earthjustice.org

August 13, 2020

Members of the Culver City Council
City of Culver City – City Hall
9770 Culver Blvd.
Culver City, CA 90232
City.clerk@culvercity.org

Submitted via email

Re: Comments in Support of File No. 21-158: Amortization Study for the Culver City Portion of the Inglewood Oil Field

Dear Members of the Culver City Council:

Earthjustice submits this letter in strong support of the Culver City Council's recent recommendations to phase out oil and gas activity within the Culver City portion of the Inglewood Oil Field. Specifically, we urge the Council to put the health and wellbeing of its citizens and the environment over the interests of the oil and gas industry by phasing out production and initiating remediation in the field as soon as possible beginning in January 2021, as supported by the recent Capital Investment Amortization Study.[1] The Council's leadership will help ensure that communities and workers are protected as the City transitions away from harmful fossil fuels and moves toward a clean energy future.

Indeed, phasing out oil operations within city limits is necessary to avoid serious public health and safety risks. Numerous studies link proximity to oil and gas wells to a host of health problems, including increased risk of pre-term births and high-risk pregnancies, asthma and other respiratory illnesses, depression and other adverse mental health outcomes, and some types of cancer. Several recent California-focused studies further corroborate these negative health outcomes. Two of these studies found a significant association between nearby oil and gas production and adverse birth outcomes.[2][3] A 2018 study, which focused on two oil drilling sites in the City of Los Angeles, found that physician-diagnosed asthma rates were elevated in close proximity to drilling as

[1] Baker & O'Brien, Inc., *Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field* (May 29, 2020), at 26.
[2] Gonzalez, D.J.X., Sherris, A.R., Yang, W., Stevenson, D.K., Padula, A.M., Baiocchi, M., Burkee, M., Cullen, M.R., Shaw, G.M. (2020). Oil and Gas Production and Spontaneous Preterm Birth in the San Joaquin Valley, CA. *Environmental Epidemiology*, 4(4). https://journals.lww.com/environepidem/FullText/2019/10001/Oil_and_gas_development_activity_and_spontaneous.414.aspx.
[3] Tran, K.V., Casey, J.A., Cushing, L.J and Morello-Frosch, R. (2020). Residential Proximity to Oil and Gas Development and Birth Outcomes in California: A Retrospective Cohort Study of 2006–2015 Births. *Environmental Health Perspectives*. Vol. 128, No. 6. https://doi.org/10.1289/EHP5842.

compared to state-level and county-level surveys.[4] These harms are now further exacerbated by the pandemic as populations exposed to poor air quality face an increased risk of morbidity and mortality from COVID-19.[5] Community members most at risk from COVID-19 are being asked to stay home and shelter in place in close proximity to air-polluting oil and gas operations.

Now more than ever, the Council must act to reduce exposure to pollution and improve public health. Earthjustice fully supports phasing out oil and gas drilling in the Culver City portion of the Inglewood Oil Field starting in January 2021. The Council must also ensure that operators, not taxpayers, are held responsible for the full costs of well plugging, abandonment, and site remediation, and that workers hired to remediate and regenerate the site are local and unionized. Finally, we urge the Council to implement a community-led public process that centers residents in both the planning and decision making regarding future uses for the site, including informed consent of the local Indigenous community.

We applaud the Council's recognition that shutting down the City's portion of the Inglewood Oil Field will protect the environment as well as the health and safety of nearby Culver City residents from the well-known, harmful impacts of oil and gas extraction. We encourage the City to continue its bold leadership as California prepares for the complete phase out of fossil fuel development and production in the state.

Thank you for considering these comments, and please do not hesitate to contact us if you have any questions.

Sincerely,

Colin O'Brien, cobrien@earthjustice.org
Michelle Ghafar, mghafar@earthjustice.org
Omonigho Oiyemhonlan, ooiyemhonlan@earthjustice.org
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111

[4] Shamasunder, B., Collier-Oxandale, A., Blickley, J., Sadd, J., Chan, M., Navarro, S., Hannigan, M., Wong, N. J. (2018). Community-Based Health and Exposure Study around Urban Oil Developments in South Los Angeles. *International Journal of Environmental Research and Public Health*, 15(1), 138. https://doi.org/10.3390/ijerph15010138.
[5] *See, e.g.*, Wu, X., Nethery, R.C., Sabath, M.B., Braun, D., Dominici, F. Exposure to Air Pollution and COVID-19 Mortality in the United States: A Nationwide Cross-Sectional Study. https://projects.iq.harvard.edu/covid-pm/home.

From: Camacho, Dana <Dana.Camacho@alston.com>
Sent: Thursday, August 13, 2020 11:46 AM
To: Public Comment at Culver City
Cc: Baker, Heather; Clerk, City; Carlsen, Nicki
Subject: Inglewood Oil Field - Amortization Study
Attachments: 2020-08-13 Letter to Culver City re Amortization Study.pdf

In connection with the above-referenced matter, attached please find Nicki Carlsen's letter dated August 13, 2020.

Best regards,

Dana Camacho | Legal Administrative Assistant
ALSTON & BIRD
Nicki Carlsen | James R. Evans | Andrea S. Warren | Maya Lopez Grasse
333 South Hope Street |Suite 1600 | Los Angeles, CA 90071
Dana.Camacho@alston.com | d:213-576-1125 | f: 213-576-1100

ALSTON & BIRD

333 South Hope Street, 16th Floor
Los Angeles, CA 90071-1410
213-576-1000 | Fax: 213-576-1100

Nicki Carlsen Direct Dial: **213-576-1128** Email: **nicki.carlsen@alston.com**

August 13, 2020

VIA EMAIL

City of Culver City
City Council for the City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507
public.comment@culvercity.org

Re: City Council Special Meeting: Presentation of Amortization Study and Discussion of Amortization Program for the Culver City Inglewood Oil Field – August 13, 2020

Dear City Council for the City of Culver City:

We represent Sentinel Peak Resources California LLC ("Sentinel"), the operator of the Inglewood Oil Field, and are writing to object to the City's proposed actions to "phase out oil and gas activity" through an "amortization program," currently undefined. As we advised the Oil and Gas Subcommittee (see June 3, 2020 letter from Nicki Carlsen to Heather Baker, attached to this letter), we believe that the City's "potential" amortization program has no support in the law, and instead serves only to violate Sentinel's constitutionally protected vested rights. Sentinel has repeatedly advised the City of deficiencies in its legal approach to the Inglewood Oil Field. (See June 17, 2019 letter from Nicki Carlsen to Heather S. Baker, including four letters dated March 13, 2018.)

The City purports to support this so-called "amortization program" with a report prepared by Baker & O'Brien entitled "Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field." When we first reviewed the report, it appeared to be overly simplistic, and a more thorough review of the report proves that it not only fails to consider several factors critical to an evaluation of the Inglewood Oil Field, the report's analysis is replete with numerous errors and unsupported assumptions. Enclosed with this letter is a critical review of the Baker & O'Brien report by Robert Lang of Alvarez & Marsal, entitled "Review of the Baker & O'Brien Report" ("Lang Review"). The Baker & O'Brien report cannot provide the basis for any amortization program.

Importantly, the City's quest to amortize Sentinel's vested oil and gas rights is contrary to existing law, where the extraction of minerals, including an expansion of that use, is recognized and protected under the diminishing asset doctrine. *See Hansen Bros. Enters. v. Board of Supervisors*, 12 Cal.4th 533 (1996). No case has held that the amortization applies to eliminate a diminishing asset use. And, with all of the time and money it has spent on amortization, the City still has not addressed this very fundamental legal issue.

Furthermore, even assuming that the concept of amortization could be applied to a diminishing asset, the value to be amortized would the value of a diminishing asset. As explained in the Lang Review of the Baker & O'Brien report, many important factors for the evaluation of a diminishing asset have not been considered in the Baker & O'Brien report, including the amount of oil and gas expected to be recovered over the life of the oil field. (Lang Review, ¶¶ 23-29.) This single omission – the value of the oil field the City seeks to amortize – proves that the City's evaluation of the Inglewood Oil Field is inadequate and insufficient.

The Lang Review also details the numerous errors and unsupported assumptions in the evaluation that Baker & O'Brien did perform. (Lang Review, ¶¶ 39-77.) Again, the Baker & O'Brien report cannot provide the basis for any amortization program.

Sentinel once again urges the City to abandon the amortization course of action and to consider Sentinel's vested oil and gas rights as a part of the City's General Plan process, a process that would be required before the City could take any land use action on the IOF.

Sincerely,

Nicki Carlsen

NC/dtc
Attachments

cc: Heather Baker, Assistant City Attorney
City Clerk

LEGAL02/39960169v1

ATTACHMENT A

ALSTON & BIRD

333 South Hope Street, 16th Floor
Los Angeles, CA 90071-1410
213-576-1000 | Fax: 213-576-1100

Nicki Carlsen Direct Dial: **213-576-1128** Email: **nicki.carlsen@alston.com**

June 3, 2020

Heather Baker
Assistant City Attorney
City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507
heather.baker@culvercity.org

Re: Oil Drilling Subcommittee Meeting: Amortization Study and Discussion of Amortization Program for the Culver City Inglewood Oil Field – June 4, 2020

Dear Ms. Baker:

We represent Sentinel Peak Resources California LLC ("Sentinel"), the operator of the Inglewood Oil Field, and are writing to object to the City's pursuit of this Amortization Study and its continued actions to violate Sentinel's constitutionally protected vested rights. Almost one year ago, Sentinel urged the City to rescind its approval of a $363,000 contract for the preparation of an amortization study, but the City continued the effort, apparently spending more than $400,000 for the study, all of which is intended to culminate in some "amortization program" – the details of which have not been provided. (See June 17, 2019 letter from Nicki Carlsen to Heather S. Baker, including four letters dated March 13, 2018.)

After having spent in excess of $3 million on an Inglewood Oil Field Specific Plan and Environmental Impact Report that went nowhere, the City decided to prepare this report "in its review of the possible termination of oil and gas operations within the City IOF." (Amortization Study, p. 2.) Make no mistake, Sentinel will oppose in every way possible any City actions to terminate its oil and gas operations in the City. Nothing in the law supports termination of Sentinel's oil and gas operations in the City, and if litigation is required to expose the City's flawed legal thinking, so be it.

One of the significant issues that the City fails to address is Sentinel's vested oil and gas rights, and the extensive scope of those rights. *See Hansen Bros. Enters. v. Board of Supervisors*, 12 Cal.4th 533 (1996). The concept of amortization does not apply to vested rights for the extraction of minerals, and no case has held that it does. While the City may have convinced itself that amortization of a billboard is sufficient precedent to justify a proposed action to terminate oil and gas operations in the City, it isn't, and at the very least, the City should recognize that its legal position is incredibly tenuous.

Furthermore, while the City has provided only three working days for the actual IOF operator to review the Amortization Study, a preliminary review shows that it is of limited value. The Study purports to evaluate Sentinel's investment and an appropriate rate of return, but it has no information on Sentinel's actual investment or operations. The report omits key factors in its evaluation, including, significantly, the remaining useful life of the oil field – the ongoing life of the oil field is what distinguishes natural resources from billboards. The report also fails to consider that Sentinel's operations within the City portion of the IOF and the County portion of the IOF operate as an integrated whole. In short, the City paid $400,000 to make some estimates about a generic oil and gas investment, apply an estimated internal rate of return and decide when that capital investment is paid off – a pro forma equation with fictional numbers.

Sentinel will continue to review the report in greater detail, but even if amortization were allowed for natural resources, and it isn't, this study is not sufficient to support any amortization action by the City.

Sentinel urges the City to abandon the amortization course of action and to consider Sentinel's vested oil and gas rights as a part of the City's General Plan process, a process that would be required before the City could take any land use action on the IOF. In other words, the City should electronically shelve this study and proceed to fulfill its General Plan obligations under the law.

Sincerely,

Nicki Carlsen

NC:dtc

LEGAL02/39827668v1

ATTACHMENT B

REVIEW OF THE BAKER & O'BRIEN REPORT

BY ROBERT LANG

August 13, 2020

INTRODUCTION

1. I was retained by Sentinel Peak Resources LLC, on behalf of Sentinel Peak Resources California LLC ("SPR") to review and provide opinions regarding the Baker & O'Brien report dated May 29, 2020 and titled Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field ("B&O Report" or "B&O").

2. The analyses upon which I have based my opinions, as outlined in this report, have been performed by me or by individuals working under my direction and supervision.

3. Founded in 1983, Alvarez & Marsal ("A&M") is a global professional services firm that helps clients in the corporate and public sectors solve financial and related problems. A&M has 53 offices located in 24 countries and 65 offices with more than 4,500 professionals. I am a Managing Director at A&M. I am experienced in financial, economic damage, and accounting matters related to the scope of my work on this matter. For more than 25 years, I have helped clients analyze complex commercial disputes and measure the financial impact of external events, operational changes, and other market factors.

4. I received a B.B.A. from Baylor University and am a CFA (Chartered Financial Analyst) charter-holder. I am a frequent guest lecturer in the Graduate Accounting program at Baylor University, where I also serve on the Advisory Board for the Accounting and Business Law department.

