

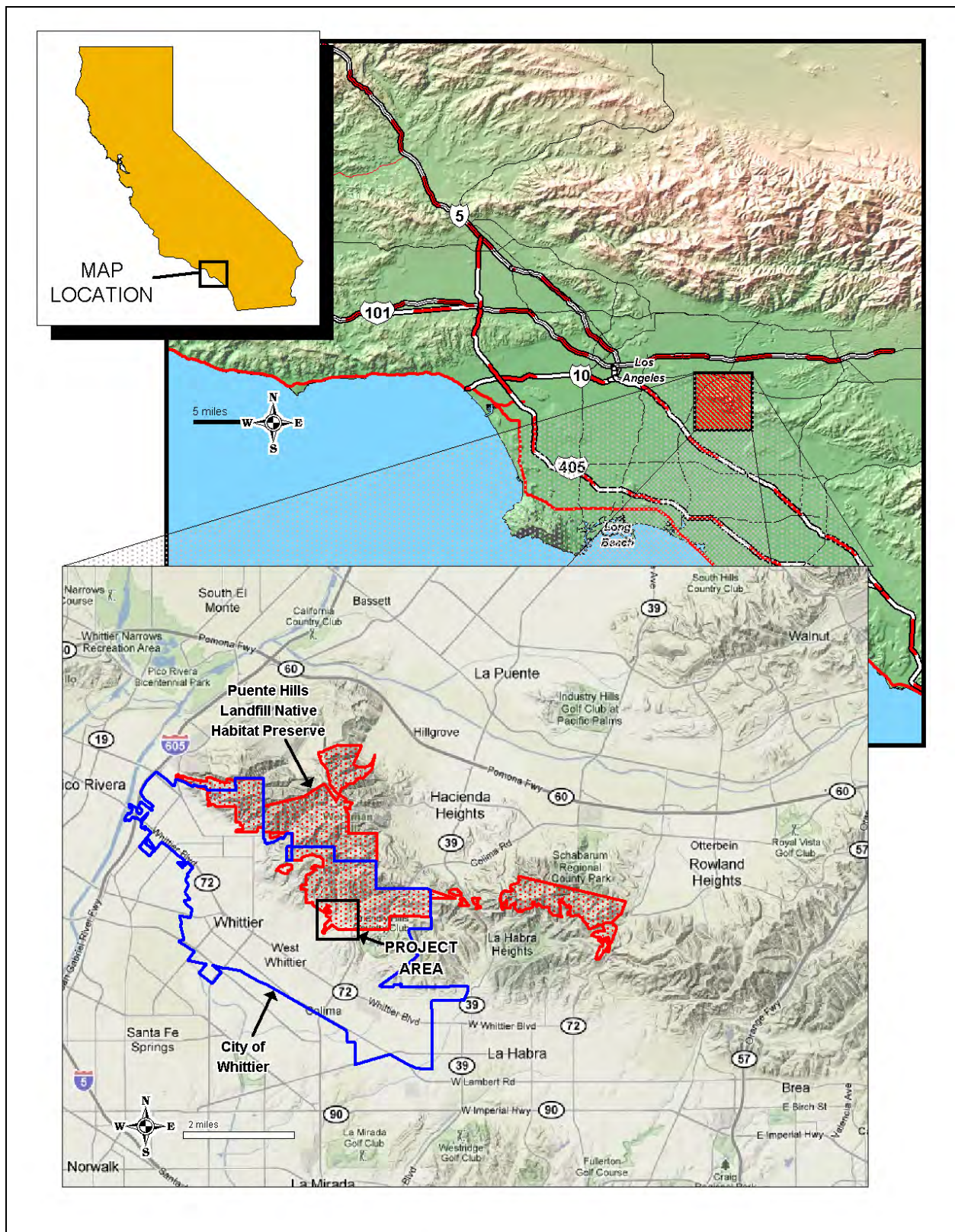
1.0 Introduction

This Environmental Impact Report (EIR) assesses environmental impacts associated with the Whittier Main Oil Field Development Project, proposed by Matrix Oil Corporation (Matrix). The proposed location of the project is in the City of Whittier within the existing Puente Hills Landfill Native Habitat Preserve. Figure 1-1 shows the location of the proposed Project. The City of Whittier is the Lead Agency.

