

CALIFORNIA COASTAL COMMISSION

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original staff report

F14b

December 7, 2016

TO: Coastal Commissioners and Interested Parties

FROM: Alison Dettmer, Deputy Director
Mark Delaplaine, Manager
Cassidy Teufel, Senior Environmental Scientist

SUBJECT: Addendum to Staff Report for Coastal Development Permit Application 9-15-1649, Horizontal Development LLC

This addendum includes revisions to the November 18, 2016 staff report on the Horizontal Development LLC's proposal for oil and gas drilling and associated production facilities within two designated oil remainder areas (ORAs) at the Banning Ranch Oil Field in Newport Beach.

EXHIBITS

The attached Exhibit 6 and Exhibit 7 replace the exhibits with those numbers attached to the Staff Report and Recommendation and the attached Exhibit 13 is an additional exhibit.

CORRESPONDENCE

The attached correspondence represents all letters, postcards, and emails received by Commission staff through December 6, 2016.

SUBSTANTIVE FILE DOCUMENTS

The attached Appendix C supplements the Staff Report and Recommendation with a list of the Substantive File Documents.

EX PARTE COMMUNICATIONS

The attached Ex Parte Communication Form represents all such forms received by Commission staff through December 6, 2016.

REVISIONS

The following are revisions to the text of the staff report and recommendation. Proposed deletions are marked with ~~striketrough~~ text and additions are marked with underlined text.

Cover Page:

Applicant: Horizontal ~~Drilling~~ Development, LLC

Summary of Staff Recommendation: Additional text in paragraphs two and three on page 2.

These proposed activities within the ORAs – including the installation of the new wells - would be carried out over approximately the course of the next 20 to 30 years, if conditions remain favorable for the continued operation of the roughly 75 year old oilfield.

...

In their present condition, the ORAs contain very little that could be considered biological habitat and are comprised primarily of wells and related pipeline infrastructure, roads, an oil production and processing facility and bare or paved ground.

Special Conditions: Revisions and additions to text in Special Conditions 1 through 22 and addition of Special Condition 23.

1. **Well Permits.** PRIOR TO THE INITIATION OF ~~ALL EACH~~ WELL DRILLING OR WELL ABANDONMENT ACTIVITIES ~~ES~~ AUTHORIZED BY THIS COASTAL DEVELOPMENT PERMIT, the Permittee shall provide for Executive Director review, all well drilling or abandonment permits required by state or local agencies for those wells ~~required by state or local agencies~~, including those from Orange County and the California Department of Conservation, Division of Oil, Gas and Geothermal Resources. This Special Condition shall apply to each well at the time that the well drilling or abandonment activity occurs. Any modifications to the project or its design, configuration, or implementation that occur as a result of these agencies' review and authorization processes shall be provided to the Executive Director for review to determine if an amendment to this coastal development permit is legally required.
2. **Construction Permits.** PRIOR TO THE INITIATION OF CONSTRUCTION ACTIVITIES, the Permittee shall provide for Executive Director review, all necessary building, construction and wetland fill or alteration permits that may be required by federal, state, or local agencies including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, Santa Ana Regional Water Quality Control Board, and Orange County. Any modifications to the project or its design, configuration, or implementation that occur as a result of these agencies' review and authorization processes shall be provided to the Executive Director for review to determine if an amendment to this coastal development permit is legally required.
3. **Updated Spill Prevention and Response Plan, Control, and Countermeasures Plans.** PRIOR TO INITIATION OF CONSTRUCTION, the Permittee shall provide for Executive Director review and written approval, ~~(1) an updated~~ a Spill Prevention and Response Plan, Control, and Countermeasures Plan for Oil Remainder Area North, Oil Remainder Area South, and the Joint Use Area shown on **Exhibit 1** that addresses the new and existing wells, equipment, and uses of these areas that are authorized by this Coastal Development Permit both final proposed site conditions (well installations, equipment replacement and reconfiguration) and interim conditions and demonstrates HDLLC's ability to prevent, respond to, and contain hazardous material spills, including worst case spills based on the

maximum proposed production and onsite storage volumes; ~~and (2) PRIOR TO THE INITIATION OF ABANDONMENT OPERATIONS,~~ the Permittee shall provide for Executive Director review and written approval, a Spill Prevention and Response Plan, Control, and Countermeasures Plan that addresses the abandonment and removal of pipelines that would occur outside the Oil Remainder Areas and includes appropriate spill prevention, control, and response measures for the draining, flushing, capping, breakdown and removal of pipelines that service the three wells that would be abandoned within the upland mesa portion of the Banning Ranch oil field (as shown on **Exhibit 2**) as well as those that would be replaced within the Joint Use Area.

- 4. Debris from Abandonment and Relocation Activities.** All debris or waste material generated as a result of Orange County and California Department of Conservation, Division of Oil, Gas and Geothermal Resources approved ~~well~~ abandonment activities for the three wells on the Banning Ranch oilfield outside the ORAs, including concrete, visibly contaminated soil, and pipelines, utility lines, poles, and equipment taken out of service shall within 30 days be immediately re-used or collected, and removed to the Oil Remainder Areas or from the site and transported to an appropriately certified waste disposal facility. All pipelines, pipe supports, and other pipelines infrastructure abandoned within the Joint Use Area shown on **Exhibit 1** shall within 30 days be immediately re-used or collected, and removed to the Oil Remainder Areas or from the site and transported to an appropriately certified waste disposal facility. All concrete, metal, wood, and construction debris generated as a result of the relocation of the administrative office, steam generator, and steam generator building, and warehouse shall within 30 days either be immediately re-used in the Oil Remainder Areas, or be collected, removed from the site and transported to an appropriately certified waste disposal facility. At the conclusion of the relocation of the administrative office, steam generator, and steam generator building and warehouse, the former sites of these structures shall be level clean soil that is unencumbered by remnant structures, debris, waste material, asphalt, or concrete foundations. All abandoned material, equipment, structures, and debris within and directly adjacent to the Oil Remainder Areas shall be collected and removed from the Banning Ranch site within 36 months, unless the Division of Oil, Gas, and Geothermal Resources requires more expedient removal. Any equipment, building foundations, or structures not owned by the Permittee, not required to be removed by the Division of Oil, Gas, and Geothermal Resources, and for which the owner opposes removal would be exempt from this condition. The Permittee shall not engage in future stockpiling or long term storage of construction debris, vehicles, out of service or abandoned equipment outside the Oil Remainder Areas and all such vehicles, equipment, and materials owned by HDLLC shall be removed within 36 months as part of oil field consolidation activities.

5. Environmentally Sensitive Habitat Areas.

1. Oil Remainder Area North: No ~~development construction or installation activities~~ shall occur within 100-feet of the edge of the environmentally sensitive habitat areas shown on **Exhibit 3** – ORA North wetland and ESHA map. This restriction shall not apply to ~~the two southern tarplant environmentally sensitive habitat areas discussed in~~ **Special Condition 6** operation and maintenance activities carried out within the boundaries of the Oil Remainder Area North site for existing and project wells, facilities and structures.

2. Oil Remainder Area South: No ~~development~~~~construction or installation~~ activities shall occur within 50-feet of the edge of the environmentally sensitive habitat areas shown on **Exhibit 4** – ORA South ESHA map. This restriction shall not apply to operation and maintenance activities carried out within the boundaries of the Oil Remainder Area South site for existing and project wells, facilities and structures.

6. **Southern Tarplant Protection.** Notwithstanding the prohibitions in Special Condition 5, ~~W~~within the northern portion of the Oil Remainder Area North site, all structures and equipment (including the perimeter wall, wells, well pads, and pump units) and associated construction and installation activities shall occur no less than 25-feet from the edge of the mapped 2016 southern tarplant population areas shown on **Exhibit 3** as two small areas of ESHA near the north-west corner of the Oil Remainder Area North site. ~~WITHIN 30 DAYS OF AFTER THE ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT ISSUANCE,~~ the Permittee shall submit for Executive Director review and written approval, a Southern Tarplant Habitat Enhancement Plan that includes the relocation to within the interior of the perimeter wall and re-use, or collection, removal from the site and transportation to an appropriately certified waste disposal facility, all out-of-service, abandoned, or stockpiled equipment and material adjacent to these southern tarplant populations. Any such equipment or material not owned by the Permittee, not required to be removed by the Division of Oil, Gas, and Geothermal Resources, and for which the owner opposes removal would be exempt from this condition. The Southern Tarplant Habitat Enhancement Plan shall describe how equipment and material relocation, collection, and removal activities shall be carried out in a manner that avoids disturbance of both the 2016 and historic southern tarplant habitat areas shown on **Exhibit 5** – Southern tarplant map, including through the use of biological monitors; temporary fencing or demarcation of southern tarplant habitat; preservation and replacement of all temporarily removed or disturbed soil; siting of removal equipment and machinery outside of both the 2016 and historic southern tarplant habitat areas shown on **Exhibit 5**– Southern tarplant map; and use of hand tools and hand labor when possible.
7. **Bird Breeding Season Restriction.** All excavation, grading, construction, demolition, removal, installation, abandonment, re-drilling and drilling activities within 100 feet of the environmentally sensitive habitat areas (ESHA) shown on Exhibit 3 and Exhibit 4 (with the exception of the southern tarplant ESHA) shall occur outside of the February15 through August peak breeding season for birds, including those associated with (1) the abandonment, removal, placement or re-drilling of wells or abandonment, removal or placement of facilities or equipment ~~near the perimeter of~~ on the Oil Remainder Area North and Oil Remainder Area South sites; (2) except in the case of an emergency or to protect public health or safety, the abandonment, removal, and replacement of pipelines within the Joint Use Area; and (3) the closure, abandonment, demolition, removal, or relocation of wells, structures, infrastructure, equipment or facilities outside of the Oil Remainder Area sites.
8. **Resource Protection Measures for ORA North, ORA South and Joint Use Area.** The following best management practices shall be implemented during all well drilling, well installation, and equipment and facility construction and installation activities: (1) noise control measures shall be employed to mitigate noise levels to the extent feasible. These

measure shall include, but would not be limited to: temporary noise barriers or sound walls between construction areas and adjacent habitats; noise pads or dampers, or moveable task noise barriers, including rubberized pads within pipewalk areas; replacement or update of noisy equipment and use of enhanced hospital quality engine mufflers; queuing of trucks to distribute idling noise; siting of vehicle access point within Joint Use Areas ~~away from the sensitive habitat area~~; reduction in the number of loud activities that occur simultaneously; efforts to concentrate elevated noise causing activities during the middle hours of the day outside of key morning and evening wildlife foraging periods; placement of loud stationary equipment in acoustically engineered enclosures or maximum distances away from sensitive habitat areas; and use of two-way radios or similar devices to limit personnel noise; (2) the permittee shall specify and enforce a vehicle speed limit of 15 MPH for Permittee's employees, contractors, vendors and other visitors on access roads within the project vicinity (not applicable to public roads); (3) the permittee shall prohibit all project personnel from bringing pets or other domestic animals onto the project site; (4) the permittee shall mark the project site boundaries as approved by the Commission with clearly visible flagging or other materials. No project-related pedestrian or vehicle traffic shall be permitted outside the marked site boundaries; (5) the permittee shall prevent wildlife subsidies or attractants (primarily food and water) by minimizing watering for dust control, maintaining all tanks and pipes to prevent leaks, prohibiting littering by personnel, performing daily site cleanup, and providing self-closing waste containers and removing trash contents regularly to prevent overflow; and (6) all project lighting, including construction, security, and safety lighting shall be installed at the minimum necessary height, shielded and directed downwards and towards the interior of the Oil Remainder Area North and Oil Remainder Area South sites to minimize night lighting of habitat areas located adjacent to these sites. All lighting shall employ the best available "dark sky" technologies including lights with the lowest intensity possible and using wavelengths that are the most environmentally protective of organisms active at night and dawn and dusk. The lowest intensity lighting shall be used that is appropriate for safety purposes; and (7) except in the case of an emergency or to protect public health and safety, all construction activity, except for drilling and well installation operations that must be carried out continuously until completed, shall be carried out during daylight hours.

9. **Wetland Protection Buffer.** With the exception of the addition of security fencing installed on the existing concrete block perimeter wall and the installation of the new concrete block perimeter wall immediately around existing structures and wells numbers 583 and 37R2, all new development (including the remainder of the concrete block perimeter wall, wells, equipment, facilities, and structures) shall be located a minimum of 50-feet, and whenever feasible, 100-feet, from all wetland habitat areas shown in **Exhibit 3** – ORA North wetland and ESHA map. Around existing structures and wells numbers 583 and 37R2, the concrete block wall shall be installed as close as possible to the outer edge of the well pads without inhibiting access for repair and maintenance activities. In addition, the concrete block perimeter wall shall be installed with a minimum height of three-feet from the ground surface and the chain like security fencing installed on top of both the existing and new wall shall have a minimum height of five-feet and include "winged slats" or other similar gapless screening devices to maximize the fence's ability to block the transmission of sound, light, emissions, and dust. The block wall and fence shall be maintained at these heights and in an intact condition throughout the active use of the Oil

Remainder Area North site. All out-of-service or abandoned equipment, vehicles, materials, structures, foundations, and debris that is currently present within the area between the perimeter wall and adjacent habitat areas shall be collected and removed. Equipment and material that can be immediately brought into service may be relocated to appropriate lay-down or storage areas within the Oil Remainder Area North site. All other material shall be transported to an appropriately certified facility for sale or disposal. Any such equipment, material, structures, foundations or debris not owned by the Permittee, not required to be removed by the Division of Oil, Gas, and Geothermal Resources, and for which the owner opposes removal would be exempt from this condition.

10. **Wetland Mitigation.** All ~~filled~~ fill of wetlands, including those areas identified as “wetlands” on **Exhibit 3** and those areas identified as “CCA wetland” on **Exhibit 13**, shall be mitigated at a ratio of 4:1 (restored/ created area : impacted area) for mitigation involving the creation or substantial restoration of wetland habitat and 8:1 (restored/created area : impacted area) for mitigation involving the enhancement of existing wetland habitat.

11. **Wetland Mitigation Plan.**

A. PRIOR TO THE INITIATION OF CONSTRUCTION FOR ANY DEVELOPMENT AUTHORIZED BY THIS ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT THAT WILL IMPACT WETLANDS, the ~~Applicant~~ Permittee shall submit for review and written approval of the Executive Director a Wetland Mitigation Plan to mitigate for all wetland impacts associated with the proposed construction or installation activities~~project~~. The Plan shall be developed in consultation with the California Department of Fish & Wildlife, Regional Water Quality Control Board and U.S. Army Corps of Engineers, as applicable, and at a minimum shall include:

1. A detailed final site plan of the wetland impact area that substantially conforms with the plan submitted to the Commission on November 18, 2016, as shown generally on **Exhibit 6**. The final plan must delineate all impact areas (on a map that shows elevations, surrounding landforms, etc.), the types of impact (both permanent and temporary), and the exact acreage of each impact so identified.

2. A detailed site plan of the mitigation site within the project site or other site within or outside the lowland area on the Newport Banning Ranch property. The mitigation site plan shall include both the restoration area and the buffer surrounding the restoration area. If wetland creation or substantial restoration is proposed, the mitigation site plan shall include: existing and proposed hydrologic, soil and vegetative conditions of the mitigation site(s); engineering/grading and erosion control plans and schedule – if applicable; weeding plans and schedule; planting plans and schedule; short- and long-term irrigation needs; on-going maintenance and management plans; and a monitoring plan consistent with **Special Condition 12** – Wetland Mitigation Monitoring.

3. A baseline assessment, including photographs, of the current physical and ecological condition of the proposed restoration site, including as appropriate, a wetland delineation conducted according to the definitions in the Coastal Act and the Commission’s Regulations and the methods laid out in the U.S. Army Corps of Engineers “Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region,” a

detailed site description and map showing the area and distribution of vegetation types and site topography, and a map showing the distribution and abundance of sensitive species that includes the footprint of the proposed restoration.

4. A description of the goals of the restoration plan and the applicable mitigation ratio from **Special Condition 7 – Wetland Mitigation**. The goals should also include, as appropriate, any changes to site topography, hydrology, vegetation types, presence or abundance of sensitive species, and wildlife usage, and any anticipated measures for adaptive management in response to sea level rise or other climatic changes.

5. A description of planned site preparation and invasive plant removal.

6. A restoration plan including the planting palette (seed mix and container plants), planting design, source of plant material, methods and timing of plant installation, erosion control measures, duration and use of irrigation, and measures for remediation if success criteria (performance standards) are not met. The planting palette shall be made up exclusively of native plants that are appropriate to the habitat and region and that are grown from seeds or vegetative materials obtained from local natural habitats to protect the genetic makeup of natural populations. Horticultural varieties shall not be used.

7. A plan for documenting and reporting the physical and biological “as built” condition of the restoration or mitigation site within 30 days of completion of the initial restoration activities. This report shall describe the field implementation of the approved Restoration or Mitigation Plan in narrative and photographs, and report any problems in the implementation and their resolution, and any recommendations for future adaptive management. The “as built” assessment and report shall be completed by a qualified biologist, who is not employed by and independent of the installation contractor.

8. Provisions for submittal of a wetland delineation of the mitigation site at the end of 5 years to confirm total acreage mitigated consistent with the applicable mitigation ratio established in **Special Condition 10 – Wetland Mitigation Ratio**.

B. The Permittee shall undertake development in conformance with the approved final plans. Any substantial changes to the plan require a permit amendment from the Commission. More minor changes to restoration plans may be approved in writing by the Executive Director if he or she determines that no amendment is legally required.

12. Wetland Mitigation Monitoring.

A. PRIOR TO THE INITIATION OF CONSTRUCTION FOR ANY DEVELOPMENT AUTHORIZED BY THIS ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT THAT WILL IMPACT WETLANDS, the ~~Permittee Applicant~~ shall submit for review and written approval of the Executive Director a detailed Wetland Monitoring Plan designed by a qualified wetland or restoration ecologist for monitoring of the wetland mitigation site.

The Wetland Monitoring Plan shall at a minimum include the following:

1. A plan for interim monitoring and maintenance of any restoration or mitigation site(s) and pre-approved reference site(s), including:
 - a. Schedule;
 - b. Interim performance standards;
 - c. A description of field activities that includes sampling design, number of samples and sampling methods. The number of samples should rely on a statistical power analysis to document that the planned sample size will provide adequate statistical power to detect the maximum allowable difference between the restored site and a reference site(s).
 - d. The monitoring period (generally not less than 5 years, depending on case details or longer if performance standards are not met in the initial time frame).
 - e. Changes in sea level rise, sediment dynamics, and the overall health of the wetland to allow for adaptive management, as needed. Include triggers for implementing adaptive management options.
 - f. Provision for submission of annual reports of monitoring results to the Executive Director for the duration of the required monitoring period, beginning the first year after submission of the “as-built” report. Each report shall be cumulative and shall summarize all previous results. Each report shall document the condition of the restoration with photographs taken from the same fixed points in the same directions. Each report shall also include a “Performance Evaluation” section where information and results from the monitoring plan are used to evaluate the status of the restoration project in relation to the interim performance standards and final success criteria.
 - g. Provisions for the submittal of a revised or supplemental restoration plan to be submitted if an annual monitoring report shows that the restoration effort is falling significantly below the interim performance standards. Triggers shall be included in the plan to define the level of nonperformance at which the submittal of a revised or supplemental restoration plan will be required. The applicant shall submit a revised or supplemental restoration program within 90 days to address those portions of the original program which did not meet the approved success criteria.
 - h. Following the restoration, reports shall be submitted every ten years to ensure that the restoration is maintained over the time period of the development.
2. Final Success Criteria for each habitat type, including, as appropriate: total ground cover of all vegetation and of native vegetation; vegetative cover of dominant species; and hydrology, including timing, duration and location of water movement.
3. The method by which “success” will be judged, including:
 - a. Type of comparison.
 - b. Identification and description, including photographs, of any high functioning, relatively undisturbed reference sites that will be used.
 - c. Test of similarity with a reference site. This could simply be determining whether the result of a census was above a predetermined threshold. Generally, it will entail a one- or two-sample t-test that determines if differences between the restoration site and the reference site are within the maximum allowable difference for each success criteria (performance standard).

