ATTACHMENT A

Whittier Main Oil Field Development Project
Conditional Use Permit CUP#09-004

CONDITIONS OF APPROVAL

GENERAL CONDITIONS

1. Mitigation Measures. All mitigation measures set forth in the project CEQA documents as amended by Appendix O, and included as Attachment C to Resolution No. ____, A Resolution of the City Council of the City of Whittier Certifying the Final Environmental Impact Report for the Whittier Main Oil Field Development Project ("the CEQA Resolution"), shall be satisfied by the Operator (Matrix Oil Corporation), at the Operator's expense; and the development must operate within the development assumptions utilized for the CEQA review.

2. Indemnification, Protection and Defense. The Operator and its successors in interest shall indemnify, protect, defend (with legal counsel reasonably acceptable to the City), and hold harmless, the City, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees, and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs, and expenses of whatever nature, including reasonable attorney's fees and disbursements (collectively "Claims") arising out of or in any way relating to this project, any discretionary approvals granted by the City related to the development of the project, or the environmental review conducted under California Environmental Quality Act, Public Resources Code Section 21000 et seq., for the project. If the City Attorney is required to enforce any conditions of approval, all costs, including attorney's fees, shall be paid for by the Operator.

3. Injunctive Relief. In addition to any administrative remedies or enforcement provided hereunder, the City may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation of the conditions set forth herein or to mandate compliance with the conditions herein. All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

4. Governmental Compliance. The Operator shall comply with requirements of all Federal, State, County, and local agencies as are applicable to this project.

5. All oil field development and operations shall substantially adhere to the approved project plans and description as reviewed and accepted by the City Council on November 28, 2011. The primary pad area (6.9 acres of surface area) shall be

referred to herein as the Pad Site. The entire Project area, which includes all surface areas authorized to be used, all ~~adjacent disturbed areas and~~ access roads and all subsurface areas from which oil and gas will be extracted and water reinjected, shall be referred to herein as the Project Site. The surface areas which may be used by Operator for Oil Operations or otherwise under this Permit, including the Pad Site, areas requiring mitigation and other areas specifically authorized by the Habitat Authority, shall be referred to as the Accessible Surface Areas.

6. Project Description. The procedures, operating techniques, design, equipment and other descriptions provided by the Operator in: 1) its CUP application to the City and in subsequent clarifications and additions to that application; and 2) as described in the project FEIR and any subsequent environmental review, are incorporated herein as permit conditions and shall be required elements of the project. Since these procedures were part of the project description which received environmental analysis, a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts. Deviations from the project description, environmental review or conditions of approval may require further environmental review and a modification to the CUP. Therefore, modifications of these procedures shall not be permitted without a determination of substantial conformity or a new or modified permit. The use of the Project Site and the Accessible Surface Areas, and the size, shape, arrangement and location of buildings, structures and landscaped areas shall be in substantial conformity with the approved Conditional Use Permit CUP09-004.

7. Grounds for Permit Modification or Revocation. Failure to abide by and substantially comply in good faith with any conditions for the granting of this permit shall constitute grounds for the modification or revocation of this permit by the approving authority.

8. Conditions Separately Remain in Force. In the event that any condition contained herein is determined to be invalid, then all remaining conditions shall remain in force.

9. Conflicts between Conditions. In the event that any condition contained herein is determined to be in conflict with any other condition contained herein or in the Mitigation Monitoring Plan/Mitigation Measures, then where principles of law do not provide to the contrary, the condition most protective of natural environmental resources and public health and safety shall prevail to the extent feasible.

10. Changes to Conditions. The Whittier City Council shall have the authority, in a noticed public hearing, to specify or change the Whittier City Department responsible for monitoring or enforcement of any conditions contained herein.

11. Challenges to Mitigation or Condition. In the event that any condition imposing a fee, exaction, dedication or other mitigation measure is challenged by the Operator in an action filed in a court of law or threatened to be filed therein which action is brought

in the time period provided for by Code of Civil Procedures Section 1094.6 or other applicable law, this approval shall be suspended pending dismissal of such action, the expiration of the limitation period applicable to such action, or final resolution of such action. If any condition is invalidated by a court of law, the entire project shall be reviewed by the Planning Commission (subject to City Council review) and no approval shall be issued unless substitute feasible mitigation conditions/measures are imposed. Following initial approval of this permit and commencement of operations under it, new conditions imposing a fee, exaction, dedication or other mitigation measure may be added or expanded in subsequent proceedings. The Operator may challenge any new or expanded condition, exaction, dedication or other mitigation measure in an action filed in a court of law in the time period provided for by Code of Civil Procedures Section 1094.6 or other applicable law.. If such a challenge is brought or threatened, the new or expanded condition, exaction or other mitigation measure shall be suspended pending dismissal of such action, the expiration of the limitation period applicable to such action, or final resolution of such action, provided that such suspension does not create or lead to new unassessed environmental impacts. If any condition is invalidated by a court of law, the entire project shall be reviewed by the Planning Commission (subject to review by the City Council) and re-evaluated in its entirety to ensure that substitute feasible mitigation conditions/measures are imposed.

12. Applicability of Conditions to Construction and Operations. These permit conditions are intended to apply to the project during all phases. The term "operations" shall be understood to encompass construction, drilling and redrilling and operation phases unless such an interpretation would be inappropriate.

13. Maximum Number of Wells. The Operator shall drill no more than 60 wells in the Pad Site into the Whittier Main Oil Field~~Project Site~~.

14. Infrastructure. The Operator shall have suitable infrastructure in place, as reasonably determined by the City, to support oil operations.

15. Traffic Management Plan. Prior to any project excavation or construction activities related to the P~~p~~roject S~~s~~ite, the Operator shall prepare for review and approval of the City a Traffic Management Plan to reduce project traffic impacts on substantially affected residential streets, including at a minimum affected portions of Penn Street and Catalina Avenue. The Operator shall take steps to include residents of the affected streets in the planning and preparation of the Traffic Management Plan. The plan shall require that residents be notified whenever work is performed on their streets relating to the Project.

16. The Operator and its successors in interest shall submit a fair share contribution/cost offset to the Whittier Utility Authority associated with the loss of revenue of landfill fees should waste hauler truck trips on Penn Street be reduced to account for an equivalent quantity of truck trips generated from and for the Whittier Main Oil Field ~~Project Site~~ Development Project in order to maintain existing, equivalent overall

truck trip traffic along Penn Street. The frequency and amount of the fair share contribution shall be determined by the City Engineer and Executive Director, and updated as appropriate, to ensure a consistent revenue stream to the Whittier Utility Authority's Solid Waste Collection Account.

17. Retaining Walls. Prior to construction of any retaining walls on the Pproject Ssite, the Operator shall provide plans of retaining walls for review and approval of the City and Habitat Authority.

18. Environmental Compliance Coordinator. The City shall hire the Environmental Compliance Coordinators, the costs of which shall be reimbursed by Operator. The number of Environmental Compliance Coordinators shall be determined by the City and shall take into account the level of Oil Operations at the Project Site. The Environmental Compliance Coordinator(s) shall be approved by, and shall report to, the City Manager or Designee. The responsibilities of the Environmental Compliance Coordinator(s) shall be determined by the City for the Project Site and shall generally include:

    (1) On-site, day-to-day monitoring of construction, drilling and redrilling, and operational activities as determined by the City Manager or Designee.

    (2) Taking steps to ensure that the Operator, and all employees, contractors and other persons working in the Project Site, have knowledge of, and are in compliance with all applicable provisions of this conditional use permit.

    (3) Evaluating the adequacy of Drilling, Redrilling, and construction impact mitigations, and proposing improvements to the Operator or contractors, and the City.

    (4) Reporting responsibilities to the various City departments with oversight responsibility at the Project Site, as well as other agencies such as DOGGR, and SCAQMD.

19. Special Training for Vendors and Employees.

    (1) Prior to any project excavation or construction related activities, Operator shall provide all contractors, subcontractors, oil tankers and workers with an operational manual that will include instructions about Preserve rules; permitted parking areas; carpooling requirements; smoking prohibition anywhere in the Project Site, including in vehicles; appropriate location and placement of temporary living trailers, offices as well as guard station posts; guidelines for environmentally friendly operations (i.e. do not push dirt in drainages, do not trim riparian vegetation, etc.). The operational manual shall be reviewed and approved by the City Manager or Designee and Habitat Authority.

