

county of ventura

October 20, 2015

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: De Novo Hearing to Consider the Granting of a Modified Conditional Use Permit and Approval of an Addendum to Environmental Impact Reports pursuant to the California Environmental Quality Act (CEQA) to Authorize the Continued Use of 17 Existing Oil and Gas Wells and Associated Facilities and the Installation and Operation of 19 New Oil and Gas Wells over a 30-year Period (Planning Division Case No. PL13-0150); Consideration of a Related Appeal of the Planning Commission's Decision Regarding the Same Matter; Supervisorial District No. 1.

RECOMMENDED ACTIONS:

1. **CERTIFY** that your Board has reviewed this letter and all exhibits hereto, including but not limited to the Environmental Impact Reports certified by the County in 1978 and 1984 (Exhibit 4c), and has considered all public comments and materials received during the public comment process and the hearing on this matter;
2. **FIND**, based on the whole of the record before your Board, including the Environmental Impact Report (EIR) Addendum (Exhibit 4d) and any comments received thereto, that the EIR Addendum is the correct document to satisfy CEQA's environmental review requirement, and that no subsequent or supplement EIR is required for the proposed project pursuant to CEQA Guidelines sections 15162 through 15164;
3. **APPROVE** the EIR Addendum (Exhibit 4d) prepared for the proposed project;
4. **MAKE** the required findings to grant the requested Conditional Use Permit pursuant to Section 8111-1.2.1.1 of the Ventura County Non-Coastal Zoning Ordinance (NCZO) based on the substantial evidence presented in Section E of the Planning Director staff report (Exhibit 4b) for the January 8, 2015 hearing and the entire record;
5. **GRANT** Conditional Use Permit No. PL13-0150, subject to the conditions of approval as imposed by the Planning Commission (Exhibit 1c);
6. **DENY** the appeal (Case No. PL13-0150) in its entirety, and thus, decline to refund any portion of the appeal fee; and



7. **SPECIFY** that the Clerk of the Board of Supervisors is the custodian, and 800 S. Victoria Avenue, Ventura, CA 93009 is the location, of the documents and materials that constitute the record of proceedings upon which the foregoing decisions are based.

FISCAL/MANDATES IMPACT AND APPEAL FEES

The Appellants have submitted a \$1,000 appeal fee deposit for each of two separate appeal forms pursuant to the Board-adopted Planning Division Fee Schedule for the subject appeal hearing before your Board. The Applicant is responsible for an additional \$1,000 of the Planning Division's costs to process the subject appeal. If the appeal is granted by your Board in whole, the total of \$2,000 in appeal fees must be refunded to the Appellants. If the appeal is granted in part, your Board must determine at the time the decision is rendered what portion of the \$2,000 appeal charges should be refunded to the Appellants. Therefore, should your Board grant this appeal in part, your actions must include a determination regarding the appropriate refund to the Appellants.

County costs in excess of the appeal fees received from Appellants and Applicant will be funded out of the Planning Division FY 2015-16 budget. To date, the County cost to process the appeals of the Planning Director and Planning Commission decisions to approve the proposed project is \$46,708. The Appellants are responsible for \$4,000 of these County costs. The Applicant is responsible for \$2,000 of these costs. Thus, the net cost to the County to process these appeals is \$40,708.

A. DISCUSSION OF DE NOVO HEARING TO CONSIDER CASE NO. PL13-0150

1. Standard of Review and Authority of Your Board

This land use matter comes before your Board as an appeal of the Planning Commission's June 11, 2015 decision to grant a conditional use permit (CUP) with a 30-year term and approve an EIR Addendum to authorize the continued operation of, and the installation of 19 new wells at, an existing oil and gas production facility in the OS-160 Zone (Exhibit 2) operated by the California Resources Corporation (CRC or Applicant). The appeals (Exhibit 7) were filed on June 22, 2015 by representatives of Citizens for Responsible Oil and Gas (CFROG), the Los Padres Forest Watch (LPFW), and the Center for Biological Diversity (CBD) (collectively, Appellants).

Under the NCZO, the Applicant's request for a CUP, and the related consideration of the EIR Addendum prepared for the proposed project pursuant to CEQA, come to your Board for a hearing *de novo*, or anew. This means your Board is required to conduct a public hearing on the requested land use entitlement and CEQA document just as if the matter came to your Board in the first instance pursuant to § 8111-4 et seq. of the NCZO. In this regard, your Board has the authority to approve, deny, or approve with modifications the

requested land use entitlement.

Your Board is not required to give any deference to the Planning Commission's findings or decision regarding the proposed project, or to the above-stated recommendations. Of course, your Board is free to make the same findings and decisions as the Planning Commission if, based on your independent judgment, your Board finds them to be persuasive and supported by substantial evidence in the record. While your Board should consider the appeal points raised by the Appellant, your Board is not limited by them. Whether or not the appeal should be granted is a consequence of your Board's final decision on the merits of the land use entitlement request, and not on the merits of the appeal points.

2. Law Governing Decision

Pursuant to Sections 8105-4 and 8111-1.2.1.1 of the NCZO, the proposed oil and gas facility project is allowed in the Open Space zone where the subject property is located with the granting of a CUP.

In order to grant the requested CUP, your Board 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 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 [§ 8111-1.2.1.1.a].
2. The proposed development is compatible with the character of surrounding, legally established development [§ 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 [§ 8111-1.2.1.1.c].
4. The proposed development would not be detrimental to the public interest, health, safety, convenience, or welfare [§ 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 [§ 8111-1.2.1.1.e].
6. The proposed development will occur on a legal lot [§ 8111-1.2.1.1.f].

An action by your Board to grant the requested CUP (as may be amended by your Board) would also require that your Board approve the EIR Addendum (Exhibit 4d) prepared for the proposed project as satisfying the environmental review requirements of CEQA. (See

Section B3 below for discussion of the environmental review of the proposed project.)