The City owns approximately 1,290 acres of former oil fields in the hills north of the developed areas of the City. This area was commonly known as the Whittier Main Field, which produced oil for more than 100 years as an active oil field and drilled about 550 wells in that time until the early 1990s. The majority of the land encompassing the oil field was purchased from Chevron and Unocal with Proposition A funds in order to preserve the land as open space and wildlife habitat. The land is currently managed for the City by the Puente Hills Landfill Native Habitat Preservation Authority (Authority), a joint powers agency whose members include the City of Whittier, County of Los Angeles, and Los Angeles County Sanitation Districts. On October 28, 2008, the City awarded a lease to Matrix Oil Corporation that could permit resumption of oil and gas extraction from the site. The agreement leases the City's mineral rights underlying the Whittier Main Field to Matrix and provides that subject to a conditional use permit (CUP) and numerous contractual provisions, Matrix could have certain rights, including drilling exploratory oil wells and extracting oil, gas, and other hydrocarbons from the land. In exchange for these rights, the project could generate a substantial long-term income stream for the City and for the preservation and enhancement of the Preserve's ecological resources and native habitat.

Matrix, the Applicant and the operator of the Whittier Main Oil Field, submitted a CUP application to the City of Whittier in April 2009 to drill, explore, and produce the remaining recoverable oil and gas reserves at the site. In October 2010, a Draft EIR was released to the public for a 60-day public comment period. Subsequently, in April of 2011, the Applicant amended its CUP application to modify the Project to conform to the Environmentally Superior Alternative identified in the October 2010 Draft EIR. Notably, Matrix revised the Project to consolidate drilling facilities from three drilling sites to one consolidated site and includes access to the site through Penn Street, the Savage Canyon Landfill and the existing North Access Road into the Preserve. The revised Project is the subject of this environmental document. The Revised Public Draft EIR was provided to the public in June 2011 for a 45 public comment period. The California Environmental Quality Act (CEQA) does not require this document to include responses to comments on the previous October 2010 Public Draft EIR. However, the Final EIR includes responses to all comments submitted to this June 2011 Public Draft EIR and as determined relevant to this environmental document.

Figure 1-1 Project Location



The drilling and production program for the Project would occur in three phases. The first would be an initial exploratory phase whereby three wells would be drilled and tested on a temporary basis. The drill rig would be approximately 125 feet high. If these wells are successful, the Project would proceed to the construction and operations phase. If the exploration wells are unsuccessful, the Project would end and the drill rig and associated equipment would be removed. The exploratory phase of the Project is expected to last about eight months. The construction phase of the Project is expected to last approximately 30 months. Once constructed, the Project is expected to produce up to 10,000 barrels of oil per day and up to 6 million standard cubic feet of gas. The specific details of the Project are provided in Section 2.0, Project Description.

The City will use the EIR when evaluating the suitability of the Matrix CUP application. The goals of the EIR are to provide the public and decision makers with detailed information about the current and future operations at the proposed Project site, to determine what types of environmental impacts could result from these operations, and to suggest mitigation measures for those potential impacts that could be incorporated into the proposed Project.

1.1 Agency Use of the Document

Section 15124(d) of the CEQA Guidelines requires that an EIR contain a statement briefly describing the intended uses of the EIR. This statement includes identifying the ways in which the Lead Agency and any responsible agencies would use this document in their approval or permitting processes.

Local and Regional

The City will serve as Lead Agency and use the document as part of its decision-making process in evaluating the proposed CUP for the Project. The City will use the mitigation measures identified in the EIR as one input in their development of recommended permit requirements.