(2) The Operator shall arrange for an on-going special training program to ensure that all employees and vendors are trained to comply with the operational manual, including all environmental and biological compliance and monitoring requirements.

20. The Operator shall improve, at its cost, the internal landfill access road(s) to the satisfaction of the City Engineer and enter into a Reciprocal Access Agreement subsequent to the Design but prior to the Construction Phase of the Project. The Agreement shall be subject to review and approval by the City Council and shall include, but not be limited to, the specific design and construction of the required road improvements and their related on-going maintenance, and construction coordination with on-going Savage Canyon Landfill operations.

21. Landfill Road Restrictions. No use of the Landfill Road shall be permitted during the hours from one half (1/2) hour before sunset to 1/2 hour after sunrise, to protect animals with nocturnal foraging/hunting habits, except for emergencies.

22. Ranger ~~Station~~Residence. A suitable offsite facility shall be obtained by Operator, at Operator's expense, to provide temporary accommodations in place of the ranger residence~~station~~ during construction. The location shall be subject to approval of the City Manager or Designee and Habitat Authority prior to Project construction. This temporary location shall remain operational as determined by the City Manager or Designee and Habitat Authority. Following completion of construction, Operator shall restore the existing ranger residence~~station~~ to at least its pre-existing usable condition to the satisfaction of the City Manager or Designee. During installation of sanitary sewer facilities on the Project Site, Operator shall cause to be installed a sewer stub for the Ranger residence~~Station~~.

23. Colima Tunnel. The area around the west end of Colima tunnel where Eucalyptus trees have been previously removed shall be revegetated pursuant to Habitat Authority standards and restoration guidelines to provide better cover and to attract more animals to use the tunnel. The revegetation area shall include weedy patches connecting the tree removal area, encompassing approximately 25 acres. Phasing of the revegetation shall be as directed by the City and Habitat Authority.

24. Spill Clean-up Fund. The Operator shall establish a fund, letter of credit or similar mechanism in an amount acceptable to the City to guarantee that funds will be immediately available to undertake clean-up activities in case of a spill. The minimum amount of such fund shall be the deductible amount of any policy of liability, pollution or well control drilling insurance required in this permit.

25. Fire Fighting Apparatus. The Operator shall provide adequate firefighting apparatus to fight oil related fires within all areas of the Preserve on which oil related operations will occur, including pipelines and roads. The type, amount and location

of firefighting apparatus shall be determined by the Los Angeles County Fire Department and City.

26. During all construction, drilling and redrilling and operational phases, the Operator shall ensure that protective fencing is in place as required by the City and Habitat Authority.

27. 24-Hour Emergency Contact. Prior to issuance of the first required Permit for Phase 1, the Operator shall provide to City, Habitat Authority and Los Angeles County Fire Department the current name and position, title, address, and 24-hour telephone numbers of the person in charge of the facility, person in charge of construction, and other representatives who shall receive all orders and notices, as well as all communications regarding matters of condition and permit compliance at the Project Site and who shall have authority to implement an emergency facility shutdown.

28. Oilfield Public Relations Contact. The Operator shall provide for a public relations officer to be available at all phases of project construction and operation. The officer's name and phone number shall be posted for easy access to the public, including on the City's website.

29. Administrative Items: The following provisions shall apply throughout the Project Site.

(1) Costs of Implementing and Enforcing Conditions. The Operator shall be fully responsible for all reasonable costs and expenses incurred by the City or any City contractors, consultants, or employees, in implementing, monitoring, or enforcing this permit, including but not limited to, costs for permitting, permit conditions implementation, mitigation monitoring, reviewing and verifying information contained in reports, undertaking studies, research and inspections, administrative support, and including the fully burdened cost of time spent by City employees on such matters.

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(2) Draw-Down Account. The Operator shall maintain a draw-down account with the City, from which actual costs will be billed and deducted for the purpose of defraying the expenses involved in the City's review and verification of the information contained in any required reports and any other activities of the City, including but not limited to: enforcement, permitting, inspection, coordination of compliance monitoring, administrative support, technical studies, and the hiring of independent consultants. The initial amount to be deposited by the Operator shall be $500,000. In the first year, if withdrawals from the account have reduced its balance to less than 50 percent of the amount of the initial deposit ($250,000), the Operator shall deposit $50,000 in supplemental funds within 30 business days of notification. After the first year, if the balance in the draw-down account is reduced at any time to $50,000 or less, the Operator shall deposit $50,000 in supplemental funds on each occasion that the account is reduced to $50,000 or less within 30 business days

of notification. There is no limit to the number of supplemental deposits that may be required. At the discretion of the Operator, the amount of an initial or supplemental deposit may exceed the minimum amounts specified in this subsection. The City Manager or Designee may, from time to time, increase the minimum $50,000 figure to account for inflation or the City's experience in obtaining funds from the account. Operator shall be entitled to reasonably review during normal business hours the expenditures from the deposit to ensure the expenditures are related to the Project.

(3) Indemnification. The Operator shall enter into an agreement with the City to indemnify and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action or proceeding for damages arising from its Oil Operations, including water, air or soil contamination, health impacts, or loss of property value during the Oil Operations, Abandonment and post-Abandonment of the Oil Operations with terms approved by, and in a form acceptable to, the City Manager.

(4) Insurance Requirements.

General Liability, Pollution Legal Liability, and Well Control Drilling Insurance

Operator shall demonstrate to the City that it carries on the Matrix Project General Liability Insurance, in an aggregate amount of not less than $15,000,000, combined limits, $15,000,000 in Well Control Drilling Insurance, and a policy of Comprehensive Pollution Coverage Insurance in an aggregate amount of not less than $30,000,000 combined limits. This insurance shall provide coverage for claims for bodily injury, environmental or property damage that result from pollution conditions at, on or emanating from the Matrix facilities. The Comprehensive Pollution Coverage Insurance policy may not contain an exclusion of onsite remediation costs if such an exclusion would exclude, remove or impair coverage for onsite remediation performed in response to a governmental order, demand, warning or other legally enforceable requirement. Should an exclusion exist in the policy, Operator shall post a bond to cover costs associated with remediation.

The insurance policies must be secured through an insurance company having a Best's rating of "A – X" or better. Operator shall submit one or more certificates of insurance to P&D to be approved by the City Risk Manager. The General Liability and Pollution Legal Liability Insurance policies shall be in place prior to any activity being conducted under the Permit and shall remain in full force and effect until revocation of the permit. Operator shall submit certificates of insurance 30 days in advance of the renewal anniversary of each policy. Such certificate(s) shall evidence the coverages described above, shall name the City of Whittier and the Habitat Authority as additional insureds as to each policy provided, and shall afford the City 60 days advance notice of cancellation or non-renewal. The City Risk Manager may adjust the aggregate coverage amount

specified above over time depending on factors such as inflation, modifications to State and Federal oil spill financial responsibility guidelines, and project modifications. In making such adjustments, the City Risk Manager shall give due regard to the cost and availability of such coverage, and shall allow Operator a reasonable period of time in which to place such coverage.

The Well Control Drilling Insurance policy shall only be required to be in effect while drilling operations are being conducted. Operator may satisfy the Well Control Drilling Insurance requirement by having its drilling contractor or subcontractors supply the required insurance, so long as the aggregate insurance maintains the total required.

All policies of insurance shall include a waiver of subrogation rights against the City of Whittier, the Habitat Authority, and any of their officers, agents and employees. Any insurance required of Operator herein shall be primary; any insurance held by or available to the City or Habitat Authority shall be secondary and non-contributing.

(5) Performance Security. The Operator shall be subject to the following provisions:

a. Performance Bond. Prior to issuance of the first drilling permit pursuant to this section, the Operator shall provide to the City Manager or Designee, a faithful performance bond or financial instrument in the sum to be determined by the City Manager, payable to the City and executed by a corporate surety acceptable to the City and licensed to transact business as a surety in the State of California. Such bond shall be conditioned upon the faithful performance by Operator of duties related to well abandonment, site restoration and environmental cleanup and shall be in a format and include terms approved by the City Manager.

b. Change of Operator. The performance bond shall continue in force for one (1) year following any sale, transfer, assignment, or other change of Operator of the Project Site, or of the current Operator's termination of activities at the Project Site. The City may release said bond prior to the end of the one (1) year period upon satisfaction by said Operator of all its obligations. Notwithstanding the foregoing, the performance bond shall not be terminated or released upon the sale, transfer, assignment, or other change of Operator until the new Operator has delivered a replacement bond complying with the provisions of this section.

c. Funding Options. At its sole option, the City may accept Certificates of Deposit, Cash Deposits, or U.S. Government Securities in lieu of commercial bonds to meet the above bonding requirements on terms approved by the City Manager.