5. I have assisted companies across a wide variety of industries and have a particular expertise in the energy industry, dealing with matters throughout the product life cycle. I have assisted oilfield services, exploration and production (E&P), midstream, and downstream entities with valuation issues, transaction support/analysis, business interruptions, royalty disputes and many other matters.

6. Many of my cases also involve the measurement of value and quantifying the creation or destruction of value. I have analyzed the value of entities and assets ranging from oil & gas operations to steel mills to complex securities to the world's largest cancer tumor bank. I have performed these assignments for clients in the US, Canada, Mexico, South America, the Middle East and Asia.

7. My resume at Attachment A provides a summary of my experience and credentials.

INFORMATION CONSIDERED

8. Attachment B provides a list of the documents and information I have considered in preparing my report and supporting analyses. I may supplement and amend the opinions in this report in response to additional information received including the actual income models, supporting workpapers and document references cited by the B&O Report or to address issues raised later.

LEGAL FRAMEWORK

9. This report is to be considered in conjunction with the legal framework set forth in the letter submitted simultaneously by Alston & Bird LLP dated August 13, 2020.

10. As described in that letter, an existing use to extract natural resources (diminishing asset) cannot be eliminated through an amortization period because vested rights for a diminishing asset include an expansion of the use. To the extent that some form of amortization could apply to a diminishing asset, the fair market value to be amortized would be required to consider the expanded use, among other factors.

SUMMARY OF OPINIONS

A. The B&O Report does not establish fair market value for the use of a diminishing asset, including the life of the Inglewood Oil Field, and is therefore irrelevant to determine any amortization period.

B. The concept of Amortization of Capital Investment used in the B&O Report is inappropriate and irrelevant in the context of this matter.

C. Even if Amortization of Capital Investment was appropriate or relevant, both ACI calculations performed by B&O contain numerous errors and false/unsupported assumptions that render the conclusions completely unreliable.

INTERESTED PARTIES

11. Founded in 1917, the City of Culver City (the "City") is an incorporated city in Los Angeles County in California and is within a few miles of downtown Los Angeles and the Los Angeles International Airport.

12. In 2016, SPR acquired the rights to multiple leases that allows it the exclusive right to explore, drill, and produce oil and gas in the Inglewood Oil Field ("IOF") which covers approximately 1,000 acres. This also includes acreage in the City limits ("City IOF"), which covers about 78 acres.

13. As noted, SPR does not actually own the IOF minerals, rather it leases the minerals from mineral owners. SPR pays royalty amounts to the property owners based on production value received. Tens of millions of dollars in royalty payments are paid to over 13,000 property owners of the IOF each year.[1]

14. In addition to paying royalties, SPR pays ad valorem taxes to Los Angeles County and fees to the City. In 2015, the IOF was a source of over $12 million in ad valorem taxes paid to Los Angeles County.[2] SPR has paid fees of approximately $340,000 to the City since 2018.

SUMMARY OF THE B&O REPORT

15. B&O was hired by the City to prepare a study of the amortization of capital investment ("ACI") for existing oil and gas production facilities located in the approximately 78-acre portion of the City IOF. The B&O Report states the information developed by its report will be considered by the City in its review of the possible termination of oil and gas operations within the City IOF.

16. A calculation of ACI first establishes the amount of capital investment as of a certain date and then projects cash flows forward from that date to determine when there have been sufficient cash flows to cover both the capital investment and a "reasonable" rate of return. B&O defines ACI as occurring when,

> *"cumulative income from an investment is sufficient to offset the initial capital investment and to provide a return on that investment to the owner. The income model uses the Internal Rate of Return and Net Present Value as tests to determine when ACI would occur."*

[1] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

[2] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

Thus, in calculating the time to ACI, B&O is considering the initial investment and an IRR or required rate of return.

17. B&O prepared two different approaches to estimate the time to ACI. The first approach estimates the capital investment made by SPR in 2016 and then projects SPR's cash flows from that date forward to develop a time to ACI ("SPR ACI Model"). The second approach utilizes historical transaction data relating to all owners dating back to 1977 and attempts to estimate time to ACI related to those historical capital investments ("All Owners ACI Model"). B&O additionally performs a sensitivity analysis related to the SPR ACI Model.

A. SPR ACI Model

18. Because the City IOF is a relatively small piece of SPR's total acquisition of the Inglewood Oil Field, B&O estimated the amount of SPR's capital investment specific to the City IOF. B&O attempted to back into the amount of that capital investment by performing a valuation of the City IOF utilizing three valuation methods (Section 6 of the B&O Report). B&O then developed a ten-year cash flow projection spanning mid-year 2017 through 2026. B&O utilized this cash flow analysis to determine when SPR would achieve ACI. B&O determined ACI was achieved in 2020 (Section 6 of the B&O Report). As will be described in more detail later in this report, not only is this approach inappropriate in its entirety, even if this approach was appropriate, both B&O's estimate of capital investment and projection of cash flows are fatally flawed and rife with inaccuracies and false assumptions.

B. All Owners ACI Model

19. B&O performed a second calculation of ACI to determine how long it would take the various oil and gas operators that drilled and completed wells within the City IOF since 1977 to achieve ACI (Section 7 of the B&O Report). B&O did this by using historical production data related to previous operators of the City IOF to determine the amount of capital investment. B&O utilizes a similar income model as previously described in order to estimate how long it took the prior owners to achieve ACI.

20. The B&O Report determined that the string of investors drilling and completing wells since 1977 achieved ACI "well before 2016." It also appears that B&O is concluding that all wells drilled

prior to 1977 achieved ACI by 1976. The All Owners ACI Model is similarly flawed to the SPR ACI Model and should be likewise disregarded.

ANALYSIS AND OPINIONS

The B&O Report does not establish fair market value of a diminishing asset, nor does it establish a fair market value for the City IOF.

21. The B&O report calculates a time to ACI for the City IOF and does not develop a fair market value for the value of a diminishing asset or other measure for the value of the City IOF. The California State Board of Equalization ("CSB") defines fair market value as:

> "the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other."[3]

22. The CSB Handbook also identifies the three acceptable methods on how to calculate fair market value; the market approach, the cost approach, and the income approach. In the oil and gas exploration industry, all three approaches are considered, but the first two methods have inherent limitations. Therefore, the oil gas industry heavily relies on the income approach.

23. The fair market value of an oil field at any given time, such as the IOF and City IOF, is related to the amount of oil and gas that can be expected to be recovered over the life of the oil field. There are three categories of reserves; proved reserves, probable reserves, and possible reserves. While each of the categories have value, proved reserves are the most certain and most valuable, for which I will focus on in this section.

24. To determine fair market value of proved reserves, reserve reports are developed to determine how much oil and gas production can be reasonably extracted and at what cost and when cash flow will go out and cash flow will come in. Based on the reservoir characteristics and other factors, engineers will determine how many wells need to be drilled and when/where/how they

[3] California State Board of Equalization, Assessor's Handbook Section 566 Assessment of Petroleum Properties, August 1996, ("CSB Handbook"), page I-21.

should be drilled. The reserve report is typically based on a discounted cash flow calculation (income model). Inputs into discounted cash flow model estimates include:

- Expected product in the ground that can be produced, along with what price it may receive (revenue) and when
- Expected development costs to drill wells and get them ready to produce (initial capital investment)
- Sustaining capital investments required to maintain production capacity
- Operating expenses
- Income taxes
- Royalties due
- Abandonment costs
- Discount rate to estimate a current value of a future cash flow stream based on the above estimated data inputs

25. The status of proved reserves also have subcategories including:

- Proved, developed and producing ("PDPs") – Wells and facilities that are in place and producing at the time of an estimate
- Proved, developed, but not producing ("PDNPs") – Wells and facilities that are in place, but are not producing at the time of an estimate (i.e., idle wells). The well or zone is currently not producing, but requires little or no investment to be brought to production
- Proved, but undeveloped ("PUDs") – Wells that have been proved but would require significant capital expenditure for the well to come on to production.

26. Over time, reserve reports are adjusted as new data is learned, such as the amount of oil and gas actually being produced, new technology, current pricing conditions that may make it more or less economic to drill new wells that were previously scheduled to be drilled, or to idle wells that have already been drilled because they are uneconomic at current sale prices. In fact, some wells that were idle may be turned to active wells if prices increase that make it profitable. In addition, existing wells that were idle can be re-drilled with new technology that make them profitable once again. Companies will continue to allow wells to produce if it makes economic sense, even if the production volumes are minimal.

27. When companies sell oil & gas assets, the fair market value is based not only on what existing wells and equipment are currently in place, but also the future value to be derived through the life of the oil field as represented in the various categories of proved reserves, probable reserves, and possible reserves.

28. B&O has not performed an analysis of the current fair market value of the reserves and operations of the City IOF. Instead, they have attempted to back in to SPR's initial capital investment and then determine how long it would take for SPR to recover its sunk costs plus a reasonable rate of return. B&O refers to this as ACI. B&O's ACI is unrelated to and entirely divorced from fair market value of a diminishing asset or the IOF or City IOF.

29. One of the reasons B&O's ACI is unrelated to fair market value is that it ignores everything but the PDPs. Because it is only interested in determining the sunk capital costs and how long it would take to recover those costs, B&O's ACI ignores the consideration given and value of the other categories of reserves such as PDNPs and PUDs, or probable or possible reserves. This serves to significantly understate the value of the City IOF and the diminishing asset.

30. To demonstrate the magnitude of error, SPR's website states since the inception of the IOF in 1924, which covers about 1,000 surface acres, approximately 1,600 wells have been drilled, producing more than 400 million barrels of oil. Production over the last 10 years has averaged between 2.5-3.1 million barrels a year.[4] With technological advances in the oil and gas industry, engineers estimate that as much as 50% of the field's oil resources remain in place in producing zones and can be readily accessed through drilling and production activities.[5] Considering there is possibly 400 million barrels of oil still in the ground, which would include reserves within the City IOF, SPR would certainly consider drilling new wells and/or work over current wells to continue production in the City IOF. As a result, the B&O Report does not calculate a fair market value of the City IOF.

[4] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

[5] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

The concept of amortization is inappropriate and irrelevant in the context of a diminishing asset and the City IOF.

31. Amortization has been referenced by the Supreme Court of California in a decision involving extractive industries, for which the oil and gas exploration and production industry would be included. However, that same court case stated that the state of California recognizes the "diminishing asset doctrine" as it relates to extractive industries.[6]

32. I understand the diminishing asset doctrine protects owners' rights to value in a property even if city ordinances or zoning laws change the allowed use of that property. For operations that were not yet built, the owner has the vested right to continue and expand operations if it had objectively manifested the intent to expand its operations into those areas as of the rezoning dates.[7]

33. In other words, the California Supreme Court has concluded that extractive industries, such as the oil and gas industry, have the right to normal expansion of its operations in the aggregate. The diminishing asset doctrine protects explicit value associated with the continued development and exploration in an oil field and this value must be taken into account.

34. On SPR's website, it states since the inception of the IOF in 1924, which covers about 1,000 surface acres, approximately 1,600 wells have been drilled, producing more than 400 million barrels of oil.[8] Production over the last 10 years has averaged between 2.5-3.1 million barrels a year.[9] With technological advances in the oil and gas industry, engineers estimate that as much as 50% of the field's oil resources remain in place in producing zones and can be readily accessed through drilling and production activities.[10] Considering there are possibly 400 million barrels of oil still in the ground, SPR would certainly consider drilling new wells and/or work over current wells to continue production. This has been publicly stated on SPR's website for all the world to see.

[6] Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)
[7] Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)
[8] History of the Inglewood Oilfield, available at https://inglewoodoilfield.com/history-future/history-inglewood-oilfield/
[9] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/
[10] Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/

35. In addition, both the previous operator and SPR have provided annual reports to the Baldwin Hills Community Standards District ("CSD") related to its drilling operations for the upcoming year. I noted in these annual reports the following:

- The 2017 Plan prepared by Freeport McMoRan and filed with and approved by the CSD stated it intended to drill/redrill 53 wells in 2017.
- The 2018 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2018. Based on discussions with SPR, it did not perform all of these activities due to then current oil and gas prices.
- The 2019 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2019. Based on discussions with SPR, it did not perform all of these activities due to then current oil and gas prices.
- The 2020 Plan prepared by SPR and filed with and approved by the CSD stated it intended to drill/redrill 10 wells in 2020. Based on discussions with SPR, it does not expect to drill/redrill these wells due to current oil and gas prices.

36. Excluding bonus wells, the 2020 Plan shows that only 127 wells have been drilled, leaving an additional 373 wells that SPR could drill under the settlement agreement, which permits drilling activity through October 1, 2028 or during the remaining life of the CDS, *whichever is later*. Based on discussions with SPR, it has not expressed an intent to abandon its rights to drill these additional wells within the County IOF or City IOF, rather it has delayed drilling due to continued suppressed oil and gas prices.

37. The B&O Report did note that SPR had not drilled the wells it planned in 2017-2020. However, B&O has not expressed an opinion that this lack of drilling as scheduled allows the City to claim SPR has lost its vested right. It is my understanding that SPR does not lose its vested right to drill any future wells because it didn't drill the wells in the year it planned. B&O's Report has no justification to ignore the value of the City IOF protected by the diminishing asset doctrine. The ACI as developed by B&O is incapable of measuring this value that should be considered.