B. BACKGROUND

1. Proposed Project

The Applicant requests that a modified CUP be granted to authorize the continued operation of, and the installation of new wells at, an existing oil and gas production facility located in the Ojai Oil Field for a period of 30 years. The proposed project includes the following components:

- a. The drilling, testing, reworking, maintenance and placement into production of 19 new oil and gas wells on four existing drilling pads (Drill Sites Nos. 1, 2, 3 and 7).
- b. The continued operation of 17 existing oil and gas wells located on four existing drilling pads (Drill Sites Nos. 1, 2, 3 and 7). This operation includes well testing, reworking, maintenance and production activities.
- c. Separation of natural gas and produced water from crude oil;
- d. Processing activities required for wastewater injection well operations;
- e. Operation of existing equipment associated with the storage, processing, and transportation of oil, gas, and wastewater (brine); and
- f. Continued maintenance vehicle trips of 2 per day (4 one-way trips) from Monday through Saturday.

The location of the existing and proposed wells and the associated equipment located in the CUP area used to process, store and transport produced fluids is illustrated on Attachment 2 of the EIR Addendum (Exhibit 4d).

The proposed project does not include any new grading or removal of vegetation. All proposed new wells will be drilled on the existing drill pads (Drill Site Nos. 1, 2, 3 and 7; Exhibit 3). The existing oil facilities are accessed by a private gated road connected to State Highway 150 just east of Thomas Aquinas College. In addition to the onsite equipment located on the existing drilling pads, the facility is connected to existing pipelines that are used to transport produced fluids to an offsite facility for separation, storage and transport to market. No new pipelines for the conveyance of produced fluids to the offsite facilities are proposed. Pumping units, gathering lines, electrical connections, produced fluid tanks and ancillary equipment will continue to be used for the operation of the facility.

Fluids produced from the project wells are conveyed by an existing pipeline to the Hamp Lease located west of the site. Existing consolidated facilities at the Hamp Lease are used to separate the oil, gas and wastewater. The water is disposed of by injection into an existing and approved injection well on the Hamp Lease. The

separated gas is conveyed by existing pipeline to the Shiells Canyon Plant and then conveyed by pipeline to the Santa Clara Valley Plant where it is ultimately conveyed into a Southern California Gas pipeline. Separated oil is shipped to market through an existing pipeline connected to the Crimson pipeline system. In summary, all of the oil and gas produced at the project site is conveyed to market by existing pipelines.

In the event of an interruption of pipeline service, produced fluids would be temporarily delivered to market by truck subject to the limitations specified in the recommended conditions of approval for the requested CUP (Exhibit 4e, Condition Nos. 38 and 43).

The existing equipment on the Drill Site No. 1 pad includes the following:

- Two crude oil LACT tanks (1,000 barrel capacity each)
- Two produced water tanks (1,000 barrel capacity each)
- One produced water tank (300 barrel capacity)
- One heater treater
- One vapor recovery compressor (electric)
- One gas dehydration unit
- One water filtration unit (includes backwash filter)
- One water reinjection pump
- Two 64 square foot covered sumps (approximately 300 barrel capacity each)
- One storage tank (approximately 150 barrel capacity)
- Five rod pumping units
- Eight oil and gas wells: Barker Ferndale 1, 2, 3, 4, 5, 6, Valex Ferndale 107 and 110

(Note: Some of the above-listed storage tanks and associated equipment are not in service at this time as production facilities have been consolidated on the nearby Hamp Lease. The County Planning Division is working with the operator to identify equipment to be removed from the site.)

The existing equipment on the Drill Site No. 2 pad includes the following:

- Three rod pumping units
- Four oil and gas wells: Valex Ferndale 209, 211, 214, 215

The existing equipment on the Drill Site No. 3 pad includes the following:

- One rod pumping unit

- Two oil and gas wells: Valex Ferndale 313, and Ferndale 8

The existing equipment on the Drill Site No. 7 pad includes the following:

- Two rod pumping units
- Three oil and gas wells: Ferndale 712, 716, and 717

The project site plans (Exhibit 3) illustrate the arrangement of equipment on the existing pads.

Hydraulic fracturing or acid well stimulation techniques subject to the regulations set forth in Section 3157 of the Public Resources Code for the implementation of California Senate Bill 4 (Pavley, Chapter 313, Statutes of 2013) are not included in the proposed project and would not be authorized by the requested permit. Any such well stimulation activity would require additional environmental review, County approval of a modification to the proposed project's CUP, and a public hearing.

2. History

The existing oil and gas facilities on the subject property (the Ferndale Lease) were installed under the authority of CUP 3344. Listed below are various permit actions taken by the County that involve these oil and gas facilities:

- In 1971, the Planning Commission granted CUP 3344 for oil exploration and production. CUP 3344 was granted to authorize one well, and authorized the Planning Director to authorize additional wells.
- In 1973, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 1) to authorize one additional well (for a total of two wells).
- In 1976, the Planning Commission granted a modification of CUP 3344 (CUP 3344 Mod 2) to drill four additional wells (for a total of six wells).
- In 1978, the Planning Commission granted a modification of CUP 3344 (CUP 3344 Mod 3) to drill 30 additional wells (for a total of 36 wells).
- In 1980, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 4) for a time extension to the requirement to install a pipeline.
- In 1980, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 5) to transfer the location of one of the permitted wells.

- In 1981, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 6) to transfer the location of one of the permitted wells.
- In 1982, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 7) to authorize an oil pipeline route and modify the requirement to install a pipeline.
- In 1982, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 9) to transfer the location of two of the permitted wells.
- In 1982, the Permittee submitted an application for a modification of CUP 3344 (CUP Mod 10) to authorize a new access road. The proposed project was incorporated into the pending application (CUP 3344 Mod 8), and CUP Mod 10 was withdrawn.
- In 1983, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 11) to authorize the installation of a gas pipeline.
- In 1985, the Board of Supervisors approved a modification of CUP 3344 (CUP 3344 Mod 8 and 9) to allow the continued use of 14 wells and 22 additional wells (for a total of 36 wells). The Board of Supervisors established an expiration date of February 7, 2015 for the CUP as a part of this modification.
- In 1989, the Planning Director granted a permit adjustment to CUP 3344 (CUP 3344 Mod 10) to authorize the continued use of 14 existing wells and 22 additional wells (for a total of 36 wells).
- In 1991, the Planning Director approved a modification of CUP 3344 (CUP 3344 Mod 12) to allow a time extension to the drilling phase of the permit.
- In 1997, the Planning Director granted a modification of CUP 3344 (CUP 3344 Mod 11) to extend the drilling period of the permitted wells. The drilling period expiration date was changed to October 29, 2011. CUP 3344 provides that extensions of the drilling period may be considered as part of any subsequent request for permit renewal.