- d. A statement that final monitoring for success will occur after at least 5 years with no remediation or maintenance activities other than weeding.
 4. Provisions for submission of a final monitoring report to the Executive Director at the end of the final monitoring period. The final report must be prepared by a qualified restoration ecologist. The report must evaluate whether the restoration site conforms to the goals, objectives, and success criteria set forth in the approved final restoration program. The report must address all of the monitoring data collected over the monitoring period. Following the restoration, reports shall be submitted every ten years to ensure that the restoration is maintained over the time period of the development.
 5. If the final report indicates that the restoration project has been unsuccessful, in part, or in whole, based on the approved success criteria (performance standards), the ~~applicant~~ Permittee shall submit within 90 days a revised or supplemental restoration program to compensate for those portions of the original plan which did not meet the approved success criteria. The Permittee shall undertake mitigation and monitoring in accordance with the approved final, revised wetland restoration or mitigation plan following all procedures and reporting requirements as outlined for the initial plan until all performance standards (success criteria) are met. The revised restoration program, if necessary, shall be processed as an amendment to this coastal development permit unless the Executive Director determines that no permit amendment is legally required.
- B. The Permittee shall undertake monitoring and other activities listed in the Monitoring Plan in conformance with the approved final plan. Any substantial changes to the plan require a permit amendment from the Commission. More minor changes to restoration plans may be approved in writing by the Executive Director, if he or she determines that no amendment is legally required.
13. **Soil Treatment Facility.** PRIOR TO CONSTRUCTION OR USE of the contaminated soil treatment facility, the Permittee shall submit, for Executive Director review and written approval, evidence that the design of the facility, treatment process, treatment thresholds, testing and reporting procedures, and treated soil re-uses have been reviewed and approved by the Santa Ana Regional Water Quality Control Board and Orange County Health Care Agency.
 14. **Stormwater and Run-off Control Plan.** PRIOR TO THE ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT ISSUANCE, the Applicant shall submit, for Executive Director review and written approval, a Stormwater and Run-off Control Plan for existing operations on both project sites – the Oil Remainder Area North and Oil Remainder Area South. At a minimum, the plan shall describe all structural and non-structural measures the Permittee will implement to avoid and minimize project-related impacts to wetlands and coastal waters adjacent to the project sites. The Permittee shall implement the Plan as approved by the Executive Director. After issuance of this permit, the Permittee shall submit, for Executive Director review and written approval, prior to initiation of construction and use for each well, structure and facility authorized by this permit, a revised and updated Stormwater and Runoff Control Plan for the project sites.

The Plan shall include locations of all facilities and structures to be built during the project and the measures incorporated in each to avoid and minimize wetland and water quality impacts. The Plan shall also identify measures the Permittee will implement to store and/or contain materials, soils, and debris originating from the project in a manner that precludes their uncontrolled entry and dispersion into nearby coastal waters or wetlands. Any debris that inadvertently enters coastal waters or wetlands shall be removed immediately.

The Plan will identify Best Management Practices (BMPs) that will be implemented during project activities to protect wetlands and coastal waters in conformance with the following:

- Appropriate structural and non-structural BMPs shall be designed to treat, infiltrate, or filter the runoff from all surfaces and activities on the project site.
- Structural BMPs (or suites of BMPs) shall be designed to treat, infiltrate or filter the amount of stormwater runoff produced by all storms up to and including the 85th percentile, 24-hour storm event for volume-based BMPs, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor (i.e., 2 or greater), for flow-based BMPs.
- Runoff from all structures, drill sites, and facilities within the oil remainder areas shall be collected and directed through a system of structural BMPs of vegetated areas and/or gravel filter strips or other vegetated or media filter devices. The filter elements shall be designed to 1) trap sediment, particulates and other solids and 2) remove or mitigate contaminants through infiltration and/or biological uptake. The drainage system shall also be designed to convey and discharge runoff in excess of this standard from the building site in a non-erosive manner.
- The Plan shall provide for the treatment of runoff from drill sites, production, processing and shipping facilities, storage areas, parking lots, and structures using appropriate structural and non-structural BMPs designed specifically to minimize hydrocarbon contaminants (such as oil, grease, and heavy metals), sediments, and floatables and particulate debris.
- All BMPs shall be operated, monitored, and maintained for the duration of project activities requiring the use of the BMPs. At a minimum, all structural BMPs shall be inspected, cleaned-out, and where necessary, repaired at least twice per month between October 15 and April 15 of each year and at least once per month between April 15 and October 15 of each year.
- The Plan shall identify a worker training program to be implemented that will identify coastal waters, wetlands, and their associated biological resources on and near the project sites, identify measures to be taken to avoid impacts to these resources.
- The Plan shall include measures for reporting any events where BMPs did not prevent adverse impacts to wetlands or coastal waters and the measures taken in response to these events.

Prior to implementing any new or modified project developments, facility locations, or BMPs not included in the coastal development permit application materials, the Permittee shall submit for Executive Director review and written approval proposed modifications needed to incorporate these project components into the Plan.

- 15. Indemnification by Permittee.** By acceptance of this permit, the Permittee agrees to reimburse the Coastal Commission in full for all Coastal Commission costs and attorney's fees -- including (1) those charged by the Office of the Attorney General, and (2) any court costs and attorney's fees that the Coastal Commission may be required by a court to pay -- that the Coastal Commission incurs in connection with the defense of any action brought by a party other than the Applicant/Permittee against the Coastal Commission, its officers, employees, agents, successors and assigns challenging the approval or issuance of this permit. The Coastal Commission retains complete authority to conduct and direct the defense of any such action against the Coastal Commission.
- 16. Assumption of Risk, Waiver of Liability and Indemnity.** By acceptance of this permit, the Permittee acknowledges and agrees (i) that the site may be subject to hazards from flooding, sea level rise, erosion, earthquakes, and liquefaction; (ii) to assume the risks to the applicant and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.
- 17. Geotechnical Recommendations.** PRIOR TO THE INITIATION OF CONSTRUCTION ~~ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT~~, the ~~Applicant~~ Permittee shall submit, for review and written approval of the Executive Director, a geotechnical report for the construction of the development authorized by this Coastal Development Permit which addresses and provides for required foundation design, settlement and ground motion mitigation. PRIOR TO THE INITIATION OF CONSTRUCTION ACTIVITIES, the Permittee shall submit, for the review and written approval of the Executive Director, a ~~final~~ geotechnical report for the construction of the development authorized by this permit ~~the project~~ which addresses and provides recommendations for required foundation design, pipeline supports, fault zone setbacks, bluff slope setbacks, and liquefaction, settlement, and ground motion mitigation for the project authorized by this coastal development permit. The report shall be prepared and certified by an appropriate professional (i.e., Certified Engineering Geologist and/or Geotechnical Engineer). If the geotechnical report recommends use of any exposed foundation or support elements or any stabilization, soil re-compaction or other grading not included in the current proposal, an amendment to this permit or a new permit shall be required in order to implement such recommendations. All final design and construction plans, including foundations, grading and drainage plans, shall be consistent with all recommendations contained in the report approved by the Executive Director.

PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT
INITIATION OF CONSTRUCTION, the Permittee shall also submit, for the Executive Director's review and written approval, evidence that an appropriate licensed professional has reviewed and approved all final design and construction plans and certified that each of those final plans is consistent with all of the recommendations specified in the above-

referenced geologic evaluation approved by the California Coastal Commission for the project site.

The Permittee shall undertake development in conformance with the approved plans unless the Commission amends this permit or the Executive Director determines that no amendment is legally required for any proposed minor deviations.

18. **Ongoing Operations.** ~~WITHIN 36 MONTHS OF AFTER THE ISSUANCE OF THE THIS~~ COASTAL DEVELOPMENT PERMIT, and, thereafter, the Permittee shall discontinue all of its existing operations on the surface of the Banning Ranch Oilfield outside the Oil Remainder Areas and Joint Use Area except for the continued use by the Permittee of the existing oilfield roads for the trucking of oil from ORA North as authorized by this permit and which the surface owner does not oppose. This shall not preclude the Permittee from acting as a contractor for any entity, including Newport Banning Ranch, LLC., that has the right to conduct oil operations within the oil field area outside the oil remainder areas pursuant to either (i) a coastal development permit; or (ii) the Settlement Cease and Desist and Restoration Order and Settlement Agreement issued by the Commission to Newport Banning Ranch LLC at the Commission's March 2015 meeting.
19. **Vegetation Maintenance.** The Permittee agrees not to engage in vegetation removal activities anywhere on the Banning Ranch oil field, with the exception that within 36 months of the issuance of ~~the this~~ permit, the Permittee may to engage in the vegetation maintenance performed pursuant to the vegetation maintenance agreement reached with Commission staff in 2012. In an October 2, 2012 letter to West Newport Oil and Newport Banning Ranch LLC, Commission staff supported a restricted mowing regime and other, limited vegetation management measures, supporting only such measures as were necessary to reduce vegetation within previously modified areas that are: 1) within 25-feet of any active oil well; 2) within the minimum distance necessary to provide physical access to any active, above ground pipeline; or 3) within the areas shown in **Exhibit 8** that are within 100-feet of homes or occupied structures (pursuant to the Orange County Fire Authority Vegetation Management Guidelines). The clouded areas shown in **Exhibit 8** and any areas required to be restored pursuant to CCC-15-CD/R0-01 shall be excluded from vegetation removal activities other than those that involve removal of non-native species as part of habitat restoration.
20. **Future Development.** WITHIN 60 DAYS AFTER THE ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT, signed by HDLLC or authorized agent acknowledging receipt and acceptance of its terms and conditions, or, if an action is filed challenging the approval or issuance of the Coastal Development Permit, upon a final, non-appealable, determination upholding the approval or issuance of the Coastal Development Permit, the Permittee shall waive any rights to conduct future development on the surface of the oil field that it claims to possess under the 1973 Resolution of Exemption (Exemption No. E-7-23-73-144). During the pendency of any action filed challenging this permit, however, HDLLC shall not pursue new development under the 1973 Resolution of Exemption.

21. **Litigation.** WITHIN 60 DAYS ~~OF~~ AFTER THE ISSUANCE COMMISSION'S APPROVAL OF THIS COASTAL DEVELOPMENT PERMIT, signed by HDLLC or authorized agent acknowledging receipt and acceptance of its terms and conditions, or, if an action is filed challenging the approval or issuance of the Coastal Development Permit, upon a final, non-appealable, determination upholding the approval or issuance of the Coastal Development Permit, the Permittee shall dismiss its litigation against the Commission (Case No. 30-2014-00739490-CU-MC-CJC) with prejudice.
22. **Protection of Cultural Resources.** The Permittee~~HDLLC~~ shall implement the requirements of the Protection of Cultural Resources Special Condition provided in Appendix A.
23. **Cultural Resources Survey.** PRIOR TO THE ISSUANCE OF THIS COASTAL DEVELOPMENT PERMIT, the Applicant shall submit for the review and written approval of the Executive Director an Archeological Research Plan, prepared consistent with Special Condition 22. The tasks required by the plan shall be undertaken prior to any ground disturbance for well or pipeline abandonment outside of the Oil Remainder Areas (ORAs) or for drilling, construction, installation, or demolition within the ORAs and shall incorporate the following measures and procedures:
 - A. Within the ORAs and proposed work areas for well abandonment and pipeline abandonment/replacement, the applicant shall undertake additional archeological testing to determine the boundary of known prehistoric archeological sites and, where necessary, testing (including the use of cadaver dogs or other test methods recommended by peer-review) to ensure that all other prehistoric archeological sites that may be present on the sites are identified and accurately delineated (to the maximum extent practicable and in accordance with current professional archeological practices). The purpose of any further testing is to locate and delineate the boundaries of all prehistoric cultural deposits present on the site and to avoid disturbance to those deposits by any of the development contemplated by the Applicant in its proposal;
 - B. If any cultural deposits, including but not limited to skeletal remains and grave-related artifacts, traditional cultural, religious or spiritual sites, midden and lithic material or artifacts, are discovered during the additional archeological testing they shall not be exposed and the testing shall be immediately halted in this location. Additional testing shall be conducted further from the center of the discovery until sterile conditions are encountered. The Archeological Research Plan does not authorize the excavation of any cultural deposits nor data recovery. Nothing in this condition shall prejudice the ability to comply with applicable State and Federal laws if human remains are encountered. However, in compliance with applicable State and Federal laws the project archaeologist shall work with the County Coroner and other authorities to allow Native American human remains to be left in situ, to the maximum extent practical.
 - C. The Archeological Research Plan shall identify proposed mitigation measures for the preservation in place, recovery and/or relocation/reburial of prehistoric cultural deposits consistent with Native American Tribal guidance that shall be undertaken

only if the Executive Director has determined that impacts to cultural deposits are necessary and unavoidable;

D. Archeological and cultural resource monitoring shall be consistent with **Special Condition 22:**

E. Implementation of the Archeological Research Plan shall not occur until the coastal development permit has been issued.

Appendix A: Protection of Cultural Resources Special Condition: Revised text in Subsection 7 on page 63.

7. If any cultural deposits are discovered during project grading or construction, including but not limited to skeletal remains and grave-related artifacts, traditional cultural sites, religious or spiritual sites, or other artifacts, the ~~permittee~~ Permittee shall carry out significance testing of said deposits and, if cultural deposits are found ~~by the Executive Director~~ to be significant pursuant to the process established in the Significance Testing Plan required in Subsection C of this condition and any other relevant provisions, additional investigation and mitigation in accordance with all subsections of this special condition;

Background: Revised text in the first full paragraphs on pages 15 and 16.

Page 15:

The project applicant, Horizontal Development, LLC (HDLLC), is the mineral rights owner for the Banning Ranch Oilfield and has conducted oil and gas development and production operations on it for the past several decades, ~~in partnership with~~ West Newport Oil, the oilfield operator ~~that~~ carries out day-to-day operations. West Newport Oil is an affiliate of Armstrong Petroleum Corporation, ~~designated as the managing member of HDLLC when since~~ it was formed in the late 1990s. Along with Mobil Oil Corporation, and West Newport Oil have been the primary operators of and the Armstrong Petroleum Corporation have been the primary entities involved in oil and gas production operations on the Banning Ranch Oilfield (an area within the larger West Newport Oilfield) since at least the 1980s.

Page 16:

Further, the agreement clarifies that the surface owner is responsible for the abandonment and clean-up of its oil operations on the Banning Ranch Oilfield, while HDLLC is responsible for the abandonment of the three wells that it owns outside of the ORAs. Finally, the agreement specifies that even though HDLLC owns the mineral rights under the Banning Ranch Oilfield, once it consolidates its operations into the ORAs, the surface owner has the right to continue to operate the existing wells outside the ORAs and conduct the existing oil operations outside the ORAs, including ~~the by using of~~ the oil processing facility and certain other facilities, structures, and equipment within ORA North. The subject CDP is solely for the development proposed by HDLLC and does not authorize development associated with the wells and oilfield infrastructure owned by the surface owners, nor does it restrict any existing rights that the surface owners have to continue to operate the oil wells on their property. As noted below, the Settlement Agreement and Settlement Cease and Desist Order and Restoration Order No. CCC-15-CD-01 and CCC-15-RO-01 issued to Newport Banning Ranch, LLC requires some of the operations of the surface

owner to be wound down and requires coastal development permits for certain other operations that the surface owner seeks to continue.

Project Description: Additional text to be included in the last full paragraph on page 17 and below the first full paragraph on page 19. Revised text to be included in the second paragraph on page 20, fourth paragraphs on page 23 and 24, and final paragraph on page 28.

Page 17:

While HDLLC currently conducts oil operations on the Banning Ranch Oilfield outside the ORAs, this coastal development permit application addresses the abandonment and consolidation of those operations into the ORA North and ORA South sites as well as its proposed future operations on those sites – including both the continuing use of existing wells and facilities, the installation and use of new facilities and the installation, use, and eventual abandonment of existing and up to 77 new wells.

Page 19:

Fracking

In response to inquiries from Commission staff, HDLLC provided the following information in a letter dated September 27, 2016, regarding the use of fracking on the Banning Ranch oilfield:

Hydraulic fracturing (or fracking) is a production stimulation technique used in reservoirs with little or no permeability. The target reservoirs in the West Newport Field are unconsolidated sands with high permeability. The hydraulic fracturing of an unconsolidated sand is not a practical production stimulation strategy and may be a contradiction of terminology or meaningless phrase in this context. Hydraulic fracturing operations are regulated by the CADOGGR [California Department of Conservation, Division of Oil, Gas, and Geothermal Resources].

For the reasons described above, hydraulic fracturing has not been utilized in the West Newport onshore and offshore oil operations. Applicant's proposed project does not include hydraulic fracturing and future proposals to include hydraulic fracturing in oil operations on the ORAs would require permits from both the DOGGR and CCC.

As noted above, HDLCC has not engaged in hydraulic fracturing techniques on the Banning Ranch oilfield, the geology of the field does not support the use of these techniques, and their use is not included as part of the proposed project.

Page 20:

As shown in **Exhibit 9**, of these 32 wells, 15 have been abandoned, 13 remain active (~~42~~11 production wells and ~~one~~ two injection well) and four are idle.

Page 23:

The proposed microturbine is identical to an existing facility within the central portion of ORA North that is owned by the surface owner and already in use. The applicant anticipates the existing microturbine will be relocated and reused~~removed~~ as part of the surface owner's abandonment and removal of its oil processing facility and associated equipment in ORA North.

Page 24:

Warehouse

As part of its existing oil operation consolidation efforts, HDLLC uses also proposes to ~~dismantle and relocate to within ORA North~~ an existing warehouse structure currently located on the upland mesa portion of the Banning Ranch oilfield. This structure is adjacent to an existing asphalt road and abandoned steam plant facility ~~and all activities involved in deconstruction and loading would be carried out from existing roads and paved areas.~~ HDLLC proposes to install a similar structure within ORA North. The warehouse ~~is~~ would be approximately 20-feet wide by 90-feet long and ~~is~~ would be comprised of metal framing, doors and siding. ~~Once dismantled, the warehouse would be loaded onto trucks and brought to the ORA North site using existing oilfield access roads.~~ The final proposed location for the warehouse would be within the central portion of the ORA North site that currently supports the surface owner's oil processing facility. ~~In the event that this facility has not been removed by the surface owner within the 36-month timeframe proposed by HDLLC for consolidation activities, the~~ The existing warehouse would not be relocated and would remain in its current location and would not be used by HDLLC. ~~In the event that the entire existing warehouse is not suitable for relocation, it would be relocated in part or a new similar structure of the same dimensions would be installed.~~

Page 28:

As part of its proposed oil operation consolidation efforts, HDLLC would cease ~~close and abandon~~ all of its oil operations outside of the ORA sites and ~~These operations are limited to the use of~~ abandon its three wells on the upland mesa portion of the Banning Ranch oilfield, as shown in **Exhibit 3**. Each of these three wells would be abandoned and closed as an initial part of the proposed project...

Wetlands: Revised text in first paragraph on page 36.

...The companion conditions, **Special Conditions 11 and 12** require that HDLLC develop and submit for Executive Director review and approval a Wetland Mitigation Plan that comprehensively describes the manner in which the appropriate amount of wetland area would be created or enhanced ~~on-site~~ and establishes performance criteria, monitoring protocols, and reporting procedures to ensure that the plan is implemented and successfully achieves the envisioned wetland habitat benefits...

Hazards: Additional text to be included below the second full paragraph on page 46 and last paragraph on page 49. Revised text included in the final paragraph on page 54.

Page 46:

Regarding the 2003 flooding event, Commission staff inquired into the circumstances of this event and was provided with the following response from HDLLC in email correspondence dated November 11, 2016:

The short answer is this is not likely to occur again and as a result of the lessons learned has not reoccurred. This event occurred when the tide gate was not closed during a high tide and a storm. As a result of this event, the OCFCD has implemented operating controls so the tide gate is now closed during a high tide when there is a storm. In addition, the

projects perimeter wall will keep both lowland tide water and storm water out of ORA North as well as provide for the controlled discharge of surface water within ORA North.

Further, a letter to Commission staff from HDLLC dated September 27, 2016, provides the following additional discussion of flooding potential at the proposed project sites:

Applicant is aware of no reports of flooding of ORA North, ORA South and the JUA. The widening and deepening of the Santa Ana River channel and installation of a tidal gate at Semeniuk Slough in the 1990s further reduce the risk of flooding. The proposed project incorporates both a perimeter block wall and berming as part of Applicant's EPA Spill Prevention, Control and Countermeasure Plan and flood protection measure. These flood protection measures will protect ORA North against a flood event of up to 230 CM - 80 CM to 130 CM above a 100 year storm event.

Page 49:

The Orange County and DOGGR well and oilfield regulations require wells to be outfitted with a variety of spill prevention devices, such as blowout preventers during drilling, that may be triggered during a significant earthquake to prevent uncontrolled spills from occurring.

