



FOR IMMEDIATE RELEASE

March 10, 2010

For more information, contact:

City Manager Steve Burrell

(310) 318-0216

sburrell@hermosabch.org

Hermosa Beach Requests State Supreme Court Review Oil-Drilling Ruling

City Council Fights to Protect Health and Safety of Community

HERMOSA BEACH – To ensure the city’s right to protect the health and safety of the community, Hermosa Beach City Council members voted Tuesday to request that the California State Supreme Court review a recent court ruling in an 11-year-old legal battle over a proposal for a massive oil-drilling and production operation next to local residences, parks and businesses.

The Council voted to authorize funding for the city’s attorneys to ask the state’s highest court to review a recent California Court of Appeal decision in the ongoing litigation. The Court of Appeal ruled in the city’s favor by finding the Hermosa Beach City Council had the “discretionary power” to deny an oil-drilling permit, if it found the oil-drilling operation proposed by Macpherson Oil Company would endanger the health and safety of the community.

But the Court of Appeal decision would return the case to a jury to decide whether the oil-drilling operation was so risky that the City Council would have denied the permit – effectively leaving it to a jury to decide if the project posed a danger to the community and residents of Hermosa Beach.

“It is the responsibility of the Hermosa Beach City Council to protect the health, safety and welfare of the community,” said Hermosa Beach Mayor Michael DiVirgilio. “By appealing to the California Supreme Court, the City Council is seeking dismissal of the lawsuit to ensure the oil company doesn’t strip away this fundamental right and obligation from our city.”

Macpherson Oil Company wanted to drill up to 30 oil wells and place permanent tanks and production facilities on a scant 1.3 acres – a proposal that would have been equal to placing two to three wells on an average Hermosa Beach residential lot. The oil company proposed to locate its operation at the corner of 6th Street and Valley Drive, next to the city’s popular greenbelt, a half block from South Park, a block from residences and about a half mile from the beach, pier and downtown.

In 1998, an independent analysis found the massive oil-drilling operation would pose the following risks:

- 1 in 3,000 risk of a fatality
- 1 in 700 risk of one or more serious injuries to the public

- 4% likelihood of an offsite flash fire with potential for human casualties
- Risk of 31 leaks, 2 major releases and 1 rupture over the 35-year life of the project

Based on those findings, the City Council in 1998 determined the massive oil-drilling proposal was too risky for the community. The Court of Appeal said the City Council had the right to reject – or even revoke oil-drilling permits it had already issued – “if the permittee’s operations pose a danger to the ‘lives or safety’ of persons.”

“The Hermosa Beach City Council took a courageous stand to protect the health and safety of residents by stopping this massive oil-drilling project,” said DiVirgilio. “Such a large drilling and production operation in the middle of a Hermosa Beach neighborhood could have caused catastrophic and potentially fatal results to the thousands of people who live, work and enjoy outdoor recreation near the site.”

In other communities that didn’t exercise this right, oil and gas operations located among residences and businesses have caused harm to people and property. In Los Angeles, for instance, a methane leak from an abandoned oil field fueled a massive explosion in a Los Angeles department store that left 24 injured in 1985, and a Newport Beach cottage filled with crude oil in 1973, requiring it to be partially torn down to seal an old well located nearby.

Macpherson Oil Company had proposed a slant-drilling operation to tap into offshore oil reserves. Oil and gas operations on and near the ocean are considered so risky that no offshore oil projects – including the type of slant-drilling Macpherson Oil Company proposed – have been constructed in state waters since 1969. That was the year an offshore oil well blowout covered 35 miles of beaches with an oily goo that killed more than 10,000 sea birds and countless numbers of fish on the Santa Barbara Coast.

The city’s attorneys plan to prepare and file an appeal with the California Supreme Court this month. The Supreme Court generally has sixty days to decide whether to accept the case for review.

About Hermosa Beach

Founded in 1907, Hermosa Beach is known as “the best little beach city.” It is a thriving community of some 20,000 residents located on the southern end of Santa Monica Bay in Los Angeles County, and its beaches have been ranked among the best in the world. To learn more, please visit www.hermosabch.org

###