3. Environmental Review

The environmental documents prepared for the existing oil and gas facility by the County of Ventura are listed in the following table.

Date	Decision-maker	Doc.	Discussion
July 6, 1978	Planning Commission	EIR	Environmental Impact Report (EIR) dated June 21, 1978 certified by the Planning Commission. This EIR evaluated the environmental impacts of the drilling of 30 additional oil wells from a total of five additional drill sites (for a total of 36 wells from six drill sites) and a product pipeline within the permit area.
July 9, 1985	Board of Supervisors	EIR	Environmental Impact Report (EIR) dated October 4, 1984 certified by the Board of Supervisors. This EIR evaluates the environmental impacts of the continued operation of 14 existing oil and gas wells, and the drilling of 22 additional wells for a total of 36 wells and related production equipment. The EIR also evaluated the impacts of additional grading to expand two drill pads and create a new drill pad, relocate the previously permitted oil wells, and modify the access to the oil facilities. This EIR incorporates a draft Mitigated Negative Declaration. <i>(The certification of this document was part of the action by the County to extend the authorized drilling period for 22 of the originally permitted wells that had not yet been drilled.)</i>
October 20, 2015	Board of Supervisors	EIR Addendum	An EIR Addendum (Exhibit 4d) has been prepared for the current proposal under review by your Board. <i>(This Addendum was previously considered and approved by the Planning Director and Planning Commission.)</i>

The 1978 and 1984 EIRs together comprise the "certified EIR" for the subject oil and gas facility. These documents are attached as Exhibit 4c.

The proposed project is comprised of the continued use of the existing oil and gas facilities, including the 17 existing oil and gas wells, and the drilling of the 19 previously authorized oil and gas wells, for a 30-year term. The 19 previously authorized wells were approved, but not installed within the time period for drilling specified in the permit. Since the time period for drilling the 19 previously authorized wells has expired, a modification of the permit is required for any drilling activities. The proposed project does not include any additional grading or expansion of the existing drill pads. No new significant environmental impacts that were not evaluated in the previous certified EIR have been identified that would result from the continued use of the existing permitted wells and associated facilities and the proposed drilling of the 19 previously-authorized wells. Furthermore, no environmental impacts identified as being "significant" in the certified EIR would be substantially increased as a result of the proposed project. Thus, no project changes or changed circumstances have been identified that warrant substantial changes to the certified EIR (Exhibit 4c).

The CEQA Guidelines [§ 15164(a)] state that the lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in the CEQA Guidelines (§ 15162) calling for the preparation of a subsequent EIR have occurred. The attached EIR Addendum (Exhibit 4d) includes a description of the changes or additions that are necessary to the EIR and a discussion of why the conditions described in the CEQA Guidelines which require the preparation of a subsequent EIR do not exist.

The Planning Division received seven letters of comment regarding the EIR Addendum during the review of the project by the Planning Director. The comments received and the Planning Division response to the comments are incorporated into the EIR Addendum (Exhibit 4d). The comments received regarding Project PL13-0150 did not contain substantial evidence of a new potentially significant environmental impact, or a substantial increase to the severity of a previously-identified significant impact. The comment letters, however, include recommendations that additional measures be imposed to minimize impacts on biological resources (specifically, the California condor). The conditions of approval were augmented to include the measures recommended by the U.S. Fish and Wildlife Service as Best Management Practices (BMPs) to address the potential presence of the California condor. These changes do not affect the conclusion that the impacts of the proposed project on the environment will be less than significant.

Based on the information provided in the EIR Addendum and in light of the whole record, staff recommends that the Board of Supervisors find there is no substantial evidence to warrant the preparation of a subsequent or supplemental EIR, that the Addendum to the EIR (Exhibit 4d) satisfies the environmental review requirements of CEQA, and that the Addendum reflects the Board's independent judgment and analysis.

4. Previous Hearings and Approvals by County Decision-Makers

a. Planning Director Hearing of January 8, 2015 and Decision of February 17, 2015

In accordance with Sections 8105-4 and 8111-1.2 et seq. of the NCZO, the Planning Director is the County's initial decision-making authority for the requested CUP. Following a January 8, 2015 public hearing, the Planning Director granted CUP PL13-0150 and approved the EIR Addendum for the proposed project on February 17, 2015. This decision was appealed to the Planning Commission on February 26, 2015 by CFROG and LPFW.

b. Planning Commission Hearing and Decision of June 11, 2015

On June 11, 2015, a *de novo* public hearing was held by the Planning Commission to consider the proposed project (Case No. PL13-0150) and the appeal of the Planning Director's decision filed by CFROG and LPFW. The Planning Commission heard approximately five and one-half hours of public testimony by staff, the Appellant, the Applicant and members of the public. Various documents (Exhibits 9 through 28) were submitted as part of the public testimony presented at the June 11, 2015 hearing.

After the public hearing was closed, Planning Division staff reviewed the public testimony received during the hearing and provided oral responses to the key points raised by the Appellants. These points were the same as expressed in the grounds of appeal discussed in Section D of this Board Agenda Letter. In summary, Planning Division staff and County Counsel did not identify any substantial evidence of a potentially significant environmental impact or an inconsistency of the proposed project with applicable laws and regulations in the public testimony provided to the Planning Commission. Planning Division staff recommended that the Planning Commission deny the appeal, approve the Addendum and grant the requested CUP with minor changes in the conditions of approval.

Following the close of the public hearing and deliberation, the Planning Commission voted unanimously (5-0) to incorporate the changes recommended by staff into the project, grant the requested CUP, approve the EIR Addendum and deny the appeal in its entirety. The changes recommended by staff and approved by the Commission included correction of a typographical error, incorporation of a County memorandum into the record, and clarification of language in Condition of Approval No. 7 to specifically reference the creek setback analysis prepared by County Planning Division and Public Works Agency staff.

