

MONTEREY COUNTY ZONING ADMINISTRATOR

Meeting: April 30, 2009	Time: 1:50 P.M.	Agenda Item No. 5
Project Description: Use Permit to allow Salinas Energy Corporation to drill a total of six exploratory oil and gas wells at two different sites on the same parcel. Sites are identified as the North Paris Valley site and the Central Paris Valley site; the applicant is proposing to drill three exploratory wells at each of those sites.		
Project Location: The project site is located between Paris Valley Road and State Highway 101 within Section 3 of Township 22 South and Range 9 East in southern Monterey County, approximately 4 miles north of San Ardo.		APN: 422-281-001-000
Planning File Number: PLN080414		Owner's Name: Albert Leroy Bray Applicant's Name: Salinas Energy Corporation
Plan Area: South County Area Plan		Flagged and staked: Yes
Zoning Designation: "F-40" (Farmlands Zoning District – 40 acres per dwelling unit) and "PG-40" (Permanent Grazing Zoning District – 40 acres per dwelling unit).		
CEQA Action: Categorically Exempt per Title 14, Division 2, Section 1684.2 - Class 4 - of the California Code of Regulations (re: Minor Alterations to Land).		
Department: RMA - Planning Department		

RECOMMENDATION:

Staff recommends that the Zoning Administrator approve the request for a Use Permit, based on the "Recommended Findings and Evidence" (Exhibit C) and subject to compliance with the "Recommended Conditions of Approval" (Exhibit D).

PROJECT OVERVIEW:

This project was initially presented to the Zoning Administrator for consideration on January 29, 2009. Neighboring landowners present at the public hearing brought forth concerns about potential noise and equipment abandonment issues. Therefore, this item was continued in order to enable staff to visit the site to determine how best to address those concerns.

Salinas Energy Corporation is proposing to drill six exploratory wells in search of commercial quantities of petroleum and/or natural gas; the parcel in question is located just north of the town of San Ardo in southern Monterey County. Three wells will be drilled at each of two sites on the same parcel – the Central Paris Valley drill site (CPV-1H) with proposed wells 'CPV-1Ha', 'CPV-1Hb' and 'CPV-1Hc' and the North Paris Valley drill site (NPV-1) with proposed wells 'NPV-1a', 'NPV-1b' and 'NPV-1c'. The location of the proposed wells can be seen on a site plan presented in Exhibit E and a vicinity map is shown on Exhibit F. Each of the two projects includes a site preparation phase for construction of the drill site followed by a drilling and testing phase for each well. Should exploration yield the promise of commercially-viable quantities of oil and gas, the applicant will apply for a new Use Permit for the purpose of putting the applicable well(s) into production.

In order to accommodate noise-related concerns expressed by Hans Wittstrom, the adjoining property owner (Assessor's Parcel Number: 421-141-009-000), the applicant has agreed to relocate the North Paris Valley well pad (NPV-1) an additional 160 feet to the south and west from the

location shown on Exhibit E. As originally proposed, the well pad would have been located 450 feet from the concerned neighbor's home. The resulting change in location means that a total distance of 610 feet will now separate the affected house from the edge of the North Paris Valley (NPV-1) site, with the well at the center of the pad located 760 feet away from the affected residence; during the two-week drilling phase and the testing period that will follow for nearly one year, equipment will be situated 680 feet from the subject residence.

Acting on the noise-related concerns expressed by the neighboring property owner, the County's Environmental Health Division requested that the applicant conduct a noise analysis in order to determine whether the revised location of the North Paris Valley well pad is adequate as proposed to bring noise levels down to an acceptable level. A summary of the noise analysis and its findings is presented in the Project Discussion (Exhibit B).

OTHER AGENCY INVOLVEMENT:

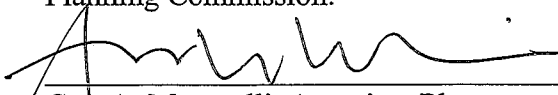
- ✓ California Department of Forestry (CDF) – South County Fire Protection District
- ✓ Monterey County Public Works Department
- ✓ Monterey County Health Department – Environmental Health Division
- ✓ Monterey County Water Resources Agency

The above checked agencies and departments have reviewed this project. Four non-standard conditions recommended by the Environmental Health Division have been incorporated into the overall recommended conditions of project approval (Exhibit D). The other three reviewing entities deemed the project complete with no conditions attached.

The project was not referred to the Bradley-Parkfield Land Use Advisory Committee (LUAC) for review. Based on the LUAC interim procedural guidelines adopted by the Monterey County Board of Supervisors per Resolution No. 08-338, this application did not warrant referral to the LUAC because the project does not involve a variance, General Plan or Area Plan amendment, ridgeline/viewshed development, subdivision, slope restrictions or lot line adjustment.

Exploratory drilling operations undertaken as part of this project will result in minor alterations to land (Class 4 activities per CEQA) and, therefore, the project has been found to be categorically exempt from the requirement for the preparation of environmental documents under Article 19, Section 15304 of CEQA and Section 21084 of the California Public Resources Code. However, should discovery of oil and/or natural gas subsequently lead to full-scale commercial production, the project will be referred to the Bradley-Parkfield LUAC and will have to undergo full CEQA review in the context of a new Use Permit application.

Note: The decision of the Zoning Administrator regarding this project can be appealed to the Planning Commission.



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April 21, 2009

cc: Front Counter Copy; Zoning Administrator; South County Fire Protection District; Public Works Department; Environmental Health Division; Water Resources Agency; Jacqueline R. Onciano, Planning Services Manager; Guy Moussalli, Project Planner; Carol Allen, Senior Secretary; Albert Leroy Bray (Property Owner); Vaughan Williams, Salinas Energy Corporation, Inc. (Applicant); Robert A. Booher (Consultant); Planning File PLN080414.

Attachments:	Exhibit A	Project Data Sheet
	Exhibit B	Project Discussion
	Exhibit C	Recommended Findings and Evidence
	Exhibit D	Recommended Conditions of Approval
	Exhibit E	Site Map
	Exhibit F	Vicinity Map

This report was reviewed by Jacqueline  Onciano, Planning Services Manager.

