



1 Council”), Los Angeles City Planning Commission (“CPC”), and Karen Bass in the Official  
 2 Capacity as the Mayor of the City of Los Angeles (“Mayor”) (sometimes collectively referred to  
 3 as the “City”) and hereby bring the within Fourth Amended Petition for Writ of Mandate and  
 4 Complaint for Declaratory Relief, Injunctive Relief and Damages (collectively the “Petition”). In  
 5 support, Warren hereby alleges as follows:

### 6 INTRODUCTION

7 1. This Petition challenges the City of Los Angeles’s decision to adopt Ordinance  
 8 No. 187709 to amend Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of the Los Angeles  
 9 Municipal Code (“LAMC”) to make oil wells a nonconforming use, to ban the drilling of new  
 10 wells, and to prohibit the maintenance, drilling, re-drilling, or deepening of existing wells (the  
 11 “Ordinance”), and its decision to adopt the related Mitigated Negative Declaration (“MND”) and  
 12 Mitigation Monitoring Program (“MMP”). Petitioners also challenge the City’s subsequent  
 13 issuance of the Zoning Administrator Interpretation of “maintenance,” ZA-2022-8997-ZAI  
 14 (“ZAI”), as well as ZA Memorandum No. 141 (“ZA Memo 141”) on Health and Safety Exception  
 15 Projects. The ZAI and ZA Memo 141 are collectively referred to herein as the “ZA  
 16 Interpretations.”<sup>1</sup> While the City touts the Ordinance—along with the ZA Interpretations—as the  
 17 first step to phase out oil and gas extraction in the City and to move to cleaner energy, the City  
 18 intentionally ignores the clean nature of Warren’s all-electric oil and gas operations and the  
 19 evidence of its low emissions. In fact, the City never even analyzed Warren’s actual operations in  
 20 concluding that the Ordinance should apply to it, in evaluating environmental impacts under the  
 21 MND and in issuing the ZA Interpretations. The City has failed to ask the necessary questions  
 22 and obtain the required evidence at every turn, has rushed every legally required process along  
 23 the way, and as a result has based its approval and adoption of the Ordinance and ZA  
 24 Interpretations on a woefully deficient environmental document. The City’s actions constitute not  
 25 only a violation of the California Environmental Quality Act (“CEQA”) and of the City’s own  
 26 General Plan, but also are preempted by State law and are a violation of the State and Federal

27 <sup>1</sup> In response to appeals of the ZA Interpretations filed by Warren and others, the City modified the ZAI to clarify an  
 28 aspect of its scope as described below, and issued the final ZAI as ZA-2022-8997-ZAI-1A. For purposes of the  
 present action, “ZAI” refers to either ZA-2022-8997-ZAI or ZA-2022-8997-ZAI-1A.

1 Constitutions in that the Ordinance and ZA Interpretations effect a taking without just  
2 compensation and violate due process—all legal issues that the City also chose to ignore as part  
3 of its process. As discussed below, the City Attorney even warned the City in a public meeting  
4 prior to the City publishing the Ordinance that the City should obtain an expert amortization study  
5 before adopting an ordinance that will impact operators’ rights, but the City brazenly chose to  
6 ignore the legal advice of its own lawyers.

7         2. At every step of the administrative process, Warren and others have cautioned the  
8 City that, among other concerns, the MND and MMP are legally deficient, that the Ordinance and  
9 ZA Interpretations will effect a taking and subject the City to enormous liability, that the City is  
10 violating due process under the laws, and that Warren would pursue legal remedies if forced to do  
11 so. Nevertheless, the City moved forward, never pausing to consider these consequences and  
12 apparently never seriously considering Warren’s comments since the City Council did not even  
13 discuss Warren’s concerns at its meetings. As set forth in detail below, only four months passed  
14 from the time the City initially released draft ordinance language to the adoption of the final  
15 Ordinance, and less than three months passed from the publishing of the MND to final adoption.  
16 That timeline alone reveals the haste with which the City acted and helps to explain the many  
17 legal deficiencies that were ignored along the way. The City then—after adoption of the  
18 Ordinance—issued the ZAI defining the term “maintenance” and ZA Memo 141, providing a  
19 health and safety exception process and denied Warren’s appeals thereof without any real  
20 deliberation by the CPC. In sum, the City’s actions were unlawful, arbitrary, capricious,  
21 unreasonable and lacking in evidentiary support and, in fact, were contradicted by the evidence.

22         3. The Ordinance, which bans new drilling and prevents operations to continue the  
23 productive life of existing wells, will undoubtedly force Warren (and other operators) to shutter  
24 its doors. The ZAI, which prohibits certain routine and necessary maintenance activities absent a  
25 ZA Memo 141 discretionary exception, will expedite the same. Warren’s sole operations are  
26 within the Los Angeles basin and its only business is oil and gas extraction. Not only does this  
27 effect a taking for which no just compensation has been paid, but a shutdown of the industry will  
28 eliminate good-paying jobs, leaving many jobless with no plausible equivalent replacement. The

1 shut-down of Warren’s operations will also result in lost income to its royalty owners, many of  
2 whom rely on that income to survive.

3 4. On a larger scale, elimination of oil and gas extraction activities in the City does  
4 not eliminate or even reduce the demand for oil and gas in the City and elsewhere. If oil is not  
5 produced in Los Angeles, it will simply be imported from states and countries with far lesser  
6 environmental standards. What’s more, the City ignores—and fails to analyze—the fact that  
7 increased importation to meet existing demands will lead to increased emissions from oil tankers  
8 at the Port of LA, or trucks used for oil transportation. Because the City did not consider the  
9 larger impacts of eliminating local oil and gas extraction, it never analyzed the environmental  
10 consequences of increased importation to compensate for the local ban on extraction.

11 5. Warren is proud of its contribution to Los Angeles’s economy through  
12 employment, property and business taxes, and royalty income. It is equally proud of its  
13 contribution to the demand for energy, and its ability to contribute safely and cleanly. In the rush  
14 to make headlines, however, the City never bothered to consider the actual environmental  
15 footprint of Warren’s operations. In fact, Warren’s operations are 100% electric, and the  
16 emissions stemming from its almost-10-acre facility are the equivalent of a physically-much  
17 smaller fast-food restaurant with a drive thru. Warren participates in annual emissions reporting  
18 to the South Coast Air Quality Management District (SCAQMD), which includes the mandatory  
19 reporting of air pollutants regulated by the Clean Air Act. Due to the low levels of facility  
20 emissions, Warren has never been required to obtain a federal Title V operating air permit and has  
21 never been required to prepare a health risk assessment. Simply put, the emissions are so low that  
22 these are not required under the law.

23 6. On the other hand—and as Warren has pointed out on numerous occasions—the  
24 environmental impact of plugging and abandoning the hundreds of wells left in the wake of an  
25 industry shutdown is potentially significant. Because the City has ignored the natural and  
26 reasonable consequences of the Ordinance and ZA Interpretations, none of these impacts have  
27 been properly considered.

28 ///

1           7.       The City has not only ignored the natural and reasonable consequences of the  
2 Ordinance and ZA Interpretations and the realities of local and global oil and gas operations, but  
3 it has taken this hugely-significant step without preparing an Environmental Impact Report (EIR),  
4 instead choosing to proceed under a rushed and legally inadequate Mitigated Negative  
5 Declaration, ENV-202204865-MND, where:

- 6           a.       The City failed to analyze the whole of the project in that it states that future parts  
7 of the project—including determination of the amortization period, the definition  
8 of maintenance, abandonment and remediation requirements, and future use of oil  
9 field sites—would be drafted and considered at a future date. This impermissible  
10 piecemealing results in an environmental document that only analyzes a piece of  
11 the overall project to phase out oil and gas operations in the City.
- 12           b.       Due to its improper piecemealing stemming from the absence of a definition of  
13 “maintenance” in the Ordinance itself, the City did not even address the ZA  
14 Interpretations in the MND, which only considered the Ordinance.
- 15           c.       The City failed to adequately describe the existing environmental baseline,  
16 including by failing to analyze existing air and health impacts of oil and gas  
17 operations, beyond general and conclusory statements that oil and gas operations  
18 present a health concern without evidence of the same as to Warren’s and other’s  
19 operations. As set forth above, Warren’s operations are clean.
- 20           d.       The City failed to adequately disclose and analyze all impacts of the Ordinance  
21 and ZA Interpretations, including greenhouse gas emissions (GHG), land use  
22 planning, noise and vibration, urban decay, and cumulative impacts (such as those  
23 stemming from increased imports and remediation of existing sites).
- 24           e.       The City claims the Ordinance and ZA Interpretations will have no impact on the  
25 availability of mineral resources, but the City’s own July 25, 2019 Oil and Gas  
26 Health Report equates Los Angeles to Middle Eastern Countries in terms of  
27 available oil that will not be available once the industry is shut down.

28 ///

1 f. The Ordinance and ZA Interpretations also conflict with the City’s General Plan,  
2 which clearly contemplates the continued responsible extraction of oil and gas in  
3 the City.

4 8. The City’s failure to prepare an EIR is particularly egregious in that it ignores well  
5 settled law that an agency must prepare an EIR when “there is a disagreement among expert  
6 opinion supported by the facts over the significance of an effect on the environment.” In this  
7 instance, Warren engaged an expert on air emissions, Yorke Engineering, Inc. (“Yorke”), who  
8 pointed out multiple deficiencies in the MND related to air quality, health impacts related to air  
9 quality, and GHG. Yorke determined that significant air quality and health impacts related to air  
10 quality would result due to the fact that the City’s air expert significantly understated the type of  
11 equipment necessary to conduct plugging and abandonment operations. The City also improperly  
12 described plugging and abandonment activities as short term. The City must prepare an EIR on  
13 this basis alone.

14 9. Consistent with the City’s previously-rushed actions—and rather than starting over  
15 with the appropriate analysis and complete environmental review—the City pressed forward and  
16 adopted the MND at a City Council meeting on November 22, 2022.

17 10. As if these deficiencies aren’t bad enough, the City implicitly acknowledged that  
18 its air impacts analysis was deficient (and that Yorke’s analysis was credible) when it amended  
19 the MND and imposed a new mitigation measure on November 28—six days after adopting the  
20 MND by a vote of the City Council—and then adopted the MND a second time at another City  
21 Council meeting on December 2, 2022. The City’s re-adoption of a revised MND without  
22 recirculation is yet another CEQA violation that illustrates the haste behind this Ordinance.

23 11. Because of these numerous and significant deficiencies and for the reasons set  
24 forth in more detail below, Warren seeks a writ of mandamus pursuant to Code of Civil Procedure  
25 section 1085, or alternatively, section 1094.5, directing Respondents to vacate the MND and  
26 Ordinance and forgo any and all steps in furtherance of the Ordinance, as well as declaratory and  
27 injunctive relief confirming Warren’s rights and prohibiting Respondents from implementing  
28 and/or enforcing the Ordinance. Warren additionally seeks a writ of mandamus pursuant to Code

1 of Civil Procedure section 1085, or alternatively, section 1094.5, directing Respondents to  
2 withdraw the ZA Interpretations and forgo any and all steps in furtherance of their  
3 implementation. Alternatively, Warren seeks relief for the unlawful taking of its real property  
4 rights.

5 **PARTIES**

6 12. Petitioner/Plaintiff Warren Resources of California, Inc. is incorporated in  
7 California; Petitioner/Plaintiff Warren E&P, Inc. is incorporated in New Mexico; and  
8 Petitioner/Plaintiff Warren Resources, Inc. is incorporated in Delaware. As defined previously,  
9 all Petitioners/Plaintiffs are collectively referred to herein as “Warren.”

10 13. The City of Los Angeles is a charter city organized and existing under the laws of  
11 the State of California. The City of Los Angeles is the “lead agency” for purposes of Public  
12 Resources Code section 21067, with responsibility for conducting environmental review and  
13 approving the Ordinance.

14 14. The City Council is the duly elected legislative body for the City of Los Angeles  
15 responsible for compliance with CEQA, the CEQA Guidelines, State Planning and Zoning Law,  
16 the City of Los Angeles Municipal Code and the Charter and Administrative Code in adopting  
17 amendments to the Los Angeles Municipal Code.

18 15. The CPC is an appointed commission that reviews and recommends amendments  
19 to land use ordinances and the General Plan.

20 16. The Mayor is an elected official who approves or vetoes ordinances passed by the  
21 City Council and is named herein in official capacity only.

22 17. Warren is unaware of the true names and/or capacities of Respondents and  
23 Defendants DOES 1 through 20, inclusive, and therefore sues said Respondents and Defendants  
24 by such fictitious names. Warren will amend this Petition to insert the true names and/or  
25 capacities of DOES 1 through 20, inclusive, when the same have been ascertained. Warren is  
26 informed and believes, and thereon alleges, that each such fictitiously named Respondent and  
27 Defendant is, in some manner or for some reason, responsible for the damage caused to Warren  
28 and is subject to the relief being sought in this Petition.

**JURISDICTION & VENUE**

18. This Court has jurisdiction under, among other grounds, Code of Civil Procedure section 1085 and/or, alternatively, section 1094.5, as well as Public Resources Code sections 21168 and/or 21168.5 and Government Code section 65860.

19. Venue is proper in this Court under Code of Civil Procedure sections 393, 394, and 395 as the acts and omissions alleged herein took place within the County of Los Angeles, and the City of Los Angeles, City Council, CPC, and Mayor are Respondents and Defendants in this action. Further, pursuant to the Los Angeles Superior Court Local Rules, this CEQA action is filed in the Central District.

**GENERAL FACTUAL ALLEGATIONS**

**A. Warren’s Operations**

20. Since 2005, Warren has operated within the City limits pursuant to a City authorization described as Z.A. Case No. 20725, in which the City authorized operations at a semi-controlled drilling and production site in connection with the recovery of hydrocarbons from the Wilmington Townlot Unit, with related equipment and buildings necessary for the establishment and operation of a central production facility, which facilities are located in Nonurbanized Oil Drilling District No. 5, as designated and approved by the City. Z.A Case No. 20725 was approved on February 25, 1972, and was originally issued to Warren’s predecessor in interest, Humble Oil and Refining Co. Warren also operates in the City pursuant to Approvals of Plans issued by the City on July 20, 2006 (PA1) and October 2, 2008 (PA2) (collectively, the “Approvals”). Pursuant to the Approvals, Warren consolidated its operations into a central location in Los Angeles—the Wilmington Site (the “Site”)—per an agreement with the City. As part of that agreement and at the City’s request, Warren committed to plugging and abandoning wells outside the central facility Site over time, agreed to give up its right to redrill 560 wells located outside the Site, and committed to converting all its operations from diesel fuel to electric, which Warren has done at great expense. In return, the City issued the Approvals, and agreed that Warren could drill and operate 540 wells at the Site with up to 5 well cellars. The Ordinance attempts to convert the City’s designation and approval of Nonurbanized Oil District No. 5 into a



1 non-conforming use prohibiting oil and gas operations and attempts to revoke the rights granted  
2 to Warren under Z.A. Case No. 20725, as well as the Approvals.

3 21. Warren has invested over \$400 million in drilling and facilities construction at the  
4 Site in reliance on Z.A. Case No. 20725, the Approvals, its agreement with the City and the  
5 City's designation and approval of Nonurbanized Oil District No. 5. Warren currently operates  
6 approximately 165 active wells and 79 idle wells, for a total of 244 of the approximately 641  
7 current wells in the City of Los Angeles. It produces approximately 1,800 barrels of oil a day.  
8 Warren operates within the City exclusively on the consolidated Site, which is 9.22 acres in size,  
9 not including the 3.29-acre baseball park Warren owns and maintains for the community.  
10 Warren's producing wells are further concentrated in 3 well cellars with a surface footprint of  
11 approximately 1 acre within the Site. The Site, which is now fully electric, is a closed and self-  
12 contained system with a flawless environmental record.

13 22. The total reserve value to Warren and its royalty owners is currently estimated at  
14 \$675 million. More than \$2 million has been paid to date in royalty revenues to the City and  
15 Harbor Commission, and Warren pays over \$4 million annually in taxes and fees. Warren's only  
16 operations within the City of Los Angeles are contained at the Site. Warren has no operations  
17 outside of the Los Angeles Basin, and no operations outside of California.

18 **B. The 2019 Oil and Gas Health Report and 2020 City Attorney Analysis**

19 23. On June 30, 2017, the City Council adopted a motion instructing the then City  
20 Petroleum Administrator, Uduak-Joe Ntuk (who recently resigned as the State's Oil & Gas  
21 Supervisor in or around January of 2023), in collaboration with the City Attorney and numerous  
22 other public agencies, to report on the health impacts of oil and gas sites in the City. Mr. Ntuk  
23 and the Office of Petroleum and Natural Gas Administration and Safety (OPNGAS) performed an  
24 extensive study and published an Oil and Gas Health Report on July 25, 2019 (the "City's 2019  
25 Oil & Gas Health Report").<sup>2</sup>

26 ///

27 \_\_\_\_\_  
28 <sup>2</sup> A copy of the City's 2019 Oil & Gas Health Report can be found at: [https://clkrep.lacity.org/online/docs/2017/17-0447\\_rpt\\_BPW\\_07-29-2019.pdf](https://clkrep.lacity.org/online/docs/2017/17-0447_rpt_BPW_07-29-2019.pdf).

