ORDINANCE NO. 451

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ARVIN, CALIFORNIA, TO ADOPT TEXT AMENDMENT NO. 2017-04, AN OIL AND GAS ORDINANCE FOR REGULATION OF PETROLEUM FACILITIES AND OPERATIONS, BY REPEALING CHAPTER 17.46, TITLE 17, AND ADDING CHAPTER 17.46 TO TITLE 17, OF THE ARVIN MUNICIPAL CODE

WHEREAS, all oil and gas operations have the potential for significant and immediate impacts on the health, safety, and welfare of the citizens of Arvin through increased noise, odor, dust, traffic, and other disturbances, as well as the potential to significantly impact the City's air, water, soil, biological quality, geology, storm water and wastewater infrastructure, transportation, noise exposures, emergency response plans, aesthetic values, environmental and community resources; and

WHEREAS, the City of Arvin zoning and land use standards and regulations on oil and gas drilling have not been updated in several years, and have not been updated prior to various changes in oil and gas production practices and changes to state statutes and regulations; and

WHEREAS, the City Council held a variety of public meetings regarding these and related issues associated with petroleum operations on October 18, 2016, and January 10, 2017; and

WHEREAS, on September 19, 2017, the City Council adopted Resolution No. 2017-92, initiating various code amendments, deletions, and additions to Title 17 –Zoning, including updates to the oil and gas ordinance; and

WHEREAS, the City Council directed City Staff to commence a complete and comprehensive review to update the Municipal Code, which included Section 17.46 Oil and Gas Ordnance regarding oil and gas operations and to study and address all modern-day drilling issues and applications; and

WHEREAS, the City of Arvin has reviewed and studied revisions as necessary to the City's laws, rules, procedures and fees related to petroleum operations and facilities, to enable the City to adequately and appropriately balance the rights of existing operators and future applicants who wish to develop oil and gas drilling and extraction facilities in the City, with the preservation of the health, safety and welfare of the communities surrounding the oil and gas drilling and extraction facilities in the city including exposure to nuisances; and

WHEREAS, as part of this review process, the City of Arvin has engaged in community outreach regarding this matter, including hearings, publishing notices in the newspaper, etc.; and

WHEREAS, City of Arvin Staff prepared a proposed Oil and Gas Ordinance, including modifications to the Arvin Zoning Ordinance, which was available on the internet on October 6, 2017; and

WHEREAS, the Planning Commission received and reviewed Text Amendment No. 2017-04 proposing and Oil and Gas Ordinance at a duly noticed meeting on October 10, 2017; and

WHEREAS, the public was provided an opportunity to comment on the Oil and Gas Ordinance, and any public testimony and evidence, both written and oral, was considered by the Planning Commission; and

WHEREAS, after considering all public testimony and receiving information provided to date, the Planning Commission recommended approval of Text Amendment No. 2017-04, as amended in its meeting of October 10, 2017, which proposes an updated Oil and Gas Ordinance for regulation of petroleum facilities and operations, to the City Council; and

WHEREAS, as part of this recommendation, the Planning Commission of the City of Arvin reviewed Text Amendment No. 2017-04, including all associated amendments and repeals of the relevant portions of the Arvin Municipal Code in order to enact the Oil and Gas Ordinance, for consistency with the General Plan and any applicable Specific Plans; and

WHEREAS, the Planning Commission of the City of Arvin also reviewed and recommended approval of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308, Actions By Regulator Agencies For Protection of Natural Resources as the Ordinance is an action taken by a regulatory agency for the protection of the environment; and

WHEREAS, a stated purpose of said recommendation of adoption was to protect the health, safety, public welfare, physical environment and natural resources of the City of Arvin, and to prevent nuisances, by the reasonable regulation of certain petroleum operations; and

WHEREAS, the City Council received the Planning Commission's recommendation and reviewed Text Amendment No. 2017-04 proposing an Oil and Gas Ordinance at a duly noticed meeting on November 07, 2017 (first reading/introduction); and

WHEREAS, the public was provided an opportunity to comment on the Oil and Gas Ordinance, and any public testimony and evidence, both written and oral, was considered by the City Council; and

WHEREAS, after considering all public testimony and receiving information provided to date, the City Council voted to introduce Text Amendment No. 2017-04, which proposes an updated Oil and Gas Ordinance for regulation of petroleum facilities and operations; and

WHEREAS, on the City Council then considered the proposed ordinance for final adoption at another public hearing (second reading/adoption) on November 21, 2017, including an attendant finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 for the project; and

WHEREAS, the public was again provided an opportunity to comment on the Oil and Gas Ordinance and the proposed CEQA finding, and public testimony and evidence, both written and oral, was considered by the City Council; and

WHEREAS, despite multiple public hearings and notices in the newspaper, and without having made any objection at prior hearings, various individuals associated with the oil and gas industry raised for the first time during the November 21, 2017, hearing that they did not have sufficient time or notice to review the proposed ordinance; and

WHEREAS, there were also questions raised as to whether the amendments recommended by the Planning Commission had been incorporated into the proposed ordinance; and

WHEREAS, the City Council then continued the item to a future meeting to allow for time for City Staff to meet interested parties from the oil and gas industries and to return with the amendments that was formerly approved by the Planning Commission to be included as part of the proposed ordinance; and

WHEREAS, after the passage of approximately (an additional) 150 days, there had been more than sufficient time has since been provided to oil and gas operators, and other parties, to review the proposed ordinance in detail; and

WHEREAS, no written comments had been received from interested parties from the oil and gas industries during the prior 150 day period; and

WHEREAS, City Staff had scheduled both a working meeting and a workshop for interested parties associated with the oil and gas industries; and

WHEREAS, on May 1, 2018, the City Council authorized and directed City Staff to seek Planning Commission review and recommendation of updates to the proposed ordinance, if any and if appropriate given the nature of the update, and then set the proposed ordinance for public hearing and consideration for introduction (first reading) at the next reasonably available Council meeting given Staff resources; and

WHEREAS, the City Council also directed City Staff that if no additional Planning Commission review is warranted given the nature of the updates, then Staff was authorized to set the proposed ordinance for public hearing and consideration for introduction (first reading) at the next reasonably available Council meeting given Staff resources; and

WHEREAS, at its meeting on May 1, 2018, the City Council also authorized the Mayor to provide periodic press releases to update the community regarding developments with the proposed oil and gas ordinance update, which would provide information in addition to notices required by law; and

WHEREAS, on May 2, 2018, City Staff held a working meeting with interested parties from the oil and gas industries, received comments and answered questions; and

WHEREAS, on May 16, 2018, City Staff held a workshop for interested parties associated with the oil and gas industries, received comments and answered questions; and

WHEREAS, City Staff also reached out to community and environmental groups to receive comments and to answer questions; and

WHEREAS, interested parties submitted multiple comments regarding the adoption of Text Amendment No. 2017-04; and

WHEREAS, the proposed ordinance was updated to address intervening changes in laws (including those which took effect on January 1, 2018), local conditions related to the Mountain View field, procedural items including streamlining to reduce impacts on City and other resources, increasing setbacks from roadways from 50 to 100 feet, etc.; no changes were made with regard to immediate public health, safety and welfare issues; and

WHEREAS, City Staff returned the updated draft ordinance to the Planning Commission for consideration; and

WHEREAS, public notice of the Planning Commission hearing was provided at least 10 days in advance of the Planning Commission meeting; and

WHEREAS, in addition to public notice as required by law, the City also issued a press release further notifying the public regarding the Planning Commission hearing; and

WHEREAS, the Planning Commission received and reviewed the updated Text Amendment No. 2017-04 proposing and Oil and Gas Ordinance at a duly noticed special meeting on May 30, 2018; and

WHEREAS, the public was again provided an opportunity to comment on the Oil and Gas Ordinance, and any public testimony and evidence, both written and oral, was considered by the Planning Commission; and

WHEREAS, after considering all public testimony and receiving information provided to date, the Planning Commission again recommended approval of Text Amendment No. 2017-04, as updated, which proposes an updated Oil and Gas Ordinance for regulation of petroleum facilities and operations, to the City Council; and

WHEREAS, as part of this recommendation, the Planning Commission of the City of Arvin reviewed updated Text Amendment No. 2017-04, including all associated amendments and repeals of the relevant portions of the Arvin Municipal Code in order to enact the Oil and Gas Ordinance, for consistency with the General Plan and any applicable Specific Plans; and

WHEREAS, the Planning Commission of the City of Arvin also reviewed and again recommended approval of a finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308, Actions By Regulator Agencies For Protection of Natural Resources as the Ordinance is an action taken by a regulatory agency for the protection of the environment; and

WHEREAS, public notice of the City Council hearing regarding updated Text Amendment No. 2017-04 was provided at least 10 days in advance of the City Council meeting; and

WHEREAS, in addition to public notice as required by law, the City also issued another press release further notifying the public regarding the City Council hearing; and

WHEREAS, the City Council received the Planning Commission's recommendation and reviewed Text Amendment No. 2017-04 proposing and Oil and Gas Ordinance at a duly noticed meeting on July 1, 2018 (first reading/introduction); and

WHEREAS, the public was again provided an opportunity to comment on the Oil and Gas Ordinance, and any public testimony and evidence, both written and oral, was considered by the City Council; and

WHEREAS, after considering all public testimony and receiving information provided to date, the City Council voted to introduce updated Text Amendment No. 2017-04, which proposes an updated Oil and Gas Ordinance for regulation of petroleum facilities and operations; and

WHEREAS, on the City Council then considered the proposed ordinance for final adoption at another public hearing (second reading/adoption) on *[***DATE***]*, including an attendant finding of a Class 8 Categorical Exemption under CEQA Guidelines §15308 for the project; and

WHEREAS, the public was again provided an opportunity to comment on the Oil and Gas Ordinance as updated and the proposed CEQA finding, and public testimony and evidence, both written and oral, was considered by the City Council; and

WHEREAS, the City Council desires to proceed with the adoption of Text Amendment No. 2017-04; and

WHEREAS, it is the intent of the City Council that petroleum operations shall be permitted within the City of Arvin, except where expressly prohibited, subject to the application the Arvin Municipal Code and all other applicable laws, regulations and requirements; and

WHEREAS, it is a purpose of the adoption of the Ordinance is to protect the health, safety, public welfare, physical environment and natural resources of the City of Arvin, and to prevent nuisances, by the reasonable regulation of certain petroleum operations; and

WHEREAS, the City Council has duly considered all information presented to it, including the Planning Commission findings, Planning Commission Resolution, written staff reports, studies, research, testimony and other evidence provided at the public hearings and received by the City, as well as its prior legislative approvals and enactments.

NOW, THEREFORE, the City Council of the City of Arvin, California, does ordain as follows:

Section 1. Findings.

A. Recitals: The City Council of the City of Arvin finds that the above recitals are true and correct.

B. Notices: The City Council of the City of Arvin finds that all legal pre-requisites for consideration of this item have occurred, including notice as required by law.

C. Plan Consistency: The City Council of the City of Arvin has reviewed Text Amendment No. 2017-04, an oil and gas ordinance for regulation of petroleum facilities and operations, and hereby finds it is consistent with the General Plan and all applicable Specific Plans.

D. Findings of Fact: The City Council of the City of Arvin, based on its own independent judgment, finds that Text Amendment No. 2017-04 promotes and protects the health, safety, welfare, and quality of life of City residents, including protection against nuisances, and adopts the Findings of Fact, attached as Exhibit "A" and incorporated in full by reference, any one of which findings would be sufficient to support adoption of this Text Amendment.

Section 2. CEQA. Text Amendment No. 2017-04 was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. The City Council hereby finds and determines that the adoption of Text Amendment No. 2017-04 is exempt from CEQA pursuant to Section 15308 of the Guidelines for actions taken by regulatory agencies to assure the maintenance, restoration, enhancement, or protection of the environment. This Categorical Exemption is applicable as this Ordinance is intended to further regulate oil and gas production in the City in such a way as to better protect the environment. Such a finding and determination is warranted as the proposed Ordinance addresses the maintenance, restoration, enhancement and protection of the environment and the public health, safety, welfare of the citizens of Arvin as related to potential impacts from petroleum operations and facilities within the City. The variety of environmental issues addressed include air, water, soil, geology, storm water and wastewater infrastructure, transportation, noise, emergency response, aesthetic issues, and petroleum operations near potentially sensitive receptors.

The Council further finds that this Ordinance does not have some sort of unique feature that distinguishes it from other types of ordinances or procedures contemplated by Section 15308 of the Guidelines. Section 15308 contemplates the restriction, not relaxation, of standards. Adoption of Text Amendment No. 2017-04 does not relax standards within the City of Arvin. Speculation that imposing heightened standards will result in more intense uses and potential for resulting environmental impacts at other sites is without basis. Under existing regulations multiple wells, directional drilling and associated equipment, and oil and gas operations in general (including associated potential impacts from traffic, air quality, noise, greenhouse gas, etc.) are already allowed as potential uses at such sites; the Ordinance does not relax standards to allow additional intensity at those (or any site). Additionally, underground pools oil and gas resources cannot be moved; oil and gas facilities need to be located close to the underground pools in order to access the resource. This means that the Ordinance in itself will not cause more intense uses to be shifted to other remote locations. Further, putting aside the fact that use of such sites are already allowed under the current regulatory environment, whether the Ordinance could lead to an increased level of hypothetical and speculative future intensity at other locations is just that - speculation. Any such projects would also be subject to individual, project-level environmental review as required by CEQA. As a result, this Ordinance does not have some sort

of unique feature that distinguishes it from other sorts of regulations designed to protect the environment. Instead, this Ordinance merely reduces the potential impacts at certain locations by establishing standards for environmental protection. It does not provide for the relaxation of standards as compared to the current regulations in the Arvin Municipal Code. Instead, the Ordinance strengthens environmental standards related to petroleum operations and facilities, and thereby advances the protection of environmental resources within the City of Arvin as compared to the existing regulatory environment.

Additionally, the Council further finds there is no substantial evidence in the record that there are unusual circumstances (including future activities) resulting in (or which might reasonably result in) significant impacts that threaten the environment. Specifically, the exceptions to the categorical exemptions articulated in Section 15300.2 of the State CEQA Guidelines are not applicable as:

(a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -- a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. These classes are considered to apply in all instances, except where the project may impact an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

Here, the Categorical Exemption applied is a Class 8; therefore, this exception does not apply to the proposed Ordinances.

(b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

Here, the Categorical Exemption applied is Class 8; therefore, this exception does not apply to the proposed Ordinance. Additionally, the Ordinance does not relax standards for environmental protection, but instead enhance procedures and prohibitions that provide for further maintenance, restoration, enhancement, and protection of the environment from petroleum operations and facility uses which are currently allowed, or are not fully regulated by, the Arvin Municipal Code. As such, such a reduction to the impact of petroleum operations and facilities would not have substantial adverse impact on the environment, cumulative or otherwise. Likewise arguments that the Ordinance may cause more intense use at other locations are without basis, as that level of hypothetical and speculative intensity is already allowed under the current regulatory environment and would be required to be assessed under CEQA at that time for impacts if such intensity ever occurred at some future date; this Ordinance merely reduces the potential impacts at certain locations by establishing standards for environmental protection. Finally, given the relative small size of the area restricting the surface use of oil and gas facilities within the City as compared to the rest of the Mountain View field and other oil and gas fields, any such hypothetical increase resulting from the ordinance would be insubstantial.

(c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

Here, the Oil and Gas Ordinance update clarifies and expands regulation of the permit process and procedure for any petroleum extraction or production projects and require that such projects obtain approval authority from the City Planning Commission or the City Council. Prior to such approval, these bodies must consider the potential environmental impacts related to petroleum operations or facilities and make appropriate determinations regarding potential impacts as required by CEQA.

The proposed Ordinance also further enhances the ability of the City of Arvin to protect the environment and avoid significant effects by ensuring that petroleum extraction and production operations are subject to a more comprehensive permitting process with CEQA review and regulatory oversight to ensure appropriate compliance. Additionally, the Ordinance further limits – not relaxes – the environmental impacts petroleum operations may potentially have on the environment including air quality, greenhouse gas emissions, water resources, geology, noise, traffic and public health and safety.

As such, there are no "unusual circumstances" that would create a reasonable possibility that adoption of the Ordinance would have a significant adverse effect on the environment.

(d) Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements, which are required as mitigation by an adopted negative declaration or certified EIR.

Here, the Ordinance does not involve the approval of surface petroleum extraction and production operations in a manner that damages scenic resources. There are no state-designated scenic highways located within or immediately adjacent to the City of Arvin and, as such, the Ordinance does not have the potential to impact any of these state designated scenic resources. As an additional matter, expansion of the regulatory oversight and permitting requirements will require additional discretionary approvals for petroleum operations and facilities by the City, which in turn will also require expanded CEQA review and protections for any potential scenic resources as compared to the current process. Finally, prohibition of certain activities would limit, not expand, environmental protections for scenic resources.

(e) Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site, which is included on any list compiled pursuant to Section 65962.5 of the Government Code.

Here, the Ordinance is proposed to apply city-wide, and does not propose construction on "a site." Likewise, the Ordinance does not negatively impact approval of any petroleum operations or facilities in a location listed as a hazardous waste site as compared to the

current regulatory process. Instead, the Ordinance provides additional regulatory grounds to ensure the maintenance, restoration, enhancements and protection of the environment, as well as a regulatory process for the protection of the environment.

(f) Historical Resources. A categorical exemption shall not be used for a project, which may cause a substantial adverse change in the significance of a historical resource.

Here, the proposed Ordinance does not negatively impact any approval of petroleum operations and facilities in a manner that causes substantial adverse change in the significant of a historical resource. As noted above, the Ordinance provides for enhanced - not relaxed - regulations for protection of the environment as compared to the current regulatory process. The proposed Ordinance does not modify the current restrictions and protections put into place by the City of Arvin regarding historical resources, nor is there substantial information in the record that the ordinance may cause a substantial adverse change in the significance of a historical resource.

Section 3. Enactment. The Arvin Municipal Code is hereby amended to read, in its entirety, as is set forth in the attached Exhibit "B" and incorporated in full by reference, which repeals Chapter 17.46 of Title 17, and adds Chapter 17.46 of Title 17, consisting of sections 17.46.01 through 17.46.038, of the Arvin Municipal Code.

Section 4. Severability. If any provision(s) of this Ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or application, and to this end the provisions of this ordinance are declared to be severable. The City Council hereby declares that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof be declared invalid or unconstitutional.

Section 5. Posting. The City Clerk shall certify to the passage and adoption of this Ordinance by the City Council of the City of Arvin and shall cause this ordinance to be published or posted in accordance with Government Code Section 36933 as required by law.

Section 6. Effective Date. This ordinance shall be effective thirty (30) days following its adoption except as to applications for any pending entitlement submitted prior to January 1, 2018.

