DATE: January 26, 2009

DEVELOPER'S STATEMENT FOR EXCELARON (MANKINS)

CONDITIONAL USE PERMIT

ED07-311 (DRC2006-00222)

The applicant agrees to incorporate the following measures into the project. These measures become a part of the project description and therefore become a part of the record of action upon which the environmental determination is based. All development activity must occur in strict compliance with the following mitigation measures. These measures shall be perpetual and run with the land. These measures are binding on all successors in interest of the subject property.

> **Note:** The items contained in the boxes labeled "Monitoring" describe the County procedures to be used to ensure compliance with the mitigation measures.

Project Description: Request by Excelaron LLC (further referred to as 'applicant') for a Conditional Use Permit (DRC2006-00222) on property owned by Howard Mankins, et al (hereafter 'property owners') to establish four production oil wells, two water injection wells and transportation of crude oil to processing facilities outside of the county. The project includes an exploratory and production phase. Project components include:

1) to establish the four oil production wells: testing for integrity and potential use of existing orphaned test wells; new drilling for up to three oil wells at the oil well pad site; new drilling for up to one oil well at the shipping site
2) to establish the two water reinjection wells: testing for integrity and potential use of existing orphaned test wells; new drilling for up to two reinjection wells at either the shipping site or oil well pad site;
3) should oil formation's quantity and quality be determined favorable, exploratory phase ends and production phase begins for up to four production wells;;
4) installation of other project elements as follows: shipping/ staging area for storage and operation of facility (office, processing/ storage tanks, heater, propane tank); above ground piping from wells to shipping storage area, and minor grading to level/widen access roads to shipping and well sites; and
5) grading that would result in approximately 1.6 acres of disturbance and movement of approximately 5,150 cubic yards of material, including minor improvements to the southern access ranch road to Highway 166.

Truck haul route would exit site south on Huasna Townsite Road to the end of the county maintained portion, then use existing ranch roads on the Porter Ranch south to Alamo Creek Road to Highway 166, then west and south to processing facilities in Oxnard via Highway 101.

The exploratory phase shall conclude once drilling and testing have been completed. This phase does not include exportation of oil coming from any permanent on-site facility (i.e., any approved storage or processing structure from Shipping Site area). No open sumps are proposed or included as a part of the project.

Notice to Proceed

NP1 In order to facilitate the preparation of the proposed project subsequent to approval of the Conditional Use Permit (and other local, state or federal permits), a Notice to Proceed shall be issued by the Planning Director when certain pre-preparation and pre-operational conditions are met by the applicant as specified in the following conditions. **The first Notice to Proceed is required prior to breaking ground. The second Notice to Proceed is required prior to hauling of any crude oil offsite that comes from any on-site permanent facility, and prior to the production phase beginning**.

NP2 This Conditional Use Permit shall expire in two years from the date of final approval of the Conditional Use Permit if the use is not occurring on the site pursuant to Land Use Ordinance

Section 22.64.060. The production aspect of the request shall also be subject to this limitation, where upon completion of the exploratory phase, if production does not occur within two years of completion of exploratory phase, the permit shall expire, with the exception of the remedial and restoration conditions of the permit. The exploratory phase shall start when the County approves the first Notice to Proceed and be in effect for the following six months, unless additional time is requested by the applicant and approved by the County. Any time extension requests shall adhere to LUO Section 22.64.070.

Bonding

B1 Per LUO Section 22.34.040, a performance guarantee shall be established **prior to issuance of a construction permit** to address APCD regulations and County conditions of approval. At a minimum, the performance guarantee amount shall be no less than $30,000 (each well = $5,000 for four production wells and two water injection wells).

B2 A "Closure Cost Plan" shall be prepared by the applicant and submitted to the County for approval **prior to issuance of a construction permit** to establish costs to properly close/ decommission at both the end of the exploratory and operational phases, as well as for clean up/ removal work of previous testing efforts. Additional performance guarantees matching these costs shall be secured **prior to the first "Notice to Proceed"** milestone, as approved by the Planning Director. Specific aspects to address but not necessarily limited to, include: decommission of wells/ equipment removal (including previous test wells/ equipment), on-site hazardous waste assessment/clean-up, site restoration, monitoring.

Monitoring B1 & B2: County will hold the bond.

<u>AESTHETIC RESOURCES</u>

VS1 **At the time of application for construction permits,** the applicant shall show existing trees and large shrubs ("key screening vegetation") that will screen the proposed equipment for the well pad (LaVoie-Hadley) or screen new cut or fill areas relating to this pad or access road, when publicly viewed from Huasna Townsite Road (see Exhibit 1 – GlobalMapper visual simulation) shall be identified on all applicable construction plans as "Key Screening Vegetation" and shall not be removed or trimmed (see Exhibit 2). **Prior to the first "Notice to Proceed",** this vegetation shall be permanently marked in a non-detrimental way for future reporting/protection purposes. If such vegetation dies, it shall be replaced immediately with in-kind vegetation at a 4:1 ratio. For tree replacement, at least one of the new trees shall be from 24" box container or larger. Any such replacement vegetation shall be planted in the late Fall to early Winter and be maintained (irrigation and weeding) until successfully established, for not less than three years and until successfully established. Area to plant shall be free of any contaminants toxic to vegetation.

VS2 **At the time of application for construction permit**, applicant's construction plans shall identify clean topsoil to be set aside and stockpiled, and be used for any revegetation efforts on visible cuts from Huasna Townsite Road. **Prior to second "Notice to Proceed" or final inspection, whichever occurs first**,, sufficient clean topsoil shall be reapplied or re-keyed over these visible cut areas to provide at least 8" of topsoil for the reestablishment of vegetation. **As soon as the grading work has been completed and prior to the second Notice to Proceed or final inspection, whichever occurs first**, the cut and fill slopes shall be reestablished with native or non-invasive, fast-growing vegetation. The native seed mix shall be developed by a qualified biologist or landscape architect familiar with the native plants of the area.

VS3 **At the time of application for construction permit**, the applicant shall clearly delineate on the project plans the location and visual treatment of any new equipment or structures that are potentially visible on the well pad (LaVoie-Hadley). Where visible from a public road, the applicant shall provide evidence that the proposed equipment or structures are as low profile as is possible. **Prior to the second "Notice to Proceed",** all equipment and structures shall be located in the least visually prominent location feasible when viewed from Huasna Townsite

Road. Screening with topographic features, existing vegetation or existing structures shall be used as feasible. If the any new equipment or structures cannot be fully screened with existing elements, then the new equipment or structures shall be a dark, muted color (chroma and value of 6 or less per the Munsell Book of Color), and landscape screening shall be provided. Landscape material must be shown to do well in existing soils and conditions, be fast-growing, evergreen and drought tolerant. Shape and size of landscape material shall be in scale with proposed equipment or structures and surrounding native vegetation. Plans shall show how plants will be watered and what watering schedule will be applied to ensure successful and vigorous growth. Given the distance between the well pad/access road and Huasna Townsite Road (almost two miles), the landscape requirement may be waived if it can be adequately demonstrated to the county that the installed equipment or cut/fills are not visible. Placement of vegetation shall avoid any existing areas of soil contamination, as well as away from areas of higher potential contamination from proposed activities. **Prior to second Notice to Proceed, final inspection or occupancy, whichever occurs first**, the applicant shall provide verification to the satisfaction of the county that these measures have been met.

VS4 For any new above-ground oil/water transport lines, the applicant shall work closely with the environmental monitor to finalize an alignment that retains key viewing vegetation, as seen from Huasna Townsite Road, and minimizes to the extent feasible, any visible cut and fill slopes. The applicant recognizes and agrees that the monitor will likely need to identify areas to avoid in the field, as well as have the authority to direct the equipment operator(s) on how to avoid impacts to these areas. Additional replanting efforts may be necessary. Any reseeding efforts shall use a native mix.

VS5 **Prior to second Notice to Proceed, final inspection or occupancy**, **whichever occurs first**, to guarantee the success of necessary landscaping should it be determined necessary, the environmental monitor shall monitor the new vegetation until successfully established, on an annual basis, for no less than three years. The first report shall be submitted to the County Environmental Coordinator one year after the initial planting and thereafter on an annual basis until the monitor, in consultation with the County, has determined that the newly planted vegetation is successfully established. The applicant, and successors-in-interest, agrees to complete any necessary remedial measures identified in the report and approved by the Environmental Coordinator.

VS6 **Prior to second Notice to Proceed, final inspection or occupancy**, **whichever occurs first**, a cost estimate for a planting plan, installation of landscaping, and maintenance of new landscaping (should the county determine these necessary) for a period of three years shall be prepared by a qualified individual (e.g., landscape contractor), and shall be reviewed and approved by the County Department of Planning and Building. **Prior to second Notice to Proceed, final inspection or occupancy, whichever occurs first**, a performance bond, equal to the cost estimate, shall be posted by the applicant for a period of three years. Installation of the landscaping, as approved, shall be completed **within 60 days of final inspection or occupancy, whichever occurs first.**

Monitoring: County will hold the bond.

VS7 The visible portion of the access road width (see Exhibit 1) shall be limited to the minimum required by CalFire.

VS8 **At the time of application for construction permits**, the applicant shall specify that no permanent night lighting will be installed for the LaVoie-Hadley pad. All night lighting for the Shipping Site shall be hooded, and use the lowest lumens and lowest glare possible and still be OSHA compliant. These measures shall be implemented **prior to the second notice to proceed.**

VS9 **During the life of the project**, the applicant shall conduct weekly inspections (or more frequently) for leaks or spills in the following areas: all above-ground transportation lines, LaVoie-Hadley well pad (including 15 feet outside of the bermed areas) and the Shipping Site (including 15 feet outside of the bermed areas). At a minimum, a report/checklist would be prepared that included the date and time surveyed and the ground conditions for each of the above-specified areas, as well as note the health of the "key viewing" vegetation within these areas.

Where leaks or spills are identified within 30 feet of any oak tree trunk, the following shall be done: 1) note on the inspection sheet as to where, extent of spill/leak, type of substance found; 2) determine if manual clean up by hand feasible (to protect tree root zone); 3) to avoid migration of contaminate from spreading remove it immediately; 4) if roots in contact with substance, manually dig to clean soil and cleanly cut root to minimize absorbed contaminant from reaching the rest of the tree; 5) identify on inspection sheet action taken to resolve the problem noted. If a small amount of roots exposed for short period, it is considered an "impacted" tree (2:1 replacement or "impacted tree" fee). Otherwise, it will require full replacement (4:1). If it is a key viewing tree, on-site replacement shall include at least one in-kind replacement tree from a 24-inch box (or larger) container, with planting and maintenance conducted by a landscape contractor familiar with native plant care.

The county shall be notified immediately of any leaks or spills. Weekly inspection reports shall be submitted to the county on a quarterly basis. If more than three key viewing trees are lost, an amendment to the Conditional Use Permit will be required to address visual impacts.

Monitoring VS1 – VS9: Department of Planning and Building shall verify inclusion of required elements on plans in consultation with the Environmental Coordinator or CalFire, as applicable. Monitor will verify compliance with approved plans.

V

AGRICULTURAL RESOURCES

AG1 **At the time of application for construction permits**, the applicant shall specify the type of dust control method to be used (e.g., regular watering, soil binder, paving) and how it will achieve APCD's 20% opacity requirement on an ongoing basis. It shall also be discussed how the method proposed will not have an adverse impact to oaks and down-gradient water sources (i.e., approved by CDFG).

AG2 **At the time of application for construction permits**, the applicant shall show a sturdy fence (withstand cattle rubbing) and mesh, shown on all applicable construction plans, that is placed around (above high water line) the existing water/oil seep (adjacent to the lower shipping site) with the intent of keeping out cattle, livestock, birds and moderately sized- mammals (e.g. foxes, badgers, etc.) and amphibians (e.g., frogs, etc.). In addition to the fencing, the applicant shall install netting on top of the fencing with the intent of keeping birds from entering the seep from overhead. The fencing and netting shall have as small of mesh size as possible to minimize wildlife entering the seep area through the fencing/netting. This shall be installed **prior to the second notice to proceed.** To keep in good working order during the life of the project, the fence and mesh shall be inspected weekly at a minimum by employee (or when monitor on-site) and repaired by applicant within 7 days of discovery of disrepair. If the oil seep expands and/or spreads beyond the fenced area, the fencing and netting shall be expanded to surround the entire oil seep area. If any animal becomes trapped within the enclosure and appears non-oiled and in good health, the applicant will create a temporary opening in the fencing/netting to allow animal to escape. If animal is oiled, distressed or in unhealthy state, California Department of Fish and Game (CDFG) or county-approved animal rescue group (e.g., Pacific Wildlife Care; 805/543-9453) shall be contacted to handle animal. Telephone numbers of such approved organizations shall be kept posted for easy reference for all employees.