On June 22, 2015, the Appellants appealed the Planning Commission's decision to your Board.

C. DISCUSSION REGARDING RECOMMENDED ACTIONS

Consistent with the previous staff recommendations (see Exhibit 1), the Planning Division recommends that your Board grant the requested CUP, approve the EIR Addendum (Exhibit 4d) and deny the appeal (Exhibit 7). These recommendations are based on staff's review and analysis of the proposed project and each of the comments on the project submitted by other government agencies and members of the public. In particular, a detailed response to each of the environmental issues raised in seven letters of comment and testimony from 10 speakers received at the January 8, 2015 Planning Director hearing was prepared by staff and incorporated into the EIR Addendum (Exhibit 4d) that was considered by the Planning Director and Planning Commission.

As indicated in Section B3 of this Board letter, two EIRs have been prepared and certified by the County for the subject oil and gas facility. These two EIRs evaluate the installation and use of the existing drilling pads and the drilling of a total of 36 oil wells (as is currently proposed). Of the total 36 wells, 17 have been drilled and 19 are proposed. Despite the existence of these two certified EIRs, many of the comments received on the proposed project (including those submitted by the Appellants) assert that another EIR must be prepared for the proposed project. These comments, however, do not identify or include any substantial evidence that the proposed project will have a significant effect on the environment.

The various informational items asserted by the Appellants and other commenters to constitute "substantial evidence" that the project may have a significant environmental effect are either not relevant to this project or otherwise do not constitute "substantial evidence" of a significant impact as defined in Section 15064(f)(5) of the CEQA Guidelines. Examples of such information are listed in the following table.

Information submitted	Why this information does not constitute "substantial evidence" of a project-related impact
There has been no evaluation of the pollutants the project will produce including greenhouse gas (GHG).	The project has been reviewed by the Ventura County Air Pollution Control District (VCAPCD). The VCAPCD did not identify any new significant impacts. The evaluation of GHG included in the EIR Addendum concludes that project-related emissions will be far below any threshold of significance for GHG emissions adopted by any air district in the state of California.
The proposed Drill Site No. 7 is located as close as 20 feet from the main bank of the	The proposed wells on Drill Site No. 7 will be located at least 100 feet from the top of

<p>Santa Paula Creek.</p>	<p>the bank of Santa Paula Creek, and will be in conformance with the setback standards of NCZO section 8107-5.6. (See memoranda from Engineering Geologist Brian R. Baca (CEG 1922) and the Public Works Agency regarding the evaluation of the continued use of Drill Site No. 7 for oil and gas activities, included with the EIR Addendum which is attached hereto as Exhibit 4d.)</p>
<p>The only environmental review of the continued operation of 17 oil and gas wells and the drilling of 19 new wells was done in the 1978 MND.</p>	<p>Two EIRs were prepared and certified by the County for the subject oil and gas facility. The 1978 Final Environmental Impact Report evaluated the drilling and production of up to 36 oil and gas wells. The 1985 EIR evaluated the creation of a new drilling pad (Drill Site No. 7) and various fluid transport alternatives. The environmental document considered by the Planning Director and Planning Commission, and under consideration by your Board, includes the two previously certified EIRs and the EIR Addendum prepared for the current application.</p>
<p>Impacts on the California condor will be significant.</p>	<p>All best management practices recommended by the U.S. Fish and Wildlife Service have been incorporated into the project. No evidence has been presented to the Planning Division of a condor's death or injury caused by the operation of oil production equipment at an oil field in Ventura County. The existing facilities at the CRC Ferndale Lease were examined by staff of the U.S. Fish and Wildlife Service (USFWS), the California Division of Oil and Gas and Geothermal Resources (DOGGR) and the County Planning Division on August 20, 2015. At this site visit, USFWS staff (Steve Kirkland) did not identify any conditions that constitute a significant hazard to the California condor.</p>
<p>Power lines can harm the condors.</p>	<p>There are no power lines included in the</p>

	proposed project.
The previous environmental documents have not looked at the cumulative impacts of field wide oil drilling.	The proposed project includes 19 oil and gas wells on four existing drilling pads. The project would not result in environmental effects that would make considerable contribution to any cumulative effects of oil field activities in the Ojai area. The project involves no trucking of produced fluids (i.e. no new traffic), substantial air pollutant emissions, significant water demand, or other activities that would combine with or affect the other oil operations. Cumulative impacts of oil and gas activities are adequately addressed in the certified EIRs prepared for the existing facility.
Hydraulic fracturing can cause impacts.	The proposed project does not include hydraulic fracturing.

As indicated above, staff has not identified substantial evidence of a significant impact that would constitute a basis under Section 15162 of the CEQA Guidelines to require the preparation of a third EIR for the continued operation of the subject oil and gas facility. The EIR Addendum is the appropriate document to satisfy the environmental review requirements of CEQA.

D. APPEAL OF PLANNING COMMISSION DECISION

On June 22, 2015, the Appellants (i.e. CFROG, LPFW and CBD) filed a timely appeal (Exhibit 7) of the Planning Commission’s decision to grant the requested CUP and approve the EIR Addendum.

Grounds of Appeal and staff analysis:

The grounds of appeal listed in the Appeal Forms (Exhibit 7) for your Board’s consideration are the same as the grounds of appeal (Exhibit 6) that were the subject of the June 11, 2015 appeal hearing before the Planning Commission. These grounds of appeal are listed below along with staff analysis.

CFROG Appeal Issue No. 1:

Two wells in the application are on the EPA list of wells being investigated for possible fresh water aquifer intrusion. The lead agency must do an analysis of the fresh water

basins involved in this project and ensure the public that our water sources are indeed protected.

Staff response:

The County Planning Division evaluated the potential for the proposed oil wells to have an adverse impact on groundwater resources. As indicated in the certified EIR and EIR Addendum, no significant impacts on groundwater resources have been identified that would result from the proposed project. The statement that "two wells in the application are on the EPA list of wells being investigated for possible fresh water aquifer intrusion" is either inaccurate or misleading. None of the existing 17 wells on the project site is an injection well that would be involved in the current investigations of Class II fluid injection into non-exempt aquifers. The 19 proposed wells do not exist and, thus, are not the subject of any investigation.