EXHIBIT A

Project Information for PLN080414

Project Title: BRAY ALBERT L & INA M BRAY TRS

Location: Paris Valley Road 4 mi. n. of San Ardo	Primary API: 422-281-001-000
Applicable Plan: South County Area Plan	Coastal Zone: No
Permit Type: Use Permit	Zoning: F-40/PG-40
Environmental Status: Exempt	Plan Designation: Agricultural
Advisory Committee: N/A	Final Action Deadline (§§4): 2/8/2009

Project Site Data:

Lot Size: 103.29 Acres	Coverage Allowed: 5%
Existing Structures (sf): N/A	Coverage Proposed: 2.9%
Proposed Structures (sf): N/A	Height Allowed: 35'
Total Sq. Ft.: N/A	Height Proposed: N/A
	FAR Allowed: N/A
	FAR Proposed: N/A

Resource Zones and Reports:

Environmentally Sensitive Habitat: No	Erosion Hazard Zone: Low
Biological Report #: LIB080592	Soils Report #: LIB080590
Forest Management Rpt. #: N/A	
Archaeological Sensitivity Zone: Low	Geologic Hazard Zone: High
Archaeological Report #: LIB080593	Geologic Report #: LIB080591
Fire Hazard Zone: Very High	Traffic Report #: N/A

Other Information:

Water Source: Pensinger Trailer Rentals	Sewage Disposal (method): Portolet
Water Dist/Co: N/A	Sewer District Name: N/A
Fire District: South County FPD	Grading (cubic yds.): 13,052.0
Tree Removal: No	

EXHIBIT B PROJECT DISCUSSION

Project setting: The project area is located in southern Monterey County, approximately four miles northwest from the town of San Ardo, and is bordered to the west by Paris Valley Road. The general area surrounding the property consists of privately-owned agricultural lands used primarily for grazing.

Proposed action: Salinas Energy Corporation proposes to drill a total of six exploratory wells at two sites (North Paris Valley and Central Paris Valley) on the same parcel in search of commercial quantities of petroleum and natural gas. The first phase of the project involves preparation of the drilling pads, whereas the second phase involves drilling and testing. Drilling activities at each one of the two sites will take place in an area measuring approximately 250 ft. by 250 ft.

Site preparation: Preparation of the drill sites will include clearing, grading and compaction in order to establish a level and solid foundation for the drilling rigs. According to the applicant, some grading will be required due to the presence of moderate slopes. It is not anticipated that site preparation activities will alter natural drainage patterns and flooding and erosion or siltation either on- or off-site are also not to be expected. Although no existing oak trees will be removed, approximately 1.43 acres of non-native grassland used for cattle grazing will be impacted at each of the two sites. A temporary pit will be excavated within the sites to contain drilling fluids and wastes. Site preparation is estimated to take about one week. No new access road will be created as each of the two sites can be accessed via an existing driveway and road off Paris Valley Road.

Drilling and testing: Once the well pads are established, the drilling rigs will be mobilized and rigged up; this process will take about two to five days to complete. A company representative will be onsite 24 hours a day, seven days a week, to monitor drilling operations. A 30- to 40-foot travel trailer will be brought in to provide accommodations, with water and sewer furnished by Pensingers Trailer Rentals. Temporary facilities will be set up at the site to house the equipment and materials necessary for the drilling operations. The applicant will drill each well until reaching target depth; evaluation of each well to determine whether it can be commercially exploited and put into production would continue for up to one year.

Drilling and waste disposal practices: The applicant has indicated that all hazardous materials, such as fuels and lubricants, will be stored according to applicable federal, state and local regulations. Drilling wastes (mud and cuttings) will be managed in compliance with Regional Water Quality Control Board (RWQCB) requirements. All down hole well operations will be regulated by the California Department of Conservation – Division of Oil, Gas and Geothermal Resources (DOGGR) in order to protect groundwater. Surface well casing, designed to protect fresh water zones, will be set and cemented, and blowout prevention equipment will be installed at the well head and tested. DOGGR will regulate blowout prevention equipment and DOGGR engineers will be notified for required tests and other operations.

If exploration is conclusive, Salinas Energy Corporation will submit a new Use Permit application to Monterey County in order to put the wells into commercial production. If an exploratory well can demonstrate the availability of commercial quantities of petroleum and/or natural gas for a period of six consecutive months, as defined by DOGGR, that well is deemed to be a discovery well thus setting the stage for resource extraction.

Noise analysis: A noise analysis performed by Robert A. Booher Consulting (LIB 090149) was prepared to address noise issues brought forth by Hans Wittstrom at the January 29, 2009,

hearing. The noise analysis was conducted to determine whether the modified location proposed by the applicant for the North Paris Valley well pad (NPV-1) is adequate to reduce noise levels to a "Normally Acceptable" range as defined in the 1982 General Plan for oil drilling.

The 1982 General Plan specifies that in order to be considered "Normally Acceptable", noise levels that are the result of industrial, manufacturing and agricultural activities must fall within the 50- to 70-decibel range, assuming that any buildings affected by the noise are of "normal conventional construction without any special noise insulation requirements," which is the most conservative range. (Monterey County 1982 General Plan – Noise Element, Chapter II, Goal 22, Table 6 – Land Use Compatibility for Exterior Community Noise, Page 82). In accordance with Policy 22.2.5 of the 1982 General Plan, this range is further reduced by 10dB from 10:00 p.m. to 7:00 a.m. to account for the decline in ambient noise levels, resulting in a maximum range of 40 to 60 dB for buildings of normal conventional construction.

Due to the type of heavy equipment present at the site during the one-week long site preparation phase, and using EPA-generated noise levels for various types of construction equipment, the study expects that maximum sound levels perceived at a distance of 50 feet from the proposed drill site will vary between 87 and 88 dBA (Note: as explained in the noise analysis, "dBA" is an A-weighted decibel for the measure of environmental sound).

Using the typical sound attenuation standard furnished by the applicant of 6 dBA per doubling of distance, the report estimates that maximum outdoor noise levels during the site preparation phase will decrease to 67 dBA or less when measured at the adjoining residence located 610 feet from the edge of the well pad, which is well within the "Normally Acceptable" noise range as defined in the 1982 General Plan. To further reduce any actual noise impacts, Salinas Energy will only conduct site preparation activities Monday through Friday between the hours of 7:00 a.m. and 6:00 p.m.

