



Planning Commission Staff Report: Hearing of September 7, 2017

County of Ventura • Resource Management Agency • Planning Division

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Renaissance Petroleum Project

Case No. PL14-0103

(Minor Modification of CUP LU05-0086)

A. PROJECT INFORMATION

1. **Request:** The Applicant requests that a modified Conditional Use Permit (CUP) be granted to authorize the expansion and continued operation of an existing oil and gas facility for an additional 30-year period. (Case No. PL14-0103)
2. **Applicant:** Renaissance Petroleum, LLC, P.O. Box 20456, Bakersfield, CA 93390
3. **Property Owner:** Richard Naumann, 714 3rd Street, Woodland, CA 95695
4. **Applicant's Representative:** Marc Traut, Renaissance Petroleum, LLC, P.O. Box 20456, Bakersfield, CA 93390
5. **Project Site Location and Parcel Number:** The 1-acre project site (referred to as the Naumann drill site or facility) is part of a 26.87-acre parcel located at 3214 Etting Road, about one-third of a mile southeast of the City of Oxnard and the intersection of Pleasant Valley Road and Highway 1, in the unincorporated area of Ventura County. The Tax Assessor's parcel number (APN) for the parcel that includes the project site is 232-0-062-030 (Exhibit 2). (Note: APN 232-9-062-034 applies to the subsurface mineral rights leased by the permittee from the property owner.)
6. **Project Description:**

The following project description constitutes the proposal by the applicant. All components of the proposal may not be included in any permit that may be granted by the decision-makers.

The Applicant requests that a modified CUP be granted to authorize the expansion and continued use of an existing oil and gas facility for an additional 30-year period.

The existing facility is comprised of one active oil and gas well, gathering pipelines, and storage and processing equipment and operations. The proposed project includes the addition of four new oil and gas wells, and the relocation of various pieces of equipment on the approximately 1-acre drill site in order to facilitate the placement of the new wells. The project also includes the replacement of three oil

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Exhibit 1A – Planning Commission
Staff Report for the 9-7-17 Hearing

and produced water storage tanks with larger tanks. The proposed project includes the following components (as illustrated by Exhibit 3):

- a) Installation, testing, operation, reworking, and maintenance of a total of five oil and gas wells (i.e. one existing well and four proposed wells).

The existing oil and gas well is designated as Naumann No. 1 (API No. 11121431) with the coordinates (NAD83): 34.1603, -119.131007. The four proposed oil and gas wells and pumping units will be designated as Naumann No. 2, No. 3, No. 4, and No. 5, and will be located on the existing drilling pad. All of the drilling, completion, and production operations will be conducted in accordance to the rules and regulations of the California Department of Conservation, Division of Oil and Gas and Geothermal Resources (DOGGR);

- b) The operation of equipment such as pumps, heaters, and refrigeration systems, and compressors for the separation of natural gas and produced water from crude oil, the separation of natural gas liquids from produced natural gas, and the processing of the natural gas to the specifications established by the Southern California Gas Company (SCGC) for the introduction of the natural gas into the SCGC distribution pipeline system for sale to local customers;
- c) The operation of equipment such as pumps and compressors to support the on-site injection of produced water into a well or wells for disposal purposes, the on-site injection of natural gas into a well or wells for the purpose of reservoir pressure maintenance, and to support for the utilization of natural gas for gas lifting of liquids from wells. *(Note: One well is currently authorized to be used for injection purposes.)* Any injection activities will only involve water or gas produced at the subject Naumann drill site or the Rosenmund drill site. Fluids and gas produced at the separately-permitted Rosenmund oil and gas facility are conveyed by existing pipelines to the Naumann facility;
- d) The transport of gas, natural gas liquids, crude oil, and produced water from the site. Produced water may either be transported to the Rosenmund drill site or to a permitted commercial facility for disposal;
- e) The installation and operation of equipment and structures associated with the storage, processing, and transporting of oil, gas, natural gas liquids, and water, as shown on project plans (Exhibit 3);
- f) Implementation of a fluid truck transport limit. No more than 10 truckloads (20 one-way trips) of produced fluids may depart from the Naumann facility per day. Additionally, of these, no more than 3 truckloads (6 one-way trips) may depart within any one hour. Truck transport of fluids will be further limited to no more than 2 truckloads (4 one-way trips) departing from the facility during peak traffic hours (6-8 a.m. and 4-6 p.m, Monday-Friday).

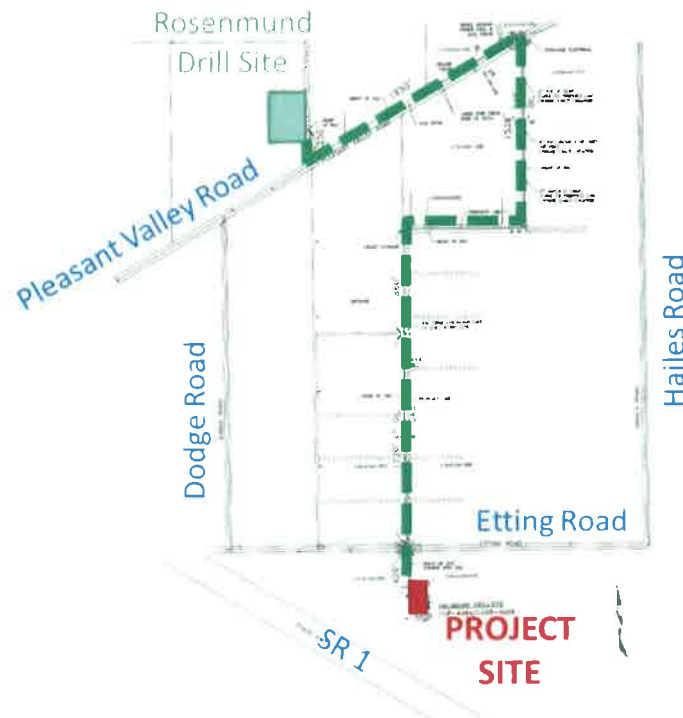
All fluid tanker trucks associated with the project shall exclusively use the segment of Etting Road located east of the Naumann lease facility to connect to roads included in the County Regional Road Network. Project-related tanker trucks shall not travel on Dodge Road or the portion of Etting Road located west of the facility. *(Note: This truck routing provision is not recommended by staff to be included in the requested permit.)*

- g) Extension of the hours of fluid transport (trucking) to 24 hours per day, 7 days per week from the currently authorized 7:30 a.m. to 6:30 p.m. Monday through Saturday schedule.
- h) Modifications of the ancillary equipment used at the facility as follows:
 - 1. Removal of two existing 500-barrel crude oil storage tanks;
 - 2. Removal of one existing 500-barrel produced water tank;
 - 3. Installation of two new 1,000-barrel crude oil storage tanks;
 - 4. Installation of one new 1,000-barrel produced water storage tank;
 - 5. Relocation of one existing 500-barrel fire water storage tank;
 - 6. Relocation of one existing 20-foot tall light post; and,
 - 7. Relocation of one existing emergency gas flare.

Each of the three proposed new tanks is 21 feet in diameter and 16 feet in height.

