From: Michael A. Moynier <

Sent: Sunday, May 31, 2020 11:41 AM

To: Baker, Heather Cc: Jan Eickholt; Jeanette

Subject: Inglewood Oil Field Amortization

Good morning Heather,

My name is Mike Moynier and along with others in my family receive royalties from the oil produced from the Moynier Oil Lease in the Inglewood Oil Field. The purpose of this email is to express my concern that Culver City is looking into restricting or eliminating oil and minerals being produced within the city limits. Our lease is on about 20 acres off of La Cienega Blvd. across from the entrance to Kenneth Hahn Park. The royalties we receive are essential and supplement our social security so we can support ourselves in our retirement. In addition, the oil produced from our land contributes to our Nation's "Energy Independence" of which we proudly support.

So in closing, please consider our position as owners and stake holders and vote <u>no</u> on any restrictions to oil and minerals being produced from the land.

Sincerely,

Mike Moynier

From: jan eickholt <

Sent: Sunday, May 31, 2020 8:23 PM

To: Baker, Heather **Subject:** Inglewood Oil Field

Good morning Heather,

My name is Jan Eickholt and I speak on behalf of my mother, Claire Eickholt who along with others in my family receive royalties from the oil produced from the Moynier Oil Lease in the Inglewood Oil Field. The purpose of this email is to express our concern that Culver City is looking into restricting or eliminating oil and minerals being produced within the city limits. Our lease is on about 20 acres off of La Cienega Blvd. across from the entrance to Kenneth Hahn Park. The royalties we receive are vital to maintain 24 hour care for my mother and supplement our social security so we can support ourselves in our retirement. In addition, the oil produced from our land contributes to our Nation's "Energy Independence" of which we proudly support. Ms. Baker, please consider our position as owners and stake holders and vote <u>no</u> on any restrictions to oil and minerals being produced from the land.

Sincerely,

Jan Eickholt on behalf of Claire Eickholt Sent from Yahoo Mail on Android From: Lyn Amos <

Sent: Tuesday, June 2, 2020 7:55 AM

To: Baker, Heather **Subject:** Inglewood Oil Field

Dear Ms. Baker and Culver City Council Members,

My name is Caroline Bell Amos. I am a mineral owner and, therefore, a property owner with vested rights in Culver City. I am a 73 year old retiree with a limited, fixed income.

I support the Inglewood Oil Field. I rely on the income from the oil produced in Culver City to support my family. Thank-you for hearing me today. Caroline Bell Amos

From: Dayunker < Sent: Tuesday, June 2, 2020 8:47 AM

To: Baker, Heather

Cc: aparsons@sentinelpeakresources.com

Subject: Amortization Program for the Inglewood Oil Field

Dear Ms. Baker:

My name is Donald A. Yunker, and I am the owner of a beneficial interest in the Inglewood Oil Field.

It has come to my attention that Culver City is proposing a shutdown of the portion of the Inglewood Field that lies within the city's limits.

The oil produced in Culver City supports my families livelihood.

I believe attempts to take away my rights are unconstitutional, and if necessary I intend to join with others to defend my rights.

Very truly yours,

Donald A. Yunker

From: Colin Diaz <colin@culvercitychamber.com>

Sent: Tuesday, June 2, 2020 9:52 AM

To: Clerk, City; Baker, Heather; Sahli-Wells, Meghan; Fisch, Alex

Subject: RE: Inglewood Oil Field Amortization

Attachments: CCCC 2020 -- June 2 2020 Letter to the Oil Drilling Subcommittee.pdf

Good Morning Vice Mayor, Councilmember Sahli-Wells & Mrs. Baker,

Attached to this email is a letter urging you to hold off on moving forward with the results of the Amortization Study. I completely understand that the study cost a few hundred thousand dollars. So, I am not saying that you completely scrap the study. It just doesn't seem like a great usage of the City's resources and finances during these times, as this process is likely to be a long and expensive one.

In concert with other correspondence that has been sent to Council and various Subcommittees, during this Pandemic, our consistent message is that the City needs to be prudent in their expenditures and only embark or complete financial endeavors that are either absolutely necessary at this point or paramount to our recovery from the Pandemic. This is neither because it is a distinct possibility for the City to deem a different land usage for the Culver City portion of the Oil Field during the General Plan Update in a couple of years. This could be done so legally and at a much smaller cost to the City during that process, as moving forward now would likely yield costly and long-term litigation for the City. We feel that any immediately monies that would be used towards furthering the pursuit of amortization would be better suited towards addressing our more immediate needs like our infrastructure, structural deficit and other areas that are sure to arise as we recover.

Thank you,

Colin Diaz

President/CEO

Culver City Chamber of Commerce

6000 Sepulveda Blvd. #1260 Culver City, CA 90230 www.culvercitychamber.com

310.287.3850 | Main 310.287.3855 | Direct



Playing a leading role in our community



Playing a leading role in our community

June 2, 2020

The Honorable Alex Fisch
The Honorable Meghan Sahli-Wells
c/o Heather Baker, Assistant City Attorney
City Attorney's Office
City of Culver City
9770 Culver Boulevard
Culver City, CA 90232

VIA EMAIL: heather.baker@culvercity.org

RE: Inglewood Oil Field Amortization

Dear Vice Mayor Fisch & Councilmember Sahli-Wells:

We are living through extraordinary, unprecedented times. Culver City has recently declared a State of Fiscal Emergency. The financial crisis facing our City will not be abated anytime soon.

In light of this reality, the Culver City Chamber of Commerce urges you, as the members of the Oil Drilling Subcommittee, to not forward the Amortization Study to the full Council and to curtail the City's pursuit of an Amortization Program for the Culver City Inglewood Oil Field.

The city has already spent millions of dollars addressing the Inglewood Oil Field. Amortization is a legally risky strategy which undoubtedly would cost the taxpayers of Culver City millions of dollars more.

Our City is now in a financial situation where those funds are <u>literally</u> public monies which would not be available for police, fire and other essential services.

It's time for you to end this folly!

Thank you for your thoughtfulness on this most urgent issue.

Sincerely,

Colin Diaz
President/CEO

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Culver City Chamber of Commerce

From: Blair Zucker <

Sent: Tuesday, June 2, 2020 11:55 AM

To: Baker, Heather Cc: Betty Zucker

Subject: Comments to Culver City Oil Drilling Subcommittee Meeting June 4

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.

Mrs. Zucker will be adversely affected by <u>any</u> Drilling Subcommittee action that would cause the suspension or termination of drilling and subsequent suspension of mineral rights payments. She relies upon mineral payments for her income. At this very unstable time in our country's history, it is inappropriate for the City of Culver City to take any action what-so-ever that will impact the livelihood of American citizens. Ceasing to drill will further damage the income opportunities of taxpayers including my mother who relies on income from mineral rights to pay rent, buy groceries and pay medical bills. Therefore, Mrs. Zucker is opposed to the termination of drilling in the City of Culver City.

Sincerely,

Blair Zucker on behalf of Betty G. Zucker

--

Blair Zucker

From: Bryan Lord Sent: Sent: Bryan Lord Tuesday, June 2, 2020 12:19 PM

To: Baker, Heather

Subject: Inglewood Oil Field Amortization Hearing

For Public Comment - Please submit and read into the record on my behalf during the upcoming public hearing

To: Culver City Oil Subcommittee, C/O Heather Baker, Assistant City Attorney

Regarding: Presentation of Amortization Study and Discussion of Amortization Program for the Culver City Inglewood Oil Field on June 4, 2020 at 5:00 PM

Thank you for hearing me today council members,

My name is Bryan Lord. I am a Trustee for a mineral rights property owner with vested rights in Culver City.

I support the Inglewood Oil Field and the oil that is produced by that field supports the livelihood of my 88 year old mother.

My mother is a retired LAUSD teacher. She relies on the income from her small ownership interest to help pay for her care and support as a resident of a Continuing Care Community.

My deceased grandfather lost his pharmacy in the Great Depression by generously providing medicine to his community and neighbors on credit because they had no money. Ultimately they could not repay him and he was forced into bankruptcy. After losing his business and livelihood, one of the ways he was able to make money to provide for his family was working as a "Land Man". His job was to identify and work with land owners that were willing to lease or sell their mineral rights to oil companies. Rather than take a salary, and in lieu of up front payments or commissions, he chose to take his payment in the form of a small fraction of the royalty payments generated from the oil production over the life of the field. In this way, he was compensated along with the property owners and had a vested interest in the responsible and careful management of the field. My grandfather died prematurely from complications due to diabetes and one of the legacies that he left to help support his family was his small royalty interest in the Inglewood Oil Field located within Culver City.

My mother depends on the money provided by her mineral rights to pay for the substantial costs of her care in retirement. These important mineral rights are vested property rights that are not yours to arbitrarily take away. You have not considered the rights of those with interests in the mineral rights in your process. Any attempts to take away said rights are unconstitutional and I intend to defend our property to the fullest protection afforded by the law and will join with others to defend our collective rights.

It is my understanding that Culver City has spent millions of tax payer dollars in failed attempts to close the Inglewood Oil Field, including a draft EIR and Specific Plans, all of which have resulted in nothing but wasteful spending.

The City is currently under a state of fiscal emergency, and yet again, this subcommittee and the City risk wasting millions of dollars to pursue an agenda that does not serve the greater good nor safety of its residents. This represents an extremely irresponsible waste of tax payer money that could be used in more productive ways.

The oil produced by the Inglewood Oil Field generates much needed tax revenues for Culver City which could be otherwise used to advance the numerous and truly pressing needs of the City such as:

- 1) counseling and support for drug addicted homeless citizens
- 2) support of the Culver City police and fire departments
- 3) funding the City's employee retirement obligations
- 4) paving and repairing city streets and upgrading infrastructure

I am hopeful the subcommittee and Culver City will decide to abandon this unproductive attempt to confiscate the property rights of others.

Thank you for your time and consideration of my comments,

From: noreply@granicusideas.com
Sent: Tuesday, June 2, 2020 5:11 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

D. Shay submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: OIL DRILLING SUBCOMMITTEE MEETING

eComment: Thank you for listening to my comments today. As a mineral owner and, therefore, a property owner with vested rights in Culver City, I 100% support the Inglewood Oil Field. The oil produced in Culver City supports my livelihood especially during these challenging times. My mineral rights are vested property rights that cannot be taken away and any attempt to strip me of my property is unconstitutional. Over the years, I have pay taxes to the City based this property and I urge to re-direct your efforts and my hard earned money to address the numerous truly pressing issues the City faces. Thank you.