38. On a side note, Section 4.2 of the B&O Report states that SPR has not provided any drilling plans for the City IOF that present information about historical production, planned drilling of new wells, or planned abandonment of wells not issued any drilling plans for the City IOF. B&O ultimately concludes that it appears unlikely that SPR will drill new wells within the City IOF or

plan to plug and abandon wells that are currently idle or shut in. First, as noted by the City itself, the City regulations do not require SPR to make such reports to the City.[11] Second, SPR has not abandoned any rights to drill/redrill within the City IOF, it just postponed any drilling/redrilling activities due to suppressed pricing.

Even if amortization was appropriate or relevant (which it is not), the SPR ACI Model contains so many errors and false/unsupported assumptions as to render the analysis completely unreliable.

39. As previously described, ACI is not equivalent to fair market value for a diminishing asset, the IOF or City IOF, or oil & gas operations generally.

40. B&O has not provided all the data and supporting schedules supporting its conclusions, but even without that information, it is clear that in addition to being inappropriate and irrelevant, the B&O model is riddled with data input errors and/or false/unsupported assumptions. Following is a listing of the errors I have identified to date.

A. Errors Related to B&O's Determination of SPR's Initial Capital Investment

41. In order to calculate SPR's initial capital investment, B&O looked at three "indications of value" the income indication of value, the cost indication of value, and the market indication of value. These three approaches are traditionally considered when determining the fair market value of an asset. However, B&O made numerous errors in assessing each indication of value, and then inappropriately averaged the three indications instead of using them as a guide to determine the best indication of value. As a result, B&O severely underestimated the fair market value that SPR paid for the City IOF.

42. B&O's own sensitivity tests in section 8 of the B&O Report show as the acquisition cost or initial capital investment increases, the time to ACI increases as well. B&O identifies changes to the initial capital investment as having a "moderate" impact on the time to achieve ACI. Thus, this

[11] Comparison of Proposed Culver City Drilling Regulations to Existing City Regulations and Approved County Community Standards District (CSD) and Settlement Agreement, dated 10/5/2017 from City of Culver City website, available at https://www.culvercity.org/home/showdocument?id=9884

inappropriate underestimation in the value of the initial capital investment has a meaningful impact in decreasing the time frame that SPR could achieve ACI.

i. B&O inappropriately calculated the Income Indication of Value Related to the Initial Capital Investment in the City IOF.

43. Section 6.1.1 of the B&O Report states it prepared a discounted cash flow model based on future income and expenses from the City IOF which resulted in a fair market value of the City IOF of $5.34 million as of January 1, 2017. As discussed on page 15 of its report, B&O only considered wells that existed as of SPR's acquisition date in 2016 for which it identified only 41 production and injection wells that existed as of 2016 (as noted on Exhibit E to its report). As a result, B&O makes no consideration of PDNPs, PUDs, probable reserves, or possible reserves. By ignoring reserves, B&O's determination of the fair market value of the City IOF using the income method is understated and cannot be relied upon.

44. Further, B&O calculated cash flows for ten years from the date of purchase to estimate the income indication of value. However, all of these wells have lifespans greater than a ten-year period. In actuality, wells identified in Exhibit E of the B&O Report have been in existence for an average of 58 years in the case of operating wells and 41 years in the case of injection wells (as seen in Exhibit 1). B&O provides no support to only value 10 or more years of remaining production, which is in contrast to the long history of the operating wells identified.

ii. B&O provided no support for its Cost Indication of Value Related to the Initial Capital Investment in the City IOF.

45. Section 6.1.2 of the B&O Report states that it determined the functional replacement value ("FRV") for the oil and gas production wells within the City IOF in 2017 was $15.1 million and the deferred replacement value ("DRV") was $3.00 million. It used the DRV as one of the three indicators of value for the fair market value of the City IOF as of January 1, 2017. While B&O does provide a short description of deferred replacement cost, it did not provide a description of what it considers functional replacement value. In addition, it provided no support on how it calculated either FRV or DRV or why it chose DRV as it cost indication of value. B&O further stated it has not visited the site to determine the condition of the wells. In short, B&O has provided no support on its calculation of the cost indication of fair market value.

46. In addition to providing no support for the FRV and DRV values it calculated there is no indication that B&O placed a value on PUDS, probable reserves and possible reserves or equipment serving the City IOF that is in the County IOF.

iii. The Market Indication of Value of the City IOF Prepared By B&O is grossly oversimplified and unreliable.

47. As noted by B&O, the market approach uses similar transactions to try to infer a fair market value for a subject property such as the City IOF. B&O stated they found a small number of potential transactions, but there was insufficient public information available to make suitable adjustments to derive a supportable market indication of value.

48. As a result, B&O attempted to use the SPR/Freeport-McMoRan ("FCX") transaction in 2016 that involved numerous different and differentiating properties to estimate the City IOF fair market value. In B&O's attempt to create a market indication of fair market value for the City IOF, they determined the total sales price of the SPR/FCX transaction was $742 million (per Exhibit I of their report). B&O states that the total production from all of the properties that SPR purchased produced 28,000 barrels of crude oil per day ("BPD") in 2017 and the City IOF crude production (apparently based on the 41 City IOF wells it identified) was only 211 BPD. Utilizing nothing more than rudimentary math, B&O determined that 211 BPD/28,000 BPD equal .75%. As a result, B&O assumed the City IOF purchase price was .75% of the $742 million purchase price (and resulting fair market value), or $5.59 million.

49. There are several items inherently wrong with B&O's market value method. There is not enough public information to ensure that it a reasonable market value indicator. For instance, B&O cannot make any adjustments for the size of the reservoirs that SPR purchased in multiple locations, the condition of the equipment, the quality of the crude, transportation costs and ultimate netback pricing or operating costs nor any of the other relevant data points as noted in paragraph 24 of my report. As noted in FCX's 2015 10-K, there are significant differences in the quality and cost of the crude as noted below:

> "*Onshore California.* FM O&G's onshore properties are located in the Los Angeles Basin and San Joaquin Basin. FM O&G holds a 100 percent working interest in the majority of its onshore positions including the Inglewood, Las Cienegas, Montebello, Packard and San Vicente fields in the Los Angeles Basin, and the Cymric, Midway Sunset, South Belridge, and North Belridge fields in the San Joaquin Basin. The Los Angeles Basin properties are characterized by light crude

> oil (21 to 32 degree American Petroleum Institute (API) gravity), have well depths ranging from 2,000 feet to over 10,000 feet and include both primary production and secondary recovery using waterflood methods (whereby water is injected into the reservoir formation to displace residual oil), where producing wells have a high ratio of water produced compared to total liquids produced (high water cuts). The San Joaquin Basin properties are characterized by heavier oil (12 to 16 degree API gravity) and shallow wells (generally less than 2,000 feet) that require enhanced oil recovery techniques, including steam injection."[12]

50. Therefore, B&O's analysis using the market indication of value is unreliable. Additionally, it only addressed PDPs and did not address PDNPs, PUDs, probable reserves and possible reserves and these related costs. As a result, even if allocating the SPR/FCX production volumes was a reasonable methodology, it severely understates the number of wells and equipment, which understates the fair market value.

iv. <u>B&O provides no support for why it averaged three different methods of calculating fair market value.</u>

51. On page 25 of its report, B&O weighted the three methods of determining the fair market value of the IOF giving each method equal weighting of 1/3 to determine the fair market value of the City IOF as of January 1, 2017 without providing any explanation. In fact, the CSB specifically states not to use the simple mathematical average to reach a conclusion.[13] Typically in fair market valuation calculations, one will choose one method over another. This approach of just averaging the three methods to determine the value is inappropriate and unusual.

52. Further, by averaging the three methods B&O significantly depresses their assumed investment as the cost indication of value calculated an indication of value over 44% lower than the other two measurements of value. This greatly depresses B&O's initial indication of value of SPR's investment, and as previously stated, decreased the time to ACI.

B. Errors Related to B&O's Determination of SPR's Cash Flows

53. B&O estimated SPR's expected cash flow from January 1, 2017 forward by multiplying estimated production volumes from the City IOF wells that existed as of January 1, 2017 times B&O's estimate of expected sales prices. B&O then estimates the costs associated with the ongoing

[12] Freeport-McMoRan 2015 Form 10-K, page 43.
[13] CSB Handbook, page 5-3.

expenditures of the City IOF such as sustaining capital, operating costs, and taxes. For every one of these revenue and expense categories, B&O utilized faulty and erroneous assumptions and failed to include categories that must be considered.

i. Production Volumes (Oil and Gas)

54. Per Section 5.4.1 of the B&O report, to determine the production volumes from January 1, 2017 forward, B&O estimated the total production for 41 wells within the City IOF as of 2016 using a proprietary software package. I have not seen the production volume estimates; therefore, I cannot comment on the calculation. However, due to the diminishing asset doctrine, B&O should have looked at reserve reports and expected drilling plans, among other factors, to estimate production from future wells, which apparently it did not do. As a result, the B&O Report underestimates expected future production volumes (and capital expenditures), which severely underestimated the time that SPR could achieve ACI.

ii. Production Pricing (Netback Crude Oil Prices)

55. In Section 5.4.6, the B&O Report provides a description in bits and pieces on how it determined netback crude oil prices including using Brent crude pricing as the starting point plus adjustments for crude quality and transportation costs. The B&O Report states the netback crude oil prices that it estimates SPR received is shown on Exhibit G. Exhibit G is only a graph, so it is hard to determine the exact prices it used. However, it appears that B&O used approximately $58/barrel for 2017, over $70 per barrel for 2018, about $75 for 2019, and over $75 for 2020. B&O states that it used data available up until January 2020.

56. In addition, B&O states it used data through January 1, 2020. The actual Brent daily price average for 2017 was $54.12, for 2018 was $71.34 and for 2019 was $64.30. This does not comport with B&O's own Exhibit G, as Brent Crude decreased in 2019 relative to the prior year.[14]

57. This difference in actual netback crude oil prices received versus what B&O projected significantly overstates the amount of cash SPR has received, which significantly decreases the time in which SPR would be able to achieve ACI.

[14] Average Daily price of Brent Spot Price FOB available from the U.S. Energy Information Administration, at https://www.eia.gov/dnav/pet/hist/RBRTED.htm.

58. In addition, the FCX 2017 10-K indicates that SPR took over various financial derivates that would put a cap on how much SPR could receive for its crude oil production after actual sales prices were received. FCX's 2017 10-K states:

> "As part of the terms of the agreement to sell the onshore California oil and gas properties, FM O&G entered into derivative contracts during October 2016 to hedge (i) approximately 72 percent of its forecasted crude oil sales through 2020 with fixed-rate swaps for 19.4 million barrels from November 2016 through December 2020 at a price of $56.04 per barrel and costless collars for 5.2 million barrels from January 2018 through December 2020 at a put price of $50.00 per barrel and a call price of $63.69 per barrel, and (ii) approximately 48 percent of its forecasted natural gas purchases through 2020 with fixed-rate swaps for 28.9 million British thermal units (MMBtu) from November 2016 through December 2020 at a price of $3.1445 per MMBtu related to these onshore California properties. Sentinel assumed these contracts at the time of the sale in December 2016."

59. It does not appear that B&O considered the financial derivates that limited the actual cash SPR would ultimately receive, which severely decreases the time ACI would be achieved.

iii. Production Pricing (Netback Natural Gas Prices)

60. In Section 5.4.7, the B&O Report describes how it estimated future natural gas prices that SPR would receive based on Henry Hub prices published in the AEO 2019, which it listed on Exhibit G to its report. Exhibit G is expressed in price/barrel. Therefore, I am not exactly sure what price B&O is projecting for natural gas. Looking at B&O's glossary, assuming it used an industry standard 6:1 conversion rate to calculate barrels of oil equivalent, then B&O's projected price is about $3.33 per mcf.

iv. Sustaining Capital

61. The B&O Report states that it included sustaining capital for workovers during the projection period related to 1) return idle wells to oil and gas production, and 2) renovation of operating production wells at seven-year period interval basically at a cost of $180,000 per well. B&O has not provided any information on how it determined that a seven-year interval of $180,000 per well or $180,000 per well was reasonable. Without further detail, I cannot comment on the reasonableness of their assumption on how often a workover would be needed or the reasonableness of the cost estimate.