The oil and gas facility at the Naumann drill site is connected by two existing pipelines to the separately-permitted Rosenmund drill site (Figure 1, and Exhibit 8). The Rosenmund facility is located approximately 0.75 miles (3,960 feet) north of the Naumann drill site at 2797 East Pleasant Valley Road. The facilities and activities at the Rosenmund drill site are authorized by CUP 5252, and are not under review as part of this action. Oil, gas and water produced at the Rosenmund drill site are currently conveyed by the existing pipelines to the processing and storage facilities on the Naumann drill site.

Figure 1 – Existing Pipeline Route: Naumann-Rosenmund



No additional grading or expansion of the existing Naumann drill site is proposed. The Applicant also requests that the permit expiration date be extended from the year 2037 to the year 2047 (i.e., 30 years after the effective date of this modified permit).

Hydraulic fracturing, acid well stimulation and other “well stimulation treatments”, as defined in Public Resources Code Section 3157, are not included in the proposed project. The use of any such well stimulation treatment as part of the project would require a subsequent discretionary modification of the CUP, additional environmental review under CEQA, and a public hearing.

7. **Decision-Making Authority:** Pursuant to Section 8111-6.1.2 of the NCZO, the proposed changes in the permitted facility require a Minor Modification of CUP LU05-0086. In accordance with this section of the NCZO, the Planning Director is the decision-maker for the requested modified CUP. However, the Planning Director’s April 3, 2017 decision (Exhibit 9) to grant the requested modified CUP was appealed. In accordance with Section 8111-7.2(a) of the NCZO, the Planning Commission is the decision-making body that will conduct a *de novo* public hearing to consider both the subject CUP application and the appeal.

B. DISCUSSION OF DE NOVO HEARING TO CONSIDER CASE PL14-0103

Scope of the Planning Commission Hearing

This land use matter comes before your Commission as an appeal of the Planning Director's April 3, 2017 decision (Exhibit 9) to grant a modified CUP to authorize the expansion and continued operation of the existing oil and gas facility for a 30-year period. The appeal (Exhibit 10) was filed on April 13, 2017 by Citizens for Responsible Oil and Gas (CFROG), and Food and Water Watch (FWW) (Appellants).

Under the NCZO, the Applicant's requested modified CUP, and the related Mitigated Negative Declaration (MND) Addendum (Exhibit 4a), comes to the Planning Commission for a hearing *de novo*, or anew. This means the Commission is required to conduct a public hearing on the requested land use entitlement and CEQA document just as if the matter came to the Commission in the first instance pursuant to Section 8111-4 et seq. of the NCZO. In this regard, the Commission has the authority to approve, deny, or approve with modifications the requested land use entitlement.

The Commission is not required to give any deference to the Planning Director's findings or decision regarding the proposed project, or to the staff recommendations provided in this report. However, the Commission is free to make the same findings and decision as the Planning Director if, based on your independent judgment, the Commission finds them to be persuasive and supported by substantial evidence in the record. While the Commission should consider the appeal points raised by the Appellants, the Commission is not limited by them. Whether or not the appeal should be granted is a consequence of the Commission's decision on the merits of the land use entitlement request, and not on the merits of the appeal points.

The Commission may approve, deny or modify, wholly or partly, the CUP request (NCZO § 8111-4.2). The Commission "shall either approve, deny, or approve with modifications, the appeal request" (NCZO § 8111-7.5).

California Environmental Quality Act

An action by the Commission to grant the requested modified CUP and approve the proposed project would require the Commission to approve the MND Addendum (Exhibit 4a) as satisfying the environmental review requirements of CEQA.

On December 19, 1986, the Planning Director adopted an MND as part of the granting of CUP 4384 to authorize the installation, operation and maintenance of one exploratory oil and gas well and associated facilities at the Naumann drill site.

This MND is attached as Exhibit 4b. On May 21, 2007, the Planning Director granted CUP LU05-0086 to authorize a 30-year extension of the effective period of CUP 4384, and to authorize the drilling of an additional well and the construction of two gathering pipelines.

Under CEQA Guidelines Sections 15162 and 15164, an addendum to the MND that was previously adopted for the subject project is the appropriate means of documenting the fact that none of the conditions set forth in Section 15162 calling for the preparation of a subsequent environmental impact report (EIR) or negative declaration (ND) have occurred with respect to a project for which the subsequent discretionary approval is sought. Section 15162 requires the lead agency to prepare a subsequent EIR or ND if new significant environmental effects would result from the proposed project, if the severity of previously-identified significant environmental impacts would increase due to the project, or if a change in circumstances under which the project is undertaken warrants major revisions to the previously adopted MND.

Planning Division staff have not identified any new potentially significant impacts, or any increase in severity of a previously-identified significant impact, associated with the proposed project that warrant major revisions to the MND. Thus, staff recommends that the Commission find that no subsequent or supplemental EIR is required for the proposed project, and the MND Addendum (Exhibit 4a) is the appropriate document to satisfy the environmental review requirements of CEQA.

Ventura County Non-Coastal Zoning Ordinance

Pursuant to Sections 8105-4 and 8111-1.2.1.1 of the NCZO, the proposed expansion and continuation of the existing oil and gas facility project is allowed in the AE zone where the subject property is located with the granting of a CUP. In order to grant the requested CUP, the Commission must make the required findings specified in Section 8111-1.2.1.1 of the NCZO based on the whole of the record. These findings (or permit approval standards) include:

1. The proposed development is consistent with the intent and provisions of the County's General Plan and of Division 8, Chapters 1 and 2, of the Ventura County Ordinance Code [Section 8111-1.2.1.1.a].
2. The proposed development is compatible with the character of surrounding, legally established development [Section 8111-1.2.1.1.b].
3. The proposed development would not be obnoxious or harmful, or impair the utility of neighboring property or uses [Section 8111-1.2.1.1.c].
4. The proposed development would not be detrimental to the public interest, health, safety, convenience, or welfare [Section 8111-1.2.1.1.d].

5. The proposed development, if allowed by a Conditional Use Permit, is compatible with existing and potential land uses in the general area where the development is to be located [Section 8111-1.2.1.1.e].
6. The proposed development will occur on a legal lot [Section 8111-1.2.1.1.f].
7. The proposed development is approved in accordance with the California Environmental Quality Act and all other applicable laws.

The recommended actions include the making of these findings by the Commission. The supporting evidence to make these findings is found in Section E of the Planning Director staff report (Exhibit 1).

On February 7, 2017, the Ventura County Board of Supervisors amended the above NCZO section to, among other things, add the following requirement:

If all applicable standards cannot be satisfied, specific factual findings shall be made by the decision-making authority to support that conclusion.

Should the Commission decide to deny or modify the requested CUP, staff recommends that the Commission articulate on the record specific factual findings that support the decision.

C. PLANNING DIRECTOR STAFF REPORT

The Planning Director staff report for the February 23, 2017 public hearing is attached as Exhibit 1. Your Commission should refer to the staff analysis of consistency of the proposed project with General Plan policies, conformance of the project design with NCZO requirements, and the ability to make the required findings for approval provided therein. This report will focus on the grounds of appeal included in the April 13, 2017 appeal form (Exhibit 10).