From: noreply@granicusideas.com
Sent: Tuesday, June 2, 2020 12:12 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Sarah Wiltfong submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: PUBLIC COMMENT

eComment: Mayor Göran Eriksson City of Culver City Via eComment Re: Inglewood Oil Field Amortization Study Mayor Eriksson, We are contacting you on behalf of BizFed, the Los Angeles County Business Federation. We are an alliance of over 190 business organizations who represent 400,000 employers with 3.5 million employees in Los Angeles County. We are here to express our strong concerns and opposition to the intentions behind Inglewood Oil Field Amortization Study. The ultimate intention of the study is to find a way to practice eminent domain over a business without having to compensate the owners for it. Our members wonder if this study, and the potential adoption of its recommendations, will lead to other cities deciding they can pick and choose what well-established businesses in their area are essential or not. The follow through of this study will undoubtably lead court proceedings and millions of dollars in legal fees - which the city simply cannot afford. 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 has been deemed an essential business by the State and Federal Government – continuing to supply every one of us with a resource that we use every day. The Inglewood Oil Field also employs hundreds of local workers with full time jobs and 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 due to COVID-19. We strongly suggest the city rethink this type of study - and ask you fully weigh the consequences before moving forward. Thank you for your consideration of our letter. If you have any questions, please contact Sarah Wiltfong at Sincerely, Sandy Sanchez David Fleming Tracy Hernandez BizFed Chair BizFed Founding Chair BizFed Founding CEO FivePoint IMPOWER. Inc.

From: noreply@granicusideas.com

Sent: Wednesday, June 3, 2020 11:10 AM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

David Smith submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: 20-1010 1) Presentation of the Amortization Study for the Culver Clty Portion of the Inglewood Oil Fields; and 2) Discussion of Potential Amortization Program

eComment: Dear Council Members, 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. These mineral rights are my property and I do not understand how you can just take them away. 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

From:

Sent: Wednesday, June 3, 2020 11:15 AM

To: Baker, Heather

Subject: Inglewood Oil Field/Culver City

Dear Council Members,

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.

These mineral rights are my property and I do not understand how you can just take them away. 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

From: Baker, Heather

Sent: To:

Cc: ercity.org); Fisch, Alex; mtraxlerpplus

(mtraxlerpplus@aol.com); Public Comment at Culver City

Subject: FW: Rescheduling of the Oil Sub-Committee Meeting 6/4/20

Dear Mr. Engh,

Mayor Eriksson has forwarded your email to me for response.

Your request for postponement will be forwarded to the Subcommittee (Vice-Mayor Fisch and Council Member Sahli-Wells) for consideration. I should point out, though, the meeting is not being held in person, but rather virtually through a WebEx video conference system. I've included instructions on how you may participate in the meeting either online or by telephone if you are so inclined. In addition, your emailed comments will be read into the public record during the June 4th Subcommittee.

INSTRUCTIONS FOR MEETING PARTICIPATION:

The Subcommittee Meeting will take place via video conference. To combat the spread of COVID-19, the City proclaimed a local emergency on March 14, 2020 and issued subsequent public orders beginning March 16, 2020. In accordance with such orders, City Hall has been closed to the public and in-person meetings have been discontinued until further notice.

How to Attend the Meeting Remotely: All attendees must Register to Attend on Webex, after which you will receive an email with directions and a link to join the meeting, once it has begun. A tutorial on Webex Registration is available at Culver City's YouTube channel.

How to Submit a Public Comment in advance: USE THE NEW eCOMMENT FEATURE: Go to the <u>City's website</u>, find the active eComment link to the right of the agenda date, then add your comment to the agenda item you choose. Watch a video tutorial on <u>Culver City's YouTube channel</u> to learn more. All comments received before the meeting begins will be read out loud.

NEW: For those who wish to speak during the meeting: Please join the Webex meeting and use the Q&A function to indicate the agenda item for which you wish to make a comment. When the Subcommittee or City staff announce it is the time to take public comment, you will "raise your hand" and, when appropriate, you will be prompted to make your comment.

Best.

Heather

Heather S. Baker

Assistant City Attorney
City of Culver City
9770 Culver Boulevard
Culver City, CA 90230-0507

310-253-5660



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From: Eriksson, Goran < Goran. Eriksson@culvercity.org>

Sent: Wednesday, June 3, 2020 11:53 AM

To: Baker, Heather < heather.baker@culvercity.org>

Subject: Fw: Rescheduling of the Oil Sub-Committee Meeting 6/4/20

Göran Eriksson

Mayor

City of Culver City

9770 Culver Boulevard

Culver City, CA 90232

Tel: +1 310 253 6000

Cell: +1 310 753 3565

From: JOHN ENGH <

Sent: Wednesday, June 3, 2020 9:18 AM

To: Eriksson, Goran < Goran. Eriksson@culvercity.org >; Fisch, Alex < Alex. Fisch@culvercity.org >

Subject: Rescheduling of the Oil Sub-Committee Meeting 6/4/20

Dear Mayor Eriksson and Vice Mayor Fisch:

I am writing to you on behalf of the Engh family of whom are 4th generation property co- owners (Moynier, Airey, Barbot) and heirs in the property known as the "Moynier Oil Property" in Culver City California.

Our family has owned this parcel of land since the late 1800's , which is prior to the formation of what is now known as Culver City . As immigrants to this country our family began its quest to be part of and build the American Dream , which we did through a depression , multiple world wars , up markets , down markets and with a strong desire to be productive citizens .

It has been brought to our attention without adequate time to review with counsel , the agenda for the June 4th, 2020 , Oil Sub-Committee which includes a review on the 68 page " Amortization Study " assembled by the the Culver City Consultant .

There could not have been a more troubled time in our world or local history to schedule this meeting. A world crisis dealing with a virus that precludes travel or group assemblies as well as civil unrest with massive protests both locally

and across our country addressing policing issues.

I am uncomfortable traveling to meet and speak in person at the Oil Sub-Committee meeting scheduled for 6-4-20 and respectfully request you to postpone this agenda item for 30 days . A 30 day postponement will hopefully accomplish 2 important issues :

- (1)... The Virus and infectious numbers from our Health Department will decline enough to support travel and meeting in public groups. Computer involvement for electronic testimony and public comment is not acceptable for the matter at hand.
- (2)...The Civil Unrest which our nation is experiencing is unpredictable with numerous acts of violence against our communities and police which continues at present. It is not safe at this time to expect anyone to be traveling short or long distances to attend your meeting. Be prudent and respect our safety and ability to be part of the discussion process and postpone the 6-4-20 meeting for 30 days.

At present the co-owners of the Moynier Oil Property have not been able to assemble or communicate on a priority basis the subject matter contained in the Culver City Amortization Study . Having said this , for the last 70 years the Moynier group of property owners have continuously supported oil operations in the Inglewood Field and I would expect that this support is unchanged . As property owners of over 100 years the Moynier Group would not support a land taking by a government entity , a decrease in property value due to a change in the current property use initiated by a City or government entity and further supports a "Hands Off " by the City of Culver City in its effort to adversely affect future ownership rights and value of our land and operations .

A more thorough review by our counsel and co-owners is in process but we cannot meet your short time frame to be an active participant in this "Amortization Study" for 6-4-20 and we do not want to be ignored.

An email response to our request for a 30 day meeting postponement would be appreciated .

Thank You in advance for your consideration.

John Engh

For Marie and Don Engh

Co-Owners of the Moynier Oil Property through its entity "BEAD OIL, LLC



California Independent Petroleum Association

1001 K Street, 6th Floor Sacramento, CA 95814 Phone: (916) 447-1177

Fax: (916) 447-1144

Email: heather.baker@culvercity.org

June 3, 2020

Heather Baker Assistant City Attorney Culver City 9770 Culver Blvd. Culver City, CA 90232

Subject: Inglewood Oil Field Amortization

Hello Ms. Baker,

California Independent Petroleum Association (CIPA) appreciates the opportunity to submit comments on the Capital Investment Amortization Study for the Culver City portion of the Inglewood Oil Field. CIPA member Sentinel Peak Resources has submitted a number of comments concerning the legal adequacy of the amortization study, and CIPA joins in those comments. CIPA objects to the use of the amortization process to decommission the portion of the Inglewood Oil Field located in Culver City.

CIPA represents several independent oil and gas producers in the County. CIPA's producer members actively contribute to the County's economic base, provide myriad local employment opportunities and produce oil and gas resources within the County in an environmentally responsible manner.

CIPA seeks to promote greater understanding and awareness of the critical role domestic oil and gas production plays in powering the County's vibrant economy. Local oil and natural gas producers provide both the energy and the building blocks of nearly every material that County residents utilize on a daily basis, and we recognize that the affordability, reliability and resilience of those supplies will largely determine whether the County achieves a more vibrant and inclusive economy, a more equitable society, and continued improvements in environmental quality.

Culver City declared a state of "Fiscal Emergency" prior to COVID-19 and is projecting even larger budget shortfalls due to the current pandemic. The Inglewood Oil Field 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.

At a time when millions of Californians are amongst the rates of the newly unemployed, the Inglewood Oil Field employs hundreds of local workers with full time jobs – jobs with high pay and health coverage. If this process is enacted, you'd be putting those employees' and their families' futures at risk.

Oil producers have been deemed an essential business by the State and Federal Government – continuing to supply everyone with the resource that we use every day all day long whether we realize it or not, despite pandemics or other crises. The decision to halt an essential business willingly is not one to be made lightly. This action would set a dangerous precedent for every business in California.

Lastly, this process infringes upon the operator's constitutional rights and the City should expect strong legal action should this process be enacted. Spending precious taxpayer resources to fight this costly legal battle would be irresponsible governance.

We urge you not to further jeopardize the jobs of our neighbors, the services, and revenues all Culver City residents enjoy by moving this process forward. Should you wish to discuss these comments further, please do not hesitate to contact me directly.

Thank you,

Rock Zierman

Chief Executive Officer

California Independent Petroleum Association

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.

Alston & Bird LLP www.alston.com

Heather Baker June 3, 2020 Page 2

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

From: Marilyn Smith <

Sent: Wednesday, June 3, 2020 4:06 PM

To: Baker, Heather **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

From: Amanda Parsons <aparsons@sentinelpeakresources.com>

Sent: Thursday, June 4, 2020 7:40 AM

To: Baker, Heather

Subject: Fwd: [EXTERNAL] Moynier Oil Field Amortization

Hello Heather,

Please see the note below. Thank you.