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I HEREBY CERTIFY that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the 03rd day of July, 2018, and adopted the Ordinance after the second reading at a regular meeting held on the 17th day of July, 2018, by the following roll call vote:

AYES: CM Robles, CM Martinez, Mayor Gurrola

NOES: _____

ABSTAIN: _____

ABSENT: CM Madrigal, MPT Ortiz

ATTEST

CECILIA VELA, City Clerk

CITY OF ARVIN

By: _____
JOSE GURROLA, Mayor

APPROVED AS TO FORM:

By: _____
SHANNON L. CHAFFIN, City Attorney
Aleshire & Wynder, LLP

I, _____, City Clerk of the City of Arvin, California, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and adopted by the City Council of the City of Arvin on the date and by the vote indicated herein.

EXHIBIT "A"

FINDINGS OF FACT

The City Council of the City of Arvin, based on its own independent judgment, finds that Text Amendment No. 2017-04 promotes and protects the health, safety, welfare, and quality of life of City residents and reduces nuisances as set forth in these Findings of Fact, any one of which findings would be sufficient to adopt this Text Amendment, and any one of which may rely upon evidence presented in the other, including as follows:

I. Limited Water Supplies Should Be Preserved

A. Extreme Drought Conditions Throughout State Result In Water Shortages

The City, region and State of California are experiencing extreme drought conditions, and have been struggling to preserve potable water resources for most of the decade. On June 12, 2008, the Governor issued Executive Order S-06-08 calling for a State of Emergency regarding water shortages and availability. The State of Emergency was again called on February 27, 2009. Additionally, the Water Conservation Bill of 2009 SBX7-7 was passed, which requires every urban water supplier that either provides over 3,000 acre-feet of water annually, or serves more than 3,000 urban connections, to assess the reliability of its water sources over a 20-year planning horizon, and report its progress on 20% reduction in per-capita urban water consumption by the year 2020. Executive Order S-06-08 was not rescinded until March 30, 2011. Even then the Governor urged Californians to continue to conserve water.

Shortly thereafter extreme drought conditions once again resulted in water shortages. On January 17, 2014, the Governor again proclaimed a State of Emergency regarding water shortages and availability. On April 25, 2014, the Governor issued an executive order to speed up actions necessary to reduce harmful effects of the drought, and called on all Californians to redouble their efforts to conserve water. On December 22, 2014, Governor Brown issued Executive Order B-28-14, citing to the January 17, 2014 Proclamation and the April 25, 2014 Proclamation, and extending the operation of those proclamations until May 31, 2016.

During this period of time the State Water Resources Control Board (SWRCB) has been adopting new water conservation regulations. On July 15, 2014, SWRCB adopted emergency regulations prohibiting all individuals from engaging in certain water use practices and require mandatory conservation-related actions of public water suppliers during the current drought emergency. On March 17, 2015, the SWRCB amended and re-adopted the emergency drought conservation regulations, and they became effective on March 27, 2015.

Following the lowest snowpack ever recorded and with no end to the drought in sight, on April 1, 2015, the Governor directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This is the first time in state history such drastic steps have ever been ordered due severe drought conditions. The SWRCB continues to adopt new water and emergency conservation regulations for all of California to address systemic water shortages.

The drought exacerbated the depletion of groundwater resources, which led to subsidence and other issues throughout the area. To address this issue on a state-wide level, the legislature adopted the Sustainable Groundwater Management Act (SGMA). SGMA established a new structure for managing California's groundwater resources at a local level by local agencies. SGMA requires the formation of locally-controlled groundwater sustainability agencies (GSAs) in the State's high- and medium-priority groundwater basins and subbasins (basins). A GSA is responsible for developing and implementing a groundwater sustainability plan (GSP) to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results. The community of Arvin relies upon groundwater for its water resources, and is located in a high-priority groundwater basin.

Subsequently, the Governor issued Executive Order B-37-16, on May 9, 2016. The executive order established a new water use efficiency framework for California. The order established longer-term water conservation measures that include permanent monthly water use reporting, new urban water use targets, reducing system leaks and eliminating clearly wasteful practices, strengthening urban drought contingency plans and improving agricultural water management and drought plans.

After many years of drought, rain and snow finally came to many regions of the State. As a result, the Governor of the State of California issued declared the state of the drought at an end effective April 7, 2017. However, the executive order did not lift the drought state of emergency in Fresno, Kings, Tulare, and Tuolumne counties, where emergency drinking water projects will continue to help address diminished groundwater supplies. As a result, Kern County is still operating under a drought state of emergency.

B. Oil and Gas Operations Can Impact Water Quality and Resources

Oil and gas operations have the potential to impact water quality, surface water and groundwater supplies.

Without the appropriate regulations, or a mechanism to confirm compliance with existing regulations, oil and gas operations can result in an increased level of freshwater pollution or groundwater contamination in the immediate area, or cause regulatory water standards at an existing water production well to be violated. Impacts can occur through a variety of sources, whether through construction, operations, abandonment or redevelopment to another use. Until the appropriate facilities have been built, construction activities can result in storm water pollution. Produced water and wastewater, if not properly contained, transported and disposed, can contaminate both surface water and groundwater supplies. Water quality can also be impacted by operations, and the appropriate steps cannot be taken to address the issue unless water quality is sufficiently monitored for both surface and groundwater monitoring locations. Oil and gas are located at varying depths, often below underground sources of drinking water. The well bore, however, must be drilled through these drinking water sources in order to gain access to the oil and gas. Depending on field conditions, chemicals and natural gas can escape the well bore if it is not properly sealed and cased. While there are state requirements for well casing and integrity, accidents and failures can still occur. Wellbore leakage can lead to the

deterioration of the quality of groundwater.[1] Inadequately abandoned wells risk surface and subsurface contamination, which can impact water quality, surface water and groundwater supplies.

Without the adequate financial assurances, there may be insufficient funding available to ensure regulatory compliance, enforcement, and safety measures are implemented to protect the environment including water supplies.

Contamination of surface water and groundwater supplies is nuisance, requiring substantial infrastructure and expense to render such water potable – if at all. Given the community of Arvin's heavy reliance on groundwater, groundwater contamination could have devastating impacts on the local economy and water supplies. Vulnerable water supplies should be preserved for municipal and other critical uses.

Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential pollution and water quality impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

II. Transportation of Water Required for Operations Creates Land Use and Nuisance Activities

As evidence by the City of Arvin Pavement Management Plan dated July 2017 was approved by the City Council on July 18, 2017, the condition of a significant number of roadways in the City are marginal or poor. Significant traffic, especially truck traffic, could effectively destroy marginal or poor roadways.

Oil and gas operations generate a significant amount of truck traffic. All of the materials and equipment needed for activities associated with bringing a well into production are typically transported to the site by trucks. Additionally, wastewater and waste materials from certain operations is usually removed by tanker truck to the disposal site or to another well for reuse. Much of the truck traffic is concentrated over the first 50 days following well development. Wastewater disposal may require additional trips.

Transport associated with oil and gas operations through the City to well locations will result in potential adverse land use and nuisance activities including traffic loads, increased risk of truck accidents including releases chemical or wastewater spills, air emissions, noise, traffic congestion, degraded road quality, vibration, and aesthetics - each of which is detrimental to the public health, safety and welfare.

Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential land

[1] "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

use, impacts and nuisances activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life.

III. Surface Spills and Leaks

All extraction activities come with some risk of surface or groundwater contamination from the accidental or intentional release of wasted. Fluids released into the ground from spills or leaks can run off into surface water and/or seep into the groundwater.

Spills can occur at any stage during the drilling lifecycle. Accidents and equipment failure during on-site mixing of the fluids can release chemicals into the environment. Above-ground storage pits, tanks, or embankments can fail. Vandalism and other illegal activities can also result in spills and improper wastewater disposal. Given the large volume of truck traffic associated with petroleum operations, truck accidents can also lead to chemical or wastewater spills.

A recent study noted that reported wellbore leakage in active onshore drilling ranged from approximately 7% to 64% across a wide variety of locations.[2] The likelihood of leakage is significant given the potentially high level of risk that can associate with petroleum operations. Leakage can impact groundwater, air quality, cause odors, contaminate soil, and result in a variety of other nuisance, health, safety and welfare issues.

Given the uncertainty of the frequency, severity, cause and impact of spills associated with petroleum operations, regulations designed to mitigate potential impacts, and provide assurance adequate financial resources are available to address the impacts, are warranted given the severity of the risks associated with such operations.

IV. Air Pollution, Particulate Matter and Odors

Odors, air pollution and particulate matter can be produced as a result of oil and gas operations, whether from mobile or stationary sources. These impacts are not localized, but can be spread by natural air flow cause by weather or physically generated outside a site by truck and other traffic. Odors have been known impact locations around an oil and gas site at distances of approximately 1,500 feet.

Odor impacts depend on the process. For small leaks associated with normal operations, odors typically would not reach beyond a few hundred feet. For accidental releases, distances could be higher than 1,500 feet. For projects that would have high levels of hydrogen sulfide, impact distances are larger. The EIR for SB4 indicated that impact distances could be as high as 1,500 feet.

Air quality in the City and region already falls below state standards for pollutants related to production activities. Enactment of the Oil and Gas Ordinance provides a regulatory framework to reduce these risks. Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and

[2] See "Towards a Road Map for Mitigating the Rates and Occurrences of Long-Term Wellbore Leakage," University of Waterloo, Geofirma Engineering Ltd., May 22, 2014.

protects against potential air pollution, particulate matter and odor impacts and nuisance activities from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City.

V. Deleterious Public Health Effects

Development and production of oil and gas operations involve multiple sources of physical stressors such as noise, light, vibrations, toxicants, and impacts on air emissions. Many chemicals used during drilling and other stages of gas operations may have long-term health effects not immediately expressed.[3] Enactment of the Oil and Gas Ordinance provides a regulatory framework to reduce these risks, including setbacks from residential and other sensitive uses. Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential deleterious public health effects from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VI. Oil and Gas Operations Impact Aesthetics

Oil and gas operations utilize unsightly derricks and rigs for drilling, re-drilling, workovers and other operations. This impact can be compounded by the large trucks and traffic traveling on the City's roadways through the community, dust, and light pollution from stadium-type lighting from around-the-clock drilling rigs. These aesthetic impacts are contrary to the urban nature of the City, are a nuisance and create a risk to the public, health and safety.

Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential deleterious aesthetic impacts from oil and gas operations, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VII. Oil and Gas Operations Are Incompatible With Residential Uses

The City is urbanized area with a denser residential population as compare to the surrounding County. Oil and gas development projects are industrial operations that are incompatible with residential uses and quality of life. Petroleum operations often generate noise, odor, visual effects, significant heavy truck traffic, and other impacts noted in these Findings that are incompatible with residential areas. For these reasons, all petroleum operations should be directed away from areas with residential land use designations, and other sensitive uses, and the operations regulated to reduce adverse impacts on residents and the community. Requiring additional measures as operations are located closer to residential and sensitive uses reduces the impacts caused by those incompatible operations upon residential uses. These can include landscaping, walls, sanitation, noise barriers and noise reduction devices, odor monitoring, air monitoring and other control issues.

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[3] Colborn, Theo, C. Kwiatkowski, K. Schultz and M. Bachran, "Natural Gas Operations from a Public Health Perspective," Human Ecological Risk Assessment, September 2011, pp. 1309-1056.

Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential incompatible impacts with residential uses, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

VIII. Oil and Gas Operations, Closure, Abandonment and Other Uses

Land uses change. Over the past several decades the City of Arvin has been changing from agricultural uses to more residential and commercial uses. Former oil and gas operations sites are being utilized for other uses, including commercial and residential uses. These types of sites pose unique challenges to redevelopment, including potential contamination, locations of and impacts of abandoned facilities, potential for well leaks and the need for remedial access to address the same.

Prior to redevelopment or re-use of the site for another use, closed or abandoned sites that have not been properly cleaned and remediated can contribute to adverse impacts and nuisances including aesthetics, air quality, odor, graffiti, vandalism, weeds, contaminants, trash, and other items noted in the administrative record. Wells and sites can be left in an unsafe condition without being properly abandoned. Financial assurances posted with other agencies are often insufficient to address remediation and compliance efforts.

Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential impacts and nuisances caused by site abandonment and re-development, including those articulated herein, for the benefit of the public health, safety, welfare, and quality of life of City residents.

IX. Need for Financial Assurances and Identification of Responsible Parties

Accidents happen, and the nature of oil and gas operations can cause unique and potentially significant impacts upon the community not associated with other uses as has been noted in the administrative record. Financial assurances, to the extent they may be required by other agencies, are often insufficient to assure the impacts have been fully addressed. This leaves the public to pay either through unaddressed impacts on the community (aesthetics, odors, noise, risk of contamination, etc.) or to provide money to address the issue. Additionally, without the appropriate mechanisms in place, it can be difficult or impossible to effectively identify responsible parties. Based on these considerations and other impacts found in the administrative record, the City Council finds Text Amendment No. 2017-04 promotes and protects against potential impacts and nuisances caused by insufficient financial assurance and identification issues for the benefit of the public health, safety, welfare, and quality of life of City residents.

X. Need for Enforcement, Compliance Monitoring, and Oversight Mechanisms

Regulations are only as stringent as their enforcement, compliance monitoring, and oversight mechanisms. Without adequate enforcement and oversight, there is an uneven playing field, bad operators are effectively rewarded to the detriment of good operators, and the

community as a whole suffers. Given the complexity of oil and gas operations, the potential for significant environmental and other impacts upon the community identified in these Findings including nuisances, as well as the finite public resources available to address those impacts, strong enforcement and oversight mechanisms are warranted. The City Council finds Text Amendment No. 2017-04 promotes and protects against potential impacts and nuisances caused by inadequate enforcement compliance monitoring and oversight mechanisms for the benefit of the public health, safety, welfare, and quality of life of City residents.

XI Changing Technologies, Regulatory Oversight Roles, Environmental Standards and Operations Within a Highly Urbanized Setting Warrant Adoption of the Ordinance

The City's original oil code was adopted in 1965 and consisted of only a few pages of regulations. The current code allows oil drilling in residential neighborhoods with a CUP. In 1970, the City's population was 5,199 residents. At that time the State Division of Oil and Gas was also actively regulating oil production, as well as the site redevelopment process, such that there was no role for a City inspection process. During the last 50+ years the character of the community has changed significantly, growing to over 20,000 residents and adding many high quality residential neighborhoods, as well as new commercial and business developments located in or adjacent to active oil fields.

The proposed oil code amendments deal with not only the changing character of Arvin, but changes in the science and technology of oil production in the last half century. These include the advent of 3-D Seismic Imaging technology, which is unlocking new deposits of oil and gas in previously declining and abandoned oil fields. Major technology advancements have been made in directional or slant drilling, now combined with GPS coordination and 3-D imaging to precisely locate and access gas and oil deposits. Arvin's original oil code did not anticipate these technologies or uses.

As the technology and science improve in locating gas and oil deposits, as well as improvements in production technology, it is conceivable that these reserves will increase. This improvement in technology and science make a compelling case that Arvin requires a comprehensive oil code amendment that can deal with decades of future oil production.

There have also been changes in oil field production techniques which warrant the proposed amendments to the Arvin Oil Code. These include changes in pumping technology and efficiencies, including more energy efficient pumps. There have also been changes in sound attenuation technology, for both oil drilling equipment and well servicing equipment, since the existing code was adopted. Air quality standards have also evolved since 1965, including new regulations from the San Joaquin Valley Air Pollution Control District to control odors and emissions. Natural gas vapor recovery is now common place in the local oil fields, where in 1960's natural gas was routinely a waste product that was vented to atmosphere or flared. Drilling muds have evolved into water based muds rather than oil based muds, which are less impactful to the environment. There have been changes in pipeline technology, leak detection and pipeline repairs, where the majority of oil production can now be conveyed by pipeline, instead of tanker trucks.

Important regulations have been developed in other jurisdiction to address issues such as decommissioning of oil facilities once they have reached the end of their economic life and appropriate clean up and remediation to allow for appropriate future use of the land. In addition, regulations have evolved to address the potential change of ownership that could occur at oil fields and the importance of addressing such changes to protect the local jurisdictions on financial responsibility and insurance.

The original water flood systems relied on potable water in the 1970s, when water was relatively inexpensive. With the population growth in the region and State, potable water has been substituted by production or reclaimed water. This water must be carefully monitored for environmental and public health reasons. The original oil code did not anticipate the use of production or reclaimed water and the need for careful water quality monitoring. Other environmental science and technology advancements have been made in the areas of ground water cleanup, soil clean-up and remediation actions. The original oil code did not anticipate any of these environmental advancements, which when employed improve the public health and safety.

The National Environmental Policy Act (NEPA) was adopted in 1969 and California followed suit by adopting the California Environmental Quality Act (CEQA) in 1970. These two landmark pieces of environmental legislation were not anticipated by Arvin's Oil Code in 1965. Part of the necessary amendments in the proposed oil code deal with the increasing the environmental indemnification and insurance coverage requirements. These environmental insurance needs could not have been foreseen by the original authors of the 1965 code.

Without financial assurances to ensure site remediation and compliance with heightened environmental standards, redevelopment of a former oil or gas site may be precluded or unnecessarily restricted. This can result in parcels of land with limited (if any) development potential throughout the City, which can not only displace other desirable uses, but also affects the City's ability to provide services to the public through decreased tax revenue. Additionally, this can increase the likelihood of blight, nuisances, vandalism and other undesirable conditions. These financial assurances to address environmental needs could not have been foreseen by the original authors of the 1965 code.

Another of the key changes that necessitates a comprehensive amendment to the Arvin Oil Code is the major change in the role of the State Division of Oil, Gas and Geothermal Resources since 2011. Oil production and site development in the area was carefully regulated by DOGGR until 2011, when DOGGR notified several cities that they would no longer be involved in the site development process. Several local cities, were required to amend their oil codes to deal with this State policy change. In part, Arvin's proposed amendments to the oil code are in response to the willingness of DOGGR to withdraw from the site development process. The proposed code amendment will ensure environmentally sound, and community protective, operational standards. The proposed code ensures oil well and facilities abandonment requirements that will result in the protection of the public health and safety, overall environmental protection and the safe redevelopment of property.

The City Council finds Text Amendment No. 2017-04 promotes and protects against potential impacts and nuisances caused by changing technologies, regulatory oversight (including the withdrawal of DOGGR from the site development process), and development within a highly urbanized setting for the benefit of the public health, safety, welfare, and quality of life of City residents.

XII Text Amendment Does Not Prevent Access to Subsurface Resources

Under Text Amendment No. 2017-04, oil and gas sites may be located in a variety of zoned districts including, C-2 (General commercial zone), M-1(Limited manufacturing zone), M-2 (Light manufacturing zone), M-3 (General manufacturing zone), A-1 (Light agricultural zone), A-2 (General agricultural zone), and B (Buffer zone). Zone districts where oil and gas sites may be located constitute approximately 25% of the entire City of Arvin by land volume – even excluding applicable setbacks and existing operations that would otherwise be located in a prohibited area. The zone district availability for this use is second only to the R-1 (single family dwelling) zoned district, and far in excess of the 10% zoned for E-3 (estate zone), the less than 4% zoned for SCH-CUP (school zone), and the less than a combined 3% zoned for A-1 (light agriculture) and A-2 (general agriculture) zoned districts.

