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February 24, 2017

George Paspalof (A)(O)  
Sentinel Peak Resources LLC  
5640 South Fairfax Avenue  
Los Angeles, CA 90056

CASE NO. ZA 16773 (PA1)  
COMMUNICATION – PLAN APPROVAL  
REVIEW OF COMPLIANCE –REQUIRED  
FILING OF APPLICATION  
**FINAL NOTIFICATION**  
3306-3326 Washington Boulevard  
Zone : [Q] CM-1VL  
D. M. : 126B189  
C. D. : 10  
CEQA : ENV-2006-4542-CE  
Legal Description: Lots 1-6, Block 22,  
Arlington Heights Tract

The Department of City Planning ("Department") is requiring the filing of a Plan Approval application for a review of compliance with the conditions imposed under ZA 16773, (August 30, 1963) for the property located at 3306-3326 Washington Boulevard, the purpose of which will be to review the applicant's compliance with, and the effectiveness of, the conditions established in the subject grant.

This correspondence serves as the second and final notification to the applicant requiring the filing of a Plan Approval application under the requirement of ZA 16773 (PA1), Condition No. 10.

On January 20, 2017, the Department sent a letter to the applicant and the new facility owner, George Paspalof, Sentinel Peak Resources LLC, and the previous facility owner, Steven P. Rusch, Freeport-McMoRan Oil & Gas LLC ("FM O&G"), requiring the filing of a Plan Approval for a review of compliance, with said application to be filed with the Department by February 20, 2017.

On a February 20, 2017 date letter, the applicant's representative, George Paspalof, responded on behalf of their client, Sentinel Peak Resources LLC, noting the following on page no. 2 of the letter:

"Sentinel acknowledges that City permit could be required if it proposes to perform downhole physical changes to convert the wells from "Class B" to "Class A" wells, but no such changes have been proposed and the wells in question are not operating as "Class A" wells. Here, DOGGR approved termination of the historic waterflood project, but DOGGER did not and could not authorize the conversion of wells on behalf of the City. The City's Code does not state anywhere that an operator is required to seek City approval to convert the wells prior to obtaining DOGGR approval to terminate an injection project. "

In response to Mr. Paspalof's February 20, 2017 statements, Code Section 13.01-I, and sources of evidence documented in the record supporting the Department's request for the Plan Approval application are listed below:

- LAMC Section 13.01-I “No person shall drill, deepen or maintain an oil well or **convert an oil well from one class to the other** and no permits shall be issued for that use, until a determination has been made by the Zoning Administrator or Area Planning Commission pursuant to the procedure prescribed in Subsection H of this Section.”
- March 31, 2016 The applicant of record at that time, Freeport-McMoran Oil & Gas (FM O&G), summarized actions taken by FM O&G in reaction to and in compliance with the Notice to Comply issued by the Los Angeles Fire Department (LAFD) on January 28, 2016 (letter to Linn K. Wyatt from Steven P. Rusch, March 31, 2016, received April 22, 2016). FM O&G acknowledged that six Class B wells were reactivated through a demonstration of pressure on the well head; FM O&G asserted that wells were not converted from Class B wells into Class A wells.
- May 5, 2016 Information obtained from the California Division of Oil, Gas, and Geothermal Resources (DOGGR), confirms the conversion of up to seven wells from injection to production status located at the Fourth Avenue Drill Site, Las Cienegas Field.
- November 29, 2016 The Office of Zoning Administration requested that the Department of Building and Safety conduct a condition compliance review of the subject drill site to investigate compliance with all applicable provisions of the Los Angeles Municipal Code and operational conditions pursuant to case number ZA 16773, (August 30, 1963) and as modified pursuant to ZA 16773 (PA1) (August 10, 2007) and the associated Letter of Correction (September 28, 2007). The Department of Building and Safety conducted their inspection on December 15, 2016; findings of that inspection were received from the Department of Building and Safety on January 5, 2017.
- January 6, 2017 In a report (“*4<sup>th</sup> Avenue Idle Wells Evaluation Report*”) prepared by Uduak-Joe Ntuk, Petroleum Administrator of City of Los Angeles, the findings note specifically that seven (7) wells were converted from injection wells to production wells according to DOGGR's permitting and regulatory criteria in January, 2015. The wells were re-classified from “Class B” injection wells to “Class A” production wells.

The administrative record has been and remains available to the applicant for review.

Explanation of Procedure and Instructions to Applicant/Property Owner

Based on the authority provided to the Zoning Administrator in LAMC Section 13.01-I, and the procedure set forth in LAMC Section 13.01-H, and the Condition No. 10 of ZA 16773(PA1), and further evidence received by the Office of Zoning Administration established in the record<sup>1</sup>, the Department of Planning is requiring the filing of a Plan Approval application for review of compliance with the conditions imposed under ZA 16773(PA1).

No later than March 26, 2017, the Plan Approval application and any associated environmental clearance application shall be filed by the applicant on the appropriate forms, accompanied by the payment of all requisite fees, as governed by Section 19.01 of the LAMC.

The Office of Zoning Administration maintains authority to conduct a public hearing before a Zoning Administrator; legal notification of the hearing pursuant to the LAMC would be issued under separate cover. Please note that any separate actions taken by other City agencies or responsible agencies does not relieve the applicant of the requirement to fulfill the terms of the subject grant, ZA 16773 (PA1).

The application must be accepted as complete by the Planning Department's Development Services Center at the following location:

Figueroa Plaza  
201 North Figueroa Street,  
4th Floor  
Los Angeles, CA 90012  
(213) 482-7077

If you have questions regarding this matter, please contact Jon Foreman, Senior City Planner, Office of Zoning Administration, at (213) 978-1318 or e-mail at: [jon.foreman@lacity.org](mailto:jon.foreman@lacity.org).



JACK CHIANG  
Associate Zoning Administrator

JC:sm

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1 Including, but not limited to the Interdepartmental Correspondence from Uduak-Joe Ntuk, Petroleum Administrator to Honorable Herb Wesson, Los Angeles City Council President, *4<sup>th</sup> Avenue Idle Wells Evaluation Report*, January 6, 2017; LADBS report, January 5, 2017; correspondence received from the United Neighborhoods Neighborhood Council (UNNC), April 13, 2016, Tenth Council District Office, August 14, 2016; and DOGGR records, including but not limited to YR 2015 correspondence with FM O&G, and the letter from Sentinel Peak on February 20, 2017.

cc: Councilmember Herb Wesson,  
Tenth Council District  
Andrew Westall, Tenth Council District  
Vanessa Rodriguez, Tenth Council District  
Justin Wesson, Tenth Council District  
Vincent P. Bertoni, Department of Planning  
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Jon Foreman, Department of Planning  
Uduak-Joe Ntuk, Office of Petroleum and Natural Gas Administration and Safety  
Jennifer Tobkin, City Attorney's Office  
Nicholas Karno, City Attorney's Office