The recent investigations of wastewater injection practices do not involve wells that leaked, but rather wells specifically designed, and permitted by the California Division of Oil and Gas and Geothermal Resources (DOGGR), to inject into specific zones that contain water with a salt concentration (total dissolved solids) of less than 10,000 parts per million. Injection of wastewater into such zones requires an exemption to be granted by the United States Environmental Protection Agency (USEPA). This situation is unrelated to the proposed project.

In summary, this ground of appeal provides no evidence that the operation of the existing 17 oil wells has resulted in the degradation of water quality in freshwater aquifers or that the 19 proposed oil wells will result in the degradation of water quality in freshwater aquifers.

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

CFROG Appeal Issue No. 2:

There is no commercial waste water well in the Hamp area of the Silverthread oilfield. Therefore waste water from CUP PL13-0150 cannot be transported to that location.[sic] See Staff letter to Board of Supervisors, Jan. 27th, 2015 for clarification of private waste water well vs. commercial waste water wells. A commercial waste water well such as Hamp 72 also requires special approval from DOGGR.

Staff response:

The wastewater produced from the existing 17 wells on the project site (Ferndale Lease) is conveyed by pipeline to the Hamp Lease located to the west of Thomas Aquinas

College. At that location, the wastewater is injected into the Hamp 72 injection well. This well is permitted for Class II (wastewater) injection by DOGGR. The Hamp 72 well is not a "commercial" injection well as it only operates as an accessory facility to the oil and gas operations conducted by California Resources Corporation (CRC; formerly Vintage Petroleum). Pursuant to the NZCO, there is no prohibition or limitation on the use of DOGGR-permitted Class II injection wells by a single company that operates on multiple leases. Commercial use of the Hamp 72 injection well (i.e. the provision of wastewater disposal service to other operators) requires a CUP granted by the County. No CUP for such use has been requested or granted. Thus, wastewater from other operators is not authorized for injection in this well. The Appellant's statement that "wastewater from CUP PL13-0150 cannot be transported to that location" is incorrect. DOGGR has authorized the use of the Hamp 72 well for the injection of wastewater produced on the CRC Ferndale Lease.

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

CFROG Appeal Issue No. 3:

The inability to transfer waste water off site by pipeline would greatly increase tanker truck traffic which has not been analyzed.

Staff response:

There is no "inability to transfer waste water off site by pipeline" and truck transport of this fluid is not required nor proposed. The existing CUP allows only short-term truck transport of produced fluids in the event that the existing pipelines are temporarily out of service. Given this circumstance, the assertion that tanker truck traffic "would greatly increase" is unfounded.

As stated previously, the wastewater produced from the existing 17 wells on the project site (Ferndale Lease) is conveyed by pipeline to the Hamp Lease (CUP 325) located to the west of Thomas Aquinas College. At that location, the wastewater is injected into the Hamp 72 injection well.

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

CFROG Appeal Issue No. 4:

Drill pad #7 is in violation of the Non Coastal Zoning Ordinance as it is too close to a red line stream..[sic] No further wells can be legally placed on that drill pad. See Resources Policy 1.4.2-4.

Staff response:

Drill Pad #7, and the oil and gas equipment operated on this pad, are part of the oil and gas operation authorized by CUP 3344 as granted by the County. Thus, these facilities do not constitute a violation of the NCZO. Furthermore, the NCZO does not establish a specific setback distance from a stream for a "drill pad."

Section 8107-5.6 of the NCZO establishes setback standards for oil wells from stream channels. Depending on potential effects on flood hazards and biological resources, the required setback distance from a proposed oil well to the top of bank of a red line stream ranges from 50 to 300 feet. In the case of Drill Site No. 7, the required setback has been established at 100 feet. The adequacy of the 100-foot setback to address flood control interests is established in the February 10, 2015 memorandum prepared by Engineering Geologist Brian R. Baca (included in EIR Addendum, Exhibit 4d). The analysis presented in this memorandum has been reviewed and approved by the Ventura County Public Works Agency (see memorandum from the Public Works Agency included in the EIR Addendum, Exhibit 4d). The 100-foot distance meets the standard setback required to protect biological resources. All of the new wells proposed to be located on Drill Site No. 7 will be required to be a minimum of 100 feet from the creek bank.

In any case, the proposed project does not include any grading or expansion of the existing drill pads (Nos. 1, 2, 3, and 7) as no alteration of these pads is required to accommodate the proposed new wells.

Policy 1.4.2-4 of the Ventura County General Plan reads as follows:

Petroleum exploration and production shall comply with the requirements of the County Zoning Ordinance and standard conditions, and State laws and guidelines relating to oil and gas exploration and production.

As explained above, the proposed oil wells will be located in conformance with established creek setback standards. The proposed modified CUP would be granted in conformance with the NCZO, including the standard conditions for oil and gas projects set forth therein. The Appellant did not identify any State law with which the proposed project would be inconsistent. Similarly, Planning Division staff has not identified any state law or guideline that would preclude the installation of additional oil wells on an existing pad in an existing oil field.

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

CFROG Appeal Issue No. 5:

The authorization for drilling 19 new wells is expired and there have been numerous

extensions of time. Since Vintage Oil Company (Now CRC) did not renew its permit to drill 19 new wells after three extensions of time, and now finally the entire CUP is expired, the CEQA process should begin anew with a new EIR. [sic] Vintage has shown a lack of interest in the project and its furtherance and filed for a modification two years after the 1985 CUP had expired.

Staff response:

The expiration date of the CUP is different that the deadline to complete drilling specified in the CUP. Of the 36 wells previously authorized, only 17 were installed within the authorized drilling period. The authorization for the drilling of the other 19 has expired. Thus, the current application was filed by the facility operator (CRC) to drill the 19 previously-authorized wells. Any perceived past "lack of interest" by the oil operator is not relevant to the permitting or CEQA process.