Monitoring AG1 – AG2: Department of Planning and Building shall verify inclusion of required elements on plans in consultation with the Environmental Coordinator. Monitor will verify compliance with approved plans.

AIR QUALITY

CONSTRUCTION PHASE MITIGATION

AQ1 Hydrocarbon Contaminated Soil. Should hydrocarbon contaminated soil be encountered **during construction activities**, the APCD must be notified by applicant as soon as possible and no later than 48 hours after affected material is discovered to determine if an APCD Permit will be required. In addition, the following measures shall be implemented immediately after contaminated soil is discovered:

a) Covers on storage piles shall be maintained in place at all times in areas not actively involved in soil addition or removal;

b) Contaminated soil shall be covered with at least six inches of packed uncontaminated soil or other Total Petroleum Hydrocarbon (TPH)–non-permeable barrier such as plastic tarp. No headspace shall be allowed where vapors could accumulate;

c) Covered piles shall be designed in such a way to eliminate erosion due to wind or water. No openings in the covers are permitted;

d) During soil excavation, odors shall not be evident to such a degree as to cause a public nuisance; and,

e) Clean soil must be segregated from contaminated soil.

The notification and permitting determination requirements shall be directed to the APCD Enforcement Division at 805/781-5912.

AQ2 Naturally Occurring Asbestos. The project site is located in a candidate area for Naturally Occurring Asbestos (NOA), which has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities at the site, the project applicant shall ensure that a geologic evaluation is conducted to determine if NOA is present within the area that will be disturbed. This shall be completed **prior to issuance of county construction permit** and submitted to the county. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site the applicant must comply with all requirements outlined in the Asbestos ATCM **prior to the first notice to proceed**. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program to be approved by the APCD. Please refer to the APCD web page at http://www.slocleanair.org/business/asbestos.asp for more information or contact the APCD Enforcement Division at 781-5912. **Prior to the second Notice to Proceed, final inspection or occupancy**, **whichever occurs first**, when naturally-occurring asbestos is encountered, the applicant shall provide verification from APCD that the above measures have been incorporated into the project.

AQ3 Due to construction activities being a potential fugitive dust generating nuisance to local residents and businesses in close proximity to the proposed construction site, dust complaints could result in a violation of the District's 402 "Nuisance" Rule. The following measures shall be incorporated into the project to control dust **during the exploratory/construction phase**:

a. Reduce the amount of the disturbed area where possible,

b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible,

c. All dirt stock pile areas be sprayed daily as needed,

d. Permanent dust control measures identified in the approved project revegetation and landscape plans be implemented as soon as possible following completion of any soil disturbing activities,

e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading be sown with a fast germinating native grass seed and watered until vegetation is established,

f. All disturbed soil areas not subject to revegetation be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD,

g. Any soil binder used be APCD and CDFG-approved,

h. All roadways, driveways, sidewalks, etc. to be paved be completed as soon as possible, and building pads be laid as soon as possible after grading unless seeding or soil binders are used,

i. Vehicle speed for all construction vehicles not exceed 15 mph on any unpaved surface at the construction site,

j. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114,

k. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site, and

l. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible.

AQ4 As of February 25, 2000, the APCD prohibits developmental burning of vegetative material within San Luis Obispo County. However, under certain circumstances where no technically feasible alternatives are available, limited developmental burning under restrictions may be allowed. Any such exception must complete the following prior to any burning: APCD approval; payment of fee to APCD based on the size of the project; and issuance of a burn permit by the APCD and the local fire department authority. As a part of APCD approval, the applicant shall furnish them with the study of technical feasibility (which includes costs and other constraints) at the time of application. For any questions regarding these requirements, APCD's Enforcement Division may be contacted (805/781-5912).

AQ5 The applicant's construction contractor shall adhere to the requirements of APCD rules and regulations on cutback and emulsified asphalt paving materials pursuant to APCD Rule 420. As a part of any Contract to complete this work, and/or contract specifications, applicable provisions of this Rule shall be incorporated on all applicable plans. **Prior to work commencing and first notice to proceed**, the applicant shall contact APCD for verification that construction plans have incorporated appropriate measures.

AQ6 **Prior to work commencing and first Notice to Proceed**, the applicant shall complete the following as it relates to the unpaved access road between the south end of Huasna Townsite Road and Alamo Creek Road: install adequate gravel and APCD- and CDFG-approved dust suppressant(s)/soil binders to substantially reduce particulate matter. Gravel and dust suppressants/binders shall be regularly maintained/reapplied to insure this measure remains in good working order for the construction period and the life of the project.

Monitoring for AQ1 – AQ6: All applicable mitigation measures will be shown on the grading and building plans. Compliance will be verified by APCD, and as appropriate, the Environmental Monitor.

AQ7 **Prior to construction permit issuance and first notice to proceed**, the applicant shall have representative soil samples taken where grading activities will occur and tested for the *Coccidioidomycosis* fungus (also known as Valley Fever). Should this fungus be found, a Worker

Health and Safety Plan shall be prepared by the applicant, and reviewed/approved by the County Environmental Health Division. Such a plan may include but would not be limited to: requiring construction or operational dust control measures for the life of the project; workers exposed to construction dust employing a means to filter out dust (e.g., high-efficiency particulate (HEP)-filtered air-conditioned enclosed cabs on heavy equipment, half-face respirators (e.g., equipped with N-100 or P-100 filters or better); and require worker education/ training of Valley Fever symptoms, as well as specific precautions to be taken.

Monitoring: Environmental Health shall verify inclusion of required elements on plans, in consultation with the Environmental Coordinator. Monitor will verify compliance with approved plans.

OPERATIONAL MITIGATION

AQ8 **Prior to the start of any drilling activities and first notice to proceed**, the applicant shall obtain a permit from the APCD, as applicable. To minimize potential delays, the applicant shall contact the APCD Engineering Division at (805) 781-5912 for specific information regarding permitting requirements as far as possible in advance to the start of the project.

AQ9 Any portable equipment, 50 horsepower (hp) or greater, used **during construction or operation** of the facility will require California statewide portable equipment registration (issued by the California Air Resources Board) or an APCD permit. The following list is provided as a guide to equipment and operations that may have permitting requirements (to be obtained **prior to first notice to proceed**), but should not be viewed as exclusive. For a more detailed listing, refer to page A-5 in the District's CEQA Handbook.

• Drilling Rig

• Power screens, conveyors, diesel engines, and/or crushers;

• Portable generators and equipment with engines that are 50 hp or greater;

• IC engines;

• Concrete batch plants;

• Rock and pavement crushing;

• Tub grinders; and

• Trommel screens.

AQ10 Demolition/Removal. In the event utility pipelines are scheduled for removal or relocation, the project shall be subject to various regulatory jurisdictions, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M – asbestos NESHAP). These requirements include, but are not limited to: 1) notification requirements to the Air Pollution Control District, 2) asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified air control measure (ACM).

AQ11 **During the construction and operational phases**, a person shall not discharge from any source whatsoever such quantities of air contaminants or other material which cause injury, detriment, nuisance or annoyance to any considerable number of persons or to the public or which endanger the comfort repose, health or safety of any such person or the public, or which cause, or have a natural tendency to cause, injury or damage to business or property.

AQ12 To reduce cumulative greenhouse gas emissions, the following measures shall be implemented for project operations, wherever feasible, and identified **prior to the second Notice to Proceed**:

- Use of double haul trucks;
- Use of 2007 or newer haul trucks;
- Use closer refineries.

AQ13 A 20 ppm low NOx burner, or less, shall be used for all propane fuel consumption.

AQ14 **Prior to second Notice to Proceed, final inspection or occupancy**, **whichever occurs first** provide matching funds toward the purchase of a new school bus for the Lucia Mar School District, or equivalent in emission reductions, as determined by the APCD.

> **Monitoring AQ8 – AQ14:** All applicable mitigation measures will be shown on the grading and building plans. Compliance will be verified by APCD (unless specified by other agency), and as appropriate, the Environmental Monitor.

AQ15 **Prior to construction permit issuance and first notice to proceed**, the project proponent shall prepare an Odor Monitoring and Complaint Response Plan. This plan will need to be jointly approved by the APCD and Environmental Health, **prior to the start of construction and first notice to proceed** and fully implemented during the life of the project.

> **Monitoring:** All applicable mitigation measures will be shown on the grading and building plans. Compliance will be verified by APCD and Environmental Health.

AQ16 All petroleum facilities shall be operated and maintained so as to prevent the escape of hazardous or noxious vapors and any other hazardous emissions.

AQ17 Petroleum operations associated with hydrogen sulfide, organic sulfides, any combination thereof, or any other hazardous gas, conducted in the vicinity of any residence or place of public gathering, which could affect the safety or well being of others, shall be declared by the applicant and identified as a "potentially hazardous emission area". Potentially hazardous emission areas shall be defined as, but not limited to, areas containing oil and gas facilities handling produced gases containing more than eight hundred twenty-five (825) ppm of hydrogen sulfide, organic sulfides, or a combination thereof where, in the judgment of the County's Environmental Health Division, there is a reasonable potential of risk or odor nuisance to residents or persons at public gatherings from releases of hydrogen sulfide, organic sulfides or other hazardous gases. **Prior to construction permit issuance**, the applicant shall provide evidence of review and approval from Environmental Health that this air quality assessment was adequately completed, and as applicable, show any "potentially hazardous emission area" on the appropriate construction plans.

AQ18 Petroleum operations in designated "potentially hazardous emission areas" shall be subject to the following requirements:

a) **Within sixty days of notification by Environmental Health and prior to second notice to proceed**, operators of petroleum facilities within potentially hazardous emission areas shall submit to Environmental Health a plan for detecting and monitoring emissions of hydrogen sulfide, organic sulfides or a combination thereof.

b) Said detection and monitoring plan shall include:

   1) An appropriate number of sensing points;

   2) Recording tape instrumentation with a demonstrated capability to detect and record in the range five to five hundred ppm hydrogen sulfide, and to activate visible and audible alarms;

   3) Provisions for registering an alert at ten ppm and an emergency at thirty ppm, with appropriate health and safety response steps for each stage as approved by Environmental Health;

   4) An implementation schedule for said plan. Approval of the plan shall not be unreasonably withheld by Environmental Health.

c) Operations shall be conducted so that ambient gas concentrations shall not exceed any of the following hydrogen sulfide concentrations for the corresponding time intervals:

   1) Ten ppm for more than eight hours.

2) Thirty ppm for more than one hour.

3) One hundred ppm for more than ten minutes.

4) Two hundred ppm for more than five minutes.

5) Three hundred ppm for more than one minute.

6) Five hundred ppm for instantaneous.

Operations of petroleum facilities where ambient concentrations exceed ten ppm at any sensing point designated in the approved monitoring plan shall immediately take steps to reduce such ambient concentrations to below ten ppm for the above specified time period, with facility shutdown required if necessary. Facilities at which concentrations exceed the above specified limits more than twice in one month or four times in one year, except for acts of God, riots and vandalism, shall require shutdown until the facility can be operated within the required regulations.

d) Personnel safety and protection shall comply with the requirements of the state division of industrial safety and/or the regulations of the state occupational safety and health act, whichever is the more restrictive. This shall be **verified at both the first and second Notices to Proceed**. Any violation coming to the attention of Environmental Health shall be referred to the appropriate agency.

Monitoring AQ16 - AQ18: All applicable mitigation measures will be shown on the grading and building plans. Compliance will be verified by County Environmental Health, and as appropriate, the Environmental Monitor.

AQ19 An environmental monitor shall be on-site during construction to verify adherence to air quality mitigation measures.

AQ20 As a part of a Preconstruction meeting to be conducted **prior to the first Notice to Proceed**, the environmental monitor shall discuss the above applicable measures to be used during construction.

Biological Resources

BR1 All efforts shall be made during construction to minimize impacts to native vegetation.

BR2 The applicant shall limit construction tree impacts as follows: a) no removal of any tree having a five inch diameter or larger at four feet from the ground; and b) “impacting*” no more than 114 trees having a five inch diameter or larger at four feet from the ground. This impact to oak trees qualifies as oak woodland habitat loss warranting “oak woodland” mitigation.