D. APPELLANTS GROUNDS OF APPEAL AND COUNTY STAFF RESPONSES

On April 13, 2017, the Appellants filed a timely appeal (Exhibit 10) of the Planning Director's decision to grant the requested modified CUP and to approve the MND Addendum. The grounds of appeal are reproduced below (verbatim) along with the staff response.

1. Grounds of Appeal:

The grounds of appeal stated on the appeal form read as follows:

Appellants challenge the Planning Director's decision based on violations of the California Environmental Quality Act, California Environmental Justice statutes, the Ventura County Non-Coastal Zoning Ordinance, and other federal, state and local laws, regulations, procedures and policies to protect the environment and public from the adverse effects of oil and gas development and to ensure due process of law.

2. Staff Response to the Grounds of Appeal:

The above grounds of appeal raise several separate issues under the general theme that the Planning Director violated laws or regulations intended to protect the environment. The assertions made by the Appellants are general in nature and do not identify any specific violation committed by the Planning Director.

Staff responses to the following issues raised in the grounds of appeal are provided below:

1. Violations of the California Environmental Quality Act (CEQA);
2. Violations of State Environmental Justice Statutes;
3. Violations of the Non-Coastal Zoning Ordinance (NCZO)
4. Violations of other regulations, policies, and procedures
5. Failure to provide due process of law.

a. Staff Response to Issue 1: Violations of CEQA:

The appeal form (Exhibit 10) provides no substantial evidence that a violation of CEQA occurred as part of the Planning Director's consideration of the proposed project.

CFROG submitted a February 23, 2017 letter of comment to the Planning Director at the February 23, 2017 hearing that provides some detail of their contention that the Planning Director's decision involved a violation of CEQA. CFROG comment numbers C-1, C-3, C-4, C-5, C-7, C-8, and C-9 included in the February 23, 2017 letter raise issues of the adequacy of the CEQA environmental review. These comments, and the corresponding staff responses, are included in the attachments to the April 3, 2017 Planning Director decision letter (Exhibit 9).

The comments provided by CFROG in its February 23, 2017 letter largely contend that the County violated CEQA by segmenting the "full and true" project. CFROG asserts that the environmental review should have included an analysis of future increases in activity at the Rosenmund drill site. The Rosenmund facility is currently permitted for 15 oil wells, seven of which have not yet been drilled. CFROG argues that the connection of the Rosenmund and Naumann facilities by pipeline, which occurred in 2008, "made the two facilities one project under CEQA."

They further assert that a full EIR is required due to the potential cumulative impacts by the Naumann drill site becoming the “hub” of the entire Cabrillo Oil Field.

The project under review (PL14-0103) is comprised of minor changes to the existing oil and gas facility at the Naumann drill site. No changes to the existing, separately-permitted oil and gas facility at the Rosenmund drill site (also operated by Renaissance Petroleum) are proposed.

Even if the Rosenmund facility were authorized by the same Conditional Use Permit as the Naumann facility, the scope of the project currently under review would still be limited to the proposed changes to the Naumann facility. Thus, the “whole of the action” has been the subject of environmental review as required by CEQA.

In summary, the appeal form does not identify any violation of CEQA in the processing of the Renaissance Petroleum application (PL14-0103). Additionally, the CFROG comments submitted at the February 23, 2017 hearing do not provide any substantial evidence of a new, potentially significant environmental impact or a change in circumstances that requires the preparation of a subsequent MND or an EIR.

Based on the above discussion, this ground of appeal is without merit.

b. Staff Response to Issue 2: Violations of Environmental Justice Statutes

The appeal form (Exhibit 10) provides no substantial evidence that a violation of “California Environmental Justice statutes” occurred as part of the Planning Director’s consideration of the proposed project. Additionally, the appeal form provides no identification of which statutes CFROG asserts were violated.

The State of California Office of Planning and Research is the coordinating agency in state government for environmental justice (EJ) programs (Government Code Section 65040.12(a)). The term “environmental justice” is defined at Government Code Section 65040.12 as:

“The fair treatment of people of all races, cultures, and incomes with respect to the development adoption, implementation, and enforcement of environmental laws regulations, and policies.”

Pursuant to Government Code Section 65040.12(e), “fairness” in this context means that the *benefits* of a healthy environment should be available to everyone, and the *burdens* of pollution should not be focused on sensitive populations or on communities that are already experiencing its adverse effects.

Senate Bill 1000

In September 2016, the Governor signed SB 1000, requiring cities and counties to incorporate an EJ element, or related goals, policies, and objectives throughout the other elements into their General Plans if they have a “disadvantaged community” within their jurisdiction. The bill requires cities and counties to identify disadvantaged communities within the area, and to identify objectives and policies to reduce the unique or compounded health risks in these communities by means that include, but are not limited to, the reduction of pollution exposure, including the improvement of air quality, and the promotion of public facilities, food access, safe and sanitary homes, and physical activity.

“Disadvantaged communities” means an area identified by the California Environmental Protection Agency (CalEPA) pursuant to Section 39711 of the Health and Safety Code, or an area that is a low-income area that is disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation (Gov. Code § 65302(h)(4)(A)). The statute further defines “low-income area” to mean “an area with household incomes at or below 80 percent of the statewide median income, or with household incomes at or below the threshold designated as low-income by the Department of Housing and Community Developments list of state income limits adopted pursuant to Section 50093” (Gov. Code § 65302(h)(4)(C)).

This update to the General Plan, or revision if the local government already has EJ goals, policies, and objectives, must happen “upon the adoption or next revision of two or more elements concurrently on or after January 1, 2018.”

The County is currently in the early stages of updating its General Plan through the year 2040. The update is expected to be completed in 2020. The County will be implementing SB 1000 as part of this update process.

CalEnviroScreen Tool Applicability and Limitations

The primary tool used by the CalEPA to identify disadvantaged communities is the CalEnviroScreen 3.0 mapping tool. This tool was originally developed by the Office of Environmental Health and Hazard Assessment (OEHHA), and is used to help identify communities that are disproportionately burdened by multiple sources of pollution and with population characteristics that make them more sensitive to pollution.

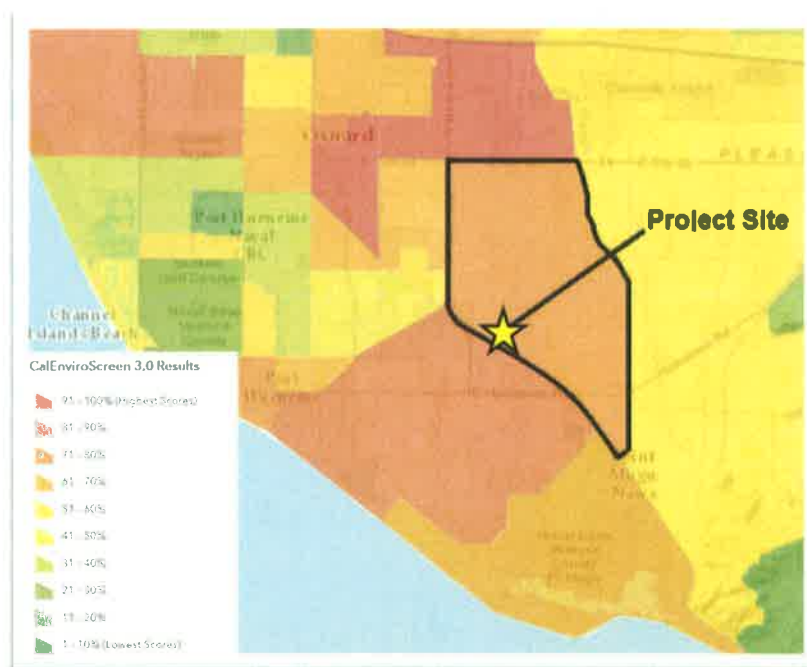
For example, the CalEPA has used the CalEnviroScreen tool to designate disadvantaged communities pursuant to Senate Bill 535. SB 535 calls for CalEPA to identify disadvantaged communities based on geographic, socioeconomic, public health and environmental hazard criteria in order to target those

communities for investment of a portion of the proceeds from the State's cap-and-trade program for greenhouse gas (GHG) emissions.