62. Additionally, B&O makes no consideration for maintenance capital required to sustain facilities and offices that support the City IOF. The regulations by both the City and LA County regarding maintenance would result in sustaining capital costs of the operation that should be considered by B&O but are not.

v. Operating Costs

63. B&O has underestimated operating costs. In Section 5.4.1, B&O states it used operating cost information related to fields owned by CRC and later describes in Section 5.4.9 that CRC has similar operating costs as SPR. However, while CRC provides information relating to water-flood fields like those contained within the City IOF, B&O fails to make any adjustment for differences between the relevant fields that would have an impact on the costs associated with drilling the fields. For example, the wells at the Mt. Poso fields referenced by CRC are much more shallow than the IOF oil fields.[15] Further, the majority of CRC fields are not in heavily urbanized metro areas like the IOF meaning costs associated with development of the fields are lower due to the lack of having to work around existing city infrastructure.[16] Additionally, the CRC fields may have access to an aquifer that supplies the necessary pressure rather than having to inject water to provide the necessary pressure, decreasing costs.

vi. Plug and Abandonment Costs

64. B&O stated it did not include plug and abandonment costs in its income model. There is an assumed $100 million liability included in SPR's purchase price for plug and abandonment costs, which is not considered in the B&O Report. Without further detail on why B&O excluded these costs, I cannot comment on this assumption.

vii. General and Administrative Costs

65. Further, B&O makes no estimates or consideration regarding general and administrative costs relating to the operation that should be included in their model.

[15] "California Oil & Gas Fields Volume 1 – Central California," California Department of Conservation Division of Oil, Gas, and Geothermal Resources, pages 293-300. See also California Oil & Gas Fields Volume 2 – Southern, Central Costal, and Offshore California Oil and Gas Fields," California Department of Conservation Division of Oil, Gas, and Geothermal Resources, pages 192-194.

[16] Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018, page 7.

viii. Income Taxes

66. B&O has assumed a 35% corporate federal tax rate prior to 2018 and 21% in 2018 onward and a California state corporate income tax rate of 9%, respectively the highest corporate tax rates. However, as a limited liability company ("LLC") SPR does not realize corporate tax rates. LLCs are pass through entities where the profits and losses are passed on to the owners and these amounts are then taxed on the individuals. Profits realized from SPR would experience individual tax rates which are as high as 37% in 2020 and even higher in years prior to 2020 for individuals at the federal level.[17] California state income taxes reach as high as 13.3% in 2020 for individuals and were as high as 12.3% in years prior.[18] As a result, B&O has significantly underestimated tax rates.

C. Errors Related to B&O's Determination of SPR's Discount Rate (Reasonable Rate of Return)

67. The discount rate is the interest rate used to calculate the present value of future cash flows from a project or investment. An appropriate discount rate will take into consideration the risks and requirements specific to the project and the investor. In B&O's ACI calculation, the discount rate serves as the reasonable rate of return previously described in this report. Recall that B&O defines ACI as the time it takes for cash flows to amortize, or cover, the initial capital investment plus a reasonable rate of return. Therefore, the time to ACI is significantly affected by the selection of the discount rate.

68. In Section 5.4.11, B&O states it used an industry rate of return by evaluating the weighted average cost of capital for exploration and production companies. B&O references a New York University publication. Based on B&O's evaluation of this website data, it determined it would use an 8% discount rate (reasonable rate of return) to apply to the cash flows. B&O states this is above the average of companies engaged in oil and operations from 2016 through 2019.

[17] "IRS provides tax inflation adjustments for tax year 2020," available at https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2020.

[18] H&R Block California Tax Rates 2020, available at https://www.hrblock.com/tax-center/filing/states/california-tax-rates/. "Standard deductions, exemption amounts, tax rates, and doing business thresholds updated for 2019," available at https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/december-2019/standard-deductions-exemption-amounts-tax-rates-and-doing-business-thresholds-updated-for-2019.html

69. While I generally agree that an industry rate of return using the weighted average cost of capital is an adequate starting point, many adjustments must be considered. In B&O's definition and description of ACI, the discount rate must reflect the risks and profile of the specific investment and investor—in this case SPR and the City IOF. Following is a non-exhaustive list of project specific risk factors that would require upward adjustments to the discount rate:

- Regulatory costs and risks associated with being located in an urban area, specifically Los Angeles County, California and specifically in the City and being subject to over 20 regulatory entities.
- Potential political risks (such as the case with the City of Culver City initiating this study and its desire to stop production completely within the City IOF).
- Development risk associated with developing in a heavily urbanized area.
- Environmental related costs associated with running complex water flood wells.
- Risks associated with the company size of SPR on the cost of capital commonly referred to as the size premium.
- Risks dealing with a lack of marketability as SPR is a privately held company.

70. B&O fails to adjust their discount rate for project specific factors in order to determine an appropriate discount rate for the County IOF or City IOF. Further, as the reasonable rate of return should be specific to SPR, there should be consideration given that private equity owned companies generally require a rate of return in excess of 20% to reflect the risk inherent in their investments.

Even if amortization was appropriate or relevant, the All Owners ACI Model contains so many errors and false/unsupported assumptions as to render the analysis completely unreliable.

71. Based on my review of Section 7 of the B&O Report, the All Owners ACI Model not only tries to analyze wells that were drilled since 1977, but also attempts to analyze wells that were drilled from 1925 through 1976 and conclude, in the aggregate, that all wells drilled prior to 1976 achieved ACI within a few years. Based on my review of the description of the analysis B&O performed, I find the opinion completely unreliable.

72. As noted by B&O in Section 5.2 of its report, just as it needed in its first income model, it needs the following data to prepare a reasonable income model and resulting ACI:

- Capital Investments
- Sustaining capital investments required to maintain production activity
- Revenue (which means production volumes and price received)
- Changes in revenues due to market events
- Operating expenses
- Incomes taxes, ad valorem taxes
- Market rates of return

73. First, as noted in Section 7 of the B&O Report, B&O admits that the public data is "generally incomplete or unavailable" to develop baseline assumptions for an income model. Records date back to the first well drilled within the City IOF in 1925, nearly 100 years ago. However, B&O still made broad brushed assumptions for wells drilled from 1925-1976 based on only 6 wells drilled from 1977 to 2002.

74. Even in their Executive Summary on page 5, B&O noted there was significant variability among just these six wells, with only four wells achieving ACI and two wells not achieving ACI. B&O's rationale to accept this variability was to analyze them in the aggregate.

75. While aggregating may give one the answer they are looking for, trying to use this data to apply it to other wells drilled in the previous 50 years is inappropriate and speculative. B&O does not have the data for the older wells and can only make broad brushed assumptions. As it noted in its own report, there were two world wars, increase in number of light vehicles, changes in technology, changes in environmental laws, oil embargos, etc. B&O has performed some various analytics to try and support their apparent conclusion that all wells, in the aggregate, have achieved ACI by 1976, but there are too many data inputs with very little support to reasonably conclude that this occurred.

76. In addition, other facts/factors may have occurred whereby the wells drilled within the City IOF did not achieve ACI in the aggregate. The City IOF is only 78 acres of the IOF which is approximately 1,000 acres. B&O has provided no data regarding the previous and/or expected volumes associated with the specific City IOF wells, instead they make broad brush assumptions assuming the City IOF wells achieved ACI based on sale of the full IOF.

77. Lastly, in my opinion, whether the City IOF wells from 1926-1975 achieved ACI is irrelevant. SPR purchased its interest in the City IOF in 2016 and the City had no laws regulating ACI. From a financial perspective, it is not reasonable to take away land for which SPR paid millions of dollars without legal justification.

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rlang@alvarezandmarsal.com

For the past 25 years, Robert has been trusted by attorneys and companies to analyze complex commercial disputes and measure the financial impact of external events, operational changes, and other market factors. He has served as an expert and testified in high profile cases involving hundreds of millions of dollars and has led large investigations into complex economic and accounting issues.

Robert has assisted companies across a wide variety of industries and has a particular expertise in the energy industry, dealing with matters throughout the product life cycle. Robert has assisted oilfield services, E&P, midstream, and downstream entities with valuation issues, transaction support/analysis, business interruptions, royalty disputes and many other matters.

Many of Robert's cases involve the measurement of value and quantifying the creation or destruction of value. He has analyzed the value of entities and assets ranging from oil & gas operations to steel mills to complex securities to the world's largest cancer tumor bank. He has performed these assignments for clients in the US, Canada, Mexico, South America, the Middle East and Asia.

Robert serves as a guest lecturer in the Graduate Accounting program at Baylor University, where he also serves on the Advisory Board for the Accounting and Business Law department. He is a frequent speaker, author, and instructor on oil and natural gas issues, valuation, and financial analysis.

Representative practice areas and example engagements include:

Energy Related Disputes

- Conducted valuation analysis and testified as an expert for an energy industry client regarding the value of lost opportunities.
- Analyzed project economics and calculated damages on behalf of an oil field services company involved in converting natural gas into clean diesel. Analyzed the impact of several interruptions on the project.
- Performed several calculations of damages and testified at jury trial regarding contract losses and fraud damages suffered by an oilfield services company in the Fayetteville Shale.
- Calculated contract damages in a pricing dispute between a Marcellus natural gas fracking operator and an oilfield services company.
- Analyzed the impact of alleged negligence by a drilling operator on the

economics of a project in the Monterrey Shale. Testified as an expert on resulting cost increases and overall impact to the project.

- Analyzed damages and drafted expert report on over $150mm of economic losses suffered by a refinery. Analysis included review of economic and operational issues leading to bankruptcy and determination of resulting losses.

- Assisted a major Barnett Shale natural gas producer faced with hundreds of royalty litigation cases regarding midstream deductions. Analyzed gathering costs including review of cost of service model used to determine cost. Evaluated reasonableness of terms, including targeted rate of return, negotiated with the midstream company after producer spun it out into a separate entity. Reviewed net wellhead prices and reasonableness of all deductions. Analyzed impact of trading operations on royalty payments.

- Assisted a litigation trust with financial advisory and litigation related to the bankruptcy of a coal producer. Reconstructed the accounting environment of the bankrupt entity, analyzed more than 50 entities and thousands of related party transactions, performed solvency and valuation analysis, and calculated damages.

- Calculated damages and provided expert testimony in a large claim on behalf of an offshore oil & gas operator in litigation over repair, rebuild, and pollution cleanup costs.

- Assisted a major oil and gas client in developing a “net-back pricing” model for litigation that tracked the delivery of and payment for product originating in 4,000 wells and covering five pricing pools over seven years.

- Conducted royalty audits and performed numerous damage calculations in royalty disputes on behalf of major oil and gas clients.

- Constructed a highly complex model and calculated damages in a dispute over appropriate reductions in calculating natural gas liquids royalties.

- Calculated lost business value and provided expert opinion regarding the construction of fueling stations for a major airline.

- Calculated damages and drafted expert report to determine the lost profits suffered by a refinery as a result of contractor negligence and the resulting inability to produce cyclohexane and paraxylene. Analysis included an estimation of “but for” market prices in the absence of the supply shock.

- Calculated lost profits and performed valuations in a dispute between a major oil and gas company and numerous franchised service stations.

- Assisted oilfield services company with complex database analysis to identify and characterize competing sales in an anti-trust matter.

Valuation, Forensic Accounting and Commercial Damages

- Analyzed damages and testified as an expert regarding the lost business value suffered by a radiology management provider that resulted from an alleged faulty installation of Customer Relationship Management software.

- Determined lost research value suffered by medical school following a tropical storm. Testified as an expert on over $100mm of losses when claim was litigated. Judge ultimately awarded the exact damage calculation.

- Analyzed damages and testified as an expert regarding lost business value in a dispute between former business partners of a consumer products company.

- Served as court-appointed auditor in an alleged real-estate investment Ponzi scheme. Traced funds, identified improper transfers, and analyzed distributions within over 100 investment and development funds.

- Performed analysis and testified at trial regarding an alleged Ponzi scheme involving 1031 exchange investments and alleged violations of the Texas Securities Act.

- Performed valuation analysis and testified in bench trial regarding the difference in standard and liquidated values.

- Calculated damages and testified regarding damages suffered by a warehouse equipment distributor due to an alleged breach of contract.

- Analyzed and investigating facts, documents, and damages in a False Claims Act matter.

- Calculated damages and investigated allegations in a healthcare quit am action.

- Analyzed lost profits suffered by a regional airline that resulted from non-performance of a software vendor that was engaged to install an ERP system.

- Developed damage analysis and drafted expert report regarding an

investment fund's participation in a regional shopping mall as compared with suitable alternative investments.

- Assisted a multibillion-dollar underwriter in litigation regarding the profitability of its automotive extended-warranty business and the causes of decreasing margins.

- Quantified damages for defendant in a breach of contract suit concerning the distributorship agreement of a large athletic shoe company.

- Performed analysis of tracking data collected from a website in a class action lawsuit alleging deceptive billing practices against a dating website.

Bankruptcy Litigation and Restructuring

- Designated as an expert and performed valuation and solvency analysis in a dispute between a trustee and the previous owners of a multi-billion dollar telecommunications company.

- Calculated damages, rebutted opposing expert's calculation of lost business value, and analyzed solvency issues for a telecom company concerning a breach of contract with a developer of GPS technology who claimed the alleged breach forced bankruptcy.

- Analyzed debtors' plans for reorganization while working on behalf of creditors' committees in several bankruptcy matters.

- Advised a large manufacturer in restructuring various operations and financial structure.

- Developed damage model, refuted opposing expert's analysis, and drafted expert report for a utility industry client concerning the valuation of an acquired security alarm company and the impact of the software on the operations of the business.

- Analyzed transactions and calculated damages alleged by several municipalities against the investment bank that assisted in bond issuances.