1           24.     Notably, the City’s 2019 Oil & Gas Health Report found the health impacts of oil  
 2 and gas operations in the City were “limited and inconclusive.” The report elaborated that:  
 3 “[t]here is a lack empirical evidence correlating oil and gas operations within the City of Los  
 4 Angeles to widespread negative health impacts. The lack of evidence of public health impacts  
 5 from oil and natural gas operations has been demonstrated locally in multiple studies by the Los  
 6 Angeles County Department of Public Health, the Los Angeles County Oil & Gas Strike Team,  
 7 the South Coast Air Quality Management District and the comprehensive Kern County  
 8 Environmental Impact Report and Health Risk Assessment.” (Page 145 of the City’s 2019 Oil &  
 9 Gas Health Report.) Nonetheless, the City’s 2019 Oil & Gas Health Report recommended that  
 10 City Council instruct City Planning to outline the feasibility of implementing a setback from  
 11 sensitive receptors, noting it should include proposed remedies and relief for potential due  
 12 process and takings claims from existing operators and mineral rights owners.

13           25.     On November 17, 2020, the Energy, Climate Change and Environmental Justice  
 14 Committee held a special meeting at which the City Attorney spoke to two confidential reports  
 15 prepared by the City Attorney’s Office for City Council. Those reports apparently addressed the  
 16 legal implications associated with the oil and gas recommendations outlined in the City’s 2019  
 17 Oil and Gas Health Report. With respect to the feasibility of a setback ordinance, the City  
 18 Attorney said:

19           **THERE IS A LEGAL PATH FORWARD FOR THE CITY TO ADOPT A**  
 20           **CAREFULLY CRAFTED ZONING ORDINANCE ESTABLISHING A**  
 21           **SETBACK FROM EXISTING OR NEW OIL AND GAS WELLS AND**  
 22           **RELATED FACILITIES WITH A[N] AMORTIZATION PERIOD SUPPORTED**  
 23           **BY EXPERT STUDY. A REQUEST FOR THE DRAFTING OF A[N]**  
 24           **ORDINANCE WILL REQUIRE THE CITY PLANNING DEPARTMENT TO**  
 25           **RETAIN EXPERTS TO ASSIST IN THE PREPARATION OF**  
 26           **AMORTIZATION STUDIES ALONG WITH EXPERTS TO ASSIST IN THE**  
 27           **CRAFTING OF THE ACTUAL ORDINANCE. AN ENVIRONMENTAL**  
 28           **REVIEW UNDER CEQA WOULD ALSO HAVE TO BE PERFORMED IN**  
 29           **CONNECTION WITH ANY ORDINANCE THAT IS PREPARED. ANY**  
 30           **ZONING ORDINANCE ENACTED BY THE CITY WILL LIKELY RESULT IN**  
 31           **LITIGATION. OUR OFFICE WILL [DEFEND] IN COURT A CAREFULLY**  
 32           **CRAFTED SETBACK ORDINANCE BY A STRONG ADMINISTRATIVE**  
 33           **RECORD WHICH INCLUDES EXPERT AMORTIZATION STUDIES AND**  
 34           **PROPER ENVIRONMENTAL REVIEW.<sup>3</sup>**

<sup>3</sup> Transcript of meeting available at [https://lacity.granicus.com/TranscriptViewer.php?view\\_id=46&clip\\_id=20391](https://lacity.granicus.com/TranscriptViewer.php?view_id=46&clip_id=20391).

1           26.     Despite this word of caution from its own attorneys, the City has now hastily  
2 moved forward in less than a three months' time period with adopting the MND and enacting a  
3 complete ban on drilling within the City limits (as opposed to a setback ordinance), as well as a  
4 ban on certain routine maintenance activities to sustain the productive life of existing wells, with  
5 no expert amortization study and with a truncated and unlawful environmental review and CEQA  
6 document.

7     **C.     The Draft Ordinance**

8           27.     At a meeting of the City Council on January 26, 2022, the Council adopted a  
9 recommendation to instruct City Planning and the City Attorney to prepare an ordinance to  
10 prohibit new oil and gas extraction and to make existing extraction operations a nonconforming  
11 use within the City of Los Angeles. The City Council further adopted the recommendation to  
12 have OPNGAS retain an expert to conduct an amortization study to determine the amortization  
13 period that would be appropriate for wells currently existing within the City limits. Former-  
14 Mayor Eric Garcetti approved the same on January 27, 2022.

15           28.     Pursuant to that directive from City Council and Mayor Garcetti, the Los Angeles  
16 City Planning Department ("City Planning") on August 9, 2022, released the Ordinance (in draft  
17 form) to prohibit new oil and gas extraction in the City of Los Angeles, and to phase out existing  
18 extraction activities. To achieve its goal of eliminating oil extraction in the City, the Ordinance  
19 proposed amendments to Sections 12.03, 12.20, 12.23, 12.24, and 13.01 of the LAMC to make oil  
20 wells a nonconforming use, to ban the drilling of new wells, and to prohibit the maintenance,  
21 drilling, re-drilling, or deepening of existing wells. The Ordinance did not define what was meant  
22 by "maintenance," but City Planning Staff made it clear that efforts to prolong the life of existing  
23 wells through, for example, re-drilling and deepening operations would be prohibited.

24           29.     Moreover, the Ordinance did not contain the amortization study requested by the  
25 City's own legal counsel; in fact, the City had not even retained an expert to conduct the study.  
26 Instead, the Ordinance provided that all wells shall be "removed, dismantled, demolished, and  
27 disposed of" within 20 years from the effective date of the Ordinance deeming them  
28 nonconforming (an "amortization period" already existing in the Los Angeles Municipal Code).

1 In other words, rather than follow the advice of its own counsel, the City proceeded unlawfully  
2 without the amortization study and has indicated that an “amortization study” will be conducted  
3 and further amendments to the Ordinance will be forthcoming to shorten the existing amortization  
4 period to something less than 20 years. As of the date of this filing, no study has been completed.  
5 Warren is unaware how long it will be allowed to operate existing wells, but Warren estimates  
6 that the current provisions in the Ordinance that prohibit re-drilling, deepening and  
7 “maintenance” (as defined by the ZAI also at issue in this action and discussed below) of existing  
8 wells will result in those wells ceasing production within approximately three years in any event.

9 30. Also in August 2022, City Planning announced that it would hold a Virtual  
10 Presentation and Public Hearing about the Ordinance on August 30, 2022. The notice provided  
11 that public comments would be accepted, and that City Planning would thereafter prepare a  
12 recommendation report for the CPC’s consideration.

13 **D. CPC’s Premature Recommendation to Adopt the Ordinance & MND**

14 31. In September 2022, City Planning released an amended version of the Ordinance  
15 and released a Staff Recommendation Report to the CPC. Notice was provided to stakeholders  
16 by email on September 15, 2022, that the CPC would hold a meeting on September 22, 2022, to  
17 consider these items. Also on September 15, 2022, the City published the MND. Pursuant to the  
18 Agenda, public comments to the CPC were due 48-hours in advance of the meeting, on  
19 September 20, 2022, and were limited to ten pages, including exhibits. Stakeholders were  
20 therefore given less than five days to prepare and submit limited comments before the CPC would  
21 consider recommending approval and adoption of the MND and the Ordinance to the City  
22 Council.

23 32. The CPC received written comments, including from Warren, urging it to not rush  
24 forward with the Ordinance because—among other legal issues—the amortization study had not  
25 been completed and the 30-day CEQA comment period was still open. Warren also noted that the  
26 recommended findings included requirements that the CPC find that it had evaluated the MND,  
27 including “*all comments received regarding the MND.*” (See e.g., Staff Recommendation Report,  
28 Proposed Finding 3 at F-3 (emphasis added).) The CPC, however, could not consider all such

1 comments at its September 22, 2022 meeting since the deadline for submitting comments to the  
2 MND did not run until October 17, 2022.

3 33. Nonetheless, at its September 22, 2022 meeting, the CPC adopted the Staff  
4 Recommendation Report thereby recommending that City Council adopt the MND, the related  
5 MMP, findings, and the Ordinance. Rather than wait less than one month to evaluate the  
6 comments to the MND, the CPC modified the draft findings to note that it was based on the  
7 comments received “to date.” The CPC ignored the fact that the comment period was still open  
8 despite requirements in the Los Angeles City Charter & Administrative Code (“LACAC”)   
9 Section 556, which provides that “[i]n accordance with City Charter Section 558(b)(2), the  
10 proposed ordinance will be in conformance with public necessity, convenience, general welfare,  
11 and good zoning practice by advancing the basic core zoning to project citizens’ health, safety,  
12 and welfare.” Impacts to the public’s general welfare including its health and safety, however,  
13 are evaluated through the CEQA review, which process had not been completed by the CPC’s  
14 September 22, 2022 meeting, and the public surely was not given enough time or space to provide  
15 meaningful comments in five days and ten pages.

16 34. The CPC also ignored the fact that its recommendation directly affected the voting  
17 requirements of the City Council to enact the Ordinance. (LACAC § 558(b)(3).) Accordingly,  
18 the CPC’s action was not merely “advisory” as stated by Planning Department Staff to the CPC,  
19 but rather affected the procedural requirements of the City Council in considering the Ordinance.

20 35. The CPC issued a Letter of Determination on September 26, 2022 (the “September  
21 26, 2022 CPC Report”), confirming that it took certain actions at its September 22 meeting,  
22 including: adopting the Staff Recommendation Report as the CPC’s own report on the subject;  
23 recommending that the City Council adopt the MND, consider the whole of the administrative  
24 record including all comments to the MND, and adopt the MND and MMP; and approving and  
25 recommending that City Council adopt the Ordinance.

26 36. The September 26, 2022 CPC Report was the first action and document loaded to  
27 the LA City Clerk Connect Council File Management System, Council File 17-0447-S2 (the  
28 Council File Management System), which—on information and belief—is the City’s online portal

1 to house all actions and filings related to City Council matters. With respect to the present matter,  
2 the Council File Management System houses a record of the actions taken by the various City  
3 commissions and committees, and the documents associated with those actions, including all  
4 written public comments received, committee and commission reports, and scheduling of  
5 hearings.

6 37. Finding No. 3 of the Land Use Findings from F-1 was revised by the CPC from  
7 the actual finding adopted by the CPC to provide that the CPC had considered the MND and all  
8 comments “received to date,” and that “[i]n consideration of the whole administrative record to  
9 date, including the [MND] and all comments received,” the CPC recommends the City Council  
10 adopt the MND. (Changes in underline.) Accordingly, Finding No. 3, as amended after-the-fact,  
11 is contrary to the findings actually adopted by the CPC at the hearing. Moreover, either version is  
12 misleading in that they imply that the CPC reviewed “all comments” on the MND even though  
13 the comment period had just opened a week before and would not expire until October 17, 2022.

14 38. The Staff Recommendation Report also notes that City Planning’s Office of  
15 Zoning Administration was preparing a Zoning Administrator’s Interpretation on the types of  
16 activities that would constitute prohibited “maintenance” under the Ordinance (ultimately issued  
17 as the ZAI). The Report additionally provided that at the time the Ordinance became effective,  
18 the Office of Zoning Administration would issue a memorandum discussing the process and  
19 procedures for obtaining review of the Zoning Administrator for activities that are necessary to  
20 respond to emergencies or threats to public health, safety, and the environment (ultimately issued  
21 as the ZA Memo 141).

22 39. The Staff Recommendation Report also noted that, “there are many other follow  
23 up actions that the City will undertake to ensure the safe phaseout of oil operations.” (Staff  
24 Recommendation Report at A-2 to A-3 (discussing some of the follow up actions).) Those  
25 actions include:

- 26 a. As noted above, the City has stated on multiple occasions that upon completion of  
27 the amortization study the law will likely be changed to shorten the amortization  
28 period.

1           b. With regard to remediation, this Ordinance “represents the first step.” (Staff  
2 Recommendation Report at P-6.)

3           c. As provided above, the City stated it would clarify what is precluded as  
4 “maintenance activities.” (Staff Recommendation Report at P-3.)

5           40. The CPC’s actions on the Ordinance were premature and unlawful. (*Laurel*  
6 *Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 388, 394 (“A  
7 fundamental purpose of [a CEQA document] is to provide decision makers with information they  
8 can use in deciding whether to approve a proposed project, not to inform them of the  
9 environmental effects of projects that they have already approved. If post approval  
10 environmental review were allowed, [CEQA] would likely become nothing more than post hoc  
11 rationalizations to support action already taken.”).) The completion of the CEQA process,  
12 including the required comment period and the consideration of these comments, is necessary as  
13 to two fundamental purposes of CEQA: informed decision making *by the agency* and informed  
14 public participation. The case law is clear that the failure to satisfy these requirements is a  
15 prejudicial error. (*County of Amador v. El Dorado County Water Agency* (1999) 76 Cal.App.4th  
16 931, 946.) Further, rather than a mere “recommendation,” the CPC’s actions directly affected the  
17 procedures the City Council was required to follow in adopting the Ordinance.

18           41. The CPC referred consideration of the item to the Arts, Parks, Health, Education,  
19 and Neighborhoods Committee (“Arts and Parks Committee”); the Energy, Climate Change,  
20 Environmental Justice, and River Committee (“Energy Committee”); and the Planning and Land  
21 Use Management Committee (“PLUM Committee”).

22           42. On September 30, 2022, the Energy Committee scheduled the item for its October  
23 6 committee meeting. Warren and others again timely submitted comments in opposition. The  
24 item was approved. This action by the Committee also took place prior to the conclusion of the  
25 CEQA comment period, meaning the Committee—like the CPC—could not and did not consider  
26 all public comment on the MND prior to approving the MND and the Ordinance.

27 ///

28 ///

1           43.     On October 13, 2022, City Planning prepared a letter to the PLUM Committee and  
2 transmitted with that letter: (1) responses to comments regarding the IS/MND received as of  
3 October 11, 2022 (prior to the close of the October 17, 2022 comment period); and (2) an errata  
4 to the IS/MND (“Errata No. 1”). Despite the fact that the comment period was still open, not all  
5 comments had been received or responded to, and City Planning sent Errata No. 1 at the same  
6 time it sent the letter, the letter recommended that the PLUM Committee recommend adoption of  
7 the Ordinance, the MND, Errata No. 1, and related findings to the City Council.

8           44.     The next day, on October 14, 2022, the PLUM Committee scheduled the item for  
9 its October 18 committee meeting. Warren and others again timely submitted comments in  
10 opposition. At the committee meeting, the PLUM Committee decided to continue the item to its  
11 November 1 meeting. The item was then approved at the November 1 meeting.

12           45.     The Arts and Parks Committee waived consideration of the item on October 17,  
13 2022.

14     **E.     The MND and MMP Are Deficient**

15           46.     On October 17, 2022, the MND comment period closed. Warren timely submitted  
16 its comment letter on the MND that day such that it was never considered by the CPC or the  
17 Energy Committee. Warren’s comment letter on the proposed MND and MMP sets forth  
18 numerous deficiencies with the City’s assumptions and ultimate environmental document, as set  
19 forth in greater detail below. Broadly, Warren’s comments discuss:

- 20           a.     The City’s improper piecemealing of the project, including by failing to define  
21 prohibited “maintenance” activities in the Ordinance, failing to address the  
22 environmental impacts of remediation, failing to perform an amortization study  
23 and define the amortization period prior to adoption, and failing to address future  
24 uses of oil field sites.
- 25           b.     Multiple deficiencies with the individual impact assessments in the MND,  
26 including impacts to mineral resources, air quality, GHG emissions, land use and  
27 planning conflicts, noise and vibration, failure to address cumulative and indirect  
28 impacts, lack of an accurate baseline, and failure to consider urban decay.



1           47.     Warren’s submission included expert evidence provided by Yorke dated October  
2 17, 2022 (the “October Yorke Report”), in which Yorke, an expert on air emissions, pointed out  
3 multiple deficiencies in the MND related to, among other things, unsupported assumptions on  
4 equipment ratings and incorrect analysis of health impacts as to air quality and GHG.

5           48.     Yorke is a firm of engineers that specialize in air quality and environmental  
6 permitting and compliance issues, including specifically with respect to oil and gas operations in  
7 Southern California. As a firm, Yorke has prepared over 50 environmental documents. The team  
8 that prepared the October Yorke Report was comprised of two Professional Engineers (PEs) and a  
9 Certified Permitting Professional (CPP) who specialize in oil and gas industry environmental  
10 compliance, and air dispersion and health risk assessment modeling.

11           49.     The October Yorke Report concluded that based on its analysis, there was  
12 substantial evidence that the Ordinance would result in significant impacts under the applicable  
13 CEQA thresholds. The October Yorke Report was incorporated by reference into Warren’s  
14 comments.

15           50.     On October 27, 2022, City Planning provided responses to the remainder of the  
16 comments it had received through the close of the CEQA comment period on October 17,  
17 including Warren’s October 17 Comment Letter. The City concluded that “None of the  
18 comments received during the entirety of the IS/MND circulation period offers any new evidence  
19 or any evidence that any fact, analysis, or determination in the Initial Study/Mitigated Negative  
20 Declaration (IS/MND) is incorrect. None of the comments make a fair argument, supported by  
21 substantial evidence, that the Ordinance may cause a significant impact on the environment.”  
22 (Oil and Gas Drilling Ordinance Supplemental Responses to Comments, at 2.) City Planning’s  
23 responses to Warren’s comments do not specifically address Yorke’s findings or analysis.