Additionally, wells are unique in they are one of the few uses that through directional drilling can access resources not located at, or directly below, the actual oil or gas site. Directional drilling allows for the drilling of wells at multiple angles, not just vertically, to better reach and produce oil and gas reserves. While directional drilling has been an integral part of the oil and gas industry since the 1920s, technology has improved over the years. Improvements in drilling sensors and global positioning technology have helped to make vast improvements in directional drilling technology. Today, the angle of a drill bit can be controlled with intense accuracy through real-time technologies, providing the industry with multiple solutions to drilling challenges, increasing efficiency and decreasing costs.

Directionally drilled wells can have several benefits including allowing access in a reservoir where vertical access is difficult or not possible (such as an oilfield under a town, under a lake, or underneath a difficult-to-drill formation). Directional drilling also allows more wellheads to be grouped together on one surface location or pad, which can allow fewer rig moves, less surface area disturbance, limit nuisances and reduce environmental impacts, and (in many cases) make it easier and cheaper to complete and produce the wells. There are no restrictions on directional drilling in either the City's current or proposed ordinance.

Additionally, the City's ordinance does not legally apply outside of the City within the County of Kern's jurisdictions. As a practical matter, this means that wells located within the County can use directional drilling to access resources located under the City of Arvin – even in areas where surface operations would be prohibited. As a result, the total area of land that can be accessed by subsurface directional drilling is greatly in excess of the 25% reflected by the surface location of the oil and gas sites.

Next, directionally drilled wells can commonly be used to access subsurface resources located more than a mile away horizontally, which given the size of Arvin would theoretically

allow all subsurface areas from within the jurisdiction to be accessed from the County. However, the Mountain View oil field underlying the City of Arvin has geologic and other conditions that limit the ability to directionally drill. As a practical matter, directional drilling has been shown to work in this particular field in this general location at two wells, which achieved 1,100 feet and 1,700 feet horizontal displacement from the well site respectively. There is no evidence in the record that this represents the technical extent and theoretical feasibility of runs, and the City finds that runs of ½ mile horizontal displacement is a reasonable distance, feasible, and greater distances are likely to be achieved given the march of technical advancement in the industry.

That finding being made, the City notes that the average of the two runs discussed above is about ¼ of a mile, which industry representatives and owners have likewise confirmed with City staff is reasonably feasible given existing technology. Regardless of the feasibility of a ½ mile run, applying even this conservative ¼ mile factor to determine the ability to access resources from approved zoned districts and locations outside of the City's jurisdiction reveal that almost the entire subsurface under the City of Arvin can be reached. Notwithstanding, based on this extremely conservative approach there is a narrow corridor where a combination of directional drilling limitations, prohibited site locations, and surface setbacks could theoretically result in a narrow strip of subsurface area where resource access would potentially be limited. This narrow strip of land generally runs north and south through the middle of the City along Meyer Street ("Meyer Street corridor").

However, the City finds that there are currently existing surface site locations within areas where new development of oil and gas wells would be prohibited under the conservative analysis. These include several sites that can access potential resources within the Meyer Street corridor through directional drilling. Additionally, as with any other land use, property can be rezoned to change allowed uses. Although setback requirements will still apply to rezoned land, this provides a process for accessing resources consistent with the restrictions of Text Amendment No. 2017-04. Additionally, variances are available consistent with state law. Next, there are jurisdictional restrictions on the application of the updated ordinance to certain federal and state properties, including property located outside of city limits, which could provide additional potential well site locations. Finally, if despite all of these safeguards future development resulted in development that rendered petroleum resources inaccessible, there is a mechanism in place for requesting the City Council to amend or adopt an ordinance to address unique circumstances – as is also available for other types of land uses.

Based on the foregoing, the City Council finds that there are mechanisms in place such that Text Amendment No. 2017-04 does not prohibit access to any oil and gas resources located under the City of Arvin given the technologies that are currently available.

EXHIBIT "B"

Section 1. Chapter 17.46 (Oil and Gas Production), of Title 17 of the Arvin Municipal Code is hereby repealed in its entirety.

Section 2. Chapter 17.46 (Oil and Gas ordinance of the City of Arvin) is hereby added to Title 17 of the Arvin Municipal Code, in its entirety, as follows:

CHAPTER 17.46

Part 1. Administrative Procedures

17.46.01 Purpose

17.46.02 Ordinance Applicability

17.46.03 Allowable Uses

17.46.04 Definitions

17.46.05 Consistency with Other Laws, Rules and Regulations

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17.46.07 Well Drilling Permit

17.46.08 Required Procedures for Conditional Use Permits

17.46.08.1 Conditional Use Permit (CUP) Filing Requirements

17.46.08.2 Processing and Review

17.46.08.3 Findings and Permitting Conditions

17.46.08.4 Modifications and Extensions

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17.46.09 Procedures for Development Agreements

17.46.09.1 Filing Requirements

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17.46.09.3 Findings and Development Agreement Conditions

17.46.09.4 Modifications and Extensions

17.46.010 Periodic Review

17.46.011 Facility Closure, Site Abandonment, and Site Restoration Procedures

17.46.011.1 Purpose and Intent

17.46.011.2 Applicability

17.46.011.3 Application Process

17.46.011.3.1 Requirement to File an Application

17.46.011.3.2 Content of Application

17.46.011.3.3 Permitting Specifications
17.46.011.3.4 Findings Required for Approval
17.46.012 Operational Noticing
17.46.013 Complaints
17.46.014 Injunctive Relief
17.46.015 Notice of Violation and Administrative Fines
17.46.016 Nuisance Procedures
17.46.016.1 High-Risk Operations
17.46.017 Compliance Monitoring
17.46.018 Financial Assurances Applicability
17.46.019 Operator's Financial Responsibilities
17.46.020 Securities and Bond Requirements
17.46.021 Operator Liability Insurance
Part 2. Development Standards for Petroleum Operations
17.46.022 Setback Requirements
17.46.023 Site Access and Operation
17.46.023.1 Deliveries
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17.46.024 Lighting
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17.46.025.1 Landscaping/Visual Resources
17.46.025.2 Walls
17.46.025.3 Sanitation
17.46.025.4 Architecture
17.46.026 Roads
17.46.026.1 Construction of Site Access Roads
17.46.027 Signage
17.46.028 Steaming
17.46.029 Utilities
17.46.030 On-Site Storage and Placement of Equipment
17.46.031 Safety Assurances and Emergency/Hazard Management
17.46.031.1 Fire Prevention Safeguards
17.46.031.2 Blowout Standards and Testing

17.46.031.3 Earthquake Shutdown

17.46.031.4 Storage Tank Monitoring

17.46.031.5 Safety Measures and Emergency Response Plan

17.46.031.6 Transportation of Chemicals and Waste On and Off-site

17.46.031.6.1 Natural Gas Liquids (NGLs)

17.46.031.6.2 Transportation Risk Management and Prevention Program (TRMPP)

17.46.031.6.3 Pipeline Leak Detection

17.46.032 Environmental Resource Management

17.46.032.1 General Environmental Program

17.46.032.2 Air Quality

17.46.032.3 Greenhouse Gas Emissions and Energy Efficiency Measures

17.46.032.4 Air Quality Monitoring and Testing Plan

17.46.032.5 Water Quality

17.46.032.5.1 Water Management Plan

17.46.032.5.2 Stormwater Runoff

17.46.032.5.3 Groundwater Quality

17.46.032.6 Noise Impacts

17.46.033 Standards for Wells

17.46.034 Standards for Pipelines

17.46.034.1 Pipeline Installations and Use

17.46.034.2 Pipeline Inspection, Monitoring, Testing and Maintenance

17.46.035 Temporary Buildings

17.46.036 [Reserved]
17.46.037 [Reserved]

Part 3. Development Standards for Site Abandonment and Redevelopment
17.46.038 Development Standards

CHAPTER 5

OIL AND GAS CODE

Part 1. Administrative Procedures

17.46.01 Purpose

A. This Chapter shall be known as the Oil and Gas ordinance of the City of Arvin.

B. It is the purpose of this ordinance, amongst other things, to protect the health, safety, public welfare, physical environment and natural resources of the city by the reasonable regulation of oil and gas facilities, equipment, and operations, including but not limited to: exploration; production; storage; processing; transportation; disposal; plugging abandonment and re-abandonment of wells; of operations and equipment accessory and incidental thereto and development and redevelopment of oil and gas sites. It is further the intent of the City that oil and gas operations shall be permitted within this city (except where expressly prohibited herein), subject to the application of this ordinance and all other applicable laws, regulations and requirements.

C. It is not the intent of this ordinance to regulate public utility operations for the storage or distribution of natural gas under the jurisdiction of the California Public Utilities Commission (CPUC). Any well or site related operations, however, shall be subject to this ordinance.

17.46.02 Ordinance Applicability

A. The regulations in this ordinance shall apply, insofar as specifically provided herein, to oil and gas production and related sites and facilities, equipment, structures, or appurtenances including, but not limited to:

1. Drilling, and abandonment operations of any new or existing well or re-entry of a previously abandoned well for the production of oil and gas.

2. Sites, infrastructure, structures, equipment, and/or facilities necessary and incidental to processing of oil, produced water, gas, and condensate obtained from an oil and gas field, zone, subsurface lease or area.

3. Injection wells and incidental equipment necessary for enhanced oil recovery or disposal of produced water.

4. Equipment and facilities necessary for enhanced oil recovery including water flooding, steam flooding, air injection, carbon dioxide injection, or introduction of polymers, or other techniques.

5. Pipelines located within an oil and gas lease area that are necessary for oil and gas production operations.

6. Pipelines that transport oil or gas to another location for sale or transfer to a third party.

7. Storage tanks and equipment necessary or incidental to gathering, separation or treatment of oil, water, and gas, and/or temporary storage of separated fluids and gases, and transfer of the produced hydrocarbons to pipelines or tanker trucks.

8. Oil spill containment and recovery equipment, and facilities including offices, storage spaces, and vehicles for the storage of floating oil and water separators, pumps, generators, hosing, assorted absorbent materials, steam cleaners, storage tanks, and other land and wildlife cleanup and recovery equipment.

B. All portions of this ordinance are applicable to new or existing oil and gas sites and operators if they have or are required to obtain a CUP. For oil and gas sites lawfully existing at the time of adoption of this ordinance, or at the time this ordinance becomes applicable, which do not have or are not required to obtain a new CUP, only the following sections are applicable:

17.46.07	Well Drilling Permit
17.46.08.4(B)	Modifications and Extensions
17.46.011	Facility Closure, Site Abandonment, and Site Restoration Procedures
17.46.022 (C)	Setbacks
17.46.023	Site Access and Operations
17.46.024	Lighting
17.46.027	Signage
17.46.028	Steaming
17.46.031	Safety Assurances and Emergency/Hazard Management (except 17.46.31.4)
17.46.032	Environmental Resource Management (except 17.46.32.3 and 17.46.32.5.1)
17.46.033	Standards for Wells (except subsection G)

Violations of these sections shall also be subject to enforcement mechanisms contained in this ordinance and Code.

To the extent the ordinance applies to existing oil and gas sites, it is not intended to apply in such manner as to interfere with any vested rights that have accrued to property owners.

C. The provisions of this ordinance which impose any limitation, prohibition, or requirement, or confer a right on the basis of the distance between a well or any other use or improvement and another zone classification, use or improvement, shall be applied solely with reference to zone classification uses and improvements within the City.

17.46.03 Allowable Uses

Table 1-1 below specifies what City zoning designations allow for oil and gas sites and, if allowable, what type of authorization is required for the use.

TABLE 1-1

* In addition to the zones listed in the table below, oil and gas sites shall be permitted in any specific plan area where such uses are specifically allowed in accordance with the requirements of this ordinance, and permitted on federal, state, county or municipal land, subject to the entitlement process (CUP, DA, or otherwise) of the governmental entity having jurisdiction over such entitlement.

**CUP indicates a requirement for a Conditional Use Permit, while DA indicates a development agreement. Where not prohibited, all oil and gas facilities or sites within the city's jurisdiction are required to have either a CUP or a DA.

	Zoning Designation	**Oil and Gas Facility/Site Permit Required by Zone**
R-1	One-family dwelling zone	Prohibited
R-2	Two-family dwelling zone	Prohibited
R-3	Limited multiple-family dwelling zone	Prohibited
R-4	Multiple-family dwelling zone	Prohibited
R-S	Suburban residential zone	Prohibited
E	Estate zone	Prohibited
E-1	Estate zone	Prohibited
E-2	Estate zone	Prohibited
E-3	Estate zone	Prohibited

E-4	Estate zone	Prohibited
E-5	Estate zone	Prohibited
C-O	Professional office zone	Prohibited
N-C	Neighborhood commercial zone	Prohibited
C-1	Restricted commercial zone	Prohibited
C-2	General commercial zone	CUP or DA[1]
M-1	Limited manufacturing zone	CUP or DA[1]
M-2	Light manufacturing zone	CUP or DA[1]
M-3	General manufacturing zone	CUP or DA[1]
A-1	Light agricultural zone	CUP or DA[1]
A-2	General agricultural zone	CUP or DA[1]
OS	Open space	Prohibited
P	Automobile parking zone	Prohibited
D	Architectural design zone	Prohibited
B	Buffer zone	CUP or DA[1]
P-D	Precise development zone	Prohibited
MUO	Pedestrian-oriented mixed-use overlay zone	Prohibited

[1] Development agreement provisions apply as specified in Section 17.46.09.

17.46.04 Definitions

Unless the context otherwise requires, the definitions hereinafter set forth shall govern the construction of this ordinance.

"**Abandoned Well**" means a non-producing well DOGGR so designates after it has been demonstrated that all steps have been taken to protect underground or surface water suitable for irrigation or other domestic uses from the infiltration or addition of any detrimental substance, and to prevent the escape of all fluids to the surface.

"API" refers to the American Petroleum Institute.

"**ASTM**" ASTM shall mean the American Society of Testing and Materials.

"City Manager" is the City's administrative official, and the City Manager's designated assistants, inspectors and deputies having the responsibility for the enforcement of this ordinance. The City Manager is authorized to consult experts qualified in fields related to the subject matter of this ordinance and codes adopted by reference herein as necessary to assist in carrying out duties. The City Manager may also appoint such number of officers, inspectors, assistants and other employees and/or to appoint a Petroleum Administrator to assist in carrying out duties. If the City Manager determines it is necessary based on public health, safety or welfare, he or she may require any information as deemed reasonably necessary for a CUP or an abandonment application.

"DOGGR" is the Division of Oil, Gas and Geothermal Resources which is part of the Department of Conservation of the State of California. DOGGR oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

"DOGGR Statutes and Regulations" are the California statutes and regulations related to or governing DOGGR, at California Public Resources Code, Division 3, and Oil and Gas and the California Code of Regulations, Title 14, Division 2.

"Drill" or "Drilling" is to bore a hole in the earth, usually to find and remove subsurface formation fluids such as oil and gas. Drilling, under this ordinance, includes re-drilling and re-working of wells.

"Enforcement action" is any administrative, injunctive, or legal action (either civil or criminal), to enforce, cite or prosecute a violation or efforts to abate or correct a violation (or dangerous or hazardous situation caused by a violation), including investigation, research, legal action, physical abatement, law enforcement and other necessary acts.

"EPA" refers to the U.S. Environmental Protection Agency.

"**Existing**" as applied to oil and gas sites, wells or other facilities and operations, refers to and includes all that were lawfully in existence at the effective date of this ordinance

"Exploratory Well" is defined in the DOGGR Statutes and Regulations and means any well drilled to extend a field or explore a new, potentially productive reservoir.

"Facilities" include tanks, compressors, pumps, vessels, and other equipment or structures pertinent to oil field operations located at an oil and gas site.

"Gas" means any natural hydrocarbon gas coming from the earth.

"Gas Plant" means processing equipment for produced gas to separate, recover, and make useful natural gas liquids (condensate, natural gasoline [e.g., pentenes], and liquefied petroleum gas, etc.), to separate, remove, and dispose of other non-hydrocarbon substances, such as water,

sulfur, carbon dioxide, ammonia, etc., and to produce utility-grade gas suitable for delivery and sale.

"High risk operation" means an oil or gas production, processing or storage facility which: (a) has been in violation of any applicable section of this ordinance for more than 30 consecutive days and resulted in the issuance of a notice of determination of fines pursuant to Section 17.46.012 of this ordinance during the preceding twelve months; or (b) has had three separate unauthorized releases of oil, produced water and/or other hazardous materials of a quantity not less than fifteen barrels (six hundred thirty gallons) other than within secondary containment for each incident during the preceding twelve months

"Idle well" is defined in the DOGGR Statutes and Regulations and is any well that for a period of 24 consecutive months has either not produced oil or natural gas, produced water to be used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. An idle well does not include an active observation well.

"Natural gas liquids" (NGLs) include propane, butane, pentane, hexane and heptane, but not methane and ethane, since these hydrocarbons need refrigeration to be liquefied.

"**NFPA"** refers to the National Fire Protection Agency.

"New Development" means any of the following: 1) development of new buildings, structures or wells for oil and gas operations on a site that has either not previously been used for such activities, or where the previous use was abandoned, or a CUP expired or was revoked; 2) the expansion by 3 or more wells at an existing site used for oil and gas operations and which conforms to setback requirements; 3) the placement or erection of tanks for holding produced substances or substances intended for subsurface injection in connection with oil and gas operations exceeding by 25% or more the capacity of existing tanks as of the effective date of this ordinance. New development does not include the like-kind replacement of facilities required for legally operating oil and gas operations that are damaged, failed, are at risk of failure, or are at the end of their useful life at an existing site. New development does not include workovers or other maintenance for legally operating oil and gas operations, including replacement-in-kind, or re-drills of existing active or idle wells. Re-drills of abandoned wells are considered new wells under this ordinance; re-drills of abandoned wells for re-abandonment are not considered new wells under this ordinance.

"New Well" is defined by the DOGGR Statutes and Regulations as the drilling of a well that requires the submission of the DOGGR form OG105 - Notice of Intention to Drill New Well – Oil and Gas, as may be updated or amended. For the purposes of this ordinance, the re-drilling of an abandoned well is considered a new well.

"Oil" is a simple or complex liquid mixture of hydrocarbons that can be refined to yield gasoline, kerosene, diesel fuel, and various other products.

"Oil and Gas Site" or **"Site"** is a oil drilling site and all associated operations and equipment attendant to oil and gas production or injection operations including but not limited to, pipelines, tanks, exploratory facilities (including exploratory wells), flowlines, headers, gathering lines,

wellheads, heater treaters, pumps, valves, compressors, injection equipment, drilling facilities, and production facilities.

"Oil and Gas Operations" are all activities in connection with the exploration, drilling for and the production of oil and gas and other hydrocarbons, together with all incidental equipment and appurtenances thereto.

"Operator" means the person, who by virtue of ownership or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.

"OSHA" refers to the California Occupational Safety and Health Administration.

"Person" encompasses any individual, firm, association, corporation, joint venture or any other group or combination acting as an entity.

"Petroleum" is a substance occurring naturally in the earth in a solid, liquid, or gaseous state and composed mainly of mixtures of chemical compounds of carbon and hydrogen, with or without other nonmetallic elements such as sulfur, oxygen, and nitrogen.