Insurance and Construction Claims

- Assisted numerous clients in preparing insurance claims and negotiating settlements for business interruption and property damage totaling nearly $1 billion. Served as the National Practice Leader for the Business Insurance Claims practice of a large accounting firm. Clients have included oil and gas processing facilities and refineries, cogen facilities,

universities, hotels, hospitals, retailers, engine manufacturer, cement plant, power plant, steel plants, retailers, grocery stores, golf clubs, and numerous other manufacturers.

General Strategic and Business Advisory

- Helped a textile manufacturer identify the causes of lagging profits, streamline operations, reduce throughput, determine which plants to close, and determine the impact to shareholder value of the recommendations.

- Assisted several start-up businesses in formulating business plans, building financial infrastructure and structuring the financing.

- Assisted several growing private companies in securing private placements of additional capital.

Publications

- Low Crude Oil Price Impacts: Market Dynamics, Economic Implications, and Disputes, May 2015.

- The Shale Energy Revolution: A Lawyer's Guide, Chapter 3—Common Contractual Disputes-Royalty Disputes.

- Rising Tide: Litigation Wave from Low Oil Prices & Economic Implications, May 2015

- Gas Royalty Disputes on the Rise, NG Market Notes, April 2014

- Unconventional Oil & Gas Litigation Trends, A Geographical View, ABA Panel Moderator, July 2014

- Gas Royalty Disputes, Energy Law Advisor Volume 8 No. 3, July 2014

- Trends Emerging from Unconventional Oil & Gas Resources, ABA Energy Litigation Article, July 2014

- Capital Investment Decisions in Oil and Gas, April 2014

- Trends and Outlook for Shale Oil & Gas, New York County Lawyer's Association, February 2014

- Primer on Shale Oil & Gas, Industry Trends and Outlook, San Diego, California, September 2014

Attachment B
Documents Considered

Reports

- Capital Investment Amortization Study for the City of Culver Portion of the Inglewood Oil Field, prepared by Baker & O'Brien Incorporated

Letters

- Letter submitted simultaneously by Alston & Bird LLP dated August 13, 2020

Publicly Available Material

- Daily Brent Crude Spot Price FOB, U.S. Energy Information Administration, available at https://www.eia.gov/dnav/pet/hist/RBRTED.htm
- California State Board of Equalization, Assessor's Handbook Section 566 Assessment of Petroleum Properties, August 1996
- "California Oil & Gas Fields Volume 1 – Central California," California Department of Conservation Division of Oil, Gas, and Geothermal Resources
- "California Oil & Gas Fields Volume 2 – Southern, Central Costal, and Offshore California Oil and Gas Fields," California Department of Conservation Division of Oil, Gas, and Geothermal Resources
- Comparison of Proposed Culver City Drilling Regulations to Existing City Regulations and Approved County Community Standards District (CSD) and Settlement Agreement, dated 10/5/2017 from City of Culver City website, available at https://www.culvercity.org/home/showdocument?id=9884
- Freeport-McMoRan 2015 Form 10-K
- Freeport-McMoRan 2017 Form 10-K
- Freeport-McMoRan 2017 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2016
- Sentinel Peak Resources 2018 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2017
- Sentinel Peak Resources 2019 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2018
- Sentinel Peak Resources 2020 Drilling, Re-drilling, Well Abandonment and Well Pad Restoration Plan, Inglewood Oil Field, Filed November 2019
- Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018

Attachment B
Documents Considered

Website Articles

- History of the Inglewood Oilfield, available at https://inglewoodoilfield.com/history-future/history-inglewood-oilfield/
- Future of the Inglewood Oil Field, available at https://inglewoodoilfield.com/history-future/future-inglewood-oil-field/
- "IRS provides tax inflation adjustments for tax year 2020," available at https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2020
- H&R Block California Tax Rates 2020, available at https://www.hrblock.com/tax-center/filing/states/california-tax-rates/
- Standard deductions, exemption amounts, tax rates, and doing business thresholds updated for 2019," available at https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/december-2019/standard-deductions-exemption-amounts-tax-rates-and-doing-business-thresholds-updated-for-2019.html

Court Cases

- Hansen Brothers Enterprises, Inc. v. Board of Supervisors (1996)

Review Of The Baker & O'Brien Report
Average Number of Years Since Well Was Drilled
Exhibit 1

Model #	Drill Year	Status	Lease Name	Well #	Years Since Well was Drilled as of 2020
3700248	1966	Operating	TVIC	59	54
3700249	1966	Operating	TVIC	63	54
3707468	1947	Operating	Block	22	73
3707475	1961	Operating	Block	29	59
3707477	1964	Operating	Block	31	56
3707873	1941	Operating	Machado	3-A	79
3707881	1952	Operating	Machado	7-A	68
3708129	1954	Operating	VRU	105	66
3709082	1979	Operating	VRU	113-A	41
3709086	1953	Operating	VRU	116	67
3709113	1925	Operating	TVIC	25	95
3709118	1953	Operating	TVIC	30	67
3709139	1961	Operating	TVIC	55	59
3709140	1962	Operating	TVIC	56	58
3709145	1957	Operating	TVIC	62	63
3709149	1966	Operating	TVIC	74	54
3720069	1967	Operating	TVIC	54	53
3725342	2002	Operating	TVIC	100	18
3725375	2002	Operating	TVIC	101A	18
		Operating Wells Average Years Since Drilling			**58**

Model #	Drill Year	Status	Lease Name	Well #	Years Since Well was Drilled as of 2020
3707876	1957	Injection	Machado	5	63
3709083	1977	Injection	VRU	114A	43
3709087	1954	Injection	VRU	117	66
3709088	1954	Injection	VRU	118	66
3720042	1967	Injection	TVIC	64	53
3722281	1980	Injection	TVIC	220	40
3725079	1998	Injection	TVIC	268	22
3725221	2000	Injection	VRU	284	20
3725222	2000	Injection	TVIC	271	20
3725256	2000	Injection	TVIC	272	20
		Injection Wells Average Years Since Drilling			**41**

Source:
B&O Report Exhibit E

Ferrel, Mimi

From: Eric Newton [redacted]
Sent: Thursday, August 13, 2020 12:30 PM
To: Public Comment at Culver City
Subject: Capital Investment Amortization of Inglewood Oil Field

From: Eric Newton and Hagie Ravid
[redacted]
To: Heather Baker, Assistant City Attorney, Culver City
Re: Capital Investment Amortization Study for City of Culver CityPortion of the Inglewood Oil Field, prepared by Baker and O'Brien

Dear Atty. Baker
CC: the Honorable City Council Members, City of Culver City

Thank you for taking these public statements regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. **We support the Oil Subcommittee recommendations** to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program.

My partner and I use Kenneth Hahn recreation area 2-3 times a week. As you know, the park is right next to the Culver City portion of the Inglewood Oil field. By phasing out oil production and remediating the fields, our health (& our dog's) and the health of all the many Angelenos and Culver City residents who use Kenneth Hahn every week and, especially, all the folks who live nearby, will improve and the many ill effects of these oil fields will end.

Please vote to continue the progress toward phasing out this harmful, polluting industrial area. We need to end fossil fuel use AND provide green jobs for many local residents! This is the right thing to do. Please don't take us backwards toward further health issues, greenhouse gases and urban ugliness.

We both further urge you **to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021** to protect our health, our environment and our economy. This should be completed in a manner that **ensures previous and current operators are responsible for the full costs** of well plugging, abandonment, and full remediation of the site, not Culver City taxpayers. Furthermore, the agreement covering the costs of well plugging and abandonment should include **living wage compensation for a properly trained and unionized workforce with preference for hiring local workers**.

Thank you for considering our concerns,

Eric Newton
Zero Waste Representative
Clements Environmental Corp.
[redacted]

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 12:35 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Eric Newton submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: PUBLIC COMMENT:

eComment: From: Eric Newton and Hagie Ravid [redacted] To: Heather Baker, Assistant City Attorney, Culver City Re: Capital Investment Amortization Study for City of Culver CityPortion of the Inglewood Oil Field, prepared by Baker and O'Brien Dear Atty. Baker CC: the Honorable City Council Members, City of Culver City Thank you for taking these public statements regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. We support the Oil Subcommittee recommendations to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program. My partner and I use Kenneth Hahn recreation area 2-3 times a week. As you know, the park is right next to the Culver City portion of the Inglewood Oil field. By phasing out oil production and remediating the fields, our health (& our dog's) and the health of all the many Angelenos and Culver City residents who use Kenneth Hahn every week and, especially, all the folks who live nearby, will improve and the many ill effects of these oil fields will end. Please vote to continue the progress toward phasing out this harmful, polluting industrial area. We need to end fossil fuel use AND provide green jobs for many local residents! This is the right thing to do. Please don't take us backwards toward further health issues, greenhouse gases and urban ugliness. We both further urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021 to protect our health, our environment and our economy. This should be completed in a manner that ensures previous and current operators are responsible for the full costs of well plugging,

abandonment, and full remediation of the site, not Culver City taxpayers. Furthermore, the agreement covering the costs of well plugging and abandonment should include living wage compensation for a properly trained and unionized workforce with preference for hiring local workers. Thank you for considering our concerns, Eric Newton & Hagie Ravid

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 12:52 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Jim Clarke submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: ACTION ITEMS

eComment: From Jim Clarke, The last time the Council met to consider moving forward with an amortization study of the Inglewood Oil Field, I pointed out the fact that Sentinel Peak Resources had completed a reserve study of the oil field and indicated they would be willing to share portions of that study with the City and its consultants. The results reached in the SPR study are far different than the projections being made by City staff and consultants and there is little value in the City proceeding if the study's recommendations and conclusions are not based in reality or fact. I would have thought in this interim period, the City staff or its consultants would have contacted SPR to receive the results of their study to create a more accurate representation of the remaining life and value of the oil field. But I am amazed to learn that no one contacted SPR and as a result the amortization study remains a work of fiction and speculation. It is my understanding that although not asked, SPR is prepared tonight to share some of the information from their study so the City and the public will be aware of the chasm that exists between what is the actual situation and the erroneous conclusions reached in the amortization study. So, I once again request the City Council to gather all the available facts as they exist and incorporate them into your amortization study before wasting more of our City’s precious funds on an imaginative yet unrealistic scenario.

From: Guzman, Liz on behalf of Attorney, City
Sent: Thursday, August 13, 2020 12:20 PM
To: Baker, Heather
Subject: FW: Culver City Wells in the Inglewood Oil Field
Attachments: CULVER CITY OIL LETTER (1).pdf

From: Graham Hamilton <ghamilton@la.surfrider.org>
Sent: Thursday, August 13, 2020 11:48 AM
To: Attorney, City <city.attorney@culvercity.org>
Cc: Sahli-Wells, Meghan <Meghan.Sahli-Wells@culvercity.org>; Lee, Daniel <Daniel.Lee@culvercity.org>; Small, Thomas <Thomas.Small@culvercity.org>; Fisch, Alex <Alex.Fisch@culvercity.org>; Eriksson, Goran <Goran.Eriksson@culvercity.org>; SFLA Executive Committee <ec@la.surfrider.org>
Subject: Culver City Wells in the Inglewood Oil Field

Dear Attorney Baker,

On behalf of the Surfrider Foundation Los Angeles chapter please accept the attached letter in support of staff recommendations regarding the Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Fields.

Thank you for your consideration.

Regards,

Graham Hamilton | Los Angeles Coordinator | Surfrider Foundation
323.490.0985 | Social: @surfriderla + @hamigraham
He / Him / His - what's this

SURFRIDER FOUNDATION
LOS ANGELES

August 13, 2020

Re: Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field, prepared by Baker & O'Brien

Dear Attorney Baker,
CC: Honorable City Council Members, City of Culver City

The Surfrider Foundation is dedicated to the protection and enjoyment of the world's ocean, waves and beaches, for all people, through a powerful activist network. We have been fighting fossil fuel extraction for years and are encouraged by the Council's imaginative investigation into the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City.

On behalf of over 12K members and supporters in the LA region, we fully support the Oil Subcommittee recommendations to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program. We applaud the recent actions taken by the Culver City City Council to put the health and well-being of its citizens and the environment over the interests of large fossil fuel companies.

Last week AB 345 failed to pass out of the Senate Natural Resources and Water Committee, making it more critical than ever for local governments to step up and end oil and gas operations that pose a direct threat to local community members. By leading the initiative to phase out oil drilling within city limits, this city council is in the process of transforming the greater LA area from an oil town into a nationwide leader in environmental justice.

We urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021. This should be completed in a manner that:

- Engages in dialogue with free, prior and informed consent of the Tongva indigenous community.

- Ensures a public process that allows locally impacted residents to provide meaningful input into the site's future use.
- Ensures previous and current operators are responsible for the full costs of well plugging, abandonment, and full remediation of the site, not Culver City taxpayers.
- Ensures that the agreement covering the costs of well plugging and abandonment include living wage compensation for a properly trained and unionized workforce with preference for hiring local workers.

We are at a critical juncture where swift and decisive action must be taken to achieve the promise of a more resilient Culver City, one that helps lead the greater LA region toward a more just climate future.