A certified or adopted CEQA document, such as the certified EIR for the subject oil and gas operation, does not "expire" with the passage of time or changes in the permitting status of a project. Such a document remains valid and adequate for environmental review purposes based on the relevance of the information contained therein. The existing certified EIR (comprised of the 1978 and 1984 certified EIRs) for the existing oil facility evaluated 36 oil wells (i.e. the 17 that were drilled and the 19 currently proposed) on the drilling pads that exist today. Thus, it remains directly relevant to the current proposal.

The Appellant incorrectly states that the pending CUP application was filed "two years after the 1985 CUP had expired." CUP 3344 had an expiration date of February 7, 2015. The application for the CUP that is subject of this appeal was submitted on October 13, 2013. Thus, the Applicant submitted the pending application prior to the expiration of the CUP 3344. Pursuant to Section 8111-2.10 of the NCZO, CUP 3344 remains in effect while the pending CUP application is processed.

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

CFROG Appeal Issue No. 6:

There is no mention of endangered species on the subject site in the MND of 1983 or 1978 and the lead agency has not provided substantial evidence that it has addressed the presence of several endangered and threatened species in a meaningful way. Especially the California Condor.

Staff response:

Potential impacts on biological resources, including the California condor, are evaluated in the certified EIR (Exhibit 4c) and EIR Addendum (Exhibit 4d). The EIR Addendum includes responses to public comments (including those of the Appellants) submitted during the January 8, 2015 Planning Director hearing.

The proposed project does not involve any new grading or expansion of the existing disturbed areas associated with the existing oil field operations. Thus, no new areas that support native vegetation will be disturbed as part of the current proposal. The only physical change in the existing oil and gas facilities will be the addition of 19 wells on the four existing drilling pads.

No significant new adverse effects on biological resources have been identified that would result from the continued operation of the existing oil facility or the installation of 19 new oil wells as indicated in the EIR Addendum (Exhibit 4c). This ground of appeal does not provide or identify any substantial evidence that the proposed project would result in a significant impact on biological resources, including any threatened or endangered species.

Potential adverse effects on the California condor have been considered in the evaluation of potential impacts of the proposed project as indicated in the EIR Addendum (Exhibit 4c). In particular, a detailed evaluation of the potential effects of the project on the condor is provided in Response to Comment G-21 included in the EIR Addendum. In summary, there is no evidence that a condor has ever been injured or killed by oil equipment such as pumping units. Thus, the assertion that the proposed oil wells could cause a potentially significant impact on the condor is speculative and does not constitute substantial evidence in accordance with Section 15064(f)(5) of the CEQA Guidelines.

On August 20, 2015, the subject oil and gas facilities at the CRC Ferndale Lease were inspected by staff of the County Planning Division, DOGGR, and the USFWS. At this site visit, USFWS staff (Steve Kirkland) did not identify any conditions that constitute a significant hazard to the California condor. The four drillsites that comprise the Ferndale facility were clean and maintained consistent with the Best Management Practices for the condor recommended by the USFWS.

Despite the conclusion that impacts on the condor are less than significant, staff continues to recommend that measures developed by the U.S. Fish and Wildlife Service (included in the USFWS letter dated July 18, 2013) to minimize potential adverse effects on the condor be incorporated into the conditions of approval of the requested modified CUP as best management practices to protect this important species. These measures are included in the project's conditions of approval (Exhibit 4e). Note that one of the USFWS recommended measures, a setback for oil facilities of 1.5 miles from a condor nesting site, is not applicable to a project involving the addition of wells to an existing drillsite. (See Exhibit 8; July 17, 2015 email from S. Kirkland of the USFWS to the County).

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

CFROG Appeal Issue No. 7:

The cumulative effects of oil and gas wells in Upper Ojai Valley has not been studied in this century. There is substantial evidence of changed conditions. For instance, we are in a record breaking drought and the state of California is in a water emergency. No further use of fresh water in quantities necessary to drill oil and gas wells should be permitted until the drought is declared over. The lead agency has provided no evidence of a review of the current status of water wells in the Upper Ojai area. Wells are going dry and evidence in the record indicates that Thomas Aquinas College depends on the water in Santa Paula Creek and its springs for all water except that for drinking.

Staff response:

The cumulative effects of oil and gas wells in Upper Ojai Valley have been studied within the last 40 years, including in the certified EIR and EIR Addendum (Exhibit 4d).

The existing approximately 500 wells in the Ojai Oil Field are part of the existing environmental setting under which project impacts are evaluated. The environmental areas in which the effects of a single oil and gas project are not site-specific and could combine with those of other oil and gas facilities are generally limited to air quality, traffic, biological and visual resources. In each of these areas, the proposed project does not have the potential to make a considerable contribution to a cumulative impact for the following reasons:

Air Quality: All oil and gas facilities in the Ojai Oil Field operate under ministerial permits issued by the Ventura County Air Pollution Control District (VCAPCD). Under the County-adopted Initial Study Assessment Guidelines, such VCAPCD-permitted facilities do not have the potential for a significant impact on air quality. This is because of the emission control requirements, including the requirement for emissions offsets, imposed as a result of VCAPCD's permitting process.

Traffic: The proposed project would not result in any new truck traffic to transport produced fluids (oil and wastewater) from the project site. As is the case with the existing facility, produced fluids will be conveyed from the site through existing pipelines.

Biological Resources: The current proposal involves the use of existing drilling pads and does not involve any new disturbance of native habitat. Thus, the total area disturbed by oil and gas activities in the Ojai Oil Field will not increase as a result of the proposed project. The addition of more pumping units to existing drill

sites where pumping units are already in operation will also not have any substantial new adverse effect on biological resources.

Visual Resources: The 19 new wells included in the proposed project would be added to an existing drill site and represent less than a four percent increase in the total number of wells in the Ojai Oil Field. The project also does not involve the creation of any new drill sites or require the installation of major facilities. There will be no substantial change in the effect of oil and gas facilities on the visual character of the Upper Ojai Valley area.

In summary, a considerable contribution by the current project to any cumulatively significant impact has not been identified.