"Pipelines" for the purposes of this ordinance, shall mean all flow lines associated with wells located within the City of Arvin used for the transportation of petroleum or petroleum by-products or of materials used in the production of petroleum.

"Produced water" is a term used to describe the water that is produced along with crude oil and gas.

"PSM" refers to process safety management.

"Redevelopment" for the purposes of this ordinance is the development of all of a portion of a current or former oil or gas site to another authorized use other than petroleum operations.

"Re-drilling" is defined in the DOGGR Statutes and Regulations and is the deepening of an existing well or the creation of a partial new well bore including plugging of the original bore and casings and requires the submission of DOGGR form OG107 - Notice of Intention to Rework/Redrill Well, as may be updated or amended.

"Re-entry" is the process of cleaning a plugged and abandoned well by drilling, jetting, or other method.

"**Re-work**" is defined in the DOGGR Statutes and Regulations and means any operation subsequent to initial drilling that involves re-drilling, plugging, or permanently altering in any manner the casing of a well or its function and requires the filing of a notice of intent to rework/redrill a well with DOGGR. Altering a casing includes such actions as a change in well type, new or existing perforations in casing, running or removing of cement liners, placing or drilling out any plug (cement, sand, mechanical), running a wireline tool that has the ability to drill through a cased borehole, or any other operation which permanently alters the casing of a well. For the purposes of this ordinance, re-work includes a well abandonment.

"**Refining**" shall mean any industrial process facility where crude oil is processed and refined into more useful products and sold to others without further treatment or processing.

"Regional Water Quality Control Board" shall mean the Central Valley Regional Water Quality Control Board.

"Secondary containment" means an engineered impoundment, such as a catch basin, which can include natural topographic features, that is designed to capture fluid released from a production facility."

"Shut down" or "Shut Down Order" is an order by the City Manager, Kern County Fire Department Chief, California State Fire Marshall, or DOGGR official, to restrict or prohibit certain (or all) functions or operations at a facility or by an operator pursuant to authority of this ordinance.

"SJVAPCD" refers to the San Joaquin Valley Air Pollution Control District.

"**SPCC**" refers to Spill Prevention, Control, and Countermeasures.

"Structure" means anything constructed or erected which requires location on the ground or is attached to something having a location on the ground, except outdoor areas such as walks, paved areas, tennis courts, and similar open recreation areas. This definition includes buildings, but does not include wells.

"Supervisor" means the DOGGR Supervisor.

"**Toxic Air Contaminants**" means an air pollutant which may cause or contribute to an increase in mortality or in serious illness, or which may pose a present or potential hazard to human health as defined in California Health and Safety Code Section 39655, as may be amended from time to time. Title 17, Section 93000, of the California Code of Regulations, lists substances defined as Toxic Air Contaminants.

"USEPA" refers to the United States Environmental Protection Agency.

"Regional Water Quality Control Board" shall mean the Central Valley Regional Water Quality Control Board.

"Well" is defined in the DOGGR Statutes and Regulations and means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

"Workover is the process of major maintenance or remedial treatments on an oil or gas well without changing the physical design of the well. Workovers include all operations that do not

involve the initial drilling or re-working of wells and is regulated by DOGGR but without requirements for notices of intent or permits.

17.46.05 Consistency with Other Laws, Rules and Regulations

This ordinance, insofar as it regulates oil and gas operations also regulated by the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), is intended to supplement such state regulations and to be in furtherance and support thereof. Some definitions in Section 17.46.04 are based on DOGGR Statutes and Regulations and the intent of this ordinance is to utilize those definitions, as they may be amended from time to time by the California Legislature or by DOGGR, as applicable. In all cases where there is conflict with state laws or regulations, such state laws or regulations shall prevail over any contradictory provisions, or contradictory prohibitions or requirements, made pursuant to this ordinance. Additionally, the approving body, whether the City Manager, Planning Commission or City Council, may grant an exception or modification to the requirements of this ordinance to the minimal extent necessary to prevent a compensable taking. Such exception or modification shall be as consistent with the intent and purpose of this ordinance as possible given the specific factual circumstances of the particular project.

17.46.06 Appeals

Unless otherwise specified in this ordinance, any discretionary decision of the City Manager shall be final unless within fifteen (15) days after the decision by the City Manager, or ten (10) days after the mailing of the required notice(s), whichever date is later, any aggrieved person appeals therefrom in writing to the planning commission by timely presenting such appeal to the city clerk. At its next regular meeting after the filing of such appeal with the city clerk, the planning commission shall set a date for a hearing thereon. The decision appealed from shall be affirmed unless reversed by a vote of not less than a majority of all the members of the planning commission. An appeal of the planning commission to the city council shall follow the same process. Mandatory requirements of this ordinance are not subject to appeal.

A. Any court action or proceeding to attack, review, set aside, void or annul any decision or any matter mentioned in this ordinance or concerning any of the proceedings, acts or determinations taken, done or made prior to such decision,(except for any decision approving or denying an application for a permit or revoking a previously granted permit, which is governed by subsection B) shall not be maintained by any person unless such action or proceeding is commenced within sixty (60) days after the date on which such decision becomes final. Thereafter all persons are barred from any such action or proceeding or any defense of invalidity or unreasonableness of such decision or of such proceedings, acts or determinations.

B. Any court action brought pursuant to Code of Civil Procedure Section 1094.5 to attack, review, set aside, void or annul any decision approving or denying an application for a permit or revoking a previously granted permit, shall not be maintained by any person unless such action is commenced within ninety (90) days after the date on which such decision becomes final. This subsection has been adopted pursuant to Code of Civil Procedure Section 1094.6.

C. Nothing in this section shall expand or otherwise extend any shorter statute of limitation set by State or federal law, including any statute of limitation under the California Environmental Quality Act.

17.46.07 Well Drilling Permit

Prior to commencing drilling or re-working of any oil and gas well, the operator must receive a well drilling or re-work permit from DOGGR. Well permits from DOGGR shall be provided to the City Manager prior to commencement of drilling or re-working activities.

17.46.08 Required Procedures for Conditional Use Permits

A. New development to which this ordinance applies (see Section 17.46.02) shall be required to receive a Conditional Use Permit (CUP), from the city planning commission in order to receive authorization for, and proceed with, the construction and operation of new development. No permits shall be considered or approved without such permits being consistent with provisions of the CUP.

B. All procedures for CUPs to which this ordinance applies shall be the same as provided in the Arvin Municipal Code except appeals as noted above. Additionally all procedures for CUPs to which this ordinance applies shall comply with the following additional requirements:

17.46.08.1 Conditional Use Permit (CUP) Filing Requirements

In addition to the filing requirements required by use permits of this Code, for projects within the City to which this ordinance is applicable, the following materials are also required as part of a CUP application for the consideration of the Planning Commission, or the City Council on appeal:

A. A complete statement of the proposed project including, but not limited to, activities, facilities, and sites.

B. A new or updated emergency response plan to deal with potential consequences and actions to be taken in the event of floods, earthquakes, hydrocarbon leaks or fires for the site. The emergency response plan shall be approved by the City's Engineer and the Kern County Fire Department.

C. A phasing plan for the staging of development that includes the estimated timetable for project construction, operation, completion, restoration, and, where applicable, the location and amount of land reserved for future expansion.

D. A site plan showing:

1. Surface property, easement, rights-of-way and pipeline right-of-way boundaries within the site.

2. Proposed access road constructions or modifications and connections with City streets and roads and any existing private roads.

3. Areas to be used for construction.

4. Areas to be used for access and maintenance during pipeline operation within and adjacent to the site.

5. Existing roads, and pipelines and pipeline rights-of-way, if any.

6. Location and type of existing and proposed structures within 50 feet of pipeline right-of- way.

7. Location of existing and proposed wells and oil or gas containing equipment and their measured distance from nearby uses, including the closest residential or school property line.

8. Proposed alteration of surface drainages within the site.

9. A contour map showing existing and proposed contours.

10. A plan for parking on or off site.

11. A map of all known, historic, or suspected active, idle and abandoned oil and gas wells or wellheads within the site and within 750 feet of the surface location of any existing or proposed new well within the site.

E. Site operations plan containing process flow diagrams, piping and instrumentation diagrams, expected process flows (rates, pressures, composition, and shut-down/start-up procedures, quarterly/annual production, disposition, injection, and disposal).

F. Plans with measures to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, air pollutants, and vibration) and to prevent danger to life, environmental quality, and property, consistent with the Development Standards in this ordinance.

G. Estimates of the amount of cut and fill required by the proposed project.

H. If the site is within 600 feet of any prohibited zoning as listed in Table 1-1, a plan for a community alert system (including new or utilizing existing systems, including but not limited to, those operated by the Police, Sheriff or Fire Department) to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

I. If any grading is proposed that results in the loss of vegetated, sandy, permeable ground areas, which could alter surface runoff at the site, a site-specific hydrologic analysis to evaluate anticipated changes in drainage patterns and associated increased runoff at the site.

J. If the site is within 600 feet of any prohibited zoning as listed in Table 1-1, a quiet mode operation plan which includes, but is not limited to, the following noise reduction measures throughout the weekends and on weekdays between the hours of 6 p.m. and 8 a.m.:

1. Using signalers for all backup operations instead of backup alarms and turning off backup alarms;

2. Using radios instead of voice communication;

3. Minimizing crane use and pipe handling operations, pipe offloading from trucks and board loading to the maximum extent feasible and nighttime loading only for safety reasons;

4. Prohibiting material and supply deliveries to the Project Site, other than along designated truck routes, between the hours of 6 p.m. and 8 a.m. on weekdays and prohibiting deliveries on weekends and holidays, with exceptions only for safety; and

5. Limiting process alarms and communications over the broadcast system to the maximum extent feasible during all operations and use only for safety reasons.

K. If the site is within 600 feet of any prohibited zoning as listed in Table 1-1, a photometric analysis, which compares the baseline of the existing light measurements with the proposed light spill that will result from the oil and gas site.

L. An Environmental Quality Assurance Program ("EQAP"). (Ref. Section 17.46.32.1).

17.46.08.2 Processing and Review

Processing of CUPs shall comply with California's Permit Streamlining Act requirements as consistent with this Code.

A. The applicant may apply for:

1. The drilling operations only;

2. The production facilities only; or

3. Both the drilling and production facilities.

B. The City Manager will review the submitted application(s) for completeness in compliance with the filing requirements of Section 17.46.08.1 and any other applicable sections of the Code, and shall refer the filed CUP to appropriate City departments or local and state agencies, as appropriate, for review and comment.

17.46.08.3 Findings and Permitting Conditions

A. In addition to the requirements of a use permit by this Code, the planning commission shall approve a Conditional Use Permit only if it is able to make affirmative findings of the following criteria:

1. The proposed project shall be in conformance with requirements of other local, regional, or State entities;

2. The project shall not be detrimental to the comfort, convenience, health, safety, and general welfare of the community, and will be compatible with the uses in the surrounding area;

3. The project shall be in compliance with the Development Standards contained in Part 2 of this ordinance, commencing with Section 17.46.22; and

4. The project shall not result in an increased level of freshwater pollution or groundwater contamination in the immediate area or cause regulatory water standards at an existing water production well to be violated as defined in the California Code of Regulations, Title 22, Division 4, Chapter 15 and in the Safe Water Drinking Act, as they may be amended.

B. As a condition of approval of a CUP, the planning commission shall consider and impose appropriate conditions as deemed reasonable and necessary to find consistency with the findings 1 through 4 above.

17.46.08.4 Modifications and Extensions

A. The provisions of this Section shall apply for all modifications or extensions requested for oil and gas operations.

B. Any existing oil and gas operation that does not have a CUP or development agreement for the operation shall be required to comply with this ordinance if any new development occurs at the existing oil and gas site.

17.46.08.5 Change of Ownership/Operators Criteria

A. Listing on Permit. Any person who operates an oil or gas site that is subject to this ordinance shall be listed as a permittee on the permit(s) issued for that facility.

B. Acceptance of Permit. Prior to being listed on a permit, any operator of an oil or gas site that is subject to this ordinance shall provide the City with a letter from an authorized agent or officer of the operator formally accepting all conditions and requirements of the permit.

C. Permits Transferable. Any CUP issued to any oil and gas site authorized pursuant to this Code shall be transferable to a new operator provided that the new operator accepts and meets all of the conditions and requirements of the CUP and this ordinance.

D. Ongoing Notification. All operators, and guarantors shall, as an ongoing requirement, notify the City Manager in writing of any change in the information required by this Section within thirty days of such change.

E. Change of Operator. A change of operator shall require an application filed with the City within thirty days prior to a change of operator. Upon approval by the City Manager, such change of operator will become effective upon joint notice from the prior and new operators that the change of operator has become effective. An application is not required when the

change of operator does not entail a substantive change to operations or personnel of the oil or gas site as determined by the City Manager.

F. Liability for Compliance with Permit Conditions. Any operator listed on a permit pursuant to this ordinance shall comply with all conditions of such permit. Failure to comply with such permit conditions shall subject the operator to the applicable penalty and enforcement provisions of this Code or other applicable ordinance for such permits.

G. Liability for Abandonment. The operator, as determined by the records of the City Manager, of a facility or site subject to this ordinance shall be responsible for the proper abandonment of the facility or site.

17.46.09 Procedures for Development Agreements

Projects appropriate for development agreements are subject to the requirements of this Section, which establishes procedures for adoption. The procedures for development agreements will comply with Government Code Division 1, Chapter 4, Article 2.5 and the following additional requirements:

17.46.09.1 Filing Requirements

A. Only a qualified applicant may file an application to enter into a development agreement. A qualified applicant is a person(s) who has a legal or equitable interest in the real property of the oil or gas site. The qualified applicant shall provide proof of ownership interest, proof of interest in the real property, and proof of the authority of the agent or representative, to act for the applicant. Said proof of interest and proof of authority shall be subject to review and approval by the City Attorney.

B. The City Manager shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of development agreements. The applicant shall complete and submit such an application form to the City Manager, along with a deposit for the estimated direct and indirect costs of processing the development agreement. The applicant shall deposit any additional amounts for all costs and fees to process the development agreement, including all legal fees, within 15 days of request by the City Manager. Upon either completion of the application process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the costs of processing.

C. The City Manager shall require an applicant to submit such information and supporting data as the City Manager considers necessary to process the application.

D. A community benefit assessment to evaluate the benefits the DA will provide to the community.

17.46.09.2 Processing and Review

A. The City Manager shall endorse on the application the date it is received. An application or related document shall not be complete until an estimated deposit for the cost of processing has been paid to the City. If within 30 days of receiving the application the City Manager finds that all required information has not been submitted or the application is otherwise incomplete or inaccurate, the processing of the application and the running of any limits shall be suspended upon written notice to the applicant and a new 30 day period shall commence once the required material is received by the City Manager. If the City Manager finds that the application is complete it shall be accepted for filing and the Applicant so notified. The City Manager shall review the application and determine the additional requirements necessary to complete processing of the agreement. After receiving the required information and the application is determined to be complete, the City Manager shall prepare a staff report and recommendation to the Planning Commission and City Council stating whether or not the agreement as proposed or in an amended form would be consistent with policies of the City, this ordinance and any applicable general or specific plan. The City Attorney shall review the proposed development agreement as to legal form.

B. Notice of a hearing regarding the development agreement shall be given by the City Manager and shall comply with the requirements of Government Code Section 65867, as may be amended, except that the City Manager, not the Director, shall be responsible for providing notice.

C. The planning commission shall review the proposed development agreement and provide a recommendation to the City Council to approve, approve with modifications or deny the proposed development agreement. If the planning commission fails to take action within 60 days of opening the hearing on the matter, such failure shall be deemed to have made a recommendation of denial to the City Council unless the applicant has requested an extension of time, either in writing or on the record, which has been approved by the Planning Commission prior to the running of the 60th day.

D. The proposed development agreement shall be set for hearing and consideration before the Council within 60 days of the recommendation of the Planning Commission, unless the applicant agrees in writing to an extension of time with the City Manager prior to the matter being heard by the Council.

E. Within 10 calendar days after the City enters into the development agreement, the City Clerk shall have the agreement recorded with the County Recorder. If the parties to the agreement or their successors in interest amend or cancel the agreement as provided in Government Code Section 65868, or if the City terminates or modifies the agreement as provided in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of the agreement, the City Clerk shall have notice of such action recorded with the County Recorder.

17.46.09.3 Findings and Development Agreement Conditions

A. After the City Council completes the public hearing, the Council may not approve the development agreement unless it finds that the provisions of the agreement:

1. Are consistent with the goals, objectives, and policies of the general plan and any applicable specific plan;

2. Are compatible with the uses authorized in, and the regulations prescribed for the zoned district in which the real property is located;

3. Will not be detrimental to the health, safety, environmental quality, and general welfare of the community;

4. Will not adversely affect the orderly development of property or the preservation of property values; and

5. Provides for a penalty for any violation of the development agreement consistent with the provisions of Section 17.46.015.

17.46.09.4 Modifications and Extensions

A. The provisions of Government Code Section 65868 shall apply for all modifications, extensions or other amendments of the terms of a development agreement subject to this ordinance.

B. Either party may propose an amendment or termination of an approved development agreement subject to the following:

1. The procedure for amending or terminating, the development agreement is the same as the procedure for entering into an agreement in the first instance.

2. The development agreement may be amended or cancelled only by the mutual consent of the parties, as provided in California Government Code section 65868.

C. Nothing herein shall limit the City's ability to terminate or modify the agreement consistent with Government Code section 65865.1 or 65865.3 as may be amended.

17.46.010 Periodic Review

The City may choose to conduct a comprehensive performance review of any oil or gas drilling permit, CUP or DA every ten years from the date of approval to determine if the project and the associated CUP or DA are adequately mitigating significant environmental impacts caused by the drilling and operations. Nothing in this section shall limit the City's authority to conduct a review at more frequent intervals, engage in mitigation monitoring as required by CEQA, or otherwise act as directed or authorized by law.

A. If a periodic review reveals violation of the conditions of any City-issued permit, CUP or DA related to the oil and gas site operations, and if the City takes any subsequent and successful enforcement action based up that violation or related violations, the operator shall reimburse the City with funds necessary for the City to prepare the periodic review, whether performed through a third party or not. If the periodic review identifies significant deficiencies in an oil and gas drilling permit, a CUP or DA that are resulting in unmitigated adverse impacts, but which do not constitute violations of any permit, CUP or DA, then the City Manager may identify these deficiencies and bring forward recommendations of corrective actions to the Planning Commission for consideration, including to the Planning Commission for recommendation to the City Council for consideration and prospective amendments of DAs, as deemed necessary.

B. A permit, CUP, or DA may also be reviewed by the City Manager at any time, if more than three violations occur within a twelve month period and the City Manager determines that resolution of the violations may be addressed by a new permit and/or an amendment to the CUP or DA. If such a review reveals violation of the conditions of any City-issued permit, CUP or DA related to the oil and gas site operations, and if the City takes any subsequent and successful enforcement action based up that violation or related violations, the operator shall reimburse the City with funds necessary for the City to prepare the periodic review, whether performed through a third party or not. The City Manager shall make a recommendation of corrective actions to the Planning Commission for CUPs and permits, and the Planning Commission and City Council for DAs, as deemed necessary. Nothing in this Section shall preclude the City from taking any other enforcement action authorized by this Code, including more frequent reviews.