30. Record Keeping. As to any condition which requires for its effective enforcement the inspection of records or facilities by City or its agents, the Operator shall make such records available or provide access to such facilities upon reasonable notice from City. The City agrees to keep such information confidential where permitted by law and requested by the Operator in writing.

31. Periodic Review. The City shall conduct a comprehensive review of the conditions of approval at least every five (5) years from CUP issuance to determine if the conditions of approval are adequately protecting the health, safety and general welfare. Such reviews shall, among other things, consider whether additional conditions should be added, appended or removed. One of the main goals of the periodic review shall be to evaluate if proven technological advances that would further reduce impacts of Oil Operations on neighboring land uses should be incorporated into the conditions of approval. Should future proven technological advances be incorporated into the amended conditions of approval, those requirements shall apply to all new or replacement equipment. In addition, such conditions of approval shall require replacement of existing, functional equipment as may be reasonably directed by the City Manager following consultation with an appropriate expert as to the technological and financial feasibility of such replacement.

    (1) Review Requirements. Each review shall include a report from a Consultant designated by the City Manager or Designee, which shall be prepared after public notice and an opportunity for public comment. The report shall include a comprehensive analysis of the effectiveness of the conditions of approval, and shall review and consider enforcement activity, operational records, and any other issues relating to Oil Operations. A draft of the report shall be provided to the Operator for review and comment. All comments on the draft report from the Operator shall be submitted to the City Manager or Designee in writing, and will be considered, if timely received, before the report is finalized. The final report by the Consultant shall include a recommendation as to whether the Community Development Director should prepare a proposed amendment to the conditions of approval for submission to the Planning Commission, with review or appeal rights to the City Council.

    (2) Early Reviews. An earlier review may be requested by the City Manager or Designee at any time, if more than three (3) material violations occur within any twelve (12) month period and the City Manager or Designee and responsible agencies determine that resolution of the violations requires an amendment to the conditions of approval.

32. Operational Procedures

    (1) All oilfield vehicles on the Project Site shall carry two-way radios or approved equivalent, fire extinguishers, and other emergency equipment.

(2) If damages due to natural events such as earthquakes or floods occur on the Project Site, the affected area shall be repaired to previous or comparable conditions.

(3) The Project Site shall remain in safe condition at all times. Operator shall also be responsible for maintaining any affected adjacent areas in safe condition subject to the review and approval of the City and Habitat Authority (i.e. Operator shall pay for all costs associated with stabilizing an affected adjacent slope outside the Pad Site to guarantee safe site conditions or to reduce potential property damages.)

(4) Operator shall provide quarterly written, emailed reports to the City, Habitat Authority and on-site or supervising ranger describing project activities. The reports shall contain a list of contractor company names.

(5) Operator will ensure that the oil operations site manager and on-site or supervising ranger exchange phone numbers.

(6) Operator shall be responsible for cleanup of trash produced by Project Site activities along the roadways and surrounding areas

(7) Operator shall provide all contractors, subcontractors and oil tankers with adequate directions and maps for accessing the Pad ~~s~~Site or Accessible Surface Areas. Proper sign posting of the Project Site shall be provided so that oil contractors are aware of the proper entrance.

(8) The Operator shall clearly identify on site the boundaries of the Pad Site ~~Project~~or Accessible Surface Areas ~~Site~~ with fencing and in a manner acceptable to the Habitat Authority to avoid confusion over use area for staging, storing, stockpiling, etc.

(9) The Operator shall ensure that roadside/ trailside signs are used as necessary to warn vehicles and hikers, such as "Watch for truck traffic"; "Watch for pedestrians/wildlife". Speed limit signs shall be posted along roads used by oilfield vehicles. Posted speeds shall be a maximum of 15 miles per hour.

(10) The Operator shall be responsible for graffiti cleanup along roads used by oilfield vehicles and on any signs/gates/fencing related to the operation.

(11) The Operator shall report any illegal activity or vandalism to the Habitat Authority and City in a timely manner.

33. City Manager's Review Required. The Operator shall not conduct any new Drilling or Redrilling unless the subject wells have been approved as part of the annual

drilling plan, and until copies of all related permits have been submitted to the City Manager or Designee; including, but not limited to the permits required by DOGGR, the Los Angeles County Fire Department, the City Department of Public Works, the County Sanitation District, RWQCB, SCAQMD and other pertinent agencies identified by the City Manager or Designee.

34. Enforcement: In addition to the provisions of Chapter 1.08 of the City of Whittier Municipal Code, the Operator shall be subject to the following enforcement provisions:

(1) Civil Penalties and Performance Security. The Operator shall be subject to a penalty for violation of any requirement of this conditional use permit as determined by, and at the discretion of, the City Manager or Designee in an amount not less than $1,000 or more than $10,000 per day per violation until it is cured, but in no event, in an amount beyond that authorized by state law. For this purpose, the Operator shall deposit the sum of $100,000 in an interest-bearing trust fund with the City within thirty days of the effective date of this section, to establish a draw down account. A written notice of violation and the associated penalty will be sent to the Operator. If the noted violation is not corrected within thirty days to the satisfaction of the City Manager, or if steps satisfactory to the City Manager have not been initiated during that period to effect a cure or to seek modification of the condition, the penalty amount cited in the written notice will be deducted from the account. If the violation is corrected within 30 days but recurs any time within a six-month period, the penalty will be deducted from the account upon each recurrence and the Operator will be notified of such deduction. Once the deposit has been depleted by 50 percent of the initial amount ($50,000), the Operator shall deposit additional funds sufficient to bring the balance up to the amount of the initial deposit ($100,000) within 10 business days of notification. There is no limit to the number of supplemental deposits that may be required while the Operator conducts Oil Operations within the City. If the Operator is dissatisfied with the action of the City Manager or Designee, the Operator may file an appeal in accordance with the City's Municipal Code within 15 days after notice is mailed. Upon receiving a notice of appeal, the decision maker shall take one of the following actions.

a. Affirm the action of the City Manager or Designee;

b. Refer the matter back to the City Manager or Designee for further review with or without instructions; or

c. Set the matter for public hearing and, after hearing, affirm, modify or reverse the action of the City Manager or Designee.

The decision on appeal shall be final as provided in the Whittier Municipal Code.

(2) Right of Entry. Any officer or employee of the City, or his or her duly appointed representative, whose duties require the inspection of the Project Site premises shall have the right and privilege at all reasonable times, to enter upon any premises upon or from which any Oil Operations are being conducted for which any permit is required under this conditional use permit, for the purpose of making any of the inspections pursuant to this section, the permit, or in any other ordinance of the City, or for any other lawful purpose, but for safety reasons, shall be accompanied by the Operator or a designee of the Operator and shall wear all appropriate personal protection equipment in accordance with the Operator's established health and safety policies.

OPERATIONAL CONDITIONS

35. Odors, Liquids or Visible Emissions. The Operator shall ensure that all normal Project facility operations will be conducted in such a manner so as not to generate offensive odors, fumes, noxious liquids or visible emissions of smoke.

36. Sour Gas Contingency Plan. The Operator shall prepare a sour gas contingency plan which addresses the actions that will be taken in the event that hydrogen sulfide is encountered during the drilling and production operations. This plan shall require that the well or wells involved be shut down if hydrogen sulfide above 20 ppm is encountered during production and outline what additional measures will be taken if hydrogen sulfide is encountered during production to prevent a hazardous release. No operation with sour gas shall be allowed as part of this permit. The Operator shall distribute copies of the plan to applicable City Departments and the Los Angeles County Fire Department. All plan recipients are to be notified of contingency plan changes via formal contingency plan updates.

37. Pipeline Construction Confined to Right-of-Way. All pipeline construction activities, including work areas and staging and storage areas of pipe, shall be confined to the approved right-of-way both within the Preserve and outside the site on oil and gas pipelines.

38. Submittal of As Built Drawings. Within one year after initial start-up of the project (Phase 1), and again within one year of commencement of Phase 2 operations, The Operator shall submit as-built drawings of the entire facility(ies) to City. Any facility modifications required for Phase 3 operations shall also be documented on facility as-built drawings within one year of their construction. The Operator shall submit as many sets of drawings (up to ten sets) as may be requested by the City, as well as electronic copies.