CalEnviroScreen draws on a selection of 20 environmental, health, and socioeconomic data sets to generate comparative rankings for each of the more than 8,000 census tracts within the state. Census tracts receiving higher rank scores are considered to be more heavily affected by pollution. In April 2017, CalEPA designated the highest scoring 25% of census tracts from CalEnviroScreen 3.0 as disadvantaged communities for the purposes of directing and investing GHG cap-and-trade proceeds.

The project site is located within Census Tract 6111004704, which is identified as having a CalEnviroScreen rank of 76-80% (See Figure 2). Some of the contributors to this tract's ranking within the top 25% are the comparatively high amount of pesticides used per square mile compared to other census tracts within the State, the proximity of the tract to impaired water bodies that have a high number of pollutants, and the low education levels and limited English-speaking abilities of the 1,469 residents that live within this census tract.

Figure 2 – CalEnviroScreen 3.0 Results



Source: CalEnviroScreen 3.0, 2017
<http://oehha.maps.arcgis.com/apps/MapSeries>

It is important to note that although the CalEnviroScreen tool is valuable screening tool for focusing funding generated by the cap-and-trade program back into communities that may be disproportionately impacted by the impacts from GHGs,

it is not intended to be used as a health or ecological risk assessment for a specific area or site, nor is it the appropriate tool for evaluating projects under CEQA. In fact, the CalEPA website states the following regarding the proper use of the CalEnviroScreen tool:

"...the tool is not a substitute for a cumulative impacts analysis under CEQA. Nor is it the intent of the tool to restrict the authority of government agencies in permit and land-use decisions. Furthermore, CalEnviroScreen may not be the appropriate tool to guide all public policy decisions."

Guidance information provided for the two previous versions of the CalEnviroScreen tool (CalEnviroScreen 2.0: Guidance and Screening Tool, August 2014, pages iii-iv) outlines the limitations and applicability of the tool more explicitly:

"Additionally, the CalEnviroScreen scoring results are not directly applicable to the cumulative impacts analysis required under CEQA. The statutory definition of 'cumulative impacts' contained in CEQA is substantially different than the working definition of 'cumulative impacts' used to guide the development of CalEnviroScreen. Therefore, the information provided by this tool cannot substitute for analyzing a specific project's cumulative impacts as required in a CEQA review."

"Moreover, CalEnviroScreen assesses environmental factors and effects on a regional or community-wide basis and cannot be used in lieu of performing an analysis of the potentially significant impacts of any project. Accordingly, a lead agency must determine independently whether a proposed project's impacts may be significant under CEQA based on the evidence before it, using its own discretion and judgment. The tool's results are not a substitute for this required analysis. Also, this tool considers some social, health and economic factors that may not be relevant when doing an analysis under CEQA."

Environmental Justice and CEQA

Although CEQA does not use the terms "fair treatment" or "environmental justice", the importance of ensuring a healthy environment for everyone is an inherent purpose of CEQA. Under CEQA, a local government must determine "whether and how a project should be approved," and must exercise its own best judgment to "balance a variety of public objectives, including economic, environmental, and social factors and, in particular, the goal of providing a decent home and satisfying living environment for every Californian." (CEQA Guidelines, §15021(d).)

As reflected in the MND Addendum (Exhibit 4a), neither a potentially significant project-specific impact nor a considerable contribution to a cumulative impact were identified that would result from implementation of the proposed project. For example, the air pollutant emissions due to the installation and operation of four new oil wells would be far less than the adopted thresholds of significance for nitrous oxide (NOx) and reactive organic compound (ROC) emissions.

Geographic Applicability and Constraints

Petroleum oil and gas comprise a valuable natural resource that has played a significant role in the development and economic prosperity of Ventura County. This resource is found where the subsurface geologic conditions, developed over millions of years, have resulted in the accumulation of petroleum and natural gas at specific locations. Thus, oil and gas can only be produced at specific locations throughout the County (Figure 3). Given the hundreds of thousands to millions of years required for the formation of oil and gas, such deposits are finite and non-renewable.

Figure 3 – Location of Oil Fields and Well locations within the Oxnard Plain



Source: DOGGR Well Finder, 2017
<http://maps.conservation.ca.gov/doggr/wellfinder#close>

Since the 1850s, 33 oil fields have been discovered and developed in the County of Ventura. Oil fields underlie or are adjacent to several incorporated cities, including the cities of Ventura, Ojai, Fillmore, Santa Paula and Simi Valley. Figure 3 depicts the location of oil fields and oil wells in the vicinity of the City of Oxnard.

The 4 new oil wells include in the proposed project would increase the number of oil wells in the three oil fields (West Montalvo, Oxnard, and Cabrillo) located near the City of Oxnard from 285 to 289 (i.e. by 1.4 percent), and would represent 0.1 percent of the 3,973 active and idle oil and gas wells in the County of Ventura. (*Well statistics for 2015 provided by DOGGR.*)

As stated previously, the application of EJ principles requires that the *benefits* of a healthy environment should be available to everyone, and the *burdens* of pollution should not be focused on sensitive populations or on communities that are already experiencing its adverse effects. However, the installation of oil and gas facilities are not “focused” on any population or surface development. Similar to oil and gas operations near the cities of Ojai, Ventura, Fillmore, Santa Paula and Simi Valley, the intent and focus of the proposed project is to tap subsurface petroleum resources at a specific location.

Land use regulations and laws (such as the Non-Coastal Zoning Ordinance and CEQA) account for access to fixed-in-place, finite natural resources such as aggregate minerals and oil and gas deposits. For example, the necessity for mineral extraction projects to be located in a certain area is recognized in CEQA, even if such a project would have a significant effect on the environment. Section 15126.6(f)(2)(B) of the CEQA Guidelines recognizes that no feasible alternative locations may exist for a “mining project that must in close proximity to natural resources at a given location.”

The proposed addition of four new oil wells at an existing permitted oil and gas facility does not represent an unfair burdening of a community.

Based on the above discussion, this ground of appeal is without merit.

c. Staff Response to Issue 3: Violations of the NCZO

The Appellants have not identified any specific provision of the NCZO that would be violated with the approval of the proposed project. The facility would continue to be authorized by, and subject to, the terms and conditions of a CUP granted in accordance with NCZO requirements.