Page 54:

Another fundamental difference between the proposed project and the areas where induced seismicity is recognized as a growing problem is that the induced seismic events in these other areas have most frequently been caused by wastewater injection wells, whereas HDLLC primarily proposes to drill and operate extraction wells. While HDLLC has been unable to commit to the exact mix of production and injection wells that it may eventually drill – citing the uncertainty behind making such a decision at this point in time – the current use of existing wells on the ORA North and ORA South sites may provide some indication of how the proposed future wells would be used. Of the 13 active wells within the ORA North site, ~~42~~11 are production wells and only two are ~~one~~ used for injection. Similarly, among the active wells at the ORA South site there are 7 production wells and no wells ~~only two are~~ used for injection.

Cultural Resources: Additional text to be included below the fifth paragraph on page 56, in the final paragraph on page 56 and in the first full paragraph on page 57.

Page 56:

Cultural Knowledge and Significance of Resources

Native Americans and some professional archeologists believe, and ethnographic evidence supports the idea, that the Banning Ranch site is one of the many village sites located along the Santa Ana River on the Western Newport Mesa that is a subsidiary settlement site of the primary village center- Genga, and that the Banning Ranch site overlooking the river and the ocean was used for special activities, including cultural and religious ceremonies. As discussed in a letter dated May 3, 2016 from the California Cultural Resource Preservation Alliance to the Coastal Commission, the reason the property as a whole, all 401 acres, is regarded as a Traditional Cultural Landscape is because of the site's vast array of special vegetation and wildlife and biological resources: "It is this ecosystem [of Banning Ranch] that led the Gabrielino and Juaneno-Acjachemen ancestors to settle here, collect the plants and animals, hold ceremonies,

and bury their dead. It is this ecosystem, that together with the archaeological sites, forms this sacred landscape of the Banning Ranch Cultural Property and Landscape.”

Geographically, the resources present on Banning Ranch, considered in the context of the regional archaeological and cultural sites nearby such as Bolsa Chica, Hellman, Ridge, Fairview Park, etc. is related to the regional ephemeral and malleable nature of the historic mosaic pattern of the Santa Ana River outlet to the Pacific Ocean which created a vast estuary in coastal Orange County leading to the settlement of the region by Native Americans because of the strong connection between settlement sites and fresh water sources. One archeological site (ORA 906) has the potential to answer questions about the relationship of these regional settlements and connection to the river’s various outlet points.

Temporally, the Banning Ranch site is significant because some archaeological deposits have great depth and document 3 or possibly 4 occupation periods ranging from 6000-1350 YBP, or approximately 6,000-1,000 years ago. It is highly likely that the site was occupied intermittently through environmental changes over time including changes in sea level rise, changes in the salinity of the wetlands, and changes in the types of marine species present and available as food sources, according to the ARP.

Page 56:

While the proposed project sites have experienced extensive use over the years and are primarily comprised of paved or graded surfaces and existing or abandoned oil wells and processing facilities, at least one known archeological site is within the area of the ORA North site. However, with implementation of **Special Condition 5** and the 100-foot resource protection buffer for ESHA around the perimeter of the ORA North site, this known archeological site would be avoided by the proposed project. Because the presence of this site may indicate that other archeological resources sites exist within the project sites, and because cultural resources are not confined to the boundaries of archaeological sites, but instead can encompass landscapes that are significant to Native American tribal groups because of habitation or use for cultural practices, **Special Conditions 22 and 23** ~~isare~~ established to require monitoring and provide mitigation from the potential adverse impacts of the proposed project on archeological and paleontological resources. ~~This condition~~ **Special Condition 22** would require the development and implementation of an archaeological monitoring and mitigation plan for the protection of archaeological/cultural resources during project grading and construction activities. **Special Condition 23** would require the development and implementation of an Archeological Research Plan, prepared consistent with **Special Conition 22**, and submitted to the Executive Director for review and written approval. Implementation of this research plan would require HDLLC to undertake additional archeological testing to determine the boundary of known prehistoric archeological sites and testing to ensure that all other prehistoric archeological sites that may be present within proposed project areas are identified and accurately delineated. The purpose of any further testing is to locate and delineate the boundaries of all prehistoric cultural deposits present on the site and to avoid disturbance to those deposits by any of the development contemplated by HDLLC in its proposed project. If any cultural deposits, including but not limited to skeletal remains and grave-related artifacts, traditional cultural, religious or spiritual sites, midden and lithic material or artifacts, are discovered during the additional archeological testing they would not be exposed and the testing would be immediately halted at that location. Additional testing would be conducted further from the center of the discovery until sterile

conditions are encountered. The Archeological Research Plan would not authorize the excavation of any cultural deposits nor data recovery.

Nothing in this condition would prejudice the ability to comply with applicable State and Federal laws if human remains are encountered. However, in compliance with applicable State and Federal laws the project archaeologist would work with the County Coroner and other authorities to allow Native American human remains to be left in situ, to the maximum extent practical.

The Archeological Research Plan would also identify proposed mitigation measures for the preservation in place, recovery and/or relocation/reburial of prehistoric cultural deposits consistent with Native American Tribal guidance that would be undertaken only if the Executive Director has determined that impacts to cultural deposits would be necessary and unavoidable.

Page 57:

Conclusion

With implementation of **Special Conditions 5, 22 and 232**, the proposed project would avoid known archeological resource areas and include reasonable mitigation measures to address potential adverse impacts to archaeological or paleontological resources. The Commission therefore finds the proposed project, as conditioned, consistent with Section 30244 of the Coastal Act.

Alternatives: Revised text in third paragraph on page 60.

Page 60:

Active oil and gas production has been ongoing across the majority of the Newport Banning Ranch site since the 1940s ~~[FACT CHECK - I CAN'T REMEMBER]~~. HDLLC is the owner of the mineral rights to this site and in the absence of the proposed project has the ability to continue to extract oil and gas from portions of the site outside of the ORA North and ORA South sites.

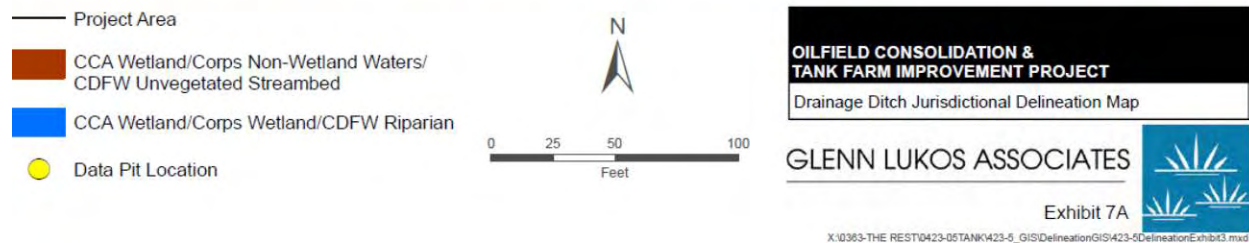
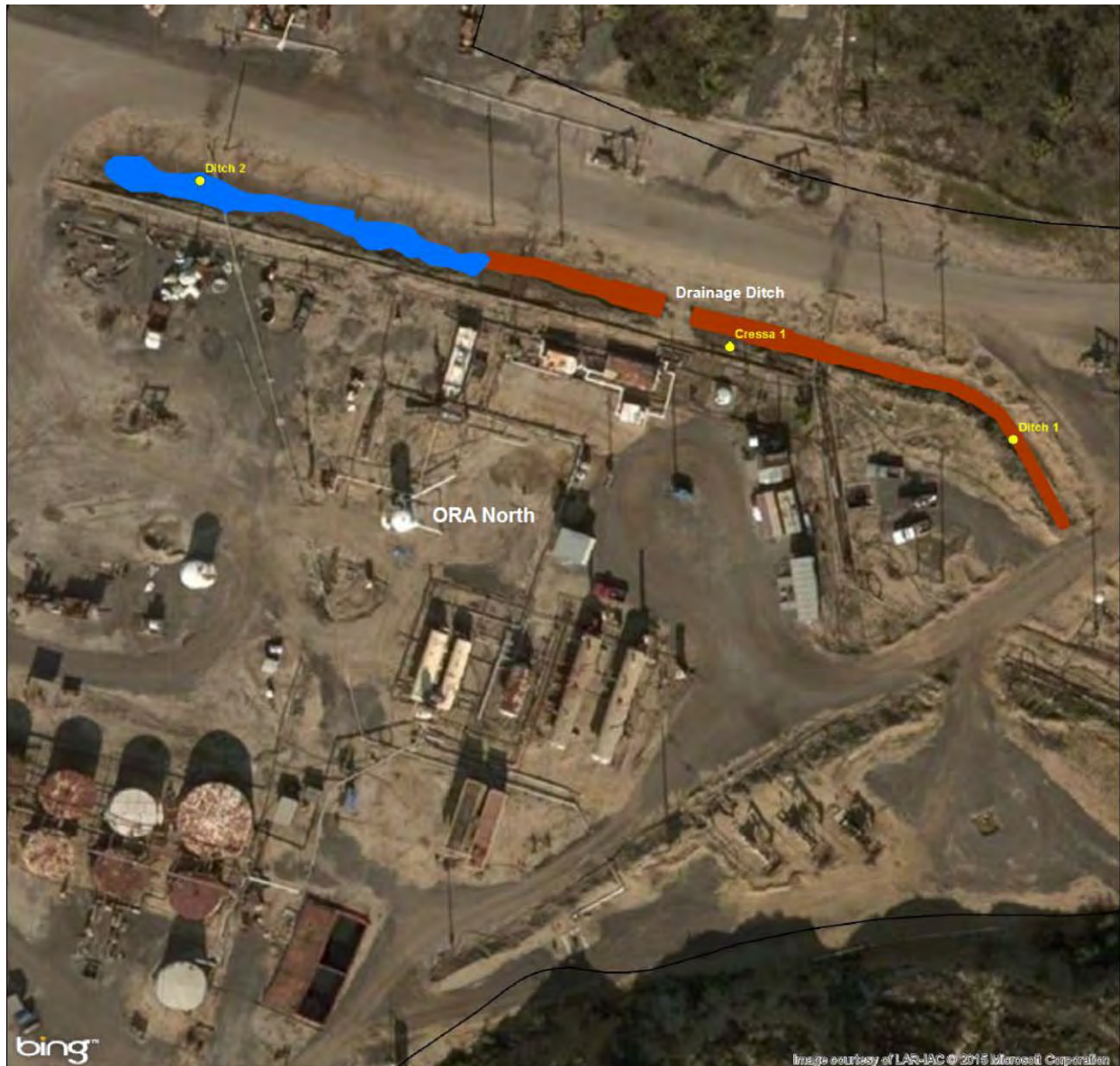
Exhibit 6 – Oil Remainder Area North Proposed Site Configuration



Exhibit 7 – Oil Remainder Area South Proposed Site Configuration



Exhibit 13 – Wetland Areas within Drainage Channel



Appendix C: Substantive File Documents

Coastal Development Permits and Application Materials:

Staff Report for Coastal Development Permit No. 5-03-279
Staff Report for Coastal Development Permit No. 5-03-355
Staff Report and Application File for Coastal Development Permit No. 5-15-2097
Application and Application File for Coastal Development Permit No. 9-15-1649

Environmental Documents:

City of Newport Beach, *Environmental Impact Report for the Newport Banning Ranch*.

Published Articles and Reports:

Hauksson, Egill; Göbel, Thomas; Ampuero, J.-P.; and Cochran, Elizabeth, 2015, A century of oil-field operations and earthquakes in the greater Los Angeles Basin, southern California: The Leading Edge, v. 34, no. 6, p. 650–656.

Rubinstein, J.L. and A.B. Mahani (2015), Myths and Facts on Wastewater Injection, Hydraulic Fracturing, Enhanced Oil Recovery, and Induced Seismicity, Seismological Research Letters, doi:10.1785/0220150067

Other:

Case No. 30-2014-00739490-CU-MC-CJC, Superior Court of the State of California, County of Orange

Claim of Exemption No. E-7-27-73-144

Settlement Agreement and Settlement Cease and Desist Order and Restoration Order No. CCC-15-CD-01 and CCC-15_RO-01

USGS website on induced seismicity: <https://earthquake.usgs.gov/research/induced/>

CORRESPONDENCE

(Letters)

December 5, 2016

Client-Matter: 28934-030

BY E-MAIL AND U.S. MAIL

Chair Steve Kinsey and Members of the
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

**Re: Coastal Development Permit (CDP) Application No. 9-15-1649
Item 14b - Friday, December 9, 2016**

Dear Chair Kinsey and Coastal Commissioners:

This letter is submitted on behalf of Aera Energy LLC and Cherokee Newport Beach, LLC, the surface owners of the Banning Ranch Oilfield ("Property"), and Newport Banning Ranch LLC, the option holder of the Property (collectively, "NBR Owners"). The Property includes those areas referred to as the Oil Remainder Areas ("ORA") in the Commission Staff Report, dated November 18, 2016 ("Staff Report"). The NBR Owners also own all of the wells and oilfield infrastructure outside of the ORAs (except for three wells and their associated infrastructure), the oil processing facility and other facilities structure and equipment located on ORA North. Until such time as a re-use plan is put in place for the Property, the NBR Owners intend to continue to own and provide for the continued operation of those wells on its Property. For this reason, NBR Owners hereby submit this comment letter and request that the Special Conditions and Findings be clarified to clearly set forth that the obligations and requirements under the CDP, if approved, pertain only to the applicant, Horizontal Drilling, LLC or Permittee, and to confirm that all parties acknowledge NBR Owners' continuing rights to operate their facilities on its Property and that nothing in this CDP or its findings bind NBR Owners.

Our comments address the following Special Conditions and Standard Condition 5:

- Special Condition 18, Ongoing Operations
- Special Condition 19, Vegetation Maintenance
- Special Condition 20, Future Development
- Standard Condition 5, Terms and Conditions Run with the Land

We would request that the following sentence be added to **Special Conditions 18, 19 and 20:**

Nothing in this CDP shall limit or restrict the rights of NBR Owners or its successors in interest to provide for the continued oil operations and site maintenance on the Property subject to existing rights under the law, including the Coastal Act, Exemption No. E-7-23-73-144, and the Settlement Agreement and Settlement Cease and Desist Order and Settlement Restoration Order (approved March 12, 2015).

Chair Steve Kinsey
December 5, 2016
Page 2

Standard Condition 5 states that the terms and conditions of the permit be perpetual and that it is the intention of the Coastal Commission and applicant to bind all future owners and possessors of the subject property to the terms and conditions. Horizontal Drilling does not have the legal authority to bind future owners of the Property, nor do the activities described under this CDP affect the entire Property. The following revision should be made to **Standard Condition 5**:

These terms and conditions shall be perpetual as it pertains to the permitted activities, and it is the intention of the Commission and HDLLC to bind HDLLC and its successors in interest to the Oil Remainder Areas.

As described in the Staff Report, the Permittee currently holds an exclusive surface use easement on the ORAs. NBR Owners hold fee title and will convey the ORAs in fee to the Permittee pursuant to a separate agreement between the parties and the satisfaction of various conditions precedent. Therefore, with the exception of the removal of three wells and associated infrastructure from the Property outside of the ORAs, the CDP must only govern Permittee's activities within the ORAs, not the entire Property. As to the remainder of the oil wells, facilities, equipment and infrastructure owned by NBR Owners on the Property, our requested language clarifies and confirms that NBR Owners retain the rights to provide for continued oil operations pursuant to Exemption No. E-7-23-73-144 ("the 1973 Exemption"), and the Settlement Agreement and Settlement Cease and Desist Order and Settlement Restoration Order (approved March 12, 2015) ("Settlement Agreement"), and operation of law. Finally, we note that Special Condition 11 refers to a wetlands mitigation site within the lowland area of the Property, and would like to clarify that any mitigation activities must occur solely within the ORAs as the Permittee does not hold any rights to use the Property, except for the ORAs.

In conclusion, we request that the clarifying language provided in this letter for the Special Conditions and Standard Condition be added prior to the Commission taking action on Permittee's CDP application.

Very truly yours,



Susan K. Hori

cc: John Ainsworth
Alison Dettmer
Cassidy Teufel
Alex Helperin
Leonard Anderson

[Assad Jandali](#)

[27806 Soller](#)

[Mission Viejo, CA, 92692](#)

Dear Coastal Commission,

As a concerned citizen and a member of the Sierra Club I am writing this letter regarding the recently released Staff Report CDP 9-15-1649. I would like to start off first by stating how much I appreciate the commission regarding the restrictions you helped put in place forcing Horizontal Development (LLC) to comply with some sections of the Coastal Act. However, with the lawsuit looming against the commission I have concerns with regards to how it might be compromised forcing the commission in complying with Horizontal Development LLC (developer) on their terms for their interests and not the public. I am also asking that the CCC to deny this Coastal Development Permit due to it not capable of achieving full compliance with the Coastal Act. One of the biggest factors that oil drilling activity can spill out in liquefaction and landsubseidence. For instance, these 2 categories of possible catastrophes would bring devastating results not only for wildlife and ecological surrounding; but also to residents near the area. The City of Newport Beach General Plan (Newport Beach 2006a) and the Seismic Hazard Zone Map for the Newport Beach Quadrangle (CDMG 1998) indicate that the entire Lowland area of the Project site is susceptible to liquefaction and associated lateral spreading (Exhibit 4.3-4). It was confirmed Prior testing of the alluvial soils within the Lowland area confirms this potential for liquefaction (GMU 2010). As a result, I believe regarding the situation of landsubseidence can occur in areas where if oil or groundwater has moved out of an area and has created a void space unable to sustain the materials above it or in areas where subsurface materials are dissolved, leaving little or no support for surface soils or features. This is a major concern for potential drilling by the developer; since if not accounted for the danger would be imminent for structures and facilities more likely to take place in an oil activity setting. That's one of many reasons why the drilling should be strictly regulated or not allowed. The dangers and risks posed by potential drilling outweigh the economic benefit more and that's why I believe the Commission should consider more likely denying the rights to drill on the site.

In addressing these concerns I would like to bring with regards to the situation regarding wetlands. It's been proven through numerous research methods that these are the last naturally intact wetlands in southern California and how it's difficult to nearly impossible in replacing. For instance, Section 30231 of the Coastal Act states: **"The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of wastewater discharges and entrainment, controlling runoff, preventing depletion of groundwater supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams"**. In other words Development activities, including both the temporary activities associated with construction and installation, and the longer term ongoing activities associated with use and maintenance of the installed structures and equipment, have the potential to adversely affect the biological productivity and quality of adjacent natural habitats. This is why I believe the commission should reconsider development on wetlands as there are numerous species endangered and federally protected in the process such as the fairy shrimp, California

gnatcatchers, and many more. I also would like to point out that doesn't fully address the US Fish and Wildlife Service's Inventories of Wetlands for Banning Ranch, these areas are ESHA and need to be fully recognized.

My second reason for why there should be further restrictions on the site would be with regards to how despite not being mentioned in this report; previous reports state how the Coastal Development Permit isn't the proper channel for getting the green light to develop on Banning Ranch site. For instance, the previous staff reports from 2015 and recently stated how it wasn't proper; yet the developer (HDLLC) continues to insist on using that channel for approval. The proper way for seeking permission is developing a Land Use Plan and have a Certified Local Coastal Plan. Banning Ranch was a "whitehole" or "deferred certification" area for the purpose of developing a specific land use plan for Banning Ranch. Development activities, including both the temporary activities associated with construction and installation, and the longer term ongoing activities associated with use and maintenance of the installed structures and equipment, have the potential to adversely affect the biological productivity and quality of adjacent natural habitats. Approval this Coastal Development will undermine California's ability to have a Certified Local Coastal Plan for Banning Ranch – one cannot certify as a compliant an area in the future that already has a non-compliant CDP!

The third reason why there's also an issue with the developer would relate to how the public isn't given much of a chance to view the report and input on the many "Special Conditions" which require plans of various focus to be submitted to the Executive Director for approval. Regardless of what the issue or concerns might be; I believe that the public including residents near Banning Ranch have the right to know what's happening in the area and the right to voice their position on it. For instance, besides the concern regarding habitat alteration; residents might be affected regarding the outcome of industrial activities coming in play. Lastly, I feel that since there is no Land Use Plan, and since the public has been denied its due comment periods, that the Staff Report should add public review of 90 days for all plans submitted to the Executive Director, so the Executive Director can have the benefit of public comment before he decides to accept each special condition report or plan or amendment.

