



City of Whittier

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(562) 567-9320 Fax (562) 567-2872

January 30, 2013

Michael McCaskey
Matrix Oil Corporation
General Partner Operations/Executive Vice President
Matrix Oil Management Corporation
General Partner Assets/President
104 W. Anapamu Street, Suite C
Santa Barbara, CA 93101

Re: Approval for Site Clearing

Dear Mr. McCaskey:

This letter constitutes conditional approval for Matrix Oil Corporation ("Matrix") to conduct Site Clearing and Abandoned Well Identification activities at the Proposed Whittier Main Oil Field Project Site under CUP09-004.

This letter shall in no way constitute approval to commence grading or be considered an approval of the grading plans previously submitted. Review of all compliance plans submitted by Matrix in satisfaction of the conditions of approval is limited to this subphase of the Project and additional reviews and approvals would have to occur for future subphases of the Project. This approval is limited to only those activities listed below:

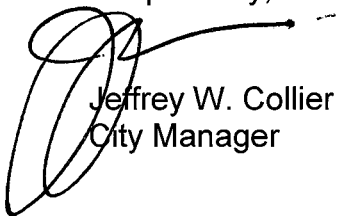
1. Removal of vegetation along fuel modification areas identified within the Habitat Mitigation and Monitoring Plan Testing Phase (HMMP) submitted January 22, 2013 Figure 2, totaling 1.21 acres;
2. Removal of Vegetation within the Test Well Site Plan as indicated in the HMMP Figure 2, totaling 1.99 acres (attached as Exhibit A to this approval letter);
3. Removal of Vegetation within the Proposed Paved Widened Access Road as indicated in the HMMP Figure 2, totaling 0.03 acres;
4. Placement of vegetative materials at the location determined by the Habitat Authority; and,
5. Disturbance of surface soils within the above defined Test Well Site Plan only to the extent necessary to determine the location of abandoned wells from the previous oil field operations.

The activities are subject to the following conditions:

- a. All activities at the site shall be in compliance with the Conditions of Approval as established by the City Council Resolution #8423 from November 28, 2011;
- b. All activities at the site shall be in compliance with the Mitigation Monitoring Plan from the Final Environmental Impact Report and amended by the City Council November 28, 2011;
- c. Activities at the site shall adhere to Best Management Practices ("BMP") to prevent pollution to local waterways, and prevent sediments, construction debris and trash from being washed into storm drains causing pollution to local waterways;
- d. Site conditions during and after vegetation removal and soil disturbance shall implement erosion control BMP as directed by the City inspectors and these measures shall be maintained until the future date when Test Site grading takes place;
- e. The Operations Manual, Emergency Response Action Plan, Oil Spill Contingency Plan and the Storm Water Pollution Prevention Plan shall require a second approval by the City and the Habitat Authority prior to Test Site grading;
- f. Measures as specified in the Operations Manual (allowed construction hours, etc) are applicable; and,
- g. Notification to the City and Habitat Authority shall be required for planned site activity, with details regarding the duration, type of activity and focus area of such activity.

This approval is limited in duration to 30 days from the date above.

Respectfully,



Jeffrey W. Collier
City Manager





cc: Aldo E. Schindler, Director of Community Development
David Pelsler, Director of Public Works

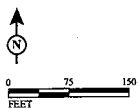
Enclosure: Exhibit A



LSA

LEGEND

-  Test Well Site Plan (1.99 acres)
-  Proposed Paved Widened Access Road (0.03 acre)
-  10 foot Fuel Modification Design (1.21 acres)
-  SCE Transmission Line



SOURCE: Aerial - Adams-Streeter (7/2011); Matrix Oil (12/2012)
 R:\MTX100\GIS\FuelModification.mxd (1/10/2013)