* *If any of the following conditions exist, the tree is considered "impacted" for the purposes of applying the 2:1 replacement:*

a) more than 10% of the tree mass is removed (using certified arborist practices), or any limb larger than 5", whichever is less;

b) new encroachment within the tree's root zone (which is defined as any area within the tree canopy edge/dripline before any oak branch trimming). Encroachment activities include:

1) Any cutting or trenching into soil (directional boring that is more than 24 inches below surface is exempt)
2) Adding any fill
3) Compaction of soil from vehicle (one single pass within canopy footprint is exempt) or any other compacting activity
4) Any grubbing that involves soil disturbance
5) Any storage of materials or equipment
6) Paving within dripline
7) Irrigation/overspray within tree dripline

8) Establishment of non-native, invasive understory plants

c) If 50% or more of the root zone is impacted or tree mass is removed, the tree shall be considered "lost" and be replaced at a 4:1 basis.

d) All trees impacted through prior (approved) practices preceding the proposed project shall be noted before work begins and not counted as tree impacts;

e) Any storage of liquids (including washout areas [e.g., concrete, etc.]) shall not be allowed within the tree canopy edge/dripline; any spills or leaks of toxic substances within the canopy edge/dripline and 10 feet out beyond the canopy edge/dripline would constitute an impacted tree, or potentially lost tree if spill or leak is extensive.

BR3 **Prior to construction permit issuance**, applicant's construction plans shall clearly delineate all trees within 50 feet of the proposed project, and shall show which trees are to be impacted, and which trees are to remain unharmed. **Prior to any ground disturbing activities and the first notice to proceed**, adequate protection measures (e.g., sturdy fencing) per the approved construction plans, shall be installed to protect those trees identified to remain unharmed as well as to minimize impacts for those trees identified as being impacted. **Prior to final inspection or occupancy or second notice to proceed**, **whichever occurs first**, the applicant shall provide verification to the satisfaction of the county that the trees identified to remain and/or fully protected are in acceptable condition(s) and that the construction phase has adhered to these measures, and provided satisfactory measures to mitigate impacts.

BR4 With the project being identified as impacted oak woodland, the applicant shall apply the following approach towards mitigating oak impacts, with these options to be finalized **prior to construction permit issuance**:

a) No less than ½ of the "impacted" (see previous definition) trees shall be mitigated through one or combination of the following approaches:

1) Tree Fee – for each "impacted" tree a fee of $485 shall be applied, which will be given either to a county-recognized organization with an oak woodland restoration/ acquisition program, or to the Wildlife Conservation Board; and/or

2) Conservation Easement – either establish an on-site Conservation Easement with a county-approved land trust (or similar organization) to protect an in-kind number and size of trees (an "impacted" tree equals ½ of a removed tree), or pay into a county-recognized Conservation Easement program being administered by a land trust (or equivalent);

b) For the remainder of impacted trees (up to 57) not addressed under "a)" above, on-site replanting shall be performed, and apply the following measures relating to on-site planting, maintenance and monitoring.

<u>On-site Tree Replanting</u>

BR5 No more than 114 oak trees shall be "impacted" (see previous definition) as a result of construction or ongoing operations of the project (as shown on the attached exhibit). For on-site replacement/planting purposes, each "impacted" tree shall be replanted by the applicant with two, in-kind seedlings. Replanting shall be completed as soon as it is feasible (e.g. when irrigation water is available, grading is finished in replant area, etc.) and **no later than the second notice to proceed**. Replant areas shall be either in native topsoil or areas where native topsoil has been reapplied. If the latter, topsoil shall be carefully removed and stockpiled for spreading over graded areas to be replanted (set aside enough for 6-12" layer).

BR6 Location of newly planted trees should adhere to the following, whenever possible: on the north side of and at the canopy/dripline edge of existing mature native trees; on north-facing slopes; within drainage swales (except when riparian habitat present); where topsoil is present; and away from continuously wet areas (e.g. lawns, leach lines).

BR7 These newly planted trees shall be maintained until successfully established. This shall include

protection (e.g. tree shelters, caging) from animals (e.g., deer, rodents), regular weeding (minimum of once early Fall and once early Spring) of at least a three-foot radius out from plant and adequate watering (e.g., drip-irrigation system). Watering should be controlled so only enough is used to initially establish the tree, and reducing to zero over a three-year period. If possible, planting during the warmest, driest months (June through September) shall be avoided. In addition, standard planting procedures (e.g., planting tablets, initial deep watering) shall be used.

BR8 Once trees have been planted and **prior to second Notice to Proceed, final inspection or occupancy**, **whichever occurs first**, the county-approved monitor shall evaluate when the above planting occurred, what was planted and all measures installed to improve the long-term success of these trees, and submit a report to the Department of Planning and Building [Environmental Coordinator].

BR9 To guarantee the success of the new trees, the county-approved monitor shall monitor the new trees' survivability and vigor until the trees are successfully established, and prepare monitoring reports, on an annual basis, for no less than seven years. Based on initial planting date, the first report shall be submitted to the County Environmental Coordinator one year after the initial planting and thereafter on an annual basis until the monitor, in consultation with the County, has determined that the initially-required vegetation is successfully established (for oak woodlands, no less than seven years). Additional monitoring will be necessary if initially-required vegetation is not considered successfully established. The applicant, and successors-in-interest, agrees to complete any necessary remedial measures identified in the report(s) to maintain the population of initially planted vegetation, as approved by the Environmental Coordinator.

BR10 **Prior to issuance of construction permits,** a cost estimate prepared by the applicant for a planting plan, installation of new trees, and maintenance of new trees for a period of seven years shall be prepared by a qualified individual (e.g., landscape contractor) and shall be reviewed and approved by the County Department of Planning and Building. **Prior to issuance of construction permits**, a performance bond, equal to the cost estimate (plus administrative costs), shall be posted by the applicant. The property owners shall confirm areas chosen will be left alone from future property owner activities.

Monitoring: County will hold the bond.

BR11 All trees to remain on-site that are within fifty feet of construction or grading activities, the applicant shall mark oaks for protection (e.g., with flagging) and their root zone fenced prior to any grading or site grubbing. The outer edge of the tree root zone to be fenced will be outside of the canopy 1/2 again the distance as measured between the tree trunk and outer edge of the canopy (i.e., 1-1/2 times the distance from the trunk to the drip line of the tree), unless otherwise shown on the approved construction plans. Grading, utility trenching, compaction of soil, or placement of fill shall be avoided within these fenced areas. If grading in the root zone cannot be avoided (per approved construction plans), retaining walls shall be constructed where feasible to minimize cut and fill impacts. Care shall be taken to avoid surface roots within the top 18 inches of soil. If any roots must be removed or exposed, they shall be cleanly cut and not left exposed above the ground surface.

BR12 **Prior to the second Notice to Proceed, and thereafter on a regular basis**, the applicant shall have completed the following as it relates to weed removal around newly planted vegetation: 1) no herbicides shall have been used; 2) either installation of a) a securely staked "weed mat" (covering at least a 3-foot radius from center of plant), or b) hand removal of weeds (covering at least a 3-foot radius from center of plant) and use of weed-free mulch (at least 3" deep, 3-foot radius) with regular replenishment, shall be completed for each new plant, If the hand removal weeding option is selected it shall be kept up on a regular basis at least once in late spring (April) and once in early winter (December) until plant is 3 feet tall or for seven years, whichever occurs first.

BR13 All oak trees identified to remain within project boundaries and 50 feet from project boundaries shall not be removed as long as permit is valid. Unless previously approved by the county, the following activities are not allowed within the root zone of existing or newly planted oak trees: year-round irrigation (no summer watering, unless "establishing" new tree or native compatible plants); grading (includes cutting and filling of material); compaction (e.g., regular use of vehicles, etc.); placement of impermeable surfaces (e.g., pavement, etc.); disturbance of soil that impacts roots (e.g., tilling, etc.).

> **Monitoring BR1 – BR13:** Department of Planning and Building will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

BR14 The applicant recognizes that trimming of oaks can be detrimental in the following respects and agrees to minimize trimming of the remaining oaks: removal of larger lower branches should be minimized to 1) avoid making tree top heavy and more susceptible to "blow-overs", 2) reduce having larger limb cuts that take longer to heal and are much more susceptible to disease and infestation, 3) retain the wildlife that is found only in the lower branches, 4) retains shade to keep summer temperatures cooler (retains higher soil moisture, greater passive solar potential, provides better conditions for oak seedling volunteers) and 5) retain the natural shape of the tree. Limit the amount of trimming (roots or canopy) done in anyone season as much as possible to limit tree stress/ shock (10% or less is best). Excessive and careless trimming not only reduces the potential life of the tree, but can also reduce property values if the tree dies prematurely or has an unnatural appearance. If trimming is necessary, the applicant agrees to either use a skilled arborist or apply accepted arborist's techniques when removing limbs. Unless a hazardous or unsafe situation exists, trimming shall be done only during the winter for deciduous species.

Smaller trees (smaller than five inches in diameter at four feet above the ground) within the project area are considered to be of high importance, and when possible, shall be given similar consideration as larger trees.

BR15 **Prior to commencement of any tree trimming or grading and first Notice to Proceed**, to avoid conflicts with nesting raptors, applicant's construction activities shall not be allowed during to the nesting season (March to July), unless a county-approved, qualified biologist has surveyed the impact zone and determined that no nesting activities will be adversely impacted. At such time, if any evidence of nesting activities are found, the biologist will determine if any construction activities can occur during the nesting period and to what extent. The results of the surveys will be passed immediately to the County (Environmental Division), possibly with recommendations for variable buffer zones, as needed, around individual nests. The applicant agrees to incorporate those recommendations approved by the county.

BR16 To minimize impacts to the sensitive oak woodland understory habitat (e.g. chaparral), the applicant agrees to the following during construction and for the life of the project:

a) **Prior to construction permit issuance,** all native vegetation removal shall be shown on all applicable grading/ construction or improvement plans, and reviewed/ approved by the County (Planning and Building Dept.) before any work begins.

b) Vegetation removal of native habitat shall be limited to what is shown on the county-approved grading/ improvement plans and verified **prior to the second Notice to Proceed**.

c) Vegetation clearance for fire safety purposes shall be limited to the minimum setbacks required by CAL FIRE. Where feasible, all efforts will be made to retain as much of this vegetation within the setback as possible (e.g. remove/trim only enough vegetation to create non-contiguous islands of native vegetation) and verified **prior to the second Notice to Proceed**.

d) No livestock shall be allowed in any restoration areas.

Other Biological Resources

BR17 The following mitigation measures are required to avoid and/or minimize applicant impacts to special-status species known to occur or with the potential to occur within the proposed construction/building envelopes for the well pads, access road, above-ground pipelines and shipping site during construction. This includes protective measures to avoid and/or minimize impacts to Well's manzanita during the construction phase of the project:

General Measures:

a) All equipment staging areas, construction-crew parking areas, and construction access routes shall be established in previously disturbed or developed areas and verified **prior to the second Notice to Proceed**;

b) Exclusionary fencing will be erected **prior to the first Notice to Proceed** at the boundaries of construction areas to avoid equipment and human intrusion into adjacent habitats with emphasis on protection of areas containing special status species and oaks. The exact location of exclusionary fencing for each construction area shall be determined by a County-approved biological monitor. The fencing shall remain in place throughout the construction phase for each individual project component;

c) A County-approved biological monitor shall conduct a worker orientation for all construction contractors (site supervisors, equipment operators and laborers) **prior to the first Notice to Proceed** which emphasizes the presence of special-status species within the project site, identification, their habitat requirements, and applicable regulatory policies and provisions regarding their protection, and measures being implemented to avoid and/or minimize impacts;

d) A County-approved biological monitor shall be onsite during all vegetation clearing and shall periodically monitor the project site during construction activities to inspect protective fencing, equipment staging areas, and physically relocate/remove any special-status wildlife species entering the construction zone (i.e., California horned lizard, etc.). All special-status species shall be relocated to suitable habitat located outside the construction zone by a qualified biologist. Exact procedures and protocols for any relocation shall be based upon pre-project consultation with CDFG **prior to the first Notice to Proceed**.

BR18 To protect biological resources from spills, the applicant shall, as a part of the Spill Contingency Plan identified in Haz38 measure below, include the following to ensure the undertaking of prompt and adequate response and removal action in case of an oil spill or spill of other deleterious material. The Spill Prevention Control and Contingency Plan (SPCC) shall include provisions for preventing and responding to spills to avoid and/or minimize impacts to the environment including the tributary to Huasna Creek. Specifically, the SPCC shall include an overview of the secondary containment structures to be installed near the tributary bank for prevention of construction material discharge (e.g., concrete, gunite, etc.) into the stream channel during construction operations. The SPCC shall also include a description of the secondary containment needed for any above ground oil storage tanks. Further, the SPCC shall describe/include: 1) procedures for reporting spills to local, state, and federal agencies; 2) a list of contacts to call in the event of a spill; 3) oil spill response equipment that shall be maintained on-site during construction and for the life of the project; 4) procedures for responding to oil spills from leaking tanks, pipelines, other equipment, and vehicles (for miscellaneous fuel and/or lubricant); 5) procedures for dealing with oiled wildlife; and 6) a schedule for periodically updating the SPCC. If the plans being required under HAZ-7 and/or HAZ 26 address all of the requirements in this mitigation measure, a separate SPCC will not be required. Final specifications of the SPCC shall be reviewed and approved by the County and CDFG **prior to construction permit issuance.**

Monitoring BR14 – BR18: Department of Planning and Building will verify inclusion of required elements on plans, in consultation with CDFG, as applicable. Monitor will verify compliance with approved plans.