C. Nothing in this Section shall limit the requirements of an operator with a DA to demonstrate to the City Manager good faith compliance with the terms of the agreement at least every 12 months as required by Government Code section 65865.1. If as a result of that review the City Manager believes there is substantial evidence that the operator has not complied in good faith with the terms or conditions of the agreement, the City Manager shall present the matter to the Commission for a recommendation to the City Council. The Commission shall set the matter for public hearing within 40 days of receipt of the matter from the City Manager. If the Commission fails to act upon such request within a reasonable time, the Council may, by written notice, require the Commission to render its recommendation within 40 days. Failure to so report to the Council within the above time period shall be deemed to be a recommendation against modification or termination. After the Commission has rendered its recommendation, the matter shall be set for hearing before the City Council, who may terminate or modify the agreement if it finds and determines, on the basis of substantial evidence, that the operator or successor in interest has not complied in good faith with the terms and conditions of the DA.

17.46.011 Facility Closure, Site Abandonment, and Site Restoration Procedures

The following provisions and procedures shall be implemented at the end of life of an oil and gas site, subject to a CUP, and govern the site (including well) facility closure and site restoration procedures:

17.46.011.1 Purpose and Intent

A. Section 17.46.11 et seq. establishes procedures and provisions to achieve the timely abandonment of oil and gas related activities and land uses, and following the abandonment, the timely and proper removal of applicable oil and gas facilities (including wells, equipment and gas-related structures), reclamation and remediation of host sites, and final disposition of pipelines, in compliance with applicable laws and permits.

B. The procedures ensure appropriate due process in differentiating idled from abandoned facilities and protecting the vested rights of permittees while also ensuring that sites with no reasonable expectation of restarting are removed, in compliance with the intent of abandonment permits. These procedures also ensure a process for abandoning or re-abandonment of portions of sites where oil and gas operations will continue on the site, as well as procedures for restoration and redevelopment of a site to other uses at the end of the economic life of oil and gas production.

17.46.011.2 Applicability

Oil and gas sites and operations subject to Section 17.46.11 and its subsections, shall include all permitted uses identified in Section 17.46.02.A of this Code, regardless of whether these uses were permitted in compliance with this ordinance or any preceding ordinance. This includes, all pipeline systems, except for public utility natural gas transmission and distribution systems, that either transport or at one time transported natural gas, oil, produced water, or waste water that originated from a reservoir, regardless of whether these uses were permitted in compliance with this Code or any preceding ordinance.

17.46.011.3 Application Process

The City Manager has the discretion to process and approve the application. Any person may submit an appeal to the City Manager or the Planning Commission within 15 days of the City Manager's notice of decision consistent with Section 17.46.06. Mandatory requirements of the Code are not subject to appeal. All procedures shall be consistent with the following requirements:

17.46.011.3.1 Requirement to File an Application

A. Complete Abandonment of oil and gas operations: The operator shall submit an application to the City Manager upon intentional abandonment of the entire oil and gas operation or site. The application for abandonment and site restoration proceedings shall be submitted 60 calendar days prior to the planned shutdown of all the facilities.

B. Partial Abandonment of oil and gas operations: If any portion of the oil or gas site is being abandoned, or if a well is being re-abandoned, the operator shall submit an application to the City Manager for partial abandonment of oil or gas operations. Said application shall be submitted not later than 30 calendar days prior to abandonment or re-abandonment of wells involving no more than 10% of the total number of wells on site or 10 wells, whichever is

more; all other applications shall be submitted not later than 60 calendar days prior to abandonment, re-abandonment or restoration.

C. Other Events Requiring an Application. The operator shall submit an application for abandonment, re-abandonment, and site restoration proceedings to the City Manager upon any of the following:

1. Any event or condition designated in an existing City permit or entitlement that would require consideration of abandonment. The Application shall be submitted 60 days in advance of the event or condition. If the event or condition cannot be known until after it occurs, the application must be submitted within 15 days of the event or condition.

2. Upon order of DOGGR. The application shall be submitted within 30 days of a DOGGR order to abandon, re-abandon, and restore the site, provided, however, that if the operator timely appeals such an order of the DOGGR, it shall have no obligation hereunder until 30 days after a final decision affirming such order.

D. Nothing in this ordinance shall limit the City's police powers. The City may require those measures reasonably necessary to address specific site or operational conditions that threaten public health, morals, safety or general welfare, which measures could include partial or complete abandonment.

17.46.011.3.2 Content of Application

The application shall be in a form and content specified by the City Manager and this Section. The application shall contain the following:

A. Name, address, and contact information for the permittee.

B. Name, address, and general description of the permitted land use.

C. Gross and net acreage and boundaries of the subject property.

D. Location of all structures, above and underground, proposed to be removed.

E. Location of all structures, above and underground, proposed to remain in-place.

F. Location of all wells, including active, idled, abandoned or re-abandoned wells, including distances from site boundaries, and existing structures. Each well shall include the DOGGR well name and number, as well as the American Petroleum Institute (API) well number. If available, the location of the wells shall be identified with the name of the operator and well designation.

G. Location of all City or public utility easements on or adjacent to the subject property that may be affected by demolition or reclamation.

H. To the extent known, the type and extent of any contamination and proposed remedial actions to the level of detail that can be assessed through environmental review. This information does not require a new or modified Phase 2 site assessment in advance of any requirement by the Fire Department or State agencies with regulatory oversight of site assessments.

I. A proposed abandonment and restoration plan that details the activities for the proposed action, including the following details: hours of operation, disposition of equipment and structures proposed for decommissioning, and an estimated schedule for decommissioning the facilities or completion of the work.

J. A proposed grading and drainage plan if drainage from the site will be altered.

K. A proposed plan to convert the site to natural condition or convert to other proposed land use. In the latter case, include other applicable permit applications required, if any, for the proposed land use.

L. A statement of intent regarding the disposition of utilities that served the oil and gas operations, including fire protection, power, sewage disposal, transportation, and water.

M. Measures proposed to be used to prevent or reduce nuisance effects (e.g., dust, fumes, glare, noise, odor, smoke, traffic congestion, vibration) and to prevent danger to life and property.

N. A copy of DOGGR approval to abandon, re-abandon or remediate well(s), such as an approval of a notice of intent of request to abandon.

O. A leak test report for each abandoned well on the site that meets the requirements of Section 17.46.38.

P. For abandonment or restoration in any circumstances where the permit is approved by the City Manager without Planning Commission action, proof of mailed notice of intent to seek a permit to abandon or restore to the owner of record on the latest assessment roll for neighboring parcels within 300 feet of the oil and gas site property boundaries. The notice shall generally describe the scope of the activity being proposed.

Q. Any other information deemed reasonably necessary by the City Manager to address site-specific factors.

17.46.011.3.3 Permitting Specifications

A. Application Filing. The City Manager shall process complete applications for permits after determining the applications to be complete in compliance with Section 17.46.011.3.2 of this ordinance, and submit applications subject to initial Planning Commission review to the Planning Commission with a recommendation regarding approval if the findings in Section

17.46.011.3.4 are met. An application shall not be complete unless the applicant has made a deposit for the estimated direct and indirect costs of processing the application. The applicant shall deposit any additional amounts for the costs to process the application, including legal review, within 15 days of request by the City Manager. Upon either completion of the permitting process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the direct and indirect costs of processing.

B. Independent or concurrent processing of applications. For applications subject to initial Planning Commission review, the Planning Commission shall process complete applications for abandonment and site restoration permits independently of any other permit applications to develop the site in question, unless the City Manager makes the determination that the concurrent processing of abandonment and site restoration permits and development permits for the same site do not unduly hinder timely restoration of abandoned sites or result in long delays in securing approval of development permits.

C. Demolition and restoration permit shall supersede. Upon approval of a demolition and restoration permit subject to initial approval by the Planning Commission, or upon abandonment of operations, whichever occurs later, the demolition and reclamation permit shall supersede any inconsistencies in the discretionary permit approved for construction and operation of the facilities.

D. Conditions of Permit. In addition to any other requirements of this Code, any permit for abandonment, re-abandonment or restoration shall be subject to the following requirements regardless whether initially approved by the City Manager or the Planning Commission:

1. Oil well abandonment shall be performed by oil service company contractors with a business license issued by the city.

2. All equipment and surface installations used in connection with the well that are not necessary, as determined by the City Manager or Planning Commission, for the operation or maintenance of other wells on the drill or operation site shall be removed from the site.

3. The abandoned site or portions of the oil and gas site shall be restored to its original condition or as nearly as is practical given the nature of the location and continuing uses for an oil and gas site, so long as the restoration will not adversely impact ongoing oil and gas production operations.

4. All sumps, cellars, and ditches which are not necessary for the operation or maintenance of other wells on the oil or gas site shall be cleaned out and all oil, oil residue, drilling fluid, and rubbish shall be removed to reduce hydrocarbons to standards acceptable to federal, state, or local agencies. All sumps, cellars, and ditches shall be leveled or filled. Where such sumps, cellars, and ditches are lined with concrete, the operator shall cause the walls and bottoms to be broken up and all concrete shall be removed.

5. The portions of the site not necessary for continuing oil or gas site operations shall be cleaned and graded and left in a clean and neat condition free of oil, rotary mud, oil-soaked earth, asphalt, tar, concrete, litter, and debris.

6. All public streets, alleys, sidewalks, curbs and gutters, and other places constituting public property which may have been disturbed or damaged in connection with any operation, including operations for the abandonment or re-abandonment of the well shall be cleaned, and, except for ordinary wear and tear, shall be repaired and restored to substantially the same condition thereof as the same existed at the time of issuance of the permit, or at the time operations were first commenced in connection with the drilling, operation, or maintenance of the well.

7. A copy of written approval of DOGGR confirming compliance with all state abandonment proceedings for all abandoned facilities must be furnished to the City Manager.

8. Proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property.

17.46.011.3.4 Findings Required for Approval

In addition to the findings specified in the Code for a use permit, for permits the City Manager or Planning Commission shall also make affirmative findings based on the following criteria:

A. The subject site will be restored and remediated to its pre-project conditions unless areas within the site are subject to approved development, in which case restoration and landscaping of these areas will conform to the permitted development. In cases where development is proposed but not yet permitted, restoration of affected areas to natural conditions may be waived by the Planning Commission; provided, the development is permitted within five years and the permittee has posted financial assurances acceptable to the City Manager to ensure restoration to natural conditions if the proposed development is not permitted.

B. The proposed restoration will leave the subject site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property

C. The permit conditions comply with Section 17.46.011.3.3 and contain specific enforceable requirements to ensure the timely completion of any abandonment or re-abandonment of wells, restoration activities or cessation of other oil and gas site operations subject to the permit.

17.46.012 Operational Noticing

A. Each operator shall submit copies of notices provided to or received from DOGGR, to the City Manager, within ten business days of transmission or receipt of such notices, as applicable. These shall include: designation of agents, notice of intent to drill a new well,

division approvals (permit to conduct well operations, notice and permit to drill, permit to rework/redrill well (p-report), enhanced recovery project approval, water-disposal project approval, commercial water-disposal approval), notice of intention to rework/redrill well, notice of intention to abandon/re-abandon well, supplementary notices, report of property transfer forms and any inspection reports or notices of violation, as these notices may be updated or amended. All other DOGGR notices or other DOGGR communications shall be submitted at the discretion of the City Manager.

B. The operator of (or any person who acquires) any well, property, or equipment appurtenant thereto, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall each notify the City Manager within ten business days of the transaction closing date. The notice shall contain the following:

1. The names and addresses of the person from whom and to whom the well(s) and property changed.

2. The name and location of the well(s) and property.

3. The date of acquisition.

4. The date possession changed.

5. A description of the properties and equipment transferred.

6. The new operator's agent or person designated for service of notice and his address.

C. The operator of any well shall notify the City Manager, in writing, of the idling of any well. The operator shall notify the City Manager in writing upon the resumption of operations of an idle well giving the date thereof.

D. The operator shall report any violations of state or federal laws that occur on an oil and gas site to the City Manager within 30 days of their date of documentation by a state or federal agency.

17.46.013 Complaints

All complaints related to activities regulated by this ordinance received by the operator shall be reported within two business days to the City Manager. In addition, the operator shall maintain a written log of all complaints and provide that log to the City Manager on a quarterly basis.

17.46.014 Injunctive Relief

In addition to any administrative remedies or enforcement provided in this Code, the City may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation or mandate compliance with this Code. All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

17.46.015 Notice of Violation and Administrative Fines

A. The operator shall also be subject to a fine for violation of any requirement of a CUP or this ordinance as determined by the City Manager, subject to the following:

1. Depending on the specific type and degree of the violation, the operator in violation may be penalized at a rate of up to $10,000 per day, per violation, until it is cured, but in no event, in an amount beyond that authorized by state law. The City Manager will develop a violation fine schedule for Council approval to specifically identify the fines associated with oil or gas site violations. This violation fine schedule may also include nuisance violations. Nothing in this Section shall preclude the use of use of fines as may be applicable from this code, including those related to nuisances, as long as said fines are not imposed in addition to fine schedule developed under this ordinance for a similar violation.

2. In the event of a violation of any of the City's permitting actions, a written notice of violation, and notice of the associated fine amount if the violation is not cured, will be sent to the operator by the City Manager. If the noted violation is not corrected within 15 calendar days (as may be extended by the City Manager up to an additional thirty days) to the satisfaction of the City Manager, the City Manager will provide the operator notice of the imposition of administrative fines. The operator shall be required to pay the fines to the City, and any fines which continue to accrue until the violation has been cured. Notwithstanding, if the violation creates an immediate danger to health or safety, the City (including a contractor hired by the City) may immediately abate the dangerous condition, and said costs of abatement shall also be paid by the operator.

3. The operator has a right of appeal to the City Manager or Planning Commission within 15 days of the written notice or contested determination of compliance. Decisions of the City Manager not appealed within 15 days become final.

B. Nothing in this Section or ordinance shall limit the City's ability to pursue other enforcement procedures, including CUP revocation proceedings, actions to enforce a DA, or other legal or equitable remedies provided by this Code or available under the law including code enforcement provisions as amended, as long as those provisions are identified. Revocations or suspensions of a permit or CUP may be done pursuant to Title 17-Zoning, as may be amended,

17.46.016 Nuisance Procedures

Any violation of this ordinance is hereby declared to be a public nuisance for the purposes of Section 8.12.020, and may be abated pursuant to the procedures set forth in Section 8.12.030 of this Code. The procedures for abatement shall not be exclusive, and shall not in any manner limit or restrict the City from otherwise enforcing this ordinance or abating public nuisances in any other manner as provided by law, including the institution of legal action by the City Attorney to abate the public nuisance at the request of the City Manager.

17.46.016.1 High-Risk Operations

A. Upon determination that any oil and gas production, processing or storage operation meets the definition of high risk operation from Section 17.46.004, the City Manager shall give the operator written notice of the City Manager's intent to determine the operation a high risk operation under this Section. The intent of this Section shall be to remediate the high-risk operation and bring the oil or gas site and the operator within normal, safe operating standards and protect the public safety, health and environment. The written notice of the intent to determine the operation a high-risk operation shall include:

1. Facts substantiating the determination; and

2. A notice regarding the right to appeal the determination to the Commission within 15 days. During the pendency of any such appeal, the City Manager's determination shall remain in full force and effect until affirmatively set aside by the Planning Commission. The Planning Commission's decision shall be supported by substantial evidence, and refusal by the operator to provide access to the operation to allow inspection or investigation to determine compliance as authorized by this Code or other law shall be deemed evidence the definition of a high risk operation has been met.

B. Along with the determination of the site being a high risk operation, the City Manager may take either or both of the following actions:

1. An investigation of the causes leading up to the high risk determination;

2. Require a mandatory restoration plan to be submitted by the operator. Such plan shall include, but is not limited to:

   i. A mandatory restoration schedule for bringing the site and operator within normal, safe operating standards. Such schedule does not supersede any timeline for abatement otherwise established for individual outstanding violations.

   ii. An audit of overall site operation(s):

      a. The audit shall be conducted by an independent third party approved by the City Manager. Costs associated with the audit shall be borne by the operator;

      b. The audit shall identify and analyze the root causes leading to the high risk designation;

      c. The audit shall further identify and analyze other potential areas in overall site operation that could impact the site's ability to operate within safe and normal standards (e.g. personnel training, operational policies, internal procedures, etc.);

d. Provide a plan for remediating all issues identified in the audit, including a mandatory schedule for remediating those issues. Such restoration plans shall be subject to approval by the City Manager.

e. The audit may be ordered in lieu of, or in addition to the investigation undertaken by the City Manager.

iii. Any other requirements the City Manager deems necessary to bring the site and operation within normal, safe operating standards for the purposes of protecting the public safety, health and environment.

C. The operator of the high risk operation shall carry out the approved restoration plan and shall be responsible for paying all reasonable costs associated with the implementation of the plan, including:

1. City staff time in enforcing these provisions at an hourly rate that provides for full cost recovery of the direct and indirect costs. Staff time shall include, but is not limited to, the ongoing monitoring and verification of compliance with the approved restoration plan;

2. Investigative, research (including legal research) and consulting costs associated with preparation of the restoration plan;

3. Third party costs for investigation, consultation, engineering, clean-up, operator staff training, operations and all other related costs necessary to carry out the restoration plan;

4. Any other costs necessary to remediate the high risk operation as ordered by the City Manager.

D. At the sole discretion of the City Manager, at any time during which a site or operator is subject to this Section, the City Manager may require a bond be posted to cover the cost of remediating the causative problems of the high risk operation.

E. The determination of high risk operations shall continue to apply until the goals and guidelines of the restoration plan established hereunder is achieved. The high risk operator shall notify the City Manager when a milestone in the restoration plan has been satisfied. The City Manager may conduct independent verification of the compliance upon such notification. The restoration plan may be amended from time to time as necessary to achieve the purposes of this Section. Upon a determination by the City that the goals and guidelines of the restoration plan have been achieved, the City shall notify the operator in writing that the site is no longer a high risk operation.

F. Failure of the operator of a high risk operation to post a bond required under this Section, prepare the restoration plan within a reasonable timeframe as ordered by the City Manager, or to reasonably achieve the goals and guidelines of an approved restoration plan under this Section, may be cause for a shutdown of the high risk operation(s) or any other petroleum

operations located in the City that are co-owned or co-operated by the high risk operator, at the discretion of the City Manager.

G. The operator of a high risk operation shall compensate the City for any costs associated with the enforcement of this Section within 30 days of written demand by the City Manager. Any City costs associated with enforcement of this Section, which are not promptly paid by the operator shall be subject to enforcement by tax bill lien or other collection methods at the discretion of the City.