24 **F.     City Council Adopts the MND**

25           51.     After business hours on Friday, November 18, 2022, leading into the Thanksgiving  
26 week, the City scheduled the MND to be considered by the City Council at its Tuesday,  
27 November 22, 2022 meeting, and posted such notice on the Council File Management System.  
28 This essentially gave the public one business day to prepare and submit comments prior to the

1 City Council’s consideration of the Ordinance, MND, and MMP. The Agenda Item description  
2 also contained the recommended action that the City Council adopt the MND.

3 52. The Agenda Item was passed by the City Council at the November 22, 2022  
4 meeting including—on information and belief—the adoption of the MND and MMP.  
5 Nevertheless, the City later asserted that it had not adopted the MND.

6 53. More specifically and contrary to that later assertion, on November 23, 2022, the  
7 City posted the November 22 Motion on the Council File Management System, as well as an  
8 action note stating, “Council adopted item forthwith.” The Motion states, “I HEREBY MOVE  
9 that Council ADOPT the recommendations contained in the Planning and Land Use Management  
10 [PLUM] Committee report dated November 1, 2022.” The recommendations for City Council set  
11 forth in the November 1, 2022 PLUM Committee report include the following City Council  
12 “action”:

- 13 a. Adopt the MND, with the imposition of the mitigation measures;
- 14 b. Adopt the MMP;
- 15 c. Adopt the September 26, 2022 findings of City Planning;
- 16 d. Request the City Attorney to prepare and present the Ordinance;
- 17 e. Instruct City Planning to incorporate the Ordinance once adopted into the LAMC;
- 18 f. Concur with the Energy Committee recommendations of October 6 to approve the  
19 Ordinance and environmental documents;
- 20 g. Instruct the Petroleum Administrator to quarterly report to City Council on the  
21 status of the amortization study and remediation efforts.

22 54. A second entry on the Council File Management System states “Council action  
23 final.” The linked document, titled “Official Action of the Los Angeles City Council,” includes  
24 the Agenda Description: “MITIGATED NEGATIVE DECLARATION, ERRATA,  
25 MITIGATION MONITORING PROGRAM and RELATED CALIFORNIA  
26 ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS, and ENERGY, CLIMATE  
27 CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER (ECCEJR) and PLANNING AND  
28 LAND USE MANAGEMENT (PLUM) COMMITTEES' REPORTS relative to a proposed

1 ordinance amending Los Angeles Municipal Code Sections 12.03, 12.20, 12.23, 12.24, and 13.01  
2 to prohibit new oil and gas extraction and make existing extraction activities a nonconforming use  
3 in all zones.” The Council Action references the Motion – “Adopted Forthwith.”

4 55. On information and belief, the Motion to adopt the MND and MMP was therefore  
5 adopted at the November 22 City Council meeting.

6 **G. City Council Amends the MND and MMP, Adopts Again**

7 56. Thereafter, on November 28, 2022, the City posted to the Council File  
8 Management System: (1) a Report from City Attorney with Ordinance attached (dated November  
9 23 but, on information and belief, posted November 28); and (2) a Report from City Planning  
10 with several attachments. Those attachments consist of an Impact Sciences Memorandum, a  
11 Second Errata to Initial Study and MND (“Second Errata”), a Revised MMP, and Topical  
12 Responses to Comments.

13 57. The Impact Sciences Memorandum attempted to rebut the October Yorke Report.  
14 Despite being dated November 23, 2022, the City did not post the document to the Council File  
15 Management System until November 28, 2022, along with the Second Errata, the Revised MMP,  
16 and the City Attorney Report (also dated November 23, 2022, and recommending certain  
17 findings).

18 58. The Revised MMP added a new mitigation measure requiring the use of off-road  
19 equipment with greater than 50 bhp to be Tier 4 in order to address the significant issue of air  
20 quality stemming from the inevitable well plugging and abandonment that will be required if the  
21 Ordinance is to take effect.

22 59. While the Impact Sciences Memorandum attacks Yorke’s credibility and evidence,  
23 as discussed further below, the Second Errata and revised MMP make a significant change to the  
24 Project: the City adds a mitigation measure requiring use of Tier 4 abandonment equipment to  
25 address potential air impacts, including particulate matter exhaust emissions. Specifically, “All  
26 off-road diesel-powered construction equipment equal to or greater than 50 horsepower shall  
27 meet the U.S. Environmental Protection Agency’s (USEPA) Tier 4 Final emission standards  
28 during abandonment of wells. Operators shall maintain records of all offroad equipment to

1 document that each piece of equipment used meets these emission standards.” In one breath,  
2 then, the City attempts to discredit Yorke’s findings of significant air, GHG, and noise impacts,  
3 while also apparently attempting to mitigate for those same impacts by imposing a wholly new  
4 mitigation measure.

5 60. The Second Errata not only adds the text and justification for the new measure, but  
6 also attaches and incorporates a 19-page Oil and Gas Well Abandonment Emissions with Tier 4,  
7 Model Output, analyzing the environmental impact of the new mitigation measure.

8 61. The following day on November 29, the City noticed a second City Council  
9 meeting for December 2, 2022, with adoption of the revised MND, amended MMP, and final  
10 Ordinance on the Agenda. With regard to the CEQA action, the Agenda recommended the  
11 adoption of an “exemption” although no such document was contained in the administrative  
12 record. This notice only provided a few days for the public to review the Revised MND and  
13 MMP, along with the Impact Sciences Memorandum attacking the October Yorke Report. The  
14 City also only provided the bare minimum notice of 72 hours that it was going to seek to undo its  
15 prior final action of November 22, 2022, and adopt the Revised MND and MMP.

16 62. Despite the City delaying the posting of various documents until November 28,  
17 Warren provided an additional comment letter dated December 1, which letter included a second  
18 report by Yorke dated December 1, 2022 (“December Yorke Report”), in which Yorke rebutted  
19 the assertions made in the Impact Sciences Memorandum dated November 23, 2022.

20 63. It was not until December 1, 2022, at 8:00 p.m. that the City finally posted on the  
21 Council File Management System that the Ordinance was scheduled for the December 2 City  
22 Council meeting. Despite objections from Warren and others, the Council passed the proposed  
23 actions, including approval (again) of the MND, although this time of the Revised MND, and  
24 adoption of the Ordinance. On December 2, the Council File Management System again noted an  
25 activity entry stating, “Council adopted item forthwith.”

26 64. The former Mayor approved the Ordinance on December 8, 2022, and the Council  
27 File Management System posted a last “Council action final” note on December 9, 2022. The  
28 Ordinance became effective on January 18, 2023.

1 **H. The City’s Issuance of the ZAI and ZA Memo 141 and Warren’s Appeal Thereof**

2 65. On January 17, 2023, the Zoning Administrator issued the Zoning Administrator  
3 Interpretation on Well Maintenance, ZA-2022-8997-ZAI (ZAI), as well as ZA Memorandum No.  
4 141 (ZA Memo 141) on Health and Safety Exception Projects. Under the initial ZAI, the  
5 Zoning Administrator interpreted “well maintenance” to include:

6 (1) “A scope of work that requires a Notice of Intention to ‘Rework Permit’ to carry  
7 out a rework project on a well from the California Geologic Energy Management  
8 Division (CalGEM).”

9 (2) “A scope of work that requires online notification per the South Coast Air Quality  
10 Management District’s (SCQAMD) Rule 1148.2-‘Notification and Reporting  
11 Requirements for Oil and Gas Well and Chemical Suppliers’.”

12 66. Warren (and others) timely appealed the issuance of the ZA Interpretations  
13 through the City’s administrative appeals process on January 30, 2023 (the “ZAI Appeal”).  
14 Warren specifically appealed the ZAI and ZA Memo 141 despite being informed by a City staff  
15 member that ZA Memo 141 was not appealable. On information and belief, other appellants’  
16 appeals as to ZA Memo 141 were rejected as not appealable, but Warren’s joint appeal as to the  
17 ZAI and ZA Memo 141 was accepted for filing.

18 67. Therein, Warren challenged both the ZAI and ZA Memo 141 on grounds including  
19 that the documents violate CEQA, exceed the scope of the Zoning Administrator’s authority, are  
20 inconsistent with the City’s General Plan, impair Warren’s vested rights and reinforce its takings  
21 claim against the City, are arbitrary and capricious, lacking in evidentiary support, constitute and  
22 abuse of discretion, violate Warren’s due process rights, are impermissibly vague, are preempted  
23 and interfere with and impair Warren’s contracts. Warren also asserted that the City should be  
24 estopped from enforcing the ZA Interpretations as to Warren.

25 68. The CPC initially set a hearing on the ZAI Appeals for May 11, 2023. It was then  
26 unilaterally rescheduled to June 8, 2023, and then rescheduled a second time for September 14,  
27 2023.

28 ///

1           69.     On September 5, 2023, Warren timely submitted a Supplemental Letter in support  
2 of its ZAI Appeal. Therein, Warren called the City's attention to the recent decision of the  
3 Supreme Court of California, *Chevron U.S.A. Inc. v. County of Monterey* (2023) 2023 Cal.  
4 LEXIS 4349, and further asserted that the ZA Interpretations were preempted by State law, as  
5 made abundantly clear by that binding decision, discussed in further detail below.

6           70.     On September 6, 2023, the CPC issued an Agenda and Appeal Recommendation  
7 Report in advance of the September 14 ZAI Appeal hearing (“Staff Report”). The Staff Report  
8 noted that the Ordinance and ZA Memo 141 were outside the scope of the ZA Appeal, and  
9 therefore did not address Warren’s arguments as to ZA Memo 141.

10          71.     The Staff Report recommended that the CPC grant, in part, the pending appeals as  
11 to a single issue requiring clarification, and otherwise recommended that the CPC deny in full the  
12 appeals and adopt the modified Zoning Administrator’s Interpretation of Well Maintenance.  
13 More specifically, the Staff Report acknowledged an ambiguity in the initial ZAI definition of  
14 “maintenance” as to the applicability of the amended South Coast Air Quality Management  
15 District’s Rule 1148.2, which had recently been amended. Warren’s ZAI Appeal (and those of  
16 the other appellants) was otherwise denied in full, the Staff Report asserting that the ZAI is not a  
17 “project” under CEQA and that even if it was determined to be a project, it was nonetheless  
18 considered in connection with the Ordinance MND (which was adopted before the initial ZAI  
19 was even released). The Staff Report additionally argued that the ZA Interpretations are not  
20 preempted by State law, but it did not consider the recent California Supreme Court decision in  
21 *Chevron U.S.A. Inc.* in its analysis. All of the appellants’ other bases for appeal of the ZA  
22 Interpretations were similarly rejected in the Staff Report.

23          72.     In response to the CPC’s Staff Report, Warren submitted a Second Supplemental  
24 Submission in support of its ZAI Appeal on September 12, 2023. In its submission, Warren  
25 continued to urge the City to withdraw the ZAI and ZA Memo 141, noting among other  
26 arguments that the City could not continue to ignore the binding Supreme Court precedent set  
27 forth in *Chevron U.S.A. Inc.*

28 ///

1           73.     The CPC held a hearing on the ZAI Appeal on September 14, 2023. Warren was  
 2 given no advance notice of the time it would be allotted for its appeal presentation—which was  
 3 submitted on September 11 pursuant to the CPC’s requirement that all PowerPoint presentations  
 4 be submitted 72 hours in advance of the hearing. At the hearing, Warren was given five minutes  
 5 to orally present its comments to the CPC.

6           74.     After appellants’ and public comments, the CPC took approximately *two minutes*  
 7 to deliberate before unanimously granting in part and largely denying appellants’ ZAI Appeal(s).  
 8 Thereafter, on October 4, 2023, the CPC issued a Letter of Determination confirming the actions  
 9 taken at the September 14 ZAI Appeal hearing and adopting the modified version of the ZAI as  
 10 recommended in the Staff Report (ZA-2022-8997-ZAI-1A). Under the modified ZAI, as adopted,  
 11 the Zoning Administrator interpreted “well maintenance” to include:

12           (1) “A scope of work that requires a Notice of Intention ‘Rework Permit’ to carry out  
 13 a rework project on a well from the California Geologic Energy Management Division  
 14 (CalGEM).”

15           (2) “A scope of work that requires notification per the South Coast Air Quality  
 16 Management District’s (SCAQMD) Rule 1148.2 – ‘Notification and Reporting  
 17 Requirements for Oil and Gas Well and Chemical Suppliers’ for ‘Well Rework’ and/or  
 18 ‘Injection’ including one or more of the following activities: acidizing, hydraulic  
 19 fracturing, gravel packing, maintenance acidizing, matrix acidizing, and acid fracturing.”

20     **I.     The California Supreme Court Determines that a Local Agency’s Attempt to**  
 21 **Regulate Methods & Practices of Oil Operations is Preempted by State Law**

22           75.     As referenced above, on August 3, 2023, after the City adopted the Ordinance but  
 23 before adoption of the final version of the ZAI, the Supreme Court of California issued its  
 24 decision in *Chevron U.S.A. Inc. v. County of Monterey* (2023) 2023 Cal. LEXIS 4349. In that  
 25 decision the Supreme Court considered Measure Z, a County of Monterey Ordinance that, in part,  
 26 prohibited: (1) the development of any facility in support of oil and gas wastewater injection or  
 27 oil and gas wastewater impoundment; and (2) prohibited the drilling of new oil and gas wells.  
 28 (*Id.* at \*5, \*6.) The Supreme Court held that Measure Z was preempted by Public Resources

1 Code section 3106, which gives the State Oil and Gas Supervisor the mandate to, among other  
2 things, supervise the drilling, operation, and maintenance of oil and gas wells so as to permit well  
3 owners and operators to utilize all methods and practices that, in the opinion of the Supervisor,  
4 are suitable for the purpose of increasing the ultimate recovery of underground hydrocarbons.  
5 (*Id.* at \*14, \*24.) “By banning some oil production methods altogether, Measure Z takes those  
6 methods off the table and nullifies the supervisors express, statutorily-conferred authority to  
7 decide what oil production methods are suitable in each case.” (*Id.* at \*23.) Similarly, the  
8 Ordinance is preempted by Public Resources Code Section 3106 because, among other reasons, it  
9 bans new wells, maintenance, re-drilling, deepening and sidetracking on existing wells and other  
10 methods and practices of oil operations at Warren’s existing drilling site within the City.

### 11 **EXHAUSTION, JURISDICTIONAL, & NOTICE REQUIREMENTS**

12 76. Warren has participated at every stage of administrative review and has complied  
13 with all conditions imposed by law prior to filing this action.

14 77. Warren timely submitted a comment letter to the CPC in advance of its September  
15 22, 2022 meeting. Warren timely submitted comments in advance of the October 6, 2022 City of  
16 Los Angeles Energy Committee meeting. Warren timely submitted comments on the proposed  
17 MND prior to the close of the CEQA comment period on October 17, 2022. That letter included  
18 and incorporated by reference the October Yorke Report. Warren also submitted the same  
19 comments to the PLUM Committee in advance of its October 18, 2022 scheduled meeting, at  
20 which meeting the Ordinance agenda item was continued to November 1, 2022. Warren timely  
21 submitted comments in advance of the November 22, 2022 City Council Meeting, and Warren  
22 timely submitted comments in advance of the December 2, 2022 City Council Meeting, which  
23 letter included and incorporated by reference the December Yorke Report, rebutting the Impact  
24 Sciences Memorandum.

25 78. With its comment letters, Warren also joined the written and oral comments of  
26 other industry organizations and companies that were submitted in opposition to the Ordinance  
27 and adoption of the MND in connection with all prior meetings (the August 30, 2022 Planning  
28 Staff Meeting; the September 22, 2022 CPC meeting; the October 6, 2022 Energy Committee



1 meeting; the November 1, 2022 PLUM Committee Meeting; and the November 22 and December  
2 2, 2022 City Council Meetings).

3 79. On December 12, 2022 a Notice of Determination (NOD) was posted to the State  
4 of California's CEQAnet Portal, the online environmental database of the State Clearinghouse  
5 (SCH), part of the State's Office of Planning & Research. According to its website, CEQAnet  
6 contains information from all CEQA documents submitted to the SCH for State review. Warren  
7 has timely filed this Petition, not later than 30 days from the date of posting of the NOD.

8 80. Warren has complied with the requirements of Public Resources Code section  
9 21167.5, by providing advance notice to the City, City Council, CPC and Mayor that this action  
10 would be filed. Warren served a Notice of Intent to File CEQA Petition on the City, City  
11 Council, CPC and Mayor by mail and electronic mail on January 6, 2023. Proof of service of this  
12 notification, with a copy of the notification, is attached as **Exhibit A**.

13 81. Warren has additionally exhausted all administrative remedies with regard to the  
14 ZA Interpretations. Warren timely appealed the ZA Interpretations on January 30, 2023, and  
15 thereafter filed a Supplemental Letter in support of the same on September 5 and a Second  
16 Supplemental Submission on September 12, 2023. With its letters, Warren also joined the written  
17 and oral comments of other industry organizations and companies that were submitted in  
18 opposition to the ZA Interpretations.

19 82. Warren has complied with the requirements of Public Resources Code section  
20 21167.7 by providing notice and a copy of the original and all subsequent Amended Petitions to  
21 the California Attorney General within ten days of its filing. Warren will further comply by  
22 providing notice and a copy of this Fourth Amended Petition to the Attorney General within ten  
23 days of the filing thereof.