Section 8107-5.5 of the NCZO establishes guidelines for oil and gas development projects designed to minimize impacts on the environment. These include requiring development to minimize the area dedicated to oil and gas operations by

centralizing wells and utilizing directional drilling, sharing storage and processing facilities, and piping of gas to centralized collection facilities rather than being flared or having multiple collection and processing facilities. Of particular relevance here, are the oil and gas development guidelines in Sections 8107-5.5.4 and 8107-5.5.7 of the NCZO. These sections state as follows:

Section 8107-5.5.4

Permittees and operators should share facilities such as, but not limited to, permit areas, drill sites, access roads, storage, production and processing facilities and pipelines.

Section 8107-5.5.7

Gas from wells should be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and light sources. Oil should also be piped to centralized collection and processing facilities, in order to minimize land use conflicts and environmental degradation, and to promote visual quality.

As indicated above, the consolidation of oil, wastewater and gas storage and processing facilities at the Naumann facility for the oil and gas wells at both the Rosenmund and Naumann drill sites is encouraged by the provisions of the NCZO.

As required by the NCZO, a CUP can only be granted if the proposed project is in conformance with applicable goals and policies of the General Plan. In recognition of the unique nature and importance of oil and gas resources to the County, Goal No. 4 in Section 1.4.1 of the Ventura County General Plan states that the County will:

"promote utilization of mineral resources located close to urbanized areas before their extraction is precluded by urbanization."

Thus, the recovery of petroleum resources at a site such as the Naumann facility is encouraged by the County General Plan.

Based on the above discussion, this ground of appeal is without merit.

d. Staff Response to Issue 4: Violations of other federal, state, and local laws, regulations, procedures and policies

The Appellants have not identified any specific law or regulation that has been violated.

Based on the above discussion, this ground of the appeal is without merit.

e. Staff Response to Issue 5: Violations of due process

The Appellants have not identified the parties whose due process rights are alleged to have been violated and how these rights were violated. The processing of the subject application has met all standards of due process. The public hearing before the Planning Director was noticed in accordance with applicable regulations and provided a forum for public input on the project. The public hearing before your Commission has been similarly noticed in accordance with law and provides due process to the Applicant, Appellants and other parties interested in the proposed project.

Based on the above discussion, this ground of appeal is without merit.

E. ADDITIONAL PROJECT ANALYSIS

As of the date of this staff report, and since the Planning Director's decision of April 3, 2017, more than 325 new public comments have been received regarding the project. Of these, only four have expressed concerns about the proposed project. The first was a letter dated June 8, 2017 from Mr. Craig Helmstedter, Superintendent of the Ocean View School District (Exhibit 16). In this letter, concerns are expressed regarding a potential conflict between district school buses and tanker trucks which use the same roads. The letter also expresses concerns regarding potential air quality impacts, and the potential health and safety impacts of siting a production facility near to schools. The second public comment letter was received on July 26, 2017 from the City Council of the City of Oxnard. This letter requests that the Commission carefully consider the health and safety of Oxnard residents in making its final decision. The third and fourth comments (one letter and one telephone call) expressed general opposition to the project.

The aspects of the project that would potentially affect school bus operations or residential uses in the City of Oxnard are tanker truck traffic required to transport produced fluids from the Naumann facility and the emissions of air pollutants associated with oil and gas production and flaring. These issues are addressed below.

More than 300 additional letters have been received in support of the project. The authors of these letters urge the Commission to approve the project and to reject the appeal.

1. Clarification of Truck Traffic Analysis:

Revisions to Baseline Information

During the course of the additional project review conducted for this appeal, County staff determined that the County's previous analyses *overstated* the traffic

impacts of the proposed project. The County's previous traffic analysis stated that the existing permit (CUP LU05-0086) limits truck traffic to 4 one-way truck trips (2 truckloads) per day, and stated that the proposed project would increase this existing limit to 20 one-way trips (10 truckloads) per day. The County's statement regarding the 4 one-way truck trip limit was derived from Condition A-19 of CUP LU05-0086, which states as follows:

*"...Except under emergency circumstances, as determined by the Planning Director, no more than two (2) equivalent round-trip tanker truck trips per day shall be permitted to haul oil and waste products generated from an area under an oil permit **through residential streets** unless the Planning Director authorized additional trips."*
[emphasis added]

Condition A-19 is part of a previously imposed standardized set of conditions that were placed on all oil and gas projects beginning in 1996. Note that this condition does not limit the total number of allowable truck trips to and from the facility, only the number of daily truck trips that may go "through residential streets."

The subject facility is located in a rural area that lies about 1,600 feet east of the City of Oxnard. No roads that would be utilized by project-related trucks to reach roadways included in the Regional Road Network are residential streets. Only Dodge Road, located west of the site in the City of Oxnard, adjoins a residential neighborhood (the Oxnard Pacific Mobile Estates mobile home park). Neither the primary access road to this mobile home park nor any residential driveways in this park connect to Dodge Road.

County staff compiled fluid production data available from DOGGR for the nine oil wells connected to the Naumann facility for the five-year period from 2010-2014 (Exhibit 11a). This data was used in combination with actual truck trip data provided by the Applicant for a one-year period in 2013-14 (Exhibit 11b) to calculate the historic volume of truck traffic emanating from the Naumann facility. During the 5-year period evaluated, truck traffic averaged 4.9 one-way truck trips (2.45 truckloads) per day. This truck traffic volume represents the existing setting or baseline condition from which impacts are assessed under CEQA.

Based on the historic volume of truck traffic for the existing 9 wells, the proposed addition of 4 new wells at the Naumann facility is estimated to result in an increase in truck traffic of 2.18 one-way trips (1.1 truckloads) per day (4.9 trips/9 wells x 4 wells = 2.18 trips). This daily increase in truck traffic is substantially less than the 16 one-way truck trip increase stated in the previous analysis. The minor increase in average truck traffic volume, from 4.9 one-way truck trips (2.45 truckloads) to 7.08 one-way truck trips (3.55 truckloads) associated with the proposed project would not have a substantial effect on traffic circulation or safety in the project vicinity.

Similarly, the peak monthly average for truck traffic during the 5-year period of record was 9.8 one-way trips (4.9 truckloads) per day achieved in October and November of 2010. Thus, the peak number of truck trips that would be expected with the addition of the proposed 4 new wells at the Naumann site would be 4.4 one-way trips (2.2 truckloads) per day ($9.8 \text{ trips/9 wells} \times 4 \text{ wells} = 4.4 \text{ trips}$). This minor increase in traffic volume would not result in a significant impact on traffic circulation or safety in the project vicinity.

County staff understands that the Ocean View School District currently operates a total of six 40-foot buses and two vans that travel along eight different bus routes throughout the day. Several of these buses utilize Etting Road, which is one of the main connector roads in the area.