There will be no increase in the long-term demand for water as a result of the proposed project. During the temporary drilling phase of the project, about 0.5 acre-feet of water will be consumed per well. The temporary use of water (in this case a total of approximately 10 acre-feet for the 19 wells) does not represent a significant impact on groundwater resources. Averaged over the 30-year effective term of the requested CUP, the water demand would be approximately 0.33 Acre-feet per year (AFY). The demand is less than the 1.0 AFY threshold of significance for the long-term use of groundwater specified in the County-adopted Initial Study Assessment Guidelines.

The Appellant suggests that the use of water for drilling should not be allowed until the current drought is over. It is also suggested that the County undertake a study of water wells in the Upper Ojai area. These actions are unwarranted in the context of this appeal as the average annual water demand of the project over its 30-year life (0.33 AFY) is approximately equal to the demand of one small single family dwelling. No policy has been adopted or declared by the State of California or the County that would curtail the temporary use of water for the drilling of oil wells.

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

CFROG Appeal Issue No. 8:

Greenhouse gas emission analysis done by staff is inadequate to meet the requirements of the law.

Staff response:

An evaluation of the potential impacts resulting from the greenhouse gas (GHG) emissions of the proposed project is included in the EIR Addendum (Exhibit 4d). This

evaluation was prepared in consultation with the Ventura County Air Pollution Control District (VCAPCD). The VCAPCD reviewed this evaluation in the context of public comment on the PL13-0150 application and confirmed that it remains adequate. The EIR Addendum concludes that impacts on climate change due to project-related GHG emissions are less than significant. In any case, this ground of appeal does not provide any evidence or analysis as to why the evaluation of climate change included in the EIR Addendum is inconsistent with or inadequate under any law.

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

CFROG Appeal Issue No. 9:

The well drilling project has never been authorized for more than a few years. The authorization time of this Addendum is overly broad particularly when the effects of Global Warming are intensifying. Simply issuing an extension of time for completion of the drilling phase of the project is not in keeping with any prior time limits for the CUP.

Staff response:

The Appellant incorrectly states that the well drilling project has never been authorized for more than "a few years." The subject CUP has been in effect since 1971. Between 1971 and 1990, 17 wells were drilled. Since 1971, 44 years have passed.

The phrase "authorization time of this Addendum" is unclear in that an Addendum prepared pursuant to CEQA is an informational document for consideration by the decision-makers and not a permit that authorizes any action. The Appellant appears to suggest that an effective period of 30 years for the requested CUP is too long because of future effects of global warming. The Appellant does not state any reason why the length of the effective period of the CUP would have an effect on global warming. As stated above, the project would have a less than significant effect on climate change under the applicable threshold of significance (i.e. 10,000 metric tons per year of GHG emissions). Thus, no nexus to limit the project on the basis of "global warming" has been identified.

The "prior time limits" for drilling specified in the current CUP do not limit the ability of the Applicant to request a modified CUP that would include changes in the time limits. The Applicant requests that a modified CUP be granted to authorize the operational and drilling period for the existing oil and gas facility to be extended for 30 years. Based on the analysis provided in the staff report and EIR Addendum, the Planning Director and Planning Commission granted modified CUP PL13-0150 for the current proposal based on less than significant environmental effects and consistency with County policy and ordinance.

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

CFROG Appeal Issue No. 10:

The site is part of the original Chumash village of Sisa, the largest of the inland village sites and considered by archaeologists to be of the "highest significance." The archaeological study is incomplete. Drill pad #1 is likely on top of the village site and there has been no study of Drill pad #7

Staff response:

The Cultural and Historic Resources Appendix of the City of Santa Paula General Plan describes the archeological resources in the vicinity of the proposed project as follows:

Ferndale Ranch, located on the east side of Santa Paula Creek near the northern end of the canyon, is part of the original Chumash Indian Village of Sisa. Los Angeles oil industrialist Edward L. Doheny acquired the ranch and had a house constructed there during the 1920's. The Doheny family later donated the ranch to the Catholic Church, and it is now the location of the Thomas Aquinas College campus.

The location of the Chumash Village site was known for decades prior to the initiation of oil drilling activities on the Ferndale Ranch. As acknowledged in Kroeber (1916), Sisar Canyon derives its name from the Chumash Village site of *Sis'a*. This village site was examined in detail during an archaeological investigation (UCLA, 1-10-77) conducted as part of the permitting of the St. Thomas Aquinas College. The limits of the former Chumash village site are delineated on Page 26 of the Environmental Impact Report for the CUP 3609 application certified by the County Planning Commission on June 2, 1977. These limits are also shown on Page 19 of the October 4, 1984 certified EIR (Exhibit 4c) for the subject oil and gas facility. The four drill sites (1, 2, 3 and 7) are all located outside of the mapped limits of the archaeological site.

The issue of impacts on archeological resources was considered in the 1983 MND included in the certified EIR (Exhibit 4c). Impacts on archaeological resources were found to be less than significant.

At issue is whether the current proposal has the potential to substantially affect archeological resources. For the following reasons, substantial new impacts on such resources would not occur with project implementation:

- Existing disturbed drill sites will be used and not expanded
- The drill sites are not located within an identified archaeological site
- No new grading of the well pads is proposed
- Ground disturbance will be limited to well installation

In summary, the Appellant does not provide any evidence that the use of the existing graded pads for the installation of the proposed oil wells will substantially affect cultural resources. The use of previously graded pads reduces the potential for significant effects on cultural resources to a less than significant level.

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

LPFW Appeal:

The decision does not comply with the California Environmental Quality Act, the County of Ventura Non-Coastal Zoning Ordinance, and other state and federal laws pertaining to the protection of the environment.

Staff response:

The potential impacts of the proposed project have been evaluated in the certified EIR (Exhibit 4c) and in the EIR Addendum (Exhibit 4d) in accordance with the requirements of CEQA. The consistency of the proposed project with applicable regulations in the County NCZO and policies in the County General Plan is evaluated in the Planning Commission staff report (Exhibit 1) and Planning Director staff report (Exhibit 4b). These staff reports conclude that the proposed project is consistent with County policy and ordinance. No evidence has been presented by the Appellant that the proposed project is not in compliance with any County, state or federal law. In reliance on the information in the administrative record, including the public comments made by the Appellant, the Planning Director and Planning Commission granted modified CUP PL13-0150 for the current proposal based on less than significant environmental effects and consistency with County policy and ordinance.