24 83. Warren does not have a plain, speedy, or adequate remedy at law.  
25 The maintenance of this action enforces important public policies of the State with respect to  
26 protecting the environment and public participation under CEQA. The maintenance and  
27 prosecution of this action will confer a substantial benefit upon the public by protecting the public  
28 from the environmental and other harms alleged herein. Warren thus is entitled to the recovery of

1 attorneys' fees under California Civil Procedure Code section 1021.5.

2 **FIRST CAUSE OF ACTION**

3 **(For Writ of Mandate – Public Resources Code § 21167, Violation of CEQA)**

4 84. Warren incorporates by reference the allegations contained in the previous  
5 paragraphs above as though fully set forth herein.

6 85. CEQA mandates that the long-term protection of the environment shall be the  
7 guiding criterion in public decisions. (Pub. Resources Code §§ 21000-21002). CEQA requires  
8 that public agencies analyze and disclose the environmental impacts of their actions to the public  
9 prior to their approval. (CEQA Guidelines [Cal. Code Regs., tit. 14, § 15000 et seq.], §  
10 15002(a).)

11 86. CEQA's mandates are procedural and informational, as well as substantive.  
12 CEQA requires that public agencies avoid or significantly reduce environmental impacts  
13 whenever feasible by implementing project alternatives and mitigation measures. (Pub.  
14 Resources Code § 21002.)

15 87. A public agency abuses its discretion and fails to proceed in the manner required  
16 by law when its actions or decisions do not substantially comply with the requirements of CEQA.  
17 (Pub. Resources Code §§ 21168, 21168.5.)

18 88. Where a proposed project may result in significant environmental effects, CEQA  
19 requires public agencies to prepare an environmental impact report ("EIR"), the purpose of which  
20 is "to identify the significant effects on the environment of a project, to identify alternatives to the  
21 project, and to indicate the manner in which those significant effects can be mitigated or  
22 avoided." (Pub. Resources Code § 21002.1(a).)

23 89. An EIR is required even if the project's ultimate effect on the environment is far  
24 from certain. (*California Building Industry Assn. v. Bay Area Air Quality Management Dist.*  
25 (2015) 62 Cal.4<sup>th</sup> 369, 382-383). If a lead agency is presented with a fair argument that a project  
26 may have a significant effect on the environment, the lead agency *shall* prepare an EIR even  
27 though it may also be presented with other substantial evidence that the project will not have a  
28 significant effect. (*Berkeley Hillside Preservation v. City of Berkeley* (2015) 60 Cal.4<sup>th</sup> 1986,

1 1104; CEQA Guidelines, § 15064(f)(1).)

2 90. “In marginal cases where it is not clear whether there is substantial evidence that a  
3 project may have a significant effect on the environment, the lead agency shall be guided by the  
4 following principal: If there is a disagreement among expert opinion supported by the facts over  
5 the significance of an effect on the environment, the Lead Agency *shall* treat the effect as  
6 significant and *shall* prepare an EIR.” (CEQA Guidelines, § 15064(g) (emphasis added).)

7 91. Whether a CEQA document fails to include the information necessary for an  
8 adequate analysis of an environmental issue is a question of law, and when reviewed by the  
9 courts, the courts do not defer to an agency’s determinations. (*Banning Ranch Conservancy v.*  
10 *City of Newport Beach* (2017) 2 Cal.5<sup>th</sup> 918, 935.)

11 92. The City has violated CEQA by failing to prepare an MND that meets all of  
12 CEQA’s procedural and substantive mandates prior to the City Council’s actions on November  
13 22, 2022 and December 2, 2022 to adopt the MND and by failing to prepare an EIR. Further, the  
14 City has violated CEQA by subsequently issuing the ZA Interpretations without performing any  
15 kind of CEQA review in connection therewith. Any reliance on the MND as compliance with  
16 CEQA in issuing the ZA Interpretations fails for the same reasons that the MND is inadequate as  
17 to the Ordinance and further because the MND did not even discuss the ZA Interpretations, nor  
18 could it since they were not in existence at the time the MND was adopted. For all of these  
19 reasons and those discussed below, the City actions were in violation of the law, arbitrary and  
20 capricious, an abuse of discretion and lacking in evidentiary support.

21 93. The City violated CEQA by ignoring expert opinion provided by Warren in the  
22 October Yorke Report and December Yorke Report (the “Yorke Reports”) that the Ordinance  
23 would have significant impacts on the environment, particularly impacts related to air quality,  
24 health impacts related to air quality, and GHG emissions.

25 94. Among other failings, the Yorke Reports noted that:

- 26 a. The MND drastically understated the type of equipment necessary to conduct  
27 plugging and abandonment operations. In particular, in modeling air emissions,  
28 the City drastically understated the brake horsepower (bhp) required by workover

1 rigs. The MND’s use of a 33 bhp (comparable to the bhp of a riding lawnmower)  
2 was approximately 16 times lower than the workover rig bhp cited in the Yorke  
3 Reports, which information is based on readily available commercial information  
4 and Warren’s prior use of similar equipment in plugging approximately 40 wells in  
5 the area since 2020. The City failed to provide any substantive support for its use  
6 of a 33 bhp rating.

- 7 b. The City failed to include emissions related to a “mud pump engine.” This  
8 equipment is necessary for plugging and abandonment activities, has a similar bhp  
9 rating to a workover rig, and has regularly been used by Warren and other  
10 operators for plugging and abandonment activities in the City.
- 11 c. The MND made a crucial error when it concluded that plugging and abandonment  
12 activities were isolated, short-term activities. While a single well abandonment  
13 typically lasts 10 to 14 workdays, the MND ignores the fact that pursuant to an  
14 existing City requirement, wells are heavily concentrated in small areas within the  
15 City, such as Warren’s Site, which contains over 200 wells in an approximately  
16 10-acre area. Rather than evaluating air impacts based on one discreet  
17 abandonment, the Yorke Reports concluded that impacts would result from  
18 multiple continuous abandonments. In support of this conclusion, the Yorke  
19 Reports pointed, in part, to the fact that in plugging and abandoning approximately  
20 40 wells in the area since October 2020, Warren’s use of the workover rig, mud  
21 pump engine and other types of equipment has been nearly continuous.
- 22 d. Interpreting “maintenance” to not include activities that could sustain or enhance  
23 production will result in Warren having to cease production in just a few years,  
24 leading to a much more compressed plugging and abandonment schedule than  
25 contemplated in the MND.
- 26 e. Using the correct equipment in its analysis, emissions related to plugging and  
27 abandonment activities would exceed the applicable CEQA air quality thresholds  
28 of significance.

1 f. GHG emissions would likely be significantly higher than those described in the  
2 MND due to the same failure to properly describe the equipment necessary for  
3 plugging and abandonment activities.

4 g. Whereas the City provided a conclusory statement that the Ordinance would not  
5 result in any health impacts from air emissions related to plugging and  
6 abandonment operations, the Yorke Reports concluded that, when properly  
7 analyzed, it was clear that significant health risks would result.

8 95. The City implicitly acknowledged some of the problems with their air analysis by  
9 adding—approximately 72 hours prior to the December 2, 2022 City Council meeting to adopt  
10 the MND a second time—an additional mitigation measure relating to air impacts associated with  
11 plugging and abandonment operations. The City, however, failed to recirculate this last-minute,  
12 Revised MND with the new additional mitigation measure requiring off-road equipment with  
13 greater than 50 bhp to meet Tier 4 standards, thereby violating CEQA and depriving the public of  
14 an opportunity to meaningfully comment on the measure and its feasibility. In fact, there was no  
15 evidence that such equipment is even available for use, thereby further violating CEQA’s  
16 standard that mitigation measures must be feasible. The City also did not provide support as to  
17 how this mitigation measure would address the significant effects noted by the Yorke Reports,  
18 nor did the City provide revised calculations using the correct equipment, equipment ratings for  
19 workover rigs and timing of abandonments as described in the Yorke Reports.

20 96. Accordingly, in refusing to prepare an EIR the City ignored well-established law  
21 that where there is a disagreement among expert opinion supported by the facts over the  
22 significance of an effect on the environment, “the Lead Agency *shall* treat the effect as significant  
23 and *shall* prepare an EIR.” (CEQA Guidelines, § 15064(g) (emphasis added).)

24 97. The City further violated CEQA by refusing to consider the “whole of the project”  
25 and instead engaged in illegal piecemealing and project segmentation, which occurs when a  
26 public agency divides a proposed project into smaller pieces and accordingly fails to consider the  
27 impacts of the whole undertaking. (*East Sacramento Partnership for a Livable City v. City of*  
28 *Sacramento* (2016) 5 Cal.App.5th 281, 293.) CEQA requires that public agencies analyze the

1 “whole of the project,” which includes all related actions, all implementation actions, and all  
2 reasonably foreseeable subsequent actions. (CEQA Guidelines, § 15378(a), (c)-(d).) “Agencies  
3 cannot allow environmental considerations to become submerged by chopping a large project into  
4 many little ones.” (*Banning Ranch Conservancy v. City of Newport Beach* (2012) 211  
5 Cal.App.4<sup>th</sup> 1209, 1222 (internal citations omitted).)

6 98. Questions of project scope and piecemealing are not subject to the substantial  
7 evidence standard, but instead are analyzed as a question of law by a reviewing court. (*Tuolumne*  
8 *Cnty. Citizens for Responsible Growth, Inc. v. City of Sonora* (2007) 155 Cal.App.4<sup>th</sup> 1214,  
9 1223-24; *Black Property Owners Assoc. v. City of Berkeley* (1994) 22 Cal.App.4<sup>th</sup> 974, 984  
10 (“Whether a particular activity constitutes a project in the first instance is a question of law.”).)

11 99. Among other failings, the City has illegally piecemealed the environmental  
12 analysis by:

- 13 a. Admitting that, “There are many other follow up actions that the City will  
14 undertake to ensure the safe phase-out of oil operations citywide . . . .” (Staff  
15 Recommendation Report, A-2.)
- 16 b. Assuming a 20-year schedule for phasing out production from existing wells, but  
17 then acknowledging that the City is preparing an amortization study to determine  
18 whether production must terminate sooner than that: “OPNGAS has been tasked  
19 with preparing an amortization study to examine the length of time . . . [and to]  
20 determine whether oil drilling operations must be terminated sooner than the 20  
21 years currently prescribed in the LAMC.” (Staff Recommendation Report at A-2  
22 to A-3.). “If the results of the amortization study find that individual wells can  
23 recoup their investments sooner, then the Code would be amended to reflect those  
24 timeframes.” (Staff Recommendation Report, A-3.) A more compressed schedule  
25 will necessarily change the project’s impacts, but those impacts were not analyzed  
26 by the City because it did not wait for the amortization study to be completed.
- 27 c. Admitting that while the Ordinance does not regulate remediation outside of one  
28 mitigation measure, it represents “the first step taken to advance an effort to safely

1 phase out oil and gas extraction by prohibiting and making it a nonconforming use  
2 . . . [CPC] recognizes that a cleanup and abatement policy needs to be addressed.”  
3 (Staff Recommendation Report at P-6.)

4 d. Similarly, acknowledging that “[w]hile the adoption of the Ordinance would  
5 accomplish a significant milestone in initiating the phase-out period, [CPC] will  
6 continue to consult with OPNGAS to conduct the necessary research on site  
7 cleanup and remediation policies, leaving open the possibility of future regulatory  
8 changes to the Zoning Code, if appropriate.” (Staff Recommendation Report at P-  
9 6.)

10 e. Failing to define what the Ordinance describes as allowed “maintenance” in the  
11 Ordinance itself, and instead issuing a subsequent and separate document to define  
12 “maintenance,” outside of the process for adoption of the Ordinance and approval  
13 of the MND. In particular, the Staff Recommendation Report at P-3 provides that  
14 the “definition of maintenance is being addressed separately from the Ordinance . .  
15 . Once final, this guidance . . . would further clarify the types of maintenance  
16 activities prohibited under the Ordinance, with limited exceptions to prevent or  
17 respond to threats of public health, safety, or the environment.” The City thus  
18 acknowledged that it might define maintenance in such a way that oil and gas  
19 production would be further limited by precluding traditional activities needed to  
20 maintain production for a well. Indeed, the ZAI on Well Maintenance, ZA-2022-  
21 8997-ZAI-1A, confirms this definition, and provides evidence that a necessary  
22 piece of the Ordinance—the definition of “maintenance”—was left out of the  
23 environmental review and approval process for the Ordinance.

24 f. Admitting that its “analysis does not examine impacts from remediation and/or  
25 future development [of the oil field sites].” (MND, pp. 31-32.)

26 100. Thus, the City has admitted from the start that the Ordinance is the first step in the  
27 project and changes would be coming on plugging, abandonment and remediation, amortization,  
28 what activities fall within the term “maintenance,” and the future use of the former oil sites.

1 Accordingly, the City fails to meet the standard set out by the California Supreme Court, which  
2 requires that a CEQA document “must include an analysis of the environmental effects of future  
3 expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project;  
4 and (2) the future expansion or action will be significant in that it will likely change the scope or  
5 nature of the initial project or its environmental effects.” (*Laurel Heights Improvement  
6 Association v. Regents of University of Cal.* (1988) 47 Cal.3d 376, 396.)

7 101. To the extent the City may argue that the ZA Interpretations are not a required  
8 *piece* of the Ordinance and therefore not indicative of unlawful piecemealing, the ZA  
9 Interpretations were instead a “project” of their own, as defined under CEQA, and entitled to a  
10 CEQA analysis of their own. In its October 4, 2023 Letter of Determination, the CPC found that  
11 the issuance of the ZAI is not a “project” as defined under CEQA Guidelines, Section 15378 and  
12 that even if it were a project, it was evaluated in connection with the Ordinance MND. CEQA  
13 Guidelines define a “project” as an action that “has a potential for resulting in either a direct  
14 physical change in the environment, or a reasonably foreseeable indirect physical change in the  
15 environment . . . .” The ZA Interpretations—on their own as well as acting with the Ordinance—  
16 will undoubtedly result in a physical change in the environment for all the reasons the Ordinance  
17 will. At a minimum, the ZA Interpretations change the scope and requirements of the Ordinance  
18 by setting the scope of what is prohibited. As such, the ZA Interpretations are a project of their  
19 own, as defined under CEQA, and/or an amendment to the Ordinance that changes its scope and  
20 will cause a physical change to the environment. Either way, the ZA Interpretations cannot be  
21 lawfully implemented without CEQA review. And contrary to the CPC’s findings, the MND did  
22 not, and could not, analyze the ZA Interpretations since they were not even in existence at the  
23 time the MND was adopted.

24 102. The MND’s analysis of the loss of availability of mineral resources is legally  
25 inadequate. “Mineral resources” are an environmental factor pursuant to CEQA, and the “loss of  
26 availability of a known mineral resource that would be a value to the region and the residents of  
27 the state” or the “loss of availability of a locally important mineral resource recovery site”  
28 constitutes an adverse environmental impact. (CEQA Guidelines, Appendix G, § XII.) Public



1 Resources Code § 21060.5 even expressly defines the “environment” to include “the physical  
2 conditions that exist within the area which will be affected by a proposed project, including land,  
3 air, water, *minerals*, flora, fauna, noise, or objects of historic or aesthetic significance.”

4 (Emphasis added.)

5 103. It is undisputed that the Ordinance, as written, would prohibit new production  
6 facilities within the City and would terminate all oil and gas production when existing wells  
7 within the City can no longer economically produce in their current state (given the inability to  
8 maintain them, as confirmed by ZA-2022-8997-ZAI) with an outside date of 20 years or,  
9 alternatively, a shorter period after a change to the 20-year period once the City completes its  
10 amortization study.

11 104. It is undisputed that the City contains enormous oil and gas resources, as described  
12 in the following:

- 13 a. The US Geological Service Fact Sheet 2012-3120 dated February 2013, which  
14 constitutes expert opinion, describes the Los Angeles Basin, which is partly  
15 encompassed by the City, as containing “one of the highest concentrations of crude  
16 oil in the world. Sixty-eight oil fields have been named . . . including 10  
17 accumulations that each contain more than 1 billion barrels of oil. One of these,  
18 the Wilmington-Belmont, is the fourth largest oil field in the United States.”  
19 Accordingly, based on this expert evidence alone it is undeniable that the Proposed  
20 Ordinance will have a significant impact on the availability of mineral resources  
21 and an EIR is thus required.
- 22 b. The City’s 2019 Oil and Gas Health Report states that “[e]ven after more than a  
23 century of prolific production, the US Geological Survey estimates 1.6 billion  
24 barrels of recoverable oil remain in place beneath the City, rivaling the reserves in  
25 the Middle Eastern countries, like Saudi Arabia, Iraq, and Kuwait.” (Page 19 of the  
26 City’s 2019 Oil and Gas Health Report.)
- 27 c. The MND acknowledges that “[t]he Los Angeles geological basin has one of the  
28 highest concentrations of crude oil per acre in the world.” (MND at 20.)

1 d. The importance to the City of the availability of mineral resources is set out in the  
2 City’s General Plan. In particular, the General Plan sets out a policy to: “conserve  
3 petroleum resources and *enable appropriate, environmentally sensitive*  
4 *extraction.*” (Page II-64 of Conservation Element of City of Los Angeles General  
5 Plan (emphasis added).) The fact that the Ordinance would ban extraction rather  
6 than enable extraction clearly means that it is inconsistent with the General Plan  
7 and demonstrates that the City has already concluded that mineral resources are of  
8 value to the region and the residents of the State, as the same has been delineated  
9 in the General Plan and other land use plans.