We encourage the City of Culver City to continue its leadership in addressing the problems of urban oil drilling by instructing staff to develop a plan for phasing out oil operations and remediating the immediate area in the Culver City portion of the IOF starting in January 2021 as indicated is possible by the Capital Investment Amortization Study.

Sincerely,

Graham Hamilton
Surfrider Foundation
Los Angeles Coordinator

Ferrel, Mimi

From: noreply@granicusideas.com
Sent: Thursday, August 13, 2020 1:10 PM
To: Public Comment at Culver City
Subject: New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION # 2: =0ASpecial Meeting Inglewood Oil Field Discussion - Held Virtually

New eComment for City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Michael Doshi submitted a new eComment.

Meeting: City Council Meeting Agenda on 2020-08-13 6:00 PM - REVISION #2: Special Meeting Inglewood Oil Field Discussion - Held Virtually

Item: A-1. 21-158 CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate.

eComment: Hello Culver City-City Council, My name is Michael Doshi, Director of Partnerships at Algalita Marine Research & Education. With over 20 years of experience working in the plastic pollution field, Algalita has seen first hand the health hazards that fossil fuel extraction causes to both frontline/fenceline community members as well as the environment. The fossil fuel and plastics industries are one in the same and we strongly encourage Culver City to move forward with ending toxic extractive/production practices in the Culver City portion of the Inglewood Oil Field. Given the findings of the report, we believe Culver City should: - Move forward in phasing out oil production and the remediation and regeneration of the site starting January 2021 and complete as quickly as possible. - Ensure that oil operators, not taxpayers, cover the full cleanup costs for the site, and that workers hired for the remediation are local and unionized. - Create a process for community-led determination of the long term remediation vision for the site, one which ensures the free, prior and informed consent of the local Indigenous community. Crafting a just transition for the site, especially during the COVID-19 pandemic, is extremely important. The companies who have profited from these sites should not be allowed to abandon their responsibilities to their workers and the public. Thank you for your time. -Michael Doshi

From: Marilyn Smith [redacted]
Sent: Thursday, August 13, 2020 1:39 PM
To: Baker, Heather
Subject: Re: Inglewood Oil Field

RE: Inglewood Oil Field
City Council Special Meeting, August 13, 2020
As I explained in my letter dated June 3, 2020 that if my royalties were to cease I would be forced to move out of my condo and possibly out of California. These royalties are my major source of income. This is a frightening situation for a 79 year old widow.
My family have owned and paid taxes on this oil field since the 1930's. I don't understand how someone can just come in and halt production without proof of danger to anyone or anything.
Please consider how this would effect the Landowners if this production was to be shut down.
Kind regards,

Marilyn Smith

On Jun 3, 2020, at 4:08 PM, Baker, Heather <heather.baker@culvercity.org> wrote:

Thank you for your email, Marilyn. Your comments will be read into the public record during the June 4th Subcommittee meeting.

Best,

Heather

Heather S. Baker
Assistant City Attorney
City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507
✉ **heather.baker@culvercity.org**
☎ **310-253-5660**

Do you really need to print this e-mail?

From: Marilyn Smith [redacted]
Sent: Wednesday, June 3, 2020 4:06 PM
To: Baker, Heather <heather.baker@culvercity.org>
Subject: Inglewood Oil Field

Heather,

As a 79-year-old royalty holder with Sentinel Peak I was very distraught to receive a letter yesterday regarding the danger of discontinuing my royalties. The suggestion on where and how to respond to this situation gave me inadequate time to put my effort into speaking against the city's proposed amortization process as I am not computer literate and would have to hire someone so I could "be heard".
My family has relied on this royalty income for three generations and have been paying taxes from them to Culver City and the State of California. If these royalties were to cease I would need to move out of my residence and be forced to apply for government assistance as I am a retired homemaker and I've never worked outside of the home.
If this were to happen I would be greatly harmed and I can assure you I will be one of the first to join a class action suit against Culver City for shutting down an oil field and terminating my monthly income which I rely on. I am not a lawyer but what you are trying to do seems unconstitutional and illegal.

Kind Regards,

Marilyn Smith
Have a Happy Day

Ferrel, Mimi

From: Katie Rotolo [redacted]
Sent: Thursday, August 13, 2020 2:28 PM
To: Public Comment at Culver City; Alex Parker
Subject: In Support of File No. 21-158: IOF Amortization Study

Good afternoon,

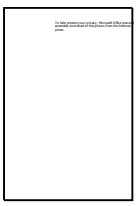
We are writing to you today regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. **We support the Oil Subcommittee recommendations** to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program.

We further **urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021** to protect our health, our environment and our economy. This should be completed in a manner that **ensures previous and current operators are responsible for the full costs** of well plugging, abandonment, and full remediation of the site, not Culver City taxpayers. Furthermore, the agreement covering the costs of well plugging and abandonment should include **living wage compensation for a properly trained and unionized workforce with preference for hiring local workers**.

Please protect the communities' health and well being, and utilize this land and resources in ways that help Culver City residents and the local economy prosper.

Thank you!

Kathleen Rotolo and Jeremy "Alex" Alexopoulos, LA County Residents



Katie Rotolo
Founder & Yoga Teacher Set Intentions | Producer, Paper Ball Pictures | Host, Give'm The Biz Podcast
set-intentions.com | paperballpictures.com

BAFTA Qualifying TREACLE Trailer
Mini Productions presents in association with AZ Film Studios, Paper Ball Pictures and Cat Dragged In Films the BAFTA Qualifying film… Treacle | #Treacle Treacle is the...
by Mini Productions | 2019-03-14 | **2009**

Please consider the environment before printing this e-mail!

Ferrel, Mimi

From: Craig [redacted]
Sent: Thursday, August 13, 2020 2:37 PM
To: Clerk, City
Subject: Council meeting public comment

My name is Craig Barry and I've been living on the Ballona Creek for the past 42 years. During this time I spent a lot of time riding my bicycle along the creek and have witnessed oily residue floating down the creek out to the ocean, flames and smoke in the oil field and have smelled petroleum odors in the air from Playa Del Rey to Culver City. It is time to focus on a solution to all of this pollution and shutting down the Inglewood oil field is a good start.
Thanks you,
Craig
[redacted]

Ferrel, Mimi

From: Converging Storms Action Network <convergingstorms@gmail.com>
Sent: Thursday, August 13, 2020 2:46 PM
To: Public Comment at Culver City
Subject: Inglewood Oil Field Public Comment
Attachments: CC Oil 08 2020.pdf

Greetings,

Our letter of public comment on tonight's meeting regarding the Inglewood Oilfield is attached.

Who we are:
Converging Storms Action Network members are united around an analytic framework which focuses on the crises of Energy, Capitalism and Environment. This framework is based upon science, specifically the science of interconnected systems: economic, environmental and energy systems. Our current campaign is the Campaign for Energy Democracy: Energy, the most basic need of all life, must not be owned or controlled by for profit entities, but controlled, from ground to use to distribution, by the people.

Thank you,
Nina Zvaleko
323 899 0698
for
--
Converging Storms Action Network
Challenging the Crisis of Energy, Capitalism, & Environment
convergingstorms.com

Contact: Nina Zvaleko
(323) 899-0698
ConvergingStorms@gmail.com

Converging Storms:
The Crises of Energy, Capitalism, & Environment

August 13, 2020

To: Heather Baker, Assistant City Attorney, Culver City
Re: Capital Investment Amortization Study for the City of Culver City Portion of the Inglewood Oil Field, prepared by Baker & O'Brien

Submitted via email: Public.Comment@CulverCity.org

Dear Attorney Baker,
CC: Honorable City Council Members, City of Culver City

We are writing to you today regarding the study of the amortization of capital investment (ACI) in oil and gas production facilities within the approximately 78-acre portion of the Inglewood Oil Field (IOF) that is located within Culver City. We support the Oil Subcommittee recommendations to direct staff to resolve the incompatibility of non-conforming oil and gas related uses through an amortization program, identify an appropriate period to phase out oil and gas activity, and work with the Oil Subcommittee to develop the details of the framework and amortization program.

We further urge you to phase out and remediate oil and gas operations at the Inglewood Oil Field as soon as possible beginning in January 2021 to protect our health, our environment and our economy. This should be completed in a manner that ensures previous and current operators are responsible for the full costs of well plugging, abandonment, and full remediation of the site, not Culver City taxpayers. Furthermore, the agreement covering the costs of well plugging and abandonment should include living wage compensation for a properly trained and unionized workforce with preference for hiring local workers.

This letter comes to you not from distant parties who profit off urban oil drilling in our neighborhood, but from friends, neighbors, co-workers of those who live and work in Culver City and suffer the negative impact of living next to the largest urban drilling fields in the country. We support your neighbors, small business owners, and perhaps most importantly, your constituents.

We applaud the recent actions taken by the Culver City City Council to put the health and well-being of its citizens and the environment over the interests of large fossil fuel companies. By spearheading the initiative to phase out oil drilling within city limits, this city council is in the process of transforming Culver City from an oil town into a nationwide leader in environmental justice. But that process is not complete. We are at a critical juncture where swift and decisive action must be taken to achieve the promise of a better, cleaner, greener Culver City.

We encourage the City of Culver City to continue its leadership in addressing the problems of urban oil drilling by instructing staff to develop a plan for phasing out oil operations and remediating the immediate area in the Culver City portion of the IOF starting in January 2021 as indicated is possible by the Capital Investment Amortization Study.

As the oil and gas operations are a non-conforming use of its land, the City of Culver City has the legal right to phase out these operations once the ACI period has elapsed. The oil operator, Sentinel Peak Resources (SPR) acquired Culver City's portion of the IOF when it purchased a portfolio of California oil and gas properties from Freeport McMoRan in January 2017. According to the income model described in the report, ACI would occur within four years of SPR's purchase of the City's portion of the IOF. That four years will have passed this coming January, 2021.

The phasing out of oil operations within city limits will have a proportionately small negative impact on the total operations of SPR. According to the report, during 2017, in the Culver City portion of IOF, 21 wells were in operation to produce oil and gas, 10 production wells were idle, and 10 wells were used for injection of water into the reservoir. This is just a fraction of the total number of wells currently situated in the oil field as a whole.

By contrast, closing this small number of wells will have a massive positive impact on the residents of Culver City. It will help protect the health and safety of nearby residents of Culver City, as well as our environment, from the negative impacts of urban oil drilling, including exposure to toxic emissions and dangerous chemicals.

Many peer-reviewed studies link exposure to oil and gas drilling to a host of health impacts, including nose bleeds, headaches, eye irritation, increased risk of asthma and other respiratory illnesses, preterm births and high-risk pregnancies, cancer and premature death. The majority of these studies noted more hazards, risks and health impacts due to increase in exposure from both closer proximity and higher well density. The proximity and density of oil and gas development in Culver City and the surrounding area is often as high or higher than that of oil and gas development associated with health impacts in studies outside of the region.

Oil and gas extraction produces toxic air pollutants, such as volatile organic compounds (VOCs) like benzene, toluene, ethylbenzene and xylene (BTEX), formaldehyde, fine and ultra-fine particulate matter, hydrogen sulfide, crystalline silica, methanol, and hydrofluoric acid. According to South Coast Air Quality Management District records, between June 2013 and February 2017, oil companies in Los Angeles County used more than 98 million pounds — or 49,000 tons — of chemicals known to cause serious health effects in humans. In total during this period, air toxics were reportedly used over 11,000 times across Los Angeles County. Oil companies claimed "trade secret" protection nearly 12,000 times for chemicals used. This means that even more air toxics and other hazardous chemicals could have been used than were disclosed, including at the drill sites in Culver City. Other potential harms from urban oil drilling include water contamination, light and noise pollution, spills of toxic chemicals, and explosions. Ending drilling operations near sensitive places is necessary to avoid these serious public health risks.

As COVID-19 continues to spread across California, early research is showing the disproportionate impact the virus is having in communities burdened by air pollution and pre-existing health conditions. People sheltering in place in close proximity to oil and gas

facilities are facing increased health risks by staying home. Preliminary research from Harvard University indicates that at the county level, COVID-19 mortality rates are higher in areas with elevated levels of fine particulate matter air pollution over the long term. Now more than ever, California must act to reduce exposure to pollution and improve public health – particularly in communities most impacted by COVID-19.

In addition, closing the City's portion of the IOF would create new job opportunities required for abandonment and capping of existing wells, remediation of the immediate area and regeneration of the site. It is critical that these costs be covered by the oil and gas operators, and not the city or taxpayers.

Well and site remediation is an important part of a just transition to a clean, renewable energy economy. New jobs would be created when workers are employed in the capping and abandonment of all active and idle oil wells and injection wells. This is one way to meet the goal of creating jobs in the fossil fuel industry that could put displaced laborers back to work. Furthermore, full site remediation of the immediate vicinity, including soil and water, will be necessary to provide critical environmental, public health, and fiscal benefits to Culver City, while also creating more jobs. Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized workforce with preference for hiring local workers. Consideration should also be given to a project labor agreement (PLA) and apprenticeship training program to develop the workforce.