Drilling operations, lasting approximately two weeks and conducted prior to well testing on a 24-hour basis, will constitute the next primary source of noise. In order to arrive at a noise level prediction for the subject residence, which will be located at a distance of 680 feet from the drilling equipment, the study utilized two of the highest noise levels culled from four sound surveys conducted by Robert A. Booher and others at similar sites throughout the state in 1998, 2005, 2007 and 2008. Those maximum noise levels were as follows: 87.1 dBA at a 40-foot distance from drilling equipment at a site in Lodi, and 98.9 dBA at a distance of five feet from drilling equipment at a site in northern California.

The pieces of equipment referred to are the generator fans that, according to the study, constitute the noisiest machinery typically found on a drilling site. Using the typical sound attenuation standard furnished by the applicant of 6 dBA per doubling of distance, the noise analysis predicted that the aforementioned noise levels would decrease to less than 63.1 dBA and 57 dBA, respectively, at a distance of 680 feet from the drilling site. Due to the fact that drilling operations will be conducted on a 24-hour basis, the reduced decibel amounts are still in excess of the 40 to 60 dB range for nighttime noise levels. Therefore, Salinas Energy has entered into an agreement with neighbors Hans and Kelly Wittstrom, which provides for relocation assistance during the drilling phase.

Finally, the subsequent testing phase will result in minimal noise levels as only a small 50 HP motor will be used for oil extraction.

EXHIBIT C
RECOMMENDED FINDINGS AND EVIDENCE

1. **FINDING: CONSISTENCY** – The project, as described in Condition No. 1 and as conditioned, conforms to the policies, requirements and standards of the Monterey County General Plan, South County Area Plan, South County Area Plan Inventory and Analysis and the Monterey County Zoning Ordinance (Title 21).

EVIDENCE: (a) The text, policies and regulations in the above-referenced documents have been evaluated during the course of review of applications. No conflicts were found to exist. No communications were received during the course of review of the project indicating any inconsistencies with the text, policies, and regulations in these documents.

(b) The proposed project conforms to the goals, objectives and policies of the following documents:

- i. Monterey County General Plan: Goals, Objectives and Policies for Natural Resources - Geology, Minerals and Soils, Goal No. 2, Objective No. 2.3, Policy No. 2.3.2;
- ii. South County Area Plan: Chapter I – Natural Resources: Mineral Resources & Energy Resources; Chapter IV – Area Development: Industrial Uses;
- iii. South County Area Plan Inventory & Analysis: Chapter I – Natural Resources: Mineral Resources;
- iv. Monterey County Zoning Ordinance (Title 21 for Inland Areas): The property is zoned both “F-40” (Farmlands Zoning District – 40 acres per dwelling unit) and “PG-40” (Permanent Grazing Zoning District – 40 acres per dwelling unit). Both zoning designations allow the exploration and the extraction of petroleum and natural gas resources with a Use Permit. Therefore, the property is suitably zoned to accommodate the proposed development, provided a Use Permit is granted.

(c) The application, project plans, and related support materials were submitted by the project applicant for the proposed development to the Monterey County Resource Management Agency, Planning Department, all of which can be found in Project File PLN080414.

2. **FINDING: SITE SUITABILITY** – The site is physically suitable for the use proposed.

EVIDENCE: (a) The project has been reviewed for site suitability by Monterey County’s Resource Management Agency (Planning Department & Public Works Department), Health Department (Environmental Health Division) and Water Resources Agency, and by the California Department of Forestry – South County Fire Protection District. There has been no indication from these departments/agencies that the site is unsuitable for the proposed project. Conditions recommended by the Planning Department and the Environmental Health Division have been incorporated in this staff report as part of the project approval process.

(b) Technical reports by outside archaeological, biological, geological and geotechnical consultants concluded that there are no physical and/or environmental constraints that would indicate that the site is not suitable for the use proposed, provided the appropriate management and mitigation

recommendations outlined in those reports are followed. County staff concurs.

i. Archeological resources: A record search and literature review by consulting firm Pacific Legacy, Inc., revealed that no previously recorded ethnographic, historic or archeological sites are located within the project area. A pedestrian survey (i.e. surface inspection) of the property conducted on August 25, 2008, did not result in the discovery of any prehistoric or historic artifacts, or archeological deposits, within the project area; no cultural resources were noted during the survey. The consultant advised that construction personnel be alerted to the possibility of buried cultural remains or artifacts and that, upon discovery of any such remains or materials, work should immediately cease and the appropriate persons and authorities be contacted. Source: Archeological Assessment of North Paris Valley Well Site CPV-1H (PL 822-53), Monterey County, California (LIB080593), prepared by Pacific Legacy, Inc., Bay Area Division, Berkeley, California (August 28, 2008).

ii. Biological resources: The biological assessment concluded that it is highly unlikely that special-status listed or sensitive plant or animal species or habitats will be negatively impacted by the proposed project, although locally and regionally common wildlife species would be temporarily disturbed – albeit at a less than significant level. An investigation was conducted for the potential presence of the San Joaquin Kit Fox at the site that led the biologist to conclude that this species is not likely to be found on the property, mainly due to habitat disturbance and exclusionary competition from badgers, coyotes and red foxes. The report recommended that best management guidelines be followed during the construction phase of the project and that the species-specific avoidance and minimization measures described in the biological analysis be implemented in order to mitigate any potential impacts to wildlife species, plants and trees. Source: Biological Survey Report, Including Observations for San Joaquin Kit Fox, for Salinas Energy North Paris Valley Well Site CPV-1H, San Ardo, California (LIB080592), prepared by Ed Mercurio, Biological Consultant, Salinas, California (September 29, 2008).

iii. Geotechnical resources: The site has been deemed suitable for the proposed development from a geotechnical engineering standpoint provided the recommendations contained in the consultant's report and pertaining to grading, slope construction and structural design are properly implemented. Source: Geotechnical Engineering Report for Proposed Oil and Natural Gas Exploration Well Pad, Site CPV-1H, Monterey County, California (LIB080590), prepared by Nicholas A. McClure, Buena Geotechnical Services, Paso Robles, California (September 9, 2008).

iv. Geological resources: A site investigation revealed evidence of potential geologic & seismic conditions which could affect the subject property. In order to minimize hazards, the consultant made several recommendations in order to mitigate any potentially negative impacts from those factors. The report recommended that all new construction be built according to current building codes and that best management practices are followed for erosion and sediment control. Liquefaction was not identified as a problem.