BR19 **Prior to construction permit issuance,** the applicant shall show the following measures on construction plans, and then implemented to avoid impacts to Huasna Creek and Huasna River and their tributaries, and potential long-term degradation of nearby wetland habitat areas from projected long-term utilization of the site:

a) With regards to the Mankin's Ranch tributary crossings and potential improvements, all work shall be within 10 feet of each side of the existing crossings;

b) A sedimentation and erosion control plan shall be prepared, per the county's Land Use Ordinance standards;

c) Any improvements made will be done outside of the rainy season;

d) The applicant shall obtain the necessary permits (e.g., permit from the U.S. Army Corps of Engineers pursuant to 404 of the Clean Water Act, Water Quality Certification from the Regional Water Quality Control Board pursuant to 401 of Clean Water Act, and/or a Streambed Alteration Agreement or waiver from the California Department of Fish and Game pursuant to Section 1600 et seq. of the California Fish and Game Code) for placement of permanent structures over any blue line creek/tributary (including fill activities).

Monitoring: Department of Planning and Building will verify inclusion of required elements on plans, in consultation with resource agencies, as applicable. Monitor will verify compliance with approved plans.

BR20 During project construction, equipment refueling and concrete washing shall be done in non-sensitive areas [at least 100 feet from any blue line creek shown on a 7.5 minute quad map], and in a manner that any spills can and will be easily and quickly contained and cleaned up without entering the creek, its tributaries or groundwater. As appropriate, **prior to issuance of a construction permit**, the refueling area and concrete washout areas shall be specified on applicant's construction plans with clear signage installed to show these areas.

BR21 Project tank locations in areas where damage to natural resources might occur as a result of leakage, shall have a method for control of the spilled fluid and detection of tank-bottom leaks. This may be accomplished by employing a combination of the following containment and detection methods, which shall be shown on all applicable plans **prior to issuance of a construction permit** and installed by the applicant **prior to the second Notice to Proceed**:

a) For containment:

(1) A drainage system for safe fluid containment.

(2) Diversion walls to direct fluids to a preferred collection point.

(3) Dikes or fire walls shall be capable of containing 150% of the largest tank's volume. Tank settings in urban areas shall have dikes.

(4) Structures enclosing tanks shall be impervious and contain 150% of the largest tanks volume.

b) For leak detection:

(1) A tank installation that allows the exterior surface, including the bottom of the tank and connection piping, to be monitored by direct viewing.

(2) A tank foundation of concrete.

(3) A tank bottom leak detection system.

BR22 With regards to oilfield facilities and equipment maintenance, **prior to issuance of construction permits**, the following shall be added as notes on all applicable applicant construction plans, and shall be followed by the applicant during the life of the project:

a) Well cellars shall be covered and kept drained. Grating or flooring shall be installed and maintained in good condition so as to exclude people, wildlife, and domestic animals. Cellars shall be protected from surface runoff water.

b) Production facilities, including but not limited to, tanks, pipelines, flow lines, wellheads, and separators shall be maintained in a manner to prevent leakage.

c) Other production facilities and equipment, including but not limited to pumping units, compressors, tanks, and skimming devices, shall be installed and maintained properly for the protection of people, wildlife, and domestic animals.

d) Pipelines shall be designed, constructed, tested, operated, and maintained in accordance with good oil field practice and applicable standards, such as the American Petroleum Institute (API)(API Rec. Prac. 1110, 3rd Ed., Dec. 1991, and API Spec. effective 1990) or American Society for Testing and Materials (ASTM) (ASTM Designation Stand. Spec., 1991), Code of Federal Regulations 49, Part 192, or other applicable standards for the transportation of oil, gas, produced water, and other fluids.

   Good oilfield practice includes, but is not limited to:

   (1) Utilization of preventative methods such as cathodic protection and corrosion inhibitors, as appropriate, to minimize external and internal corrosion;

   (2) Employment, where practical, of equipment such as low-pressure alarms and safety shut-down devices to minimize spill volume in the event of a leak;

   (3) Evaluating the applicability of locating any new pipelines or parts of a pipeline system that are being relocated or replaced above ground.

   The use of pipe clamps or screw-in plugs are not considered good oilfield practice for permanent repair of pipeline leaks.

e) All above-ground pipelines shall be inspected visually for leaks and corrosion at least once a year.

f) If such leaks or serious corrosion is encountered, they will be fixed as soon as possible but not longer than within 48 hours of discovery.

g) Maps of all pipelines shall be maintained and updated whenever pipelines are installed, repaired or removed.

h) A mechanical integrity test shall be performed on all above ground pipelines, every two years. Pipelines less than ten (10) years old are exempt from the two year testing requirement. These tests shall be performed to ensure the pipeline does not present a threat to public health, safety, or the environment by using at least one of the following methods:

   (1) Nondestructive testing using ultrasonic or other techniques approved by the Supervisor, to determine wall thickness;

   (2) Hydrostatic testing using the guidelines recommended in Publication API RP 1110 (3d Ed., Dec. 1991), Testing of Liquid Petroleum Pipelines, or the method approved by the State Fire Marshal, Pipeline Safety and Enforcement Division;

   (3) Internal inspection devices such as a smart pig, as approved by the Project Supervisor;

   (4) Or any other method of ensuring the integrity of a pipeline that is approved by the Project Supervisor.

   Copies of test results shall be maintained in a local office of the operator for six years and

made available to the Division of Oil and Gas and the County of San Luis Obispo, upon request. The operator shall repair and retest or remove from service any pipeline that fails the mechanical integrity test. The Division of Oil and Gas shall be promptly notified in writing by the operator of any pipeline taken out of service due to a test failure.

BR23 While no manzanita were identified for removal, some potential for impacts exists should new above-ground pipelines need to replace the existing pipelines. **During grubbing/ grading for installation of any above-ground pipeline,** a county-approved biological monitor shall be a part of the survey crew to identify any sensitive species that could be impacted, including Well's manzanita *[Arctostaphylos wellsii]*), with the first intent to find an alignment that would avoid the sensitive resource(s) to the greatest extent, as well as document those sensitive plants that must be removed. Prior to removal of any such species, sufficient cuttings or seed shall be taken for nursery propagation, if feasible. The monitor would then develop a mitigation plan, which would include, at a minimum, an appropriate replacement ratio to insure no net loss, a maintenance program long enough for successful establishment and finding a suitable location for successful replanting. The applicant shall adhere to these recommendations.

BR24 **Prior to issuance of a construction permit,** a qualified hydrogeologist, retained by the applicant, shall prepare a surface water testing program (to be implemented during construction and for the life of the project), and submit to the county for approval, to accomplish the following:

a) Establish a surface water quality baseline for Huasna Creek and its tributary near the Shipping Site;

b) Develop an ongoing monitoring/sampling effort for the on-site tributary to Huasna Creek and Huasna Creek with the intent to monitor for any increase of petroleum-based constituents/ volatile organic compounds that would be originating from the proposed project;

c) This program shall also incorporate other related plans (e.g., Spill Prevention Plan, etc.) and regulations (Environmental Health, RWQCB) relating to the course of action to take should elevated amounts of these harmful constituents be coming from the proposed project. At a minimum, surface water testing shall be done in the Fall immediately after the season's "first flush" (large enough storm event resulting in running water), and then monthly through the rainy season, or as long as there is a live creek;

d) Should contaminants from the project site exceed baseline concentrations or exceed any regulatory threshold harmful, a qualified person shall evaluate impacts to the biological and/or water quality resources to determine appropriate remedial actions to be approved by all necessary agencies. The applicant agrees to abide by these recommendations.

Should any harmful contaminant be found above baseline, that is associated with the project, drilling operations shall cease temporarily until the problem has been fixed, as deemed appropriate by the county.

BR25 **Prior to the first Notice to Proceed**, a trust account shall be established between the applicant and county, that is funded by the applicant to provide for a county monitor to regularly visit the site for the purpose of evaluating the success of ongoing conditions of approval relating to biological protection. For the first three years the monitor would visit the site on a quarterly basis. After three years, if condition compliance has been satisfactory, this will be reduced to once a year, and will remain as such unless condition compliance becomes a problem. If problems are encountered and ongoing, additional monitoring may be determined necessary.

Monitoring: Planning and Building Department will maintain trust account

BR26 **At the time of application for construction permits**, the applicant shall show a sturdy fence (withstand cattle leaning/ rubbing) and mesh, shown on all applicable construction plans, that is placed around (above high water line) the existing water/oil seep (adjacent to the lower shipping site) with the intent of keeping out cattle, livestock, birds, mammals (e.g. foxes, badgers, etc.) and

amphibians (e.g., frogs, etc.). In addition to the fencing, the applicant shall install netting on top of the fencing with the intent of keeping birds from entering the seep from overhead. The fencing and netting shall have as small of mesh size as possible to minimize wildlife entering the seep area through the fencing/netting. This shall include a below-ground barrier to prevent burrowing animals from entering. This shall be installed **prior to the first Notice to Proceed.** To keep in good working order during the life of the project, the fence and mesh shall be inspected weekly at a minimum by employee (or when monitor on-site) and repaired by applicant within 7 days of discovery of disrepair. If the oil seep expands and/or spreads beyond the fenced area, the fencing and netting shall be expanded to surround the entire oil seep area. If any animal becomes trapped within the enclosure and appears non-oiled and in good health, the applicant will create a temporary opening in the fencing/netting to allow animal to escape. If animal is oiled, distressed or in unhealthy state, California Department of Fish and Game (CDFG) or county-approved animal rescue group (e.g., Pacific Wildlife Care @ 805/543-9453) shall be contacted to handle animal. Telephone numbers of such approved organizations shall be kept updated and posted for easy reference for all employees.

BR27 **Prior to the first Notice to Proceed** a Preconstruction/Tailgate training shall be conducted by the Environmental Monitor to discuss all construction-related biological issues. All workers must complete this training prior to conducting work within the project boundaries (including driving on southern ranch access road). For on-site workers, an obvious visible indicator (e.g., "completed training" decal on hardhat, etc.) shall be worn at all times.

BR28 To minimize impacts to the California red-legged frog on the southern ranch road access, the following measures shall be implemented:

a) **Prior to the first Notice to Proceed, final inspection or occupancy, whichever occurs first,** large metal signs shall be installed on each side of the two low-lying areas connecting to Huasna River with the following information that can be easily read by drivers:

> **5 mph max** between signs when ground is wet. **Do not pass** if surface water is present on road.

b) These signs shall be kept in good working order for the life of the project, as long as this road is used for project vehicle access.

c) All operational vehicle trips, with the exception of permanent employees, shall be limited to daylight hours only (sunrise to sunset) during the rainy season (October 15 – April 15).

d) **Prior to second Notice to Proceed, final inspection or occupancy, whichever occurs first,** the following shall be done relating to the Huasna River Bridge:

i) any improvements made to Huasna River Bridge (e.g., installation/replacement of the top deck, etc.) shall be done in a manner that stays out of the riverbed and all work is conducted above the top of bank);

ii) to reduce sediment entering the river, the existing dirt road between the south end of Huasna Townsite Road and the bridge shall be paved, as well as the first 100 feet south of the bridge shall be paved with a rumble strip installed.

BR29 To minimize impacts to the leafy tarplant found on the southern ranch road access, the following measures shall be implemented for the entire access easement area:

a) **Prior to the first Notice to Proceed,** as a part of a pre-construction training for work crews, all construction employees shall be educated on the presence of the plant and how to avoid adverse impacts to the plant (e.g., avoid any mowing between May 1st and September 15th, stay on road and use only turnouts during this period, etc.);

b) For the life of the project, to address fire safety concerns along the southern access road, cattle grazing shall be encouraged along access road to avoid mowing. If CalFire determines grazing inadequate, mowing to three inches above the ground shall be allowed. However, all mowing or disturbance of vegetation along the southern access road shall occur only between September 16th and April 30th.