Sent from my iPhone

Begin forwarded message:

From:

Date: June 3, 2020 at 9:45:47 PM PDT

To: Amanda Parsons <aparsons@sentinelpeakresources.com>

Subject: [EXTERNAL] Moynier Oil Field Amortization

Dear Amanda, Would you please see to it that Heather Baker gets this e-mail from my husband and I.? The e-mail address that I have for her can not be sent. Thank you.

Dear Heather Baker,

This e-mail is regarding the Inglewood Oil Field Amortization proposal. My husband and I are co-owners of the ("Moynier, Airey, Barbot) Moynier Oil Property.

The meeting on June 4, 2020 is very untimely due to the Coronavirus restrictions and the recent demonstration and violence specifically in California.

The mineral benefits have been very valuable to my parents years ago and they are now very important their heirs. My husband, Ralph is a disabled Vietnam War veteran, and we are both seniors now living on Social Security and have a limited monthly income. We would appreciate it if this could be taken into consideration.

We also think that it is wrong to amortize the oil field out of existence without compensating the mineral holders for their losses.

Sincerely,

Ralph J. Larsen and Adrienne M. (Airey) Larsen

From: noreply@granicusideas.com

Sent: Thursday, June 4, 2020 11:51 AM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Jack Breuker submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: 20-1010 1) Presentation of the Amortization Study for the Culver Clty Portion of the Inglewood Oil Fields; and 2) Discussion of Potential Amortization Program

eComment: Hello Councilmembers. This comment is in support of the Inglewood Oilfield. The City has already spent millions of tax-payer dollars in failed attempts against 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 is risking millions upon millions of taxpayer dollars to ultimately fail again. Culver City cannot afford more egregious spending. Taxpayer resources are precious. I urge you to re-direct your efforts and taxpayer money to focus on truly pressing needs like homelessness and COVID-19 economic recovery that face the City and its constituents.

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 1:25 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Clyde Williams submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: 20-1010 1) Presentation of the Amortization Study for the Culver Clty Portion of the Inglewood Oil Fields; and 2) Discussion of Potential Amortization Program

eComment: DATE: June 4, 2020 1pm TO: City's website via eComment speakup@granicus.com city.clerk@culvercity.org FROM: Dr. Tom Williams CCSC, Snr. Techn. Adviser SUBJECT: Special Event 2020-06-04 5PM - OIL DRILLING SUBCOMMITTEE MEETING RE: Submitted Written Public eComments #1 Based on the following specific comments, I request that the Amortization Report be withdrawn, revised, and recirculated as the document has many errors, inconsistency, and lack publicly accessibility to many documents. The meeting and report consideration must be continued until a corrected, complete, and adequate document is circulated for meaningful public review. Meeting Subject: Item 20-1010 1) PRESENTATION OF THE AMORTIZATION STUDY FOR THE CULVER CITY PORTION OF THE INGLEWOOD OIL FIELDS; AND 2) DISCUSSION OF POTENTIAL AMORTIZATION PROGRAM Please provide an unlimited size public comment scope. I wish to formally request direct public access to all referenced, cited, and mentioned documents (in a searchable and copiable format) as they must be covered under the California "Public Records Act". Important issues Transfer of surface rights to the City does not limit current leases and subsurface ownership and oil maybe produced from the City's subsurface properties unless specifically included in the study. The Beverly Hill Field is still be produced from by wells outside of the Field and outside of the City's surface boundary. The report must include all subsurface properties and leases for the entire City IOF. The City boundary does not include the County's portion of the Inglewood Oil Field, but this Report does not include all City portions of the CalGEM delineated IOF, e.g., west of Jefferson and Ballona Creek. The Report does not include relevant requirements of the LACo Oil and Gas Regulation currently undergoing updating for all Idled, Orphaned/Derelict wells within the City and the City's entire IOF. The Report does not include or even acknowledge current State CalGEM efforts for updating the health and safety aspects of oil and gas exploration, production, and

plugging/abandonment. The Report does not recognize nor provide: all Mineral Rights vs subsurface Property ownerships, rights, and leases of such within the entire City's IOF; descriptions of all existing wells and their rights of legal passage/trespass, of development, of production of O&G, of deposition/disposal of fluid, materials, and gases, and of storage of gases and fluids; subsurface resources remaining in subsurface properties and expected rates of returns to owners/lessors of such; valued improvements (wells and screens) within subsurface properties; the LACounty Assessor's records for subsurface properties and improvements beneath all of Culver City; CalGEM Well Collision Maps and the surface/head and subsurface/toe ends of all wells and their volume/pressures in the subsurface; CalGEM's idled well program and schedule for plugging and abandonment within the entire Culver City IOF and the assumed liabilities for such by the City of CC (CCC); Liabilities for all blowouts of plugged/abandoned wells (e.g., Bone Yard/Dog Park) by CCC or subsurface (SS) property owners; and Liabilities for maintenance of safe fluid/gas resources and pressure to avoid blowouts and ground subsidence and uplift. MORE Detailed comments on Report: Text is provided with appropriate page references (from documents or pdf pages), important words/phrases are bolded and TW Comments are bolded/italized.

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 1:32 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Clyde Williams submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: Presentation and Discussion Item

eComment: DATE: June 4, 2020 1pm TO: City's website via eComment speakup@granicus.com city.clerk@culvercity.org FROM: Dr. Tom Williams CCSC, Snr. Techn. Adviser 5/2 SPR acquired the City IOF in January 2017 when it purchased a portfolio of California oil and gas properties from FCX...., there were 41 wells located within the City IOF and supporting infrastructure. During 2017, 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. These wells were drilled and completed between 1925 and 2002. No records of plugged/abandoned wells, are they considered improvement of the IOF SS Property owners. Provide all LACo records of surface ownership, 6/ Inglewood Oil Field (IOF): The approximate 1000-acre oil field located within and straddling the jurisdiction of the City of Culver City and the unincorporated area of the County of Los Angeles known as Baldwin Hills. Sentinel Peak Resources currently operates the Inglewood Oil Field Clearly delineate as at: https://maps.conservation.ca.gov/doggr/wellfinder/#openModal/-118.37035/34.00671/14. Provide revised map with all portions of Culver City IOF and the areas involved with this Report. Provide map of all leases and subsurface SS ownership greater than 10,000sqft parcels. City IOF contains (from Well finder, CalGEM): API # 03707383 Well #1; Well Status: Idle; Well Types: OG; Operator: Producers Holding Co. [06941] Field: Inglewood [324] Area: Any Area..., Lease: ..., Lat: 34.016262 Lon: -118.385007 API # 03707496 Well #2; Well Status: Buried-Idle; Well Types: OG; Operator: O. R. Howard & Co. [06361]; Field: Inglewood [324] Area: Any Area...; Lease:...; Lat: 34.010154 Lon: -118.387585 API # 03707499 Well #1; Well Status: Buried-Idle; WellTypes: OG; Operator: ExxonMobil Corp. [E3700]; Field: Inglewood [324]; Area: Any Area; Lease:...; Lat: 34.019812 Long: -118.387853 API # 03709153 Well #1; Well Status: Active; Well Types: OG; Operator: Vincent Petroleum Corp. Ltd. [08808]; Field: Inglewood [324] Lease: Uharriet Lat 34.013829, Lon -118.401681 Provide map with all known wells, and provide locations of all historic wells found in all historic aerial photos of the CC IOF

from 1923 to 1955 (sources: EDR, Connecticut). Provide all satellite images for surface improvements (tanks, pipelines, sumps, secondary containments, etc.) since 2002. DATE: June 4, 2020 1pm TO: City's website via eComment speakup@granicus.com city.clerk@culvercity.org FROM: Dr. Tom Williams CCSC, Snr. Techn. Adviser SUBJECT: Special Event 2020-06-04 5PM - OIL DRILLING SUBCOMMITTEE MEETING RE: Submitted Written Public eComments #1 Based on the following specific comments, I request that the Amortization Report be withdrawn, revised, and recirculated as the document has many errors, inconsistency, and lack publicly accessibility to many documents. The meeting and report consideration must be continued until a corrected, complete, and adequate document is circulated for meaningful public review. Meeting Subject: Item 20-1010 Text inputs for Public Comments is totally inadequate and maybe subject to judicial review.

From: Tom Williams

Sent: Thursday, June 4, 2020 4:07 PM

To: Baker, Heather; Schwab, Carol; Melanie Doran Traxler

Cc: Paul Ferrazzi

Subject: Written Public Comments RE: Oil and Gas Amortization Report and CC Meeting 060420

5pm

Attachments: AmortzComts1pm.docx

As comments were limited in the online submittal portal I am sending these to the City staff and consultant related thereto.

I hope they become part of the City's public record for the review of this Report, which I consider totally inadequate and incomplete.

Please find the attached for public comments.

Dr. Tom Williams, Snr Techn. Adviser CCSC

DATE: June 4, 2020 1pm

TO: City's website via eComment

speakup@granicus.com city.clerk@culvercity.org

FROM: Dr. Tom Williams CCSC, Snr. Techn. Adviser

SUBJECT: Special Event 2020-06-04 5PM - OIL DRILLING SUBCOMMITTEE MEETING

RE: Submitted Written Public eComments #1

Based on the following specific comments, I request that the Amortization Report be withdrawn, revised, and recirculated as the document has many errors, inconsistency, and lack publicly accessibility to many documents. The meeting and report consideration must be continued until a corrected, complete, and adequate document is circulated for meaningful public review.

Meeting Subject:

Item 20-1010

1) PRESENTATION OF THE AMORTIZATION STUDY FOR THE CULVER CITY PORTION OF THE INGLEWOOD OIL FIELDS; AND 2) DISCUSSION OF POTENTIAL AMORTIZATION PROGRAM Baker O'Brien Report and Exhibits 2020 0529.pdf Attachments

OIL DRILLING SUBCOMMITTEE MEETING
MEETING INFORMATION
PUBLIC COMMENT
Presentation and Discussion Item

Comment
Comment
Comment

In addition, I wish to formally request direct public access to all referenced, cited, and mentioned documents (in a searchable and copiable format) as they must be covered under the California "Public Records Act".