10 105. Rather than acknowledge that the Ordinance would result in a significant impact,  
11 the MND attempts to avoid addressing CEQA’s requirements by making up an alternative method  
12 of analysis. In particular, rather than analyzing whether the Ordinance will result in the loss of  
13 *availability* of a mineral resource, the MND instead focuses on how much the implementation of  
14 the Project would impact current *production* in the State. Again, the CEQA standard goes to the  
15 *availability* of the mineral resource.

16 106. The City has violated CEQA by failing to adequately describe the existing  
17 environmental setting and project baseline, against which the impacts of the Ordinance must be  
18 compared. (State CEQA Guidelines, §§ 15125, 15126.2(a)). The MND “*must delineate*  
19 *environmental conditions prevailing absent the project, defining a ‘baseline’ against which*  
20 *predicted effects can be described and quantified*” and failure to do so results in a fundamental  
21 inability to accurately analyze and disclose environmental impacts. (*Neighbors for Smart Rail v.*  
22 *Exposition Metro Line Constr. Auth.* (2013) 57 Cal.4th 439, 447 (emphasis added).)

23 107. Among other failings, the EIR’s description of the existing environmental setting  
24 and project baseline is flawed in that it fails to adequately describe the existing impacts of oil and  
25 gas operations in the City beyond making general conclusory statements that these operations are  
26 unhealthy. For example, there is no actual quantification of existing air emissions from current  
27 oil and gas operations in the City and the particular areas where these emissions are located,  
28 which is critical to the analysis given that the current operations are largely centralized.

1 Accordingly, it is impossible to compare the environmental effects of the Ordinance and ZA  
2 Interpretations against existing operations. This delta is central to an adequate CEQA analysis.

3 108. The MND acknowledges these failures. For example, the Air Quality Section  
4 provides that “there remains substantial uncertainty in the emissions factors and calculation  
5 methodologies.” (MND at 42.) In part, the MND states that this difficulty is due to the need for a  
6 “rigorous bottom-up approach [which] requires expert knowledge to apply and relies on detailed  
7 data which may be difficult and costly.” (*Id.*) The MND thus declines to make such an  
8 assessment (apparently because it is too costly), but nevertheless concludes it has made a good  
9 faith effort “for illustrative purposes.” (*Id.*) The City thus implicitly acknowledges it has failed  
10 to meet the most basic standards of CEQA.

11 109. The MND’s most basic conclusion that oil and gas operations are unhealthy are  
12 contradicted at Page 145 of the 2019 Oil & Gas Health Report, in which it stated that:

13 There is a lack of empirical evidence correlating oil and gas operations within the  
14 City of Los Angeles to widespread negative health impacts. The lack of evidence  
15 of public health impacts from oil and natural gas operations has been  
16 demonstrated locally in multiple studies by the Los Angeles County Department  
17 of Public Health, the Los Angeles County Oil & Gas Strike Team, the South  
18 Coast Air Quality Management District and the comprehensive Kern County  
19 Environmental Impact Report and Health Risk Assessment. (Page 145 of City’s  
20 2019 Oil & Gas Health Report.)

21 110. The MND thus fails to provide any quantitative analysis of current air and GHG  
22 impacts and its qualitative assessments as to the current baseline are contradicted by other City  
23 documents.

24 111. The City has violated CEQA by failing to adequately analyze other direct and  
25 indirect impacts associated with the Ordinance as required by CEQA. (Pub. Resources Code §  
26 21100(b); CEQA Guidelines, §§ 15126, 15126.2). Specifically, the City has failed to adequately  
27 analyze and disclose impacts, in addition to those discussed above, of the Ordinance, including:  
28 GHGs, land use planning, noise and vibration, and urban decay. Relatedly, the City has failed to  
adequately analyze and disclose cumulative impacts.

///

///

1           112. By way of example, just some of the ways in which the City’s environmental  
2 impacts analysis was flawed, include:

- 3           a. Failing to account for the GHGs associated with a change in the use of the Site and  
4 by importing crude oil developed and produced elsewhere, and shipped, piped, or  
5 trucked to refineries that would otherwise process crude oil from the City;
- 6           b. Failing to account for the impacts associated with indirect impacts, including  
7 impacts that may result from redevelopment of the oil and gas production areas  
8 following cessation of oil and gas activities, and for failing to adequately analyze  
9 cumulative impacts, including analyzing, in conjunction with the Ordinance, the  
10 impacts with other past, current and reasonably foreseeable projects (including  
11 those unrelated to oil production)—the MND contains no discussion of any other  
12 projects—and failing to account for other laws impacting oil and gas operations  
13 and increasing well abandonment work as a result.
- 14           c. Failing to analyze and disclose impacts related to noise and vibrations for the  
15 reason that the MND fails to adequately analyze both the location and timing of  
16 well plugging and abandonment operations and because it provides an  
17 unenforceable and ineffective mitigation measure.
- 18           d. Failing to analyze the potential impacts related to land use and planning, in  
19 particular the Ordinance’s environmental impacts due to a conflict with the City’s  
20 General Plan, policies or regulations previously adopted for the purpose of  
21 avoiding or mitigating an environmental effect.
- 22           e. Failing to analyze potential impacts relating to urban decay to surrounding areas  
23 that may occur as oil and gas activities are terminated within the City.

24           113. The mitigation measures included in the MMP are defective in that they are vague  
25 and unenforceable. CEQA requires that mitigation measures be fully enforceable, as well as  
26 consistent with applicable constitutional standards. (CEQA Guidelines, § 15126.4(a)(2), (4).)

27           114. The City has violated CEQA by failing to recirculate the MND, despite the last-  
28 minute addition of a mitigation measure and despite the addition of significant new information.

1 115. The City violated CEQA by adopting a revised MND after its initial adoption of  
 2 the document on November 22, 2022. Having previously adopted the MND, the City was  
 3 obligated to conduct any subsequent review under the standards set out in CEQA for subsequent  
 4 and supplemental CEQA documents. (CEQA Guidelines, §§ 15162-15164.)

5 116. The City violated CEQA by failing to adequately respond to comments raised by  
 6 Petitioners and others during the public comment and review period for the MND. The City's  
 7 disinterest in receiving any comments critical of the MND is readily apparent by its repeated  
 8 efforts to curtail any meaningful comment period, preferring instead to have the CPC and the  
 9 Energy Committee consider the MND before the close of the comment period, posting notice as  
 10 to the initial adoption of MND after business hours on the Friday going into Thanksgiving  
 11 weekend, for adoption the following Tuesday, and providing notice of the second adoption of the  
 12 MND and approval of the Ordinance (and posting additional comments by their expert, Impact  
 13 Sciences), roughly 72 hours before the hearing.

14 117. The City has failed to proceed in the manner required by law, and thereby  
 15 prejudicially abused its discretion by failing to comply with CEQA's mandates.

16 118. Warren has no plain, speedy, and adequate remedy other than the issuance of a  
 17 writ of mandate ordering the City to forgo any and all steps in furtherance of the Ordinance and  
 18 ZA Interpretations unless and until it complies with CEQA. (Pub. Resources Code § 21168.9.)

19 **SECOND CAUSE OF ACTION**

20 **(For Writ of Mandate - Violations of State Planning and**  
 21 **Zoning Law, Government Code § 65860)**

22 119. Warren incorporates by reference the allegations contained in the previous  
 23 paragraphs above as though fully set forth herein.

24 120. Government Code § 65300 requires that each county and city shall adopt a  
 25 comprehensive, long-term general plan for the physical development of the county or city.  
 26 Government Code § 65300.5 requires that the general plan and its elements comprise an  
 27 integrated, internally consistent and compatible statement of policies. A zoning ordinance must  
 28 be compatible with the objectives, policies, general land uses, and programs specified in the

1 General Plan. (Gov. Code § 65860(a).) These requirements extend to the City under  
2 Government Code Section 65860(d) and *City of Los Angeles v. State of California* (1982) 138  
3 Cal.App.3d 526.

4 121. LACAC § 556 further provides that the “City Planning Commission and City  
5 Council shall make findings showing that the action is in substantial conformance with the  
6 purposes, intent and provisions of the General Plan.” Despite these requirements and the findings  
7 by the CPC as adopted by the City Council in connection therewith, the Ordinance and ZA  
8 Interpretations, in fact, are inconsistent with the City’s General Plan and thus in violation of the  
9 law.

10 122. For example, Finding No. 1 of the Land Use Findings in connection with the  
11 Ordinance (F-1 as amended by the CPC at its September 22, 2022 Meeting and as later adopted  
12 by the City Council, hereinafter “Land Use Findings”) left out critical elements in the General  
13 Plan in concluding that the Ordinance is in substantial conformance with the purposes, intent, and  
14 provisions of the General Plan. For example, in discussing the Conservation Element of the  
15 General Plan, Finding No. 1 sets out three policies relating to encouraging energy conservation,  
16 supporting the ban on offshore drilling and protecting neighborhoods from potential accidents and  
17 subsidence associated with drilling and production. However, Finding No.1 ignores the  
18 “Objective” that these policies support in the General Plan even though the “Objective” is listed  
19 directly above these policies. In particular, the “Objective” is to: “conserve petroleum resources  
20 and enable appropriate, environmentally sensitive extraction . . . so as to protect the petroleum  
21 resources for the use of future generations and to reduce the city’s dependency on imported  
22 petroleum and petroleum products.” (Page II-64 of Conservation Element of the City of Los  
23 Angeles General Plan (emphasis added).) Accordingly, these policies may only be read in the  
24 context of allowing continued extraction yet the Ordinance and ZAI ban extraction and are  
25 thereby clearly inconsistent with the General Plan.

26 123. Similarly, in evaluating the Health Wellness and Equity Element to the General  
27 Plan, Finding No. 1 indicates that the Ordinance is consistent with Policy 5.4 to protect  
28 communities’ health from noxious activities (including oil and gas extraction). However, Finding

1 No. 1 fails to include and address consistency with that portion of Policy 5.4 which “calls for the  
2 City to work with operators to ensure that they have the required permits in place, increase its  
3 regulatory role and encourage conditions of approval that mitigate land use inconsistencies and  
4 conflicts.” (Page 91 of Plan for a Healthy Los Angeles, a Health & Wellness Element of the  
5 General Plan.) As a result, Policy 5.4 also assumes the continuance of oil and gas extraction  
6 activities within the City and therefore the Ordinance and ZA Interpretations, which prohibit  
7 those activities, is inconsistent therewith.

8 124. Similarly, a brief review of the Land Use Element – Wilmington-Harbor City  
9 Community Plan likewise indicates that the Ordinance is inconsistent with the Wilmington-  
10 Harbor City Community Plan. For example, Policies 3-5.1 and 3.5.3 clearly contemplate the  
11 continuance of extraction activities. (Page III-17 to III-18 of Wilmington-Harbor City  
12 Community Plan.) Policy 3-5.4 provides for the consolidation of oil extraction operations to  
13 increase compatibility between oil activities and other land uses. (Page III-18 of Wilmington-  
14 Harbor City Community Plan.) Accordingly, nothing in these policies is consistent with a total  
15 ban on oil production like that adopted in the Ordinance and accelerated by the ZAI’s definition  
16 of “maintenance.” Finding No. 1 also does not even discuss “Objective 3-5,” which these  
17 policies are drafted to support and which provides that the objective is “[t]o ensure the public  
18 health, safety and welfare while providing for reasonable utilization of the area's oil and gas  
19 resources.” (Page III-17 of Wilmington-Harbor City Community Plan (emphasis added).)  
20 Finding No. 1 also fails to note Policy 3-4.6, which encourages the consolidation of oil extraction  
21 activities rather than its elimination. (Page III-16 to III-17 of Wilmington-Harbor City  
22 Community Plan.)

23 125. Accordingly, not only are the Ordinance and ZA Interpretations inconsistent with  
24 the General Plan and thus unlawful, but Finding No.1 of the CPC as adopted by the City Council  
25 omits critical information necessary for the City, CPC, City Council, Mayor and public to review  
26 the Ordinance and thus, it was unlawful for the City to adopt the Ordinance.

27 ///

28 ///

**THIRD CAUSE OF ACTION**

**(For Writ of Mandate – Violations of LACAC §§ 556; 558)**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

126. Warren incorporates by reference the allegations contained in the previous paragraphs above as though fully set forth herein.

127. LACAC § 556 provides that the “City Planning Commission and City Council shall make findings showing that the action is in substantial conformance with the purposes, intent and provisions of the General Plan.” Despite these requirements and the findings by the CPC as adopted by the City Council in connection therewith, the Ordinance and ZA Interpretations, in fact, are inconsistent with the City’s General Plan and thus in violation of LACAC.

128. The CPC, pursuant to LACAC Section 558, was required to report and make a recommendation to the City Council as to whether the Ordinance would be in conformity with public necessity, convenience and general welfare. Impacts to the public’s general welfare including its health and safety, however, are evaluated through the CEQA review, which process had not been completed by the CPC’s September 22, 2022 meeting. Accordingly, the CPC could not lawfully make this required determination.

129. The CPC also ignored the fact that its recommendation directly affected the voting requirements of the City Council to enact the Ordinance. (LACAC § 558(b)(3).) Accordingly, the CPC’s action was not merely “advisory” as stated by Planning Department Staff to the CPC, but rather affected the procedural requirements of the City Council in considering the Ordinance. The City Council, accordingly, could not follow the procedures described in the LACAC for adoption of the Ordinance.

130. For all of the above reasons, the City violated its own LACAC and in doing so, the City actions were in violation of the law, arbitrary and capricious, an abuse of discretion and lacking in evidentiary support.

///  
///  
///



**FOURTH CAUSE OF ACTION**

**(For Declaratory and Injunctive Relief – Vested Rights)**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

131. Warren incorporates by reference the allegations contained in the previous paragraphs above as though fully set forth herein.

132. Warren has performed substantial work and incurred substantial liabilities in good faith reliance upon its vested rights in Z.A. 20725, the Approvals and its agreement with the City. Warren’s rights in these entitlements are vested and allow it to continue to develop and produce oil, gas and other hydrocarbon substances without having to obtain additional or new discretionary permits from the City relating thereto. Warren also has fully vested rights to complete the development and production of oil and gas resources within the boundaries of Z.A. 20725 and the Approvals consistent with its long-established plans and substantial investments in reliance thereon and in reliance on the historical actions of the City. As a result, Warren has fully vested rights to continue its operations.

133. The Ordinance and ZA Interpretations fail to account for the fact that the law treats mineral extraction nonconforming uses differently than it does routine businesses. “Unlike other uses of property which operate within an existing structure or boundary, [mineral extractions] anticipate extension . . . into areas of the property that were not being exploited at the time a zoning change caused the use to be nonconforming.” (*Hansen Bros. Enterprises, Inc. v. Board of Supervisors* (1996) 12 Cal.4th 533, 553.) The California Supreme Court recognized the diminishing asset doctrine as to vested mineral extraction rights, noting that “such a business must operate, if at all, where the resources are found.’ If it may not expand, it cannot continue.” (*Id.* at 558, citing *McCaslin v. Monterey Park* (1958) 163 Cal.App.2d 339.) Thus, the California Supreme Court recognizes that these types of uses are entitled to expand their operations as long as there was an intent to do so at the time the use became nonconforming. Warren has long exhibited its intent to maintain and extend its oil and gas operations so as to produce all of its mineral rights (fee and leasehold) consistent with its vested rights.

///  
///

1           134. The Ordinance and ZA Interpretations would have the effect of terminating  
2 Warren’s vested rights in that Warren would immediately no longer be able to drill new wells or  
3 re-drill, deepen or “maintain” existing wells to prolong their productive life. Warren is further  
4 informed and believes, and thereon alleges, that the City intends to further restrict Warren’s oil  
5 and gas operations by adopting a more restrictive amortization period. Additionally, the Zoning  
6 Administrator’s Interpretation of “maintenance” as set out in ZA-2022-8997-ZAI-1A prevents  
7 even routine maintenance of Warren’s operations that is needed to continue production. The  
8 prevention of routine maintenance is particularly egregious given that nonconforming uses are, by  
9 law, allowed to continue their business operations during the amortization period subject to  
10 certain limitations such as changing the manner of its operations. The City’s prohibition on  
11 maintenance unless there is an emergency situation effectively negates the amortization period in  
12 that Warren would not be able to maintain its wells and production equipment as needed to  
13 operate. Without necessary maintenance, Warren estimates it will not be able to operate beyond a  
14 period of approximately three years.

15           135. Warren desires a judicial determination of its rights, and a declaration that Warren  
16 has vested rights to continue and to maintain the development and production of its oil and gas  
17 resources in the City from the property covered by ZA 20725 and the Approvals. A judicial  
18 declaration is necessary and appropriate at this time under the circumstances in order that Warren  
19 may ascertain its rights and duties with respect to its ongoing development and drilling  
20 operations. Absent declaratory and injunctive relief, Warren will suffer immediate, irreparable  
21 harm and significant disruption of its lawful activities and exercise of its property rights to the  
22 detriment of Warren, local tax authorities, employees in the oil and gas industry, vendors, mineral  
23 rights holders, and the public generally.

24 ///

25 ///

26 ///

27 ///

28 ///

**FIFTH CAUSE OF ACTION**

**(For Inverse Condemnation, U.S. Constitution, Fifth and Fourteenth Amendments;42 U.S.C. § 1983;California Constitution, Article 1, Section 19)**

136. Warren incorporates by reference the allegations contained in the previous paragraphs above as though fully set forth herein.