The 4th concern is regarding ESHA provisions and setback of buffers from activity in protecting habitat. For instance, the setback in feet varies depending on the species and their habitat type. Regarding the situation for Horizon Development the setback has been set for 50 feet with a wall being put in place. Despite, being approved in the report as not being affective to habitat; I believe that 50 feet is too low of a number for a buffer as it's limited in space for species and habitat flourishing to take place. It's almost like trying to confine a family in living on 500 square feet of land which isn't feasible at all. The setback of 100 ft should be required and not compromised. The extent that oil operations are permitted and given priority according to the Coastal Act, then there should be increased mitigation for each foot less than 100 ft. This is important in prevention of having less than 100 ft setbacks to become a precedent on the Banning Ranch property, this is especially true since North ORA and South ORA are easements and not individual lots. Another role *Buffers play would be providing ecological functions essential for species in the ESHA*. The Staff Report needs to be clear that a compromise on North ORA and South ORA will not result in a compromise elsewhere on Banning Ranch. This permit should be denied and the applicant should be asked to redesign their project so that it conforms with the Coastal Act. It should also be cited according to *In order for the regulations of the Coastal Act; along with section 30240 to be met development (aside from resource dependent uses) must be located outside of all environmentally sensitive habitat areas and must not cause significant disruption of the habitat values within those areas.*

The 5th reason is The Staff Report is not clear enough regarding the fact that a new CDP application must be made by the surface land right owners (Newport Banning Ranch LLC/Aera Energy/Cherokee Investment Partners) It hints and mentions the unusual division of land use and mineral rights, but it is not clear that a new CDP application must be submitted to clear old equipment from North ORA or from South ORA. Although there is lengthy consideration for wetland and ESHA protection, the Staff Report does not go far enough to protect ESHA and buffers along the Joint Use Road and to protect the California Gnatcatcher and Catcus Wren habitats adjacent to the North ORA. Provisions of the stipulation are as followed: 5. Plaintiffs shall file applications for one or more Coastal Development Permits for that portion of the Oil Field surface that Plaintiffs and Staff have identified as the "Oil Remainder Area" (see Exhibit 2) encompassing their planned future development for the exploration, development, and production of oil and gas from the subsurface both under and outside of the Oil Remainder Area (the "CDP Applications"). I am also concerned that I will not have the ability to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

Lastly, I believe that the commission should stand its ground in the current suit and strictly enforce the coastal act for all of Banning Ranch. This stance, would help in sending a message to the developer how serious the Commission takes its jobs and there are no easy methods of bypassing regulations. The CCC should not buckle and compromise under threats of a lawsuit. The Coastal Commission has every right to require a CDP for all oil wells and structures on Banning Ranch since the approval of the Coastal Act.

I believe the commission is dedicated to the well being of Banning Ranch and would like to say thank you for taking the time in reading my concerns.

Sincerely,

Assad Jandali

Message to: Cassidy Teufel Senior Environmental Scientist Energy, Ocean Resources and Federal Consistency California Coastal Commission 45 Fremont Street, Suite 2000 San Francisco, CA 94105-2219 (415) 904-5502; FAX (415) 904-5400 mailto:Cassidy.Teufel@coastal.ca.gov	Message from: Candace Brenner Golden West College Science Museum Curator- retired 9142 Christine Dr Huntington Beach, CA (714) 968-4874
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RE: Comments on the CDP 9-15-1649 Staff Report for the Dec. 9 CCC Hearing

POSITION: Feel additional restrictions needed before approval

Dear Coastal Commission,

When looking at the development of the Banning Ranch property, it is necessary to consider its value as a wildlife habitat. As you know, around 90% of coastal wetlands in California have been destroyed. This valuable ecosystem is more diverse than a rain forest, and has a very complex ecosystem. It feeds birds along the Pacific Flyway, provides a nursery for fish, and has diverse and specialized plants that have symbiotic relationships with the wildlife there. The Huntington Beach Wetlands Conservancy has restored the Talbert Marsh, the Brookhurst Marsh, and the Magnolia Marsh, and hopes to restore the Newland Marsh soon. This is still a fairly small habitat. Banning Ranch forms a logical extension of this habitat, and should also be restored. An ecosystem that is too small is less likely to succeed, as it does not have the resources to result in a large enough population of various species for a necessary breeding population. This endangers their very existence. For instance, during the Audubon Christmas bird count, we found one burrowing owl in the Brookhurst Marsh. We believe there may be more in Banning Ranch. The coastal habitat at Banning Ranch is such a perfect complement to the lower wetlands marsh, that they need to work together in concert to encourage greater species diversity and success.

Please do all you can to protect as much of the Banning Ranch habitat as possible. There will always be builders and people seeking oil on coastal properties. These are very popular uses of the coastal land, and are economically attractive, but it is not always the best use for such a limited resource. You are the only ones who can protect this habitat. We hope you will stand up to the task.

Sincerely,
Candace Brenner

2442 Andover Place

Costa Mesa, CA 92626

December 6, 2016

Application No. 9-15-1649(HD LLC, Newport Beach) –OPPOSITION

Dear Coastal Commission,

I am a 50-year-plus member of the Sierra Club. I also spoke to you directly at the Coastal Commission meeting in Scotts Valley in August to voice my opposition to any development at Banning Ranch, a property located some four miles from my home in Costa Mesa.

- **Do not compromise the wetlands.**
- **The public has not been heard in regards to the current plans being considered.**
- **The proper land use plan (Certified Local Coastal Plan) is not on the record.**
- **The 100 ft setback is absent.**
- **The plan under consideration omits language about clearing old equipment.**
- **The staff report is vague in regards to the public's ability influence the Wetland Monitoring Plan.**

I watched the September Coastal Commission Meeting via online streaming from start to finish and applauded your final vote at the end of the night. I sent "virtual" high-fives to all the commissioners who voted NO on the hotel/residences/blah-blah-blah development.

I urge you to uphold your mandate to preserve our most precious California coast and to enforce the California Coastal Act.

(signed)

Florence N. Martin



California Cultural Resource Preservation Alliance, Inc.

P.O. Box 54132
Irvine, CA 92619-4132

**An alliance of American Indian and scientific communities working for
the preservation of archaeological sites and other cultural resources.**

November 28, 2016

Honorable Commissioners
California Coastal Commission

Ms. Teresa Henry, District Manager
California Coastal Commission
200 Oceangate, Suite 1000
Long Beach, CA 90802-4416

Item No. F14b
Application No. 9-15-1649
Banning Ranch Oilfield
Horizontal Drilling LLC.
Object

Dear Honorable Commissioners:

I regret that I will not be able to attend the hearing. I am writing to object to the proposed project for the following reasons:

- (1) The foremost is that the entire Banning Ranch area is listed as a Traditional Cultural Property (TCP) and Traditional Cultural Landscape (TCS) in the Native American Heritage Commission's Sacred Lands Inventory. This designation is not arbitrary. Because the locations of properties of traditional cultural significance are often kept secret, it is not uncommon for them to be "discovered" only when they are threatened. Prior to European contact, large coastal village sites in California were situated on the bluffs overlooking the ocean at the mouth of rivers and streams. Today, few if any remain. The partially destroyed 8,000-year-old Bolsa Chica site in Huntington Beach is one of the few.

The eight prehistoric archaeological sites at Banning Ranch are only the currently visible remains of what once was a large village site with the typical settlement pattern including a cemetery, a sacred enclosure, and other special activity areas. These have been impacted to the extent that only three sites have been designated by archaeologists as retaining sufficient integrity to be eligible for listing in the National Register of Historic Places. One of these sites, CA-ORA-844 is threatened by the proposed Project leaving only two. Unfortunately, the archaeological state of the art is not able to accurately predict what lies beneath the earth and given what we know about the pre-contact coastal settlement pattern, there is a high potential for impacts to buried archaeological portions of the village and cemetery.

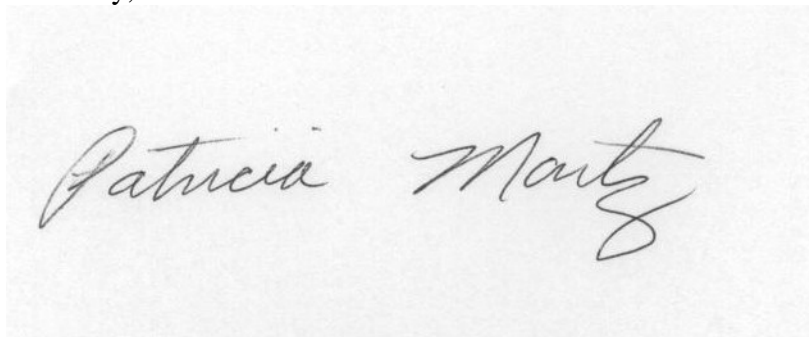
- (2) The report documenting archaeological investigations to locate additional archaeological deposits and define boundaries of the known site areas that was conducted for the Banning Ranch housing and commercial development has not been completed or circulated and is not mentioned in the staff report.
- (3) Native Americans have never been compensated for the loss of their lands and traditional lifeways. It is estimated that 90 percent of coastal archaeological sites have been destroyed by development. We

can't give them back their lands, but we can try to protect the few remaining TCPs and TCS. The National Trust for Historic Preservation Web Site says "Our lives are rooted in places." How much more so for the Gabrielino/Tongva and Juaneño/Acjachemen descendants who have lost so much?

- (4) The approval of this project seems premature as more archaeological work is needed to try and find more of the village and other features than have been discovered to date. In addition, federal permits are required, which will trigger Section 106 of the National Historic Preservation Act, and Native Americans have not been consulted.
- (5) While well intentioned, some the Conditions for the Protection of Cultural Resources, such as Condition 7, are not appropriate for a Traditional Cultural Property or Traditional Cultural Landscape as the significance has already been established and is based on cultural and spiritual values, rather than archaeological/scientific values.

We request that the project be postponed until all the issues are addressed.

Sincerely,

A handwritten signature in cursive script that reads "Patricia Martz". The signature is written in dark ink on a light-colored, slightly textured background.

Patricia Martz, Ph.D.
President

Alfred G. Cruz, Jr.
United Coalition to Protect Panhe (UCPP)
2428 E. Altura Ave
Orange, CA 92867

December 5, 2016

Honorable Commissioners
California Coastal Commission

Item No. Th5d
Application No.: 9-15-1649

Applicant: Horizontal Drilling LLC.

Location: Banning Ranch Oilfield

Opposition to Application

Ms. Teresa Henry, District Manager
California Coastal Commission
200 Oceangate, Suite 1000
Long Beach, CA 90802-4416

Dear Honorable Commissioners:

Genga, also known as the Newport Banning Ranch Project area is a part of our customs/traditions and as a whole is a **Traditional Cultural Landscape (TCL)** with **Traditional Cultural Properties (TCP)** s within this Landscape.

This (TCL), with its (TCP) s, is listed on the Native American Heritage Commission's Sacred Site Inventory.

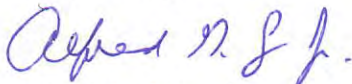
The Banning Ranch Oilfield is within this site.

United Coalition to Protect Panhe (UCPP), People of Acjachemen/Juaneno ancestry, continues to protect this Sacred Site.

While UCPP supports the **proposed abandonment** of the wells with sensitivity to cultural resources, it **opposes the addition** of more oil wells within this Landscape.

This particular project contains two aspects, each one going in a different direction. The additions of wells, within this **Traditional Cultural Landscape** would be detrimental to the spiritual and physical well being of present day **Acjachemen/Juaneno People** and future generations to come.

Respectfully,



Alfred G. Cruz, Jr.

2442 Andover Place

Costa Mesa, CA 92626

December 6, 2016

Application No. 9-15-1649(HD LLC, Newport Beach) –OPPOSITION

Dear Coastal Commission,

I am a 50-year-plus member of the Sierra Club. I also spoke to you directly at the Coastal Commission meeting in Scotts Valley in August to voice my opposition to any development at Banning Ranch, a property located some four miles from my home in Costa Mesa.

- **Do not compromise the wetlands.**
- **The public has not been heard in regards to the current plans being considered.**
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I urge you to uphold your mandate to preserve our most precious California coast and to enforce the California Coastal Act.

(signed)

Florence N. Martin



TATTN

TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

A TRIBAL SOVEREIGN NATION UNDER THE UNDRIP AND AS A CALIFORNIA NATIVE AMERICAN TRIBE –VERIFIED BY
NAHC - SB18-AB 52-AJR 42 RECOGNIZED BY THE STATE OF CALIFORNIA AS THE ABORIGINAL TRIBE OF THE LOS
ANGELES BASIN AND ISLANDS

Cassidy Teufel

Senior Environmental Scientist

Energy, Ocean Resources

And Federal Consistency

John Ainsworth Executive Director

Teresa Henry South Coast District Manager

Chair Dayna Bochco And Members Of The Commission

200 Oceangate, 10th Floor

Long Beach, CA 90802

RE: CDP 9-15-1649 – NEWPORT Banning Ranch OILFIELDS
APPLICANT -Horizontal Development LLC

CCC Staff And Commissioners:

My Name Is John Tommy Rosas – Tribal Administrator And Litigator For Tongva Ancestral Territorial Tribal Nation – TATTN. We Are The DNA DOCUMENTED Lineal Descendants Of The TONGVA [GABRIELENO] TRIBE- The Original Tribal People For Over 9000 Years, With Pre-Existing Pre-Emptive Aboriginal Title - Owners Of Los Angeles/Orange County /ISLANDS Area Lands – Including Banning Ranch AND ALL OILFIELDS (NBR)

For The Record Tattn Objects And Opposes CDP 9-15-1649 - TATTN Also Requests For A Postponement Or Continuance Of This CCC /CDP Hearing Until All The CCC Admin Record Is Updated.

And All The Required Eir Cultural Resources Reports Are Completed Legally. We Have Not Been Consulted With At All With CCC On This Cdp Or Ccc Staff Report Until Nov 28 With Mr. Teufel By Phone And Emails.

TATTN Objects And Opposes This Ccc Staff Report Under The Grounds Its Defective And Illegal -

1. -CCC Listed Conditions Are Also Illegal Because There Is Federal Agencies Involved Under The Federal Permits Required -Sec 404 -Sec 408 CWA-

JOHN TOMMY ROSAS

TRIBAL ADMINISTRATOR/ TRIBAL LITIGATOR

578 WASHINGTON BLVD #384 MARINA DEL REY, CA 90292

310-570-6567

TATTNLAW@GMAIL.COM



TATTN

TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

A TRIBAL SOVEREIGN NATION UNDER THE UNDRIP AND AS A CALIFORNIA NATIVE AMERICAN TRIBE -VERIFIED BY NAHC - SB18-AB 52-AJR 42 RECOGNIZED BY THE STATE OF CALIFORNIA AS THE ABORIGINAL TRIBE OF THE LOS ANGELES BASIN AND ISLANDS

2. The Project Eir Is Defective As The Arch Report Is InComplete And Non Compliant To Cega -The Cultural Resources Reports Have Not Been Completed Or Updated As Required Under Cega -As We Were There Consulting And Involved Directly With The STP'S -
3. No Confirmed Perimeters Were Established Either For Our Site Protections And Buffer Zones Nor Did The Developers Draft A Moa With Us For Their Claimed Preservation Of The Known Sites Or The Probable Unknown Sites That Are There Including Our Sacred Site Areas
4. -All The Recent NBR Cultural Work And Tribal Consultations Should Be Added To The Admin Record Which Hasnt Happened Either Another Illegal Action By Ccc -
5. CCC Conditions Are Totally Unacceptable To Us And They Cant Assign Authority To Exec Dir To Perform Work That He/They Arent Qualified For Nor Authorized Under Any Laws Or Codes -So This Staff Report Is A Falsified Self Authorizing Illegal Assumption Of Power Ccc Doesnt Have -
6. Those Facts I Have Established Above Creates Numerous Grounds For Correcting The Admin Record -Also The Litigation Now 2 Cases Against Ccc Raises The Question On The Unresolved Issues Of The 2 Cases And Issues- Which Are Associated Directly -In Which Ccc Rejected The Cdp In Sept 2016 -
7. No Matter What Is Contemplated - A PA And MOA Has To Be Created Asap -As Itsover Due And Has To Be Performed Including Full Sec 106 Nhpa - Which Also Has Not Happened Illegally And Negatively Affects Our Rights -
8. Ccc Illegally Has Not Consulted With Us -On/For This STAFF Report And The Supposed Settlement Agreement Which Is A Violation To Our Rights And A Direct Form Of Statutory Form Of Discrimination -
9. And I Am A DNA Authenticated Indigenous Tribal Member And Lineal Descendant Of The TONGVA And Our Islands Including The So Cal Coastal Villages Which This Project Affects On Our Tribal Territory -
10. TATTN Also Invokes And Submitts/INCORPORATES All Our Prior Comments And Letters From Nbr Cdp Ap- Including All Arch Work And Processes Done Under The CDP Ap For Nbr -
11. TATTN Also Requests A Supplemental EIR Be Done To Update And Correct The NBR EIR Which Is Defective In Its Current State -AND LEGALLY HAS TO BE REVISED AND SUPPLEMENTED TO PRIOR EIR FOR NBR/HORIZON OIL FIELD PROPOSAL
12. ALL The Above Issues And Comments Have To Be Addressed Under Tribal Consultation With Us/TATTN -

JOHN TOMMY ROSAS

TRIBAL ADMINISTRATOR/ TRIBAL LITIGATOR

578 WASHINGTON BLVD #384 MARINA DEL REY, CA 90292

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13. TATTN /JTR Requests A Complete Cease And Desist On This Horiz/Nbr Oilfield Cdp Process Until All The Corrections And Changes Are Completed -At The Least And Postponement Or Continuance

As At This Time The Archaeological Reports Are Not Compliant And Defective Under Ceqa /Nepa .

Tattn As A Option B Requests An Amended Conditional Denial / Approval To Horizon Development LLC CDP –At Newport Banning Ranch With The Few Modifications Requested By Tattn In Concurrence With Applicant And CCC .

My Reasoning And Support Is From My Research And Being On Site For Several Weeks Recently . I Would Like To Share Some Of It With You.

As Back Ground To Our Recent Involvement In NBR, A Number Of Native American Tribes Were SURPRISED AND APPRECIATED Earlier This Spring When Acting Executive Director John Ainsworth Noted To The Commission That CCC Staff Needed To Establish Better Protocols Regarding Interfacing With Native American Tribes. He Has Kept His Word Perfectly.

In Early June, Newport Banning Ranch Voluntarily Instituted A TRIBAL Consultation Similar /Equivalent To The Recently Enacted Provisions Of Assembly Bill 52 – Which Was Not In Effect When The NBR EIR Was Certified In 2012.

I Did Walk Most Of The Area On The Property – Identified Known Native American Sites – And Then Discussed The Possibility Of Additional Testing To Ensure The Known Sites Were Protected – And The Presence Of Any Unknown Sites Was Ruled Out. It Was Recommended By Some – And Endorsed By CCC Staff That Non-Invasive Ground Penetrating Radar Be Used To More Closely Identify Known Sites Boundaries – And To Check The Proposed Development Areas. The Testing Was Completed In Early August – No New Sites Were Identified. A Few Anomalies Were Identified - Which Were Flagged By The GPR Technician.

JOHN TOMMY ROSAS

TRIBAL ADMINISTRATOR/ TRIBAL LITIGATOR

578 WASHINGTON BLVD #384 MARINA DEL REY, CA 90292

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TATTNLAW@GMAIL.COM



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ANGELES BASIN AND ISLANDS**

It Was Decided That Shovel Tests Pits Could Provide Further Evidence. On August 11th, 2016 – CCC Approved A CDP For The Stps FOR NBR DEV. ONLY WITH SOME OTHER SITE REVIEW –NO PERIMETERS WERE ESTABLISHED FOR THE REGISTERED SITES. The Field Work For The Stps Was Completed On August 21st, 2016 With The Following Results:

1. All The Sites Identified In The Approved Archaeological Work And Monitoring Plan Were Tested.
2. No New Tribal Cultural Resources Sites Were Found.
3. There Are No Impacts To Registered Sites.
4. Nothing Of Significance Was Found In The July 11, 2016 Proposed Development Areas.
5. The Avoidance Measures Incorporated Into The Project's Design Eliminate Impacts To Historic Properties.