Important issues

Transfer of surface rights to the City does not limit current leases and subsurface ownership and oil maybe produced from the City's subsurface properties unless specifically included in the study. The Beverly Hill Field is still be produced from by wells outside of the Field and outside of the City's surface boundary. The report must include all subsurface properties and leases for the entire City IOF.

The City boundary does not include the County's portion of the Inglewood Oil Field, but this Report does not include all City portions of the CalGEM delineated IOF, e.g., west of Jefferson and Ballona Creek.

The Report does not include relevant requirements of the LACo Oil and Gas Regulation currently undergoing updating for all Idled, Orphaned/Derelict wells within the City and the City's entire IOF.

The Report does not include or even acknowledge current State CalGEM efforts for updating the health and safety aspects of oil and gas exploration, production, and plugging/abandonment.

The Report does not recognize nor provide:

all Mineral Rights vs subsurface Property ownerships, rights, and leases of such within the entire City's IOF;

descriptions of all existing wells and their rights of legal passage/trespass, of development, of production of O&G, of deposition/disposal of fluid, materials, and gases, and of storage of gases and fluids; subsurface resources remaining in subsurface properties and expected rates of returns to owners/lessors

valued improvements (wells and screens) within subsurface properties:

the LACounty Assessor's records for subsurface properties and improvements beneath all of Culver City;

- CalGEM Well Collision Maps and the surface/head and subsurface/toe ends of all wells and their volume/pressures in the subsurface;
- CalGEM's idled well program and schedule for plugging and abandonment within the entire Culver City IOF and the assumed liabilities for such by the City of CC (CCC);
- Liabilities for all blowouts of plugged/abandoned wells (e.g., Bone Yard/Dog Park) by CCC or subsurface (SS) property owners; and
- Liabilities for maintenance of safe fluid/gas resources and pressure to avoid blowouts and ground subsidence and uplift.

MORE Detailed comments on Report:

Text is provided with appropriate page references (from documents or pdf pages), important words/phrases are **bolded** and TW Comments are **bolded/italized**.

- **5/2** SPR acquired the City IOF in January 2017 when it purchased a portfolio of California oil and gas properties from FCX...., there were 41 wells located within the City IOF and supporting infrastructure. During 2017,
- 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.
- These wells were drilled and completed between 1925 and 2002.

No records of plugged/abandoned wells, are they considered improvement of the IOF SS Property owners. Provide all LACo records of surface ownership,

6/ Inglewood Oil Field (IOF): The approximate 1000-acre oil field located within and straddling the jurisdiction of the City of Culver City and the unincorporated area of the County of Los Angeles known as Baldwin Hills. Sentinel Peak Resources currently operates the Inglewood Oil Field Clearly delineate as at: https://maps.conservation.ca.gov/doggr/wellfinder/#openModal/-118.37035/34.00671/14.

Provide revised map with all portions of Culver City IOF and the areas involved with this Report. Provide map of all leases and subsurface SS ownership greater than 10,000sqft parcels.

City IOF contains (from Well finder, CalGEM):

- API # 03707383 Well #1; Well Status: Idle; Well Types: OG; Operator: Producers Holding Co. [06941] Field: Inglewood [324] Area: Any Area..., Lease: ..., Lat: 34.016262 Lon: -118.385007
- API # 03707496 Well #2; Well Status: Buried-Idle; Well Types: OG; Operator: O. R. Howard & Co. [06361]; Field: **Inglewood** [324] Area: Any Area...; Lease:...; Lat: 34.010154 Lon: -118.387585
- API # 03707499 Well #1; Well Status: Buried-Idle; WellTypes: OG; Operator: ExxonMobil Corp. [E3700]; Field: **Inglewood** [324]; Area: Any Area; Lease:...; Lat: 34.019812 Long: -118.387853
- API # 03709153 Well #1; Well Status: Active; Well Types: OG; Operator: Vincent Petroleum Corp. Ltd. [08808]; Field: Inglewood [324] Lease: Uharriet Lat 34.013829, Lon -118.401681
- Provide map with all known wells, and provide locations of all historic wells found in all historic aerial photos of the CC IOF from 1923 to 1955 (sources: EDR, Connecticut).
- Provide all satellite images for surface improvements (tanks, pipelines, sumps, secondary containments, etc.) since 2002.
- p.7/ par.1 The IOF surface boundary covers approximately 1,000 acres of land in the Baldwin Hills area of Los...and represents one of the largest contiguous urban oil fields in the U.S.\1 Most of the land within the IOF is in an unincorporated area of Los Angeles County....Approximately 78 acres of the IOF is located within the City, which borders the County IOF on its northern and western boundaries.\2 The land within the boundaries of the City IOF is owned by numerous entities.\3 A map that shows the boundaries of the City IOF and the locations of oil and water injection wells....
- CalGEM IOF differs markedly from that of the Report and includes wells west of Jefferson (Macado lease and Uharriet) in Culver City, not County, portions. Provide clear delineation and assignment of all wells to the City within the IOF.

7/1 Mineral Rights: **Property rights** to exploit an area for the minerals contained within a **property** beneath the Earth's surface.

Mineral rights are part of subsurface property rights and represent a portion of the assessed value of the subsurface property and rights thereto. Provide clear definition of what is purchased regarding passage, improvements, production, and access/placement/storage within all CC-IOF. Provide all relevant records of the LACounty Assessor and Clerk.

8/1 Petroleum: A mineral deposit that naturally occurs beneath the earth's surface. Petroleum includes crude oil, natural gas, and natural gas liquids that may be **extracted** from rock formations.

Confused use of production and extraction. CalGEM only recognizes production, although in tar sand and oil shales, oil and gas can be extracted and was extracted in pre-1930 conditions in Rancho La Brea. Remove all use of extract, extracted, and extraction from Report and replace with Produced.

Extraction vs Production. Oil shale and sands are mined taken from the earth and rendered to EXTRACT oil and gas from the mined/extracted deposit. Historically within LACounty, the Rancho La Brea tar pits and other oil saturated deposit were mined from the ground, surface properties and rendered to produce kerosene and bitumen for use.

CalGEM recognizes only production from wells in subsurface properties.

9/1 Royalty: The portion of oil and gas resource or revenue that the **owner of the mineral rights** is entitled to receive from **production**. Oil and gas operators enter into leases with **owners of mineral rights** that gives the operator permission to **extract** oil and gas and provide a monetary royalty payment to the owner.

Herein confused uses: Production and Extraction of oil and gas within the same paragraph. Eliminate the use of Extract, extracted, and extraction, and substitute Produce, produced, and production.

Royalties are also paid for right of passage of a well through subsurface properties, for disposal by injection of unwanted fluids (liquids and gases), and for storage. Clarify and document for each within CC-IOF.

9/2 In addition to production and **water** injection wells, surface equipment used in oil and gas production activities includes pump jacks, **water** injection pumps, pipelines, roadways, small buildings, and tanks. This equipment is located throughout the IOF, although most of this surface equipment is located in the **County IOF.** Facilities used to prepare crude oil and natural gas to marketable quality for delivery to pipelines is also located in the County IOF.

Surface equipment located in the City IOF includes pump jacks, water injection pumps, pipelines,

roadways, small buildings, and four tanks.



As indicated herein more than four tanks exist in 2018. Provide CalGEM, SCAQMD, County, and City approvals of larger four and one smaller tanks as shown in the 2018 satellite image. Also, one larger tank was removed from the left/west side of the three in a row. Another smaller tank was removed from next to the structure to east/right of the existing tanks.

Revise and update all surface facilities/improvements along with City permits for such based on aerial and satellite images (e.g., Google Earth Pro).

9/4 Operators are required to report the status of **each California oil well** to CalGEM, and this information is available to the public through the CalGEM public portal.\19 The CalGEM data provides a monthly "snap shot" of individual well status and activity, as this information is reported by the oil field operator. As of January 1, 2020, this information was available for wells in the City IOF from 1977 through April 2018. CalGEM provides information for the 41 production and injection wells that were located in the **City IOF** during 2016, which is summarized in Exhibit E.

CalGEM governs surface facilities directed associated with well and therefore tanks construction and demolition must be recorded by CalGEM.

Use of CalGEM files for Inglewood Field in the City. Provide ALL IOF wells as defined and delineated by CalGEM, not just those in the County IOF or the "City IOF"

Provide reported and annually assess for fees to the State for operations of CalGEM and all assessments of surface and subsurface properties through LACo Assessors Office. Provide Injection and Idled wells fees paid to CalGEM.

Provide links to specific page/file contents at CalGEM, provide screen shots as appendices or online files for public access.

10/3 SPR has provided **no plan** to the City that proposes a program for the future development of oil and gas operations in the City IOF. Based on the **annual plans that SPR has issued to the County under the CSD**, it appears unlikely that SPR will drill new wells in the City IOF or plans to plug and abandon wells that are currently idle or shut in.

No publicly accessible references are provided nor has any existing graphical layouts and/or inventory of specific areas within the CalGem IOF. Provide such for assessment.

Provide current CalGEM well sites, and confirm such with historic aerial and satellite images.

12/1 An income analysis of an oil field may consider the impact of distinct ownership rights for surface use and mineral extraction, and changes in ownership of these rights.

An income analysis of oil and gas facilities also considers numerous variables that change over time, both historically and into the future. These variables include the following:

Unclear reference "may consider", revise and provide details of all rights, for surface and subsurface rights and ownerships; considered or not considered.

Define "distinct" ownerships and provide LACounty Assessors records for all ownership and leases.

Provide surface and subsurface property boundaries, improvements, leases, ownerships, and changes in such for 2000-2020.

Replace or specify "extraction", production, and/or injection.

- **15/1** Certain proprietary information was used in combination with our consultants' experience and engineering judgement to develop certain baseline assumptions for the income model. This information includes the following:
- Capital expenditures were estimated for drilling and completion costs, workover costs, and **plug and abandonment costs**;

As a public document clearly indicate where proprietary information and baseline assumptions were used and the selection of certain vs not-certain was used.

Define "certain".

Clearly state that the City will pay or not pay for idled and buried/idled wells abandonments. City and public pays for this report for all idled well abandonment – where.

Provide listing of all leases, subsurface property, and improvement within and beneath the surface boundaries of the City.

Provide listing of Bonds and their activations and conveyance to the City.

• Future production rates from individual wells were estimated using a proprietary software package often used in petroleum engineering applications, including reservoir management;

Provide name and documentation regarding the program and clearly identify any analysesd and assessment based upon such undocumented packages.

