

## Superior Court judge halts Whittier oil drilling project

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LOS ANGELES - A judge on Thursday halted the controversial oil and gas exploration project under way in the Whittier Hills, ruling the city of Whittier is acting against the wishes of Los Angeles County voters who paid for the land to be preserved in perpetuity as open space.

The 38-page tentative ruling by Los Angeles Superior Court Judge James C. Chalfant came down hard on the city and its partners, Matrix Oil Corp. and Clayton Williams Energy, Inc. Chalfant granted a preliminary injunction to the Mountains Recreation Conservation Authority. He also ruled the project cannot proceed without the approval of the Los Angeles County Regional Open Space District. The district oversees land purchased from Proposition A, a 1992 ballot measure adopted by 64 percent of county voters. The district is governed by the five members of the county Board of Supervisors.

Because Whittier purchased 1,280 acres of spent oil land in part with \$9.3 million from Prop. A monies distributed by the Santa Monica-based MRCA, the judge said using a portion of those lands for oil drilling violated the public trust.

Chalfant also prohibited any funds from the project from reaching the city's general fund.

"When the parties say we want this for open space ... that is inconsistent with having an oil derrick on it," Chalfant said from the bench.

His ruling will most likely be made final on Thursday, June 13. At that time, MRCA must decide if it wants the court to issue a judgment or to sue the city and its partners for damages.

"We haven't decided yet," said MRCA attorney James L. Goldman on Thursday evening. "I haven't talked to my client yet."

The tentative decision was the most definitive court ruling in the long-running case. It may set precedent since the judge ruled the taking of oil and gas in a nature preserve established with taxpayers' money for a dedicated purpose was a violation of the law and the public trust.

"Clearly this is a big victory for the voters who passed Prop. A," said Scott Kuhn, one of the attorneys for the county open space district arguing the case for the plaintiffs. "The judge clearly affirmed the voter's intent," he said.

However, the project agreement involving the Prop. A land and the county as overseer runs out June 2015, which some interpret as meaning the oil project could bypass the county in two years.

"Obviously it is a disappointment. It could delay the project two years," said Whittier City Councilman Bob Henderson, a strong project proponent. "I don't think it ends the project."

But attorneys disagree as to whether the project will ever go forward.

Local opponents, including members of the Whittier Hills Oil Watch (WHOW), hugged each other after the two-hour court hearing ended. WHOW, the county, conservation groups and state Attorney General Kamala Harris have been fighting the project off and on since its inception in 2008.

"This is a great day. This is what we've been diligently telling our City Council - that this project was not done properly," said Lupe Sahagun-Garcia, a member of WHOW who unsuccessfully ran for council on the issue.

"I'm still in shock. I'm so excited," added Marta Borbon of WHOW, who organized a carpool of opponents to the downtown L.A. courtroom.

The city of Whittier and Matrix will now have to shut down the project. Matrix had already started work on phase one, which involves drilling well cellars or support structures for future test wells on a 7-acre site adjacent to Friendly Hills located at the end of Catalina Avenue, a residential street. That work involves a 14-foot deep hole in the ground, which was begun on Tuesday, Henderson said. That hole will have to be filled and made safe, according to an attorney for the oil company.

"They are putting in wells. Their will be an open hole out there," Jordan Porter, attorney for Matrix Oil, told the judge. The judge gave both sides a week to figure out how to stop construction while installing the necessary safety measures. Henderson wasn't sure if that meant Matrix would fill in the well cellar with sand. Porter did not return phone calls left at his Santa Barbara office Thursday afternoon.

The city of Whittier released a statement saying it disagrees with the favorable ruling for plaintiffs MRCA and the county of Los Angeles.

In the statement, City Manager Jeff Collier wrote that the project, which was approved by the City Council in November 2011, would have funneled monies into city coffers for streets, roads and other city services. The city could have received a windfall from oil revenues of up to \$115 million a year or more, according to early estimates. The project would have provided needed funding for the Puente Hills Habitat Preservation Authority (PHHPA), which manages the open space lands within the Habitat Preserve. The Whittier City Council voted to pay the PHHPA up to \$2 million a year, in part to replace the money from tipping fees once the Puente Hills Landfill closes Oct. 31.

The city will weigh its options. After the final ruling on June 13, it has 60 days to decide whether to appeal.