Source: Geologic Hazards Investigation – Proposed Oil/Gas Well Pad, Salinas Energy Corporation, Site No. CPV-1H, Paris Valley, County of Monterey, California (LIB080591), prepared by Ron Barto, Sierra Delta Corporation (September 16, 2008).

(c) A site visit was conducted by staff on February 10, 2009, to confirm that the findings presented by the applicant in the above-referenced reports are consistent with current conditions found on the property. Neither an archeologist nor a biologist were present at the site during staff's visit. No evidence concerning the presence of archeological resources and of protected plant and animal species was encountered during the time spent by staff at the site. From the standpoint of geotechnical resources, the proposed locations for the two well pads vary from being flat at the North Paris Valley (NPV-1) site to having a gentle slope at the Central Paris Valley (CPV-1H) site and, therefore, it is anticipated that the proposed activities will result in minimal disturbance of natural grade and topography. Condition no. 8 states that the site will be restored by the applicant to its natural, pre-development condition upon the expiration of the Use Permit and the determination that commercial quantities of oil and/or gas do not exist.

3. FINDING: CEQA (Exempt) – The project is categorically exempt from environmental review and no unusual circumstances were identified for the proposed project.

EVIDENCE: (a) Minor alterations to land, such as those that will result from the proposed project, have been found to be categorically exempt from the requirement for the preparation of environmental documents under California Environmental Quality Act (CEQA) Guidelines, Article 19, Section 15304. Class 4 activities, as they are known, are those that do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes; this project will not result in the removal of any existing oak trees.

(b) Under Section 21084 of the California Public Resources Code, Class 4 activities such as the exploratory drilling operations that will be conducted as part of this project have been determined not to have a significant effect on the environment and, therefore, are exempt from CEQA requirements. This is due to the fact that such temporary activities have been determined to only result in minor public or private alterations to land with negligible or no permanent effects to the existing conditions of the land, water, air and/or vegetation.

(c) Once exploratory drilling has ended, and if no commercial quantities of mineral resources that would pave the way for full extraction and production are found, the applicant will need to restore the site to its pre-development condition as natural grassland (Condition no. 8).

4. **FINDING:** **NO VIOLATIONS** – The subject property is in compliance with all rules and regulations pertaining to zoning uses and any other applicable provisions of the County’s zoning ordinance. No violations have been found to exist on the property and zoning violation abatement costs, if any, have been paid.

EVIDENCE: Staff reviewed Monterey County Planning Department and Building Services Department records. The research did not reveal any violations currently existing on the subject property.

5. **FINDING:** **HEALTH AND SAFETY** – With the proposed relocation of the North Paris Valley (NPV-1) well pad, the establishment, maintenance or operation of the project applied for will not, under the circumstances of this particular case, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.

EVIDENCE: (a) This project was reviewed by the California Department of Forestry – South County Fire Protection District and Monterey County’s Water Resources Agency, Public Works Department, Planning Department and the Environmental Health Division. The latter two entities have recommended specific conditions of approval, where appropriate, to ensure that the project will not have adverse health and safety impacts and to reduce, whenever possible, any possible detrimental impacts through mitigation monitoring measures (Exhibit D).

(b) In response to noise-related concerns from a neighbor whose residence is in close proximity to the North Paris Valley (NPV-1) well site, staff conducted a site visit on February 10, 2009. The visit was meant to follow up on the concerns expressed at the January 29, 2009, public hearing and to visually assess the distance between the new location of the relocated well site, as proposed by the applicant, and the affected residence. Staff met the applicant and the concerned neighbor at the site; the latter expressed satisfaction with the revised well pad location to both the applicant and staff. A condition of approval (Condition no. 10) has been added requesting the applicant to submit revised plans confirming the new location of the North Paris Valley (NPV-1) well site.

(c) In response to aesthetic and environmental concerns from Ole Viborg, another neighboring landowner (Assessor’s Parcel Numbers: 422-281-002-000, 422-281-003-000 and 422-281-004-000), and during the same site visit on February 10, 2009, staff was able to ascertain that the property adjacent to the one under consideration for a Use Permit does in fact contain abandoned equipment and other remnants from previous oil drilling activities conducted by a now defunct company. To reduce the likelihood that such a scenario would repeat itself at the two exploratory sites for which a Use Permit is being requested, conditions of approval were added enjoining the applicant, at the time said permit will expire, to follow DOGGR procedures as they pertain to well abandonment, site restoration, equipment removal and the safe disposal of oil field wastes and refuse (Conditions nos. 11 & 12).

(d) A standard condition of approval was added to minimize off-site glare, reduce visual pollution and control spillover effects onto neighboring

properties caused by nighttime lighting at both the North Paris Valley (NPV-1) and Central Paris Valley (CPV-1H) drill sites (Condition no. 7).

6. **FINDING:** **APPEALABILITY** – The decision of the Zoning Administrator concerning this project can be appealed to the Planning Commission.
- EVIDENCE:** Title 21, Chapter 21.80, Section 21.80.040, Paragraph B, of the Monterey County Zoning Ordinance.