We Have Reviewed The Social And Environmental Justice Provisions Of The NBR Plan:

- Habitat Restoration And Permanent Protection
- Native American Ceremonial Sites And Educational Programs
- Public Coastal Access

The TATTN Have A Saying - TRUTH IS OUR VICTORY AND HONOR IS OUR PRIZE.
*We Can Not Be Hypocrites About Oil Including The Industry Infrastructure .
Oil /Fossil Fuel / Petroleum Products And Its Usage By All Of Us –Can Not Be Denied –
Since We All Depend On Oil- We All Have To Be Responsible In Its Extraction And
Processing -Logistics Process's –The Oil Corporations Have To Do It ,In The Most
Environmentally Scientific Way Possible From Now On-*

*If The Horizon Development LII. Will Consult With Us On This Project As Their Partners
Nbr Did Recently ,We Should Be Able To Resolve Many Of Our Legal Concerns And
Have A Legally Binding Moa On How To Move Forward On This Proposed Project And
CDP /Other Required Permits.*

*That Will Establish That In Fact All Our Tribal Site Areas And Cultural Resources Will
Be Preserved ,Protected And Not Impacted At All By The Proposed Project.*

JOHN TOMMY ROSAS

TRIBAL ADMINISTRATOR/ TRIBAL LITIGATOR

578 WASHINGTON BLVD #384 MARINA DEL REY,CA 90292

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ANGELES BASIN AND ISLANDS

*The Moa Will Have To Be Binding And We Will Have To Be A Signatory With The
Powers For ANY Enforcement .*

*I Am An Scientifically Documented authenticated DNA Tribal Member -Tribal
Descendant With Senior Tribal Authority .*

*Horizon Will Be Required To Consult With Us And Usacoe /Achp For Their Sec 404/408
Cwa Permits ,As The Usacoe Has To Initiate Formal Sec 106 NHPA With Us Before
Any Permits From Usacoe Will Be Issued .There Will Also Be A Requirement For A
Programmatic Agreement And Moa For Any Treatment Plans .*

*Tattn Objections And Opposition On This Cdp -Will Be In Full Force Until The Listed
Issues Stated Above Are Being Resolved By The Consultation And Moa Agreements
We Have Requested With Applicant Horizon DEV> LLC . Et Al.*

Thank You For Your Attention To These Urgent TRIBAL Issues , Johntommy

/S/ JOHNTOMMY ROSAS [INK SIGNATURE ON FILE]

JOHN TOMMY ROSAS
TRIBAL ADMINISTRATOR
TRIBAL LITIGATOR
TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

JOHN TOMMY ROSAS
TRIBAL ADMINISTRATOR/ TRIBAL LITIGATOR
578 WASHINGTON BLVD #384 MARINA DEL REY, CA 90292
310-570-6567
TATTNLAW@GMAIL.COM

FROM, Bill Napier Apt. #10
5465 E. 2ND. ST.
Long Beach, CAL. 90803
→ DATE 11-21-16

PHONE-562-438-9578
IN, OPPOSITION
APPLICATION
NO. 9-15-1649
MEETING REC-9-16

TO, Calif. Coastal Comm.

RECEIVED
NOV 28 2016
CALIFORNIA
COASTAL COMMISSION

#77 new oil drilling wells at Newport-
Beach, "Banning Ranch" will drive away
any wild-life on Banning Ranch, where
the wild-life will go I don't know. I
do know that #77 new oil wells there
could sink Banning Ranch land lower
than the ocean water line, which would
then leave the land in a flood state, as
wet marsh land. as it continues to sink
the land could become somewhat useless
to walk on, and the cliffs circling
Banning Ranch could fall down into Banning-
Ranch and leave the whole area a hazard.
The cost to clean-up the land at that point
will be costly, and the land, still a hazard.
also, the oil pumping island's setting
off-shore of Long Beach Calif. seem to
be lowering the sea floor which has
left the shore-line in a kind-of
quick-sand sort of way, which can
leave a swimmer stuck in deep-sand
at the shore-line, which is un-safe
and could lead to Drowning.

THANK-you Bill Napier



DATE: November 14, 2016

TO: Cassidy Teufel, Senior Environmental Scientist, Energy, Ocean Resources and Federal Consistency; Coastal Commissioners and Staff (Via Email Transmission)

FROM: Suzanne Forster, Banning Ranch Conservancy Vice President

RE: Horizontal Development LLC Coastal Development Permit Application No. 9-15-1649

Summary

Banning Ranch is bordered by three major cities, two schools, a large hospital and thousands of residents in densely packed communities. The HDLLC CDP application does not address serious health and safety risks to oil field workers and residents living in close proximity to the site, which is located on an active earthquake fault with the potential for a magnitude 7.4 quake. The planned Enhanced Oil Recovery operations, including Cyclic Steam Stimulation (CSS) have proven hazards that are not addressed in the application and information is lacking on the site's wastewater disposal wells, despite numerous studies showing disposal wells may cause earthquakes. Radiation surveys of the oil field infrastructure have not been done, despite planned consolidation on the site. And finally, by the regulatory agencies' own admission, the safety regulations for steam injection wells are gravely inadequate and have not been enforced due to a loophole in the law.

The Applicant asks for a blanket approval to drill 77 wells, including an unknown number of CSS wells. However, even conditional approval of the HDLLC CDP would be ill-advised at this time, given the potential hazards and the lack of safety regulations in place.

Dear Mr. Teufel, Commissioners and Staff,

On behalf of the Banning Ranch Conservancy, I appreciate the opportunity to submit comments regarding the Applicant's permit application, specifically the Oil Remainder Areas (ORAs), the proposed oil wells and the Enhanced Oil Recovery (EOR) techniques as they relate to the Coastal Act, Section 30253, Minimization of Adverse Impacts, which states in relevant part:

New development shall:

1. *Minimize risks to life and property in areas of high geologic, flood and fire hazard.*

2. *Assure stability and structural integrity and neither create nor contribute to significant erosion, geologic instability or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural land landforms along bluffs and cliffs.*

The Banning Ranch is a 401-acre parcel of open space in west Newport Beach. It is also an operational oil field situated on the Newport-Inglewood fault line, which has the potential for a 7.4 magnitude earthquake. There are 26 other fault zones in the vicinity of Banning Ranch. Despite this, the CDP application does not discuss the potential hazards of an earthquake on site and has no plan to prevent or mitigate for seismic damage. The Applicant's 3-10-16 response to Commission Staff's 10-30-15 Notice of Incomplete Application (NOIA) also fails to address these issues.

The seismic damage referred to above includes landslides, liquefaction, explosions, fires and exposure to airborne toxins, the majority of which were at least partially addressed in the Newport Banning Ranch Environmental Impact Report (EIR). In 4.3.7 ENVIRONMENTAL IMPACTS, Threshold 4.3-2, the EIR describes in great detail the California building codes, minimum standards and seismically resistant construction to prevent damage to habitable structures, going on for paragraphs, but in the assurances that all will be well, both the NBR EIR and the NBR CDP application neglect to mention that oil field infrastructure—wells, piping, tank farms, sumps, oil processing facilities, etc.—is at great risk during earthquakes. The Applicant's CDP application entirely fails to address or even mention the need for earthquake preparedness, damage mitigation and protections for workers or residents.

San Joaquin Hills Blind Thrust Fault

In addition to the Newport-Inglewood fault, the San Joaquin Hills (SJH) Blind Thrust Fault underlies the coast from Huntington Beach to Laguna Beach and perhaps as far south as San Clemente and is likely responsible for the April 23, 2012 earthquake (magnitude 4, Dana Point epicenter). The SJH fault was discovered in 1999 by a team of UCI scientists and believed to have the capability of a magnitude 7 or higher quake.

The NBR EIR references the SJH Blind Thrust Fault in Section 4.3, Geology and Soils, page 4.3-6, Geologic Setting, Seismic Environment, Faulting and Surface Rupture, but diminishes its significance based on reasoning applied to the Compton Thrust Ramp that a "buried" fault does not pose a risk of surface rupture within the Project site. In fact, thrust faults like the SJH are described as "blind" because they're not visible on the surface and their seismic activity manifests as fault bend folds rather than the typical surface ruptures. This does not mean the faults are not capable of profound surface damage.

The SJH fault is similar to the fault that triggered the deadly Northridge quake 18 years ago in the San Fernando Valley. It underlies and uplifts the area, including the project site, yet is only mentioned in passing in the NBR EIR and never acknowledged as an earthquake risk. Instead the Compton Thrust Fault, which isn't on the site, is referenced at length, used as an example of the nonhazardous nature of blind thrusts, and mentioned as having been removed from the 2008 National Seismic Hazards Map. The Compton fault underlies the Los Angeles basin and is

thought to run as far southeast as the Santa Ana River. A quake of significant magnitude on the Compton fault would almost certainly impact Banning Ranch, depending on the epicenter. According to the EIR, a quake on or near the Project site would likely cause landslides in the Upland mesas and liquefaction and lateral spreading in the Lowlands.

According to a 2012 *L.A. Times* article (“Orange County quake could be first on recently discovered fault,”) the invisibility factor of blind thrust faults, while making it convenient for some to dismiss them, may make the faults more dangerous because their boundaries are unclear. The article also states that “Scientists weren’t aware of the blind thrust faults that triggered the 6.7 Northridge quake in 1994, nor the 6.0 Whittier Narrows quake in 1987 until after the ground began shaking.”

More from the article (emphasis mine):

“Experts said Monday’s temblor should serve as a wake-up call, particularly to Orange County residents who mistakenly believe that quakes are more an L.A. problem. Scientists believe that the San Joaquin Hills thrust fault is capable of generating a magnitude 7 quake or greater. The U.S. Geological Survey in 2003 conducted a scenario of such a quake and found it could trigger severe shaking all along southern Orange County, including Costa Mesa, Irvine, Lake Forest, Mission Viejo, **Newport Beach**, Laguna Beach, Dana Point and San Juan Capistrano.”

Location of Oil Remainder Areas

Other concerns with the Applicant’s proposed development include potential damage to the ORAs, where the oil drilling, processing and shipping operations are located, along with oil and gas storage tanks and oil solids sumps. Earthquake damage in these areas could be catastrophic because of the potential for methane explosions, fires and exposure to oil field toxins.

According to Exhibit 4.3-4, Seismic Hazard Zones (NBR EIR), the North ORA is located adjacent to the wetlands in an area that is subject to both liquefaction and landslides in the event of an earthquake. The map also shows that the South ORA is vulnerable to landslides.

The Seismic Hazards Mapping Act is the standard that would seem to apply here, yet there’s no mention or acknowledgement of it in the CDP application.

Seismic Hazards Mapping Act

“The Seismic Hazards Mapping Act (Act) was passed in 1990 and directs the State of California Department of Conservation Division of Mines and Geology (CDMG) to identify and map areas subject to earthquake hazards such as liquefaction, earthquake-induced landslides, and amplified ground shaking (PRC §2690–2699.6). Passed by the State legislature after the 1989 Loma Prieta Earthquake, the Act is aimed at reducing the threat to public safety and minimizing potential loss of life and property in the event of a damaging earthquake event. (...)”

According to the CDP application, the Applicant intends to drill 77 new wells onsite, although that number may be reduced. Nevertheless, any operational oil field located atop active fault

splays and proposing extensive drilling of new wells, including unknown numbers of Enhanced Oil Recovery and wastewater disposal wells, as is the case on Banning Ranch, should have a solid plan in place to deal with potential safety and health hazards, especially given recent evidence that associates wastewater disposal wells with seismic activity.

Wastewater Disposal Wells

Recent studies provide growing evidence that water disposal wells are triggering the earthquakes on Oklahoma and North Dakota oil fields. Disposal wells are often drilled at depths that run deeper than production wells. According to the articles linked below, earthquakes in Oklahoma were considered a rarity until a big quake in 2011 destroyed homes and caused injuries. In 2014, state officials reported that earthquakes had gone up by 5000%-- and the most recent earthquake on September 3 of this year resulted in the state shutting down 37 of its 3,200 active disposal wells.

<http://money.cnn.com/2016/09/04/news/economy/oklahoma-earthquake-oil-gas-explainer/>
<http://www.cnbc.com/2015/04/27/scientists-certain-that-drilling-is-causing-earthquakes.html>

Wastewater disposal wells in the Oil Remainder Area (ORA)

In the CDP application, Section 3.3.4 Water Disposal Systems for the ORA, page 3.12, the disposal process for produced water, also known as wastewater, is described as follows (emphasis mine).

“Produced water is characterized as brine wastewater. The formation water has Total Dissolved Solids of over 20,000 ppm (parts per million). **There are two wastewater disposal systems on the ORA—subsurface injection to the oil-producing reservoir** and disposal to the Orange County Sanitation District. The two methods are complementary.

The wastewater is separated from oil and flows into a wastewater pump charging tank. **One pump goes to the injection wells**, the other to the sewer disposal tank. The pumps are operated on liquid-level pump switches. **The injection pump float switch is set to pump water to the injection well all the time, unless there is no water in the tank. (...)**”

Clearly wastewater is being reinjected into disposal wells in the ORA, but there’s not enough information here to determine the volume being reinjected or how similar these disposal wells are to the wells believed to cause earthquakes and other potentially hazardous events.

The Department of Gas and Geothermal Resources is the state agency responsible for the safe use of these procedures. They have regulations in place for Enhanced Oil Recovery (EOR) utilizing steam flood and water flood injection through their Underground Injection Control (UIC) program.

The CDP application also tells us that “DOGGR has approved produced water disposal into the B Zone,” but doesn’t tell us what the B Zone is or whether it refers to location, depth, or both. The application further states: “The injection needs to be isolated to the interval approved by the DOGGR. There are mechanical means to achieve such isolation and the piping systems need to be tested regularly to ensure their integrity. The DOGGR will typically require notice of such testing and will witness the casing and tubing pressure tests. The DOGGR limits the

pressure depending on the reservoir depth and the fracture gradient. The DOGGR requires produced water injection volumes to be constantly recorded and reported monthly, by well.”

This is also addressed in the Coastal Act, Section 30262, Paragraph 6:

“With respect to new facilities, all brines are reinjected into the oil-producing zone, unless DOGGR determines to do so would affect production of the reservoirs and unless injection into other subsurface zones will reduce environmental risks. (...)”

But there are problems with DOGGR’s Underground Injection Control (UIC) program, by DOGGR’s own admission.

A November 24, 2015 *L.A. Times* article (“What happened to the California regulators’ vows to make steam injection safer?”) describes how those regulations were bypassed, with deadly consequences (emphasis mine):

“On the morning of the day he died, David Taylor and his crew were looking for a ‘chimney’ - a fissure in the earth where steam and oil periodically spurted into the air in an oil field west of Bakersfield.

Taylor, a construction supervisor for Chevron, had been battling a long-standing problem near a dormant well in the Midway-Sunset oil field. His job was to control leaks at Well 20 in a primordial tableau of sinkholes, small bubbling pools of scalding water and geysers that on occasion spewed 40-foot plumes of oil, water and rocks.

The conditions, known as "surface expressions," were in part the result of an oil extraction technique known as cyclic steaming. The process forces superheated water underground at high pressure to open pathways to siphon heavy oil.

An unintended consequence is that some fluids make their way to the surface through newly created ruptures or via old, broken, or unstable wells.

To mitigate the risk from the escaping liquids, state regulations require oil companies to perform an Area of Review, in which they must map and document every well—new, idle, plugged or abandoned—near an injection site and repair any potential problems. Companies must also analyze the site's geology and freshwater sources, and calibrate injection pressures to reduce the chance that oil or steam will push their way to the surface or out of the oil-bearing zone.

But state and federal authorities say in many cases oil companies are allowed to bypass those safety requirements or avoid them through a regulatory loophole.”

The loophole allows CSS wells to be classified as production wells, which lets oil companies avoid the regulations and risk the “surface expressions” the wells can cause. Sinkholes, pools of boiling water, geysers spewing rocks and debris and even volcanoes have been reported.

The morning David Taylor walked the site, a massive crater opened up and he fell feet first into a pit of boiling water and hydrogen sulfide. Rescuers' attempts to save him pushed him deeper into the pit. It took them 17 hours to retrieve his body.

Reforms were promised by state regulators, vowing to give Taylor's death meaning. Unfortunately, little had been done at the time the article was published. In the author's words: "The state has not acted, either by revising regulations or enforcing existing rules. Cyclic steaming was specifically exempted from the state's new hydraulic fracking regulations."

In 2014, the federal Government Accountability Office found that "state officials routinely allowed cyclic steam operators to exceed approved fracture gradients—the amount of pressure required to crack open an oil-bearing formation. In fact, it is common practice in California to let companies set their own injection pressures."

Former DOGGR Chief, Steve Bohlen, said in a 2015 interview: "Cyclic steaming has gone on in the state without a regulatory framework around those wells. That's been a historic problem. We are moving toward rulemaking—cyclic steaming is one the first ones [on] the list."

<http://www.latimes.com/local/california/la-me-oil-steam-20151129-story.html>

But, given that Bohlen was fired by Governor Brown in December of 2015, how much faith can be put in his reassurances?

Cycle Steam Stimulation (CSS) Wells

The applicant is planning to drill CSS wells and do steam flooding in the North ORA. The number of CSS wells is unknown and it's possible the wells may be classified as production wells, which would allow them to avoid the regulations designed for their safe use.

Source Watch, the investigational arm of the Center for Media and Democracy, describes CSS this way:

"Steam injection is an increasingly common method of extracting heavy crude oil. It is considered an enhanced oil recovery (EOR) method and is the main type of thermal stimulation of oil reservoirs. There are several different forms of the technology, with the two main ones being Cyclic Steam Stimulation and Steam Flooding. Steam injection is widely used in the San Joaquin Valley, Santa Maria, Oxnard, and other parts of California.

Some have compared the process of Cyclic Steam Stimulation (CSS) to a chemical-free version of fracking. Unlike the more common well stimulation practice called steam flooding, cyclic steaming injects steam at high pressure specifically to break up relatively shallow, diatomaceous soil. CSS is used with ultra heavy oil and oil sands, also known as tar sands.

CSS is also called 'huff and puff.'

In CSS drillers install two wells, one of which goes for the heavy oil or tar sands. A second well nearby uses natural gas to fire up generators to heat the ground to up to 550 degrees

Fahrenheit. The steam melts the oil or tar sands allowing it to move to the surface. A similar technique is called steam-assisted gravity drainage (or SAG-D), which is common in the tar sands fields of Alberta. SAG-D is a hyped-up version of huff-and-puff that uses multiple steam sessions and hotter temperatures to recover the naturally solid tar sands. (...)"

http://www.sourcewatch.org/index.php/California_and_fracking

Also, according to Source Watch:

"In October 2015, DOGGR, under the Department of Conservation, released a well injection report heavily criticizing their own well injection program. The report charged that the agency oversight of wastewater injection wells failed because of inadequate recordkeeping, lack of regulators, inconsistent enforcement, inaccurate permitting and poor monitoring.

For 32 years, state officials permitted drillers to pump leftover wastewater back into the ground, on the assumption that federal officials had granted exemptions from laws that protect groundwater aquifers from contamination. The US Environmental Protection Agency claims no exemptions were granted.

The agency charged their own well records were often incomplete or missing. Approximately 47% of the files did not contain enough information about well casings.

Seventy-eight percent of the projects did not undergo a required geologic and technical analysis. Only five projects had undergone this analysis from 2010 to 2015."

Radiation

The U.S. Environmental Protection Agency on the hazards of radioactive waste exposure:

"Radioactive Wastes from Oil and Gas Drilling

Most states and federal land management agencies currently have regulations which control the handling and disposal of radionuclides which may be present in production sites. However, the general public may be exposed to TENORM [Technologically Enhanced Naturally Occurring Radioactive Materials] from oil and gas drilling when sites that were active prior to the mid-1970s, when regulations went into effect, are released for public use. It is likely that a number of these sites contain radioactive wastes. The public may also be exposed when contaminated equipment is reused in construction projects."

<http://www.epa.gov/radtown/drilling-waste.html>

<https://www3.epa.gov/radtown/subpage.html#?scene=Waterfront&polaroid=Oil+Drilling+Site&sheet=0>

Old wells and other oil field infrastructure build up radiation deposits referred to as TENORM in the scale on the side of the wells, pipes, storage tanks and other facilities. When old oil fields are decommissioned or infrastructure is moved, this radiation is released into the air and can be hazardous.

According to the EPA, health effects include cancer, benign tumors, cataracts, and potentially harmful genetic changes. Even short-term exposure at low levels is believed to pose health risks.

The Applicant plans to demolish and move oil field infrastructure during the proposed consolidation of the oil operation, but the risks of TENORM exposure are not mentioned in the application and no plan to mitigate for potential exposure is offered. For the safety of the oil field workers and the public, a radiation survey should be done prior to demolishing and/or moving oil field infrastructure and monitoring for radiation exposure should be done during demolition and relocation of facilities and equipment.