- Operating costs were estimated for oil and gas production and for water injection; and
- Revise to fluid injection. More than water maybe injected unless CalGEM records show such purity.
- The quality of Inglewood crude oil.

Provide API and other characteristics used, e.g., API 12, 18, 24, 32..., water content, and gas contents.

15/2 Data obtained from CalGEM's public portal for the wells located in the City IOF is detailed and forms the basis for historical and projected production rates of oil, natural gas, and water in the income model. The CalGEM public portal provides individual well data from 1977 through April 2018 in a searchable database format, as it was reported by operators. The CalGEM records for the City IOF contain some minor anomalies in well status and production rates, which appear to be reporting errors that are not material to this study.

Identify production rates based on a proprietary software and thereby not reviewable by the public.

Provide and maintain consistent use of "gas", "natural gas", or hydrocarbon gas, etc. Define and highlight "minor anomalies" especially when related to "proprietary software".

Provide anomalies for "well status" which is established by CalGEM.

Provide all analyses including "reporting errors" minor anomalies, and projections using proprietary software.

15/3 Initial capital investment generally refers to the **owner's original investment** to acquire **mineral rights** and **commence production of oil and gas**. This study considers two scenarios for initial capital investment.

In the first scenario, SPR's initial capital investment in the City IOF occurred when it closed its acquisition with FCX in 2017.

In the second scenario, initial capital investment is the original costs to drill and complete the wells and infrastructure in the City IOF that were made by previous operators between 1925 and 2016

Provide owners' and lesees' investment, mineral and passage rights, and subsurface ownerships within all of CC's IOF from 1925 to date.

18/6 5.4.8 ROYALTIES **Owners of mineral rights** earn a royalty on **commercial volumes of oil and gas produced from their property**.

Royalty terms are provided in lease agreements between landowners and oil and gas companies, which vary from lease to lease and are often confidential.

The income model deducts royalties on oil and gas production from revenues to determine net cash flow. **Provide listing of all subsurface owners and their parcels within the City, all owners of mineral rights (if different).**

Provide listing and boundary maps of all landowners over the CC-IOF.

Provide all historic and current royalty terms for subsurface properties in the CC-IOF. Provide definition of "commercial volumes".

18/7 A listing of IOF landowners in 2008 shows that at least six landowners owned parcels within the City IOF, but the listing does not indicate if these landowners also owned mineral rights.\29 No further information is readily available that provides royalty rates or other terms of leases between landowners and SPR or its predecessors. No public information is available... 19/1... about royalties that have actually been paid to landowners for oil and gas production from the City IOF.

Provide listing of all surface and subsurface owners and their parcels within the City, and all owners of mineral rights (if different).

Provide listing and boundary maps of all landowners over the CC-IOF.

Provide definition of "readily available".

Assess the financial risks for the CC in acquisition of properties without knowledge of current benefits and obligations.

19/2 The income model assumes a 15% royalty rate as an allowance for **royalties and other land** lease costs paid to owners of mineral rights. This discount is applied to the market value of <u>oil and natural gas</u> produced from the City IOF. This rate is within the range of a 12.5% royalty rate that is generally applicable to **federal leases** and the 16.66% royalty rate applicable to **leases for oil and gas** <u>extraction</u> for California state lands.

Confused uses and references to federal and state properties and payments for such with no evaluation for passage, production, injection, and disposal and scales of operations and regulatory requirements

No allocations reflected in royalties for operators annual assessment to the State or for owners improvements and properties taxes by LACounty.

Remove "natural" from the statement or define and distinguish/use consistently between gas and natural gas.

Replace extraction with production throughout the Report.

Provide all pertinent lease conditions regarding other CalGEM recognized leases within the CC-IOF, including: Machado Desilu Valenzuela Uharriett Trigood MGM Culver City Unit, and Howard.

19/3 To the extent that SPR acquired mineral rights in the City IOF in 2017, royalties would not be applied to oil and gas produced from SPR's ownership interest.

If SPR's **ownership interests include mineral rights**, the income model is conservative since it applies the royalty rate to **all production**, extending the time required to achieve ACI.

Provide the "extent" of mineral/subsurface rights and provide any right which were not acquired by SPR within the CC-IOF.

Provide documents regarding all SPR subsurface rights, bonds, and royalties in CC-IOF. Provide documentation regarding the payments of SPR royalties for all rights within CC-IOF. Provide any documentation of Mineral rights and royalties paid to others.

19/4 5.4.9 OPERATING COSTS Oil field operating costs include labor, utilities, operating materials, maintenance materials, spare parts, general and administrative expenses, insurance, property taxes, and permits. The income model deducts operating costs from available income, which are estimated as the cost per barrel of crude oil, the cost per BOE for natural gas, and the cost per barrel of produced water. These estimated operating costs for the City IOF include costs for operations to separate production fluids into oil, gas, and produced water, as well as to treat crude oil and natural gas for delivery to local pipelines, which are all conducted in the County IOF.

Provide listing of all bonds and their conditions and transferability.

Provide a listing of all property taxes for subsurface properties and improvements (e.g., wells). Provide definitions and distinctions between "oil" and "crude oil" and "gas" and "natural gas" at well heads, and discharge points.

19/FN 30 Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018,, pg 57. FN\31 Value-Driven November Corporate Presentation, California Resources Corp., Nov 2018,, pg 53. Not readily available to public, provide attachment, appendices, or webpage. Complements for giving pg. references.

22/2 Baker & O'Brien has valued SPR's initial capital investment to purchase the City IOF as an arm's length transaction between a buyer and seller in accordance with California State Board of Equalization guidelines for determining the fair market value of oil and gas production properties.**37 22/FN\37** Calif.State Brd. of Equalization, Assessor's Handbook Sec. 566 Assessment of Petroleum Properties, August **1996.**

Provide a publicly accessible webpage or appendix for this ancient document.

31/1 • 1950 to 1976: During this period, demand for petroleum expanded with post-war economic activity, while price levels were low by modern standards.

Significant technical advancement in petroleum engineering applications increased **drilling costs** per well, but provided large economic benefits, including a higher success rate and **improved recovery** of **oil and natural gas**.

Regulatory frameworks for resource management were established during this time, but there was **little** regulatory burden related to environmental protection.

During this period, ownership rights in the IOF were consolidated with Chevron becoming the sole operator during the 1970s.

Drilling costs and operating costs had increased from levels prior to 1950, and are estimated to have been 75% of modern costs during this period, after adjustment for inflation.

Provide definitions and differentiation of operators and owners, leases, lessees, lessees, and lessors. Same with drilling costs vs Exploration Drilling Completion operating Define Recovery as % of estimated reserves.

Clarify Hydrocarbon/Field/Produced Gas (C1-14/H4-20) vs natural gas (CH4); Clarify Thermogenic vs biogenic "natural gas" (CH4)

Spiking of crude oil to achieve a higher API grade and ease of transport.

31/1 With passage of much more restrictive environmental protections to preserve clean water and clean air in the late 1970s, **implementation of increasingly stringent regulations has resulted in much higher cost burdens for regulatory compliance at all levels of government.** Modern costs for **drilling** and oil field operations are assumed to be characteristic of this period with adjustment for inflation.

Revise Well Phases: Drilling and completion, reworking, and redrilling, plugging/abandonment

31/2 7.2.2 ANALYSIS Since detailed information is not available, wells drilled prior to 1977 are analyzed in the aggregate, with 6 wells drilled from 1925 to 1949 and 16 wells drilled from 1950 to 1976. The second period was subdivided to evaluate 6 wells drilled from 1950 to 1959 and 10 wells drilled... Well numbers do not agree with previous numbers in CC-IOF 6 + 6 + 10 = 22 19 active 14 idle

Well numbers do not agree with previous numbers in CC-IOF 6 + 6 + 10 = 22 19 active 14 idle Plugged/Abandoned. Review and revise.

32/1 Metrics are calculated for **each group of wells**, including IRR, the ratio of oil price to total expenses, and simple payback. These metrics may be compared to the same metrics for the individual wells drilled between 1977 and 2002.

Provide a table with such.

32/3 • Netback prices: Netback prices for Inglewood crude oil and natural gas were backcasted using reported market prices for benchmark commodities, including **WTI crude**, **Brent crude**, **and Henry Hub natural gas**.

Use only California vs Mid continent based benchmarks and pricing.

33/1 7.2.3 CONCLUSION This analysis demonstrates that **wells in the City IOF** that were drilled prior to 1977 have similar economics to the **six individual wells** evaluated using the income model

A total of 19 wells are designated as active, with another 14 as idle within the City IOF, east of Jefferson, provide revisions and graphic documentation from CalGEM.

Provide economic review and assessment for all active and idled (not plugged nor abandoned) wells.

Provide CalGEM collision maps of all wells lying beneath the City IOF field east of Ballona Creek or Jefferson.

33/3 The **detailed economic factors** for the aggregate performance of **older wells** are **comparable** to the **six individual wells** that are evaluated using the income model, indicating that the **older wells** achieved ACI in a similar period of time.

Provide details for all wells within CC-IOF and provide comparative numerical parameters for "comparable".

REVISE DEFINITIONS pdf pages + document pages

pdf43-p.4 Crude Oil [or oil]: A naturally occurring complex mixture of hydrocarbon [??liquids, gases, and solids] found in geological formations beneath the Earth's surface. It is referred to as a crude oil because it must be refined....

Example: *pdf42*/ California Geologic Energy Management Division (CalGEM): CalGEM...regulation of the drilling, operation, and permanent closure of energy resource (i.e., *oil*, *natural gas*...) wells throughout the state....Division of *Oil*, *Gas*,.... California Resources Corporation (CRC): ...oil and natural gas exploration...company...oil basins....oil and natural gas producer.

pdf45-6 Henry Hub: A distribution hub for natural gas in Erath, Louisiana.... It serves as the delivery location for natural gas futures traded on the New York Mercantile Exchange (NYMEX).

p.10 West Texas Intermediate (WTI): A light, sweet crude oil priced at Cushing, Oklahoma that serves as a benchmark price for crude oil in North America.

Pg. pdf 60 Exhibit I Allocation of FCX Transaction Value uses Brent Crude pricing for 2018-2020 FN\2 Platt's price assessment for Dated Brent. FN\3 This Week in Petroleum, EIA, Oct. 9, 2019 Gas / Natural Gas Not defined, although oil is defined. Duplicative use of gas and natural gas. Choose one and consistently apply or provide differentiating definitions for each.