H. The City may institute legal proceedings to require compliance provisions with this Section.

17.46.017 Compliance Monitoring

A. Environmental Compliance Coordinator(s). The City may hire Environmental Compliance Coordinators as needed to oversee the monitoring and condition compliance requirements of the City's permitting actions subject to regulation under this ordinance, the costs of which shall be reimbursed by operator. The number of Environmental Compliance Coordinators shall be determined by the City and shall take into account the level of oil and gas operations associated with the project site. The Environmental Compliance Coordinator(s) shall be approved by, and shall report to, the City Manager consistent with the City Manager's authority under Section 2.06.070 of this Code. The responsibilities of the Environmental Compliance Coordinator(s) shall be determined by the City for the project site and shall generally include:

1. Monitoring of oil and gas sites for compliance with this ordinance as it relates to construction, drilling, operational or abandonment and site restoration activities as determined by the City Manager.

2. Taking steps to ensure that the operator, and all employees, contractors and other persons working in the project site, have knowledge of, and are in compliance with all applicable provisions of the conditional use permit or development agreement.

3. Reporting responsibilities to the various City departments with oversight responsibility at the project site, as well as other agencies such as DOGGR, and SCAQMD.

B. Compliance Deposit Account. An applicant must establish a compliance deposit account with the City within 30 days of receiving authorization for a CUP or DA from the City. The compliance security deposit amounts shall be determined by the City Manager, and shall be based on the nature and extent of the compliance actions required.

17.46.018 Financial Assurances Applicability

A. Sections 17.46.019 through 17.46.021 shall apply to any person who operates any oil or gas site involved in exploration, production, processing, storage or transportation of oil or gas extracted from reserves in the City of Arvin:

B. This ordinance shall not apply to the change of operator of the following:

1. Sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission;

2. A change of ownership consisting solely of a change in percentage ownership of a site and which does not entail addition or removal of an owner or affect any financial guarantee or bonds for a permit, CUP, and/or DA.

17.46.019 Operator's Financial Responsibilities

The applicant shall be fully responsible for all reasonable costs and expenses incurred by the City or any City contractors, consultants, or employees, in reviewing, approving, implementing, inspecting, monitoring, or enforcing this ordinance or any CUP, DA, or permit, including but not limited to, costs for permitting, permit conditions implementation, mitigation monitoring (including well abandonment and re-abandonment), reviewing and verifying information contained in reports, inspections, administrative support, and including the fully burdened cost of time spent by City employees, City Attorney, or third-party consultants and contractors on such matters.

17.46.020 Securities and Bond Requirements

The operator or any contractor of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the securities and bond requirements described below

A. The operator shall file a faithful performance bond with the City Manager consistent with the following bonding requirements:

1. The City Manager shall determine the amount of the bond based on the total number of wells, proposed operations, size and nature of the property, appropriate environmental studies on the property, including a Phase I, II or Human Health Risk Assessment Reports and other relevant conditions related to the proposed wells or operations at a specific oil or gas site, and recognized commercial standards.

2. The amount of the bond shall be sufficient to assure the completion of the abandonment, necessary re-abandonment, site restoration, to the extent not fully covered by DOGGR bonds, and remediation of contamination of the oil or gas site if the work had to be performed by the City in the event of forfeiture. The performance bond shall be inflation indexed to ensure the amount of the bond shall be sufficient to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site. The bond shall be available within a time frame to allow the City to undertake related activities in a timely manner, including at least half for immediate access and use in the event of an emergency as determined by the City Manager.

3. Prior to expansion of an oil or gas site, the operator shall apply to the City Manager for a determination of the amount of the bond necessary to ensure completion for both

the existing and expanded operations. In addition, every bond shall be re-assessed by the City Manager every 5 years to ensure the amount is sufficient to ensure the completion of the abandonment, site restoration, and remediation of contamination of the oil or gas site.

4. Upon application by the operator, the City Manager may reduce bonding amounts based upon change of physical circumstances, completion or partial completion of work, or significant reduction in cost to perform the work. In no event shall the amount of the bond be reduced to an amount insufficient to complete any remaining work, nor shall the bond be reduced due to economic hardship or similar considerations.

5. After completion of all abandonment and site restoration requirements, the bond shall be maintained in a sufficient amount to ensure remediation of contamination at the oil or gas site for a period not less than 15 years. Upon application by the former operator, the City Manager may provide for partial or complete release of the bond at an earlier date if a former site is being developed or redeveloped consistent with Section 17.46.038(G) and construction of said development or redevelopment is completed,

6. In no event shall the bonding amount required by the City be less than $10,000 per well.

7. The bond may be drawn only from a qualified entity without any economic interests or relationship with the operator and any related economic entities related thereto, and bonds must and must be rated "A" or better by a nationally recognized bond rating organization. The City Manager shall receive all pertinent information related to the bond and bonding entity prior to issuance of a final approved permit, CUP, or DA.

B. In lieu of these bonding requirements, an operator may also submit any type of legally adequate and binding financial mechanism, subject to City Attorney approval, to satisfy the monetary assurance requirements set by the City Manager to assure completion of the abandonment, restoration and remediation of contamination of the oil or gas site to the extent not fully covered by DOGGR bonds.

C. For any evaluation of bonding amounts by the City Manager in this Section, or evaluation of a financial mechanism proposed in lieu of a bond by the City Attorney, the operator shall deposit the estimated costs, or deposit equivalent, with the City Manager with the application, and shall also make any additional deposit(s) within 30 days of written request by the City Manager. The City Manager may retain consultants or other experts in the industry to assist in deriving a commercially reasonable bond amount.

17.46.021 Operator Liability Insurance

The operator of any oil and gas operation subject to this ordinance shall provide, or cause to be provided, the insurance described below for each oil and gas site during the pendency of oil and gas operations. The operator or contractor must provide to the City sufficient documentation that

the insurance complies with the minimum requirements and coverage amounts of this Section before a permit may be issued.

A. General provisions regarding insurance:

1. The operator or any contractor shall pay for and maintain in full force and effect all policies of insurance described in this Section with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide.

2. In the event any policy is due to expire, the operator or any contractor shall provide a new certificate evidencing renewal of such policy not less than 10 calendar days prior to the expiration date of the expiring policy. Upon issuance by the insurer, broker, or agent of a notice of cancellation in coverage, operator or any contractor shall file with the City Manager a new certificate and all applicable endorsements for such policy.

3. Liability policies shall name as "additional insured" the City, including its officers, officials, agents, employees and authorized volunteers.

4. All policies shall be endorsed to provide an unrestricted 30 calendar day written notice in favor of City of policy cancellation of coverage, except for: 1) non-payment, which shall provide a 10-day written notice of such cancellation of coverage, and 2) the Workers' Compensation policy which shall provide a 10 calendar day written notice of such cancellation of coverage.

5. The operator shall present to the City Manager copies of the pertinent portion of the insurance policies evidencing all coverage and endorsements required by this Section before the issuance of any permit subject to this ordinance, and the acceptance by the City of a policy without the required limits or coverage shall not be deemed a waiver of these requirements. The City may, in its sole discretion, accept a certificate of insurance in lieu of a copy of the pertinent portion of the policy pending receipt of such document by the City. After the issuance of the permit, the City may require the operator to provide a copy of the most current insurance coverage and endorsements for review at any time. The operator will be responsible for paying an administration fee to cover the costs of such review as may be established by the City's fee schedule.

6. Claims-made policies shall not be accepted except for excess policies and environmental impairment (or seepage and pollution) policies.

7. Insurance coverage shall be reviewed by the City Manager as required by Section 17.46.010 to ensure adequate insurance is maintained.

B. Required insurance coverage:

1. Commercial or comprehensive general liability insurance:

   i. Bodily injury and property damage coverage shall be a minimum combined single limit of $2,000,000 per occurrence $2,500,000 in the aggregate. This coverage

must include premises, operations, blowout or explosion, products, completed operations, blanket contractual liability, underground property damage, underground reservoir (or resources) damage, broad form property damage, independent contractor's protective liability and personal injury.

ii. Environmental impairment (or seepage and pollution) coverage shall be either included in the comprehensive general liability coverage or as separate coverage. Such coverage shall not exclude damage to the lease site. If environmental impairment (or seepage and pollution) coverage is written on a "claims made" basis, the policy must provide that any retroactive date applicable precedes the effective date of the issuance of the permit. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, oil and gas, waste material, or other irritants, contaminants or pollutants. Such policy shall provide for minimum combined single limit coverage of $2,000,000 per occurrence and $2,500,000 in the aggregate. A discovery period for such peril shall not be less than ten years after the occurrence.

2. Commercial automobile liability insurance: Minimum combined single limit of $1,000,000 per occurrence for bodily injury and property damage. The policy shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01 and shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Section 1, subsection A.1 entitled "Any Auto")

3. Worker's compensation insurance: Maintain the minimum statutory requirements, coverage which shall not be less than $1,000,000 for each occurrence.

4. Excess (or umbrella) liability insurance: Minimum limit of $5,000,000 providing excess coverage for each of the perils insured by the preceding liability insurance policies, except for underground reservoir (or resources) damage.

5. Control of well insurance (only during drilling or re-working):

   i. Minimum limit of $2,000,000 per occurrence, with a maximum deductible of $100,000 per occurrence.

   ii. Policy shall cover the cost of controlling a well that is out of control, drilling or restoration expenses, and seepage and pollution damage. Damage to property in the operator's care, custody and control with a sub-limit of $500,000 may be added.

6. Self-Insurance: The operator shall have the option to self-insure if insurance is not commercially feasible to obtain and maintain in the commercial insurance market, as certified by a written report prepared by an independent insurance advisor of recognized national standing, for the following types of insurance required by this Subsection: Excess (or umbrella) liability insurance, control of well insurance, and

environmental impairment (or seepage and pollution) coverage. The operator shall provide a certificate for self insurance subject to approval by the City Manager and Risk Management, and to the City Attorney for approval as to legal sufficiency. To the extent said insurance is limited to amounts less than that required by this ordinance, the operator must first obtain available insurance coverage to the extent it is commercially feasible, and then shall self insure for the remaining amount.

7. Commercially Available: If the City Manager determines that certain types of insurance identified herein are not reasonably commercially available or necessary given specific field conditions, the City Manager has the discretion to authorize substitute or equivalent types of insurance, to the extent there is a reasonable and relevant risk, or modifications to an amount that is commercially available, all subject to approval as to legal form by the City Attorney.

C. Failure to maintain coverage: Upon failure of the operator, or contractors to provide that proof of insurance as required by this Section when requested, the City Manager may order the suspension of any outstanding permits and petroleum operations of the operator until the operator provides proof of the required insurance coverage.

Part 2. Development Standards for Petroleum Operations

The following Sections of Part 2 apply only to those operations subject to a CUP or DA, except for those existing operations as noted in Section 17.46.02.B.

17.46.022 Setback Requirements

A. The surface locations of wells and tanks within an oil and gas site shall not be located within:

1. Three hundred feet (300 feet) of the property boundaries of any public school, public park, clinic, hospital, long-term health care facility.

2. Three hundred feet (300 feet) of the property boundaries of any residence or residential zone, as established in this Code, except the residence of the owner of the surface land on which a well might be located and except a residence located on the land which, at the time of the drilling of the well, is under lease to the person drilling the well.

3. Three hundred feet (300 feet) of the property boundaries of the commercially designated zone C-O, N-C, C-1, C-2, MUO, PUD (see Table 1-1), as established by this Code and as may be amended.

4. One hundred feet (100 feet) of any dedicated public street, highway, public walkway, or nearest rail of a railway being used as such, unless otherwise specifically allowed per Public Resources Code section 3600, but in no event less than fifty (50) feet of any dedicated public street, highway, public walkway, or nearest rail of a railway being used as such.

B. For all injection wells, the Applicant shall provide a copy of the area of review (AOR) study, consistent with the requirements of Title 14 California Code of Regulations Section 1724.7, as per DOGGR.

C. Legally existing oil and gas operations that do not met the setback requirements and were conforming immediately before the effective date of this ordinance are not considered non-conforming uses and are not made subject to Chapter 17.52 (Nonconforming Buildings and Uses) of this Code by this ordinance. Such operations may continue to lawfully operate to the extent the operations can demonstrate to the City vested rights as of the effective date of this ordinance, but are prohibited for expanding operations beyond those demonstrated vested rights. Vested rights for a particular well may be demonstrated by the existence of an installed conductor in a cellar for that well or any other method established by law. The operator can replace structures and equipment required for oil and gas operations that are damaged, have failed, are at risk of failure, or are at the end of their useful life. Said replacements shall be made with like-kind structures and equipment that does not expand capacity or structural footprint. If the operator can demonstrate that such structure or equipment is not reasonably available or appropriate for current operational practices, the City Manager may approve minor expansion of equipment or structure upon findings the proposed changes are minor and do not constitute or tend to produce an expansion or intensification of capacity for the site. For existing oil and gas facilities and operations that do not meet the setback requirements as of the effective date of this ordinance, drilling of new wells is prohibited unless the operator can demonstrate vested rights for each new well.

D. Consolidation and Relocation Incentives.

1. Existing Uses in Setback: For existing wells legally operating within the prohibited setback identified in Section 17.46.022.A or within the prohibited zones included in Table 1-1, an operator can exchange wells, either existing or vested, at a 1:2 ratio to another (existing) receiving site(s) without counting toward new development that would require a CUP or DA. The receiving site must be within a zone that is not prohibited in Table 1-1 and must comply with all setbacks and other requirements of this Ordinance. The contributing well(s) must be completely abandoned, including confirmation of compliance with all state abandonment requirements, before wells can be constructed at any receiving site.

2. Existing Uses Outside Setback: For existing wells legally operating outside the prohibited setback and zones, an operator can exchange only wells actually existing at the time of the ordinance (not vested or hypothetical wells) at a 1:1 ratio to another existing receiving site(s) without counting toward "new development" that would require a CUP or DA. The receiving site must be within a zone that is not prohibited in Table 1-1 and must comply with all setbacks and other requirements of this Ordinance. The contributing site must be completely abandoned before wells can be constructed at any receiving site, including confirmation of compliance with all state abandonment requirements. The operator must completely abandon all surface rights to the contributing site (i.e., no future oil and gas operations to occur at the site) and provide acceptable

proof to the City of the same. All receiving sites must exist and have active operations as of the date of approval of this ordinance.

3. For All Consolidation or Relocation: The operator must provide the City with notice of intent to transfer prior to abandonment of any well(s) or contributing site intended to be consolidated or relocated. Transfers may occur at any time after abandonment is complete and the rights may be "banked" and assigned to another operator upon notice to the City. No well can be transferred more than one time. The receiving well location or site must be located outside the boundaries identified in Section 17.46.022.A.1-3, and comply with Section 17.46.022.A.4 outside of the prohibited setback. The receiving site cannot expand by more than 10 wells from any source or exchange, in addition to those existing or vested, without being considered new development. All receiving sites must comply with Section 17.46.02.B for sites not required to obtain a new CUP.

17.46.23 Site Access and Operation

The following measures shall be implemented throughout the operation of any oil and gas site or project subject to this ordinance:

17.46.23.1 Deliveries

For oil and gas sites located in non-industrial areas or for delivery routes, other than designated truck routes, that pass through or adjacent to prohibited zones as listed in Table 1-1, (a) deliveries to the oil or gas sites shall not be permitted after 9:00 p.m. and before 6:00 a.m. (Chapter 9.08 Noise Disturbances), except in cases of emergency and (b) no deliveries shall be permitted on Saturdays, Sundays or legal holidays, except in cases of emergency. The City Manager may authorize a single oil shipping truck used on an occasional basis upon a showing of no reasonably feasible alternative, Said authorization shall take into consideration the location of the site and the types of adjacent uses, and may require compliance with Section 17.46.032.6 (Noise Impacts), light and glare restrictions, etc.

17.46.23.2 Construction Time Limits

Construction of permanent structures, workovers and other maintenance, including replacement in kind, shall not be permitted after 9:00 p.m. and before 6:00 a.m. (Chapter 9.08 Noise Disturbances), or during Saturdays, Sundays, or legal holidays, except in the event of an emergency as approved by the City Manager. The drilling or re-drilling of wells is not subject to construction time limits.

17.46.23.3 Oil and Gas Site Parking

A. At all times during the construction and operation of any oil and gas site, parking facilities shall be provided for all vehicles associated with the oil or gas site at a rate of 1 parking space per shift-employee. If approved as part of a CUP or a DA, parking for vehicles of employees or workers engaged in any oil or gas site activities can also be provided by the operator at off-site parking lots or in parking facilities, other than public streets, at locations

other than the oil or gas site. The operator shall prohibit personal parking on City streets by operator, permitees, contractors, or consultant staff. If the parking lot or parking facilities are not located within a reasonable walking distance of the controlled drill site, the operator shall provide transportation to and from the parking site for employees and workers.

B. At all times vehicular access to an oil and gas drill site shall be provided in accordance with the plans for vehicular access reviewed and approved by the City Engineer, except for operations existing prior to the effective date of this ordinance.

C. All entrances to an oil and gas site shall be equipped with sliding or swinging gates which shall be kept closed at all times except when authorized vehicles are entering or leaving the oil and gas site.

D. When traffic lanes on any public street are closed or impaired by the operator 's operations, flagmen, and safety officers as required by the City Engineer or Police Department shall be provided by the operator at all such times to control traffic and maintain traffic flow.

17.46.024 Lighting

Except for oil and gas sites located within industrial zones, and located farther than 600 feet from any prohibited zone as listed in Table 1-1, all lighting sources that may be introduced on a site in support of nighttime operations, at the onset and throughout all operations at an oil and gas site shall be screened and directed to prevent light or glare from passing beyond site boundaries. Outdoor lighting shall be restricted to only those lights that may otherwise be required by this Code for lighting building exteriors and safety and security needs.

17.46.025 Aesthetics

The following measures shall be implemented for all projects that are subject to this ordinance:

17.46.026 Landscaping/Visual Resources

A. Prior to any new development, the operator shall implement a landscaping plan that has been approved as part of a CUP or a DA, which provides adequate screening and blending of the facilities so that the site shall not appear unsightly or aesthetically deficient compared with the surrounding character of the area. Except for oil and gas sites located within industrial zones, all tanks shall not extend more than twenty feet above the surface of any site, unless otherwise approved in a CUP or DA.

B. Within six months after the completion of activities related to the drilling or re-drilling of a well and the removal of the drilling well mast/rig, any oil and gas site shall be landscaped with suitable shrubbery and trees in accordance with a plan approved by the Planning Commission, unless the site is to be otherwise developed in such a manner that would preempt re-vegetation requirements.

C. If the site is within 600 feet of any prohibited zoning as listed in Table 1-1, if any drilling masts are in place on an oil and gas site for a time period of more than one year and are visible

from public viewing points, then the operator shall wrap all such masts to reduce their visibility prior to the onset of operations at an oil and gas site.

17.46.025.2 Walls

Prior to commencement of operations at an oil or gas site the following development standards shall be satisfied:

A. All oil and gas sites shall be enclosed with a wall not less than six feet (6 feet) high, which shall be of a material and texture that blends in with the surrounding environment and is not visually obtrusive. There shall be no aperture below the wall larger than one foot (1 foot) in height.