Finally, accelerating the remediation of all active and idle wells will allow for a beneficial reuse and regeneration of the IOF site. We encourage the council to consider a public process that allows locally impacted residents to provide meaningful input into the site's future use. Furthermore, the council should engage in dialogue with free, prior and informed consent of the Tongva indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as part of the Clean Power Alliance. Transitioning the area into open greenspace as part of the Baldwin Hills Park Master Plan in partnership with the Baldwin Hills Conservancy was envisioned a decade ago should also be taken into consideration..

The ACI in the report by Baker & O'Brien includes plug and abandonment costs, which "are required to safely and permanently remove a well from service and to restore the immediate area to its natural condition. These costs are considered to be capital investment." Sentinel Peak Resources and potentially previous oil operators must be held financially responsible for the responsibility of covering all plugging, capping, abandonment and remediation costs as Culver City taxpayers for far too long have paid for the costs of this oil field in the form of their health, welfare and environment.

There have been numerous spills and accidents both within the Culver City boundaries and within the unincorporated LA County boundaries of the Inglewood Oil Field over the last few years. Given that, there may also be the need to institute continuous air and soil monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of monitoring as well as potential mishaps so these potential future costs do not fall on the city taxpayers.

Based on the foregoing assessment, the Sierra Club's recommendations are as follows:

Quick Timeline: Initiate the shortest possible phase out timeline, given our aforementioned concerns about the impacts of neighborhood oil drilling on our health, environment and climate. All oil and gas production should cease in January 2021 and the plugging, capping, abatement and remediation of the well and immediate area should be enacted as soon as possible.

Polluter Pays: Hold previous and current operators responsible for the costs of well plugging, abandonment, and full remediation of the City's portion of the IOF. Taxpayers should not have to bail out the oil industry for its pollution of sites of oil and gas extraction.

Good, Local, Union Jobs: Any agreement covering the costs of well plugging and abandonment should require living wage compensation for a properly trained and unionized workforce with preference for hiring local workers and consideration of project labor agreement (PLA).

Community Determination: In terms of future uses, Culver City residents should be engaged to help determine the site's future use. Free, prior and informed consent must be obtained from the local Indigenous community. Consideration should be given to using the land for distributed renewable energy resources including generation and storage to help the City and its residents become more energy resilient, as well as open greenspace.

Future Safeguards: Institute continued monitoring of the area to ensure that, while oil operations remain, there are no other accidents, spills, or exposures. Any agreement with the operator must include funding mechanisms to cover the costs of monitoring and potential mishaps so these potential future costs do not fall on the city taxpayers.

The Sierra Club committed to working with the City of Culver City to ensure the best outcome of this matter for the City, its businesses and residents. Thank you for taking our recommendations into consideration.

Sincerely,

Daryl Gale, Katherine McNenny, Nina Zvaleko, Harriet Aronow and Hamid Assain
for

Converging Storms Action Network

Challenging the Crisis of Energy, Capitalism, & Environment

ConvergingStorms.com

Ferrel, Mimi

From: Karen Schmidt <kschmidt@cleanpoweralliance.org>
Sent: Thursday, August 13, 2020 2:52 PM
To: Public Comment at Culver City
Subject: Public Comment re Agenda Item A-1

TO: Honorable City Council Members, City of Culver
RE: Agenda Item A-1, Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field

Dear Honorable City Council Members:

Clean Power Alliance is the locally-controlled electricity provider for Culver City customers and three million other residents and businesses in 31 other communities in LA and Ventura Counties. Our mission is to accelerate the transition to a low carbon, decentralized clean energy future by delivering cleaner power at competitive rates and providing customers with expanded services and opportunities that have local economic and workforce benefits.

Clean Power Alliance supports a clean energy future as it relates to disposition of the City's portion of the Inglewood Oil Fields. Clean Power Alliance's Board recently approved a plan for offering new local programs that bring the environmental and community health benefits of renewable energy within even closer reach of our residents and businesses, especially those in disadvantaged communities.

As part of our plan, we set a goal to procure 175 MW of local clean energy and storage projects within Los Angeles and Ventura counties in the next 5 years. This represents an investment of approximately $200 million dollars into the local economy.

Should the City consider a future use of this site or any other viable location for renewable energy, Clean Power Alliance expresses our support for and willingness to collaborate with the City on such an effort that can help our region continue exceeding state environmental goals which lead to reduced greenhouse gas emissions, diverse economic potential, and collectively a greater quality of life.

In particular, the Oil Fields may be suitable for energy storage, which can be small scale, provide grid reliability, and, when designed correctly, are compatible with other community uses such as parks and open space. We look forward to continuing participation in these discussions.

Sincerely,

Karen Schmidt
Interim Director of External Affairs
(805) 798-1629
kschmidt@cleanpoweralliance.org
www.cleanpoweralliance.org

Ferrel, Mimi

From: Jamie Wallace [redacted]
Sent: Thursday, August 13, 2020 2:43 PM
To: Clerk, City
Subject: Public Comment, Item A1, Oil Field meeting
Attachments: oil comments 2.docx

Please include this written comment in the packet distributed to city council memers before the meeting.

Thank you,

Jamie Wallace
[redacted]

Speaker: Jamie Wallace, Oilfield amortization, Item A1

Good evening, I cannot be here because of the conflicting GPAC meeting.

The majority of council is set on doing everything possible to shut down oil drilling within Culver City. There are 78 acres of the Inglewood Oil Field or less than 10% of the entire field within the city boundaries.

While shutting down oil fields is an ecological, conservation, and political win; the amount of money and staff time spent on this project to shut down a mere 10% of the oil field is an irresponsible use of taxpayer money. The Culver City portion is a relatively insignificant portion of a 1,000 acre oil production field. Any benefit to the environment in Culver City will be outweighed by continuing production on the rest of the field.

In 2008 LA County adopted new regulations for oil and gas production activities. The county and Culver City joined in a lawsuit challenging the environmental review which resulted in enhanced regulations to protect public health, safety, and the environment surrounding the entire oil field. City Council decided not to develop cooperative regulations so the enhanced regulations and protections did not apply to Culver City.[1] This is despite spending money on the lawsuit.

The next process started in 2013 with the commissioning of an Environmental Impact Report ("EIR"), that was later shelved in favor of amortization as a solution.

The cost to the city at this point was several hundred thousand dollars including lawsuits, consultants, staff attorney, and staff time. The result: **NOTHING**.

The EIR was based on the presumption that the Culver oil field could be specially regulated meaning continuing production. No such regulation was created.[2]

In May 2019, after the EIR was presented, the council unanimously voted to abandon it in favor of an amortization study to explore actually shutting down production.[3]

Under Mayor Eriksson's leadership, Culver City was included in a county funded health, environment, and emissions study known as SNAPS. The SNAPS study has not finished and may be further delayed by COVID,[4] yet the city council majority wants to act before that report is completed. By act this means focus more staff attorney and city staff time to promote their "shut it down" agenda.

Now the amortization report is being presented. The city has spent several more hundreds of thousands of dollars on consultant and staff time cooperating and creating this report.

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[1] https://www.culvercity.org/how-do-i/learn/inglewood-oil-field/environmental-review-process
[2] https://www.culvercity.org/how-do-i/learn/inglewood-oil-field/environmental-review-process
[3] https://www.culvercity.org/how-do-i-/learn/inglewood-oil-field
[4] https://www.culvercity.org/how-do-i-/learn/inglewood-oil-field

The result an estimate of how much time and money it would take for Sentinel to recoup their investment before the city could try to potentially act to stop production.

The current Oil Drilling Subcommittee is comprised of Meghan Sahli-Wells and Alex Fisch.

There are several major issues and problems with continuing city council action on the Culver City Inglewood Oil Field ("CIOF").

ISSUES:

- It is estimated that the city has already spent approximately $7-9 million dollars pursuing the oil fields issues. That money could have been spent on rental relief, homelessness, affordable housing, drug/alcohol/mental health services. Continuing to deflect more money is fiscally and socially irresponsible.

- There is no hydraulic fracking, the election and public rallying issue is being used in regard to the CIOF. Water has been injected to prevent subsidence, such as what happened in Kern County, Long Beach, Beverly Hills and Venice due to removal of oil.[5] City council members and those running for council should work to educate the public that fracking is a non-issue in Culver City.

- The SNAPS air quality project is still in process. Why not wait to find out if there is demonstrable evidence of emissions, air pollution, or unhealthful impacts? This would be factual evidence to support future action.

- Amortization and non-conforming use, according to Mr. Fisch as quoted in the LA Times Article of June 11, 2020[6] "is typically used to remove billboards, making this application fairly unique."

- Oil companies are "leaving thousands" of wells unplugged and idle "handing taxpayers a multibillion-dollar bill for environmental cleanup."[7]

- Assume the city uses amortization and the projected time for Sentinel to recoup its money passes: Now What?

- According to state law, Sentinel was to post a bond to clean up abandoned and unused wells. According to the LA Times and the Center for Public Integrity the bond amounts are woefully insufficient. They estimate an average amount of

[5] http://www.longbeach.gov/energyresources/about-us/oil/subsidence/, https://www.kcet.org/history-society/incredibly-sinking-state-the-lowdown-on-subsidence

[6] "How to shut down urban oil drilling? This city has an unusual idea," Sammy Roth, LA Times June 11, 2020. https://www.latimes.com/environment/newsletter/2020-06-11/culver-city-has-an-unusual-idea-to-shut-down-urban-oil-drilling-boiling-point

[7] Source LA Times article and Center for Public Integrity

$230 for decommissioning, where the actual cost is between $40,000 to $152,000[8]. Is there any evidence that Sentinel has bonds specifically addressing the CIOF and is that money sufficient?

- Who will plug the wells, clean the soil, remove infrastructure? This is an essential question if Sentinel declares bankruptcy, which is likely due to the decline in oil profits[9] the city will be left with an abandoned oil field.

Problems:

- The Amortization of capital investment ("ACI") is based on high production rates and the ratio of oil prices to total expense. Both of these metrics are unstable. In the current situation, oil prices have decreased rapidly due to COVID and oil price wars outside the US. Therefore, the time to ACI is fluid and unpredictable.

- The ACI is highly subjective and very easily challenged in litigation or the threat of litigation.

- The time period of the ACI is subject to change based on market conditions and global issues, which means that Sentinel could legitimately delay until the city could force them to reveal when they recover their investment.

- Sentinel Peak pumps in around $200,000 in taxes and fees each year which would be lost if the CIOF drilling is shut down.

- It is highly likely that the city would face extremely well-financed litigation and lawsuits funded by the Oil and Gas industry.[10]

- This is not the time to pursue environmental causes when the city is dealing with a massive budget shortfall.

- Under 10% of the Inglewood Field in within the city meaning, but the ramifications of this type of amortization and rezoning will be bitterly fought by every oil and gas or other "nonconforming" industry that laps up against a residential area or city borders. It is poking a hornet's nest when we have no money for the pain it will cause.

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[8] LA Times, "The toxic legacy of old oil wells: California's multibillion-dollar problem", Feb. 6, 2020
[9] LA Times, "The toxic legacy of old oil wells: California's multibillion-dollar problem", Feb. 6, 2020
[10] Written comment by Rock Zierman, CEO of California Independent Petroleum Assn.
https://www.latimes.com/environment/newsletter/2020-06-11/culver-city-has-an-unusual-idea-to-shut-down-urban-oil-drilling-boiling-point

- There are already 3 abandoned and unplugged idle wells in Culver City proper. None of the responsible oil companies have plans filed to seal the wells. One has been idle since 1934 and another since 2005[11]

Suggestions:

- The city has already spent $7-9 million on an environmental impact report, related lawsuits, the amortization study, and who knows how much of city staff and city attorney time researching and working this issue.

- Do not make any decisions or directions to staff until the SNAPS report is complete.

- Do not assume Culver City is going to realistically get anywhere on its own.

- Actively recruit conservation and environmental justice organizations, and cities and counties with similar issues to create a unified front.

- 2020 with the budget deficits worsening every day is NOT the time to be pursuing shutting down the small portion of the oil fields in Culver City.

This is the time to stop pursuing shutting down the CIOF. Spend the money on active problems the city is facing made worse by COVID such as renters protections, rental and eviction assistance, homelessness, affordable housing, traffic amelioration, supporting local businesses, mental health, drug and alcohol services, etc.

Stop trying to save the planet from the evil oil companies and pay attention to what your citizens need right now.

[11] "Do you live within 600 feet of California's 70,000 active or 35,000 idle wells" from LA Times, Feb 6, 2020

Ferrel, Mimi

From: Raj Dhillon <RDhillon@breathela.org>
Sent: Thursday, August 13, 2020 2:55 PM
To: Public Comment at Culver City; Clerk, City
Cc: Sahli-Wells, Meghan; Eriksson, Goran; Fisch, Alex; Lee, Daniel; Small, Thomas
Subject: Support of File No. 21-158: IOF amortization study
Attachments: 2020-08-13 BLA Support for Phasing Out Oil Operations in IOF_mc.pdf

Good afternoon,

Please see attached a letter in support of File No. 21-158.