39. Solid Waste Disposal. Solid waste generated on the site shall be transported to a City-approved landfill or hazardous waste facility as may be appropriate for the life of the Project.

40. Water Conservation Measures. The design of all new and/or modified onsite facilities shall incorporate the use of cost-effective water-conserving fixtures.

41. Energy Conservation Measures. Throughout the project life, as equipment is added or replaced, cost-effective energy conservation techniques shall be incorporated into project design.

42. Meteorological Station. The Operator shall maintain and operate a meteorological station at the Project Site in good operating condition and in compliance with all applicable EPA and SCAQMD rules, regulations and guidelines, and to the satisfaction of the City Engineer. The Operator shall conduct an audit of the meteorological station on an annual basis and submit the results of the audit to the SCAQMD and the City Engineer. The Operator shall maintain the data files for the meteorological station for a period of not less than ten years. All such data shall be available upon request to the SCAQMD and the City Engineer.

43. Updated Health Risk Assessment. After every five (5) years of operation of the meteorological station, the Operator shall provide the previous five (5) years of metrological data to the SCAQMD and the City Engineer. If the SCAQMD or the City Engineer determines that the previous five (5) years of metrological data from the Project Site could result in significant changes to the Health Risk Assessment that was conducted as part of the Environmental Impact Report, then the City may elect to re-run the health risk assessment using the previous five (5) years of metrological data from the metrological station.

44. Safety and Risk of Upset. The Operator shall at all times conduct oil operations in a manner that minimizes risk of accidents and the release of hazardous materials, and shall comply with the following provisions:

(1) Natural Gas Liquid Blending. Natural gas liquids at the gas plant shall be blended with the oil to the maximum allowable pipeline system vapor pressure. Natural gas liquids storage shall be limited to the volume allowed in the Risk Management Plan approved by the Los Angeles County Fire Department.

(2) Process Hazards Analysis (PHA). The Operator shall provide for a PHA to be conducted on all processes at the Pad Site ~~field~~ and pipeline routes, to address potential releases of flammable gasses, spills of crude oil, oily water or releases that could cause odors.

(3) Secondary Containment for Oil. The Operator shall comply with the following provisions:

a. The Operator shall ensure that all oil processing areas, unless determined by the City Engineer to be infeasible, shall have secondary containment (berms and walls) that can contain at least 110 percent of the largest oil tank volume in order to reduce the likelihood of oil spills entering the retention basins. In

the event the City Engineer determines that it would be infeasible to provide 110 percent containment for a particular existing oil tank, the Operator shall provide such containment as the City Engineer determines is feasible.

b. All above ground piping in the Pad~~roject~~ Site that contains or could contain Oil shall be protected by basins or secondary containment (berms and/or walls).

45. Geotechnical. The Operator shall comply with the following provisions:

(1) Grading. The Operator shall comply with all of the following provisions:

a. All proposed grading shall be subject to prior review and approval by the City Engineer.

b. Grading involving up to 5,000 cubic yards may be undertaken pursuant to a City Master Grading Plan stamped by a registered professional engineer and/or a California-certified engineering geologist and approved by the City Engineer.

c. Cuts and fills shall be minimized to avoid erosion and visual impacts.

(2) Geotechnical Investigations. The Operator shall comply with the following provisions:

a. A site-specific geotechnical investigation shall be completed for grading in excess of 5,000 cubic yards, unless approved pursuant to a Master Grading Plan approved by the City Engineer, and for any grading that supports or impacts a critical facility as determined by the City Engineer. The investigation shall be completed by a California licensed geotechnical engineer and/or California-certified engineering geologist and submitted to the City Engineer for review and approval, in conjunction with an application for a revised grading permit.

b. A site-specific geotechnical investigation shall be completed for all proposed Permanent Structures. The investigation shall include analysis and recommendations associated with potential seismically induced ground failure, such as differential settlement and lateral spreading. The geotechnical investigation shall be completed by a California licensed geotechnical engineer and/or California-certified engineering geologist and submitted to the City Engineer, for review and approval.

(3) Erosion Control. The Operator shall comply with the following provisions:

a. The Operator shall comply with all provisions of an Erosion Control Plan that has been approved by the City Engineer. The Erosion Control Plan shall be reviewed by the Operator every two (2) years to determine if modifications to the Plan are required. Any modifications to the Erosion Control Plan shall be submitted to the Director for review and approval. The Erosion Control Plan shall include any measures requested by the City Engineer.

b. Erosion shall be controlled on all slopes, creeks and banks so that no mud or other substances are washed onto public streets or surrounding property. Such control measures may consist of planting and irrigation, dams, cribbing, riprap, sand bagging, netting, berms, or other devices.

(4) Restoration of Slopes. Slopes shall be restored to their original grade once the use that required the grading of the slope has been discontinued. However, if restoration of a slope would negatively affect existing drainage patterns or slope stability, the slope shall be restored to a grade that avoids these negative effects.

(5) Project Site Accelerometer. The Operator shall operate and maintain an accelerometer at the Project Site to determine site-specific ground accelerations as a result of any seismic event in the region (Los Angeles/Orange County and offshore waters of the Santa Monica Bay and San Pedro Channel). Readings from the accelerometer shall be recorded at the Project Site, and transmitted in real-time to the Caltech Seismological Laboratory. The Operator shall inspect all Project Site pipelines, storage tanks, and other infrastructure following any seismic event that exceeds a ground acceleration at the Project Site of 15 percent of gravity (0.15 g) and promptly notify the City Engineer. Should there be any structural damage or equipment failure as a result of any seismic event, the Operator shall isolate and address any damage or equipment failure as appropriate to minimize environmental or safety impacts. The Operator shall not reinstitute operations at those portions of the Project Site and associated pipelines until it can reasonably be determined by the City that all Project Site infrastructure is repaired and structurally sound.

46. Pipeline Management Plan. The Operator shall maintain and implement a Pipeline Management Plan that meets the requirements of DOGGR regulations.

47. Noise Attenuation. All oil operations on the Project Site shall be conducted in a manner that minimizes noise, and shall comply with the following provisions:

(1) Noise Limits. The Operator shall comply with the following provisions:

a. All oil operations on the Project Site shall comply with the noise provisions of Chapter 8.32 of Title 8 of the City of Whittier Municipal Code, with the exception of drilling, redrilling, and reworking, which are exempt from the provisions of said Chapter. However, where the FEIR specifies a more

stringent limitation on activities than the provisions of the Whittier Municipal Code (e.g., construction may only be performed between sunrise and sunset), then the more stringent limitation shall apply.

b. Hourly, A-weighted equivalent noise levels associated with Drilling, Redrilling and Reworking shall not elevate existing baseline levels by more than three (3) dBA at any Developed Area, or five (5) dBA at any recreational area, trail or other public area. For daytime activities (7:00 a.m. to 7:00 p.m.) existing baseline noise levels shall be defined as the maximum daytime equivalent noise level (eq) at the closest monitoring site as shown in Table 4.5-5 of the Environmental Impact Report. For nighttime activities (7:00 p.m. to 7:00 a.m.), existing baseline noise levels shall be defined as the minimum nighttime equivalent noise level at the closest monitoring site as shown in Table 4.5-5 of the Environmental Impact Report. Updated baseline noise levels may be set, and additional monitoring sites may be established, from time to time by the City Engineer. In no case shall baseline noise levels include any Drilling, Redrilling or Reworking, or construction or operations.

c. Noise produced by Oil Operations shall include no Pure Tones when measured at a Developed Area. (Pure Tones are defined in the EIR.)

(2) Backup Alarms. Backup alarms on all vehicles operating within the Project Site shall be disabled between the hours of 8:00 p.m. and 8:00 a.m. During periods when the backup alarms are disabled, the Operator shall employ alternate, low-noise methods for ensuring worker safety during vehicle backup, such as the use of spotters.

(3) Equipment Servicing. All noise producing Project Site Equipment shall be regularly serviced and repaired to minimize increases in Pure Tones and other noise output over time. The Operator shall maintain an equipment service log for all noise producing equipment.

(4) Deliveries to the Project Site. Deliveries to the Project Site shall not be permitted after 7:00 p.m. and before 7:00 a.m., Monday through Friday; between 5:00 p.m. and 8:00 a.m. on Saturdays and no activities on Sundays or federal holidays, except in cases of emergency.

(5) Construction Equipment. All construction equipment shall be selected for low-noise output. All construction equipment powered by internal combustion engines shall be properly muffled and maintained.