The County of Los Angeles is a Responsible Agency that will use the EIR for decision-making regarding approval of the portion of the oil pipeline proposed within unincorporated areas of the County, namely, the pipeline segment from the intersection of Colima Road and Lambert Road to the intersection of La Mirada Boulevard and Leffingwell Road.

The Los Angeles County Fire Department is a California Environmental Protection Agency Certified Unified Program Agency (CUPA) for the entire County, including the City of Whittier. The CUPA oversees all programs associated with hazardous materials. This includes the Business Plan Program, Hazardous Waste Generator Program; Underground Storage Tank Program; the California Accidental Release Program and Risk Management Prevention Program; Uniform Fire Code (UFC); and Aboveground Storage Tank Program. The Fire-HMU also oversees the Leaking Underground Fuel Tank and Site Mitigation Unit Programs, which ensure appropriate assessment and remediation of all hazardous materials releases. Inclusive in these programs is the reporting of unauthorized releases of hazardous materials, within the Proposition 65 requirements. The Fire Department is a Responsible Agency that may use the EIR to obtain

additional information on the proposed project for changes in the Hazardous Waste Generator and Business Plan.

The Los Angeles Regional Water Quality Control Board (RWQCB), Region 4, is responsible for establishing wastewater discharge requirements and issuing storm water pollution prevention plan permits. The Los Angeles RWQCB is expected to use the EIR in its review of the Project.

The South Coast Air Quality Management District (SCAQMD) is the agency responsible for issuance of a Permit to Construct (PTC) and a Permit to Operate (PTO), both of which will be required for the Project. To fulfill its obligations as a Responsible Agency, the SCAQMD will rely on information contained in this EIR as part of the PTO permitting process.

State

The California Division of Oil, Gas and Geothermal Resources (DOGGR) is the agency responsible for issuance of well permits for production and injection wells. DOGGR is expected to use the EIR in its permitting review of the Project.

The California Department of Fish and Game (CDFG) is the agency responsible for entering into a Streambed Alteration Agreement with the Applicant. The CDFG is expected to use the EIR in its review of the Project in relation to the Agreement if necessary.

Federal

The Office of Pipeline Safety (OPS), which is part of the Department of Transportation (DOT), is responsible for inspecting hazardous pipelines during construction to ensure they comply with all DOT regulations. Their inspections would include both the pipelines and the odorant facilities. The OPS may use the EIR to obtain additional information on the proposed project.

The U.S. Army Corps of Engineers (USACE) is the agency responsible for issuing a dredge and fill permit, activity in the waterway permit, and the pipeline structure permit. The USACE is expected to use the EIR in its review of the Project. Finally, the United States Fish and Wildlife Service (USFWS) may issue permits for the potential take under the Endangered Species Act, Section 7, or Section 10, if appropriate.

1.2 Potential Project Permits

Various permitting requirements must be met prior to implementation of the proposed Project. Table 1-1 summarizes local, state, and federal permits that may be required for the Project.