137. By purporting to eliminate Warren’s right to continue and to complete the development and production of its oil and gas resources within the City—and by putting Warren out of business as a result—the Ordinance and ZA Interpretations effect a temporary and permanent taking of Warren’s property rights without just compensation or, alternatively, without a reasonable amortization schedule and process. The economic impact of the Ordinance and ZA Interpretations will be severe, as they would virtually eliminate the future economic value of Warren’s fee and leasehold mineral rights. Furthermore, the Ordinance and ZA Interpretations interfere with Warren’s reasonable investment-backed expectations to continue and to complete the development and production of its mineral rights within the City.

138. The City hopes to avoid a taking through the use of an amortization period, but the City has no evidence to support the amortization period in the Ordinance. In fact, the City has not yet even conducted an amortization study. Further, it is improper to utilize an amortization period that will wipe out all uses of the mineral rights. That is because mineral rights lose all value when the right to extract minerals is terminated. Unlike other property rights that may convert to a different use, since there are no other uses for Warren’s mineral rights other than extraction of oil and gas, just compensation must be paid. Further, an amortization period is intended to give the business the time to recoup their reasonable investment in the property. Yet in this situation, the Ordinance paired with the ZA Interpretations are structured such that the amortization is meaningless. No expansion through drilling, re-drilling, deepening or “maintenance” is allowed despite the acknowledgement in *Hansen Bros. Enterprises, Inc., supra*, that such expansion must be allowed under the diminishing asset doctrine. Moreover, the Zoning Administrator has defined prohibited maintenance so broadly in the ZAI that Warren will not be able to continue its business since it will be unable to maintain the productive life of its wells and facilities unless

1 there is an emergency to the environment or public safety. Further, if it takes more than one year  
 2 to receive final, non-appealable approval from the City for a public health or safety emergency  
 3 via ZAI Memo 141, the operations would be “deemed terminated” under the Ordinance.

4 Accordingly, Warren estimates that under the Ordinance and ZA Interpretations it will not be able  
 5 to operate beyond a period of approximately three years.

6 139. The Ordinance and ZA Interpretations will force Warren to bear public burdens  
 7 which, in all fairness and justice, should be borne by the public as a whole. In enacting the  
 8 Ordinance and issuing the ZA Interpretations, the City violates Article 1, Section 19 of the  
 9 California Constitution, which prohibits the taking or damaging of private property for public use  
 10 without just compensation. The City also violates the takings clause of the Fifth and Fourteenth  
 11 Amendments to the United States Constitution.

12 140. As a direct result of the City’s actions as alleged herein, the Ordinance and ZA  
 13 Interpretations constitute a temporary and permanent taking. To date, Warren has not received  
 14 any compensation, let alone just compensation, from the City as a result of the above taking of  
 15 and damage to Warren’s property rights.

16 141. Warren has been and will be damaged from the taking of its property rights in the  
 17 City, and will suffer damages in an amount to be determined at trial.

18 142. Warren also has incurred and will continue to incur attorneys’, appraisal, and other  
 19 fees and costs because of the City’s conduct, in amounts that cannot yet be ascertained, but which  
 20 are recoverable in this action under Code of Civil Procedure section 1036.

21 143. Warren also is entitled to damages from the City for the these constitutional  
 22 violations under 42 U.S.C. section 1983 and is entitled to attorneys’ fees and expert fees from the  
 23 City under 42 U.S.C. section 1988.

## SIXTH CAUSE OF ACTION

### **(For Declaratory and Injunctive Relief – Estoppel)**

26 144. Warren incorporates by reference the allegations contained in the previous  
 27 paragraphs above as though fully set forth herein.

28 ///

1           145. Pursuant to an agreement with the City in 2006 by way of the Approvals, Warren  
2 agreed to consolidate its operations at the Wilmington Site and to plug and abandon wells outside  
3 of that central Site over time. More specifically, even though it holds mineral rights in other  
4 residential areas of the City, Warren agreed to limit its operations to the Site and to no more than  
5 5 well cellars, agreed to give up its right to redrill 560 wells located outside the Site, and agreed  
6 to plug and abandon wells outside the Site, all at the City’s specific request. Warren additionally  
7 agreed as part of the negotiations for the Approvals to convert its operations from diesel fuel to  
8 electric, which it has done at great expense. In return, the City issued the Approvals, and agreed  
9 that Warren could drill and operate 540 wells at the Site with up to 5 well cellars.

10           146. Warren was not required under the LAMC relating to the Approvals to give up the  
11 redrill rights to 560 wells and conduct the plugging and abandonment of 56 wells in the  
12 residential areas outside the Site, neither were these measures related to the mitigation of  
13 environmental impacts at the Site. Accordingly, the Approvals constitute a contractual obligation  
14 and give rise to a vested property right for that and other reasons, as discussed above. (See *M. J.*  
15 *Brock & Sons, Inc. v. City of Davis* (1983) 401 F.Supp. 354, 361; *Morrison Homes Corp. v. City*  
16 *of Pleasanton* (1976) 58 Cal.App.3d 724.)

17           147. In reliance on, among other things, the Approvals and the agreement with the City,  
18 Warren has invested over \$400 million to develop its mineral estate through three well cellars at  
19 the consolidated Site and to convert its operations to 100 percent electric. Warren reasonably,  
20 justifiably, and foreseeably relied on its agreement with the City and the resulting Approvals  
21 when it invested significant resources in the future mineral development of the Site, with the  
22 understanding that it would be permitted to continue and complete that development.

23           148. Warren’s investment of over \$400 million was incurred not merely for its existing  
24 production at the Site but also for additional operations on existing wells within the three well  
25 cellars, so that production can be maintained over the projected life of the wells, and for the  
26 drilling of new wells in the same three cellars. Indeed, the Los Angeles Municipal Code has long  
27 included the term “maintain” and Warren has justifiably relied on that historical interpretation of  
28 what maintenance activities have been permissible. In addition, Warren’s Approvals allow it to

1 maintain its wells.

2 149. Based on all the facts alleged herein, the City is estopped from now enforcing the  
3 Ordinance and ZA Interpretations against Warren to prohibit new wells from being drilled at the  
4 Site, and to prohibit the re-drilling, deepening and maintenance of existing wells at the Site. The  
5 City is further estopped from issuing and enforcing a wholly new and more restrictive definition  
6 of “maintenance.” Warren is informed and believes, and thereon alleges, that the City denies that  
7 it is estopped from enforcing the Ordinance and ZA Interpretations against Warren. Warren is  
8 informed and believes, and thereon alleges, that the City intends to enforce the Ordinance and ZA  
9 Interpretations against Warren to prevent the drilling of new wells and the re-drilling, deepening  
10 and maintenance of existing wells, such that Warren’s operations will be severely hindered to the  
11 point Warren will be prevented from further development and drilling operations.

12 150. Warren seeks a judicial determination of its rights, and a declaration that the City  
13 is estopped from enforcing the Ordinance and ZA Interpretations against Warren and its  
14 continued development and operations at the central Wilmington Site. A judicial declaration is  
15 necessary and appropriate at this time under the circumstances in order that Warren may ascertain  
16 its rights and duties with respect to its ongoing development and drilling operations. Absent  
17 declaratory and injunctive relief, Warren will suffer immediate, irreparable harm, and significant  
18 disruption of its lawful activities and exercise of its property rights to the detriment of Warren,  
19 local tax authorities, employees in the oil and gas industry, vendors, mineral rights holders, and  
20 the public generally.

### 21 SEVENTH CAUSE OF ACTION

22 **(For Declaratory and Injunctive Relief - Violation of Due Process:**  
23 **U.S. Constitution, Fifth and Fourteenth Amendments; 42 U.S.C. § 1983;**  
24 **California Constitution Art. I, § 7)**

25 151. Warren incorporates by reference the allegations contained in the previous  
26 paragraphs above as though fully set forth herein.

27 152. The Ordinance and ZA Interpretations are unlawful, arbitrary and capricious,  
28 lacking in evidentiary support and constitutes an abuse of discretion, all in violation of the due  
process clauses of the California and U.S. Constitutions.

1           153. City laws and ordinances must be clear, precise, definite and certain in their terms  
2 so that their precise meaning can be ascertained. Statutes which either forbid or require the doing  
3 of an act in terms so vague that people of common intelligence must necessarily guess at their  
4 meaning and differ as to their application, violate due process of law. (*Zubarau v. City of*  
5 *Palmdale* (2011) 192 Cal.App.4<sup>th</sup> 289, 308.)

6           154. The Ordinance and ZA Interpretations are impermissibly vague because they fail  
7 to provide adequate notice to those who must comply with their strictures of what conduct is  
8 prohibited and what is allowed. For example, the Ordinance fails to define what types of  
9 maintenance are allowed and what types are prohibited. Instead, City Planning stated that this  
10 term would be defined at a later date through a Zoning Administrator’s Interpretation, which  
11 interpretation effectively constitutes an unlawful underground regulation. Accordingly, the  
12 meaning of “maintenance” in the Ordinance was, by the City’s own acknowledgement, vague and  
13 uncertain.

14           155. Moreover, ZA Memo 141 provides a means by which the City may, in its  
15 discretion, allow maintenance under certain emergency circumstances, but if any oil and gas  
16 operator sought to seek an approval from the City to conduct maintenance based on health and  
17 safety purposes, the approval process along with appeals could extend beyond one year, resulting  
18 in a “deemed terminated” finding for “discontinued” operations under the Ordinance, rendering  
19 the emergency exception illusory. ZA Memo 141 is additionally vague and ambiguous in that it  
20 provides that it “does not change or alter any vested rights granted in a LAMC Section 13.01 legacy  
21 approval.” Yet Warren has a vested right to drill new wells and maintain existing wells stemming  
22 from ZA 20725, as well as its 2006 and 2008 Plan Approvals, rendering ZA Memo 141—which  
23 provides drilling and maintenance rights *only* with a health and safety exception—vague in that it is in  
24 direct conflict with Warren’s legacy approvals and its vested rights.

25           156. Similarly, while the present Ordinance describes the amortization period as 20  
26 years, the City acknowledges that the period is likely to be shortened following the amortization  
27 study. Thus, the amortization period is vague, uncertain, arbitrary and capricious.

28 ///

1           157. Due to the vague and uncertain composition of the Ordinance and ZA  
2 Interpretations and the City’s acknowledgement that key terms will be revised or are subject to  
3 future interpretation, the City has failed to provide Warren and the public, with adequate notice of  
4 what conduct is prohibited. Further, by its eventual adoption of the ZAI, the City then further  
5 violated Warren’s due process rights in that it implemented a new definition of prohibited  
6 maintenance activities that differs from the maintenance activities Warren had been allowed to  
7 perform under its Approvals.

8           158. The Ordinance and ZA Interpretations violate substantive due process in that the  
9 land use regulation does not bear a reasonable relationship to a legitimate government interest.  
10 For example, the Ordinance and ZA Interpretations are politically-driven and lacking in  
11 evidentiary support. The City’s purpose in adopting the Ordinance and ZA Interpretations is  
12 purportedly because of what it describes as health concerns. In fact, there is no evidence in the  
13 record that warrants a decision to terminate existing oil operations in the City, which in Warren’s  
14 case, release emissions equivalent to a fast-food restaurant with a drive thru. The City targets oil  
15 and gas production operations in the City due to political pressure, without specific studies as to  
16 specific current operations, like Warren’s operations, and despite the fact that publicly available  
17 records indicate that Warren’s production-related emissions are de minimis. Secondly, the  
18 City points to its interest in reducing the use of oil to alleviate the effects of climate change. Yet,  
19 as discussed above, the Ordinance and ZA Interpretations do nothing to reduce the *consumption*  
20 of oil products, nor will it reduce the *demand* for oil products.

21           159. The Ordinance and ZA Interpretations also violate substantive due process  
22 requirements in that the City lacks the factual support necessary to warrant its actions. This is  
23 most exhibited by the deficiencies in the environmental review, particularly as to its use of an  
24 MND rather than an EIR (or, in the case of the ZA Interpretations, no CEQA review at all), and  
25 its failure to conduct an amortization study.

26           160. In addition, the Ordinance and ZA Interpretations fail to meet substantive due  
27 process requirements in that the Ordinance is unlawful as an unconstitutional taking without just  
28 compensation and fail to take into account that mineral rights, unlike other property rights which



1 may be changed to a different type of business, completely lose their value when the right to  
2 extract minerals is terminated and thus, they are not subject to amortization by the government  
3 without payment of just compensation. The Ordinance and ZA Interpretations are thus unlawful,  
4 arbitrary and capricious, lacking in evidentiary support and constitute an abuse of discretion for  
5 these additional reasons.

6 161. The Ordinance and ZA Interpretations also interfere with Warren’s vested rights to  
7 complete the development and production of its oil and gas resources within the City. There are  
8 substantive due process requirements that vested rights cannot be terminated or impaired by  
9 ordinary police power regulations and can be revoked or impaired only to serve a “compelling  
10 state interest,” such as harm, danger, or menace to public health and safety or public nuisance,  
11 and that the government’s interference with the vested rights be narrowly tailored to address the  
12 compelling interest and its magnitude. The City has not identified any compelling state interest to  
13 justify terminating or impairing Warren’s vested rights and that is because there is none.

14 162. In its hasty rush to adopt the Ordinance and the MND without meaningful time for  
15 public comment, re-adopt the MND with significant substantive changes without recirculation for  
16 public comment and take actions without allowing the time period to lapse for public comments  
17 on the MND, there has been a violation of procedural due process. Similarly, the City violated  
18 Warren’s procedural due process rights by its denial of Warren’s administrative appeal and  
19 issuance of the ZA Interpretations after giving Warren just five minutes to present its arguments.  
20 This is perhaps most apparent by the fact that the CPC deliberated for two minutes before  
21 rendering its decision on the ZAI Appeal. Moreover, Warren was informed that ZA Memo 141  
22 was not appealable through administrative channels and thus, Warren was deprived of its due  
23 process right to be heard in opposition to the same.

24 163. Moreover, the Ordinance and ZA Interpretations impose impermissible and  
25 arbitrary restrictions on Warren, which are not imposed on similarly situated persons or  
26 businesses.

27 ///

28 ///

1 164. A bona fide and actual controversy exists between Warren and the City in that  
2 Warren alleges, and the City denies, that the adoption of the Ordinance and ZA Interpretations  
3 violates Article 1, section 7 of the California Constitution and the Due Process Clause of the Fifth  
4 and Fourteenth Amendments to the United States Constitution. Warren desires a judicial  
5 determination of the validity of the Ordinance and ZA Interpretations to save itself and others  
6 from the harm caused by adoption of the Ordinance and issuance and implementation of the ZA  
7 Interpretations, which will terminate Warren’s oil and gas operations within the City. Warren’s  
8 interests will be materially, substantially, and irreparably harmed by the Ordinance and ZA  
9 Interpretations.

10 165. Warren also is entitled to damages from the City for these constitutional violations  
11 under 42 U.S.C. section 1983 and is entitled to attorneys’ fees and expert fees from the City under  
12 42 U.S.C. section 1988.

13 **EIGHTH CAUSE OF ACTION**

14 **(Declaratory Relief: Inverse Condemnation)**

15 166. Warren incorporates by reference the allegations contained in the previous  
16 paragraphs above as though fully set forth herein.

17 167. The Ordinance and ZA Interpretations are invalid because they substantially  
18 impair Warren’s vested rights in the continuation of oil and gas production within the City and  
19 eliminate substantially all of Warren’s economically viable use of its oil and gas resources within  
20 the City for the benefit of the public without prior compensation to Warren or, in the alternative,  
21 an amortization period, based on an actual amortization study that allows a reasonable return on  
22 its investment. The City therefore violated Article 1, section 19 of the California Constitution and  
23 the Takings Clause of the Fifth and Fourteenth Amendments to the United States Constitution by  
24 adopting the Ordinance, which taking was expedited by the City’s issuance and implementation  
25 of the ZA Interpretations.

26 168. The City’s adoption of the Ordinance and ZA Interpretations are part of an effort  
27 to stop oil and gas production within the City due to political pressure and without regard to  
28 ongoing business interests, protection of property rights, or evidence as to actual impacts from

1 Warren's operations. The City's adoption of the Ordinance and issuance of the ZA  
2 Interpretations also substantially impair Warren's property rights within the City for the benefit of  
3 the public without prior compensation to Warren or, in the alternative, a reasonable amortization  
4 period to allow recovery of a reasonable return on Warren's investment.

5 169. The Ordinance and ZA Interpretations force Warren to bear public burdens which,  
6 in all fairness and justice, should be borne by the public as a whole. In taking action to adopt the  
7 Ordinance and later the ZA Interpretations, the City violated Article 1, section 19 of the  
8 California Constitution, which prohibits the temporary or permanent taking or damaging of  
9 private property for public use without prior, just compensation. Further, the City violated the  
10 Takings Clause of the Fifth Amendment to the U.S. Constitution, as incorporated by the  
11 Fourteenth Amendment, which prohibits the temporary or permanent taking of private property  
12 for public use without prior, just compensation. Warren's interests and investment-backed  
13 expectations will be materially, substantially, and irreparably harmed by the Ordinance and ZA  
14 Interpretations.