(6) Construction Equipment Idling. Unnecessary idling of internal combustion engines near noise-sensitive areas is prohibited.

(7) Worker Notification. The Operator shall instruct employees and subcontractors about the noise condition provisions prior to commencement of each and every

Drilling, Redrilling, Reworking, and construction operation, and shall annually certify to the City Manager or Designee that such employees and subcontractors have been properly trained to comply with such noise provisions. The Operator shall prominently post quiet mode policies at every Drilling and Redrilling site.

48. Vibration Reduction. All oil operations on the Project Site shall be conducted in a manner that minimizes vibration. Additionally, vibration levels from Oil Operations at the Project Site shall not exceed a velocity of 0.25 mm/s over the frequency range 1 to 100 Hz at any Developed Area.

49. Signs. All signage shall comply with the following provisions:

    (1) Perimeter Identification Signs. Identification signs, at intervals acceptable to the Director of Community Development, shall be posted and maintained in good condition along the Outer Boundary Line fence and along the fences adjoining the public roads that pass through the Project Site. Each sign shall prominently display current and reliable emergency contact information that will enable a person to promptly reach at all times, a representative of the Operator who will have the expertise to assess any potential problem and recommend a corrective course of action. Each sign shall also have the number of the Operator's 24-hour emergency contact, City Code Enforcement contact and the number of SCAQMD that can be called if odors are detected.

    (2) Main Entrance Sign. A sign shall be posted and maintained in good condition at the main entrance of the Project Site on Catalina Avenue prominently displaying a telephone number by which persons may contact a representative of the Operator at all times to register complaints regarding Project Site operations.

    (3) Other Required Signs. All identification signs, warning signs, no trespassing signs, and other signs required by County, State and Federal regulations shall be properly posted and maintained in all required locations and in good condition.

    (4) No Littering Signs. "No littering" signs shall be prominently posted and maintained in good condition on all Project Site entrance gates.

50. Painting. All Oil Operation related structures visible from public roadways and surrounding properties within the Project Site shall be painted or otherwise surfaced or textured with a color that is compatible with the surrounding areas, and has been approved by the City Manager or Designee. The painting or other surfacing of all structures covered by this provision shall thereafter be maintained in good condition.

51. Well Cellars. All cellars shall be constructed in accordance with the most current American Petroleum Institute standards. In addition, the Operator shall comply with the following provisions:

(1) Cellar Fluids. Well cellars shall be kept free of Oil, water, or debris at all times to the greatest extent possible. During Drilling, Redrilling and Reworking, the cellar shall be kept free of excess Fluids by a pump which discharges into a waste Tank, mud pit, vacuum truck, or other approved disposal system.

(2) Access to Multi-Well Cellars. All multi-well cellars exceeding three (3) feet in depth and 25 feet in length shall have two (2) means of entrance and exit and an additional exit for every 50 feet in length thereafter. At least one (1) means of entrance or exit for all multi-Well cellars of 25 feet in length shall be a stairway constructed to California Division of Industrial Safety standards.

(3) Single Cellar Covers. All single cellars shall be covered with open grating and have no openings larger than three (3) inches at any point. Covers shall be capable of supporting vehicle weight or guardrails shall be erected to prevent vehicle access.

(4) Cellar Ladder Openings. All openings for ladders through grating shall be designed to allow exit from underside without obstruction, and shall be kept free of storage of any type. Said opening shall not be less than 24 inches on either side.

52. Sumps. The Operator shall comply with all of the following provisions:

(1) Sump Clean Out. All sumps that are used, or installed, or maintained for use in connection with any Well, and which have not been used for 90 days for the operation of or the Drilling, Redrilling or Reworking of such Well or any other Well in the vicinity, shall be cleaned out, and all Oil, rotary mud and rubbish removed.

53. Water Management Plan. The Operator shall comply with all provisions of a Water Management Plan that has been approved by the City Manager or Designee and the City Engineer. The Plan shall include best management practices, water conservation measures and the use of a drip irrigation system. The Plan shall also address the availability of reclaimed water for use at the Project Site. The Water Management Plan shall be reviewed by the Operator every three years to determine if modifications to the Plan are required. The Operator shall make changes to the Plan if requested by the City Manager or Designee or the City Engineer. Any modifications to the Water Management Plan shall be submitted to the City Manager or Designee and the City Engineer for review and approval. The water management plan shall include any elements requested by the City Manager or Designee or the City Engineer.

54. Groundwater Monitoring. The Operator shall develop, implement, and carry out a groundwater quality monitoring program for the Project Site that is acceptable to the City Engineer and consistent with all requirements of the Regional Water Quality Control Board. Pursuant to and if required by the approved program, the Operator shall install and maintain groundwater monitoring Wells. Such monitoring Wells shall

be located and completed as determined by a California Certified Professional Geologist. The Regional Water Quality Control Board and the City Engineer shall be regularly advised of the results of such monitoring, and shall be immediately advised if such monitoring indicates a potential problem.

55. Fencing. All portions of the ~~Project~~Pad Site on which Oil Operations are conducted shall be enclosed with a fence that at a minimum is compliant with DOGGR regulations codified at California Code of Regulations Title 14, Article 3, Sections 1778 and 1779, or as may be subsequently amended by the State.

56. Storage of Equipment. There shall be no storage at the Project Site of material, equipment, machinery or vehicles which are not essential to the Oil Operations. All non-essential equipment shall be removed from the Project Site within 30 days of the date they become non-essential, unless a time extension is granted by the City Engineer. There shall be no storage on the roads accessing the Project Site.

57. Project Site Cleanup and Maintenance. The Operator shall maintain the Project ~~s~~Site in a clean and orderly condition and shall comply with the following provisions:

(1) Equipment Removal. All facilities that have reached the end of their useful economic life shall be properly decommissioned and removed from the Project Site within one year. Areas not slated for future use shall be restored and revegetated within 90 days of termination of use, unless such restoration and revegetation would interfere with fire safety or access to Oil Operations.

(2) Equipment Maintenance. All equipment, improvements, facilities and other personal property or fixtures located on the Project Site, shall be maintained in good condition to the satisfaction of the City Manager or Designee and the City Engineer.

(3) Site Debris and Vegetation. The Operator shall keep the Project Site free of debris and vegetation overgrowth to the satisfaction of the City Engineer.

58. Security. All unmanned entrances to the Project Site shall be equipped with automated sliding gates which shall be kept closed and secured at all times except when authorized vehicles are entering or leaving the Project Site. The Operator shall maintain 24 hours per day surveillance. In addition, Oil Processing Facilities shall be manned 24 hours per day commencing with the Operations Phase.

59. Project Site Waste Removal. The Operator shall comply with the following provisions:

(1) Waste Collection. All Drilling, Redrilling and Reworking waste shall be collected in portable steel bins compliant with United States Department of Transportation standards. Any Drilling, Redrilling, and Reworking wastes that are not intended to

be injected into a Class II Well, as permitted by DOGGR, shall be removed from the Project Site no later than 30 days following completion of the Drilling, Redrilling and Reworking. This provision does not apply to active sumps and mud pits.

(2) Waste Discharge. No Project Site waste shall be discharged into any sewer unless permitted by the Sanitation District, or into any storm drain, irrigation system, stream, or creek, street, highway, or drainage canal. Nor shall any such wastes be discharged on the ground provided that the foregoing shall not prohibit the proper use of active Drilling sumps and mud pits.

(3) Recycling Plan. The Operator shall comply with all provisions of a Recycling Plan that has been approved by the City Engineer. The recycling plan shall include any elements requested by the Director.

60. Sanitation. The Operator shall comply with the following provisions:

(1) Garbage and Refuse. The Project Site shall be maintained in a clean, sanitary condition, free from accumulations of garbage, refuse and other wastes.

(2) Toilets and Wash Facilities. Sanitary toilet and washing facilities shall be installed at any site where personnel are permanently stationed. Portable facilities shall be provided wherever crews are temporarily employed. Such facilities shall be maintained in a clean and sanitary condition at all times.

61. Storage of Hazardous Materials. The Operator shall comply with all provisions of a Hazardous Materials Business Plan that has been submitted to the Los Angeles County Fire Chief. The Operator shall deliver to the Los Angeles County Fire Chief for review and approval an updated Hazardous Material Business Plan on an annual basis. This Plan shall provide the location of where hazardous materials are stored at the Pad~~roject~~ Site. Hazardous materials shall be stored in an organized and orderly manner, and identified as may be necessary to aid in preventing accidents, and shall be reasonably protected from sources of external corrosion or damage to the satisfaction of the Los Angeles County Fire Chief.