EXHIBIT D Monterey County Resource Management Agency Planning Department Condition Compliance and/or Mitigation Monitoring Reporting Plan	Project Name: <u>Salinas Energy Corporation – North & Central Paris Valley Oil & Gas Exploratory Wells</u> File No.: <u>PLN080414</u> APN: <u>422-281-001-000</u> Approved by: <u>Zoning Administrator</u> Date: <u>April 30, 2009</u>
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**Monitoring or Reporting refers to projects with an EIR or adopted Mitigated Negative Declaration per Section 21081.6 of the Public Resources Code.*

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
1.		PD001 – SPECIFIC USES ONLY This Use Permit (PLN 080414) allows for the drilling of six (6) exploratory oil and gas wells at two different sites on the same parcel, known as the North Paris Valley (NPV-1) and Central Paris Valley (CPV-1H) well pads. The property is located between Paris Valley Road to the west and State Highway 101 to the east within Section 3 of Township 22 South and Range 9 East in southern Monterey County, about four miles north of San Ardo. (Assessor’s Parcel Number 422-281-001-000), South County Area Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the following terms and conditions. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of the RMA - Planning Department. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or	Adhere to conditions and uses specified in the Use Permit.	Applicant	Ongoing unless otherwise stated.	

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
		mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (RMA - Planning Department)				
2.		PD002 – NOTICE: PERMIT APPROVAL The applicant shall record a notice which states: "A permit was approved by the Zoning Administrator for Assessor's Parcel Number 422-281-001-000 on January 29, 2009. The permit was granted subject to 19 conditions of approval, which run with the land. A copy of the permit is on file with the Monterey County RMA - Planning Department." Proof of recordation of this notice shall be furnished to the Director of the RMA - Planning Department prior to issuance of building permits or commencement of the use. (RMA - Planning Department)	Proof of recordation of this notice shall be furnished to the RMA - Planning Department.	Applicant	Prior to the issuance of grading and building permits or start of use.	
3.		PD003(A) – CULTURAL RESOURCES: NEGATIVE ARCHAEOLOGICAL REPORT If, during the course of construction, cultural, archaeological, historical or paleontological resources are uncovered at the site (surface or subsurface resources), work shall be halted immediately within 50 meters (165 feet) of the find until a qualified professional archaeologist can evaluate it. The Monterey County RMA - Planning Department and a qualified archaeologist (i.e., an archaeologist registered with the Society of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery. (RMA - Planning Department)	Stop work within 50 meters (165 feet) of uncovered resource and contact the Monterey County RMA - Planning Department and a qualified archaeologist immediately if cultural, archaeological, historical or paleontological resources are uncovered. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop the required proper mitigation measures.	Applicant/ Archaeologist	Ongoing	

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
4.		PD008 – GEOLOGIC CERTIFICATION Prior to final inspection, a professional geologist shall provide certification that all development has been constructed in accordance with the geological report. (RMA - Planning Department)	Submit certification by the professional geologist to the RMA - Planning Department showing project's compliance with the geological report.	Applicant/ Professional Geologist	Prior to final inspection.	
5.		PD009 – GEOTECHNICAL CERTIFICATION Prior to final inspection, the geotechnical consultant shall provide certification that all development has been constructed in accordance with the geotechnical report. (RMA - Planning Department and Building Services Department)	Submit certification by the geotechnical consultant to the RMA – Planning Department showing project's compliance with the geotechnical report.	Applicant/ Geotechnical Consultant	Prior to final inspection.	
6.		PD010 – EROSION CONTROL PLAN AND SCHEDULE The approved development shall incorporate the recommendations of the Erosion Control Plan as reviewed by the Director of RMA - Planning Department and Director of RMA - Building Services. All cut and/or fill slopes exposed during the course of construction shall be covered, seeded, or otherwise treated to control erosion during the course of construction, subject to the approval of the Director of RMA - Planning Department and Director of RMA - Building Services. The improvement and grading plans shall include an implementation schedule of measures for the prevention and control of erosion, siltation and dust during, and immediately following, construction and until erosion control planting becomes established. This program shall be approved by the Director of RMA - Planning Department and Director of RMA - Building Services. (RMA - Planning Department and RMA - Building Services Department)	An Erosion Control Plan shall be submitted to the RMA - Planning Department and the RMA - Building Services Department prior to issuance of building and grading permits. Comply with the recommendations of the Erosion Control Plan during the course of construction until project completion as approved by the Director of RMA - Planning and Director of RMA - Building Services. Evidence of compliance with the Implementation Schedule shall be submitted to the RMA - Planning Department and the RMA - Building Services Department	Applicant Applicant Applicant	Prior to the issuance of grading and building permits. Ongoing Prior to final inspection.	

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
7.		<p>PD014(A) – LIGHTING: EXTERIOR LIGHTING PLAN All exterior lighting shall be unobtrusive, down-lit, harmonious with the local area, and constructed or located so that only the intended area is illuminated and off-site glare is fully controlled. The applicant shall submit 3 copies of an exterior lighting plan which shall indicate the location, type, and wattage of all light fixtures and include catalog sheets for each fixture. The lighting shall comply with the requirements of the California Energy Code set forth in California Code of Regulations, Title 24, Part 6. The exterior lighting plan shall be subject to approval by the Director of the RMA - Planning Department prior to the issuance of building permits. (RMA – Planning Department)</p>	<p>Submit three copies of the lighting plans to the RMA - Planning Department for review and approval. Approved lighting plans shall be incorporated into final building plans.</p> <p>The lighting shall be installed and maintained in accordance with the approved plan.</p>	Applicant	<p>Prior to the issuance of building permits.</p> <p>Prior to occupancy/ongoing.</p>	
8.		<p>PD033 – RESTORATION OF NATURAL MATERIALS & CONDITIONS Upon completion of the exploratory phase, and if no commercial quantities of oil and gas are found at the site, the area disturbed shall be restored to its pre-development condition as an annual grassland subject to approval by the Director of the RMA - Planning Department. Plans for such restoration shall be submitted to, and approved by, the Director of the RMA - Planning Department prior to commencement of use. (RMA – Planning Department)</p>	<p>Submit restoration plans to the RMA - Planning Department for review and approval. Site shall be restored prior to expiration of Use Permit, if no extension is requested or if no subsequent Use Permit applied for.</p>	Applicant	Prior to commencement of use.	
9.		<p>PDSP001 – NON-STANDARD CONDITION: USE PERMIT FOR COMMERCIAL PRODUCTION Should exploration reveal the existence of commercial quantities of oil and/or natural gas, a subsequent Use Permit will be required to convert the exploratory wells to full production wells meeting the California Division of Oil, Gas & Geothermal Resources (DOGGR) guidelines for oil and gas drilling. Application for such Use Permit shall undergo full CEQA review and analysis. (RMA - Planning Department)</p>	<p>Quantity of oil and gas found at well site shall be furnished to the RMA - Planning Department. A new Use Permit shall be applied for if commercial quantities of oil and/or gas are found. The new project will be subject to CEQA review.</p>	Applicant	Prior to expiration of temporary Use Permit.	