15 170. A bona fide and actual controversy exists between Warren and the City in that  
16 Warren alleges, and the City denies, that the adoption of the Ordinance and issuance of the ZA  
17 Interpretations violate Article 1, section 19 of the California Constitution and the Takings Clause  
18 of the Fifth and Fourteenth Amendments to the United States Constitution.

19 171. Warren desires a judicial determination of the validity of the Ordinance and ZA  
20 Interpretations to save itself from the harm caused by its adoption, which will terminate Warren's  
21 oil and gas operations within the City. Warren's interests will be materially, substantially, and  
22 irreparably harmed by the Ordinance and ZA Interpretations.

### 23 **NINTH CAUSE OF ACTION**

#### 24 **(For Writ of Mandate—Taking or Damaging Property for 25 Public Use Without Prior Compensation)**

26 172. Warren incorporates by reference the allegations contained in the previous  
27 paragraphs above as though fully set forth herein.

28 ///

1           173. Warren seeks a writ of traditional mandamus pursuant to Code of Civil Procedure  
2 § 1085, or, alternatively, a writ of administrative mandamus pursuant to Code of Civil Procedure  
3 § 1094.5 commanding the City to vacate and set aside its adoption of the Ordinance and  
4 implementation of the ZA Interpretations because both (each and jointly) constitute a taking of  
5 Warren’s real property rights in oil and gas resources within the City for the benefit of the public  
6 without prior compensation to Warren or, in the alternative, a reasonable amortization period to  
7 allow a reasonable return on its investment. The City therefore violated Article 1, section 19 of  
8 the California Constitution and the Takings Clause of the Fifth and Fourteenth Amendments to  
9 the United States Constitution by adopting the Ordinance and issuing the ZA Interpretations.

10           174. The City’s adoption of the Ordinance and later issuance of the ZA Interpretations  
11 are part of an effort to stop oil and gas production within the City purely due to political pressure  
12 and without regard to ongoing business interests, protection of property rights, or evidence as to  
13 actual impacts from Warren’s operations. The City’s adoption of the Ordinance and ZA  
14 Interpretations also substantially impairs Warren’s property rights within the City for the benefit  
15 of the public without prior compensation to Warren or, in the alternative, a reasonable  
16 amortization period to allow recovery of a reasonable return on Warren’s investment.

17           175. The Ordinance and ZA Interpretations force Warren to bear public burdens which,  
18 in all fairness and justice, should be borne by the public as a whole. In taking action to adopt the  
19 Ordinance and issue the ZA Interpretations, the City violated Article 1, section 19 of the  
20 California Constitution, which prohibits the temporary or permanent taking or damaging of  
21 private property for public use without prior, just compensation. Further, the City violated the  
22 Takings Clause of the Fifth Amendment to the U.S. Constitution, as incorporated by the  
23 Fourteenth Amendment, which prohibits the temporary or permanent taking of private property  
24 for public use without prior, just compensation. Warren’s interests and investment-backed  
25 expectations will be materially, substantially, and irreparably harmed by the Ordinance and ZA  
26 Interpretations.

27 ///

28 ///

**TENTH CAUSE OF ACTION**

**(Declaratory and Injunctive Relief for Unconstitutional Impairment of Contractual Relations: U.S. Constitution, Art. 1, § 10; 42 U.S.C § 1983; California Constitution Art. 1, § 9)**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

176. Warren incorporates by reference the allegations contained in the previous paragraphs above as though fully set forth herein.

177. The Ordinance and ZA Interpretations violate Article 1, section 9 of the California Constitution and Article 1, section 10 of the United States Constitution, which prohibit the enactment of laws affecting a “substantial impairment” of contracts, and which applies to public contracts as well as contracts between private parties.

178. Warren holds leasehold interests with the owners of mineral rights surrounding Warren’s oil production operations. Warren is a party to contracts in the form of leases between it and the property owners which impose obligations on Warren that continue beyond the date that Warren will be allowed to continue to operate under the Ordinance and ZA Interpretations.

179. By prohibiting the expansion of oil and gas uses, prohibiting Warren’s continued historical operations and the drilling of new wells, and restricting maintenance on existing wells so as to prevent Warren from prolonging the productive life of those wells, the Ordinance and ZA Interpretations each and together impair those contractual relations, prevent Warren from meeting contractual obligations to its lessors, and will undermine Warren’s reasonable expectations under the contracts.

180. The record shows that there is no valid basis for the City’s exercise of police power or legitimate local interest that would justify the impairment of Warren’s contractual relations imposed by the Ordinance and ZA Interpretations, especially considering the specific evidence as to the limited emissions from Warren’s all-electric operations.

181. The City failed to consider less restrictive means to achieve the purported purposes of the Ordinance and ZA Interpretations. Instead, the Ordinance imposes an arbitrary, capricious, and unsupported amortization period, and both the Ordinance and ZA Interpretations impose restrictions on drilling new wells and necessary maintenance on existing wells without any consideration of existing or potential mitigation of the purported health, safety, and

1 environmental concerns, much less any credible scientific basis for the purported health, safety,  
 2 and environmental concerns asserted in the Ordinance, especially as to Warren's specific  
 3 operations.

4 182. The Ordinance and ZA Interpretations operate as a substantial and unjustified  
 5 impairment of the obligations of those contractual relationships, in violation of the Impairments  
 6 Clauses of the United States and California Constitutions.

7 183. A bona fide and actual controversy exists between Warren and the City in that  
 8 Warren alleges, and the City denies, that the adoption of the Ordinance and ZA Interpretations  
 9 violate Article 1, section 9 of the California Constitution and Article 1, section 10 of the United  
 10 States Constitution. Warren desires a judicial determination of the validity of the Ordinance and  
 11 ZA Interpretations to save itself and others from the harm caused by its adoption, which will  
 12 terminate Warren's oil and gas operations within the City and impair its contracts as a result.

13 184. As a direct and proximate result of the City's violation of Article 1, section 9 of  
 14 the California Constitution and Article 1, section 10 of the United States Constitution, as alleged  
 15 herein, Warren's interest will be materially, substantially, and irreparably harmed by the  
 16 Ordinance and ZA Interpretations.

17 185. Warren is entitled to damages and attorneys' fees from the City for these  
 18 constitutional violations under 42 U.S.C. section 1983 and is entitled to attorneys' fees and expert  
 19 fees from the City under 42 U.S.C. section 1988.

### 20 **ELEVENTH CAUSE OF ACTION**

#### 21 **(Damages for Interference with Contractual Relations** 22 **Against the City of Los Angeles Only)**

23 186. Warren incorporates by reference the allegations contained in the previous  
 24 paragraphs above as though fully set forth herein.

25 187. The City has intentionally interfered with the contractual relations between Warren  
 26 and certain property owners within the City who lease their mineral rights to Warren.

27 ///

28 ///

1 188. Warren is a party to valid contracts in the form of leases between Warren and  
 2 property owners who hold mineral rights within the City. As alleged on information and belief,  
 3 the City was aware of these contracts at the time it enacted the Ordinance.

4 189. The Ordinance and the ZA Interpretations cause an actual disruption of the  
 5 contractual relationships between Warren and these property owners because they each prohibit  
 6 the expansion of oil and gas uses, prohibit Warren's continued historical operations and the  
 7 drilling of new wells, and restrict the maintenance of existing wells so as to prevent Warren from  
 8 prolonging the productive life of those wells. These actions will impair those contractual  
 9 relations, preventing Warren from meeting contractual obligations to lessors and undermining  
 10 Warren's reasonable expectations under the contracts.

11 190. As a direct and proximate result of the City's enactment of the Ordinance and  
 12 issuance of the ZA Interpretations, as alleged above, Warren has been and will be damaged from  
 13 the disruption of its contractual relationships with its lessors within the City, and Warren will  
 14 suffer further damages in an amount to be determined at trial.

15 191. Warren has submitted claims to the City as required under Government Code  
 16 section 900, *et seq.*, which claim the City did not respond to and was therefore deemed rejected as  
 17 of March 30, 2023.<sup>4</sup>

## TWELVTH CAUSE OF ACTION

### (For Writ of Mandate -Abuse of Discretion)

20 192. Warren incorporates by reference the allegations contained in the previous  
 21 paragraphs above as though fully set forth herein.

22 193. For all of the foregoing reasons and those stated below, the City's adoption of the  
 23 Ordinance must be vacated and the ZA Interpretations withdrawn as they are unlawful, arbitrary,  
 24 capricious, entirely lacking in evidentiary support, contrary to established public policy and an  
 25 abuse of discretion. There is no legitimate public purpose, reasonable basis in fact, or substantial

26 <sup>4</sup> Warren submitted its government claim pursuant to Gov. Code § 910 on February 13, 2023 (Claim No. C23-  
 27 66730), prior to its exhaustion of administrative appeals with respect to the ZA Interpretations, which were issued  
 28 after the Ordinance was adopted. The City has stipulated that Warren need not file a second government claim with  
 respect to the ZA Interpretations since such claim was sufficiently presented to the City via its February 13 claim  
 presentation.

1 evidence to support the City’s decision to adopt the Ordinance and issue the ZA Interpretations,  
2 and to terminate Warren’s right to operate its lawful business in the City.

3 194. There is no evidence to support the claimed negative health effects from Warren’s  
4 operations (or other current operations within the City) as the City did not conduct any specific  
5 studies of such operations. The evidence presented by Warren—which evidence the City  
6 ignored—negates the alleged health effects claimed by the City to support adoption of the  
7 Ordinance, the MND, and the ZA Interpretations.

8 195. The City’s decision to adopt the Ordinance and issue the ZA Interpretations  
9 contravenes the State’s policy of “*encourag[ing]* the wise development of oil and gas resources,”  
10 and “to *permit*” the use of “*all*” practices that will increase the recovery of oil and gas. (Pub.  
11 Resources Code § 3106 (emphasis added).) There is no legitimate public purpose, reasonable  
12 basis in fact, or substantial evidence to support the City’s decision to adopt an Ordinance and  
13 issue the ZA Interpretations that contravenes the State’s express policy.

14 196. The City also failed to consider less restrictive means to achieve the purported  
15 purposes of the Ordinance. Instead, the Ordinance and ZA Interpretations impose arbitrary and  
16 capricious restrictions on Warren’s ability to operate its business which are wholly lacking in  
17 evidentiary support. The City fails to forecast the probable effect of the Ordinance and ZA  
18 Interpretations, fails to identify the competing interests involved, and fails to justify why the  
19 Ordinance and ZA Interpretations reflect a reasonable accommodation of competing interests.  
20 For example, the Ordinance and ZA Interpretations exclude certain uses, but apply to all oil and  
21 gas operations across the City without distinguishing among different locations or operations,  
22 even though the City acknowledges that some locations are situated in heavy industrial areas and  
23 even though the undisputed evidence as to Warren’s operations demonstrates that its operations  
24 do not give rise to the concerns expressed by the City.

25 197. With regard to the ZA Interpretations, their issuance was arbitrary, capricious, and  
26 an abuse of discretion for the additional reason that the Zoning Administrator exceeded the scope  
27 of its authority in issuing them. While the City relies on LAMC Section 12.21-A,2 for authority  
28 in adopting the ZA Interpretations, it is clear from context that Section 12.21-A,2 is intended to



1 be used where the Zoning Administrator may allow proposed “other uses” that are nearly  
 2 identical to those uses enumerated in that Article of the LAMC. In particular, the application is to  
 3 “Other Use and Yard Determinations.” The ZA Interpretations do not allow “other uses” and  
 4 instead go far beyond that by *prohibiting* certain conduct that the Zoning Administrator deems to  
 5 be “maintenance.” In essence, the ZA Interpretations are underground rules, promulgated without  
 6 authority and outside the procedures of the LAMC. And if the Zoning Administrator were  
 7 actually given the authority to promulgate such rules, it would constitute an unlawful delegation  
 8 of power to the Zoning Administrator.

9 198. To the extent ZA Memo 141 includes requirements for seeking a health and safety  
 10 exception not outlined in the LAMC—including those notification requirements, findings, and  
 11 appeal procedures noted in Sections 1.6 through 1.8—the Zoning Administrator similarly exceeds  
 12 its authority by promulgating underground rules outside of the LAMC.

13 199. Accordingly, the City has acted arbitrarily, capriciously, and abused its discretion  
 14 by terminating oil and gas uses in the City without a legitimate public purpose, reasonable basis  
 15 in fact, or substantial evidence. Warren has no plain, speedy, and adequate remedy at law to  
 16 challenge the Ordinance and ZA Interpretations other than the relief sought herein. Without the  
 17 resolution of these challenges, Warren will be permanently, irreparably harmed by the  
 18 implementation of the Ordinance and enforcement of the ZA Interpretations.

### 19 **THIRTEENTH CAUSE OF ACTION**

#### 20 **(Writ of Mandate - Preemption)**

21 200. Warren incorporates by reference the allegations contained in the previous  
 22 paragraphs above as though fully set forth herein.

23 201. Warren seeks a writ of traditional mandamus pursuant to Code of Civil  
 24 Procedure § 1085, or, alternatively, a writ of administrative mandamus pursuant to Code of  
 25 Civil Procedure § 1094.5. The adoption of the Ordinance and issuance of the ZA  
 26 Interpretations are preempted by State law, including Public Resources Code section 3106.

27 ///

28 ///

1           202. California has adopted numerous statutes and regulations that  
2 comprehensively regulate virtually all aspects of oil and gas operations. Oil and gas operations are  
3 specifically governed by Division 3 of the Public Resources Code (Pub. Res. Code § 3000, et  
4 seq.) and its implementing regulations (14 Cal. Code Regs. § 1712, et seq.). By and through this  
5 all-encompassing statutory and regulatory scheme, the State of California, through CalGEM, has  
6 exclusive jurisdiction over the field of oil and gas operations, methods, practices and procedures  
7 to the exclusion of local legislation.

8           203. The Ordinance and ZA Interpretations—separately and working together—  
9 impermissibly seek to regulate how Warren conducts its oil and gas production operations within  
10 the City.

11           204. The Attorney General has concluded that a conflict arises whenever local  
12 government attempts to “exercise control over subsurface activities,” whether “directly or  
13 indirectly.” 59 Ops.Cal.Atty. Gen 461, 478; see also *Desert Turf Club v. Bd. of Supervisors*, 141  
14 Cal. App. 2d 446, 452 (1956).

15           205. The Ordinance and ZA Interpretations are preempted by State law, providing  
16 that CalGEM has exclusive jurisdiction to regulate the drilling, operation, *maintenance*, and  
17 abandonment of oil and gas wells and attendant facilities. The Ordinance and ZA Interpretations  
18 attempt to exercise improper control over how oil and gas operations are conducted within the  
19 City, and specifically regulate maintenance, drilling, redrilling, deepening, sidetracking and  
20 abandonment and restoration activities in direct contravention of applicable law.

21           206. The Ordinance and ZA Interpretations also directly conflict with Public  
22 Resources Code section 3106, which identifies the State’s policy as “*encourag[ing]* the wise  
23 development of oil and gas resources,” and expressly provides that the State will supervise  
24 the drilling, operation, maintenance and abandonment of oil wells “so as to *permit*” the use of  
25 “*all*” methods and practices to increase the recovery of oil and gas. ( Cal. Pub. Res. Code § 3106,  
26 emphasis added.) In so doing, Section 3106 plainly lodges the authority to permit “all methods  
27 and practices” firmly in the State’s (*not* the City’s) hands. Section 3106 makes no mention  
28 whatsoever of any reservation to local entities, such as the City, or any power to limit the

1 State’s authority to permit well operators to engage in these “methods and practices.” As  
2 described above, the California Supreme Court recently found that Measure Z, as adopted in  
3 Monterey County, improperly regulated the methods and practices related to oil and gas  
4 operations and was thus preempted by Section 3106. (*Chevron U.S.A. Inc., supra* at \*25.) The  
5 Ordinance is considerably more restrictive than Monterey County’s Measure Z, in part because  
6 on its face Measure Z did not regulate oil and gas wells drilled prior to the effective date of  
7 Measure Z. (*Id.* at \*6.) Nor did Measure Z specifically attempt to regulate maintenance  
8 activities, as is the case with the Ordinance and ZAI. Indeed, under the ZAI, prohibited  
9 “maintenance” is directly linked to CalGEM’s authority under State law in that it is defined, in  
10 part, as any work that “requires a Notice of Intention” to “carry out a rework project” from  
11 CalGEM. (ZAI at 1.) The fact that the Ordinance contains an exception for threats to public  
12 health, safety, or the environment, as determined by the City and as set forth in ZA Memo 141,  
13 does not distinguish it under the Supreme Court’s decision, nor does it save the Ordinance and  
14 ZA Interpretations from being preempted by Section 3106. This argument was directly addressed  
15 by the Supreme Court: “Whereas section 3106 directs *the supervisor* to make decisions about the  
16 use of *all* oil production methods – inclusive of those methods Measure Z identifies – Measure Z  
17 [improperly] authorizes *the County* to make decisions regarding some of those methods.”  
18 (*Chevron U.S.A. Inc., supra* at \*15 (italics in original). Accordingly, while Measure Z was of  
19 limited scope, it still impermissibly “usurped the supervisor’s statutorily granted authority.” (*Id.*)  
20 Similarly, the Ordinance and ZA Interpretations unlawfully seize the State’s authority by  
21 regulating the “method and practices” of oil and gas operations within the City, by defining  
22 “maintenance” in a way that prohibits certain and methods and practices of production, and by  
23 effectively banning all methods and practices unless a health and safety exception applies, again at  
24 the discretion of the Zoning Administrator. The Ordinance and ZA Interpretations are therefore  
25 preempted by Section 3106.