Remove both Mid-Continent indices and provide Southern California economic parameters, unless oil or gas are transported to/through the Mid-Continent systems. Cushing and Henry Hub are irrelevant to California pricing with existing pipelines and refineries/users.

Provide 10 years of California gas and oil pricing.

Revise and use California pricing throughout the document.

p.6 Freeport-McMoRan Oil & Gas LLC (FCX): A principal operator on the Inglewood Oil Field in Los Angeles County between 2013 and 2016. FCX acquired Plains Exploration & Production Company's (PXP) **interests** in the Inglewood Oil Field in 2013.

Provide listings and values for PXP, FCX, and SPR interests and assign to LACo IOF, City IOF, and any remaining IOF resources beyond Ballona Creek.

Pdf45-6 Idle Well: As defined by CalGEM, a **production** well that has not been used for two years or more, but has not been plugged and abandoned.

Define and delineate Mineral Rights and Subsurface Property rights for all properties/rights within the City of culver City.

Injection wells may also be idled.

Provide differences between "Idle Well" and orphan well and provide listing of all such wells within City boundaries of the CalGEM IOF.

Provide requirements of CCC for plugging and abandonment for "idled wells" (e.g., 0403707383, -7496, & -7499.)

45-6 Inglewood Oil Field (IOF): The approximate 1000-acre oil field located within and straddling the jurisdiction of the City of Culver City and the unincorporated area of the County of Los Angeles known as Baldwin Hills. Sentinel Peak Resources currently operates the Inglewood Oil Field.

As the Field is established and defined by CalGEM and not the County of LA nor City of Culver City. Herein, provide the total physical, leasing, and ownership for the entire IOF and that owned, leased, and/or operational controls by the SPR and any others if differing within the area of IOF as delineated by CalGEM.

pdf45-6 Injection Well: A well that is used to inject water into a reservoir. Injection wells are used in water-flood operations as a means to enhance **oil recovery**.

Define and differentiate Produce, Extract, and Recovery.

pdf 46-7 Mineral Rights: **Property rights** to **exploit** an area for the minerals contained within a **property beneath the Earth's surface**.

Subsurface property contains mineral rights and other rights (trespass or passage through the subsurface, water rights, ground heat, storage of gases, etc.)

pdf46-7 Oil: Crude oil or a petroleum liquid derived from crude oil.

(**p.10** Water Cut: The fraction of production **fluids** from a well that is water)

- (**p.10** Well: A hole sunk into the earth for use.... A production well produces reservoir **fluids** including crude oil. natural gas. and water)
- (**p.8** Produced Water: Water that is produced from oil and gas wells. The **fluids** from a well typically include a mixture of **crude oil**, **natural gas**, **and water**, which must be **separated for treatment** and disposal.
- Revise/clarify How does one derive Crude Oil from Crude Oil. Oil and Gas industrial sources usually refer to fluids (liquids and gases) rather than liquid (without any gases).
- Duplicative use of oil and crude oil. Choose one and consistently apply or provide differentiating definitions for each.
- Correct use of fluids: solids (clays-silts), liquids, and gases (H2S, CO2, and other non-hydrocarbon gases).

Separation is part of treatment – Oil/Water/Gas Separators is an initial part of treatment.

Report inconsistently uses standard O&G industry use of fluids – including many different hydrocarbon liquids and gases.

Provide consistent definitions and usage.

8/ Plug and Abandon: The **permanent** plugging of a **production** well that includes the removal of **all equipment related to the well** and **restoration of the well site to natural conditions**.

Wells in CCC are not permanently plugged as plugs often only fill only 25% of the casing internal length with cement, not concrete, with the remaining 75% filled with heavy drilling mud which settles out and forms a water layer above a 100lb/cuft mud floor in the well.

Injection and monitoring wells must be plugged also.

Wells include casings and screens which are part of the total equipment of a well, and screens and some casings have been and can be removed (shoot and pull).

Well site must include the entire well from surface to screens or bottom of hole. Return to natural conditions requires return to natural rock conditions, 100% cementing with aggregate of all annular and internal spaces within top to bottom of hole.

pdf48-p.9 Royalty: The portion of oil and gas resource or revenue that the **owner of the mineral rights** is entitled to receive from **production**. **Oil and gas operators** enter into leases with owners of mineral rights that gives the operator permission to **extract oil and gas** and provide a monetary royalty payment to the owner.

Provide owners and their boundaries for all City IOF mineral rights and subsurface properties. Royalties may be paid for right of passage/trespass through or for injection or storage into/in a Mineral Rights lease.

Revise oil and gas and consistently use throughout this Report.

Revise - to include Mineral rights and Trespass rights.

pdf48-9 Shut-in Well: A production well where surface equipment, wellhead, or subsurface equipment have been closed to halt the flow either into or out of the well. A shut-in well may be returned to operation.

Any well can be shut-in, not just production, extraction, injection, or recovery wells for less than two years, elsewise must be designated as "idle".

p. pdf 53 Exhibit C Reference Materials

Referenced materials and others in footnotes are not directly available for public access and review. As mentioned and used in Public Document, provide direct www links or appendices are all materials. If not provided, then consider this as a "Public Records (documents) Request".

p. pdf 54 Exhibit D Map of City IOF Well status as of December 2018

The report map does not include all City of Culver City portions of the CalGEM Inglewood Oil Field and its areas/leases beneath and within the City.

Revise map and provide State, County, and City boundaries for the Inglewood Oil Field.

Revise map and include all CalGEM reported wells.

Replace reference to DOGGR with CalGEM.

p. pdf 55 Exhibit E CITY OF CULVER CITY CAPITAL INVESTMENT AMORTIZATION STUDY
 Listing of Wells in Culver City Well Status as of 2016
 Revise title or provide listing of all CalGEM recorded wells.

CONE FEE TRUST

LIZ K. GOSNELL, TRUST AGENT 2335 EAST COLORADO BOULEVARD, SUITE 115-123 PASADENA, CA 91107

626.533.3730 lizkibbeygosnell@gmail.com

June 3, 2020

Culver City Oil Sub Committee
Mayor Goran Eriksson
Vice Mayor Alex Fisch
Council Member Meghan Sahli-Wells
Heather S. Baker, Assistant City Attorney

sent via email
goran.eriksson@culvercity.org
alex.fisch@culvercity.org
meghan.sahli-wells@culvercity.org
heather.baker@culvercity.org

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, this meeting and public comment on the self-styled "Amortization Study" has been scheduled without sufficient opportunity to review and respond to the Amortization Study itself. The Amortization Study - a year in the making and consisting of 64 pages of reporting and data - was only released to the public on Friday, May 29, 2020. This meeting is set for just four business days later, a patently insufficient time period to review and digest and generate detailed public comment and rebuttal. Worse, and as Culver City's Council knows given its myriad public notifications since the end of last week, Culver City has issued multiple, consecutive curfew notices as a result of the protests and civil unrest - circumstances which have been occurring throughout the metropolitan Los Angeles area. Notifying the public that they have a mere four business days - in the middle of a pandemic and while there is civil unrest afoot that is sufficient significance and concern that this Council imposed curfews on its citizens - is per se improper and a violation of the public's rights. Without a postponement of this meeting, extension of the comment period, any other action taken by the subcommittee or the Council will be tainted and give those in opposition yet an additional ground to have a court set aside any decision that purports to adopt the Amortization Study or its findings or propose and implement any action that would, in fact, amount to an unconstitutional taking in violation of the 5th Amendment to the United States Constitution.

In short, there is no rush for this Amortization Study to be considered or converted into an action plan, regardless how deleterious to the City, its budgets, and its citizens' best interests. The City has spent more than a decade – and millions of taxpayer dollars – in one failed or scuttled attempt after another to craft anti-oil measures. However, and highlighting the clear irregularity of the four business day comment period here, at least those prior measures were the subject (for the most part) of substantive public debate and adequate time and notice to review draft reports and proposed action plans. So, why

the wholesale deviation from such due process here? The public's interests and right to review and comment upon the Amortization Study over a reasonable period should not be abridged for a certain sector's political expediency. CFT again requests, as it did informally in correspondence to the Mayor and Vice Mayor (see attached), that the meeting be adjourned and rescheduled and the public comment period be extended by two weeks, at the very least.

Second, and preliminarily, the financial consequences of the \$400,000+ Amortization Study itself and the action plan it promotes compels that no prudent Councilperson would vote to adopt the Study or any action plan designed to implement an approach to take private property and will generate many years of litigation at even greater cost to the City's taxpayers and diversion of resources from programs that directly benefit the citizens.

By way of background, a review of the City's financial documents (which, in some respects, are deliberately opaque so as to occlude the real dollars spent on these anti-oil (i.e. anti-tax revenue generating) escapades), reveal that approximately \$10 Million of mostly unbudgeted dollars from the near bankrupt City of Culver City continues to be spent while prudent financial management and the concerns of residents, businesses and other stakeholders effected thereby are disregarded. After declaring a fiscal crisis last year, the most recent May 18 and May 19 City Council meetings announced a citywide budget cut close to \$100M for the 20/21 budget. Yet, the premise behind the Amortization Study and this subcommittee meeting and proposed action is to find a way to eliminate hundreds of thousands of dollars in tax revenue the City receives from the 78 acres of oil producing land in its jurisdiction, not to mention eliminating jobs and the incidental benefits to local businesses that rely on oil operator employees to buy goods and services. No steward of a City's finances should be recommending the elimination of tax revenue sources at all, much less when the City has a massive budget shortfall and more to follow as a result of the pandemic and its impact on local business and tax receipts. Further, the City has already over-spent on its decades long anti-tax revenue crusade. 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.

The massively negative impacts of adopting and taking any action consistent with the Amortization Study is also matched by the readily apparent flaw in the City's premise of moving forward with the study in the first place. 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:

- 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;
- 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 hair-brained scheme just perpetuates the draining of City coffers and the loss of essential services to taxpayers. Culver City needs to join LA County's CSD to protect the City and spend these funds on their those services and benefits greatly impacted by 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 voted down.

Sincerely,

CONE FEE TRUST

iz K. Gosnell, Trust Agent

Note: This comment letter exceeds the 4,000-character maximum available through the Ecomment on the Culver City Meeting schedule webpage and WebEx submittal comment submittal space. Per the attached 6.4.20 emails I had with Heather Baker heather.baker@culvercity.org I requested, "Can you guarantee that longer submissions sent to you via email will be included?? Please let me know what the best step to let people know how to submit larger documents that will have their documents get some sort of a confirmed receipt."