Conclusion: The Applicant asks for a blanket approval to drill up to 77 wells, including CSS wells, but even conditional approval of the HDLLC CDP would be ill-advised, given the potential health hazards and the lack of safety regulations in place. At this time, the Banning Ranch Conservancy urges a denial of the CDP for the following reasons:

The oil field site is bordered by three major cities, two schools, a hospital and thousands of residents. The HDLLC CDP application does not address serious health and safety risks to oil field workers and residents living in close proximity to the site, which is located on an active earthquake fault with the potential for a magnitude 7.4 quake. The planned Enhanced Oil Recovery operations, including Cyclic Steam Stimulation have proven hazards that are not addressed in the application and information is lacking on the site's wastewater disposal wells, despite studies showing disposal may wells cause earthquakes. Radiation surveys of the oil field infrastructure have not been done, despite planned consolidation on the site. And finally, by the regulatory agencies own admission, the safety regulations for steam injection wells are gravely inadequate and have not been enforced due to a loophole in the law.

Thank you for your consideration of these comments,

Suzanne Forster, Vice President
Banning Ranch Conservancy

cc: Jack Ainsworth, Interim Executive Director
Dr. Mark Johnsson, Staff Geologist
Dr. Terry Welsh, BRC President
Steve Ray, BRC Executive Director



Angeles Chapter

3435 Wilshire Blvd. #660

Los Angeles, CA 90010-1904

(213) 387-4287

angeles.sierraclub.org

November 10, 2016

Application No. 9-15-1649 (HD LLC, Newport Beach) – OPPOSITION

To the California Coastal Commission (CCC):

Founded by legendary conservationist John Muir in 1892, the Sierra Club is now the nation's largest and most influential grassroots environmental organization -- with more than two million members and supporters.

The Sierra Club Banning Ranch Park and Preserve Task Force was founded in 1999 as part of the Angeles Chapter of the Sierra Club, with the mission of preserving the entire Banning Ranch as open space.

This letter concerns the rectangular north-western extension of Oil Remainder Area-North (ORA-North).

Because of the high risk for inundation, and the presence of southern tarplant ESHA, portions of the rectangular north-western extension of Oil Remainder Area-North (ORA-North) should be eliminated from the proposed development footprint.

Introduction

The rectangular north-western extension of ORA-North is planned for oil pumping (Group D wells), oil processing, and a new microturbine enclosure (Figure 1).



Figure 1. ORAs and Joint Use Area

Figure 1: Rectangular north-western extension of ORA-North

There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North.

Both ORA-North, and the larger surrounding Banning Ranch lowlands, contain southern tarplant.

"Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant." - CCC staff report (5-15-2097) for proposed NBR project

When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA.

“Southern tarplant (Centromedia parryi ssp. australis) is a California Native Plant Society “1b.1” species³. CNPS “1b” species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act.”

From: California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon, 12/19/06

A cluster of 120 southern tarplants is situated on the proposed project boundary and vicinity of the rectangular north-western extension of ORA-North (Figure 2).

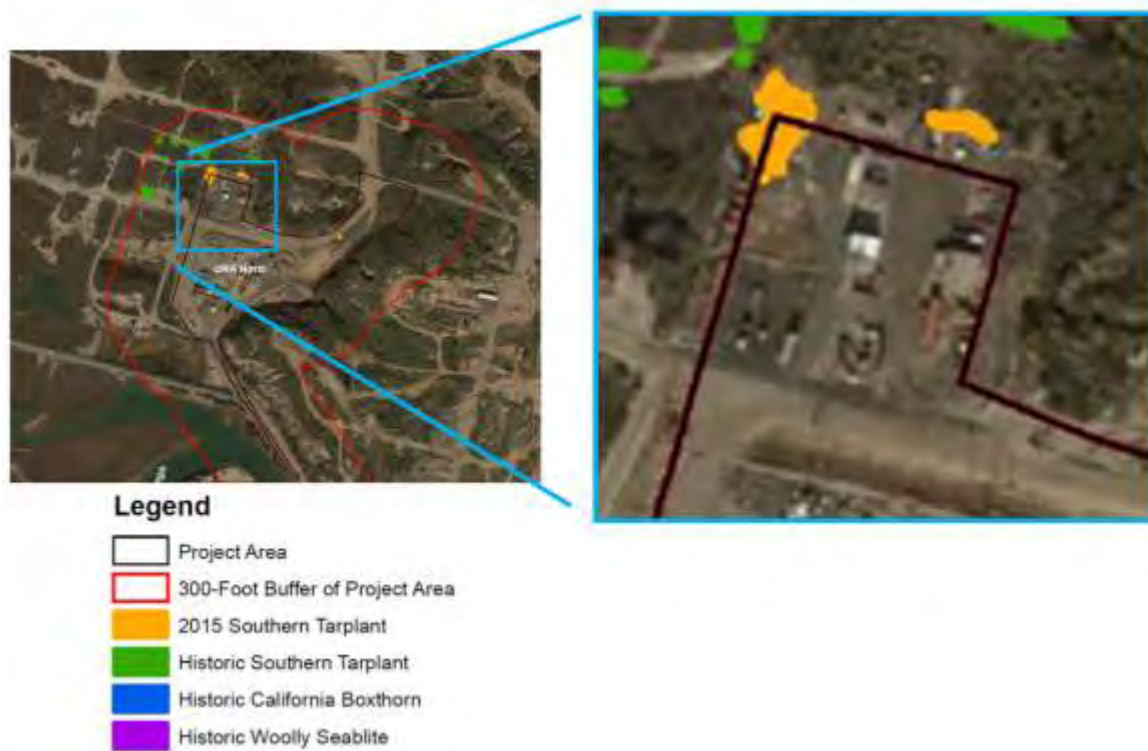


Figure 2: Southern tarplant in rectangular north-western extension of ORA-North

Under Section 30240 of the Coastal Act, ESHA must be protected from development.

“(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.”

Conclusion: The area of southern tarplant in the rectangular north-western extension of ORA-North should be declared ESHA and, along with a 50-foot buffer, be spared from development.

Portions of the north-western extension of ORA-North are very susceptible to inundation.

As demonstrated by aerial photos from spring of 1983, 1998, spring of 2003, portions of the proposed ORA-North, specifically the rectangular north-western extension, can be inundated when high tides combine with heavy and prolonged rainfall (Figures 3, 4 5 and 6).



Figures 3 and 4: These two aerial photos are from spring of 1998



Figure 5: Google Earth aerial from spring 2003



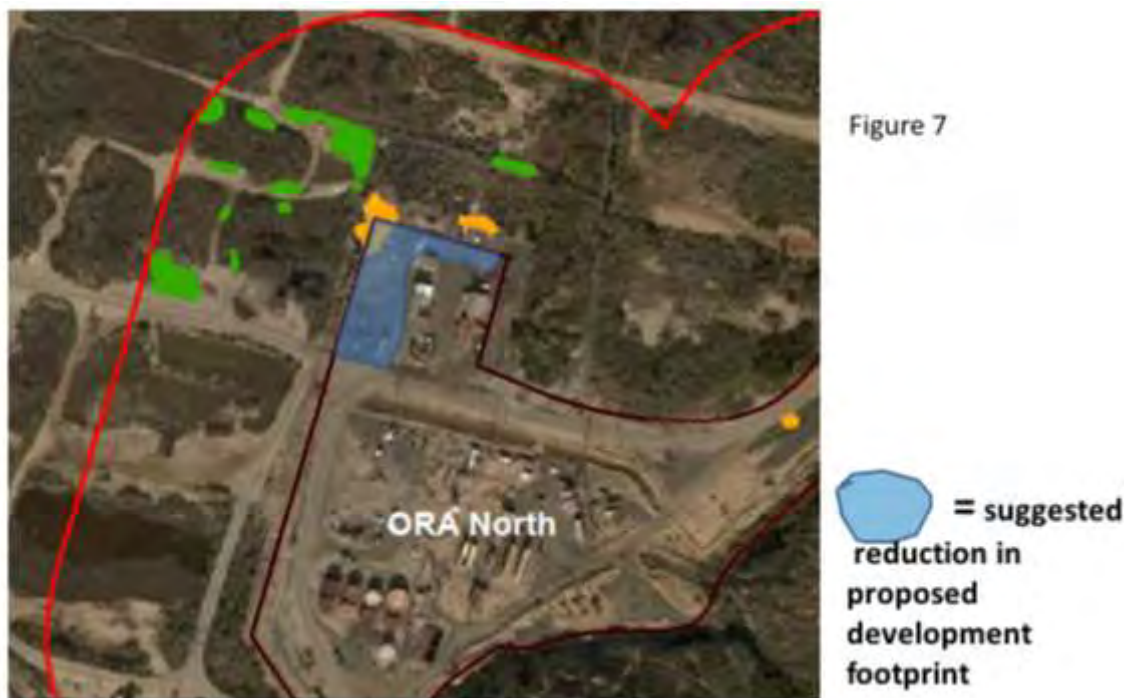
Figure 6: Aerial from 1983 (date unknown) showing inundation of Banning Ranch lowlands and massive runoff from Santa Ana River into Pacific Ocean

During these times of inundation there is a contamination risk to the adjacent Banning Ranch lowland wetlands and potentially, through the Semeniuk Slough and Santa Ana river mouth, to the Pacific Ocean.

With expected sea-level rise, the inundation will only become more frequent. While the applicant has proposed a reinforced wall around ORA-North, there are no plans for the very high likelihood that portions of the rectangular north-western extension of ORA-North will eventually become permanently below sea level.

Conclusion

Because of the high risk for inundation, and the presence of southern tarplant ESHA, portions of the rectangular north-western extension of ORA-North should be eliminated from the proposed development footprint (Figure 7). This will likely require re-location, or elimination, of some of the Group D wells.



Thank you for your consideration,

George Watland
Sr. Chapter Director
Angeles Chapter Sierra Club



August 26, 2016

California Coastal Commission
Attention Cassidy Teufel, Coastal Analyst for CDP 9-15-1649
Amber Dobson, Coastal Analyst for CDP 5-15-2097
200 Oceangate, 10th Floor
Long Beach, CA 90802

Re: Coastal Development Permit Number: 9-15-1649
Horizontal Development LLC West Newport East Field, Newport Beach CA 92663

Dear Mr. Cassidy and Ms. Dobson,

The Newport Shores Community Association (NSCA) is comprised of approximately 450 homes in the West Newport Beach area of the City of Newport Beach. Our Association maintains a one-acre clubhouse community area that is for the membership that includes a college size pool, tennis court, basketball court, volleyball court, tot lot and sand beach BBQ area. The NSCA Board of Directors consists of eleven elected members from the community. They are charged with management of the clubhouse facility, common grounds and impacts to the property or community.

The NSCA would like to comment on a specific topic regarding Coastal Development Permit Number: 9-15-1649 (the "Permit"), which may also affect Permit Number: 5-15-2097.

There are two existing routes that are currently used to truck oil from North ORA: 1) a paved road over from North ORA to 17th Street and 2) a network of roads that go from North ORA over the mesa then down to meeting South ORA.

Currently, very few trucks and/or vehicles travel on the gravel road along Semenuik Slough.

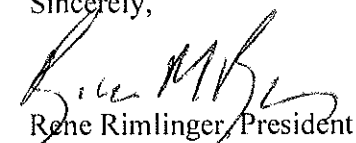
The Permit applicant meet with our community and our community provided feedback on their plan to use the gravel road along Semenuik Slough to the North ORA from West Coast Highway as their only access. The Newport Banning Ranch owners at a previous meeting indicated that the Coastal Commission staff would not support continued access to 17th Street from the North ORA.

Our Community supports the overall consolidation of the oil drilling, however we feel there are issues with the current permit application and would like the following requests to be considered during your review:

- 1) The Commission should allow the continued use of roads, many paved, between 17th Street and North ORA. This would allow for emergency purposes as well as a second route for the operation. It would minimize the traffic along the sensitive bluff and slough areas between the North and South ORAs.
- 2) Applicant shall provide a paved road between the South ORA and North ORA on the Semenuik Slough to minimize dust and noise from the surrounding environment from the West Newport Oil operation. The road plan should address drainage into the slough which is currently uncontrolled.
- 3) The applicant shall also provide a wall or screened fence along the westerly boundary of the property to screen its operations from the adjacent slough. Native landscaping shall be included on the outside of wall to soften the look from home, recreational areas and street ends to the west.
- 4) The applicant shall limit operation traffic to daytime hours, as much as possible.
- 5) The Applicant shall be conditioned to only allow drilling operations during 7:00 a.m. to 9:00 p.m. when its operation can be heard from the surrounding residential community.
- 6) Require the Applicant to commence its drilling operations the furthest from NSCA facility in the North ORA. As the field develops then work their way towards the NSCA facility over time. This would reduce impact to NSCA in the short term and before the field is deemed productive.

Thank you for your consideration in both these CDP applications. Should you have any questions, please do not hesitate to contact me at (714) 342-3289.

Sincerely,



Rene Rimlinger, President

Newport Shores Community Association

Cc: Jay Stair, Horizontal Development LLC
P.O. Box 1547, Newport Beach CA 92659

Steven Rosansky, Director of Government Affairs, Schmitz & Associates
404 Lugonia Street
Newport Beach, CA 92663

July 30, 2017

Dear California Coastal Commission,

In regards to Coastal Development Permits Number: 5-15-2097 and Permit Number: 9-15-1649, the Newport Shores Community Outreach Committee would like to comment on the two (2) following permits submitted.

Permit Number: 5-15-2097

The Newport Shores Community Outreach Committee supports the Coastal Commissions Staff Report of May 2016. The staff gave a clear indication of what the maximum development allowed under the Coastal Act can be.

We would like to comment the following:

- No Bluff Road connecting 17th, 16th and 15th streets to PCH. Not only does this preserve valuable habitat, but it is the best traffic solution to have four separate developments each with one access point. This will minimize the impact on Coast Hwy, which already exceeds acceptable traffic loads.
- The preservation of Wetlands CC and C on the staff map. Not only does this preserve valuable habitat, it helps create a green buffer between the new development and Newport Shores
- Minimum setbacks from the bluff increased to 200 feet.
- Preservation of the currently paved truck road between the current North Oil Field triangle and 17 Street

Permit Number: 9-15-1649

The Newport Shores Community Outreach Committee does not support the current proposal that has been submitted by The West Newport Oil Company. This current plan will affect the residents and community of Newport Shores in a negative way.

We would like the following permit to be rejected due to the following concerns.

- Excessive amount of new wells to be drilled. The requested amount is designed to deprive our community of future input. The proposed drilling should be no more than the wells that will be capped and replaced in a two-year period and each two years new CCC permits requests, so our community has an ongoing voice on the quality of life for our neighborhood.
- Using the canal road way to PCH to transport oil, the existing road (mentioned above that connects to 17th Street should continue to be the main oil road as it is being used today to transport) should be continued as the route.
- Twenty four (24) hour drilling is not practical for a densely populated area. The City Charter for Newport Beach does not allow any oil operations. It was amended in 2010 to accommodate this project. However, all construction in Newport Beach is from 7:00AM to 6:30PM Monday thru Friday and 8:00Am thru 6:00PM on Saturday with no work allowed on Sunday or Holidays. We should expect the same restrictions for this CDP.

Thank you for listening to our concerns.

The Newport Shores Community Outreach Committee

511 Canal St, Newport Beach, CA 92663

Newportsca.com

Ryan Long

HOA Director – Newport Shores Community Association

Chairman – Newport Shores Community Outreach Committee

949-413-6691

ryanaloislong@gmail.com

Cassidy.Teufel@coastal.ca.gov
California Coastal Commission
July 21, 2016

Re: CDP No. 5-15-2097 and No. 9-15-1649

Dear Mr. Teufel,

In May of this year, I attended a meeting at our neighborhood clubhouse, held by the developer of Banning Ranch to explain their new scaled down plan for Banning Ranch. We were told that the project was basically a done deal, the final hurdle being Coastal Commission approval in July. Then, before that could happen, the developer requested more time. Time for what?

Now I find that there is a permit request (**CDP No. 9-15-1649**) for 80+ new oil wells, in the area across from the Newport Shores pool, where the rusty tanks currently are, and that this is **directly above the Newport Inglewood earthquake fault!** Aside from the fact that they will be drilling 24/7 for several weeks, the drilling location on a known fault line seems reckless and extremely dangerous. Remember what's going on in Oklahoma now because of drilling? Earthquakes, and lots of them!

Something is going on that the public is not aware of, and I want all the facts, not just the gloss being provided by the Banning Ranch developer. Please **deny CDP No. 5-15-2097** and **No. 9-15-1649** until you are fully aware of the ramifications of all of them.

Thanking you in advance for your consideration,

Yours truly,
Linda Seaborn
5 Canal Circle
Newport Beach, CA 92663
949 338-2967
lds6746@yahoo.com

CORRESPONDENCE

(Emails)

From: [Alfred Cruz](#)
To: [Henry, Teresa@Coastal](#); [Teufel, Cassidy@Coastal](#)
Cc: [Rebecca Robles](#)
Subject: 2016.12.05 UCPP comment Application No. 9-15-1649
Date: Monday, December 05, 2016 9:50:24 PM
Attachments: [2016.12.05 UCPP comment Application No. 9-15-1649.PDF](#)

Dear Teresa Henry and Cassidy Teufel,

Please see attachment and distribute to Commissioners.

Thank You very much,

Respectfully,

Alfred Cruz Jr.
UCPP

From: [Johntommy Rosas](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: ADDITIONAL TATTN ISSUES BANNING OILFIELD CDP
Date: Monday, December 05, 2016 2:59:07 PM

TATTN ISSUE 1) The CDP is the wrong process to try and get permission for development over a 10 year, 20 year and even

longer. A land use plan through the LCP process is the correct process. This would also prevent piecemealing of the Banning Ranch, which the two CDP's submitted do.

[This CDP does not allow the opportunity for community feedback using the Coastal Commission if there are concerns about air quality, noise, water quality, clean up, ESHA and Coastal Act related concerns - normally a CDP for this type of operation would be for 10 wells over a 2 year period and then another CDP for 10 wells would be submitted to the Coastal Commission and the community would be able to use their experience with the prior CDP to comment on the next CDP,

A Land Use Plan allows for longer periods between reviews because the public has more extensive reviews prior to certification. The CDP has so little opportunity for public review that it should not be granted for longer than 2 years, so the public can offer review and feedback on the next CDP.

TATTN ISSUE 2) This CDP plans to be applied to North ORA, a common easement road and South ORA and the CD is only being applied to a subset of parcels of land that have no Coastal Commission designation - the CDP should be applied evenly across the entire parcel or parcels that include the North ORA, the common easement road and South ORA - the CDP should also include the surface right owners as applicants, since the surface rights owners are responsible for the land. (NOTE: Is it true that there are only four parcels of land that make up all of Banning Ranch? – how many parcels will this cross and if this touches any parcel would the permission not set a precedent for the entire parcel? – i.e. approve a 50ft buffer from ESHA on 12 acres within a 100 acre parcel and now the 50 ft ESHA buffer is valid for all 100 acres))

TATTN ISSUE 3) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should be determined by at least 100 ft buffer to any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016. North ORA and South ORA were defined in the 2010 Newport Beach City Charter Update as areas where oil operations will be allowed. The City of Newport Beach had a prohibition on oil and gas operations within city limits. This political decision did not include Coastal Act limitations on ESHA or buffers on ESHA from Gnatcatcher and other adjacent habitats.

TATTN ISSUE 4) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should also be determined by at a fire moderation area of 50 ft that does not include any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016.

TATTN ISSUE 5) This CDP does not adequately address / protecting the USACE Wetlands Restoration project and the Semenuik Slough from accidental spills or accidents related to the new oil and gas processing equipment and does not protect the USACE wetlands from industrial light pollution in an adequate way. In addition to new protections from spills (barriers around oil productions areas) there should be a 100 ft setback from the edge of the wetlands which are ESHA and the feeding range of the Least Tern and other protected species.

TATTN ISSUE 6) This CDP has CNB NBR EIR [DEFECTIVE] and

no other documentation to support the claims that the consolidation of oil and gas operations in this North ORA and South ORA will improve air quality and water quality-or protect our cultural resources -

TATTN ISSUE 7) There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North. "Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant." - CCC staff report (5-15-2097) for proposed NBR project. When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA."Southern tarplant (*Centromedia parryi* ssp. *australis*) is a California Native Plant Society "1b.1" species³. CNPS "1b" species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act." From: California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon, 12/19/06 A cluster of 120 southern tarplants is situated on the proposed project boundary and vicinity of the rectangular north-western extension of ORA-North-

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JOHN TOMMY ROSAS

TRIBAL ADMINISTRATOR

TRIBAL LITIGATOR

TONGVA ANCESTRAL TERRITORIAL TRIBAL NATION

A TRIBAL SOVEREIGN NATION UNDER UNDRIP WITH DNA AUTHENCATION ON CHANNEL ISLANDS AND COASTAL VILLAGES - AND AS A CALIFORNIA NATIVE AMERICAN TRIBE / SB18-AB 52-AJR 42

25 U.S. Code § 1679 - Public Law 85-671

August 18, 1958 | [H. R. 2824] 72 Stat. 619

Tribal sovereignty in the United States is the inherent authority of indigenous tribes to govern themselves within and outside the borders and waters of the United States of America .