26           207. By adopting the Ordinance and issuing the ZA Interpretations, the City has acted  
27 unlawfully and beyond the scope of statutory and regulatory authority as set forth in California  
28 law.



1           214. Warren seeks a declaration from this Court that the Ordinance and ZA  
2 Interpretations are preempted by State law. Warren further seeks a declaration that, as a result of  
3 this preemption, the Ordinance and ZA Interpretations are invalid.

4           215. Such a declaration is necessary and appropriate at this time in order to determine  
5 the validity of the Ordinance and ZA Interpretations.

6           216. The City disputes the contention that the Ordinance and ZA Interpretations are  
7 preempted by State law and are thus invalid. Therefore, there is a present and actual controversy  
8 between Warren and the City.

9           217. The power and authority to regulate oil and gas operations and their methods,  
10 practices and procedures in California lies exclusively in the State of California, including with  
11 CalGEM and the State Oil and Gas Supervisor. The Ordinance, along with the ZA  
12 Interpretations, regulates, restricts, prohibits, impairs, and then terminates subsurface operations  
13 within the City, and is therefore in direct conflict with superior California law, including, without  
14 limitation, the sections of the California Public Resources Code relating to oil and gas  
15 production and the Supreme Court’s decision in *Chevron U.S.A. Inc.*

16           218. The City lacks the power, authority, and jurisdiction to directly or indirectly  
17 prohibit or impair subsurface operations by imposing restrictive policies, as that power is  
18 exclusively a function of the State of California. Moreover, the laws of the State of California  
19 preempt and fully occupy regulation of the methods and practices for oil and gas operations.  
20 The Ordinance and ZA Interpretations are preempted, in whole or in part, by State law, and, as  
21 such, are invalid and without effect.

22           219. The City disputes the contentions set forth above.

23           220. Judicial intervention in these disputes, and a declaration by the Court, is  
24 necessary to resolve whether the Ordinance and ZA Interpretations are preempted, in whole or in  
25 part, by State law.

26 ///

27 ///

28 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FIFTEENTH CAUSE OF ACTION**

**(Breach of Contract)**

221. Warren incorporates by reference the allegations contained in the previous paragraphs above as though fully set forth herein.

222. Warren is a party to various lease agreements with the City for oil and gas operations within the City limits. These leases provide Warren with the right to develop and extract oil, gas and mineral resources within the City of Los Angeles. These leases also incorporate the implied covenant of good faith and fair dealing, implied in every contract.

223. The City’s adoption of the Ordinance and issuance of the ZA Interpretations constitute a breach of the terms of those leases and further a breach of the implied covenant of good faith and fair dealing therein.

224. As a direct and proximate result of the City’s adoption of the Ordinance and ZA Interpretations, as alleged above, Warren has been and will be damaged by the City’s breach of the express and implied covenants of its leases with Warren, and Warren will suffer further damages in an amount to be determined at trial.

225. Warren will submit a claim to the City as required under Government Code section 900 *et seq.* and will amend this cause of action as necessary after the period has run by which the City must approve or reject the claims.

**PRAYER FOR RELIEF**

WHEREFORE, Warren demands judgment against Defendants/Respondents as follows:

1. For a preliminary and permanent injunction enjoining the City from implementing, enforcing and/or taking any steps in furtherance of the Ordinance or the ZA Interpretations;

2. For alternative and peremptory writs of mandate directing the City to vacate the Ordinance and withdraw the ZA Interpretations, and directing it to forgo any and all steps in furtherance of the Ordinance or ZA Interpretations until the City complies with CEQA;

///

1           3.           For alternative and peremptory writs of mandate directing the City to vacate the  
2 Ordinance and withdraw the ZA Interpretations, and directing the City to forgo any and all steps  
3 in furtherance of the Ordinance or ZA Interpretations because they are in violation of law,  
4 preempted by State law, arbitrary and capricious, an abuse of discretion and lacking in  
5 evidentiary support;

6           4.           For a declaratory judgment that Warren has vested rights to continue and to  
7 complete the development and production of its oil and gas resources in the City from the Site  
8 under ZA 20725 and the Approvals and that as a result, the Ordinance and ZA Interpretations are  
9 not enforceable as to Warren’s continued development and drilling operations thereunder;

10          5           For a declaratory judgment that the City is estopped from enforcing the  
11 Ordinance and ZA Interpretations against Warren and that as a result, the Ordinance and ZA  
12 Interpretations are not enforceable as to Warren’s continued development and drilling operations  
13 under the Approvals and ZA 20725;

14          6.           For a declaratory judgment that the Ordinance and ZA Interpretations—  
15 separately and/or jointly—effect an unconstitutional taking of Warren’s property rights with just  
16 compensation as required by the Fifth and Fourteenth Amendments to the United States  
17 Constitution, Article I, section 19 of the California Constitution and 42 U.S.C. section 1983;

18          7.           For a declaratory judgment that the City violated Warren’s due process rights  
19 under the Fifth and Fourteenth Amendments to the United State Constitution, Article I, section 7  
20 of the California Constitution and 42 U.S.C. section 1983;

21          8.           For a declaratory judgment that the City violated the prohibitions on impairment  
22 of contracts under Article 1, section 9 of the California Constitution, Article 1, section 10 of the  
23 United States Constitution and 42 U.S.C section 1983;

24          9.           For damages for just compensation and interest thereon according to proof, for  
25 the temporary and permanent taking of Warren’s property in violation of the Fifth and Fourteenth  
26 Amendments to the United States Constitution, Article I, § 19 of the California Constitution and  
27 42 U.S.C Section 1983;

28 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

10. For a declaratory judgment that the Ordinance and ZA Interpretations are each and/or jointly preempted by State law and therefore invalid and without effect.


11. For an award of damages against the City in an amount according to proof;

12. For costs of suit, attorneys' fees, and appraisal and related fees as provided by law under Code of Civil Procedure sections 1021.5 and 1036 and 42 U.S.C. section 1988; and

13. For such other and further relief as the Court deems just and proper.

DATED: November 17, 2023

DAY CARTER & MURPHY LLP

By:   
\_\_\_\_\_  
TRACY K. HUNCKLER  
Attorneys for Petitioners,  
WARREN E&P, INC.; WARREN  
RESOURCES OF CALIFORNIA, INC.;  
And WARREN RESOURCES, INC.



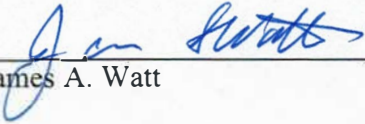
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

VERIFICATION

I, James A. Watt, declare as follows:

I am the President and Chief Executive Officer of Petitioners/Plaintiffs Warren E&P, Inc.; Warren Resources of California, Inc.; and Warren Resources, Inc. I have read the foregoing Verified Fourth Amended Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief and Damages. The facts stated therein are true to my knowledge, and as to those matters stated on information and belief, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this verification was executed this 17th day of November at Lehigh County, State of Pennsylvania.

  
James A. Watt

1 *Warren E&P, Inc. v. City of Los Angeles, et al.*  
2 Los Angeles Superior Court, Case No. 23STCP00060

3 **PROOF OF SERVICE**

4 I am a resident of the State of California, over the age of eighteen years, and not a party to  
5 the within action. My business address is Day Carter & Murphy LLP, 3620 American River  
6 Drive, Suite 205, Sacramento, California 95864. On November 17, 2023, I served the within  
7 document(s):

8 **PETITIONERS' VERIFIED FOURTH AMENDED PETITION  
9 FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY  
10 AND INJUNCTIVE RELIEF AND DAMAGES**

11  **By Electronic Service:** I electronically transmitted the document listed above to  
12 the email addresses stated in the Service List attached which have been confirmed  
13 for each addressee. My electronic service address is  
14 [cbridges@daycartermurphy.com](mailto:cbridges@daycartermurphy.com).

15 **SEE ATTACHED SERVICE LIST**

16 I declare under penalty of perjury under the laws of the State of California that the above  
17 is true and correct. Executed on November 17, 2023, at Auburn, California.

18   
19 \_\_\_\_\_  
20 Cheri Bridges

DAY CARTER & MURPHY LLP

SERVICE LIST

<p>1 2 3 4 5 6 7 8</p> <p>Craig A. Moyer Sigrid R. Waggener David T. Moran MANATT, PHELPS &amp; PHILLIPS, LLP 2049 Century Park East, Suite 1700 Los Angeles, CA 90067 Telephone: (310) 312-4000 Email: <a href="mailto:cmoyer@manatt.com">cmoyer@manatt.com</a> <a href="mailto:swaggener@manatt.com">swaggener@manatt.com</a> <a href="mailto:dmoran@manatt.com">dmoran@manatt.com</a></p>	<p><i>Attorneys for Petitioners and Plaintiffs</i> NATIVE OIL PRODUCERS AND EMPLOYEES OF CALIFORNIA and WESTERN STATES PETROLEUM ASSOCIATION</p> <p>LASC Case No. 23STCP00085</p>
<p>9 10 11 12 13 14 15</p> <p>Edward R. Renwick HANNA AND MORTON LLP 444 South Flower Street, Suite 2530 Los Angeles, CA 90071 Telephone: (213) 628-7131 Email: <a href="mailto:erenwick@hanmor.com">erenwick@hanmor.com</a></p>	<p><i>Attorneys for Petitioners and Plaintiffs</i> NATIONAL ASSOCIATION OF ROYALTY OWNERS-CALIFORNIA, INC., MEKUSUKEY OIL COMPANY, LLC, NJB WOLF FAMILY LLC, AND THE TERMO COMPANY</p> <p>LASC Case No. 23STCP00106</p>
<p>16 17 18 19 20 21 22</p> <p>Nicki Carlsen Matthew C. Wickersham Garrett B. Stanton ALSTON &amp; BIRD LLP 333 South Hope Street, 16th Floor Los Angeles, CA 90071-1410 Telephone: 213-576-1000 Facsimile: 213-576-1100 E-mail: <a href="mailto:nicki.carlsen@alston.com">nicki.carlsen@alston.com</a> <a href="mailto:matt.wickersham@alston.com">matt.wickersham@alston.com</a> <a href="mailto:garrett.stanton@alston.com">garrett.stanton@alston.com</a></p>	<p><i>Attorneys for Petitioners and Plaintiffs</i> E &amp; B NATURAL RESOURCES MANAGEMENT CORPORATION, HILLCREST BEVERLY OIL CORPORATION, E&amp;B ENR I, LLC, and ELYSIUM NATURAL RESOURCES, LLC</p> <p>LASC Case No. 23STCP00070</p>
<p>23 24 25 26 27 28</p> <p>Ernest J. Guadiana Justin R. Trujillo ELKINS KALT WEINTRAUB REUBEN GARTSIDE LLP 10345 West Olympic Boulevard Los Angeles, California 90064 Telephone: (310) 746-4400 Email: <a href="mailto:eguadiana@elkinskalt.com">eguadiana@elkinskalt.com</a>; <a href="mailto:jtrujillo@elkinskalt.com">jtrujillo@elkinskalt.com</a></p>	<p><i>Attorneys for Petitioners and Plaintiffs</i> BRIDGELAND RESOURCES, LLC</p> <p>LASC Case No. 23STCP01217</p>

{01100917}

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Jennifer Tobkin Oscar Medellin Marvin Bonilla Grant Hutchins Office of the Los Angeles City Attorney 200 North Main Street City Hall East Room 701 Los Angeles, CA 90012 Telephone: (213) 978-8120 Email: <a href="mailto:jennifer.tobkin@lacity.org">jennifer.tobkin@lacity.org</a> <a href="mailto:oscar.medellin@lacity.org">oscar.medellin@lacity.org</a> <a href="mailto:marvin.bonilla@lacity.org">marvin.bonilla@lacity.org</a> <a href="mailto:grant.hutchins@lacity.org">grant.hutchins@lacity.org</a>	<i>Attorneys for Respondents and Defendants</i> CITY OF LOS ANGELES, LOS ANGELES CITY COUNCIL, KAREN BASS, IN HER OFFICIAL CAPACITY AS THE MAYOR OF THE CITY OF LOS ANGELES AND LOS ANGELES CITY PLANNING COMMISSION
---	--

## **EXHIBIT A**

1 TRACY K. HUNCKLER (State Bar No. 178120)  
THOMAS A. HENRY (State Bar No. 199707)  
2 MEGAN A. SAMMUT (State Bar No. 287772)  
DAY CARTER & MURPHY LLP  
3 3620 American River Drive, Suite 205  
Sacramento, CA 95864  
4 Telephone: (916) 246-7309  
Facsimile: (916) 570-2525  
5 e-mail: [thunckler@daycartermurphy.com](mailto:thunckler@daycartermurphy.com)

6 Attorneys for Petitioners, WARREN E&P, INC.;  
7 WARREN RESOURCES OF CALIFORNIA, INC.;  
and WARREN RESOURCES, INC.

8  
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF LOS ANGELES**

12 WARREN E&P, INC.; WARREN  
13 RESOURCES OF CALIFORNIA, INC.; and  
WARREN RESOURCES, INC.,

14 Petitioners,

15 v.

16 CITY OF LOS ANGELES; LOS ANGELES  
17 CITY COUNCIL; LOS ANGELES CITY  
PLANNING COMMISSION; KAREN BASS  
18 IN THE OFFICIAL CAPACITY AS THE  
MAYOR OF THE CITY OF LOS ANGELES;  
and DOES 1 through 20, inclusive,

20 Respondents.

Case No.: Not yet assigned.

**PETITIONERS' NOTICE OF INTENT  
TO FILE CEQA PETITION**

(Public Resources Code § 21167.5)

Complaint filed:

Trial date: Not set.

22 TO CITY OF LOS ANGELES, LOS ANGELES CITY COUNCIL, LOS ANGELES  
23 CITY PLANNING COMMISSION, KAREN BASS IN THE OFFICIAL CAPACITY AS THE  
24 MAYOR OF THE CITY OF LOS ANGELES, AND THEIR ATTORNEYS OF RECORD:


25 Pursuant to Public Resources Code section 21167.5, PLEASE TAKE NOTICE that  
26 Petitioners WARREN E&P, INC.; WARREN RESOURCES OF CALIFORNIA, INC.; and  
27 WARREN RESOURCES, INC. ("Petitioners") intend to file a Verified Petition for Writ of  
28 Mandate and Complaint for Declaratory and Injunctive Relief and Damages ("Verified Petition")

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

under the California Environmental Quality Act (“CEQA”) and other federal and State laws, against you challenging the approval and adoption of Mitigated Negative Declaration ENV-202204865-MND and the related Mitigation Monitoring Program, and approval and adoption of an Ordinance No. 187709 to amend sections 12.03, 12.20, 12.23, 12.24, and 13.01 of the Los Angeles Municipal Code to make oil wells a nonconforming use, to ban the drilling of new wells, and to prohibit the maintenance, drilling, re-drilling, or deepening of existing wells. Among other things, the Verified Petition will challenge the City’s failure to comply with the requirements of the CEQA and the State CEQA Guidelines, and will seek equitable relief to remedy the City’s unlawful actions. Petitioners also intend to file non-CEQA claims in the action.

DATED: January 6, 2023

DAY CARTER & MURPHY LLP

By:   
\_\_\_\_\_  
TRACY K. HUNCKLER  
Attorneys for Petitioners,  
WARREN E&P, INC.; WARREN  
RESOURCES OF CALIFORNIA, INC.;  
and WARREN RESOURCES, INC.;

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PROOF OF SERVICE**

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Day Carter & Murphy LLP, 3620 American River Drive, Suite 205, Sacramento, California 95864. On January 6, 2023, I served the within document(s):

**PETITIONERS' NOTICE OF INTENT TO FILE CEQA PETITION**

- By Fax:** by transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
- By Hand:** by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- By Mail:** by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Sacramento, California, addressed as set forth below.
- By Overnight Mail:** by causing document(s) to be picked up by an overnight delivery service company for delivery to the addressee(s) on the next business day.
- By Personal Delivery:** by causing personal delivery by \_\_\_\_\_ of the document(s) listed above to the person(s) at the address(es) set forth below.
- By Electronic Mail:** by transmitting via electronic mail the document(s) listed above to the email address(es) set forth below on this date before 5:00 p.m.

City of Los Angeles  
Office of the City Clerk  
200 N Spring St, Room 360  
Los Angeles, CA 90012  
Email: [clerk.cps@lacity.org](mailto:clerk.cps@lacity.org)

Los Angeles City Council  
Office of the City Clerk  
200 N Spring St, Room 360  
Los Angeles, CA 90012  
Email: [clerk.cps@lacity.org](mailto:clerk.cps@lacity.org)

Karen Bass, in her official capacity as the  
Mayor of the City of Los Angeles  
c/o Hydee Feldstein Soto  
Los Angeles City Attorney  
200 North Main Street, #800  
Los Angeles, CA 90012  
Email: [cityatty.help@lacity.org](mailto:cityatty.help@lacity.org)

Los Angeles City Planning  
Commission  
Office of the City Clerk  
200 N Spring St, Room 360  
Los Angeles, CA 90012  
Email: [clerk.cps@lacity.org](mailto:clerk.cps@lacity.org)

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on January 6, 2023, at Auburn, California.

  
Cheri Bridges