B. The wall enclosure around the oil and gas site shall have a setback of twenty-five feet from all property lines. The gate or entrance through the wall shall remain locked at all times and constructed in a manner to prevent the public from coming closer than twenty-five feet to the pumping facilities. Pursuant to the approval of the CUP, the location of the wall may be modified subject to compliance with the California Fire Code as approved in a CUP or DA with modifications as applicable.

C. The entire outside facing length of the wall must be coated with anti-graffiti paint or solutions.

17.46.025.3 Sanitation

The oil and gas site shall be maintained in a clean, sanitary condition, free from accumulations of garbage, refuse, and other wastes.

17.46.025.4 Architecture

The architectural design of any oil or gas site buildings, equipment, or other associated structures shall be consistent with the character of the surrounding community and shall utilize finishing materials and colors which blend in with the surrounding environment and are not visually obtrusive.

17.46.026 Roads

The following policies specific to streets or other roads shall apply to all projects for which this ordinance is applicable:

17.46.026.1 Construction of Site Access Roads

Private roads and other excavations required for the construction of access roads shall be designed, constructed, and maintained to provide stability of fill, minimize disfigurement of the landscape, prevent deterioration of vegetation, maintain natural drainage, and minimize erosion. Prior to construction of any new road, the operator shall prepare and submit to the Department of Public Works for review and approval a private road construction plan. The operator shall

thereafter comply with all provisions of the approved private road construction plan. All new private access roads leading off any surfaced public street or highway shall be paved with asphalt or concrete not less than three inches thick for the length of said access road from the public street or highway.

17.46.027 Signage

The following policies apply only to signs visible from the public right of way.

A. Signage as required by DOGGR or law shall be kept in good legible condition at all times.

B. No sign other than that described in this ordinance or required by law shall be allowed, other than informational signs, no smoking signs, and other signs as reasonably required for safe operation of the project.

C. Identification signs shall be posted and maintained in good condition along the outer boundary line and along the walls adjoining the public roads that pass through the oil or gas site. Each identification sign shall prominently display current and reliable emergency contact information that will enable a person to promptly reach, at all times, a representative of the operator who will have the expertise to assess any potential problem and recommend a corrective course of action. Each sign shall also have the telephone number of the City department of planning or zoning enforcement section and the number of SJVAPCD that can be called if odors are detected. For existing oil and gas sites, the signs shall be updated when they are replaced or repaired.

17.46.028 Steaming

The installation of any surface equipment designed to produce steam shall be prohibited without the approval of the City Manager. The operator shall submit a steaming plan addressing equipment sizing and design to the City Manager for review and approval. The operator shall also submit well casing and cementing design specifications as required by DOGGR. Unless a specific health, safety or welfare issue is created, which will include any non-compliance with any DOGGR regulation or other applicable law including this ordinance related to the use of the surface equipment, the City Manager will approve a completed steaming plan, The City Manager may adopt implementing guidelines for this Section to further the purposes of this Ordinance.

17.46.029 Utilities

A. Each oil or gas site shall be served by and utilize only reclaimed water, aside from potable water used for human consumption, unless the use of reclaimed water is deemed infeasible (such as regulatory requirements, initial unavailability during operations or technological considerations) or unwarranted (including secondary environmental impacts such as increased use of chemicals, surface activities, and other items that may be adverse to public health, safety or welfare) by the City Manager, in which case the following criteria apply:

1. The operator must prepare and submit a supply assessment study of all water resources available for use and submit the study for review to the City Manager.

2. If the study indicates that potable water is the only feasible or warranted alternative then the operator may utilize such a water source under appropriate conditions as determined by the City Manager.

B. New electrical power may be routed underground from the nearest source adequate to meet the needs of the well site if undergrounding is required for other uses in the vicinity as determined by the City Manager.

17.46.030 On-Site Storage and Placement of Equipment

No equipment shall be stored or placed on the site, which is not either essential to the everyday operation of the oil or gas well located thereon or required for emergency purposes.

17.46.031 Safety Assurances and Emergency/Hazard Management

The following measures shall be implemented throughout the operation of any oil or gas site or project subject to this ordinance:

17.46.031.01 Fire Prevention Safeguards

A. All oil and gas site operations shall conform to all applicable fire and safety regulations, codes, and laws.

B. The oil and gas site shall be kept free of debris, pools of oil, water or other liquids, weeds, and trash.

C. Land within twenty-five (25) feet of the facilities shall be kept free of dry weeds, grass, rubbish or other combustible material at all times.

D. All equipment, facilities, and design shall be approved by the Kern County Fire Department, as applicable and as it may require, prior to approval of a CUP or DA.

17.46.031.02 Blowout Standards and Testing

The operator shall comply with DOGGR regulations for blowout prevention and will provide all equipment as stipulated in the DOGGR regulations during the drilling operations of any well.

17.46.031.03 Earthquake Shutdown

A. The operator shall immediately inspect all oil and gas-related facilities, equipment, and pipelines following any seismic event with a magnitude of 4.0 or greater with an epicenter within 10 kilometers (km) of the oil and gas site, magnitude 4.5 or greater within 30 km, or magnitude 6.0 within 100 km.

B. The operator shall either, (1) Operate and maintain an accelerometer at the project site or (2) Obtain real time data from the USGS to determine the earthquake magnitude of any seismic event in the area. The operator shall immediately inspect all project site pipelines, facilities, equipment, storage tanks, and other infrastructure following any seismic event above the thresholds defined in 17.46.31.03.A and promptly notify the City Engineer and the City Manager of the results of the inspection within 24 hours of the seismic event. Shall there be any structural damage or equipment failure as a result of any seismic event, the operator shall isolate and address any damage or equipment failure as appropriate to minimize environmental or safety impacts. The operator shall prepare and submit a written report of all inspections and findings to the City for review with one week of the seismic event.

C. The operator shall not reinstitute operations at those portions of the project site and associated pipelines damaged by a seismic event until the damage has been repaired and confirmed by the operator to be structurally sound and safe for operation, and has passed any otherwise required inspection. Before returning any damaged structure, fixture or equipment to operation, the operator shall prepare and submit to the City Manager a written report of inspections and repairs of that structure, fixture or equipment, and the results of any required inspection.

17.46.031.04 Storage Tank Monitoring

The operator shall install tank leak detection monitoring system that will indicate the physical presence of a leaked product underneath storage tanks on site that have the potential to result in soil contamination. The results of the monitoring shall be submitted to the City Manager upon request. The monitoring system required by 14 California Code of Regulations Section 1773.2 is sufficient. This section does not apply to existing facilities.

17.46.031.05 Safety Measures and Emergency Response Plan

The operator is responsible for compliance with safety and emergency response requirements.

A. Copies of all Emergency Response Plans, Emergency Action Plans, Oil Spill Plans, inspections, reports and any emergency response drill training as required by DOGGR, CalEPA, OSHA, Kern County Fire Department, SJVAPCD or any other agency shall be submitted to the City.

B. Safety Audit. The operator shall cause to be prepared an independent third-party audit, under the direction and supervision of the City, of all facilities, once constructed or within 1 year of the adoption of this ordinance, including the well pads, to ensure compliance with the California Fire Code (as may be adopted by the City with modifications as applicable), applicable API and NFPA codes, EPA RMP, OSHA PSM, DOGGR and SPCC and emergency response plans requirements. All audit items shall be implemented in a timely fashion, and the audit shall be updated annually, as may be directed by the City and the Kern County Fire Department. The operator shall also cause to be prepared a seismic assessment, including walkthroughs, of equipment to withstand earthquakes prepared by a registered structural engineer in compliance with Local Emergency Planning Committee Region 1 CalARP

guidance and the seismic assessment shall be updated, with walkthrough inspections, annually to ensure compliance with the codes and standards at the time of installation.

C. Community Alert System. If the site is within 600 feet of any prohibited zoning as listed in Table 1-1, the operator shall implement a community alert notification system, or utilize an existing system operated by the Police, Sheriff or Fire Department, to automatically notify area residences and businesses in the event of an emergency at an oil or gas site that would require residents to take shelter or take other protective actions.

17.46.031.06 Transportation of Chemicals and Waste On and Off-site

The operator shall implement the following measures throughout the operations of any oil and gas site subject to this ordinance:

A. Solid Waste Disposal. Solid waste generated on the site shall be transported to a permitted landfill or hazardous waste disposal site as may be appropriate for the life of the operation. The operator shall provide written notice to the City Manager of the landfill or hazardous waste disposal facility being utilized.

B. Site Waste Removal. The operator shall comply with the following provisions:

1. All drilling and workover waste shall be collected in enclosed bins. Any drilling and workover wastes that are not intended to be injected into a Class II Well, as permitted by DOGGR, shall be removed from the project site no later than thirty days following completion of the drilling and workover.

2. No site waste shall be discharged into any sewer unless permitted by the Sanitation District, or into any storm drain, irrigation system, stream, or creek, street, highway, or drainage canal. Nor shall any such wastes be discharged on the ground.

C. Storage of Hazardous Materials. The operator shall submit to the City Manager a copy of the Hazardous Material Business Plan, as reviewed by the Kern County Fire Department, annually. This plan shall include a complete listing and quantities of all chemicals used onsite, and provide the location of where hazardous materials are stored at the site. Hazardous materials shall be stored in an organized and orderly manner, and identified as may be necessary to aid in preventing accidents, and shall be reasonably protected from sources of external corrosion or damage to the satisfaction of the Fire Chief of the Kern County Fire Department or designee.

17.46.031.06.01 Natural Gas Liquids (NGLs)

Throughout the operation of any oil and gas site subject to this ordinance, NGLs, as defined by this code, shall be blended with crude oil for shipment by pipeline to the maximum extent allowable within the technical specifications of the pipeline. Oil transportation pipelines and gas processing facilities shall be designed to maximize the blending of NGLs into the crude oil stream.

17.46.031.06.02 Transportation Risk Management and Prevention Program (TRMPP)

If the transportation routes of any product from oil and gas development in the City passes through or adjacent to any prohibited zoning as listed in Table 1-1, excluding designated truck routes, the operator shall prepare and maintain a Transportation Risk Management and Prevention Program which shall be provided to the City Manager upon request. The TRMPP may contain the following components including, but not limited to:

A. Provisions for conducting comprehensive audits of carriers biennially to assure satisfactory safety records, driver hiring practices, driver training programs, programs to control drug and alcohol abuse, safety incentive programs, satisfactory vehicle inspection and maintenance procedures, and emergency notification capabilities. The operator shall submit to the City any audits that were conducted each calendar year.

B. Provisions for allowing only carriers which receive a satisfactory rating under the above audit process to transport oil and gas.

C. Truck loading procedures for ensuring that the truck driver conducts and documents in writing a visual inspection of the truck before loading and procedures to specify actions to be taken when problems are found during the visual inspection.

17.46.031.06.03 Pipeline Leak Detection

All new offsite DOT oil pipelines shall use a supervisory control and data acquisition (SCADA-type) monitoring system for leak detection; unless the City Manager determines that there is better available technology that shall be utilized instead. Flow meters used on the SCADA system shall be accurate to within one percent. If a leak is detected the operator shall be responsible for immediately reporting it to the City Manager.

17.46.032 Environmental Resource Management

Throughout operation of an oil and gas site, the operator shall comply with the following environmental resource management policies:

17.46.032.1 General Environmental Program

A. Environmental Quality Assurance Program ("EQAP"). The operator shall comply with all provisions of an environmental quality assurance program that has been accepted by the City Manager and approved as part of a CUP or DA. For oil and gas sites that are existing at the time of the adoption of this ordinance and are not required to have a CUP, completion of the requirements of section 17.46.31.5.B satisfies the requirements of section 17.46.032.1. The following provisions relate to the EQAP:

1. EQAP Requirements. The EQAP shall provide a detailed description of the process, individual steps, and submissions, the operator shall take to assure compliance with all provisions of this Section, including but not limited to, all of the monitoring programs called for by this Section.

2. Annual EQAP Reports. Within sixty days following the end of each calendar year, the operator shall submit to the City Manager an annual EQAP report that reviews the operator's compliance with the provisions of the EQAP over the previous year and addresses such other matters as may be requested by the City Manager. The annual EQAP report shall include the following:

   i. A complete list and description of any and all instances where the provisions of the EQAP, or any of the monitoring programs referred to therein or in this Section, were not fully and timely complied with, and an analysis how compliance with such provisions shall be improved over the coming year.

   ii. Results and analyses of all data collection efforts conducted by the operator over the previous year pursuant to the provisions of this Section.

3. EQAP Updates. Proposed updates to the EQAP shall be submitted to the City Manager for approval along with the annual EQAP report. The City Manager shall complete the review of EQAP updates as soon as practicable, and shall either approve the updated EQAP or provide the operator with a list of specific items that must be included in the EQAP prior to approval. The operator shall respond to any request for additional information within thirty days of receiving such request from the City Manager and shall modify the proposed EQAP update consistent with the City Manager's request.

B. Publically Available Monitoring Data. The operator shall be responsible for making current monitoring results and data available to the public unless otherwise required by law. The up-to-date monitoring data and results shall be maintained by the operator. The monitoring results and data shall include the following information:

1. Air quality data (if required to be collected);

2. Wind direction speed (if required to be collected);

3. Seismic events;

4. Water quality monitoring results for both surface and groundwater monitoring locations at an oil or gas site, or from nearby groundwater monitoring location(s), as authorized by the City Manager;

5. Pipeline testing and monitoring results;

6. Vibration (if required to be collected); and

7. Ambient noise levels (if required to be collected).

17.46.032.2 Air Quality

The operator shall at all times conduct oil or gas site operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances, and shall comply with the following provisions:

A. Odor Minimization. If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, or if three (3) odor complaints from three (3) different citizens of the City have been confirmed by the SJVAPCD or the City within any 12-month period, at all times the operator shall comply with the provisions of an odor minimization plan that has been approved by the City Manager. The plan shall provide detailed information about the site and shall address all issues relating to odors from oil or gas operations. Matters addressed within the plan shall include setbacks, signs with contact information, logs of odor complaints, method of controlling odors such as flaring and odor suppressants, and the protocol for handling odor complaints. The odor minimization plan shall be reviewed and updated by the operator on an annual basis to determine if modifications to the plan are required. Any modifications to the odor minimization plan shall be submitted to the City Manager for review and approval. Any operator's submissions to the SJVAPCD shall be provided to the City Manager and shall be consistent with Section 17.46.031.2.

B. Portable Flare for Drilling. If the well is within 1,000 feet of any prohibited zoning as listed in Table 1-1, and either the historical operations of the producing zone have exhibited a gas-oil ratio (scf/bbl) of more than 400 or no data is available on the producing zone targeted, the operator shall have a gas buster and a portable flare, approved by the SJVAPCD, at the oil and gas site and available for immediate use to remove any gas encountered during drilling and abandonment operations from well muds prior to the muds being sent to the shaker table, and to direct such gas to the portable flare for combustion. The portable flare shall record the volume of gas that is burned in the flare. The volume of gas burned in the flare shall be documented in the operations logs. The operator shall notify the Fire Chief of the Kern County Fire Department and the SJVAPCD within forty-eight hours in the event a measurable amount of gas is burned by the flare, and shall specify the volume of gas that was burned in the flare. All other drilling and abandonment operations shall be conducted so that any measurable gas that is encountered can, and will, be retained in the wellbore until the gas buster and portable flare are installed on the rig, after which the gas will be run through the system to flare. The operator shall immediately notify the Fire Chief of the Kern County Fire Department and the SJVAPCD in the event any gas from operation is released into the atmosphere without being directed to and burned in the flare.

C. Odor Control for Drilling Operations. If the well is within 1,000 feet of any prohibited zoning as listed in Table 1-1 and either the historical operations of the producing zone have exhibited a gas-oil ratio of more than 400 (scf/bbl) or no data is available on the producing zone targeted, the operator shall use an enclosed mud system that directs all mud vapors through an odor capturing system, such as a carbon bed, to prevent odorous pollutants from passing the site boundaries and impacting the area. An odor suppressant spray system may be used on the mud shaker tables for all drilling operations to ensure that no odors from said operations can be detected at the outer boundary line of the oil and gas site.

D. Closed Systems. The operator shall ensure that all produced water, gas and oil associated with production, processing, and storage, except those used for sampling only, are contained within closed systems at all times and that all pressure relief systems, including tanks, vent to a closed header and flare-type system to prevent emissions of pollutants. This subsection does not apply to existing facilities.

E. No open pits are allowed.

F. Off-Road Diesel Construction Equipment Engines. All off road diesel construction equipment shall comply with the following provisions:

1. Utilize California Air Resources Board ("CARB") EPA Certification Tier III or other methods approved by the CARB as meeting or exceeding the Tier III standard.

2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an eighty-five percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

G. Drill Rig Engines. All drilling rig diesel engines shall comply with the following provisions:

1. Utilize CARB/EPA Certification Tier III or better certified engines

2. Utilize a CARB Level 3 diesel catalyst. The catalyst shall be capable of achieving an 85 percent reduction for diesel particulate matter. Copies of the CARB verification shall be provided to the City Manager. Said catalysts shall be properly maintained and operational at all times when the off-road diesel construction equipment is in use. Use of an EPA Certification Tier 4i engine will also satisfy this requirement.

17.46.032.3 Greenhouse Gas Emissions and Energy Efficiency Measures

A. The operator of an oil and gas site shall completely offset all emissions from the oil and gas site through participation in the statewide cap and trade program, if applicable, or obtaining credits from another program as approved by the City Manager. On an annual basis, the operator shall provide the City Manager with documentation of the operator's participation in the program. This section does not apply to existing facilities.

B. Throughout the oil and gas site life, as equipment is added or replaced, cost-effective energy conservation techniques shall be incorporated into project design.

17.46.032.4 Air Quality Monitoring and Testing Plan

If the site is within 1,000 feet of any prohibited zoning as listed in Table 1-1, at all times the operator shall comply with the provisions of an air monitoring plan that has been approved by

the City Manager. During all well operations, including but not limited to drilling, re-drilling and workover operations, the operator shall continuously monitor for hydrogen sulfide, in a manner that allows for detection of pollutants from all wind directions, as approved by the City Manager. Total hydrocarbon vapors shall be monitored at drilling, workover and processing plant areas as specified in the approved plan. Such monitors shall provide automatic alarms that are triggered by the detection of hydrogen sulfide or total hydrocarbon vapors. The alarms shall be audible and/or visible to the person operating the equipment. Actions to be taken shall be as follows when specified alarm levels are reached:

A. At a hydrogen sulfide concentration of equal to or greater than five parts per million but less than 10 parts per million, the operator shall immediately investigate the source of the hydrogen sulfide emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling or workover log. If the concentration is not reduced to less than five parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover operations and equipment in a safe and controlled manner, until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard.

B. At a hydrogen sulfide concentration equal to or greater than 10 parts per million, the operator shall promptly shut down the drilling or workover operations and equipment in a safe and controlled manner until the source of the hydrogen sulfide emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling or workover log. When an alarm is received, the operator shall promptly notify the Kern County Fire Department, the City Manager, and the SJVAPCD.