62. Drilling, Redrilling and Reworking Operations. The Operator shall comply with all of the following provisions:

(1) DOGGR Regulations. All DOGGR regulations related to Drilling, Redrilling and Reworking operations.

(2) Number of Drilling and Redrilling Rigs. . The maximum number of drilling rigs and redrilling rigs within the Pad~~roject~~ Site at any one time shall be two (2). However, no more than one (1) Drilling rig shall be present within the Pad~~roject~~ Site at any one time.

(3) Drill Rig Engines. All engines used for Drilling and Redrilling operations shall be operated by muffled internal-combustion engines or by electric motors.

(4) Fire Safety Regulations. All Drilling, Redrilling and Reworking shall be in conformance with applicable fire and safety regulations.

(5) New Technology. Proven reasonable and feasible technological improvements which are capable of reducing the environmental impacts of Drilling and Redrilling shall be considered as they become, from time to time, available.

(6) Derricks and Portable Masts. All Derricks and portable masts used for Drilling, Redrilling and Reworking shall meet the standards and specifications of the American Petroleum Institute as they presently exist or as they may be amended.

(7) Equipment Removal. All Drilling and Redrilling equipment shall be removed from the Pad ~~s~~Site within 90 days following the completion of Drilling or Redrilling activities or as otherwise directed by the City Manager or Designee and shall not be stored elsewhere on the Project Site.

(8) Drill Site Conditions. All Drilling Sites shall be maintained in a neat and orderly fashion.

(9) Belt Guards. Belt guards shall be required over all drive belts on Drilling, Redrilling and Reworking equipment. Guarding shall be as required by, Title 8 of the California Code of Regulations, Section 6622, or as it may be subsequently amended.

63. Processing Operations. The Operator shall comply with the following provisions:

(1) Limits on Processing Operations. Unless otherwise expressly required by DOGGR, the only Processing operations permitted at the Pad~~Well~~ Site shall be: the dehydration and removal of inerts to pipeline quality of Oil and Gas produced from the Well; the storage, handling, recycling and transportation of such materials; and those Processing operations required for water injection purposes.

(2) Refining. No refining shall be conducted within the Project Site.

(3) Well Pumps. All Well pumping units shall be downhole submersible pumps.

(4) Removal by Pipeline Only. All Oil, Gas and other hydrocarbons, produced from any Well in the Project Site shall be shipped and transported through pipelines, except in case of an emergency or when access to a pipeline becomes unavailable. Excluded from this requirement are the three test wells, propane and other related natural gas liquids that are in amounts in excess of what can be blended into the pipeline. Should any pipeline through which Oil or Gas is

transported become unavailable for the safe transportation of said products due to maintenance problems with the pipeline, or lack of sufficient capacity within the pipeline to handle the volume of Oil and Gas needing transportation, or because the owner or Operator of such pipeline elects to discontinue transporting Oil or Gas through such pipeline, then the Operator shall within 180 days of the date the existing pipeline becomes unavailable, seek to acquire a private right of way or easement, or shall file an application for a right of way, easement, encroachment permit or franchise for the construction of a replacement pipeline and shall diligently prosecute such application until such pipeline is completed. During any emergency situation, or during such time as any existing pipeline becomes unsafe or unavailable, Oil and Gas may be transported by truck until the emergency situation is resolved or until a replacement pipeline shall be permitted and constructed in accord with all applicable laws and regulations.

(5) Pipelines. The Operator shall comply with the following provisions:

a. New pipelines that remove Oil or Gas from the Project Site shall be buried below the surface of the ground;

b. All pipelines which are not enclosed within a fence shall be placed underground or covered with materials approved by the Los Angeles County Fire Chief. Said covers shall be maintained in a neat, orderly, secure manner;

c. Any and all water or brine produced during pipeline construction shall be injected in accordance with DOGGR requirements, or disposed of in accordance with other local, state or federal regulations;

d. New pipeline corridors shall be consolidated with existing pipelines or electrical transmission corridors where feasible; and

e. Upon completion of pipeline construction, the site shall be restored to the approximate previous grade and condition.

(6) Gas Metering Station. The Operator shall submit to the City Engineer and Fire Chief a site and building plans of the gas metering station to be located on Colima Road as described in the Project and FEIR for review and approval. The location of the gas metering station may be changed upon reasonable approval of the City Manager provided that no additional environmental impacts are associated with its relocation.

64. Well Reworking Operations. The Operator shall comply with the following provisions:

(1) DOGGR Regulations. The Operator shall comply with all DOGGR regulations related to Well Reworking operations.

(2) Number of Reworking Rigs. No more than one (1) Reworking rigs shall be present within the Pad~~roject~~ Site at any one time that a Drilling rig is present, unless an emergency condition requires additional Reworking rigs. The maximum number of rigs on site at any one time is two (2).

(3) Hours of Operation. With exception of emergencies, Well Reworking operations shall not be allowed after 7:00 p.m. or before 7:00 a.m., nor on Sundays or federal holidays.

(4) Specifications. Reworking rigs shall meet the standards and specifications of the American Petroleum Institute.

(5) Equipment Removal. Reworking rigs shall be removed from the Pad~~Project~~ Site within seven (7) days following the completion of Reworking operations unless such rig will begin to be used on another Well at the Project Site within that seven (7) day period.

65. Tanks. The Operator shall comply with the following provisions:

(1) New Tank Specifications. All new Tanks and appurtenances shall be designed, constructed, installed and maintained in accordance with current Los Angeles County Fire Code, American Petroleum Institute, DOGGR, California Division of Industrial Safety, and Environmental Protection Agency Standards, applicable provisions of Title 14 of the California Code of Regulations, Section 1774, and applicable CalARP Program requirements.

(2) Vapor Recovery. Oil, Wash, and Produced Water Tanks shall be vapor tight and during the Operations Phase, shall be equipped with a vapor recovery system.

(3) Specifications for New Tank Piping, Valves, Fittings and Connections. All new Tank piping, valves, fittings and connections including normal and emergency relief venting, shall be installed and maintained in accordance with current American Petroleum Institute standards to the satisfaction of SCAQMD and DOGGR.

(4) Detection of Tank Bottom Leaks. The Operator shall design, implement and comply with a program, approved by the Los Angeles Fire Chief, for controlling and detecting Tank bottom leaks on all Tanks at the Pad~~roject~~ Site. The Operator may use a combination of methods including but not limited to diversion walls, dikes, Tank foundations of concrete or gravel and, a Tank bottom leak detection system in compliance with, Title 14 of the California Code of Regulations, Section 1773, or any subsequently enacted State regulations regarding tank bottom leaks.

66. Well and Production Reporting. The Operator shall deliver annual production reports to the City Manager or Designee and the Los Angeles County Fire Chief by June 30 of each year. The reports shall cover the previous year's activities and projections for the coming year, and shall provide the following information:

(1) A copy of all DOGGR Forms 110 and 110B submitted during the previous 12 months.

(2) Number and mapped location of all Wells Drilled or Redrilled, including Well identification numbers and size and dimensions.

(3) Number and mapped location of water injection Wells, including Well identification numbers.

(4) Number and mapped location of Idled Wells, including Well identification numbers and the date each Well was idled.

(5) Number and mapped location of Abandoned Wells, including date each Well was Abandoned and/or re-abandoned.

(6) The number of Wells Drilled or Redrilled in the previous year, including location, size and dimensions and type, configuration, engine size and total height of drilling rigs used during the previous year.

(7) A proposed schedule and phasing of the Drilling, Redrilling, Well Abandonment, Well pad abandonment and restoration activities.

(8) The maximum number of Wells proposed to be Drilled or Redrilled in the coming year including location, size and dimensions; and type, configuration, engine size and total height of proposed drilling rig to be used during the coming year.

(9) Estimated target depth of all proposed Wells and their estimated bottom hole locations in the past year (actual) and the coming year (proposed).

(10) A discussion of the latest equipment and techniques that are proposed for use as part of the Drilling and Redrilling program to reduce environmental impacts;

(11) Any additional information requested by the City Manager or Designee or the Los Angeles County Fire Chief.