With the implementation of the requested modified permit, produced fluid transport will be limited to no more than 2 truckloads (4 one-way truck trips) per day during peak traffic times (6-8 a.m. and 4-6 p.m., Monday-Friday) to minimize potential conflicts with other traffic. Additionally, tanker trucking hours and days will expand from 7:30 a.m. to 6:30 p.m., Monday through Saturday to 24 hours a day, seven days a week. This will allow trucking to extend throughout the evening hours rather than being narrowly concentrated during the same timeframe most other traffic, including school buses, are on the roads.

Truck Traffic Studies

In 2008, the Southern California Association of Governments (SCAG) and the Cities of Port Hueneme and Oxnard commissioned a Truck Traffic Study to analyze existing traffic conditions in the Hueneme/Oxnard area, and to identify impacts and congestion generated by truck trips traveling on local arterial roadways (Exhibit 13, Cities of Port Hueneme/Oxnard Truck Traffic Study, June 2008).

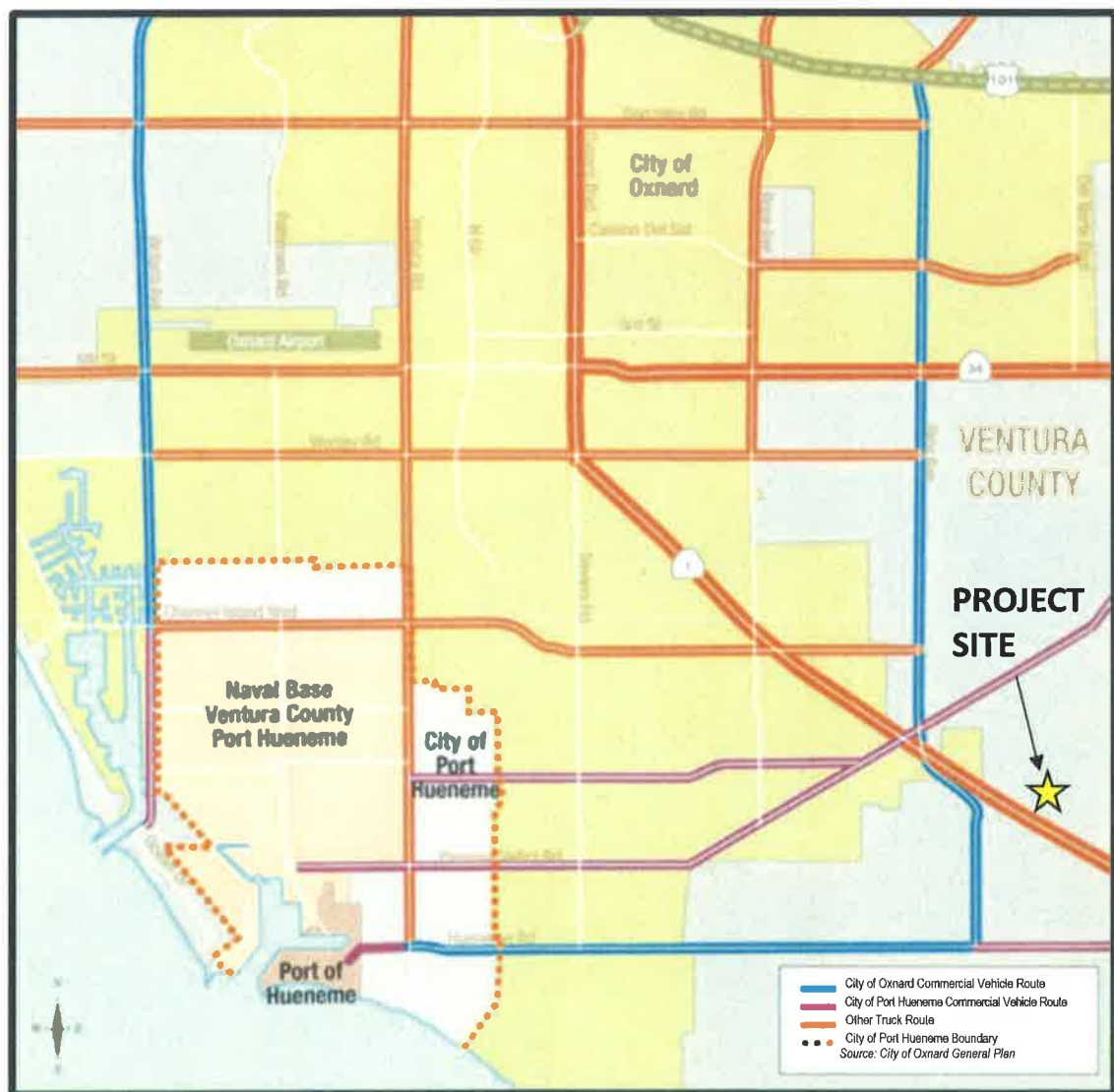
The report identifies Port of Hueneme as one of California's busiest seaports for general cargo. For example, during the 2015 fiscal year, the Port handled over 1.5 million metric tons of cargo, comprised mostly of agricultural (e.g., bananas) and automobile imports/exports. As discussed in the 2008 report, the City of Oxnard originally grew around Oxnard Boulevard with this roadway serving as State Route 1 (SR 1). As development continued, it became progressively less desirable to have heavy truck traffic directed through the middle of the City.

Rice Avenue is now the designated route for trucks heading to and from the Port of Hueneme and through the City of Oxnard. Regional access to the Port of Hueneme is currently provided by US 101, SR 126 and SR 1. Local access direct to the port is provided by Hueneme Road and Rice Avenue. Both of these

roadways are designated by the City of Oxnard as preferred “port-related” trucking access routes in its 2030 General Plan.

Figure 4 (below) shows that three of the recognized/preferred truck routes for the area - including SR 1, Pleasant Valley Road, and Rice Road - intersect about one mile west of the project site. The information in this figure has been adapted within other planning documents, including the Ventura County Congestion Management Plan (2009), and, most recently, the Public Review Draft of the Transportation and Mobility Element of the 2040 Ventura County General Plan update (2017).

Figure 4 – Port Hueneme/Oxnard Commercial Trucking Routes



Source: Adapted from Figure 3-2 of the Cities of Port Hueneme and Oxnard Truck Traffic Study, 2008

Recommendations included in the 2008 report include:

"Continue to emphasize the use of Port Hueneme Road/Hueneme Road and Rice Ave as the primary truck access corridors to the Port of Hueneme..."

"Additional steps (should) be taken by the cities to work with local distribution, agriculture, and industrial uses to encourage these businesses to utilize these roadways to the extent feasible for their operations."

Truck traffic associated with the proposed project will likely utilize Rice Ave. or Pleasant Valley Road to access the US 101 corridor. Due to this corridor's significant role in freight movement throughout the region, the Ventura County Transportation Commission has nominated Rice Avenue for inclusion in the National Freight Network. The use of Rice Road as a connector to US 101 is further supported by the SR 1 interchange improvements that were completed in 2012 which realigned SR 1 to Rice Avenue.

One of the goals of the new Rice Avenue interchange was to better establish Rice as the main connector between Highway 101 and Pacific Coast Highway to the south.

Rice Avenue is currently (2015) a four-lane roadway that carries a volume of approximately 35,000 average daily trips (ADT). Oxnard and the State are in the process of transferring Rice Avenue to CalTrans and designating it as State Highway 1. In 2014, Oxnard's relinquishment of Oxnard Blvd as the historic SR 1 route through the area was a first step towards re-designation and use of Rice Avenue as State Highway 1.

