

California vote to allow oil drilling faces resistance

William Lajeunesse, Fox News, 4-6-12

The gold rush is long over in California, but not in tiny Hermosa Beach.

This beach community, population 19,000, is virtually atop a reservoir of black gold. And early next year, voters are likely get the chance to do something that hasn't happened in California for more than three decades - cash in on the state's vast supplies of offshore oil.

"This is an opportunity to earn four-hundred-million dollars. That is a lot of money," said former Hermosa Beach Mayor Gary Brutsch.

But others, who covet these two square miles of sun and sand, say getting into business with an oil company is inconsistent with the city's environmental conscience.

"We should just get rid of the tennis racket on our logo on the city emblem and put an oil derrick and a bottle of vodka, cuz that's what you're gonna need," said another former mayor, Michael Keegan.

The controversy dates back to 1995, when city officials signed a deal to allow Macpherson Oil of Santa Monica to drill a well on city-owned land. Voters, however, later imposed a ban on oil drilling, causing the city to breach its contract. Facing a \$750 million lawsuit, the city began negotiating a settlement.

Last month, they made a deal, negotiated by two city council members.

In an election likely early next year, after studies and language is agreed upon, voters will decide whether to lift the ban -- doing so would give the city 15 percent of all gross oil sales, and allow the school district to earn royalties of up to 20 cents on every barrel pumped. If voters defeat the measure, the city would owe the oil company \$17.5 million in damages.

"If it could bring more revenue through the city, you know, bring more money to the schools, I'm all for it," said resident Mona Lisa Chavez. "If the funding is going to the schools, then I'm for the drilling."

But in a town synonymous with flip flops, surfboards and hybrids, cashing in is no sure thing.

"It is sheer greed that this ever started and it is appalling," resident Linda Stewart said. "I'm against it for all the environmental reasons. Accidents, fires and spills, which would just be catastrophic to a city."

The proposed well, however, is unique. Built in a city maintenance yard five blocks from the ocean, the drilling rig and pipeline would siphon oil from under the Pacific Ocean without ever touching water. So called slant wells use a directional drilling technique that allows them to reach oil deposits up to 17 miles offshore without erecting unsightly drilling platforms within view from the beach. Building on land also dramatically reduces the potential negative effects of an oil spill.

"I'm more apt to be for it because it's on land and going underneath. I think that might be a little easier and not having the eyesore," Chavez said.

The exact date of the election is contingent on the completion of environmental reviews.