67. Idle Well Testing and Maintenance. The Operator shall comply with Title 14, of the California Code of Regulations, Section 1723.9 regarding testing and Maintenance of Idle Wells, or any subsequent enacted State regulations regarding testing and maintenance of Idled Wells. The Operator shall carry out all additional tests,

remedial operations and mitigation measures required by DOGGR if any idle wells do not meet the test standards.

68. Well and Well Pad Abandonment. If DOGGR orders the Operator to plug and abandon any Wells on the Project Site, the Operator shall deliver to the Los Angeles County Fire Department, on a timely basis, all Notices of Intent to Plug and Abandon a Well that the Operator files with DOGGR and shall commence promptly and proceed diligently with the plugging and abandonment operations in accordance with DOGGR rules and regulations and the terms of the DOGGR permit to plug and abandon the Well, all at Operator's sole expense. Well Abandonment may commence once all necessary permits and approvals are obtained. If the Well pad associated with the Abandoned Well does not contain other production, injection or Idle Wells, and will not be used for future Drilling, then the Operator shall promptly abandon the Well pad consistent with the following provisions:

(1) Well Pad Site Cleanup. The Operator shall leave the Project sSite entirely free of Oil, rotary mud, Oil soaked earth, asphalt, tar, concrete, litter, debris and other substances to the satisfaction of DOGGR and in accordance with federal requirements

(2) Contaminated Materials. All contaminated soils and materials within the Well pad boundaries shall be removed and treated or disposed of in accordance with all local, County, State, and Federal regulations.

(3) Well Pad Revegetation. The Well pad shall be revegetated as approved by the City and Habitat Authority.

(4) City Request for Review of Well Status. The City Manager or Designee may periodically review the status of the Operator's Wells and submit to DOGGR a list of Wells the City Manager or Designee believes should to be plugged and abandoned as specified in Public Resources Code Section 3206.5 or any subsequently enacted State Law related to a local jurisdiction's right to request State-agency review of Idle Wells.

(5) Abandonment Procedures. Within 180 days of permanent facility shut down, the Operator shall submit an Abandonment Plan to DOGGR and submit to the City Engineer for review and approval a time line for facility removal, site assessment and remediation as necessary. The Operator shall begin abandonment of the site no later than 20 days after the City Engineer's approval of the timeline or as soon thereafter as practicable, and shall provide to the City Engineer quarterly updates on the abandonment process until such time as the Project Site is abandoned, restored, and revegetated. The Operator shall post a performance bond to insure compliance with all provisions of this subsection, and shall continue to pay property taxes at the rates assessed during Project Site operation until all site restoration work has been fully completed, as determined by the City Engineer.

69. Monitoring and Compliance: The following provisions shall apply throughout the Project Site .

(1) Environmental Quality Assurance Program (EQAP). The Operator shall comply with all provisions of an Environmental Quality Assurance Program (EQAP) that has been approved by the City Engineer. The following provisions relate to the EQAP:

a. EQAP Requirements. The EQAP shall provide a detailed description of the steps the Operator shall take to assure compliance with all provisions of this section, including but not limited to all of the monitoring programs called for by this section.

b. Annual EQAP Reports. Within 60 days of the end of each calendar year, the Operator shall submit to the City Engineer an annual EQAP report that reviews the Operator's compliance with the provisions of the EQAP over the previous year and addresses such other matters as may be requested by the Director. The Annual EQAP Report shall include the following:

i. A complete list and description of any and all instances where the provisions of the EQAP, or any of the monitoring programs referred to therein or in this section, were not fully and timely complied with, and an analysis to how compliance with such provisions can be improved over the coming year.

ii. Results and analyses of all data collection efforts conducted by the Operator over the previous year pursuant to the provisions of this section.

c. EQAP Updates. The EQAP shall be updated as necessary and submitted to the City Engineer for approval along with the annual EQAP report. The City Engineer shall complete the review of EQAP updates as soon as practicable, and shall either approve the updated EQAP or provide the Operator with a list of specific items that must be included in the EQAP prior to approval. The Operator shall respond to any request for additional information within 30 days of receiving such request from the City Engineer, unless extended by the City Engineer.

(2) Safety Inspection, Maintenance and Quality Assurance Program ("SIMQAP"). The Operator shall comply with all provisions of a Safety Inspection, Maintenance and Quality Assurance Program (SIMQAP) that has been approved by the City Engineer and the Los Angeles County Fire Chief.

a. SIMQAP Requirements. The SIMQAP shall, at a minimum provide for:

i. Inspection of construction techniques;

ii. Regular maintenance and safety inspections;

iii. Periodic safety audits;

iv. Corrosion monitoring and leak detection; and

v. Inspections of all trucks carrying hazardous and/or flammable material prior to loading.

b. SIMQAP Updates. The Operator shall periodically review and revise the SIMAQP to incorporate changes in procedures, and new safety and maintenance technologies and procedures. The Operator shall make such revisions at least every five years, or more frequently, if the Operator determines changes are necessary or if requested by the City Engineer or the Los Angeles County Fire Chief. The Operator shall submit SIMQAP updates to the City Engineer and the Los Angeles County Fire Chief for their review and approval. The City Engineer shall complete the review of SIMQAP updates as soon as practicable, and shall either approve the updated SIMQAP or provide the Operator with a list of specific items that must be included in the SIMQAP prior to approval. The Operator shall respond to any request for additional information within 30 days of receiving such request from the City Engineer, unless extended by the City Engineer.

c. Worker Notification. The Operator shall ensure that all persons working on the Project Site comply with all provisions of the currently approved SIMQAP.

d. Inspections. The SIMQAP shall provide for involvement of the City staff or the Environmental Compliance Coordinator in all inspections required by this section.

(3) Annual Emergency Response Drills of the Los Angeles County Fire Department. The Operator shall demonstrate the effectiveness of the Emergency Response Action Plan by responding to one planned emergency response drill per year which shall be conducted in conjunction with the Los Angeles County Fire Department. Emergency response drills required by other agencies that involve the Los Angeles County Fire Department can be used to satisfy this provision. In addition, the Operator shall demonstrate the effectiveness of the Emergency Response Action Plan by responding to not more than two (2) unannounced drills each year which may be called by the Los Angeles County Fire Department at the Project Site. If critical operations are then underway at the Project Site, the Operator need not respond to an unannounced drill to the extent such a response would, as a result of such critical operations, create an undue risk of personal injury or property damage, but in such case the Operator must promptly

explain the nature of the critical operations, why response is not possible, and when the critical operations will be completed.

(4) Noise Monitoring. The City shall retain an independent qualified acoustical engineer to monitor ambient noise levels in the areas surrounding the Project Site as determined necessary by the City Manager or Designee, the costs of which will be reimbursed by Operator. The monitoring shall be conducted unannounced and within a time frame specified by the City Engineer. Should noise from the Oil Operations exceed the noise thresholds specified in the Noise Reduction Plan, required pursuant to Attachment C to the EIR Resolution , no new Drilling, or Redrilling shall be conducted until the Operator in consultation with the City Engineer identifies the source of the noise and the Operator takes the steps necessary to assure compliance with thresholds specified in the Noise Reduction Plan. The results of all such monitoring shall be promptly posted on the Project Web site.

(5) Complaints. All complaints related to Oil Operations received by the Operator shall be reported on the same business day to the Environmental Compliance Coordinator and to the City Engineer. In addition, the Operator shall maintain a written log of all complaints and provide that log to the City Engineer, on a quarterly basis. Depending upon the nature of the complaint, the Operator shall report the complaint to the SCAQMD, DOGGR, and any other appropriate agencies with oversight authority regarding the complaint at issue. If the complaint is received after normal business hours, it shall be reported to the Environmental Compliance Coordinator and the agencies at the opening of the next business day.

HABITAT PROTECTION / RESTORATION CONDITIONS

70. Habitat Mitigation/Restoration

(1) Temporary Impacts. The project proponent shall restore all temporarily impacted areas. For temporary impacts to native vegetation, temporary impact areas shall be restored to the same type of native vegetation. For non-native vegetation, temporary impacts areas shall be restored to appropriate native vegetation. When oil operations have ceased at the Project Site, facilities will be removed and restored to appropriate native habitats.

(2) Ongoing Exotic Eradication/Habitat Enhancement. The project proponent shall fund an exotic eradication/habitat enhancement program within designated priority areas within the Preserve and Project Site. This may include, but not be limited to the removal of eucalyptus trees, pepper trees, castor bean, tree tobacco, hemlock, fennel, thistle, and non-native grasses. The eradication program shall be reviewed and implemented by the Habitat Authority, and will be funded through a Mitigation Fund. The Operator shall establish the Mitigation Fund and ensure annual contributions of $30,000 (with annual CPI increases).