BR30 A pre-construction survey shall be conducted by a qualified biologist **within thirty days prior to beginning any work (grubbing, disking, grading, etc.)** and **prior to the first Notice to Proceed** on the project to identify if badgers are using any portion of the site near where disturbance is proposed. The survey shall cover the entire project boundaries (and 100 feet beyond), including the southern access ranch road, and shall examine both old and new dens. The results of the survey shall be sent to the County's project manager at the County Planning and Building Department.

BR31 If the pre-construction survey finds potential badger dens, they shall be inspected to determine whether they are occupied by badgers. Occupation of the den shall be determined by one or more of the following methods:

a. Use a fiber optic scope to examine the den to the end.

b. Partially obstruct the den entrance with sticks, grass, and leaves for three consecutive nights and examine for signs that animals are entering or leaving the den.

c. Dust the den entrance with a fine layer of dust or tracking material for three consecutive nights and examine the following mornings for foot prints.

BR32 Inactive dens may be excavated by hand with a shovel to prevent re-use of dens during construction. If badgers are found in dens between August and January, a qualified biologist shall establish a 50 foot diameter exclusion zone around the den entrance. To avoid disturbance and the possibility of direct take of badgers, no construction, grading, or staging of equipment shall be conducted within the buffer area until the biologist has determined that the badgers have vacated the den. If badgers are found in dens between February and July, nursing young may be present. Therefore, a qualified biologist shall establish a 100 foot diameter buffer area around the den entrance **prior to the first Notice to Proceed**. No construction, grading, or staging or equipment shall be conducted within the buffer area until the biologist has determined that the badgers have vacated the den.

BR33 If badger dens are found on the property during the pre-construction survey, the CDFG wildlife biologist for the area shall be contacted to review current allowable management practices.

BR34 **Prior to issuance of a construction permit,** and prior to any work done on the southern ranch access road (e.g., turnout improvements, gravel or soil binder applications, etc.), a full floristic botanical survey shall be conducted during the Spring to determine the presence or absence of any special status plants. Should any such plants be found, design revisions and/or protection provisions shall be made to avoid any net loss of such plants, and such measures be reviewed and approved by the County.

Monitoring BR20 – BR35: Department of Planning and Building shall verify inclusion of required elements on plans in consultation with other agencies, as applicable. Monitor, as applicable, will verify compliance with approved plans.

Cultural Resources

CR1 **At the time of application for construction permits,** the applicant shall delineate the historic site (oil crew cabin) as Environmentally Sensitive Area(s) on all applicable project plans, as shown on the attached exhibit. The plan shall also identify the placement of temporary orange construction fencing along the edge of this ESA where there is any potential for construction or operational activities to occur (e.g., vehicles, storage, etc.). During construction, the protection

fencing shall be kept in good working order. All workers shall attend a preconstruction/tailgate environmental monitor meeting that discusses this protection fence and activities not allowed within the fenced area.

CR2 **Prior to issuance of construction permit**, the applicant shall provide evidence they have retained a qualified archaeologist (approved by the Environmental Coordinator), who will provide periodic monitoring during key earth disturbing activities. If any significant archaeological resources or human remains are found during monitoring, work shall stop within the immediate vicinity (precise area to be determined by the archaeologist in the field) of the resource until such time as the resource can be evaluated by an archaeologist and any other appropriate individuals. The applicant shall implement any additional mitigation as required by the Environmental Coordinator. **Prior to the second Notice to Proceed**, the archaeologist shall prepare a "mitigation and monitoring summary" report and submit to the county.

Monitoring CR1 & CR2: Department of Planning and Building will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

Environmental Monitor

EM1 **Prior to issuance of construction permits,** the applicant shall obtain cost estimate and provide funding for an environmental monitor for all measures requiring environmental mitigation to ensure compliance with County Conditions of Approval and mitigated Negative Declaration measures. The applicant shall obtain from a county-approved monitor a cost estimate, based on a county-approved work scope. The environmental monitor shall be under contract to the County of San Luis Obispo. Costs of the monitor, and any county administrative fees, shall be paid for by the applicant.

EM2 The monitor will prepare a working Mitigation Monitoring Plan (MMP) that reflects the County-approved environmental mitigation measures/ conditions of approval. This plan will include (1) goals, responsibilities, authorities, and procedures for verifying compliance with environmental mitigations; (2) lines of communication and reporting methods; (3) daily and weekly reporting of compliance; (4) construction crew training regarding environmental sensitivities; (5) authority to stop work; and (6) action to be taken in the event of non-compliance.

Monitoring: Department of Planning and Building will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

Geology/Soils

Geo1 **Prior to issuance of construction permits,** the applicant shall provide the County with a geotechnical engineering report prepared and certified by a State of California licensed geotechnical engineer and/or geologist which addresses slope stability, landslides, liquefaction, settlement, seismic hazards, and expansive soils at the area of proposed facilities. The geotechnical engineer or geologist shall also take baseline measurements that can be used to then compare with future measurements to determine if any subsidence has resulted from the proposed extraction/reinjection process. The applicant shall implement the recommendations contained in the geotechnical engineer's report in preparation of grading plans and during construction. The geotechnical engineer or geologist shall verify these measures were adhered to and submit their assessment **prior to the second Notice to Proceed.**

Geo2 **Prior to issuance of construction permits,** the applicant shall show on applicable construction plans that construction activities will be limited to the dry season (April 15 through October 15). If construction activities cannot take place during the dry season, a temporary sedimentation and erosion control plan shall be prepared by a qualified individual. A qualified biologist, (retained by the applicant and approved by the County Department of Planning and Building), or county monitor, shall determine if the proposed erosion and sedimentation control measures are adequate to protect down-gradient wetland and riparian resources, or if additional measures are

required **prior to the first Notice to Proceed**. The applicant shall incorporate all proposed mitigation measures.

Geo3 All disturbed areas shall be restored by the applicant as soon as possible and **prior to the second Notice to Proceed**. A compatible native seed mix shall be used to revegetate the areas to be restored (see following mix(es)). The same revegetation treatment shall apply for any areas to be left undisturbed for more than 30 days. **Prior to issuance of construction permits,** applicable construction plans shall show the following seed mix(es), or biologist-recommended mix:

"CHAPARRAL" SEED MIX(1)

Species	lbs/ac
Adenostoma fasciculatum (chamise)	0.50
Artemisia californica (California sagebrush)	0.25
Ceanothus cuneatus (buckbrush)	1.00
Dendromecon rigida (bush poppy)	0.25
Eriogonum parvifolium (buckwheat)	0.20
Eriophyllum confertiflorum (golden yarrow)	0.20
Eschscholzia californica (California Poppy)	0.50
Heteromeles arbutifolia (toyon)	0.20
Lotus scoparius (deerweed)	1.20
Mimulus aurantiacus (bush monkeyflower)	0.25
Salvia mellifera (black sage)	0.50
Nasella (Stipa) pulchra (purple needlegrass)	1.50

"COAST LIVE OAK" SEED MIX(1)

Species	lbs/ac
Eschscholzia californica (California Poppy)	0.50
Heteromeles arbutifolia (toyon)	0.50
Lotus scoparius (deerweed)	0.50
Mimulus aurantiacus (bush monkeyflower)	0.25
Rosa californica (California rose)	0.20
Rubus ursinus (California blackberry)	0.20
Salvia spathacea (pitcher sage)	1.00

(1) This seed mix is intended to provide general guidelines when revegetating within the identified habitat. Variations of the mix may be appropriate, as recommended by the County Planning and Building Department or county-approved qualified individual, where unique biological conditions exist or seed availabilities are limited. When ordering, local seed stock should be specified and used whenever available.

Geo4 **Prior to first Notice to Proceed**, permanent rumble strips or other erosion control tracking devices shall be permanently installed and maintained on both the project access road, and the Porter Ranch access road to clean the tires of all vehicles prior to entering Huasna Townsite Road public right-of-way.

Geo5 To further reduce sediment into Huasna River, especially during the rainy season, the following sections of the southern access road shall be paved **prior to the second Notice to Proceed**: between the Huasna River bridge and the end of Huasna Townsite Road; the first 100 feet south of the Huasna River bridge. This shall be kept in good working order during the duration of the project. **Prior to the first Notice to Proceed** this section of road shall be improved similarly to the provisions of item AQ-6, as well as the installation rumble strips on each side of the bridge.

Monitoring GEO1 – GEO5: Department of Planning and Building will verify inclusion of required elements on plans or review reports, as applicable. Monitor will verify compliance with approved plans.

Geo6 A portion of the access road located between Huasna Townsite Road and the project site is partially located within a Flood Hazard Area. **Prior to issuance of construction permit**, access road improvements will require Drainage and Flood Hazard Review by the Department of Public Works. The applicant shall install any necessary improvements **prior to the first Notice to Proceed**. The applicant understands that any road improvement or bridge related impacts near the existing creek may require additional permits from other agencies (e.g., CDFG, COE, etc.), which would need to be obtained **prior to issuance of construction permit**.

Monitoring: County Public Works will verify compliance with Drainage and Flood Hazard requirements.

Geo7 **Prior to issuance of construction permit**, applicable applicant construction plans shall show how all grading will be done in accordance with Appendix 33 of the Uniform Building Code.

Monitoring: County Public Works will verify compliance.

Geo8 **Prior to issuance of construction permit**, the applicant shall have enrolled in the Statewide Storm Water Permit for Construction Activities with the Regional Water Quality Control Board (see http://www.waterboards.ca.gov/water_issues/programs/stormwater/construction.shtml), and submit evidence to the county that RWQCB has received the application. If SWPPP required, all elements shall have been incorporated into applicable construction plans.

Monitoring: County Public Works/County Building or RWQCB will verify compliance with Statewide Storm Water Permit for Construction Activities requirements.

Geo9 **Prior to issuance of construction permit**, the applicant shall show how the project will comply with the requirements of the National Pollutant Discharge Elimination System Phase I and/or Phase II storm water program and the County's Storm Water Pollution Control and Discharge Ordinance. Best management practices shall be incorporated onto all applicable construction plans.

Monitoring: County Public Works/County Building or RWQCB will verify compliance with Statewide Storm Water Permit for Construction Activities requirements.

Hazardous Materials and Wastes

Haz1 With regard to oilfield wastes and refuse, **prior to issuance of construction permits**, the following shall be added as notes on all applicable construction plans, and shall be followed by the applicant during the life of the project:

a) Oilfield wastes, including but not limited to oil, water, chemicals, mud, and cement, shall be disposed of according to all applicable County, State and Federal laws, regulations, ordinances, etc and in such a manner as not to cause damage to life, health, property, freshwater aquifers or surface waters, or natural resources, or be a menace to public safety. Disposal sites for oilfield wastes shall also conform to regulations from the following: State Water Resources Control Board, California Regional Water Quality Control Board, County Department of Public Health (Environmental Health Division), State Department of Toxic Substances Control.

b) Dumping harmful chemicals where subsequent surface waters might wash significant quantities into freshwaters shall be prohibited. Drilling mud shall not be permanently disposed of into open pits. Cement slurry or dry cement shall not be disposed of on the surface and shall be removed to approved facilities.

c) Unused equipment and scrap associated with oilfield operations shall be properly removed from a production or injection operations area and/or stored in such a manner as to not cause damage to life, health, or property, health, or become a public nuisance or a menace to public safety. Trash and other non-toxic waste materials related to oilfield operations shall be removed and disposed of properly (Cold Canyon Landfill).

Haz2 With regards to well site and lease restoration, **prior to issuance of construction permits**, the following shall be added as notes on all applicable construction plans, and shall be followed during the life of the project:

a) In conjunction with well plugging and abandonment operations, any auxiliary holes, such as rat holes, shall be filled with earth and compacted properly; all construction materials, cellars, production pads, and piers shall be removed and the resulting excavations filled with earth and compacted properly to prevent settling; well locations shall be graded and cleared of equipment, trash, or other waste materials, and returned to as near a natural state as practicable. Well site restoration must be completed within 60 days following plugging and

abandonment of the well.

b) Sumps shall be closed in accordance with Regional Water Quality Control Board, Department of Toxic Substances Control, and County Department of Public Health (Environmental Health Division) requirements.

c) Unstable slope conditions created during site preparation shall be mitigated in such a manner as to prevent slope collapse **prior to the second Notice to Proceed**.

d) Access roads to well locations shall not be subject to restoration requirements; however, any condition that creates a hazard to public safety or property or causes interference with natural drainage shall be restored or rectified prior to approval of final well abandonment.

e) Prior to the plugging and abandonment of the last well or group of wells on a lease or other similar property-use agreement, the operator shall submit a plan and schedule for completing lease restoration. The lease-restoration plan shall also include the locations of any existing or previously removed, where known, sumps, tanks, pipelines, and facility settings. Lease restoration must begin within three (3) months and be completed within one year after the plugging and abandonment of the last well(s) on the lease, unless an alternative schedule is approved by the county.

f) Lease restoration shall include the removal of all tanks, above-ground pipelines, buried pipelines, debris, and all other related facilities and equipment. A permit must be obtained from County Department of Public Health (Environmental Health Division). Toxic or hazardous materials shall be removed and disposed of in accordance with State Department of Toxic Substances Control, and County Department of Public Health (Environmental Health Division) requirements. The county shall consult with the property owners prior to release of any financial bonds relating to restoration work.