Heather Baker graciously responded, "Yes, they can email me a longer document and it will be included. I will confirm receipt, as I have been doing with several other emails I have received."

Attachments:

- 1)Email dated 6.2.20 from Liz K Gosnell to Mayor Eriksson & Vice Mayor Fisch Subject: Rescheduling of the Oil Sub-Committee Meeting on 6/4/20 at 5 pm.
- 2) Emails dated 5.31.20 through 6.4.20 between Liz K. Gosnell & Heather Baker regarding Submittal of comments over 4,000 characters.

lizkibbeygosnell@gmail.com

From: lizkibbeygosnell@gmail.com
Sent: Tuesday, June 2, 2020 6:05 AM

To: goran.eriksson@culvercity.org; alex.fisch@culvercity.org

Subject: Rescheduling of the Oil Sub-Committee Meeting on 6/4/20 at 5 pm

Dear Mayor Eriksson and Vice Mayor Fisch:

Culver City's City Council has worked relentlessly over the course of the pandemic to care for the residence, businesses and stakeholders in the area partnering tirelessly with LA County and the State. Regardless of anyone's position on the issue of Culver City's Amortization study, our society is now in a true double Force Majeure.

I am the Trust Agent for the Cone Fee Trust (CFT), a landowner in the Inglewood Oil Field (IOF) and a stakeholder in Culver City oil production paying the city taxes. Late Friday, I received an email concerning a June 4, 2020 Subcommittee meeting requesting comment and discussion regarding the City's consultant's sixty-eight page "amortization study." Putting aside the insufficient time to review, digest and prepare the type of written comment and perspective the report warrants (particularly as it took the City's consultant almost a year to gather its data and prepare same), the continued expanding civil unrest that started Friday and has become widespread and continues to escalate necessitates that the June 4th meeting be postponed for at least two weeks. It's simply not feasible or reasonable for landowners, SPR and other interested stakeholders to be expected to be able to focus on this last-minute study publication in the context of County and city-wide alerts and curfews, on-going news coverage of bands of looters and looters disrupting civil protests and the more pressing concerns regarding the safety of persons and property.

Additionally, numerous people across Los Angeles County have been experiencing unprecedented internet and cell service interruption. Something is causing slowing or stopping many people's internet and cell service with even more regularly. For this reason there is not even a guarantee that those who want to take part will have the opportunity resulting in the currents situation causing numerous individuals to be unable to see, listen or take part in this subcommittee meeting.

We respectfully request that you kindly exercise prudent judgment and post-pone the meeting and extend the time for comment, etc. for at least two weeks in the sincere hope that these extraordinary circumstances have subsided, and order restored. If the sub-committee does decide to proceed with the meeting on 6/4/19, it is imperative that a "like" meeting with the representative from Baker & O'Brian be present to answer questions with the sub-committee not voting before both of these meeting take place and all have a chance to be heard.

Please be so kind as to confirm the adjournment of the meeting and comment via email to all interested persons as soon as possible today, June 2, 2020.

LIZ K. GOSNELL
CONE FEE TRUST
lizkibbeygosnell@gmail.com
626.533.3730

lizkibbeygosnell@gmail.com

From:

Baker, Heather < heather.baker@culvercity.org >

Sent: To:

Thursday, June 4, 2020 8:56 AM lizkibbeygosnell@gmail.com

Cc:

'Melanie Doran Traxler'

Subject:

RE: Deadline for submittal of comments

Hi Liz,

Yes, they can email me a longer document and it will be included. I will confirm receipt, as I have been doing with several other emails I have received.

Best.

Heather

Heather S. Baker

Assistant City Attorney City of Culver City 9770 Culver Boulevard Culver City, CA 90230-0507

Mather.baker@culvercity.org

310-253-5660



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From: lizkibbeygosnell@gmail.com < lizkibbeygosnell@gmail.com >

Sent: Thursday, June 4, 2020 8:54 AM

To: Baker, Heather < heather.baker@culvercity.org>
Cc: 'Melanie Doran Traxler' < mtraxlerpplus@aol.com>
Subject: RE: Deadline for submittal of comments

Dear Heather

I was surprised to see that the Ecomment is restricted to 4000 characters. A little over a page and a half. Can you guarantee that longer submissions sent to you via email will be included?? Please let me know what the best step to let people know how to submit larger documents that will have their documents get some sort of a confirmed receipt.

All the Best,

LIZ K. GOSNELL
CONE FEE TRUST
lizkibbeygosnell@gmail.com

626.533.3730

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From: Baker, Heather < heather.baker@culvercity.org >

Sent: Sunday, May 31, 2020 7:55 PM To: lizkibbeygosnell@gmail.com

Cc: mtraxlerpplus (mtraxlerpplus@aol.com) <mtraxlerpplus@aol.com>

Subject: RE: Deadline for submittal of comments

Hi Liz.

I hope you are well and safe too during this unreal time!

You may submit eComments up until the start of the meeting, which is at 5 PM. In addition, if you register for the meeting and "attend," you will also be able to speak during the meeting.

The Subcommittee and staff will attempt to answer any questions that are raised in the eComments or during the meeting, to the extent possible.

Take good care,

Heather

Heather S. Baker

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

2 310-253-5660



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From: <u>lizkibbeygosnell@gmail.com</u> < <u>lizkibbeygosnell@gmail.com</u>>

Sent: Sunday, May 31, 2020 7:51 PM

To: Baker, Heather < heather.baker@culvercity.org > Subject: Deadline for submittal of comments

Dear Heather,

Hope this finds you well and safe. What is the deadline for submitting eComments to the Oil Drilling Sub-Committee Community Meeting on 6/4/20? Is there a deadline set for those with questions to be answered in the meeting??

Best,

LIZ K. GOSNELL CONE FEE TRUST lizkibbeygosnell@gmail.com 626.533.3730

The City of Culver City keeps a copy of all E-mails sent and received for a minimum of 2 years. All retained E-mails will be treated as a Public Record per the California Public Records Act, and may be subject to disclosure pursuant to the terms, and subject to the exemptions, of that Act.

The City of Culver City keeps a copy of all E-mails sent and received for a minimum of 2 years. All retained E-mails will be treated as a Public Record per the California Public Records Act, and may be subject to disclosure pursuant to the terms, and subject to the exemptions, of that Act.

From: heather.baker@culvercity.org, **To:** lizkibbevgosnell@gmail.com.

Cc: Goran.Eriksson@culvercity.org, Alex.Fisch@culvercity.org, Meghan.Sahli-Wells@culvercity.org, mtraxlerpplus@aol.com,

public.comment@culvercity.org,

Subject: FW: Culver City Oil Subcommittee Meeting 6.4.20 at 5 pm

Date: Thu, Jun 4, 2020 3:28 pm

Attachments: winmail.dat (2361K), CFT CC Oil Subcommittee meeting final ltr 6.4.2020.pdf (2342K)

Thank you for your email, Liz. Your letter will be read into the public record during this evening's 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<mailto:heather.baker@culvercity.org>

* 310-253-5660

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From: lizkibbeygosnell@gmail.com lizkibbeygosnell@gmail.com>

Sent: Thursday, June 4, 2020 3:24 PM

To: Eriksson, Goran < Goran. Eriksson@culvercity.org>; Fisch, Alex < Alex. Fisch@culvercity.org>; Sahli-Wells, Meghan

< Meghan.Sahli-Wells@culvercity.org>; Baker, Heather < heather.baker@culvercity.org>

Subject: Culver City Oil Subcommittee Meeting 6.4.20 at 5 pm

Dear Oil Sub-Committee Members,

Attached please find Cone Fee Trust's comment letter to the Amortization Study. As this battle to close the field continues with a \$100 million budget cut for Culver City after already having declared a budget crisis, please consider asking to join the LA County CSD and spend all taxpayer funds on your residents.

Sincerely,

Liz K. Gosnell
Cone Fee Trust
lizkibbeygosnell@gmail.com e26.533.3730

The City of Culver City keeps a copy of all E-mails sent and received for a minimum of 2 years. All retained E-mails will be treated as a Public Record per the California Public Records Act, and may be subject to disclosure pursuant to the terms, and subject to the exemptions, of that Act.

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 2:10 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Jonathan Gregory submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: PUBLIC COMMENT

eComment: Is the proposed action really in the best interests of the citizens of Culver City? At a time when millions of Californians are filing for employment and many citizens of LA County are wondering if their lives will ever return to normal, pursuing this rabbit trail against the oil industry seems foolish and irresponsible. If the City moves forward this action will eventually lead to litigation and will cost the city millions of dollars in legal fees. This is money that could have been used on affordable housing, public education, police protection, and improving the overall quality of life. Let's talk about jobs. The Inglewood Oil Field engages 200 people on a daily basis. This diverse group of hard-working law-abiding Californians spend money and pay taxes in your community. Without these jobs, many of these workers will struggle, potentially losing healthcare and seeing a significant deterioration in their quality of life. This type of economic loss can affect families for many generations. Finally, let's talk about the environment. Shutting down an oilfield does not reduce demand for oil. It just means the oil will come from somewhere else. Somewhere less regulated, somewhere where its produced in unhealthy manners which reduces the quality of life for everyone on the planet. California oil producers are the most environmentally conscious producers in the world. In times like these, public servants should be pursuing actions that uplift and rebuild, not shift, blame and destroy. Stop wasting public funds. Do not move ahead with this Action.

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 2:27 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Pekka Rautionmaa submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: OIL DRILLING SUBCOMMITTEE MEETING

eComment: Hi, I am totally 100% supporting your plan to purchase the land for the City. We have lived 25 years next to the Oil Field in Blair Hills and our neighbors and We have suffered enough times for Methane gas smells coming from the Oil Fields. Also the Oil operators plans to do slant drilling under our Houses will definitely create foundation issues and maybe even sink holes for our properties. My question is only to remind you that the State of California bought this land from the Developer Vista Pacifica Homes about year 2000. Vista Pacifica was planning to build about 240 houses. The State paid 50 million for the 64 acres that went all the way to La Cienega. How did the same land end up on ownership of the Oil Operators? Did the State sell part of this land to the Oil Operator? In any case we strongly support the City to buy it back and save our properties in Blair Hills. Thank You.