C. At a total hydrocarbon concentration equal to or greater than 500 parts per million but less than 1,000 parts per million, the operator shall immediately investigate the source of the hydrocarbon emissions and take prompt corrective action to eliminate the source. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log for the oil and gas site. If the concentration is not reduced to less than 500 parts per million within four hours of the first occurrence of such concentration, the operator shall shut down the drilling or workover, or site operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard.

D. At a total hydrocarbon concentration equal to or greater than 1,000 parts per million, the operator shall promptly shut down the drilling or workover or operations in a safe and controlled manner, until the source of the hydrocarbon emissions has been eliminated, unless shutdown creates a health and safety hazard. The corrective action taken shall be documented in the drilling log for drilling or workover and in the log. When an alarm is received, the operator shall promptly notify the Kern County Fire Department - Health Hazardous Materials Division, and the SJVAPCD.

E. The City Manager may also require additional monitoring at the closest residential receptor periodically for hydrogen sulfide, hydrocarbons or Toxic Air Contaminants. All the monitoring equipment shall keep a record of the levels of total hydrocarbons and hydrogen sulfide detected at each of the monitors, which shall be retained for at least five years. The

operator shall, on a quarterly basis, provide a summary of all monitoring events where the hydrogen sulfide concentration was at five parts per million or higher and the total hydrocarbon concentration was at 500 parts per million or higher to the Fire Chief of the Kern County Fire Department. At the request of the Fire Chief, the operator shall make available the retained records from the monitoring equipment.

17.46.032.5 Water Quality

The operator shall at all times conduct operations to avoid any adverse impacts to surface and groundwater quality, and shall comply with the following provisions:

17.46.032.5.1 Water Management Plan

The operator shall comply with all provisions of a potable water management plan that has been approved by the City Manager. The plan shall include best management practices, water conservation measures, and the use of a drip irrigation system. The water management plan shall be reviewed by the operator every three years to determine if modifications to the plan are required. Any modifications to the water management plan shall be submitted to the City Manager for review and approval. This Section does not apply to existing facilities.

17.46.032.5.2 Stormwater Runoff

Construction Storm Water Pollution Prevention Plan ("SWPPP"). The operator shall maintain and implement all provisions of a storm water pollution prevention plan ("SWPPP") that has been submitted to the Regional Water Quality Control Board, if required. The operator shall provide the City Manager with a copy of the SWPPP, and any future modifications, revisions, or alterations thereof, or replacements therefore upon written or verbal request of the City Manager. The SWPPP shall be updated prior to new construction activities as required by the Regional Water Quality Control Board.

17.46.032.5.3 Groundwater Quality

A. Prior to any new development, the operator shall prepare and submit a baseline study of all groundwater resources located within and beneath the project site or directly adjacent to the site, to specifically include an analysis of the location and reservoir characteristics of all existing groundwater resources, a chemical analysis of the groundwater, and an overall assessment of the groundwater quality. Nothing in this Section shall authorize the operator to trespass on private property including private wells; operator shall use reasonable efforts to obtain permission from private wells. Upon determining that the testing data for said well(s) is otherwise not publically available, the operator may make a showing of reasonable efforts to obtain permission to access private wells to the City Manager. Upon such a showing, and a deposit by the operator to cover the costs noticing, the City Manager may send out notices requesting access to the private wells for sampling purposes. If data from nearby private wells is not available, the operator may rely on data from the two closest public wells.

B. The operator shall not inject any water spoils/wastewater derived from the any oil or gas operations into any non-exempt freshwater aquifers.

C. Upon indication that groundwater contamination has occurred and where there is a reasonable probability it could be related to oil and gas activities at the site, within 30 days of request by the City the operator shall deposit funds with the City necessary to retain a third party to prepare a hydrological analysis Groundwater Testing Program, or alternately, provide comparable analyses performed through the Groundwater Ambient Monitoring and Assessment Program or other reliable source as determined by the City Manager. Based on the results of the geo-hydrological analyses, the City Manager has the discretion to require the operator to install one or more groundwater monitoring wells to allow for confirmation that groundwater is not being affected by oil and gas activities. As part of the Groundwater Testing Program the operator is required to provide the City Manager with annual monitoring and testing results.

D. The operator shall be responsible for obtaining a field/site study from DOGGR. If DOGGR does not provide this to the operator then the operator shall submit evidence detailing DOGGR's response to their field/site study request to the City Manager for review.

E. The operator shall provide to the City Manager a copy of the DOGGR Annual Injection Project Review (if the operator is operating a water injection or water disposal well) upon written or verbal request by the City Manager. The operator shall provide to the City Manager the results of any DOGGR required cement casing integrity testing, including radial cement evaluation logs or equivalent upon written or verbal request by the City Manager, before any wells are put into production.

17.46.032.6 Noise Impacts

All facilities at an oil or gas site located within 600 feet of any prohibited zones, as indicated in Table 1-1, or if noise levels exceed City thresholds as confirmed by the City Manager, operations shall comply with the following provisions:

A. All noise produced from the site shall conform to the noise thresholds specified in Table 4 – Noise Standards For Land Use Compatibility

B. Backup alarms on all vehicles operating within 600 feet of the prohibited zone in Table 1-1, shall be disabled between the hours of 6:00 p.m. and 8:00 a.m. During periods when the backup alarms are disabled, the operator shall employ alternative low-noise methods for ensuring worker safety during vehicle backup, such as the use of spotters.

C. Any and all operations, construction, or activities on the site between the hours of 6:00 p.m. and 8:00 a.m. shall be conducted in conformity with a quiet mode operation plan that has been approved by the City Manager. The quiet mode operation plan shall be reviewed by the operator every year to determine if modifications to the plan are required. Any modifications to the quiet mode drilling plan shall be submitted to the City Manager for review and approval. Operations that are existing at the time this ordinance is adopted are exempt from the quiet mode plan submittal requirements but are required to comply with the quiet mode provisions listed in section 17.46.08.1.J.

D. All noise producing oil and gas site equipment shall be regularly serviced and repaired to minimize increases in pure tones and other noise output over time. The operator shall maintain an equipment service log for all noise-producing equipment.

E. All construction equipment shall be selected for low-noise output. All construction equipment powered by internal combustion engines shall be properly muffled and maintained.

F. Unnecessary idling of construction equipment internal combustion engines is prohibited.

G. The operator shall instruct employees and subcontractors about the noise provisions of this ordinance. The operator shall prominently post quiet mode policies at every oil and gas site if applicable.

H. All oil operations on the oil and gas site shall be conducted in a manner that minimizes vibration. Additionally, vibration levels from oil or gas operations at the site, as measured from the perimeter of the oil or gas site, shall not exceed a velocity of 0.25 mm/s over the frequency range 1 to 100 Hz.

I. For all oil and gas operations if noise levels exceed the levels prescribed in Table 4 – Noise Standards For Land Use Compatibility or the vibration thresholds specified in Subsection (H) of this Section, including those outside of 600 feet as indicated above, within 30 days of request by the City Manager, the operator shall deposit funds for the City Manager to retain an independent qualified acoustical engineer to monitor (1) ambient noise levels and (2) vibration levels in the areas surrounding the oil or gas site as determined necessary by the City Manager. The monitoring shall be conducted unannounced and within a time frame specified by City Manager. Should noise or vibrations from the oil or gas site exceed the noise thresholds specified in Table 4 – Noise Standards for Land Use Compatibility of the Noise Element of the General Plan or the vibration thresholds specified in Subsection (H) of this Section, operation can also be subject to enforcement under this ordinance including notices of violation per Section 17.46.015. No new drilling permits, CUPs, or DAs shall be issued by the City until the operator in consultation with the City Manager identifies the source of the noise or vibration and the operator takes the steps necessary to assure compliance with thresholds specified in this ordinance. The results of all such monitoring shall be promptly posted on the website for the oil or gas site and provided to the City Manager.

17.46.33 Standards for Wells

The operator shall comply with all of the following provisions:

A. All DOGGR regulations related to drilling, workovers, operations and abandonment operations.

B. No more than two rigs shall be present within the oil or gas site at any one time.

C. All derricks and portable rigs and masts used for drilling and workovers shall meet the standards and specifications of the American Petroleum Institute as they presently exist or as may be amended.

D. All drilling and workover equipment shall be removed from the site within ninety days following the completion of drilling or workover activities unless the equipment is to be used at the site within thirty days for drilling or workover operations.

E. All drilling sites shall be maintained in a neat and orderly fashion.

F. Belt guards shall be required over all drive belts on drilling and workover equipment. Guarding shall be as required by Title 8 of the California Code of Regulations, Section 6622, or as may be subsequently amended.

G. Aboveground pumpjack assemblies are prohibited for new wells located in non-industrial and non-agricultural areas, and new wells in non-industrial areas sites are restricted to the exclusive use of submersible downhole pumping mechanisms for extraction. However, any well already lawfully existing at the time of implementation of this ordinance using a pumpjack assembly may continue to do so. The requirements of this subsection are applicable to all oil and gas sites in all non-industrial zones and non-agricultural zones except where the City Manager determines that the use of submersible downhole pumping mechanisms is infeasible due to technical reasons or other circumstances which would specifically preclude the use of such technology (including field and well specific flowrates and fluid types) or render its use less desirable (such as increased environmental impacts, surface impacts, or other issues related to public health, welfare or safety).

17.46.034 Standards for Pipelines

The operator shall comply with the following provisions related to pipelines throughout operation of an oil or gas site:

17.46.034.1 Pipeline Installations and Use

A. Pipelines shall be used to transport oil and gas off-site to promote traffic safety and air quality, unless it can be demonstrated to the satisfaction of the City Manager that a pipeline is not reasonably feasible (which may include proximity of pipelines to prohibited uses, production volumes resulting in less than one truck delivery trip per week, etc.) and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1, except on designated truck routes. Trucking on a temporary basis is allowed with approval of the City Manager.

B. The use of a pipeline for transporting crude oil or gas may be a condition of approval for expansion of existing facilities or construction of new facilities unless it can be demonstrated to the satisfaction of the City Manger that a pipeline is infeasible and that transportation of products do not pass through or adjacent to prohibited areas as defined in Table 1-1, except on designated truck routes.

C. New pipeline corridors shall be consolidated with existing pipeline or electrical transmission corridors where feasible, unless there are overriding technical constraints or significant social, aesthetic, environmental or economic reasons not to do so, as approved by the City Manager.

D. New pipelines shall be routed to avoid residential, recreational areas, and schools if possible. Pipeline routing through recreational, commercial or special use zones shall be done in a manner that minimizes the impacts of potential spills by considering spill volumes, durations, and projected spill paths. New pipeline segments shall be equipped with automatic shutoff valves, or suitable alternatives approved by the City Manager, so that each segment will be isolated in the event of a break.

E. Upon completion of any new pipeline construction, the site shall be restored to the approximate previous grade and condition. All sites previously covered with vegetation shall be reseeded with the same or recovered with the previously removed vegetative materials, and shall include other measures as deemed necessary to prevent erosion until the vegetation can become established, and to promote visual and environmental quality, unless there are approved development plans for the site, in which case re-vegetation would not be necessary.

F. Gas from wells shall be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and light sources, unless the SJVAPCD approves the flaring of gas during the temporary operation of an well. Oil shall also be piped to centralized collection and processing facilities, in order to minimize land use conflicts and environmental degradation, and to promote visual quality.

17.46.034.2 Pipeline Inspection, Monitoring, Testing and Maintenance

A. Operators shall visually inspect all aboveground pipelines for leaks and corrosion on a monthly basis.

B. The operator shall install a leak detection system for all offsite DOT regulated oil and gas pipelines. The leak detection system for oil shall include pressure and flow meters, flow balancing, supervisor control and data acquisition system, and a computer alarm and communication system in the event of a suspected leak. The leak detection system for gas pipelines shall include pressure sensors. The accuracy shall be defined once the system is established and tested and approved by the City Manager. The City Manager may deviate from these requirements to address system specific operating requirements.

C. Pipe clamps, wooden plugs or screw-in plugs shall not be used for any permanent repair approved by the City Manager.

D. Pipeline abandonment procedures shall be submitted to the City Manager for review and approval prior to any pipeline abandonment.

E. Copies of pipeline integrity test results required by any statute or regulation shall be maintained in a local office of the operator and posted online on the same website that provides the monitoring results required in Section 17.46.032.1 for five years and shall also made available to the City, upon request. The City shall be promptly notified in writing by the operator of any pipeline taken out of service due to a test failure.

17.46.035 Temporary Buildings

During full production of an oil or gas site no temporary buildings are allowed to be constructed or maintained anywhere at the site.

17.46.036 [Reserved]

17.46.037 [Reserved]

Part 3. Development Standards for Site Abandonment and Redevelopment

17.46.038 Development Standards

The following development standards shall be applied to all redevelopment projects within the footprint of an oil or gas site, including any building permit involving a current or former oil or gas site:

A. Any demolition, abandonment, re-abandonment, or restoration shall be adequately monitored by a qualified individual, funded by the permittee or operator and retained by the City, to ensure compliance with those conditions designed to mitigate anticipated significant adverse effects on the environment and to provide recommendations in instances where effects were not anticipated or mitigated by the conditions imposed on the permit or entitlement. Pre-restoration and post- restoration surveys of sensitive biological resources shall be employed as appropriate to measure compliance.

B. The site shall be assessed for previously unidentified contamination.

1. The permittee shall ensure that any discovery of contamination shall be reported to the City Manager and the Kern County Fire Department.

C. The permittee shall diligently seek all necessary permit approvals, including revisions to an entitlement or the demolition. Abandonment, re-abandonment and restoration permit, if any are required, in order to remediate the contamination.

D. The permittee shall be responsible for any cost to remediate the contamination on the site. This ordinance is not intended to limit the permittee or operator's rights under the law to seek compensation from parties who have contributed to contamination of the site.

E. The permittee shall ensure that appropriate notification has been recorded with the County Recorder to describe the presence and location of any contamination left in place under the authority of the Kern County Fire Department.

F. All abandoned or re-abandoned wells shall be leak tested subject to the following requirements:

1. All abandoned wells located within on the oil and gas site must be tested for gas leakage and visually inspected for oil leakage. The operator shall apply to the City

Manager for an inspection permit to witness the well testing. The leak test shall be completed utilizing a gas detection meter approved in advance by the City Manager, and shall be conducted by a state licensed geotechnical or civil engineer or a state registered environmental assessor, Class II, or the City Manager, or a designee, as determined necessary by the City Manager.

2. The permitee shall prepare and submit a methane assessment report for each tested well prepared per the City of LA Department of Building and Safety "Site Testing Standards for Methane" (P/BC 2014-101), as may be amended, or equivalent standards as may be approved by the City Manager. The operator may use the City's consultant to observe the leak test or be responsible for City consultant test fees.

3. The submitted methane assessment report shall be prepared by a state licensed geotechnical or civil engineer. A well shall be considered leaking if the leak test report indicates the meter read is greater than Level II as defined by the City of LA Department of Building and Safety "Site Testing Standards for Methane", which is set at 1,000 parts per million.

4. An approved methane assessment report is valid for 24 months from approval by the City Manager. If an abandonment permit has not been issued by this time, retesting shall be required. Following all testing and inspection, the test area shall be returned to its previous state to the satisfaction of the City building official.

5. If there has not been a change to the well and no indicia of a leak, no leak test is required if a valid methane assessment report, accepted by the City Manager and showing no leaks in excess of the leak limit, has been completed for an abandoned or re-abandoned well.

6. If evidence is provided that a well has been abandoned or re-abandoned per DOGGR standards, and if evidence is provided to the City Manager that the likelihood of methane release is low given local field conditions, etc., the City Manager may waive a methane assessment report if detection at the site is less than 1,000 parts per million,

G. Prior to any development or redevelopment of a current or former oil or gas site, or prior to abandoning or re-abandoning any well, the operator shall:

1. Obtain permit(s) and abandon all idled wells consistent with Section 17.46.011.3 and provide a certificate of compliance to show that the wells and/or sites are abandoned consistent with standards recommended or required by DOGGR to the satisfaction of the City Manager. Permits shall not be required if the idled well is scheduled to produce oil or natural gas, or to be used for injection, as part of the development or redevelopment of a former oil or gas site and if said production or injection occurs within 5 years of issuance of a CUP or DA under this ordinance.

2. Obtain permit(s) consistent with Section 17.46.011.3 to re-abandon all previously abandoned wells that do not meet standards recommended or required by DOGGR for

abandonment in effect at the time of re-abandonment, and provide a certificate of compliance that the wells and/or sites are re-abandoned consistent with current conditions and standards recommended or required by DOGGR to the satisfaction of the City Manager. Permits shall not be required if re-entry of an abandoned well is scheduled to occur within 5 years of issuance of a CUP or DA under this ordinance, and if re-entry actually occurs within that period of time.

3. In lieu of Subsections (1) and (2), above, obtain a deferral covenant from the City requiring abandonment or re-abandonment to standards recommended or required by DOGGR, or equivalent standards as determined by the City Manager, at a specific time or upon the occurrence of a future event. The deferral covenant shall be approved as to form by the City Attorney, contain a provision to indemnify and hold harmless the City for damages related to wells not abandoned or re-abandoned consistent with standards recommended or required by DOGGR, and shall be recorded by the operator with the County Clerk prior to approval. In addition to a deferral covenant, the City Manager may require a bond or deposit to cover the estimated cost of future abandonment.

H. Other Development Standards:

1. Permanent structures, or other construction that would be difficult or expensive to demolish, shall not be located on top of any abandoned oil or gas well such that access for a well abandonment rig or other well maintenance equipment is constrained or inhibited from access to the well in the event of a future oil or gas leak, unless it can be demonstrated to the satisfaction of the City Manger that it is not feasible or, within an industrial zone, the developer proposing such construction provides written assurances to the satisfaction of the City Manager, to be included in the recorded declaration of covenant prescribed in Subsection 3, below, that they are aware of and accept the risks associated with such construction. Pervious improvements, such as landscaping and porous parking areas with adequate landscape buffers, may be located on top of an abandoned or re-abandoned well which has passed the leak test consistent with this Section.

2. Redevelopment of a Former Oil and Gas Site: If redevelopment of an oil and gas site for use other than an oil and gas operation is proposed at a completely or partially abandoned oil or gas site, the applicant shall submit an application to be processed as a Conditional Use Permit consistent for that use under this Code. Said application shall include the content required by Section 17.46.11.3.2, and the Conditional Use Permit shall comply with the development standards of Section 17.46.038.

3. Prior to issuance of a permit or entitlement for redevelopment of a former oil and gas site, the owner shall record a declaration of a covenant, in a form subject to the review and approval of the City Attorney, putting future owners and occupants on notice of the following: the existence of abandoned oil wells on the site; that the wells within the site have been leak tested and found not to leak; description of any methane mitigation measures employed; a statement as to whether or not access to these wells has been provided to address the fact that they may leak in the future

causing potential harm; acknowledgment that the state may order the re-abandonment of any well should it leak in the future; acknowledgment that the state does not recommend building over wells; and releasing and indemnifying the City for issuing any project permit or entitlement for the project, along with notice of the assurances, if any, required by Subsection 1, above. The covenant shall run with the land, apply to future owners, and may only be released by the City.