Any unspent funds shall be rolled over to the following year. The Habitat Authority shall have the ability use the fund for related plantings, including distribution of native seeds.

(3) Impacts to Jurisdictional Waters. For any impacts to jurisdictional waters, the project proponent will obtain all necessary regulatory permits prior to the issuance of a grading permit, including if necessary a Section 404 permit, Section 401 Water Quality Certification, and a Section 1602 Streambed Alteration Agreement. Impacts to jurisdictional waters (and any associated riparian vegetation and/or wetlands) will be mitigated for at a minimum 3:1 ratio, or as required by the regulatory agencies (whichever is higher). If mitigation needs to occur outside the Project Site for oil operations then standard access fees applied by the Habitat Authority will apply (see Habitat Authority website for details.)

(4) Wildlife Movement. For access roads to be re-graded for the project or for existing roads with significant increased activity, the proponent shall install corrugated pipe culverts to facilitate the movement of smaller vertebrates, including rodents, reptiles, and amphibians; as directed and approved by the Habitat Authority Ecologist.

71. Fuel Modification

(1) Impacts to native habitats as a result of fuel modification (including thinning) will be treated as an impact subject to mitigation requirements. However, additional thinning of previously modified fuel modification areas following the initial fuel modification shall not require additional mitigation.

(2) All plantings within fuel modification zones will consist of non-invasive species, with priority given to native species.

(3) Access roads will be cleared of vegetation on a regular basis for purposes of fuel modification in accordance with Los Angeles County Fire Department requirements at the expense of the Operator.

(4) In addition to clearance for annual fuel modification, roads will be maintained for safe and functional use by the Operator at all times.

72. Noise Attenuation for Wildlife

(1) During construction, including drilling, activities adjacent to sensitive habitats, including potential nesting gnatcatchers, raptors, etc., will be monitored using permanently installed noise meters. If actual levels (measured from the edge of the leased area) exceed allowable levels, construction activities may be temporarily halted at the direction of the City Manager or Designee until additional measures can be implemented to further reduce noise levels. Noise restrictions may also be imposed by regulatory agencies (e.g., U.S. Fish and

Wildlife Service, CDFG, etc.) as part of any regulatory permits and/or take authorizations.

(2) Noise levels attributed to operations will be minimized to the maximum extent feasible. Facilities shall be constructed to eliminate noise impacts on surrounding habitats, or at least minimize noise projected into adjacent open space. A standard for noise shall be set to regulate noise projected from the edge of the Project Site (e.g., 60 db hourly average or to be determined).

(3) Vehicle traffic shall be restricted to defined access routes, and using approved equipment for specific areas.

(4) With the exception of delivering construction and other equipment, access to construction/drilling sites will be using approved vehicles only. Wherever feasible, the Operator shall use hybrid (electric or other low noise) vehicles for all non-construction equipment access.

73. Unauthorized Access

(1) Unauthorized access into the Preserve will not be allowed. Personnel must remain inside the Accessible Surface Areas ~~leased areas~~ and identified roadways at all times.

(2) All operations shall occur within the defined Project Site. All temporary staging areas, including the placement of construction trailers, shall be reviewed with the Habitat Authority to minimize biological impacts. Temporary use areas outside the Pad ~~Project~~ Site require a permit through the Habitat Authority (and approval by the City).

74. Conservation Easement: Operator acknowledges and agrees that a Conservation Easement shall be placed over the City-owned Preserve Land, which shall except only the surface areas approved for use in the Project, through the Conditional Use Permit.

75. Prior to initiating the Project, a pavement management program shall be developed by an appropriate pavement design consultant at the cost of the Operator and/or its successors in interest for Catalina Avenue and Penn Street. An appropriate fair share cost of acceptable pavement rehabilitation or reconstruction shall be recommended for the roadways. During the project life, an appropriate frequently-performed pavement condition analysis shall be performed to measure the roadway condition and a fair share contribution shall be made by Operator. Alternatively, the Operator may construct the improvements at its cost.

76. Oil tanker trucks shall be permitted on Catalina Avenue only between the hours of 9 a.m. and 3 p.m. and on Penn Street only between the hours of 9 a.m. and 3 p.m. Only single trailer oil tanker trucks (no doubles) shall be permitted.

77. High volume, high pressure hydraulic fracturing shall not be employed in the Project.

78. Operator shall work with City staff to adopt a program to encourage hiring of local workers for the Project.

79. To reduce aesthetic, recreation and visual impacts of the project on the Habitat and surrounding area the Operator (after the test period) will be required to evaluate the feasibility of using a drilling rig that is less than 100 feet in height, which may include a "double" conventional rotary table rig or a "top drive" single rig, when those rigs are commercially available in California.

80. To acquire more land for the Preserve, if possible, in order to allow animals to move away from any disturbance caused by the project, Operator shall establish a Land Acquisition/Revegetation fund. Once the first test well is in production, One percent (1%) of the gross proceeds from drilling on the site shall be paid into the Land Acquisition/Revegetation Fund which shall be held by the Habitat Authority in trust, up to a maximum of $15 million total If in the reasonable judgment of the Habitat Authority Board and the City, purchase of such lands cannot be accomplished within ten years of establishment of the fund, then upon action by the Board of Directors of the Habitat Authority with approval from the City, the funds could be used to revegetate disturbed property to improve habitat to afford more and better foraging opportunities for wildlife.

81. Operator shall cause a study to be performed to determine the feasibility of an additional underpass or overpass north of the existing underpass on Colima Road and to decide which is most advantageous to animal survival while crossing Colima Road in upper Canada Verde and Arroyo Pescadero. The Operator will pay for the necessary study, and if an additional wildlife crossing is recommended, the Operator shall bear all costs of the design and engineering, environmental review and mitigation (if required) and construction costs of the wildlife passageway/crossing. Operator shall be required to advance the funds necessary to build any additional wildlife crossing, but the full amount of the costs advanced by Operation shall constitute a credit against the Land Acquisition/Revegetation Fund established pursuant to Condition #80 above.

82. Regardless of the phase of the Project, Operator shall limit production from the Project to a maximum of 1,000 barrels per day until such time as the City Manager shall determine that the mitigation measures imposed by the permit are being properly implemented and that the impacts from the larger quantity of daily production permitted can effectively be mitigated to the maximum extent feasible

using those imposed measures. The City Manager's determination is required to be supported by a rational basis. Upon obtaining written notice from the City Manager of such determination, the Operator may increase production up to the maximum amount prescribed in the City Manager's decision, but no more than 10,000 barrels per day, so long as the Operator complies with all imposed conditions and mitigation measures.

83. Operator shall take steps to ensure that GHG emissions during construction and operations do not exceed any published SCAQMD level of significance, or shall offset those GHG emissions by any and every means identified in the FEIR to offset GHG emissions in the Preserve and immediate vicinity. Should emissions exceed authorized levels, the City shall have the right to approve the offset program to be employed. If the available means are insufficient, then Operator may purchase GHG offsets, to reduce net GHG emissions to below the SCAQMD level of significance to the maximum extent possible.

84. Operator shall use a drilling rig of not more than 85 feet in height for the operations phase of the Project for wells that are 4000 feet or less in depth.

85. To mitigate any temporary impacts to native and naturalized habitats due to noise impacts associated with truck traffic on the North Access Road, the Applicant shall provide minimum 1:1 areal replacement of native habitat affected by 60 dba or above averaged hourly (1.1 acres) in accordance with Habitat Authority guidelines.

86. Operator shall establish an office in the City of Whittier and shall apply to the California State Board of Equalization to have sales tax for equipment purchases accrue to the City of Whittier as the point of sale/purchase/use.

87. Operator shall make purchases from local (eg., Whittier and surrounding area) vendors to the extent reasonably possible.

88. Operator shall pay to the Habitat Authority the sum of $50,000 per year to cover the Habitat Authority's costs for required reviews and approvals required in the Mitigation Monitoring Program and these Conditions of Approval during Phase 1 and Phase 2 of the Project.

89. All restoration or areal replacement of habitat areas required by this Permit shall comply with the Restoration Plans for Mitigation and Monitoring Plans found on the Habitat Authority's web page (http://www.habitatauthority.org/devdedmit.shtml).

~~88.~~90. There shall be no parking of vehicles relating to Oil Operations along any of the roads accessing the Pad Site.

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