

Katherine Douglas

Public Comment - NARO-CA

# 3



**From:** Edward Hazard <ehazard57@gmail.com>  
**Sent:** Sunday, October 19, 2025 6:59 PM  
**To:** sbcob  
**Cc:** Renwick, Ed  
**Subject:** Public Comment, NARO-CA Opposition to Oil & Gas Phaseout Ordinance, BOS mtg 10-21-2025, Agenda Item 3 on Page 17  
**Attachments:** scan0229.pdf

**Caution:** This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Dear Clerk of the Board,

Please post the attached letter from NARO-CA to the Public Comments for the Oil & Gas Phase-Out, Agenda Item 3 on page 17 for the October 21, 2025 S.B. Board of Supervisors meeting.

Sincerely,  
Ed

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Edward S. Hazard

Cell: (209) 481-7005

Email: [Ehazard57@gmail.com](mailto:Ehazard57@gmail.com)



October 19, 2025

SENT VIA EMAIL TO: sbcob@countyofsb.org

Chair Capps and Members of the Santa Barbara County Board of Supervisors  
Santa Barbara County Board of Supervisors  
105 E. Anapamu Street  
Santa Barbara, CA 93101

**Re:** PUBLIC COMMENT, Opposition to proposed Santa Barbara County Oil & Gas Phaseout Ordinance

Dear Chair Capps and Members of the Santa Barbara County Board of Supervisors,

My name is Ed Hazard. My family and I are Santa Barbara County oil and gas mineral and royalty owners, and I am the President of the California Chapter of the National Association of Royalty Owners (NARO-CA). NARO-CA advocates for and defends the rights of the estimated 500,000 private citizen oil and gas royalty owners in California, and even more mineral owners. We strongly oppose any efforts by Santa Barbara County to phase out oil and gas operations or to prohibit new drilling or to further constrain existing oil production as is suggested in Agenda Item 3 on page 23 of the Board of Supervisors meeting agenda for October 21, 2025.

At our request, this agenda item has been reviewed by our General Counsel, Ed Renwick of Hanna & Morton, LLP. His brief response is attached hereto.

Your proposed oil and gas phaseout ordinance relies upon the authority purported to be given to you to do so under the terms of AB 3233. As noted in Mr. Renwick's letter, we believe that AB 3233 is in violation of the California Constitution and should not be relied upon by any California county or municipality to justify any further actions regulating oil production. We anticipate litigating this issue in the Los Angeles County Superior Court in the very near future. Therefore, we believe that it would be most prudent and in the best interest of the citizens of Santa Barbara County for you to refrain from taking any further actions to restrict or phase out oil and gas production until the question of the constitutionality of AB 3233 is fully adjudicated in Los Angeles.

Further, we believe that oil and gas mineral and royalty rights cannot be amortized as they are depleting assets that cannot be relocated. The concept that amortization is fair and therefore constitutional is based on the idea that a nonconforming business is given

*Founded in 1980, the National Association of Royalty Owners is the only national organization representing solely, and without compromise, oil and gas royalty owners' interests.*

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a reasonable period of time so that its owner will be able to move that nonconforming business to a new location with minimal loss. This logic does not apply to oil and gas rights. Oil and gas can only be produced and the value only be realized if they are produced in the location where they were deposited by nature millions of years ago. The mineral and royalty owners' assets will have no value if they are no longer able to produce oil or gas from them. Their assets will have been taken from them by the County. They will be forced to take action to protect their assets.

If forced to act, NARO-CA will stand with the royalty owners, just as we have successfully done in Monterey County, Ventura County and the City of Los Angeles.

When Monterey County passed the oil shutdown Measure Z, NARO-CA filed suit together with over 80 royalty owner named co-plaintiffs. In addition, five oil companies filed suits. Millions were spent on legal fees and costs. We won, the County lost.

With regards to the potential for millions or billions of dollars in takings claims that might result from your contemplated actions, we draw your attention to the Judge's Intended Decision in the Measure Z case. In it he stated that **"Consequently, should it take effect, Measure Z would effect a facial regulatory taking of CRC's and some members of NARO's property."** He went on to state that **"...the remaining Petitioners would have the option of proceeding with as-applied takings claims."** However, since the court overturned Measure Z this issue was rendered moot. Remember, this judge's final decision was ultimately upheld by unanimous decisions by both the Appellate Court and the California State Supreme Court. It is now solid case law.

We believe that at this time it would be in the best interests of the taxpayers and citizens of Santa Barbara County that you refrain from proceeding with any efforts to pursue an oil and gas phaseout and/or any further restrictions on oil production. Continuing with such actions could result in substantial expenses and liabilities for the County of Santa Barbara.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward S. Hazard".

Edward S. Hazard  
President

Cc: Edward S. Renwick, Esq.