Best,

Raj

Raj Dhillon
Manager of Advocacy & Public Policy
BREATHE California of Los Angeles County
5858 Wilshire Blvd., Suite 300
Los Angeles, CA 90036
O: (323) 935-8050 x233
C: (818) 720-4238

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August 13, 2020

The Hon. Meghan Sahli-Wells, Mayor
City of Culver City
City Hall
9770 Culver Blvd.
Culver City, CA 90232

Re: Support for phasing out oil operations at Inglewood Oil Field

Dear Mayor Sahli-Wells:

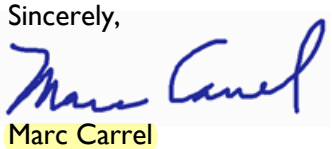
BREATHE California of Los Angeles County strongly supports the City of Culver City phasing out oil operations and remediating the City's portion of the Inglewood Oil Field. This will be an important step towards protecting the City's communities from the devastating health impacts caused by exposure to oil and gas drilling.

Phasing out oil operation in the Inglewood Oil Field is imperative to protecting the health and wellbeing of our communities, especially as COVID-19 continues to pose a serious threat in Los Angeles County. Many peer-reviewed studies link exposure to oil and gas drilling to a wide range of health impacts, including nose bleeds, headaches, eye irritation, increased risk of asthma and other respiratory illnesses, preterm births and high-risk pregnancies, cancer, and premature death. Because COVID-19 attacks the respiratory system, individuals with preexisting respiratory illnesses such as asthma and emphysema are more likely to suffer from severe complications that result from COVID-19.

We strongly urge the City to develop a plan for phasing out oil operations and remediating the immediate area in the Culver City portion of the Inglewood Oil Field beginning January 2021 in order to reduce exposure to pollution, improve public health, and set forward us on a path to a sustainable future.

Should you have any questions regarding this letter, please contact me at MCarrel@breathela.org or at (323) 935-8050 x250. Thank you for your consideration.

Sincerely,



Marc Carrel
President & CEO

CC: Honorable City Council Members, City of Culver City
Heather Baker, Assistant City Attorney, City of Culver City

From: Patrick McGarrigle <PatrickM@mkzlaw.com>
Sent: Thursday, August 13, 2020 2:59 PM
To: Eriksson, Goran; Fisch, Alex; Sahli-Wells, Meghan; Baker, Heather; Public Comment at Culver City
Subject: Comment re: August 13, 2020 City Meeting: Cone Fee Trust - Comment-Obj (Our File No. 8597-001)
Attachments: Cone Fee Trust - Comment-Obj re Amort Study 8-13-2020.pdf

Importance: High

Please see the attached comment of Cone Fee Trust.

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OUR FILE NUMBER:

9188-001

August 13, 2020

VIA E-MAIL & U.S. MAIL

Culver City Oil Sub Committee — sent via email:
Mayor Goran Eriksson — goran.eriksson@culvercity.org
Vice Mayor Alex Fisch — alex.fisch@culvercity.org
Council Member Meghan Sahli-Wells — meghan.sahli-wells@culvercity.org
Heather S. Baker, Assistant City Attorney — heather.baker@culvercity.org

Re: **Cone Fee Trust And Vickers Group's Objections To Amortization Study**

Dear Sub-Committee Members and Ms. Baker,

On behalf of the Cone Fee Trust, an owner within the Inglewood Oil Field (IOF) and stakeholder in these proceedings, CFT provides preliminary comments as follows. Attorney Charles Moore representing the Vickers Group, the major landowner in the Culver City portion of the Inglewood Oil Field, joins in the comments expressed herein.

First, as an overview, the City has taken no action to transparently disclose to its citizens **(a)** the total costs associated with its more than decades-long foray to interfere with the rights of the landowners and their oil operator to conduct lawful oil operations on their own property, **(b)** the actual total costs of the Amortization Study and all ancillary expenses associated therewith (last revealed to be over $400,000 – which is incredible given the funds needed for essential City services that are being cut in the current budge), **(c)** the projected cost to the City of implementing any plan to attempt to take the private property of IOF landowners and, further, to litigate any proposed implementation in the courts, and **(d)** the impact that the City's diversion of its dwindling resources to fight to the landowners to actually reduce revenue to the City while reducing the available resource to support essential services and essential businesses in the midst of the pandemic. Without engaging in a fulsome and forthright disclosure and presentation of the facts regarding the above subjects, these continued informal meetings work to simply increase the financial burden on the City and make unavailable to more

needy programs and measures to actually help the City's citizens in this most trying of times. At the last meeting, one council-member verbally scoffed at the multi-million dollar figure ascribed to the City's 10+ years of myopic efforts to stop oil production on the small strip of acreage; yet, neither the Council or that council-member have provided a white paper to the citizens that discloses the full (or any) history of the City's expenditures and answers the (a) through (d) questions above (that are essential to any good faith and meaningful discussion and analysis).

Highlighting the absence of transparency is the City's budget reference to just over $1.071M in expenditures generally for claimed IOF related matters, but even that sum is unsubstantiated, devoid of any detail nor contextualized as compared to prior budgets and actual expenditures. Instead of simply scheduling informal meetings, given the pandemic and essential needs of the community, committing resources to the opaque IOF issues (that are not a value-add, but a revenue decreasing activity) and not the needs of the majority of citizens should be the City's focus. Abandoning any course of action that seeks to implement the concepts or recommendations of the so-called "Amortization Study" should be the City's focus if, in fact, the Council intends to act with fiscal prudence and humanitarian concerns.

With just 78 acres of IOF property at issue, the City has spent approximately $128,000 per acre ($10M/78 acres) – money that's been doled out to a handful of consultants – to try and end oil production and, quixotically, reduce the City's tax base. Even the Amortization Study expenditures reveal the City's use of taxpayer funds at the rate of $5,100 per acre ($400K/78 acres). None of these expenditures have generated new tax revenue for the City or for the benefit of its citizenry.

These prior efforts rarely have project lines in the City's annual budget even though the effort to close the Culver City portion of the IOF continues year after year. The City's budget is anything but transparent and an audit of the decade plus of expenditures for these failed endeavors is warranted. Instead of just naming the process, Close the Inglewood Oil Field, each time a different misdirected process begins with a new title, it is paid out of numerous miscellaneous line items from different departments, misleading the City's citizens as to the real purpose and amount of the expenditures. This is not transparency or appropriate governance. And, should the subcommittee and then Council adopt the Amortization Study and implement any of its action plan to end oil production, the City will then be using (and diverting) several million dollars in taxpayer funds to litigate and continuing to take actions to reduce the tax revenue from the 78 acres, creating an even heftier budget gap for the City.

No good cause exists for the City to create an even greater financial burden on its taxpayers and property owners. Culver City started this decade long unbudgeted multi-million-dollar crusade over the mere 78 acres and failed on at least three different (but expensive) measures to interfere with this tax-generating operation. The ill-advised and ill-fated attempts by the City in this regard, - as evidenced by the latest expensive and deeply flawed Amortization Study – should be stopped today. It is also noteworthy that the City's $10M+ expense over the past decade was avoidable; yet, inexplicably , the City refused to join Los Angeles County's generous offer to attach the 78 acres within City boundaries (a mere 7% of the total IOF) on to the incredibly successful Los Angeles County's Community Standards District and permit the County to oversee same as it has successfully throughout this period and, of course, at what would have been little or no expense to the City.

In order to minimize the risk of an unconstitutional taking claim by, for example, the oil operator, the oil operator must be a participant in the process agreeing to same as a method for winding down the operation. Without a participant, the completion of any one of these efforts would constitute a taking of the land and result in a lengthy lawsuit in federal court that would cost the city millions of more dollars and very likely result in the City still losing. The lone prior amortization study in Goleta, California had the oil operator/landowner's support; that is not the case here.

The City's previous efforts – which also had no Participant - included:

1) Culver City attempted a cut and paste from and modify the LA County's Community Standards District (CSD), spent excessive amounts on consultants, had numerous meetings wasting the stakeholders on both sides time and gave up;

2) Culver City drafted and never finished the release and review portion on an Environmental Impact Report (EIR), despite several million in consultants' fees and lost time;

3) Finally, without a new Culver City General Plan, they tried and failed to complete a Specific Plan that they would questionably "bookmark" but which also diverted extraordinary resources and the time of officials that could have been better spent on measure to improve the business and job base in the City, address homelessness and education and plan for a rainy day pandemic.

Now the Amortization Study, a process that has never been successfully completed without a landowner or operator requesting and participating, is the City's latest windmill to pursue. It was and is a financial boondoggle. This is merely Culver City's most recent attempt to implement an involuntarily taking of the land in the Inglewood Oil Field from its rightful owners – many of whom have owned this property since before the City of Culver City even existed. The continued cost of this battle or the next ill-conceived scheme to perpetuate the draining of City coffers and the loss of essential services to taxpayers is wholly unjustifiable and reflects the interests of only a small handful who bear an extraordinary bias and animus towards the IOF and the essential service it provides and the owners/stakeholders who have undertaken great strides to protect these valuable resources.

Culver City has a far cheaper and more efficient alternative: Culver City can join LA County's CSD to protect the City and spend these funds, not on the windmills of a failed Amortization Study, but on those services and benefits the citizens need and are subject to the budget cuts arising from the Pandemic. If any councilperson is in favor of transparency, accountability, fiscal responsibility, and the interests of all of its citizens, the Amortization Study and any action thereon should be recommended to be rejected and abandoned and the limited resources utilized for essential services in this pandemic.

Very truly yours,

Patrick C. McGarrigle of
MCGARRIGLE, KENNEY & ZAMPIELLO, APC
8597-001\ltr\Culver City – Amortization Objection 8-13-2020

Comment received after submittal cut-off time.

From: Alonzo Hill [redacted]
Sent: Thursday, August 13, 2020 7:25 PM
To: Baker, Heather
Subject: Culver City Council Meeting Item #21-158 Inglewood Oil Field Amortization Study
Attachments: Alonzo Hill's Public Comments Culver City Council Mtg Aug 13 2020 PDH.pdf

Heather,

I hope you are doing well.

Thank you for the opportunity to speak on this matter.

Here's my written comments for Item 21-158. IOF Amortization Study Special Meeting.

Be safe and healthy.

Warm regards,
Alonzo

Culver City Council Special Meeting

Amortization Study for the CC Portion of the Inglewood Oil Field

August 13, 2020

Dear Culver City Council Members:

My name is Alonzo Hill. I'm a proud oil and natural gas worker who has been affiliated with the industry as an employee or stakeholder for over 30 years. I don't work at the Inglewood Oil field or for Sentinel Peak, but my family and I live in the View Park area, approximately 1 mile from the Inglewood Oil field. We believe the Inglewood Oil Field is an important resource in our community.

My co-workers and I diligently work to ensure that we safely operate and maintain the state's critical energy infrastructure by providing reliable, affordable and local oil, natural gas and electricity to our fellow Californians.

On behalf of my family and my co-workers in California's oil and natural gas industry, I strongly urge the council to take the following into consideration:

1. **The City's Threats to Shut Down the Inglewood Oil Field Have Real Effects on Workers, Small Businesses and Other Vendors.**
In Los Angeles County, every job and every source of income is precious. The Amortization Study doesn't mention workers once. The oil & gas industry has a very diverse workforce and provides good-paying jobs that often don't require a college degree. Shutting down the Inglewood Field would decimate local industrial jobs and the businesses who support the field every day.

2. **The Amortization Study Ignores the Field's Tremendous Oil & Gas Resources Remaining in Place.**
To fairly look at the value of the Inglewood Field, the Committee would need to include a geologic or reservoir engineering study of the oil and gas resources in field. The Amortization Study simply assumes there will be no new development of the field and no new wells drilled in the City.

3. **The Amortization Study Ignores the Rights of Mineral Owners.**

The entire report is focused only on Sentinel Peak and does not address other mineral owners, even though their property rights are directly threatened. Forcing a shutdown of the Inglewood Field would permanently ban their ability to access their minerals, dropping the value of their property to zero. This is equivalent to the City telling a homeowner who has lived in the home for 30 years and finally paid off their mortgage that the City will toss them out and take over their property. The Constitution doesn't allow that, with or without your amortization study.

4. **Access to Affordable, Reliable Energy and Good Paying Jobs is Essential to Public Health, Safety and Welfare.**
This committee should also consider that California's growing dependence on imported oil and natural gas from other states and foreign regimes poses serious risks to our energy supply and our resiliency and, therefore, public health, safety and welfare. As Californians have seen during past energy crises, relying on imported energy puts us at risk of shortages and price spikes that impact all aspects of life and the cost of necessary goods and services. Unlike local wells and facilities, the dozens of supertankers of foreign crude oil piled up every day outside our local ports have no emissions control at all. Air districts have documented their emissions billowing into Southern California cities. Before proposing to eliminate local production and jobs, you should evaluate the risks to residents of our area from replacing local production with even more energy imports from regimes we can't count on in a crisis.

In conclusion, I ask that you, council members, consider the serious impacts of implementing policies that would harm my job, my family and my industry and would impact the state's overall employment, budget, local economy, and energy supply. Thank you for giving me the opportunity to be a part of this important discussion. When making any future policy decisions that will impact California's critical jobs and industries, please consider my voice, my job, my family and my livelihood.

Alonzo Hill

Email: [redacted]