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tongvanation.org

From: [Jim](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Banning Ranch
Date: Tuesday, December 06, 2016 3:25:40 AM

I, as a resident of Costa Mesa, expect the Coastal Commission to fully uphold the Coastal Act.

Thank you.

James F. Hall

From: herman_r_g@juno.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Cc: sierraclub.banningranch@gmail.com
Subject: Banning Ranch
Date: Tuesday, December 06, 2016 5:21:23 AM

Dear Sir,

Please vote against the proposal to drill for oil on Banning Ranch.

Activities of this sort are not in keeping with the character of a nature preserve.

It hardly needs mentioning that drilling would add to our air pollution and serious traffic problem in Costa Mesa and Newport Beach.

In addition, no oil should be extracted anywhere in America. Instead, we should be using imported oil exclusively, saving our own for posterity, for use when the rest of the world's oil is gone.

Yours truly,

Richard Herman
Costa Mesa

From: [Coby Parola](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application NO. 9-15-1649 (HD LLC NEWPORT BEACH)
Date: Tuesday, December 06, 2016 6:11:42 AM

To whom it may concern,

I am emailing you today regarding the future of Newport Banning Ranch. I come from a family that has lived right next to that land for decades. It is important we clean, restore the natural habitat, & leave it for our future generations. We greatly appreciate the commissions decision on denial of development plans & now we must deny Aera LLC & Cherokee LLC's access to build more oil wells. This important chunk of land next to the ocean & wetland wildlife needs to thrive. Let's give it a chance.. Thank you for your time!

Regards,
Cody RL Parole
949-423-8686

From: [Scott](#)
To: [Teufel, Cassidy@Coastal](#); [sierraclub.banningranch@gmail.com](#); [Everette Phillips](#)
Subject: OPPOSE CDP 9-15-1649 – Please deny this permit
Date: Tuesday, December 06, 2016 6:15:15 AM

Message to:

Cassidy Teufel

Senior Environmental Scientist

Energy, Ocean Resources

and Federal Consistency

California Coastal Commission

45 Fremont Street, Suite 2000

San Francisco, CA 94105-2219

(415) 904-5502; FAX (415) 904-5400

<mailto:Cassidy.Teufel@coastal.ca.gov>

From:

RE: Comments on the CDP 9-15-1649 Staff Report for the Dec. 9 CCC Hearing

POSITION: OPPOSE CDP 9-15-1649 – Please deny this permit

Dear Coastal Commission,

As a Newport Shores resident and homeowner, I have been following the Banning Ranch permitting process, and although I feel the staff has done a great job of identifying restrictions to help the applicant conform to the Coastal Act, the staff report gives me the impression that the current lawsuit by the applicant against the Coastal Commission has created some compromises that worry me. I ask that the CCC to deny this Coastal Development Permit it simply cannot achieve full compliance with the Coastal Act.

<!--[if !supportLists]-->1) <!--[endif]-->The Staff Report does not address the full USFWS Inventories of Wetlands for Banning Ranch, these areas are ESHA and need to be fully recognized. Of special concern is a proposal accepted by staff to compromise wetlands by re-designating ESHA as a “drainage ditch”, so that a draining pipe can be used on North ORA rather than using the required Coastal Act setbacks for ESHA. The idea to “convert this open channel into a covered drainage culvert” is simply a non-starter. It is the same line of thought as “degraded ESHA” It cannot be reconciled with the Coastal Act.

<!--[if !supportLists]-->2) <!--[endif]-->This Staff Report does not mention, as prior Banning Ranch Staff Reports have mentioned, that the Coastal Development Permit process is not the correct process for approving any development on Banning Ranch. The proper process is to develop a Land Use Plan and have a Certified Local Coastal Plan. Banning Ranch was a “whitehole” or “deferred certification” area for the purpose of developing a specific land use plan for Banning Ranch. Approval this Coastal Development will undermine California’s ability to have a Certified Local Coastal Plan for Banning Ranch – one cannot certify as a compliant an area in the future that already has a non-compliant CDP!

<!--[if !supportLists]-->3) <!--[endif]-->This staff report does not allow for public review and input on the many “Special Conditions” which require plans of various focus to be submitted to the Executive Director for approval. I feel that since there is no Land Use Plan, and since the public has been denied its due comment periods, that the Staff Report should add public review of 90 days for all plans submitted to the Executive Director, so the Executive Director can have the benefit of public comment before he decides to accept each special condition report or plan or amendment.

<!--[if !supportLists]-->4) <!--[endif]-->The setback of 100 ft should be required and not compromised. The extent that oil operations are permitted and given priority according to the Coastal Act, then there should be increased mitigation for each foot less than 100 ft. This is important to prevent having less than 100 ft setbacks to become a precedent on the Banning Ranch property, this is especially true since North ORA and South ORA are easements and not individual lots. The Staff Report needs to be clear that a compromise on North ORA and South Ora will not result in a compromise elsewhere on Banning Ranch. Deny this permit and ask the applicant to redesign their project so that it conforms with the Coastal Act.

<!--[if !supportLists]-->5) <!--[endif]-->The Staff Report is not clear enough regarding the fact that a new CDP application must be made by the surface land right owners (Newport Banning Ranch LLC/Aera Energy/Cherokee Investment Partners) It hints and mentions the unusual division of land use and mineral rights, but it is not clear that a new CDP application must be submitted to clear old equipment from North ORA or from South ORA.

<!--[if !supportLists]-->6) <!--[endif]-->Although there is lengthy consideration for wetland and ESHA protection, the Staff Report does not go far enough to protect ESHA and buffers along the Joint Use Road and to protect the California Gnatcatcher and Catcus Wren habitats adjacent to the North ORA. I am also concerned that I will not have the ability to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

<!--[if !supportLists]-->7) <!--[endif]-->I feel the Coastal Commission should stay its ground in the current lawsuit and enforce the Coastal Act for all of Banning Ranch. The CCC should not buckle and compromise under threat of a lawsuit. The Coastal Commission has every right to require a CDP for all oil wells and structures on Banning Ranch since the approval of the Coastal Act.

Thank you for the ability to comment.

Scott DeFreitas

From: [Nicola Byford](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application no 9-15-1649 (HB LLC Newport Beach)
Date: Tuesday, December 06, 2016 6:39:13 AM

Dear Cassidy (and the entire coastal commission),

As a local resident, I wanted to write to ask you to please strongly consider the long term effects of adding oil wells to banning ranch. I was so pleased when you denied the builders request to build WAY too much on the land. And now they want to add oil wells. I understand they're all about making money, but the land around here is limited and it would be nice if you (the commission) would savor some of it so that our future generations could appreciate the wildlife and the limited open space that we have.

Please don't allow new oil wells. Leave the land raw and let nature have a playground.

Thank you.
Nicola Byford

From: [Olga Reynolds](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 6:41:47 AM

Honorable Cassidy Teufel,

I am asking that the California Coastal Commission uphold the California Coastal Act with regards to additional drilling on Banning Ranch.

The CCC must deny this application. The CCC must not set a precedent that could see our California "golden" coast vanish under development by the rich and only for the rich.

The California Coastal Act demands that the coast must be protected for ALL Californians.

Saving Banning Ranch Together,

Olga zapata Reynolds

Sent from my iPad

From: [Karen Guiney](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: RE: Banning Ranch
Date: Tuesday, December 06, 2016 6:48:17 AM

Dear Coastal Commission,

Please be prudent and preserve Banning Ranch .

Sincerely,
Jack and Karen Guiney

Sent from my iPhone

From: [Ksenia](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Do not drill our coast
Date: Tuesday, December 06, 2016 7:18:47 AM

Please do not drill our coast. We have sensitive eco systems: water fish birds sea life coastal animals that depends on this. Be the voice of the future not one of greed!
From a concerned teacher, parent, California girl
Ksenia Kruglyanskaya

From: [Paul Lang](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Re: Application No. 9-15-1649
Date: Tuesday, December 06, 2016 7:35:37 AM

I was born in Newport Beach and a life long resident of Orange County. I am opposed to drilling on Banning Ranch. We have very little undeveloped land left in our county for future generations to enjoy. Besides, the price of oil is low and we have plenty of shale reserves in other areas of the nation.

From: [Chandler](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649
Date: Tuesday, December 06, 2016 7:35:53 AM

To whom it may concern; Cassidy Teufel,

I am writing to you today with great concerns about the drilling on Banning Ranch.

I am an Orange County resident as well a native woman of the Payomkawichum people, and I am completely OPPOSED to the drilling on Banning Ranch. Please take note of my opposition and I hope with my contest and many others, this drilling will be stopped.

Best regards,

Chandler Stump

From: [Jennifer Squires](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: No More Drilling on Banning Ranch
Date: Tuesday, December 06, 2016 7:44:40 AM

Dear Cassidy (and the entire coastal commission),

As a local resident, I wanted to write to ask you to please strongly consider the long term effects of adding oil wells to banning ranch. I was so pleased when you denied the builders request to build WAY too much on the land. And now they want to add oil wells. I understand they're all about making money, but the land around here is limited and it would be nice if you (the commission) would savor some of it so that our future generations could appreciate the wildlife and the limited open space that we have.

Please don't allow new oil wells. Leave the land raw and let nature have a playground.

Thank you for your consideration.

Jennifer Squires-Will

Sent from my iPhone

From: [Thomas Cummins](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: No Drilling on Banning Ranch!
Date: Tuesday, December 06, 2016 7:47:16 AM

Dear Cassidy,

I'm writing to urge you to do whatever you can to prevent the drilling for fossil fuels on Banning Ranch. Please stop this!!!!

Thank You,
Thomas

From: [jordyn Presho](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: re: Application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 7:55:32 AM

No drilling!! One of the last nice parks in Huntington beach/ Newport, Banning ranch, needs to be kept safe for the public to continue to enjoy. We will continue to fight to keep our wildlife healthy and safe, and our communities happy.

From: [michael decarbo](mailto:michael.decarbo@coastal.ca.gov)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal.ca.gov)
Cc: sierraclub.banningranch@gmail.com
Subject: OPPOSE CDP 9-15-1649 – Please deny this permit
Date: Tuesday, December 06, 2016 8:07:53 AM

Cassidy Teufel
Senior Environmental Scientist
Energy, Ocean Resources and Federal Consistency
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219
(415) 904-5502; FAX (415) 904-5400
Cassidy.Teufel@coastal.ca.gov

From: Michael DeCarbo

RE: Comments on the CDP 9-15-1649 Staff Report for the Dec. 9 CCC Hearing

POSITION: OPPOSE CDP 9-15-1649 – Please deny this permit

Dear Coastal Commission,

As a Sierra Club member, I have been following the Banning Ranch permitting process, and although I feel the staff has done a great job of identifying restrictions to help the applicant conform to the Coastal Act, the staff report gives me the impression that the current lawsuit by the applicant against the Coastal Commission has created some compromises that worry me. I ask that the CCC to deny this Coastal Development Permit it simply cannot achieve full compliance with the Coastal Act.

- 1) The Staff Report does not address the full USFWS Inventories of Wetlands for Banning Ranch, these areas are ESHA and need to be fully recognized.
- 2) This Staff Report does not mention, as prior Banning Ranch Staff Reports have mentioned, that the Coastal Development Permit process is not the correct process for approving any development on Banning Ranch. The proper process is to develop a Land Use Plan and have a Certified Local Coastal Plan.
- 3) The setback of 100 ft should be required and not compromised.
- 4) The Staff Report is not clear enough regarding the fact that a new CDP application must be made by the surface land right owners (Newport Banning Ranch LLC/Aera Energy/Cherokee Investment Partners). It hints and mentions the unusual division of land use and mineral rights, but it is not clear that a new CDP application must be submitted to clear old equipment from North ORA or from South ORA.
- 5) Although there is lengthy consideration for wetland and ESHA protection, the Staff Report does not go far enough to protect ESHA and buffers along the Joint Use Road and to protect the California Gnatcatcher and Catcus Wren habitats adjacent to

the North ORA. I am also concerned that I will not have the ability to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

6) I feel the Coastal Commission should stay its ground in the current lawsuit and enforce

the Coastal Act for all of Banning Ranch. The CCC should not buckle and compromise under threat of a lawsuit. The Coastal Commission has every right to require a CDP for all oil wells and structures on Banning Ranch since the approval of the Coastal Act.

Thank you for the ability to comment.

Michael DeCarbo
2069 Federal Avenue
Costa Mesa CA 92627

From: [Linda Seaborn](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Permit request for No.9-15-1649, Horizontal Oil
Date: Tuesday, December 06, 2016 8:14:31 AM

Dear Cassidy,

Thank you for your response. The above mentioned permit request is now on the schedule for this week. I hope the commission will deny this permit because of it's proximity to the Newport Inglewood earthquake, fault. As I understand it, each time the drill goes into the earth, water has to be added to keep the equipment cool. As the oil is removed, the drill has to go deeper to get to the new oil, with more water added to cool, etc., etc. So, although the initial drilling is not deep, the subsequent drilling has to be to reach the oil. While not exactly fracking, it's close. Thank you for your attention. Please deny this wreckless disregard for life and safety.

Yours truly,
Linda Seaborn

Sent from my iPad

Begin forwarded message:

From: "Teufel, Cassidy@Coastal" <Cassidy.Teufel@coastal.ca.gov>
Date: November 18, 2016 at 3:29:14 PM PST
To: 'linda seaborn' <lds6746@yahoo.com>
Subject: RE: Horizontal Oil Drilling permit No.9-15-1649

Thank you for providing your perspective on this coastal development permit application. I am contacting you to let you know that this matter will be brought before the California Coastal Commission at its hearing on December 9, 2016 in Ventura. Please find additional details about the hearing location and agenda in the attached hearing notice.

Regards,
Cassidy

*Cassidy Teufel
Senior Environmental Scientist
Energy, Ocean Resources
and Federal Consistency
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219
(415) 904-5502; FAX (415) 904-5400
<http://www.coastal.ca.gov/>*

From: linda seaborn [<mailto:lds6746@yahoo.com>]
Sent: Thursday, July 21, 2016 12:23 PM
To: Teufel, Cassidy@Coastal
Subject: CDP No. 5-15-2097 and No.9-15-1649

Dear Sir,

Please review the attached letter and deny the above permits.

Thank you,

Linda Seaborn

<Coastal Commission Hearing Notice Dec 2016.pdf>

From: [Ricardo Santos](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Deny Permit
Date: Tuesday, December 06, 2016 8:40:16 AM

Cassidy Teufel,

I am a resident of Huntington Beach and local surfer. I am asking that the California Coastal Commission uphold the California Coastal Act with regards to additional drilling on Banning Ranch. The CCC must deny this application.

The CCC must not set a precedent that could see our California "golden" coast vanish under development by the rich and only for the rich. The California Coastal Act demands that the coast must be protected for ALL Californians.

Sincerely,

Ricardo Dos Santos
210 Venice Ave
Huntington Beach, CA
92648

From: [Vince Bellino](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please stop drilling.
Date: Tuesday, December 06, 2016 8:40:35 AM

We must protect our Earth! The more we destroy it, the more we destroy ourselves and our future. We are ruining this place for our kids. This isn't a fantasy anymore, this is really happening. Please halt drilling!

From: [blossom hathaway](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: save banning ranch
Date: Tuesday, December 06, 2016 8:50:58 AM

Dear California costal commission,
Do not allow big oil to continue to destroy our Mother Earth! do not allow ANY drilling on this sacred land!
BLOSSOM HATHAWAY

From: [Amanda Corcoran](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: re: Application No. 9-15-1649 (HD LLD Newport Beach)
Date: Tuesday, December 06, 2016 8:57:21 AM

Please stop the drilling on Banning Ranch. Put our environment before profits!

Thanks,
Amanda Corcoran, Concerned California Resident

From: [Jillian Bennett](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649
Date: Tuesday, December 06, 2016 9:02:23 AM

I am an Orange County resident and I oppose the Drilling on Banning Ranch. Please consider rehabilitating or preserving the area instead.

I hope that everyone understands the direction we should be moving in and that is in the opposite direction of more plans for oil.

Thank you for your time,

--

Jillian

From: [Ben Will](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application no 9-15-1649 (HB LLC Newport Beach)
Date: Tuesday, December 06, 2016 9:18:29 AM

Dear Cassidy (and the entire coastal commission),

As a local resident, I wanted to write to ask you to please strongly consider the long term effects of adding oil wells to banning ranch. I was so pleased when you denied the builders request to build WAY too much on the land. And now they want to add oil wells. I understand they're all about making money, but the land around here is limited and it would be nice if you (the commission) would savor some of it so that our future generations could appreciate the wildlife and the limited open space that we have.

Please don't allow new oil wells. Leave the land raw and let nature have a playground.

Thank you.

Ben Will

From: [Blairnicolee](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application no 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 9:21:47 AM

Dear whoever this may concern,

I am writing to you regarding Application no 9-15-1649 (HD LLC Newport Beach). As a CA resident I request that you please *stop* drilling on Banning Ranch. Drilling presents the possibility of ecological disaster, disregards the will of the Indigenous people of this land and threatens both flora and fauna.

Thank you.
Blair

Blair Edwards
M: 561 445 1930

From: [Karen Curtin](#)
To: Teufel, Cassidy@Coastal
Subject: App. No. 9-15-1649
Date: Tuesday, December 06, 2016 9:22:02 AM

Please vote for No More Drilling on Banning Ranch.
App. No. 9-15-1649 (HD LLC Newport Beach)
Thank-you,
Karen

Sent from my iPhone

From: [Taylor Stice](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Date: Tuesday, December 06, 2016 9:24:22 AM

Stop drilling at banning ranch!! This is our coastal land and if we don't protect it now, there will be none for later. It's time to respect and stand up for la pacha mama.

From: [Jan Donofrio](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Cc: sierraclub.banningranch@gmail.com
Subject: Cmments on the CDP 9- 15 -1649 Staff Report for the Dec. 9 CCC Hearing
Date: Tuesday, December 06, 2016 9:27:32 AM

Message to:

Cassidy Teufel, Senior Environmental Scientist Energy, Ocean Resources
and Federal Consistency
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219
(415) 904-5502; FAX (415) 904-5400

POSITION: Supporting Staff Restrictions but feel additional restrictions
needed before approval

Dear Coastal Commission,

I have been following the Banning Ranch permitting process, and
although I feel the staff has done a great job of identifying restrictions to
help the applicant conform to the Coastal Act, the staff report gives me
the impression that the current lawsuit by the applicant against the
Coastal Commission has created some compromises that worry me.

I ask that the CCC address and correct these compromises to bring the
proposed project in full compliance of the Coastal Act.

1)

The Staff Report does not address the full USFWS Inventories of
Wetlands for Banning Ranch, these areas are ESHA and need to be fully
recognized. Of special concern is a proposal accepted by staff to
compromise wetlands by redesignating ESHA as a drainage ditch, so that
a draining pipe can be used on North ORA rather than using the required
Coastal Act setbacks for ESHA.

2)

This Staff Report does not mention, as prior Banning Ranch Staff Reports
have mentioned, that the Coastal Development Permit process is not the
correct process for approving any development on Banning Ranch. The
proper process is to develop a Land Use Plan and have a Certified Local
Coastal Plan. Banning Ranch was a "whitehole" or "deferred certification"
area for the purpose of developing a specific land use plan for Banning
Ranch

3)

This staff report does not allow for public review and input on the many "Special Conditions" which require plans of various focus to be submitted to the Executive Director for approval. I feel that since there is no Land Use Plan, and since the public has been denied its due comment periods, that the Staff Report should add public review of 90 days for all plans submitted to the Executive Director, so the Executive Director can have the benefit of public comment before he decides to accept each special condition report or plan or amendment.

4)

The setback of 100 ft should be required and not compromised. The extent that oil operations are permitted and given priority according to the Coastal Act, then there should be increased mitigation for each foot less than 100 ft. This is important to prevent having less than 100 ft setbacks to become a precedent on the Banning Ranch property, this is especially true since North ORA and South ORA are easements and not individual lots. The Staff Report needs to be clear that a compromise on North ORA and South Ora will not result in a compromise elsewhere on Banning Ranch.