Table 1 – Daily Traffic Counts for Area Roadways, 2008

Roadway	Location	ADT (vehicles/day) Total	Truck ADT (vehicles/day) Total	Percentage of Heavy Trucks
Rice Ave	Between Hueneme Rd and 5 th St	29,190	1,930	6.6%
Rice Ave	North of 5 th St	28,610	2,187	7.6%
Hueneme Rd	Between Ventura Rd. and Saviers Rd	14,190	719	5.1%
Hueneme Rd	Between Saviers Rd and Rice Ave	13,512	975	7.2%

Source: Daily traffic counts collected on 1/15/2008. Adapted from Table 3-2 of the Cities of Port Hueneme and Oxnard Truck Traffic Study, 2008

Notes: Heavy trucks are vehicles of Class 7 through Class 13.

As indicated above for 2008, approximately 30,000 vehicles trips, including approximately 2,000 heavy truck trips, occur each day on Rice Avenue in the vicinity of the proposed project. Additional heavy trucks trips also occur on Pleasant Valley Road and State Highway 1. By comparison, the increase in truck traffic that would result from implementation of the proposed project would be only 2.2 one-way truck trips per day. This 0.1 percent increase in truck traffic (and 0.007 percent increase in overall traffic) would not have a significant effect on traffic circulation or safety (including for school buses) in the project vicinity.

Accident Data

Traffic safety data for the public roadways located in the vicinity of the proposed project for the 2006-2016 period was reviewed (Exhibit 12). These roadways included Etting Road, Dodge Road, Haile Road, Pleasant Valley Road, and Rice Avenue. A total of 254 accidents/collisions occurred over the study period. No accidents were reported to involve a tanker truck.

Of the 254 accidents, there were 85 (33%) rear-end accidents, 72 (28%) accidents involving hit objects (typically single-car accidents), 45 (18%) that were broadside accidents, and 27 (11%) that were sideswipes.

The major causes of accidents were reported as unsafe speed [94 (37%)] and improper turning [61 (24%)].

A total of 88 (35%) accidents involving injuries occurred with 6 (2%) involving fatalities.

Peak times for accidents to occur tracked typical peak commute traffic times: the highest periods were from 6 a.m. to 8 a.m. (53 accidents), and from 4 p.m. to 6 p.m. (37 accidents). Accident rates were more than halved after 6 p.m., and remained low until 6 a.m. The authorization for trucking to occur on a 24-hour basis will allow fluid transport to take place during evening and early morning hours when accident rates are low.

Similarly, substantially fewer accidents (approximately 9%) occurred on weekends (Saturday and Sunday). The accident rate for Tuesdays through Thursday was nearly double (17%) that of the weekends. Expansion of trucking times to seven days a week would allow for trucking to occur when accident rates are lowest.

The majority of accidents (66 [24%]) over the 10-year study period occurred on the segment of Pleasant Valley Rd. between Dodge and Hailes Rd. The accident rate here is more than double that of the adjacent road segments, which are of comparable lengths. Two factors appear to contribute to the substantially higher rate along this segment:

- 1) the loss of a lane as you head eastbound from Dodge Road, and
- 2) the uncontrolled driveways/turn-ins for the Sun Valley Group which are located approximately midway along this section of road.

Most accidents along this segment of road involved Eastbound traffic, and were rear-end collisions attributed to unsafe speeds/turns. This section of Pleasant Valley Road (south of 5th Street) has a 2015 traffic volume of 15,900 ADT and currently operates at a Level of Service of D.

Based on the new analysis of project-related traffic, the erroneous reference to an existing, permitted limit of 2 truckloads per day has been removed from the project description, and the Traffic Impact Mitigation Fee (TIMF) included in Condition of Approval No. 38 has been recalculated to reflect the estimated average increase in truck traffic volume of 2.18 one-way trips per day.

Additionally, County staff does not now recommend the inclusion of the applicant's proposal to prohibit the use of Dodge Road by project-related truck traffic. The Applicant proposed this restriction in response to public comment received at the February 23, 2017 Planning Director hearing.

At the public hearing, concerns were expressed regarding potential adverse effects on the residents of the Oxnard Pacific Mobile Estates mobile home park located on the west side of Dodge Road. However, the additional analysis completed by staff indicates that the truck traffic (2.2 one-way truck trips per day) that would result from implementation of the proposed project is negligible compared to the existing 30,000 vehicles per day (including 2,000 trucks) that currently pass by the mobile home park on other nearby roadways. Additionally, the Dodge Road/Pleasant Valley Road intersection is signalized, has dedicated turning lanes, and has better sight distance than the alternative connection (Hailes Road) to Pleasant Valley Road. Thus, Dodge Road is the safest and most direct route for project-related trucks to reach the Regional Road Network.

2. Additional Information Pertaining to Air Quality:

Disposition of Produced Gas:

As stated in Section A.6.b of this staff report, the subject Naumann facility is connected to a pipeline included in the Southern California Gas Company (SCGC) distribution system. Currently, gas produced from the Naumann No. 1 well, as well as gas conveyed to the project site from the Rosenmund facility, are processed at the Naumann facility and sold into the SCGC pipeline. Gas that does not meet the quality standards set by SCGC is flared at the Naumann facility. Over the past decade, approximately 90 percent of the gas produced from the wells at the two sites has been sold to the SCGC for use by the residential and industrial customers

of the SCGC. The remaining 10 percent of the gas has been flared. Recipients of the gas produced from these two sites include residents of the City of Oxnard and surrounding area. *(Note: The gas sold to the SCGC for consumptive use conserves energy and proportionately reduces air pollutant emissions from the level that would be emitted if all the produced gas were flared.)*

The sale of produced gas to the SCGC is a feature of the project encouraged by the NCZO. Section 8107-5.5.7 of the NCZO states, in relevant part, as follows:

Section 8107-5.5.7

Gas from wells should be piped to centralized collection and processing facilities, rather than being flared, to preserve energy resources and air quality, and to reduce fire hazards and light sources.

The Naumann facility serves as a centralized collection and processing facility that conveys gas to a utility system for residential and industrial use.

As indicated in the MND Addendum (Exhibit 4a), oil wells and flares are subject to permits issued by the Ventura County Air Pollution Control District (APCD). Pursuant to County General Plan policy and the Air Quality Assessment Guidelines adopted by the Ventura County Board of Supervisors, the emissions generated by APCD-permitted facilities do not count toward the 25 pounds per day threshold of significance established for impacts on air quality. Thus, the impacts of the proposed project on air quality are less than significant.

Health Risk Assessment:

The potential for adverse health effects on the citizens of the City of Oxnard and others residing in the vicinity of the proposed project due to project-related emissions was evaluated by the Ventura County Air Pollution Control District (APCD). An August 17, 2017 memorandum prepared by the APCD is attached to this staff report as Exhibit 14. This memorandum includes an assessment of the potential health risk from truck exhaust emissions and the emissions from oil field equipment. This memorandum concludes that *“the subject Renaissance Petroleum project will not cause a significant human health risk from air toxic emissions in the area.”*

F. APPELLANTS' RECOMMENDED ACTIONS

The Appellants request that the Planning Commission uphold the appeal and deny the project.