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
10.		<u>PDSP002 – NON-STANDARD CONDITION: SUBMITTAL OF REVISED PLANS</u> The applicant shall submit revised plans showing the new location of the North Paris Valley (NPV-1) well pad. Revised location is to be in accordance with information presented in the noise analysis as being the most suitable for reducing noise impacts to the neighboring residence. (RMA – Planning Department)	Submit revised plans to the RMA - Planning Department.	Applicant	Prior to obtaining the Permit Approval Notice.	
11.		<u>PDSP003 – NON-STANDARD CONDITION: WELL ABANDONMENT PROCEDURES</u> Upon expiration of the Use Permit (PLN080414) and if exploratory wells will not be converted to commercial production, proper procedures in line with responsible oil field practices shall be followed for the plugging and abandonment of exploratory wells in accordance with Section 1723, Sub-sections 1723.1 through 1723.9 (as applicable) of Article 3, Sub-chapter 1, Chapter 4, Division 2, Title 14 of the California Code of Regulations. (RMA – Planning Department)	Submit certification by the Division of Oil, Gas & Geothermal Resources (DOGGR) to the RMA - Planning Department showing compliance with well plugging and abandonment requirements.	Applicant	Upon expiration of Use Permit.	
12.		<u>PDSP004 – NON-STANDARD CONDITION: SITE CLEANUP AND LEASE RESTORATION PROCEDURES</u> Upon expiration of the Use Permit (PLN080414), and if exploratory wells will not be converted to commercial production, proper procedures in line with responsible oil field practices shall be followed for the safe disposal of oil field wastes and refuse and for well site and lease restoration in accordance with, respectively, Section 1775, Sub-sections (a) through (c) as applicable, and Section 1776, Sub-sections (a) through (f) as applicable, of Article 3, Sub-chapter 2, Chapter 4, Division 2, Title 14 of the California Code of Regulations. (RMA – Planning Department)	Submit certification by the Division of Oil, Gas & Geothermal Resources (DOGGR) to the RMA - Planning Department showing compliance with appropriate practices for the safe disposal of oil field wastes and refuse and well site and lease restoration requirements.	Applicant	Upon expiration of Use Permit.	

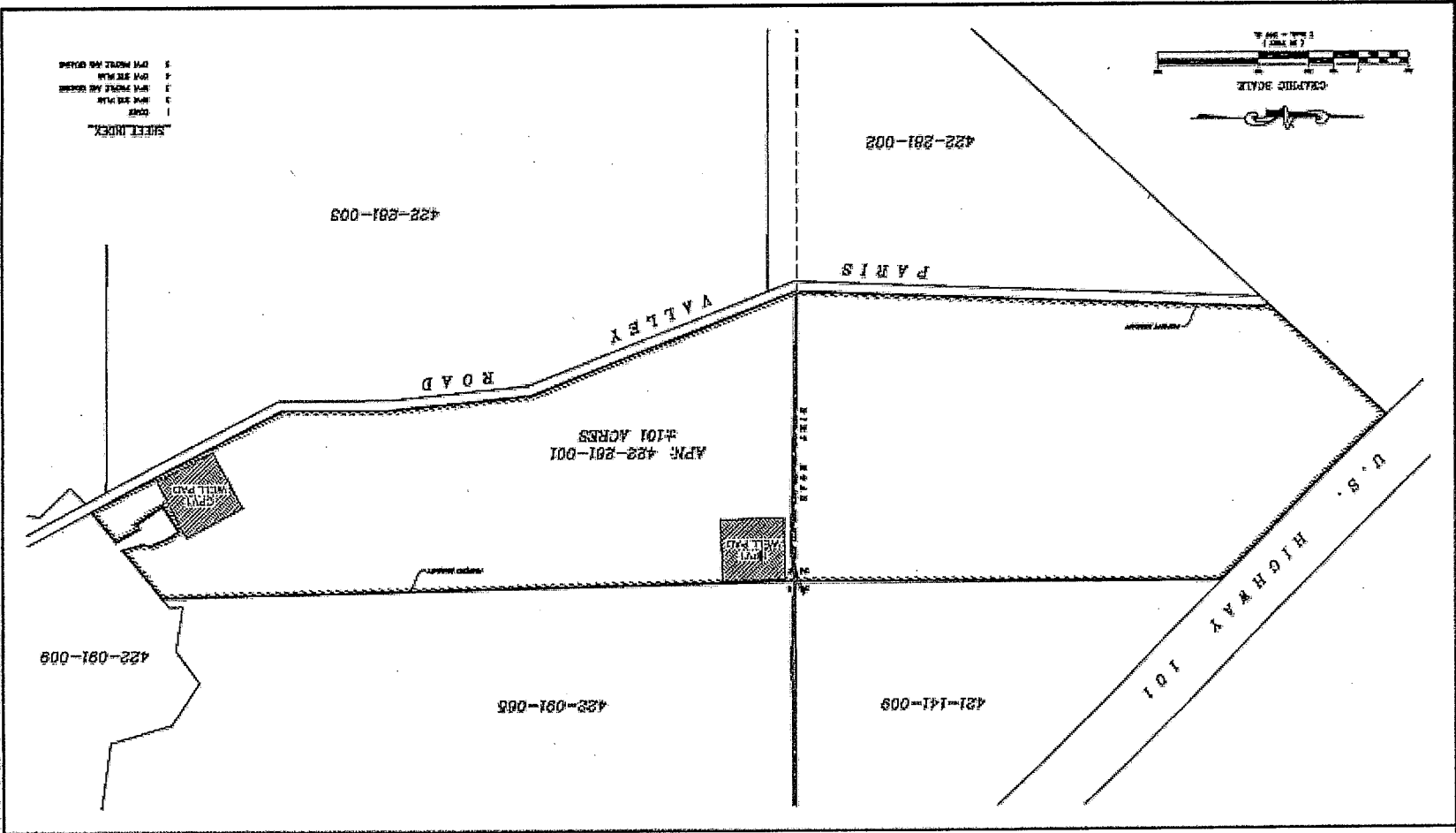
<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
13.		<p>PDSP005 – NON-STANDARD CONDITION: <u>PRE-CONSTRUCTION BIOLOGICAL SURVEY</u></p> <p>A pre-construction biological species clearance survey shall be conducted by a qualified biologist within 14 days of earth disturbance activities taking place at the site. If any protected special-status plant and animal species identified in the Biological Assessment report are found, a qualified biologist shall be contacted in order to delineate exclusion zones and buffer areas to avoid any negative impacts. Species that are found in the way of construction activities shall be relocated by the qualified biologist. Applicant will follow the management practices recommended for implementation in the biological report to protect common and sensitive plant and wildlife resources from any potential impacts. (RMA - Planning Department)</p>	Submit results of pre-construction biological survey to the RMA - Planning Department.	Applicant	Within 14 days prior to the start of site disturbance activities.	
<u>ENVIRONMENTAL HEALTH DIVISION – CONDITIONS OF APPROVAL</u>						
14.		<p><u>EHSP01 (Revised) – PERMIT TO CONDUCT WELL OPERATIONS</u></p> <p>The applicant shall apply for a permit to conduct well operations from the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (CDOGGR) for each exploratory well pursuant to the CDOGGR Public Resources Codes (PRC) 01 and 04. (Environmental Health)</p>	<p><u>Apply for a permit to conduct well operations from the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (CDOGGR).</u></p> <p><u>Submit documentation to the Environmental Health Division indicating that CDOGGR has received a complete application.</u></p>	<u>Owner/ Applicant</u>	Prior to the issuance of grading permits <u>or</u> commencement of operations.	