Haz3 If the owner of the mineral estate of the property fails to pay for the costs of an abatement or compliance action or any other above described fees upon demand by the county, the Board of Supervisors by resolution may order the cost of the abatement or unpaid fees to be specially assessed against the mineral estate parcel. Such assessment shall be collected at the same time and in the same manner as ordinary county taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of the delinquency as are provided for ordinary county taxes.

Haz4 To the extent that the ownership of the surface estate is the same as or similar to (that is, any common owner) the ownership of the mineral estate of the property involved in such abatement or compliance action, or if the mineral and surface estates (property owners) are not separate, the enforcement fee or other unpaid fees may be assessed, collected and attached to the surface estate in the same manner as the mineral estate. Such assessment shall be collected at the same time and in the same manner as ordinary property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of the delinquency as are provided for ordinary property taxes.

Haz5 The assessment of and tax lien upon an owner for the enforcement fee or other unpaid fees shall not absolve an operator, other owners or other responsible parties of joint liability to pay any assessed enforcement fee.

Haz6 Notice. Each operator (applicant) must submit the following notices, in writing, to the County (Planning Department), prior to commencement of said operation:

a) Change of idle well status to producing or injection status;

b) Intention to engage in secondary recovery operations;

c) DOGGR notice of intent to drill new well;

d) DOGGR permit to conduct new well drilling operations;

e) DOGGR final summary of operations and history report on new well completion;

f) Intention to install, remove, re-start or replace permanent production facilities (piping, vessels, tanks and equipment) that have been idle for more than five years;

g) DOGGR notice of intent to plug and abandon well;

h) DOGGR permit to conduct plugging and abandonment operations;

i) DOGGR report of well abandonment and history report on abandonment operations;

j) Transfer of Operator. The operator of (or any person who acquires) any well, property, or equipment appurtenant thereto, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall each notify the county within ten days of the transaction closing date. The notice shall contain the following:

   1) The names and addresses of the person from whom and to whom the well(s) and property changed;

   2) The name and location of the well(s) and property;

   3) The date of acquisition;

   4) The date possession changed;

   5) A description of the properties and equipment transferred;

   6) The new operator's agent or person designated for service of notice and his address.

k) Suspension of Drilling Operations. The operator of any well shall notify the County in writing, of the suspension of any drilling operations, greater than five days. The operator shall notify the County in writing upon the resumption of operations giving the date thereof;

l) Notification of reportable oil and/or gas releases must be given to the State Office of Emergency Services, California State Warning Center (800) 852-7550 and the County immediately upon release. Additionally, the operator must submit a copy of the community awareness and emergency response (CAER) form within twenty-four hours;

m) Notification of the following operations must be given to the County in advance, but need not be in writing, when:

   1) Drilling operations start;

   2) Plugging at base of fresh water and at the surface.

Haz7 **Prior to the second Notice to Proceed,** the operator (applicant) shall have on file with the County a copy of their spill prevention, control and countermeasure plan(s) (SPCC plan) required by the United States Environmental Protection Agency (USEPA), as approved by the County's Environmental Health Division. In the event that an operation is exempt from the requirement to develop an SPCC plan, or the plan does not cover all the operator's leases in San Luis Obispo County, a Pollution Control Plan (PCP) shall be developed. Said SPCC/PCP shall meet the requirements of county, state, and federal authorities. The SPCC plan will be subject to review by the County (Environmental Health). PCP plans will be subject to review and approval by the County. The PCP will describe how the operator will control spillage from the operator's facilities in the county.

Haz8 **Prior to the first Notice to Proceed,** the operator (applicant) of this well lease site shall designate an agent who is a resident of the state upon whom all orders and notices provided may be served in person, or by registered or certified mail. Every operator so designating such agent shall, within ten days, notify the County, in writing, of any change in such agent or such mailing address, unless operations within the county are discontinued. Service by registered or certified mail, or in person, to the agent so designated, shall constitute service for all purposes of this measure.

Haz9 **Prior to issuance of construction permits,** applicant's applicable construction plans shall show all drilling wells and wells being worked over will be equipped with adequate blowout equipment. The controls of which must be located outside of the sub-base of the drilling rig, or such greater distance as may be specified by the construction manager for special circumstances, and must be capable of closing off the well with pipe in or out of the hole. DOGGR Publication MO7 or as amended specifications will be a minimum guideline. These measures shall be installed **prior to the second Notice to Proceed** and kept in good working order by the applicant for the life of the project.

Haz10 Cementing operations shall be in accordance with current DOGGR requirements.

Haz11 **Prior to issuance of construction permits,** applicant's applicable construction plans shall show containment facilities, including walls and berms, shall be designed and constructed to: be impervious, prevent the escape of fluids from the immediate storage area, and be of sufficient size to contain one and one-half times the capacity of the largest tank. These measures shall be installed **prior to the second Notice to Proceed** and kept in good working order by the applicant for the life of the project.

Haz12 **Prior to issuance of construction permits,** applicant's construction plans shall show petroleum storage tanks that are designed in accordance with all applicable laws and regulations. These tanks shall be installed **prior to the second Notice to Proceed**, and maintained per the approved plans by the applicant.

Haz13 **Prior to issuance of construction permits,** applicant's construction plans shall show new storage facility tank locations installing an impervious liner (not less than forty mil), or equivalent, to prevent seepage. These measures shall be installed **prior to the second Notice to Proceed** and kept in good working order by the applicant for the life of the project. This requirement may be modified at the discretion of the County.

Haz14 All waste substances such as drilling muds, oil brine, or acids produced or used in connection with oil drilling operations, or oil production, shall be retained in watertight receptors, from which they can be piped or hauled for terminal disposal in a dumping area specifically approved for such disposal by the RWQCB, and any other controlling agency.

Haz15 **Prior to issuance of construction permits,** applicant's construction plans shall show all piping systems to be designed in accordance with all applicable laws and regulations. These piping systems shall be installed **prior to the second Notice to Proceed**, and maintained by the applicant per the approved plans.

Haz16 **During construction/ground disturbing activities, and for the life of the project,** if the pipeline systems are found to be unreliable or deficient, the repair or replacement of the pipeline section or system, repairs or replacement shall be done immediately by the applicant to remedy the situation. Initial testing and inspections by the applicant shall be completed prior to the initial use of the pipeline **and prior to the second Notice to Proceed**, and thereafter on a regular ongoing basis. The testing is to establish the reliability of all pipeline systems including those not specifically regulated by state or federal authority (including testing, treating, and storage facilities), as well as determine what measures are needed to keep them in good working order, which includes no leaks. The applicant shall make all repairs. . Pipelines that are replaced shall be removed under direction of the County Department of Public Health (Environmental Health Division).

Haz17 Well Abandonment. Prior to starting the plugging and abandonment of any well, the operator (applicant) shall furnish the County with a copy of the DOGGR permits listed under Measure Haz-6", DOGGR permit to conduct abandonment operations and the anticipated date the plugging and abandonment operations are to commence. Any substantial changes in procedure or schedule shall likewise be furnished to the County by the operator (applicant). Also, **prior to issuance of construction permits**, the following shall be added as notes on all applicable construction plans, and shall be followed during the life of the project:

a) The subsurface plugging and abandonment of the well shall be done in accordance with current DOGGR regulations. The operator shall furnish the County with the DOGGR notice required in Measure Haz-6" to verify compliance with all DOGGR requirements.

b) All drilling, production and appurtenant equipment, including pipelines, designated for the exclusive use of the subject well shall be removed. Existing pipelines and equipment designated for current operations may be left in place. The operator may petition the County to leave equipment and pipelines, designated for future use, in place.

c) The well casing shall be cut off at least five feet below the ground level. Nothing shall be placed in the excavation above the point of cutoff until the cutoff has been inspected by the County.

d) The surface cement plug depth shall conform to the requirements of the DOGGR.

e) A steel cap of not less than the same thickness as the well casing shall be welded to the casing. The steel cap shall be located via GPS and the well number and API number shall be welded on the top of the casing.

f) An investigation shall be conducted to determine if a sump or pit is present. If a sump or pit is found to be present it will be remediated per an approved plan.

g) All Cellars and Surface Concrete Structures shall be removed. Tie downs shall be removed to a minimum of six feet below ground surface. Soil below the cellars shall be tested for hydrocarbon contamination. If contamination is found to be present the area shall be remediated. All excavations and depressions shall be filled with clean soil. All oil, waste oil, refuse and waste material shall be removed from the drill site pursuant to all applicable laws and regulations.

Haz18 The applicant shall add the following items as notes on all applicable construction plans as a part of the lease area restoration, **prior to issuance of construction permits**, and shall be followed by the applicant during the life of the project:

a) The County Environmental Monitor will coordinate lease area restoration efforts. They will coordinate with Building, Planning, Fire Department and other agencies, as required, to ensure all lease restoration requirements have been addressed.

b) Schedule. Prior to the abandonment of the last well on a lease, the operator shall file with the County a plan, for approval, to restore the lease to a condition in conformance with state, county, and local ordinances.

I. Partial lease restoration/remediation activities may be conducted at any time. The record of any partial lease restoration shall be kept on file by the County as part of the final restoration package.

II. Facilities idle for over fifteen years that have no reasonable potential of future use and:

- ✓ Are a potential threat to public health; or
- ✓ Are a potential threat to the environment; or
- ✓ At the request of the surface owner shall be removed in a timely manner. For the purposes of this paragraph, a lack of reasonable potential of future use may be indicated by the cancellation of APCD permits, a continuous lack of maintenance around the facility, or similar indications as determined by the County of de facto abandonment. Upon request, the operator shall submit to the County a list of all facilities that have been idle for over ten years. To retain such facilities after the fifteen year limitation, the operator shall submit to the County for approval a letter justifying why said facility is of value and should not be removed.

Haz19 The applicant shall add the following items as notes on all applicable construction plans as a part of the final Equipment Removal process, **prior to issuance of construction permits**, and shall

be followed by the applicant during the life of the project:

a) Tank batteries, production islands, gas treating/compression areas, all appurtenant equipment areas, pipelines and foundations shall be removed. An investigation shall be conducted to determine if soil contamination is present. If soil contamination is found, the area will be remediated per the plan approved by County Department of Public Health (Environmental Health Division).

b) Flow Lines and Utilities. All flow lines, gathering lines and other lease pipelines shall be flushed with water and removed, unless due to location the removal will cause more environmental damage than the potential benefit by its removal. The soil shall be sampled before pipe removal along the lines as follows: at all pipe joints and significant visible cracking or corrosion areas, unless greater frequency specified in other approved plans.

c) All Buildings shall be removed from the lease. Buildings and areas used for storage and/or testing shall have an investigation to determine if soil contamination exists. If soil contamination is found the impacted area shall be remediated per an approved plan.

d) Sumps, pits and areas of soil contamination. An investigation shall be conducted in locations of historic sumps, pits and known soil contamination. If soil impacts are identified, the areas shall be remediated per the approved plan. The original soil contamination locations shall be determined by GPS coordinates and shall be permanently kept on file by the County.

e) Roads and Well Site. Roads and well sites shall be removed and the areas re-contoured to as close to natural slope as reasonable.

f) Completion. Upon completion of full site restoration the County will furnish a closure letter to the operator.

g) Modification of Conditions of Lease Restoration. Any of the above conditions may be waived by the County for appropriate purposes such as, but not limited to, requests to leave in place:

   1) Roads and well site pads;

   2) Pipelines;

   3) Concrete pads;

   4) Buildings.

Haz20 **Prior to issuance of construction permits,** the operator (applicant) shall furnish the County with sufficient evidence to verify compliance with all state requirements.

Haz21 **Prior to issuance of construction permits,** applicant's construction plans shall include notes that drilling operations in any well will be diligently implemented until the well is completed or abandoned. All drilling equipment and the derrick shall be removed from the drill site and leased premises within sixty days following the completion or abandonment of any well, unless permitted to be temporarily stored on the drill site by written authority of the County after the derrick has been lowered. Service equipment for existing wells will likewise be removed within sixty days of completion of the rework, unless otherwise permitted by the County.