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 3:32 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Rashelle Zelaznik submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: OIL DRILLING SUBCOMMITTEE MEETING

eComment: I support the city buying the oil field and shutting it down!

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 3:54 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Michelle Weiner submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: 20-1010 1) Presentation of the Amortization Study for the Culver Clty Portion of the Inglewood Oil Fields; and 2) Discussion of Potential Amortization Program

eComment: Dear Sub Committee Members, Thank you for your ongoing attentive focus on the health and safety of the Culver City community, especially those who live, work and attend school near the Inglewood Oilfield. I was so elated to read the Amortization Study, which indicates that 2020 or more conservatively, 2021, would be that last year that operations would need to take place in order for the current operator (SPR) to see a return on their investment. It has been many years that our community has experienced the literal fallout from the proximity of these operations. I appreciate all the work the City has done to bring us to this point and I look forward to the sub-committee's recommendation to end oil operations as soon as possible, based on the data the report provides. Thank you again for your steadfast work on our behalf. Michelle Weiner resident, Culver City.

From: David Hou < > > > Sent: Thursday, June 4, 2020 4:22 PM

To: Baker, Heather Cc: Amanda Parsons

Subject: Oil drilling meeting today

Dear Heather,

>

> I registered for the meeting today, but never received any instructions on how to participate.

>

> For the record, I rely on my mineral income from the Inglewood/Sentinel site to live on and am adamantly against any proposals to stop our legal rights. I pay taxes in Culver City and will defend my rights to the fullest.

>`

> Best regards,

> David Hou

>

>

> Sent from my iPhone

cell

From: noreply@granicusideas.com
Sent: Thursday, June 4, 2020 4:40 PM

To: Baker, Heather

Subject: New eComment for Special Event in the Mike Balkman Council Chambers on

2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

New eComment for Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

stefani coughlin submitted a new eComment.

Meeting: Special Event in the Mike Balkman Council Chambers on 2020-06-04 5:00 PM - OIL DRILLING SUBCOMMITTEE MEETING

Item: OIL DRILLING SUBCOMMITTEE MEETING

eComment: * Thank you counsilmembers for hearing me today. * My name is Stefani Coughlin. I am a mineral owner and therefore a property owner with vested rights in Culver City. My family has owned these rights and this property since the 1700's. * I fully support the Inglewood Oil Field. The oil produced in Culver City supports my livelihood. I depend on this income to support my family. * My mineral rights are vested property rights that are not yours to arbitrarily take away. You have not considered an of my rights in your process. * Attempts to take away my property rights are unconstitutional and I intend to fully defend myself to the fullest protection afforded by the law and will join with others to defend our rights. * The City has spent millions of taxpayer dollars in failed attempts against the Oil Field, including the Citys draft EIR and Specific Plans all of which have resulted in nothing but wasteful spending. * The City has declared a state of fiscal emergency and yet again you are risking 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 . *

Mayor Erikson, Vice Mayor Fisch and Council Member Sahli-Wells,

Good evening, my name is Nancy Snowden and I work with the Cone Fee Trust, a landowner in the Inglewood Oil Field "IOF" and a stakeholder in both LA County and Culver City.

Millions and millions of mostly unbudgeted dollars from the near bankrupt City continues to be spent to stop oil and gas production in the IOF. After declaring a budget crisis in 2019, the most recent May 18 and May 19 City Council meetings announced a citywide budget cut close to \$100M for the 20/21 budget with only projected income.

Culver City started this decade long unbudgeted multi-million dollar crusade in the Culver City's portion of the IOF and has funded 3 failed processes after having refused to join LA County's generous offer to attach the 7% of the IOF located in the City on to the incredibly successful LA County's Community Standards District or CSD. The City does not name the process in the annual budget even though the effort to close the City's portion continues year after year the spending of estimates of up to \$10 million so far. Instead of just naming the process, Close the IOF, different names are used so numerous miscellaneous line items from different departments with no transparency can be used. Additionally, the cash strapped city does not make it easy find the taxes from the field, \$250,000 in 2019.

A "participant" is required for any of the processes Culver City has attempted and would have to be a landowner or the oil operator. 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.

Now the Amortization Study, with spending over \$400,000 for City and subcontractor cost, again without a participant, is the most recent attempt to illegally take the land.

Culver City's wacky attempts to involuntarily take the land in the IOF from its rightful owners – many of whom have owned this property since before the City of Culver City even existed is a taking. The continued cost of this battle or the next hair-brain scheme just continues to drain the empty coffers of the City of Culver City. If passed the lawsuit will drag on for years with no changes and will cost the City millions of dollars. Culver City needs to join LA County's CSD to protect the city and spend their remaining funds of their greatly reduced budget that has imploded with the Pandemic on essential services.

Thank you for your time.

From: Wendy Hoss <

Sent: Thursday, June 4, 2020 6:00 PM

To: Baker, Heather

Subject: Culver City Oil Sub Committee meeting 6.4.20 at 5 pm

I fully support the letter submitted by the Cone Fee Trust with regard to the Amortization Study and all of the points it raises. Basic necessities should always be of first concern to government representatives, especially when budgets are deficient.

Wendy

Wendy Hoss

Clifford & Brown 1430 Truxtun Avenue Suite 900 Bakersfield, CA 93301

O: (661)322-6023 F: (661)322-3508

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WebEx Chat Feature Transcript from June 4, 2020 Oil Drilling Subcommittee Meeting

from Paul Ferrazzi to all panelists:

The timing is unfortunate with regard to this Amortization of Capital Investments Study (ACI) for the City IOF given the current value associated with oil & gas, the study quotes CRC an operator in the process of requesting a \$600 million dollar bankruptcy loan. https://www.reuters.com/article/us-california-rsrcs-bankruptcy/california-resources-in-talks-for-up-to-600-million-bankruptcy-loan-wsj-idUSKBN22P31X

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from Paul Ferrazzi to all panelists:

The study is assumptive and is essentially a buying a pig in a poke directive.

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The study is assumptive and is essentially a buying a pig in a poke directive.

from Paul Ferrazzi to all panelists:

No sound

from Marcia Hanscom to all panelists:

I am getting sound....it's ok here.

from Jennifer Ward to host & presenter:

i am able to hear the audio

from Kendal A to host & presenter:

Will ecomments still be accepted? On the website it says ecomments are not available from Meghan Sahli-Wells to all participants:

Thanks for the feedback!

from Paul Ferrazzi to all panelists:

Has the meeting started?

from Meghan Sahli-Wells to all participants:

yes, Paul

from Erika P to all panelists:

I'm an attendee as well and couldn't hear at first, but I had to click on the audio option button and choose to connect to the audio

from Paul Ferrazzi to all panelists:

Do you have audio?

from Paul Ferrazzi to all panelists:

The timing is unfortunate with regard to this Amortization of Capital Investments Study (ACI) for the City IOF given the current value associated with oil & gas, the study quotes CRC an operator in the process of requesting a \$600 million dollar bankruptcy loan. https://www.reuters.com/article/us-california-rsrcs-bankruptcy/california-resources-in-talks-for-up-to-600-million-bankruptcy-loan-wsj-idUSKBN22P31X16:56

The study is assumptive and is essentially a buying a pig in a poke directive.

from Paul Ferrazzi to all panelists:

This slide is inaccurate Review of Drilling Regulations goes back to 2008 along with Culver City imposed drilling moratorium.

from anissa.divincente@culvercity.org divincednte to all participants:

Can you hear now?

from Paul Ferrazzi to all panelists:

Yes had to re connect

from MichaelM Wallace to all panelists:

hi evrey one

from Paul Ferrazzi to all panelists:

What about Los Angeles County Assessor's Office?

from Paul Ferrazzi to all panelists:

Out of date pre COVID1919 pandemic.

from Paul Ferrazzi to all panelists:

\$330,000.00 WASTE

from Paul Ferrazzi to all panelists:

Carpetbagger BS

from Paul Ferrazzi to all panelists:

Does that include Present contamination existing?

from Paul Ferrazzi to all panelists:

The study does not include the almost 50 existing wells that have bottom holes outside the surface area described as CITY IOF yet the well paths and bottom holes exist outside the City IOF but in Culver City jurisdiction.

from Paul Ferrazzi to all panelists:

The study excludes the NW Machado Extension in reference to the City IOF.

from Paul Ferrazzi to all panelists:

References to Enhanced Oil Recovery subsidies from Federal government are where?

from Paul Ferrazzi to all panelists:

Federal Subsidies?

from Kelly Rowland to all panelists:

I would like to ask some questions

from Paul Ferrazzi to all panelists:

Are my comments be recorded in the Webex comment area?

from Paul Ferrazzi to all panelists:

being

from Paul Ferrazzi to all panelists:

Is the Chat box recording public comment?

from John Nachbar to all participants:

Paul, I am checking.

from John Nachbar to all participants:

Yes, the chat comments will be captured.

from Paul Ferrazzi to all panelists:

Thanks

from John Nachbar to all participants:

This is not the intended venue for making public comment. There will be an opportunitiy to speak.

from Paul Ferrazzi to all panelists:

Why?

from John Nachbar to all participants:

Paul, we're still learning how to use these tools. We didn't anticipate this being used for public comment.

from Paul Ferrazzi to all panelists:

Well then you have a free speech issue. Thanks

from John Nachbar to all participants:

You can speak and/or provide written comments. However, we will capture this chat conversation.

from Paul Ferrazzi to all panelists:

Only 30 full time employees per SPR currently.

from Jessica Paquette to all panelists:

As someone that made the time to be present to listen to this study, reading letters and wasting my taste is untasteful. This study is not relevent with the current climate. The cities money would be better spent looking into how much you are going to be sued moving this forward. The oil wells were there first and city issued building permits next to the oil wells. The city needs to look into their mistake and buy the houses around the oil field. It will be cheaper to buy houses around the oil field than to end up in years of endless ligiation. Spend your money on science based study instead of making decisions based on fear. This is a waste of money looking into how much it cost a company to drill a well.

from Marcia Hanscom to all panelists:

Excellent point about abandonment that rarely happens! Look at Montebello gas storage field for a great example of that.

from Marcia Hanscom to all panelists:

field

from Paul Ferrazzi to all panelists:

Information is available with those addressed as Does in original 2008 CEQA Inglewood Oil Field litigation mail filings about 65 or so for the entire oil field in Unicorporated Los Angeles County. Require all subsurface owners to reveal wells within Culver City subsurface as well as surface area of City IOF.