<i>Permit Condition Number</i>	<i>Mitigation Number</i>	<i>Conditions of Approval and Responsible Department</i>	<i>Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)</i>	<i>Responsible Party for Compliance</i>	<i>Timing</i>	<i>Verification of Compliance (name/date)</i>
15.		<p>EHSP02 – HAZARDOUS MATERIALS: SPILL PREVENTION CONTROL COUNTERMEASURE PLAN (SPCC) Above ground storage tanks for petroleum products (i.e. diesel, oil, and gasoline) with greater than 1,320 gallons of capacity, or for cumulative storage of more than 1,320 gallons, shall meet the standards as found in the California Health and Safety Code, Section 25270 et seq., and the Code of Federal Regulations, Part 112 (commencing with Section 112.1), Subchapter D, Chapter 1 of Title 40. (Environmental Health)</p>	<p>Submit a “Spill Prevention Control Countermeasure Plan” (SPCC) to Hazardous Materials Management Services of the Environmental Health Division for review and approval.</p> <p>Once approved, the applicant shall maintain an up-to-date SPCC Plan.</p>	Owner/ Applicant	<p>Prior to the issuance of building permits.</p> <p>Continuous</p>	
16.		<p>EHSP03 – HAZARDOUS MATERIALS: BUSINESS RESPONSE PLAN The applicant shall maintain an up-to-date “Business Response Plan” that meets the standards found in the California Code of Regulations, Title 19, Division 2, Chapter 4 (Hazardous Material Release Reporting, Inventory and Response Plans), and the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Material Release Response Plans and Inventory). (Environmental Health Division)</p>	<p>Submit a signed “Business Response Plan – Memorandum of Understanding” (form available from EHD) that specifies that an approved Business Response Plan must be on file with Hazardous Materials Management Services of the Environmental Health Division (EHD) prior to bringing hazardous materials on site and/or prior to commencement of operations.</p> <p>Once approved, the applicant shall maintain an up-to-date “Business Response Plan”.</p>	Applicant	<p>Prior to the issuance of grading/ building permits.</p> <p>Continuous</p>	
17.		<p>EHSP04 – HAZARDOUS WASTE CONTROL The facility shall comply with the California Code of Regulations, Title 22, Division 4.5, and the California Health and Safety Code, Chapter 6.50, for the proper handling, storage and disposal of hazardous waste as approved by the Environmental Health Division. (Environmental Health)</p>	<p>Register the facility with Hazardous Materials Management Services of EHD.</p> <p>Maintain the Hazardous Materials permit and comply with all permit conditions.</p>	Owner/ Applicant	<p>Prior to commencement of operations.</p> <p>Continuous</p>	

Permit Condition Number	Mitigation Number	Conditions of Approval and Responsible Department	Compliance or Monitoring Actions to be performed. (Where applicable, a certified professional is required for action to be accepted.)	Responsible Party for Compliance	Timing	Verification of Compliance (name/date)
18		<p><u>EHSP05 – PROXIMITY TO ON-SITE SINGLE-FAMILY DWELLING</u> <u>A noise impact report was prepared for this project by Robert A. Booher Consulting, dated March 4, 2009. The report identifies that the closest residence to the site preparation and drilling/testing operations will be approximately 610 feet away from the North Paris Valley (NPV-1) drill site, located on the adjacent Bray property. The report concludes that noise levels during the site preparation phase will be less than 67 dBA, when measured 610 feet from the source. This noise level complies with the State Model Noise Standards as found in the 1982 General Plan, Noise Element. In order to ensure compliance with these noise standards, all work associated with NPV-1 shall be maintained at a minimum of 610 feet from the closest single-family dwelling. (Environmental Health)</u></p>	<p><u>The property owner and/or applicant shall ensure that the exploratory oil and gas wells at NPV-1 are maintained at a minimum of 610 feet from the closest single-family dwelling.</u></p>	<p><u>Owner / Applicant</u></p>	<p><u>Continuous</u></p>	
19		<p><u>EHSP06 – HOURS OF OPERATION FOR NOISE CONTROL</u> <u>A single-family dwelling exists on an adjacent property within 1,000 feet of the proposed North Paris Valley (NPV-1) exploratory oil and gas well site. In order to ensure compliance with Monterey County’s noise standards as specified in the 1982 General Plan – Noise Element, site preparation activities must be restricted to the hours of 7:00 a.m. through 6:00pm, Monday through Friday. Site preparation activities shall not occur on Saturday or Sunday. (Environmental Health)</u></p>	<p><u>The property owner and/or applicant shall ensure that site preparation activities are restricted to the hours of 7:00am through 6:00pm, Monday through Friday.</u></p>	<p><u>Owner / Applicant</u></p>	<p><u>Continuous</u></p>	