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## VIA Email

October 17, 2025

National Association of  
Royalty Owners of California-Inc.  
Attn: Edward Hazard  
Email: [Ehazard@57@yahoo.com](mailto:Ehazard@57@yahoo.com)

Re: County of Santa Barbara

Dear Ed,

You have asked me to comment on the fact that the County of Santa Barbara is seriously considering the adoption of an oil and gas ordinance aimed at shutting down oil and gas production in the unincorporated area of the county. Apparently, the ordinance would be similar to the ordinance adopted earlier by the City of Los Angeles, which on March 21, 2025, was held by Judge Kin of the Los Angeles County Superior Court to be invalid and unenforceable.

My response to your question is very simple. I think the County of Santa Barbara would be very foolish to follow in the footsteps of the City of Los Angeles. The County of Santa Barbara would be much wiser to let the litigation in Los Angeles play out, go through the appellate courts, and then decide whether it makes sense to follow along with similar legislation. Why should the county waste any tax payer money on such a venture until it knows the outcome of the Los Angeles case? Let me explain.

There were five lawsuits filed against the City of Los Angeles, all of which were coordinated. Our case, *National Association of Royalty Owners-California, Inc., Los Angeles Superior Court Case No. 23STCP00060*, was one of them. In our case, Judge Kin decided in our favor on two grounds. First, on our first cause of action, he held that the ordinance was preempted by Public Resources Code Section 3106. That code section provides that CalGEM—an agency with statewide authority—is empowered to decide which of the methods and practices commonly utilized in the oil and gas industry to maximize production of oil and gas are allowed to be used. Second, on our second cause of action, Judge Kin held that the Los Angeles City ordinance violated Article XI, Sections 5 and 7 of the California Constitution. The violation occurred because those sections of our state constitution prohibit local governments from regulating matters of statewide concern. Instead, they are limited to regulating matters of local concern. Judge Kin held that the methods and practices used by the oil and gas industry to



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maximize ultimate production are matters of statewide concern.<sup>1</sup> Thus, the Los Angeles ordinance violated Article XI Sections 5 and 7 of the California Constitution.

The City of Los Angeles decided not to appeal Judge Kin's decision. Instead, it decided to rely on AB-3233 and readopt the same ordinance once AB-3233 became effective on January 1, 2025. The city is currently going through the readoption process with an oil and gas ordinance, which I would describe as a "twin" of the earlier ordinance. If not a twin, it is at least a brother or sister of the first ordinance.

You also asked me to comment on whether local governments can apply the doctrine of "amortization" to oil and gas wells within their jurisdiction. That doctrine permits ordinary pre-existing non-conforming uses to be amortized over time. For instance, a hardware store that becomes a pre-existing non-performing use when its location is rezoned to only permit single-family housing. It is generally permissible to allow the hardware store to have a reasonable period of time to continue in business at that location so that its owner can raise the money to relocate his store to a commercially zoned area nearby.

It seems to me that there is no analogy between our hypothetical hardware store and oil and gas wells because oil and gas is where you find it. You can't move an oil and gas field to a nearby location. Having stated the common-sense reason for the lack of any analogy between hardware stores and oil and gas wells, there is another powerful legal reason why oil and gas wells are not subject to amortization. In the oil and gas industry, it is common practice to produce oil and gas wells until they can no longer be produced in paying quantities. In other words, until their inclining cost curves cross their declining production curves. At that point, it costs more money to produce the wells than the wells produce by way of income.

Therefore, the practice of producing wells until they reach their limit of economic production is just another method and practice used in the oil and gas industry, maximizing the ultimate recovery of oil and gas. This is a matter of statewide concern, and in my opinion, subjecting oil and gas wells to amortization would violate Article XI Sections 5 and 7 of our California Constitution.

As you know, we represent NARO-CA and a group of royalty owners in the Los Angeles case. That case is not over, and once the City of Los Angeles readopts its new ordinance, which purports to shut down oil and gas production in the city, the litigations challenging its validity will continue. One of the arguments NARO-CA will make is that the legislature simply does not have the power to ignore Article XI Sections 5 and 7 by giving cities and counties the power to legislate on matters of statewide concern! To do that, the California Constitution would first have to be amended.

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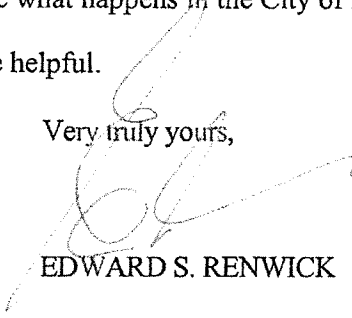
<sup>1</sup> California case law holds that the final word on whether something is a matter of statewide concern is up to the courts, not the legislature.

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Clearly, this issue will be litigated in the Los Angeles Superior Court. It seems a shame for everyone to spend the time and money to fight it out in other counties as well. Perhaps cooler heads will prevail, and people will wait to see what happens in the City of Los Angeles case.

I trust that my brief comments will be helpful.

Very truly yours,



EDWARD S. RENWICK