The Appellants further request that any further consideration of the proposed project application require the Planning Division to prepare an EIR that analyzes and mitigates all direct, indirect and cumulative impacts of the project to the nearby

minority and low-income housing neighborhood, the general public, and the surrounding agricultural land, including those impacts from the following:

- The proposed change of the Rosenmund drill pad for use as an injection well for production waste from the Naumann drill pad;
- The proposed change of the gathering pipeline for transporting crude oil from a total of 15 oil wells located on the Rosenmund drill pad to the Naumann drill pad;
- The proposed change to the Naumann drill pad from a processing facility for only one oil well to a processing facility for 19 oil wells; and
- The approval of the Naumann drill pad as the production facility for the entire “newly-developing” Cabrillo Oilfield.

Staff Response to the Requested Actions:

The Appellants’ request that an EIR be prepared is made without presenting any substantial evidence of a new, potentially significant impact or change in circumstances that would meet the criteria specified in CEQA Guidelines Section 15162 that require the preparation of an EIR. The following sections of the CEQA Guidelines describe the need for and definition of “substantial evidence.”

Section 15064(f)(4):

The existence of a public controversy over the environmental effects of a project will not require preparation of an EIR if there is no substantial evidence before the agency that the project may have a significant effect on the environment.

Section 15064(f)(5):

Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

The Naumann facility is currently permitted to serve as a consolidated production facility for wells tapping into the Cabrillo oil field, including processing of oil, wastewater and gas for up to 16 wells (1 existing well at the Naumann site and up to 15 wells at the Rosenmund site).

No change in the Rosenmund facility has been proposed. Wastewater injection is already authorized at the Rosenmund facility, and its operations are permitted until the year 2032. The 15 oil wells (8 existing and 7 future) authorized by CUP 5252 at the Rosenmund drill site are not currently under review by the County. Note that the evaluation of project-related truck traffic included in Exhibit 11 discloses the cumulative truck traffic for the Rosenmund and Nauman facilities.

The proposed project involves only the addition of 4 new wells at the Naumann drill site.

G. APPEAL FEES

Pursuant to the current Board of Supervisors-adopted Planning Division Fee Schedule, if any appeal is fully upheld, all fees paid by the Appellants shall be refunded. If the appeal is upheld in part, the decision-making body hearing the appeal shall determine at the time the decision is rendered what portion of the appeal charges should be refunded to the Appellants. Therefore, should your Commission uphold this appeal in part, your actions must include a determination regarding the appropriate refund to the Appellants, if any.

H. PLANNING COMMISSION HEARING NOTICE AND PUBLIC COMMENTS

The Planning Division provided public notice of the Planning Commission hearing in accordance with the Government Code (§65091) and NCZO (§8111-3.1 et seq.). The Planning Division mailed notice to owners of property within 1000 feet of the subject project site and placed a legal ad in the Ventura County Star. Additional noticing was provided to the cities of Oxnard, Camarillo and Port Hueneme, as well as two nearby mobile home parks: Silver Wheel Mobile Home Park and the Oxnard Pacific Estates Mobile Home Park.

As stated previously, more than 325 new public comments have been received regarding the project since the Planning Director's action of April 3, 2017. Of these, only four have expressed concerns about the proposed project. The first was a letter dated June 8, 2017 from Mr. Craig Helmstedter, Superintendent of the Ocean View School District (Exhibit 16). In this letter, concerns are expressed regarding a potential conflict between district school buses and tanker trucks which use the same roads. The letter also expresses concerns regarding potential air quality impacts, and the potential health and safety impacts of siting a production facility near to schools. The second public comment letter was received on July 26, 2017 from the City Council of the City of Oxnard. This letter requests that the Commission carefully consider the health and safety of Oxnard residents in making its final decision. The third and fourth comments (one letter and one telephone call) expressed general opposition to the project. The issues raised in these letters are addressed in Section E of this staff report.

I. RECOMMENDED ACTIONS

Based on the information provided above, the Planning Division recommends that the Planning Commission take the following actions:

1. **CERTIFY** that the Planning Commission has reviewed and considered this staff report and all exhibits thereto, including the Mitigated Negative Declaration (MND) (Exhibit 4b) and Addendum thereto (Exhibit 4a), and has considered all comments received during the public comment process;
2. **APPROVE** the MND Addendum (Exhibit 4a) as satisfying the environmental review requirements of CEQA;
3. **MAKE** the required findings to grant the requested modified CUP pursuant to Section 8111-1.2.1.1 of the NCZO based on the substantial evidence presented in Section E of the Planning Director staff report (Exhibit 1) and the entire record;
4. **GRANT** the requested modified CUP subject to the revised conditions of approval included in Exhibit 15;
5. **DENY** the appeal in its entirety and decline to refund any appeal fees; and,
6. **DESIGNATE** the Planning Division as the custodian of the documents pertaining to the above-stated decisions, and that the location of those documents shall be in the Planning Division files.

The decision of the Planning Commission is final unless appealed to the Board of Supervisors within 10 calendar days after the permit has been approved, conditionally approved, or denied (or on the following workday if the 10th day falls on a weekend or holiday). Any aggrieved person may file an appeal of the decision with the Planning Division. The Planning Division shall then set a hearing date before the Board of Supervisors to review the matter at the earliest convenient date.

If you have any questions concerning the information presented above, please contact Bonnie K. Luke at (805) 654-5193 or bonnie.luke@ventura.org or Brian R. Baca at (805) 654-5192 or brian.baca@ventura.org.

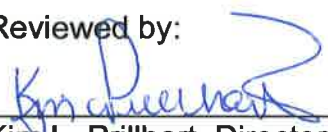
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Reviewed by:


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Reviewed by:


Kim L. Prillhart, Director
Ventura County Planning Division

EXHIBITS

- Exhibit 1 – Planning Director staff report for the 2-23-17 hearing
- Exhibit 2 – Location Map
- Exhibit 3 – Site Plans
- Exhibit 4 – Environmental Documents
 - a. MND Addendum
 - b. Mitigated Negative Declaration
- Exhibit 5 – Draft Conditions of Approval
- Exhibit 6 – Letters Submitted in Favor of Project at Time of Noticing for Previously Scheduled Hearing
- Exhibit 7 – Pipeline Feasibility Analysis
- Exhibit 8 – Existing Gathering Pipelines
- Exhibit 9 – 4-3-17 Planning Director decision documents
- Exhibit 10 – Appeal form
- Exhibit 11 – Truck traffic analysis
 - a. Truck traffic analysis based on DOGGR production records for 2010-2014
 - b. 2013-2014 Truck trip data for Renaissance Petroleum
- Exhibit 12 – Traffic Collision Summary Reports for 2006-2016
- Exhibit 13 – Cities of Port Hueneme/Oxnard Truck Traffic Study, June 2008
- Exhibit 14 – 8-17-17 APCD Memorandum on Health Risk
- Exhibit 15 – Revised Conditions of Approval
- Exhibit 16 – Additional Public Comments