**EXHIBIT E
SITE MAP**

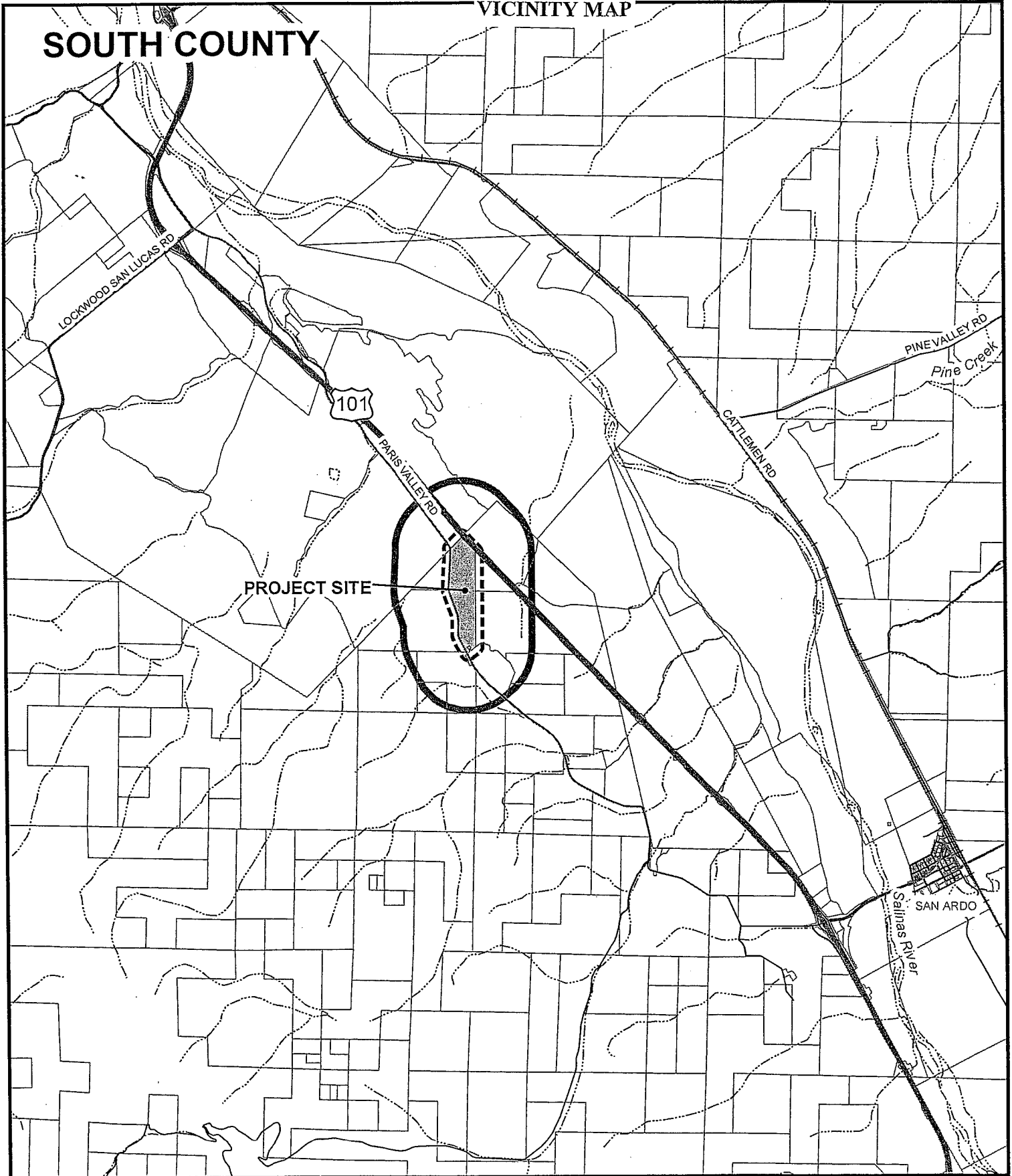
SMC SANTA MONTE COUNTY SAN MATEO COUNTY	SMC SANTA MONTE COUNTY SAN MATEO COUNTY
SMC	SMC
<p>TO BE ADDED TO THE PROJECT AS A RESULT OF THE PERMITS REQUIRED FOR THE PROJECT. THIS SHEET SHOWS THE LOCATION OF THE PROJECT AND THE LOCATION OF THE EXISTING AND PROPOSED WELLS. THE LOCATION OF THE EXISTING AND PROPOSED WELLS IS SHOWN BY A SHADING PATTERN. THE LOCATION OF THE EXISTING AND PROPOSED WELLS IS SHOWN BY A SHADING PATTERN.</p>	
<p>DATE: 11/17/2006 DRAWN BY: JLB CHECKED BY: JLB SCALE: AS SHOWN SHEET NO. 5 OF 8</p>	
<p>WELL & OPER WELLS</p>	
<p>SITE NAME</p>	
<p>SITE ADDRESS</p>	
<p>SAN ARDO, SAN ARDO, CA, MONTEREY COUNTY</p>	
<p>SHEET TITLE</p>	
<p>SITE SURVEY</p>	
<p>SHEET</p>	



**SITE NAME:
NORTH PARIS VALLEY WELL # 1
& CENTRAL PARIS VALLEY WELL # 1
SAN ARDO, CALIFORNIA**

EXHIBIT F
VICINITY MAP




SOUTH COUNTY

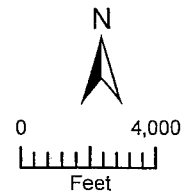


APPLICANT: BRAY

APN: 422-281-001-000

FILE # PLN080414

 300' Limit  2500' Limit  City Limits



PLANNER: LYONS