After the close of the January 8, 2015 Planning Director public hearing, the Appellant submitted a letter of comment dated February 11, 2015 regarding the proposed project. While not part of the administrative record before the Planning Director, this letter of comment expresses in detail a number of concerns raised by Mr. Jeff Kuyper of the LPFW. A marked copy of this letter and staff responses to each of the issues raised therein is attached to the Planning Commission staff report (Exhibit 1b). In summary, none of the issues raised in the February 11, 2015 LPFW letter alter staff's conclusion that the proposed project would not result in any new significant impacts on the environment, would be consistent with County General Plan policy, and would be in conformance with NCZO standards.

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

Summary of staff analysis:

As indicated in the above discussion, staff has not identified any merit in the grounds of appeal. No evidence has been presented that the decisions of either the Planning Director or the Planning Commission to grant the requested CUP and approve the EIR Addendum were made in error.

E. APPELLANTS RECOMMENDATIONS:

The Appellant requests that your Board take the following actions:

(From CFROG)

- 1. Reverse the Planning Commission's decision regarding CUP PL13-0150 and remand it to the planning department.*
- 2. Direct planning staff to prepare either a full environmental impact report in compliance with CEQA or a supplemental EIR that addresses the cumulative and/or specific potential impacts that are demonstrated in the appeal.*
- 3. Limit the term of any future CUP for this area to a maximum of five years and incorporate strict condition compliance.*
- 4. Refund all fees to the appellant.*

(From LPFW and CBD)

- 1. Decline to certify the 9-page EIR Addendum, and direct the Division to prepare a Supplemental or Subsequent EIR to evaluate new information.*
- 2. Direct the Division to nullify the permit application based on ongoing violations with the terms and conditions of the existing permit.*
- 3. Direct the Division to incorporate additional changes to the project to reduce potentially significant environmental impacts.*
- 4. Uphold our appeal, and refund our \$1,000 appeal fee.*

NOTICE AND PUBLIC COMMENTS:

The Planning Division provided public notice of the Board hearing on this matter in conformance with the requirements of Government Code § 65091 and Ventura County NCZO § 8111-3.1. The Planning Division mailed notice to owners of parcels of real property within 300 feet of the property on which the project is located and placed a legal ad in the *Ventura County Star*. The owners of a total of 43 parcels were notified. Additionally, the Planning Division provided a notice of this hearing to 19 interested parties that include the U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, City of Santa Paula, City of Ojai, California Department of Conservation, CALTRANS, Citizens for Responsible Oil and Gas, and the Los Padres Forest Watch. The date of the appeal hearing was coordinated with the Appellants 80 days in advance of the hearing (Exhibit 5).

As of the date of this Board letter, an October 8, 2015 letter from CFROG and an attached October 1, 2015 report prepared by Blue Tomorrow LLC and Newton Geo-Hydrology Consulting Services (Exhibit 29) were submitted regarding the subject appeal. Staff will address the content of these documents at the October 20, 2015 hearing.

This Board item was reviewed by County Counsel and the County Executive Office. If you have any questions regarding this matter, please contact me at (805) 654-2481, or Brian R. Baca at (805) 654-5192.



Kim L. Prillhart, Director
Ventura County Planning Division

Attachments:

Exhibit #	Description
1.	Planning Commission staff report for the June 11, 2015 hearing <ol style="list-style-type: none">Planning Director decision documents (See Exhibit 4 below)Marked February 11, 2015 Letter from J. Kuyper of LPFW with staff responseConditions of Approval
2.	Location Map, Aerial photograph, General Plan and Zoning Map
3.	Site Plans
4.	Planning Director decision documents <ol style="list-style-type: none">Approval letter for CUP No. PL13-0150Planning Director staff report for the January 8, 2015 hearingEnvironmental Impact Report (1978 and 1984 certified EIRs)EIR Addendum prepared for PL13-0150 applicationConditions of Approval for CUP No. PL13-0150 (as imposed by the Planning Director on February 17, 2015)
5.	July 30, 2015 email notification of BOS hearing date provided to the appellants
6.	Appeal forms filed February 26, 2015
7.	Appeal form filed June 22, 2015
8.	July 17, 2015 email provided by the USFWS
9.	PC Exhibit 7 – Staff’s Response to Public Comments
10.	PC Exhibit A – Santa Paula Creek Hydrology & Floodplain Report
11.	PC Exhibit B – John Whitman’s Letter dated May 29, 2015
12.	PC Exhibit C – LPFW Letter dated June 8, 2015
13.	PC Exhibit C1 – LPFW Nullification Request dated February 11, 2015
14.	PC Exhibit C2 – Staff Response to Nullification Request
15.	PC Exhibit C3 – Staff’s Memo Regarding Nullification Request
16.	PC Exhibit C4 – Recreational Values of Santa Paula Creek Trail
17.	PC Exhibit C5 – 1977-1978 Condor Analysis

18. **PC Exhibit C6 – USFWS Letter dated July 18, 2013**
19. **PC Exhibit C7 – Santa Clara River Steelhead Trout Assessment & Recovery Opportunities**
20. **PC Exhibit C8 – PL13-0150 Permit Application Distribution Memo**
21. **PC Exhibit D – CFROG E-mail and Photo**
22. **PC Exhibit E – Elaine Needham Letter dated June 8, 2015**
23. **PC Exhibit F – CFROG PowerPoint by John Brooks**
24. **PC Exhibit G – Ventura Sierra Club E-mail by Elisabeth Lamar dated June 10, 2015**
25. **PC Exhibit H – CFROG Site Photo by John Books**
26. **PC Exhibit I – Dawn Thieding Letter dated June 11, 2015**
27. **PC Exhibit J – CFROG PowerPoint by Steven Colome**
28. **PC Exhibit K – LPFW PowerPoint by Jeff Kuyper**
29. **10-8-15 CFROG letter and 10-1-15 Blue Tomorrow/Newton report**