FIGURE 2

Whittier Main Testing Phase HMMP
 Testing Phase Site

**MASTER Whittier Oil Project Action Items
Site Clearing Only (Phase 1 sub-phase 1)**

For Status: C=complete and located on plans, S=submitted

Action Item No.	Action Item Title	Source	Status
2	Environmental Compliance Coordinator	COA No. 18	c
3	Special Training for Vendors & Employees	COA No. 19(1)	c
4	Operational Manual	COA No. 19(1)	s
6	Draw-Down Account	COA No. 29(2)	c
7	Indemnification	COA No. 29(3)	c
8	General Liability Insurance	COA No. 29(4)	c
10	Comprehensive Pollution Coverage Insurance	COA No. 29(4)	c
15	Establish Operator office in City of Whittier	COA No. 86	c
19	Incidental Take Statement	MMP BIO-1d	c
20	Emergency Response Action Plan	MMP BIO-3a, MMP FP-1d, MMP FP-2b	s
100	Fire Fighting Apparatus	COA No. 25	c
102	24-Hour Emergency Contact	COA No. 27	c
103	Vehicle Equipment: Radios, fire ext	COA No. 32(1)	c
105	Safe Conditions	COA No. 32(3)	c
106	Manager-Ranger Coordination	COA No. 32(5)	c
107	Trash Cleanup	COA No. 32(6)	c
108	Site Access Directions & Map	COA No. 32(7)	c
109	Site Boundary Demarcation	COA No. 32(8)	c
110	Vehicle Safety Signs	COA No. 32(9)	c
114	Solid Waste Disposal	COA No. 39	c
117	Noise Limits, timeframes	COA No. 47(1)(a)	c
120	Backup Alarms: 8-8	COA No. 47(2)	c
121	Equipment Servicing minimize noise	COA No. 47(3)	c
123	Deliveries to the Project Site	COA No. 47(4)	c
124	Construction Equipment: low noise, muffled, maintained	COA No. 47(5)	c
125	Construction Equipment Idling	COA No. 47(6)	c
131	Main Entrance Sign: contact info	COA No. 49(2)	c
132	Other Required Signs	COA No. 49(3)	c
135	Security: gates and guarded	COA No. 58	s
139	Garbage & Refuse	COA No. 60(1)	c
140	Toilets & Wash Facilities	COA No. 60(2)	c

Action Item No.	Action Item Title	Source	Status
150	Contaminated Materials	COA No. 68(2)	c
153	Temporary Impacts	COA No. 70(1)	c
155	Unauthorized Access, personnel within site areas	COA No. 73	c
158	GHG Emissions: logging	COA No. 83	s
159	GHG Emissions Exceedence	COA No. 83	s
160	Roadside Parking	COA No. 90	c
172	Breeding Season (Feb 15-Aug 31)	MMP BIO-4e	c
173	Hawk & Owl Nesting (Dec 1 - Aug 31)	MMP BIO-4f	c
174	Special-Status Bats	MMP BIO-4g	c
175	Biological Monitor onsite during veg removal	MMP BIO-4k	c
176	Sensitive Habitat Signage every 50'	MMP BIO-4m	s
179	Site Security Methods: secure auto gates or guards	MMP SR-1a	c
182	Site Security Methods: posted and distributed, websites	MMP SR-1a	c
183	Site Security Methods: sign-in	MMP SR-1a	c
192	Catalina & Mar Vista Access Limits	MMP T-1c	c
196	Safety & Access Improvements: record of vehicles	MMP T-1d	c
199	Safety & Access Improvements: cover all haulvehicles	MMP T-1d	c
201	Storm Water Pollution Prevention Plan	MMP WR-1g, MMP WR-2a, MMP WR-2b	s
203	Personnel Training: oil spill	MMP WR-3c	c
204	Oil Spill Cleanup: CSQA BMPs	MMP WR-3d	s
210	Fuel Modification Areas and Wildfire Prevention	MMP FP-2a	c
213	Site Clearing timeframe	COA No.6, FEIR Pg. 2-22	c
225	Equipment Delivery Once Only	COA No.6, FEIR Pg. 2-23	c
226	Truck Size 58'	COA No.6, FEIR Pg. 2-24	c
227	Tank Size 12' x 40'	COA No.6, FEIR Pg. 2-24	c

Action Item No.	Action Item Title	Source	Status
246	Allowable Vehicle Trips	COA No.6, FEIR Table 2-5, App A; App O	c
253	Construction Hours (7-6 M-F, 8-5 S)	MMP N-1a	c
254	Machinery Noise: mufflers, maintenance	MMP N-1b	c
256	Erosion Control	COA No. 45(3)(b)	s
257	San Miguel Trail Access closed at start of site grading	MMP BIO-4n	c
258	Wildlife Movement Conflicts funding	CUMULATIVE BIO-1c	c
322	Local Hiring	COA No. 78	c
325	Habitat Authority Payment	COA No. 88	c
342	Construction Parking & Staging	MMP N-1c	c
349b	SWPPP BMPs, registered SWPPP developer	MMP WR-1d	s
356	Obtain Applicable Permits	MMP BIO-2b	c
357	Service Tunnel Signage	MMP BIO-4j	c
375	Refueling timing	COA No.6, FEIR Pg. 2-35	c
376	Welding Gasses stored in secured cylinders	COA No.6, FEIR Pg. 2-35	c
506	Oilfield Public Relations Contact	COA No. 28	c
521	Jurisdictional Waters Impact Permits	COA No. 70(3)	c
522	Jurisdictional Waters Impact Mitigation	COA No. 70(3)	c
525	Areal Replacement Conformance	COA No. 89	c
526	Native Habitat Areal Replacement – Coastal Sage Scrub	MMP BIO-1a	c
527	Native Habitat Areal Replacement – Graded Slopes	MMP BIO-1b	c
528	Native Habitat Areal Replacement – Weed-Free Topsoil	MMP BIO-1c	c
700	Employee & Vendor Training	COA No. 19(2)	c
730	Fuel Modification – Access Roads	COA No. 71(3)	c