Table 1-1 Agency Permit and Clearance Requirements

Responsible Agency	Applicable Permit/Clearance
Local and Regional Agencies	
City of Whittier Community Development Department	• Lead CEQA Agency/EIR Certification • Development Review Permit • Conditional Use Permit • Building Permits • Department of Public Works Permits related to Grading Permits, any pipelines in the public rights of way, and oversized/overweight loads to be transported on City streets.
Los Angeles County Department of Regional Planning	• Use permits for oil pipeline segment within the Los Angeles County unincorporated areas.
Los Angeles County Fire Department	• Business Plan Approval • Compliance with NFPA Requirements • Hot Work Permits
South Coast Air Quality Management District	• Authority to Construct • Permit to Operate
City of Whittier Department of Public Works	• Onshore Site Work Approvals and Permits • Excavation Permit
Los Angeles County Office of Emergency Services	• Community Action Emergency Response Plan
Regional Water Quality Control Board	• Wastewater Discharge Requirements • SWPPP Permit • <u>Section 401 Certification</u>
State Agencies	
Division of Oil, Gas, and Geothermal Resources	• Permits to Drill • Permit to Conduct Well Operations • Class II Underground Injection Control Permit
California Department of Fish and Game	• Streambed Alteration Agreements
Department of Toxic Substances Control	• Hazardous materials
Federal Agencies	
Office of Pipeline Safety, Department of Transportation	• Pipeline construction and operations inspections
U.S. Fish and Wildlife Service	• <u>Section 7 or Section 10</u> Consultation, if necessary
U.S. Army Corps of Engineers	• Section 404: Dredge and Fill Permit • Pipeline Structure Permit

1.3 EIR Process and Scope

This EIR was prepared in accordance with State and the City administrative guidelines established to comply with CEQA. Section 15151 of the State CEQA Guidelines provides the following standards for EIR adequacy:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection; but for adequacy, completeness, and a good faith effort at full disclosure.

The City has determined that the proposed Project needs environmental review in the form of an EIR. Under CEQA, “The purpose of an environmental impact report is to identify the significant effects on the environment of a project, to identify alternatives to the proposed project, and to indicate the manner in which those significant effects can be mitigated or avoided” (Public Resources Code [PRC] Section 21002.1[a]). An EIR is the most comprehensive form of environmental documentation identified in CEQA and the CEQA Guidelines and provides the information needed to assess the environmental consequences of a proposed project. EIR are intended to provide an objective, factually supported, full-disclosure analysis of the environmental consequences associated with a proposed project that has the potential to result in significant, adverse environmental impacts.

In compliance with State CEQA Guidelines, the City, as the Lead Agency, prepared a Notice of Preparation (NOP) for the revised proposed Project and solicited comments through distribution of the NOP, which was issued on April 25, 2011. A public scoping meeting was held in the community on May 5, 2011, to provide an opportunity for the public and other agencies to comment on the scope of the EIR. The scoping comment period ended May 25, 2011. The NOP and comments received in response to the NOP were used to direct the scope of the analysis and the technical studies in this EIR. Comments on the previous version of the Public Draft EIR were also used to direct the scope of the EIR as appropriate. Comments on the NOP and the responses indicating where the EIR addresses the comments are included as part of Appendix I.

The Public Draft of the EIR was released on June 6, 2011. A public hearing was held in the community on July 7, 2011, to allow the public the opportunity to comment on the Public Draft. The 45-day public comment period expired on July 21, 2011. All comments received on the Public Draft and responses to those comments are included as Appendix M. Based upon the comments received, changes have been made to the Final EIR. Areas where the Final EIR has been changed are marked on the side of the page with a vertical line. Text added to the Final EIR is underlined.

Written comments were received from:

- Matrix
- Kelly Lytton William – Donna Black)
- California Department of Fish and Game (Edmund Pert)
- County of Los Angeles Fire Department (John R. Todd)
- County of Los Angeles Public Health Bureau of Toxicology & Environmental Assessment (Cyrus Rangan)
- County of Los Angeles Public Health Solid Waste Management Program (Gerry Villalobos)
- City of La Habra
- County Sanitation Districts of Los Angeles
- Department of Conservation Division of Oil, Gas and Geothermal Resources (Anneliese Anderle)
- Department of Resources Recycling and Recovery (Martin Perez)
- Los Angeles County Regional Park and Open Space District (Russ Guiney)
- Native American Heritage Commission
- Puente Hills Landfill Native Habitat Preservation Authority (Andrea Gullo)
- South Coast Air Quality Management District
- David Magney Environmental Consulting (David Magney & David Brown)
- Friendly Hills Property Owners Association (Randall Martinez)
- Gabrieleno Band of Mission Indians (Andrew Salas)
- Gabrielino Indians (Andy Salas)
- Hills for Everyone (Shute, Mihaly & Weinberger – Gabriel Ross and Carmen J. Borg)
- Hacienda Heights Improvement Association (John M. Eckman)
- Open Space Legal Defense Fund (Claremont Land Group, Geralyn L. Skapik)
- San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy
- Sierra Club Angeles Chapter
- Untied Women of Whittier
- Whittier Area Audobon (Joan Powell)
- The Whittier Conservancy (Mary Gorman-Suliens)
- Wildlife Corridor Conservation Authority
- Whittier Hills Oil Watch (Roy McKee & Peter J. Fischer, Ph.D.)
- Elise Abrego
- Daniel Aldama
- Patricia and Raul Almada
- Lonny Anthony
- James Arehart
- Marilyn Avila
- David Ayala
- Jesse Ayala
- Raymond Ayala
- Ben and Cynthia Baeder
- Mary Ellen Basulto
- Shannon Bonner
- Marta Borbon
- Lori Breitman
- Jeff Buchholz
- Brad Campbell
- Irma Cardenas-Ayala & Carlos Ayala
- Marc Casado
- Diane Cassidy
- HP Chin
- Bill Daniels
- Martha Davila
- David Cowardin & Gina Natoli
- David Dickerson
- Teri Duncan
- Daniel Duran
- Daniel and Alecia Duran
- Margot Eiser
- Janet Fattahi
- Peter Fischer

- James Flournoy
- Lori Frear
- Fuchsia191@aol.com
- Jamie Garcia
- Robby Gardner
- Rebekah Gilbert
- Emma Gotthardt
- Lawrence Gotthardt
- Diana Gruber
- Sandi Gutierrez
- Olivia Hamud
- Tamara Hardy
- Alexandra Heinemann
- Mary Helfrey
- Larry and Mary Holt
- GS Hurtado
- Ronald Johnson
- Gary D. Jones
- Katherine Jones
- John Joyce
- Harvey and Julie Kahn
- Lorry Kennedy
- Malan and Alicia Lai
- Bruce LaMarche
- Peggy Luna
- Anthony Martinez
- Steve Mather
- Alfred Mayerski
- Teresa Molina
- Gus Montano
- Jon Myers
- Jon Myers
- Shelly Myers
- Grace and Yoshio Nakamura
- Theresa Oliver
- pamandcats@aol.com
- Joe Papaian
- Williams
- Marta Borbon
- Daniel Casado
- Toni Donovan
- Abi Fattahi
- Janet Fattahi
- Faith Fischer
- Peter Fischer
- Alfonso Garcia
- Katherine Jones
- Lorry Kennedy
- Steve Mather
- Roy McKee
- Lorena Munoz
- Grace Nakamura
- Yoshio Nakamura
- Laura Prelesnik
- Alan Williamson
- Norma Williamson
- Patricia Yoshihara
- George Poochigian
- Laura Prelesnik
- Frank Ramos Jr.
- Maggie Ramos
- Sherilynn Dee Reyes
- Francine Santoianni
- Monica Sena
- Mr. & Mrs. William Thompson
- Jennifer Tucker
- Erwin Ulbrich Jr.
- Paula Vannucci
- Cynthia Velazquez
- Richard Veyna
- Moyra Weide
- Teri Wilkinson
- Dr. Clyde Williams
- Dr. C.T. Williams
- Tom

The CEQA Guidelines provide that a Lead Agency shall neither approve nor implement a project as proposed unless the significant environmental impacts have been reduced to an acceptable level or unless the Lead Agency takes certain steps. An acceptable level is defined as eliminating, avoiding, or substantially lessening significant environmental effects to below a level of significance. If the Lead Agency approves the project even though significant impacts

identified in the Final EIR cannot be fully mitigated, the Lead Agency must state in writing the reasons for its action. In these circumstances, Findings and a Statement of Overriding Considerations must be included in the record of project approval and mentioned in the Notice of Determination.