Haz22 The County, or its designee, in the performance of the duties herein prescribed, has authority to enter upon and into any and all premises under his jurisdiction at all reasonable hours for the purpose of inspecting the same to determine whether or not the provisions of this permit and of all other applicable laws or ordinances are observed therein; provided that a reasonable effort to locate the operator or other person having charge or control of the property will be made to request entry and explain the reason for entering.

Notwithstanding the foregoing, if the County has reasonable cause to believe that there exists any condition on the property unsafe or dangerous which may require immediate inspection to safeguard the public safety, the County shall have the right to immediately enter and inspect such property and may use any reasonable means required to effect such entry and make such

inspection. The operator shall permit such entry and hold harmless and indemnify the county from any liability in connection with lawful entry hereunder.

If there are any locked gates, a key or combination shall be made available to the County for emergency purposes. Such key or combination is for this specific purpose only, and any other use shall be a misdemeanor.

Haz23 Public agency inspections will be performed as discussed in other measures of this project. Any noncompliance items noted during an inspection will be brought to the attention of the operator, agent, or their representative for corrective action. Failure to correct noncompliance items is a violation of the provisions of this permit, and thereby constitutes grounds for revoking this permit to continue operation.

Haz24 In the event that the County determines at any time that any operations covered under this permit constitute an imminent threat to public health, safety or the environment, he/she shall have the right to compel the operator (applicant) to take appropriate action, within a time frame identified by the County, to mitigate the situation. In the event that the operator cannot be located, the County may take the necessary steps to mitigate the immediate threat and stabilize the situation, until such time as the operator can respond. The operator (applicant) shall be responsible for reimbursement of all reasonable costs to the county associated with the mitigation activities.

Haz25 In the event that substantial damage to the environment and/or public health results from the project, the operator shall be responsible for remediation of such damage within a reasonable period of time. If, in the judgment of the County, such remediation activities are not initiated within a reasonable period of time, the County may issue a notice of intent to initiate remediation and that the operator shall be responsible for funding the remediation. The county shall issue said notice at least thirty days prior to commencement of remedial activities. The operator may respond by: (1) initiating remedial activities within the thirty-day period, or (2) filing an appeal. In the absence of one of these actions the county may order the remediation at the cost of the operator.

Haz26 **Prior to issuance of construction permits,** applicant's construction plans shall include notes that equipment and appurtenances hazardous to life or limb shall be attended twenty-four hours a day, or enclosed, in all inhabited places or public use areas where there is reasonable likelihood of potential danger to life and limb. Such enclosure, where such danger to humans exists, shall provide adequate fencing protection.

Haz27 **Prior to issuance of construction permits,** construction plans shall include notes that any discharge of oil or wastes to surface or subsurface waters or land, by oil field operations, shall not be allowed except when authorized by permit, ordinance or law. Oil spills or wastes shall be kept to a minimum and shall be prevented from entering stream courses or adjacent property by the construction of dams, levees, ditches or other structures consistent with requirements of county, state and federal authorities. **Prior to issuance of construction permits,** the applicant shall provide evidence that a fully compliant Hazardous Material Business Plan and Hazardous Waste Management Plan have been prepared and subsequently approved by the County's Environmental Health Division. At a minimum, the Hazardous Waste Management Plan shall address:

a) waste determination (22 CCR §66262.11);

b) onsite container/tank management (22 CCR §66265.171 - .191);

c) proper disposal (22 CCR §66266.3, HSC §25250.4);

d) accumulation times (22 CCR §66262.34);

e) contingency plans (22 CCR §66265.50).

Haz28 **Prior to issuance of construction permits,** applicant's construction plans shall include notes that rotary mud, drill cuttings, petroleum and all oil field wastes derived or resulting from, or

connected with, the drilling or producing of any well, shall be discharged into a sump impervious to fluids. Such discharges shall be removed from the drill site within a reasonable period of time (up to 30 days) to locations authorized by County Department of Public Health (Environmental Health Division) upon completion of drilling, testing or work over operations. Tanks used as sumps shall be removed and sumps shall be pumped out, their fluids disposed in a properly designated area and properly backfilled within a reasonable period of time. No unlined or unscreened skimming ponds, separation basins or storage reservoir for salt water, oil field wastes or oil field products will be permitted.

Haz29 With regards to the transportation of oilfield wastes, **prior to issuance of construction permits**, the following shall be added as notes on all applicable construction plans, and shall be followed by the applicant during the life of the project:

a) Oil field wastes determined to be hazardous materials, as defined by the State of California, and that are to be transported offsite, shall be handled and disposed of by the operator at an approved hazardous materials disposal location or remediated to a non-hazardous level with the appropriate approvals. Such hazardous waste materials transported offsite shall have manifests documenting the disposition of the material. The transporter of the hazardous waste material shall have all state, county, and local licenses and approvals to haul the material and shall be responsible for delivery of the wastes to the disposal location.

b) Non-hazardous oilfield wastes at the time of their disposal shall be disposed of in an appropriate method for the material as determined by the operator with the appropriate approvals by County Department of Public Health (Environmental Health Division), Regional Water Quality Control Board, Cal-EPA, etc., for the safe handling and transportation.

c) Materials transported between locations on the same lease shall be transported in a manner that minimizes spills of oil, produced water and hazardous materials.

Haz30 **Prior to issuance of construction permits,** applicant's construction plans shall show that each cellar will be constructed in accordance with generally accepted safe oil field practice. Except as may be occasionally necessary, during drilling and servicing operations, such cellars shall not exceed a liquid depth of fifty percent of the depth of the cellar. The oil/petroleum depth may not exceed two inches and be kept free from water, petroleum, drilling fluids or other substances which might constitute a hazard. Cellars will be covered any time they are unattended, sufficiently to prevent people, animals or items from falling inside.

Haz31 **Prior to issuance of construction permits,** applicant's construction plans shall include notes or show that each formal point of public entry will have signage indicating operator name, contact information and site address or lease name. Each well and each tank setting will have a sign or other designation, clearly legible from a distance of twenty-five feet, which contains the current operator's name, the lease name and well number. In the event there are more than two wells on one drill site, it shall be sufficient if the entrance to said drill site is posted with a sign bearing the same of the operator and the name of the lease, together with a plainly visible sign on each producing well designating the particular number thereof, all clearly legible from a distance of twenty-five feet. These measures shall be installed **prior to the second Notice to Proceed** and kept in good working order for the life of the project by the applicant.

Haz32 The required Mitigation Monitoring Plan (MMP) of the applicant shall include, at a minimum, a county annual inspection that compares environmental conditions of approval with the following project components: each lease site, each tank site, each producing well site, any idle well sites and lease tank site, (including headers and associated pipelines), and access roads for the purpose of ascertaining conformity with the county conditions of approval. Additional inspections, as needed, would be included in the MMP.

A county trust account shall be established **prior to issuance of the construction permit** to insure adequate funds are available for regular environmental monitoring inspections, as well as for any well/facility abandonment, soil remediation work or enforcement activities.

Haz33 The County recognizes that the state has adopted provisions of law in the California Public Resources Code and other codes, the basic purposes of which are to conserve and protect natural petroleum and other hydrocarbon resources and fresh water sources and to protect the environment. Accordingly, where there is conflict with state regulations or laws, such state regulations or laws shall prevail over any conflicting measures for this permit or contradictory prohibitions or requirements made pursuant thereto.

Haz34 **Prior to issuance of construction permits,** the applicant shall submit evidence to the Planning and Building Department that the County Environmental Health Division has received and approved a Phase I Environmental Site Assessment study that will determine environmental liabilities and impacts arising from the development and operation of this facility.

Haz35 **Prior to issuance of construction permits,** the applicant shall provide to the county an evaluation to determine if the facility requires a Large Quantity Generator permit from the State Department of Toxics Substances Control (DTSC), as per 22 CCR §66270.1 - §66270.73.. If yes, provide evidence to the county that an application has been received by DTSC.

Haz36 Regarding items left from the previous oil testing operation, **prior to issuance of construction permits,** the applicant shall provide the following information to and subsequent approval from the County Environmental Health Division**:**

a) Determine the contents, if any, of all existing above ground storage tanks (AGTs) in the project area;

b) Present a plan for the reuse or dismantling of AGTs;

c) Identify how AGT contents will be properly recycled or dispose of, if applicable;

d) Assess and properly recycle all drums from the project area;

e) A work plan to assess and mitigate all evident spills (e.g.: stained soil adjacent to abandoned AGT and well motor on the Shere-Dickes well pad, oil beneath the terminus of elevated pipes on the Lavoie-Hadley well pad).

Haz37 The County may modify any of the above Hazardous Waste/Materials conditions upon demonstration of good cause by the applicant that the intent of the above conditions has been met.

Haz38 Obtain approval from County Department of Public Health (Environmental Health Division) for an SPCC Plan for the site, which includes spill mitigation, for all Above Ground Storage Tanks storing petroleum oils, products etc. The SPCC Plan is required to be prepared by a Registered Professional Engineer (RPE).

Haz39 **Prior to the second Notice to Proceed,** all metal structures (e.g., storage tanks, well pumps, etc.) containing flammable, explosive or hazardous wastes or materials shall be properly grounded for lightning strikes.

Haz40 **Prior to the second Notice to Proceed,** all above-ground piping for produced water shall be shown to be fully insulated to avoid pipes from reaching “below freezing” temperatures (10 degrees Fahrenheit) for extended periods. This insulation shall be kept in good working order during the life of the project.

Haz41 The designated haul route shall be the only route used for construction vehicles and operational tanker trucks and transport of any hazardous wastes. With regards to the southern ranch access road crossing into Huasna River tributaries, all project related vehicles, (e.g. construction vehicles and operational tanker trucks) may use this access road as long as there is no running surface water within these tributaries. The ranch road must also be in good working order. Should there be running water, all such vehicles shall turn around and return to their point of origin. If this access ranch road All other water crossings are on county or state maintained bridges. If surface water is present for these crossings, tanker trucks shall not pass, and the oil extraction shall

temporarily cease until there is no surface water running in the creek and the access road is in good working order. A spill contingency plan is required which will address potential vehicle spills along the haul route. It is the applicant's responsibility to pay for any clean up work necessary should there be a spill.

Haz42 No diluents shall be used during the life of the project.

Haz43 Dismantling/ proper removal of unused, pre-existing equipment shall be completed within 180 days of production commencing.

Monitoring Haz1 - Haz43: Due to the regulatory complexities associated with hazardous wastes and materials, the following agencies have oversight or regulatory responsibility to insure compliance, and shall coordinate as appropriate with related agencies: County Planning and Building, DOGGR, DTSC, Environmental Health, SWRCB, and RWQCB.

Noise

N1 With regards to construction noise, all noisy construction-related activities, which includes the noise from the movement of medium to large trucks on the road, shall only be allowed between 7 am and 9 pm on weekdays and 8 am and 5 pm for weekends.

N2 With regards to operational tanker trucks, the truck operators shall be instructed to use only the approved truck haul route.

N3 For the duration of the project, all potential noise-generating operational equipment (including well pumps) shall be kept in good working order, which shall include any repairs necessary to maintain equipment to operate at manufacturer's specifications (or less) for decibel levels.

N4 Upon installation of all shipping area well pad equipment and **prior to second to Proceed**, the county monitor shall take noise measurements of the project while it is in full operation at the nearest property line(s) within the equipment's "line of site" to sensitive receptors. If the readings for stationary noise sources are 50 db or more during the daytime hours (7 am to 10 pm), or 45 dB between the nighttime hours (10 pm to 7 pm), remedial work shall be completed immediately to reduce these noise levels to acceptable thresholds. Any required acoustical treatments shall be kept in good working order during the life of the project.

Monitoring N1 – N4: Department of Planning and Building will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

Public Services

Fire Safety

PS1 To minimize potential fire safety impacts, the applicant agrees to abide by the recommendations made by the California Department of Forestry/CalFire (see 7/27/07 letter), and the Fire Safety Standards (LUO Sec. 22.05.086) **prior to the second Notice to Proceed** as follows: minimum road widths shall be 18 feet wide (or as specified by CalFire), all-weather surface and support 20 tons; road grades exceeding 12% shall be non-skid surface; vegetation clearance/modification shall be 100 feet around oil wells and oil production facilities and 10 feet along access roadway. All efforts will be made to minimize impacts to all oak trees within 100 feet from the well pad and shipping area and within 10 feet from the access road and any new above-ground piping. With regards to the southern ranch road access, all-weather turnouts shall be installed approximately every ½ mile over the approximate 6 mile length. **Prior to issuance of construction permits,** construction plans shall include notes or show all applicable Fire Safety Plan elements, as approved by CalFire. All required elements shall be implemented, as approved by CalFire.

PS2 As a part of the Fire Safety Plan, at a minimum, the following shall be included in the applicant's construction plans and implemented **prior to the second Notice to Proceed**:

a) a minimum of two fire extinguishers shall be maintained at each tank battery and at least one at each well location where drilling, servicing or repair work is being conducted (located within 30 feet). Each such extinguisher shall have a minimum classification of 40 BC as set forth in N.F.P.A. No. 10, "Standard for the Installation for Portable Fire Extinguishers," and any amendments or successors thereto.

b) Per the California Fire Code, Article 79, no smoking will be permitted within fifty feet of any well, tank or area where hydrocarbons are present and no waste gas venting will be permitted. The County shall inform the CalFire when an oil well drilling permit has been filed.

c) A fire water storage tank shall be installed per CalFire requirements that will provide for no less than 20,000 gallons (larger if required by CalFire). The tank location shall result in a gravity fed system for the hydrants. If adequate line pressure cannot be achieved through gravity alone, at least one additional back-up generator of adequate size and design shall be kept on-site in good working order to provide emergency back-up power. If the water tank(s) will be located at or above the well pad, it shall be located and designed to not be visible from any public road, and not require the removal of any oak trees. At least one hydrant shall be installed within 50-150 feet of each oil well and within 8 feet of the access road.

d) An automatic fire suppression system shall be installed for the oil production facility, per CalFire recommendations.

e) The facility shall be clearly addressed at Huasna Townsite Road (with minimum 6-inch numbers) and reflective directional signage at all internal road forks.

f) All combustible or flammable substances stored on site shall be in approved metal storage lockers/containers.

g) Material Safety Data Sheets shall be stored on site and easily accessible to CalFire.

h) If a gate is installed near the Huasna Townsite Road entrance, it shall be no closer than 30 feet from the edge of pavement. Any gates or locked facilities (including the southern access ranch road) shall have a KNOX box installed allowing access to the fire department.

i) Any bridges on the access road must be at least 10 feet wide, support 20 tons, and be properly signed with load weight limits.

j) Provide a permit application to CalFire and County Building Division for the installation of the proposed propane storage tanks, oil storage tanks and delivery pipelines. This application must include all required ICC Fire Code requirements for this equipment.

k) A fire/emergency plan shall be implemented, and each employee shall be instructed upon hiring and reminded on a yearly basis of the policies and procedures to keep all of the required elements in good working order.

l) A portable fire extinguisher shall be kept in close proximity of any welding work, including any repairs to or installation of the above-ground lines.

m) All on-site long-term or permanent metal structures/equipment shall be properly grounded for lightning strikes.

n) A fire/life safety inspection shall be required **prior to first Notice to Proceed.**

o) With regards to the southern ranch access road:

    a) Huasna River Bridge – a new top deck will be installed to insure a 20-ton vehicle capacity.

    b) All-weather turnouts, sized for dual tankers, at approximate ½ mile increments, or as approved by CalFire.

PS3 Per the California Fire Code, Article 79, no smoking will be permitted within fifty feet of any well, tank or area where hydrocarbons are present and no waste gas venting will be permitted. The

County shall inform the CalFire when an oil well drilling permit has been filed.

PS4 A fire water storage tank shall be installed per CalFire requirements that will provide for no less than 20,000 gallons (larger if required by CalFire). If it is not a gravity fed system, at least one additional back-up generator of adequate size and design shall be kept on-site to provide adequate pressure for the required hydrants at the well pad and shipping site areas. If the tank(s) will be located at or above the well pad, it shall be located and designed to not be visible from any public road, and not require the removal of any oak trees.

Monitoring Measures PS-1 through PS-4: Department of Planning and Building, in consultation with CalFire, will verify inclusion of required elements on plans. CalFire will verify compliance with the Fire Safety Plan.

Solid Waste

SW1 **Prior to the first Notice to Proceed**, the applicant, and all successors-in-interest, shall provide to all contractors (e.g., for grading, construction, etc.) the list of companies that offer recycling services or drop box service (see attached Construction Recycler Materials and Facilities Pamphlet). The applicant and contractor shall recycle 50% of waste generated by the project's construction activity.

Waste includes anything discarded from the site, such as wood scraps, cardboard, flashing, paint or other finishing products, tools, drywall, concrete, asphalt, plastic bags, remnants of insulation, etc. The applicant shall provide the attached pamphlet to all contractors prior to commencement of construction work: "Recycling Required at Construction Sites" (see attached).

SW2 **Prior to the issuance of a construction permit**, applicant's construction plans shall show the installation of garbage and recycling bins to be used by employees (permanent and contract) for all non-toxic refuse. To minimize vector problems, these bins shall be taken to Cold Canyon Landfill at least twice a month, or more often when needed. These bins shall be installed **prior to the second Notice to Proceed** and kept in good working order during the life of the project.

Monitoring SW1-SW2: Department of Planning and Building, in consultation with Public Works, will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

Transportation

TR1 **Prior to the issuance of a construction permit,** the operator/applicant shall enter into an agreement with the County, in a form acceptable to County Counsel, to deposit into the County Road Fund not to exceed an initial amount of $20.81 per haul oil truck trip (trip) over the following County-maintained roads: Huasna Townsite Road, Alamo Creek Road. The agreement shall provide for reports of number of trips, and corresponding payment, to be made quarterly. The cost per trip shall be subject to annual adjustment based on the Caltrans Construction Cost Index however, in no case shall a negative cost index be allowed to reduce the previous year's fee. The beginning index date shall be the date that the project receives approval by the hearing body.

Monitoring: Public Works will verify compliance with this Supplemental Road Fund fee.

TR2 **Prior to the issuance of a construction permit,** all proposed improvements within the county public right-of-way shall require an encroachment permit from the Department of Public Works. All work shall be done in accordance with County Public Improvement Standards.

TR3 **Prior to the first Notice to Proceed,** a driveway approach on Huasna Townsite Road (Road No 1071) shall be constructed by the applicant in accordance with County Public Improvement Standards. All driveway approaches constructed on county roads shall require an encroachment

permit.

Monitoring: Public Works will verify compliance with this encroachment permit.

TR4 All construction traffic and operational tanker truck traffic shall adhere to the approved truck haul route, which will direct truck traffic from the project site as follows: Huasna Townsite Road south to Porter Ranch access road to Alamo Creek Road to Highway 166, then west to Highway 101, and then south on Highway 101. The applicant shall notify all tanker truck drivers of this required haul route.

TR5 All production-related haul oil truck trips shall be limited to daylight hours only (sunrise to sunset). The applicant shall notify all tanker truck drivers of this requirement.

TR6 In the event that any portion of the approved truck haul route on the southern access ranch road becomes "impassable", all project vehicles shall not proceed forward, but shall return to their point of origin. "Impassable" shall mean surface water is flowing across road in any of the low-lying areas. Operation/hauling cessation shall remain in effect until road is deemed passable for tanker trucks and that any corrective measures have been made prior to tankers using this access road; no other tanker truck route is authorized with this permit.

TR7 **Prior to the issuance of a construction permit,** a copy of the southern ranch road easement agreement shall be submitted to the county for review to verify that no conflicting provisions exist when compared to county conditions of approval. Any renewed easement shall be submitted to the county to verify no substantive changes have been made from the original approval.

TR8 During the life of the permit, the operator shall secure a separate Transportation Permit from the Public Works Department for each vehicle in excess of legal limits utilizing county maintained roads.

TR9 **Prior to the second Notice to Proceed,** the Environmental Monitor shall verify that the following was done relating to the Huasna River Bridge:

a) any improvements made to Huasna River Bridge (e.g., installation/replacement of the top deck, etc.) shall be done in a manner that stays out of the riverbed and all work is conducted above the top of bank);

b) to reduce sediment entering the river, the existing dirt road between the south end of Huasna Townsite Road and the bridge shall be paved, as well as the first 100 feet south of the bridge shall be paved with a rumble strip installed.

Monitoring TR4 – TR9: Department of Planning and Building, in consultation with Public Works, will verify inclusion of required elements on plans. Monitor, as necessary, will verify compliance with approved plans.

TR10 With regards to Alamo Creek Road and Highway 166 intersection, the applicant agrees to the following, **prior to the commencement of the production phase and the second Notice to Proceed**:

a) Design and construct left-turn channelization for the east bound Highway 166 turning movement onto Alamo Creek Road

b) Widening of westbound State Route 166 and Alamo Creek Road in accordance with California Highway Design manual Figure 405.7. A separate encroachment permit may be necessary from County Public Works if the work encroaches within the county right-of-way on Alamo Creek Road.

c) Obtain a Caltrans encroachment permit to conduct the above-listed items;

To address cumulative impacts to the Santa Maria Bridge on Highway 101, contribute $4,500 to Caltrans towards its reconstruction.

Monitoring: Caltrans, in consultation with Public Works, will verify completion of required elements.

Wastewater

WW1 **Prior to the issuance of a construction permit**, applicant's construction plans shall show location and number of portable toilets to be installed (verified **prior to the first Notice to Proceed)** for the construction crew. These shall be serviced regularly while on-site and removed **prior to the second Notice to Proceed**.

WW2 With regards to the permanent employees (3 per 24 hour period), an on-site system shall be installed **prior to the second Notice to Proceed,** that follows Central Coast Basin Plan and county/state plumbing code criteria. **Prior to the issuance of a construction permit**, the applicant shall submit to the County for review and approval, soil borings and soil percolation testing that show an acceptable location for the leach lines. Natural slopes around leach lines shall not exceed 20%.

Monitoring WW1 & WW2: Department of Planning and Building, in consultation with Environmental Health, will verify inclusion of required elements on plans. Monitor will verify compliance with approved plans.

Water

W1 Bottled water shall be used for all project's potable water needs. All other water delivery points shall be clearly labeled as "Non-Potable Water Source – Do Not Drink" and verified **prior to the second Notice to Proceed**.

W2 **Prior to the issuance of a construction permit**, to avoid potential contamination from oil well casing leaks entering the water aquifer currently being used for potable needs in the Huasna Valley and any other nearby potable water aquifer, a qualified geotechnical engineer or geologist (retained by the applicant) shall develop a testing/ monitoring program, to be approved by the County, that can detect oil/oil by-product/produced water leakage from each of the proposed/ existing oil/injection wells in a manner that such a leak can be detected early, and quickly fixed. The existing potable aquifer(s) will be tested regularly at one or more representative locations **prior to the first Notice to Proceed** to establish the aquifer's baseline water quality for oil-related constituents, as well as be regularly monitored for any increased levels of oil-related constituents, and if this increase can be attributed to the proposed project. If attributable to the project, the geotechnical engineer or geologist shall develop measures to eliminate this problem. The applicant agrees to abide by these measures, including all remedial work.

W3 With regards to production water, the following measures shall apply:

a. **Prior to the second Notice to Proceed**, an injectivity test shall be performed. It must be able to show that all production water can be returned to the formation from which it came.

b. If this cannot be demonstrated, and more injection wells, additional on-site storage, off-site trucking of produced water or other means of disposal is needed, the project will need to obtain an amended Conditional Use Permit prior to proceeding.

Monitoring: Department of Planning and Building, in consultation with Environmental Health and Regional Water Quality Control Board, as applicable, will verify inclusion of required elements on plans. Monitor, as applicable, will verify compliance with approved plans.

Violations

V1 If the facility is operated in a manner that violates the standards or conditions specified in this document or County LUO Section 22.34.040, or any other required permit, the applicant shall:

a. Immediately stop, contain, or correct the unauthorized action or inaction;

b. Within 30 days of the violation, inform the Director in writing about the cause of the violation, its effects, and corrective action the applicant took in response to the violation and what will be changed to prevent reoccurrence of the violation or its cause.

General

G1 All proposed or requested changes with other regulatory agencies that deviate from the county-approved Project Description and are outside of the other agency purview (e.g., DOGGR considers approving production water being taken off site vs. injection, but does not consider the additional traffic impacts), shall also be forwarded to the County for a "substantial compliance" analysis before approval by another agency. If substantial compliance cannot be demonstrated, the project will need to obtain an amended Conditional Use Permit prior to proceeding.

The applicant understands that any changes made to the project description subsequent to this environmental determination must be reviewed by the Environmental Coordinator and may require a new environmental determination for the project. By signing this agreement, the applicant/property owner(s) agree to and accepts the incorporation of the above measures into the proposed project description.

Signature of Applicant(s)	**Name (Print)**	**Position**	**Date**

Signature of Property Owner(s) for APN 085-271-004	**Name (Print)**	**Date**

Signature of Property Owner(s) for APN 085-271-001	**Name (Print)**	**Date**