Significant and unavoidable impacts may require a Statement of Overriding Considerations. Issue areas that create Significant and Unavoidable impacts include Air Quality; Aesthetics and Visual Resources; Hydrology and Water Resources; Land Use and Policy Consistency Analysis; and Recreation.

1.4 EIR Contents

The EIR is divided into the following chapters:

- Executive Summary** – Provides an overview of the proposed project, a summary of the significant impacts and associated mitigation measures identified for the proposed Project.
- Impact Summary Table** – Provides a summary of the identified impacts for the proposed Project. The table also provides a summary of identified mitigation measures for each impact.
- 1.0 Introduction** – Provides an overview of the Project evaluated in the EIR. The section also discusses agency use of the document, and provides a summary of the contents of the EIR.
- 2.0 Project Description** – Provides the background of the Project, including a history of the area, Project objectives, and a detailed description of the proposed Project including remediation, restoration, and area development.
- 3.0 Cumulative Projects Description** – Provides a description of the projects that have been included in the cumulative analysis. The cumulative analysis contained in this document covers the cumulative impacts of reasonably foreseeable projects located in the vicinity of the proposed Project.
- 4.0 Analysis of Environmental Issues** – Describes the existing conditions found at the proposed Project area and vicinity and assesses the potential environmental impacts that could occur if the proposed Project were to occur. These potential impacts are compared to various “Thresholds of Significance” (or significance criteria) to determine the severity of the impacts. Mitigation measures intended to reduce significant impacts are identified where feasible.
- 5.0 Alternatives Project Description/Screening Analysis** – Provides descriptions of the project alternatives that were evaluated in this document. The section also presents an alternative screening analysis that was used to identify alternatives that could reduce significant impacts associated with the proposed Project.
- 6.0 Comparison of Proposed Project and Alternatives/Conclusions** – Provides an analysis of alternatives to the proposed Project that could lessen any identified

significant impacts while still achieving the Project goals. It also includes the impact analysis for the alternatives evaluated in the EIR. Finally, it summarizes the environmental advantages and disadvantages associated with the proposed project and the alternatives, and it discusses the selection of the environmentally superior alternative.

- 7.0 Other CEQA-Mandated Sections** – Discusses the significant irreversible environmental changes which would be caused by the proposed Project should it be implemented. The section also discusses the spatial, economic, and/or population growth impacts that may result from the proposed Project.
- 8.0 Summary of Mitigation Measures and Mitigation Monitoring Program** – Contains a listing of all identified mitigation measures that should be included in the permit, their implementation requirements, verification schedule, and parties responsible for implementation and verification.
- 9.0 List of EIR Preparers** – Identifies and presents the qualifications of those who prepared the report.
- 10.0 Agencies and Individuals Consulted During EIR Preparation** -- Lists reference materials used and persons contacted to prepare the report.

The EIR also contains a number of appendices that support the EIR and the analysis in Chapter 4.0. These appendices include the following:

- Appendix A- Project Description Design Data
- Appendix B - Air Emission Calculations
- Appendix C - Biological Surveys
- Appendix D - Risk Assessment Calculations
- Appendix E - Traffic Impact Analysis
- Appendix F - Cultural Resources Survey Report
- Appendix G – Summary of Oil and Gas Development Regulations in other Southern California Jurisdictions
- Appendix H - Socioeconomics
- Appendix I – Notice of Preparation, Scoping Document, Comments, and Responses
- Appendix J - References
- Appendix K - List of Abbreviations and Acronyms
- Appendix L - Soil Engineering and Engineering Geology Investigation
- Appendix M - Comments on Public Draft EIR and Responses
- Appendix N – Public Notification List

- Appendix O – Potential Design Modification Assessment

These appendices are only available in electronic format on the CD attached to the inside front cover of the EIR notebook.