5)

The Staff Report is not clear enough regarding the fact that a new CDP application must be made by the surface land right owners (Newport Banning Ranch LLC/Aera Energy/Cherokee Investment Partners) It hints and mentions the unusual division of land use and mineral rights, but it is not clear that a new CDP application must be submitted to clear old equipment from North ORA or from South ORA.

6)

Although there is lengthy consideration for wetland and ESHA protection, the Staff Report does not go far enough to protect ESHA and buffers along the Joint Use Road and to protect the California Gnatcatcher and Catcus Wren habitats adjacent to the North ORA. I am also concerned that I will not have the ability to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

Thank you for the ability to comment.

Jan Donofrio

From: [Flo Martin](#)
To: [Teufel, Cassidy@Coastal](#); [sierraclub.banningranch@gmail.com](#)
Subject: Application No. 9-15-1649(HD LLC, Newport Beach) –OPPOSITION
Date: Tuesday, December 06, 2016 9:31:30 AM
Attachments: [coastal commission dec 2016.docx](#)

I have attached a letter in opposition to the current Banning Ranch application before the Coastal Commission.

Please provide all Commissioners with a copy.

Thank you,

Flo Martin
2442 Andover Place
Costa Mesa, CA 92626
949.933.3699

--

Now is the time...

From: [Elizabeth Garrison](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Re: Banning Ranch
Date: Tuesday, December 06, 2016 9:46:57 AM

Please, no more drilling at Banning Ranch. Leave the land alone for the 7th generation - from a third generation Californian

regards,

Elizabeth Garrison

From: [James Kim](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: Application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 9:50:02 AM

no to drilling on banning ranch.

-James Kim

From: [Michael Ochoa](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please hear our voice
Date: Tuesday, December 06, 2016 9:58:55 AM

Please stop the drilling at banning ranch and preserve our coastlines.

Sent from my iPhone

From: [Desiree Zamorano](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: In support of no further drilling on Banning Ranch
Date: Tuesday, December 06, 2016 10:05:22 AM

Hi Coastal Commission!
Please consider this email my support of no further drilling on Banning Ranch.
Application # 9-15-1649

Thank you,

Désirée Zamorano

In a time of destruction, create something. A poem. A parade. A friendship. A community. A place that is the community. A school. A vow. A moral principle. One peaceful moment.

--Maxine Hong Kingston

[The Amado Women](#)

Twitter: @LaDeziree

From: JMcautpar@aol.com
To: Teufel_Cassidy@Coastal
Subject: Application no 9-15-1649 (HB LLC Newport Beach)
Date: Tuesday, December 06, 2016 10:06:28 AM

Dear Cassidy (and the entire coastal commission);

As a local resident, I wanted to write to ask you to please strongly consider the long term effects of adding oil wells to Banning Ranch. We were pleased and relieved when the builders were denied the request to build too many homes/apartments/buildings on this precious piece of land. But now these builders and businessmen want to add oil wells. I understand that developments mean money for the investors and the cities, but the beach front land around here is limited and I would so appreciate it if you and the coastal commission would savor some of it so that our future generations could appreciate the wildlife and the limited open space that we have.

Please don't allow new oil wells. Leave the land raw and let nature have a playground, our ecosystem and community need this.

Thank you for your consideration,
Julie McEachin

From: [Casey Black](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 10:10:08 AM

No more drilling on Banning Ranch!!!!

I do not support the drilling permit for Banning Ranch.

Please deny the permit!

Thank you,

Casey Black
Costa Mesa Home Owner

Casey Black

Director of Loan Integrity
(949) 860-8159 tel/fax
(888) 337-6888 ext. 4526
CaBlack@loandepot.com

26642 Towne Centre Drive
Foothill Ranch, CA 92610
www.loandepot.com

LoanDepot



Please consider the environment before printing this email.

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From: [Kathleen Harrison](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Banning Ranch
Date: Tuesday, December 06, 2016 10:11:14 AM

Please do not approve Application 9-15-1649. No more drilling at Banning Ranch! Your mandate:
Protect our coasts.
Kathleen Harrison, lifelong citizen of California

From: syorde@yahoo.com
To: Teufel_Cassidy@Coastal
Cc: sierraclub.banningranch@gmail.com
Subject: Comments on the CDP 9-15-1649 Staff Report for the Dec. 9 CCC Hearing
Date: Tuesday, December 06, 2016 10:14:43 AM

Message to:

*Cassidy Teufel
Senior Environmental Scientist
Energy, Ocean Resources
and Federal Consistency
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219
(415) 904-5502; FAX (415) 904-5400
<mailto:Cassidy.Teufel@coastal.ca.gov>*

From: Steve Yorde

RE: Comments on the CDP 9-15-1649 Staff Report for the Dec. 9 CCC Hearing

POSITION: OPPOSE CDP 9-15-1649 – Please deny this permit

Dear Coastal Commission,

As a Sierra Club member, I have been following the Banning Ranch permitting process, and although I feel the staff has done a great job of identifying restrictions to help the applicant conform to the Coastal Act, the staff report gives me the impression that the current lawsuit by the applicant against the Coastal Commission has created some compromises that worry me. I ask that the CCC to deny this Coastal Development Permit it simply cannot achieve full compliance with the Coastal Act.

<!--[if !supportLists]-->1) <!--[endif]-->The Staff Report does not address the full USFWS Inventories of Wetlands for Banning Ranch, these areas are ESHA and need to be fully recognized. Of special concern is a proposal accepted by staff to compromise wetlands by re-designating ESHA as a “drainage ditch”, so that a draining pipe can be used on North ORA rather than using the required Coastal Act setbacks for ESHA. The idea to “convert this open channel into a covered drainage culvert” is simply a non-starter. It is the same line of thought as “degraded ESHA” It cannot be reconciled with the Coastal Act.

<!--[if !supportLists]-->2) <!--[endif]-->This Staff Report does not mention, as prior Banning Ranch Staff Reports have mentioned, that the Coastal Development Permit process is not the correct process for approving any development on Banning Ranch. The proper process is to develop a Land Use Plan and have a Certified Local Coastal Plan. Banning Ranch was a “whitehole” or “deferred certification” area for the purpose of developing a specific land use plan for Banning Ranch. Approval this Coastal Development will undermine California’s ability to have a Certified Local Coastal Plan for Banning Ranch – one cannot certify as a compliant area in the future that already has a non-compliant CDP!

<!--[if !supportLists]-->3) <!--[endif]-->This staff report does not allow for public review

and input on the many “Special Conditions” which require plans of various focus to be submitted to the Executive Director for approval. I feel that since there is no Land Use Plan, and since the public has been denied its due comment periods, that the Staff Report should add public review of 90 days for all plans submitted to the Executive Director, so the Executive Director can have the benefit of public comment before he decides to accept each special condition report or plan or amendment.

<!--[if !supportLists]-->4) <!--[endif]-->The setback of 100 ft should be required and not compromised. The extent that oil operations are permitted and given priority according to the Coastal Act, then there should be increased mitigation for each foot less than 100 ft. This is important to prevent having less than 100 ft setbacks to become a precedent on the Banning Ranch property, this is especially true since North ORA and South ORA are easements and not individual lots. The Staff Report needs to be clear that a compromise on North ORA and South Ora will not result in a compromise elsewhere on Banning Ranch. Deny this permit and ask the applicant to redesign their project so that it conforms with the Coastal Act.

<!--[if !supportLists]-->5) <!--[endif]-->The Staff Report is not clear enough regarding the fact that a new CDP application must be made by the surface land right owners (Newport Banning Ranch LLC/Aera Energy/Cherokee Investment Partners) It hints and mentions the unusual division of land use and mineral rights, but it is not clear that a new CDP application must be submitted to clear old equipment from North ORA or from South ORA.

<!--[if !supportLists]-->6) <!--[endif]-->Although there is lengthy consideration for wetland and ESHA protection, the Staff Report does not go far enough to protect ESHA and buffers along the Joint Use Road and to protect the California Gnatcatcher and Catcus Wren habitats adjacent to the North ORA. I am also concerned that I will not have the ability to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

<!--[if !supportLists]-->7) <!--[endif]-->I feel the Coastal Commission should stay its ground in the current lawsuit and enforce the Coastal Act for all of Banning Ranch. The CCC should not buckle and compromise under threat of a lawsuit. The Coastal Commission has every right to require a CDP for all oil wells and structures on Banning Ranch since the approval of the Coastal Act.

Thank you for the ability to comment.

From: [Mario Vega](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 10:15:44 AM

Hello Ms. Teufel,

My name is Mario Vega, and I'm a resident of Tustin. I'm writing to ask that you help stop the drilling off California's coasts, and that the ocean around Newport Banning Ranch be used for habitat rehabilitation instead.

Thanks,

Mario

From: [Stosha Famiglietti](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Re: application No. 9-15-1649 (HD LLC Newport Beach)
Date: Tuesday, December 06, 2016 10:15:48 AM

Stop the drilling on Bannon's Ranch!!

From: [Calvin Kieu](#)
To: Teufel, Cassidy@Coastal
Subject: No on drilling in Banning Ranch
Date: Tuesday, December 06, 2016 10:16:55 AM

Hello,

I would like to comment "no" on drilling in Banning Ranch.

Thank you,

Calvin Kieu

Sent from my iPhone

From: [Dylan Myers](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No 9-15-1649
Date: Tuesday, December 06, 2016 10:24:26 AM

Greetings,

I am writing you to express my concern over drilling at Banning Ranch. It does not make sense to me why one of California's few remaining spots of open coastal land should be destroyed in order to produce toxic chemicals either used to create non-biodegradable materials or poison the air. Drilling at Banning Ranch should be opposed.

Best regards,

Dylan Myers
1259 E 6th St B
Los Angeles, Ca 90021

From: Ron42554@aol.com
To: Teufel_Cassidy@Coastal
Subject: Oppose CDP 9-15-1649
Date: Tuesday, December 06, 2016 10:38:38 AM

Dear Coastal Commission,

Please continue to uphold the Coastal Act. Do not let the lawsuit by Banning Ranch Developers cloud your judgement on protecting out coast I oppose CDP 9-15-1649.

Thank you.

Ron Frankiewicz
Costa Mesa CA

From: [funkyblessings](#)
To: [Teufel, Cassidy@Coastal](#)
Subject: Re: no more drilling on banning ranch!
Date: Tuesday, December 06, 2016 10:44:40 AM

Hello,

Please add my comments regarding Genga/Banning ranch:

I ask the committee to permanently stop construction at Genga, also known as Banning Ranch- one of the last remaining sacred sites of the Indigenous people of this land- the Acjachemen and Tongva Nations. This area is extremely significant culturally and environmentally and desperately needs to be permanently protected. Thank you for your time.

Sincerely,
Elizabeth Cameron
Funkyblessings@gmail.com
909 800 4271

From: [James Welsh](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: re: Application No. 9-15-1649 (HD LLC Newport BEach)
Date: Tuesday, December 06, 2016 10:47:17 AM

'No' drilling on Banning Ranch in Newport/Huntington Beach please.

From: [Charles Jensen](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please, no new oil wells on Banning Ranch
Date: Tuesday, December 06, 2016 10:47:42 AM

Greetings,
Please do not allow any new oil wells to be drilled on Banning Ranch.
Thank you,
Charles Jensen
424 Dahlia
Corona Del Mar
Calif. 92625

Sent from my iPhone

From: [natalie wilson](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: No Oil Drilling on Banning Ranch!
Date: Tuesday, December 06, 2016 10:53:45 AM

Please help preserve this open land! The native plants and migratory birds of the wetlands will appreciate it most of all.

From: [Arlo Bender-Simon](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Save Banning Ranch!
Date: Tuesday, December 06, 2016 10:56:09 AM

The oil companies have ravaged and extracted from our state for longer than your office has existed.

Please allow us to put people, planet and peace over the profits of corporations.

No Drilling at Banning Ranch!

--

Arlo Bender-Simon
UCSB Class of 2014
B.A. History & Environmental Studies
818 399-8600

From: [Bill Brogden](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: re:application No. 9-15-1649
Date: Tuesday, December 06, 2016 10:57:01 AM

No to drilling on Banning Ranch

- - - - -

Bill Brogden
Inside Sales Manager
DBM GROUP
p 800.898.0723 x 174
5 Peters Canyon Rd., Suite 150 Irvine, CA 92606

From: [Claudia Enriquez](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: No More Drilling on Banning Ranch
Date: Tuesday, December 06, 2016 11:05:26 AM

Good Morning,

Please be in support of preserving California's coast.

Drilling is disastrous and harmful to the local animals, plants, and overall habitat of the area. There aren't many places left untouched in California anymore and we, as California residents, need to protect what little is left.

Please consider being in opposition of the actions proposed to take place at the Banning Ranch.

Thank you for your time and I look forward to hearing from you.

Regards,
Claudia.

From: [Claudia Enriquez](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Re: Application NO. 9-15-1649 HD LLc Newport Beach
Date: Tuesday, December 06, 2016 11:07:46 AM

Good Morning,
Show original message

Please be in support of preserving California's coast.

Drilling is disastrous and harmful to the local animals, plants, and overall habitat of the area. There aren't many places left untouched in California anymore and we, as California residents, need to protect what little is left.

Please consider being in opposition of the actions proposed to take place at the Banning Ranch.

Thank you for your time and I look forward to hearing from you.

Regards,
Claudia.

From: [Everette - 8 Paths](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Comments regarding CDP 9-15-1649 to drill 82 new oil wells on Banning Ranch be scheduled for this Friday
Date: Tuesday, December 06, 2016 11:28:44 AM
Attachments: [USFWS National Wetland Inventory on Banning Ranch p37 of th11c-5-2016-a3.pdf](#)
[Banning Ranch ESHA with Buffers w14d-9-2016-a4.pdf](#)
[Cactus Wren Banning Ranch Use Areas w14d-9-2016-14a.pdf](#)
[CCC Identified Coastal California Gnatcatcher report w14d-9-2016-a4.pdf](#)

Dear Cassidy,

I want to first day thank you for the opportunity to offer public comment. I am active in the communities of West Newport Beach and have been active with the Sierra Club regarding conservation issues including Banning Ranch for many year. However, as a father of five and owning a small business and with a visiting grandson, it is not easy to find the tie to carefully read and comment on the CDP or Staff Report. Thank you for your patience regarding to the timing of my comment. I know you and the CCC are very busy.

The following are some of my concerns regarding the current CDP 9-15-1649 and comments on the Staff Report submitted suggesting an “approval of the project” with “Special Conditions”. Although, I applaud you and other staff members of the CCC for trying to find a solution for Horizontal Development while under the pressure of a “Stay and Stipulation”, I feel that some items proposed by staff are not consistent with Chapter 3 – especially the treatment of USFWS inventories Wetlands and the compromise being offered on ESHA setbacks. The City of Newport Beach understood the Coastal Act and the definition of ESHA when it changed the City Charter to include North ORA and South ORA. These areas should have been defined with consideration of ESHA.

A priority of the Coastal Commission should be to approve only CDP consistent with a future Certified Local Coastal Plan, this is why CCC Staff strongly recommended the use of a Land Use Plan and having a Certified LC before oil consolidation and development of Banning Ranch as discussed in CDP 5-15-2097. I have concerns that if some additional restrictions are not added and especially if the applicant negotiates removal of the suggested restrictions then the approved CDP will not be compliant and a certified LCP for Banning Ranch will not be possible in the future. This violates the very principals under which the CCC was created.

The Staff Report neglects to cover the fact that Banning Ranch is a within an area known as a “white hole” or an area of deferred certification which means it is not covered by a certified Local Coastal Plan (LCP). Therefore, the standard of review for the proposed development is the Coastal Act. If the Commissioners approve this CDP without the special conditions, because it would be inconsistent with the policies of the Coastal Act, would prejudice the ability of the local government to certify their LCP. Only as conditioned to be consistent with Chapter 3 policies of the Coastal Act, can the project be approved without prejudicing the LCP. Approval of a plan inconsistent with the Coastal Act would create a scenario where Banning Ranch could never have a certified LCP – the Coastal Commission is supposed to make sure this does not happen.

The Staff Report neglects to cover the fact that the General Plan of Newport Beach nor the fact that the entire project site has a County of Orange General Plan Land Use Element designation of Open Space. The Land Use designation had a priority use of Open Space to include consolidation of the oil operations, restoration of the wetlands, provisions for a nature and educational center, and active neighborhood parks. Newport Beach updated its City

Charter in 2010 to accommodate Oil Operations at North ORA and South ORA, but there is no EIR, no mention of County of Orange approval for the proposed projects. These facts potentially harm the CEQA certifications that the CCC proposes to offer in this CDP.

Below are quotes from the Staff Report in italics and our comments below them:

QUOTE Page 2 from Staff report:

These proposed activities within the ORAs – including the installation of the new wells - would

be carried out over the course of the next 20 to 30 years if conditions remain favorable for the continued operation of the roughly 75 year old oilfield. At most, HDLLC would install up to 15

new wells per year (eight to ten at the ORA North site and three to five at the ORA South site).

Comment: The CDP process is the wrong process to use for a project that spans 20-30 years. The correct process is a land use plan and Certified Local Coastal Plan, which is what the CCC staff recommended for all of Banning Ranch in CDP which was denied in September.

QUOTE Page 5

Well Permits. PRIOR TO THE INITIATION OF ALL WELL DRILLING OR ABANDONMENT ACTIVITIES, the Permittee shall provide for Executive Director review, all well drilling or abandonment permits

This CDP should require a public comment period of 90 days on the “Well Permits” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 5

Construction Permits. PRIOR TO THE INITIATION OF CONSTRUCTION ACTIVITIES, the Permittee shall provide for Executive Director review

Comments: This CDP should require a public comment period of 90 days on the “Construction Permits” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 6

5. Environmentally Sensitive Habitat Areas.

1. Oil Remainder Area North: No construction or installation activities shall occur within 100-feet of the edge of the environmentally sensitive habitat areas shown on **Exhibit 3** – ORA North wetland and ESHA map.

Comments: Exhibit 3 should include the USFWS Inventory of Wetlands which identifies additional wetlands that require a setback located at the East boundary of the North ORA (see map)

QUOTE Page 5

3. Updated Spill Prevention, Control, and Countermeasures Plans. PRIOR TO INITIATION OF CONSTRUCTION, the Permittee shall provide for Executive Director review and written approval, (1) an updated Spill Prevention, Control, and Countermeasures Plan for Oil Remainder Area North, Oil Remainder Area South, and the Joint Use Area

Comments: This CDP should require a public comment period of 90 days on the “Spill Prevention, Control and Countermeasures Plans” and any proposed revisions before the

Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 5

4. Debris from Abandonment and Relocation Activities. All debris or waste material generated as a result of Orange County and California Department of Conservation, Division of Oil, Gas and Geothermal Resources approved well abandonment activities, including concrete, visibly contaminated soil, and pipelines, utility lines, poles, and equipment taken out of service shall be immediately re-used or collected, removed from the site and transported to an appropriately certified waste disposal facility.

Comments: This CDP should require a public comment period of 90 days on the “plans submitted to DOGGR for abandonment and relocation activities” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 6

This restriction shall not apply to the two southern

tarplant environmentally sensitive habitat areas discussed in **Special Condition 6**

Comment: The mitigation of the Tar Plant area needs more oversight, and since the mitigation would be outside of the easement, it would require participation by another paper TBD. A setback of 100 ft should be enforced. It is the better solution.

QUOTE Page 7

9. Wetland Protection Buffer. With the exception of the addition of security fencing installed on the existing concrete block perimeter wall and the installation of the new concrete block perimeter wall immediately around existing well numbers 583 and 37R2, all new development (including the remainder of the concrete block perimeter wall, wells, equipment, facilities, and structures) shall be located a minimum of 50-feet, and whenever feasible, 100-feet, from all wetland habitat areas shown in **Exhibit 3** – ORA North wetland and ESHA map.

Comment: The setback should be a clear 100 ft setback. The Boundaries of North ORA were set by the 2010 change to the City of the Newport Beach Charter without considering the needs for Coastal Act setbacks for ESHA. The Coastal Act should be enforced in the entire area. The City Charter of Newport Beach does not allow for any oil operations within the city limits. The residents of Newport Beach made a great sacrifice to accommodate one company operating within the proposed area of annexation. The residents deserve that the Coastal Act be enforced equally in all areas of Banning Ranch.

QUOTE Page 8:

All out-of-service or abandoned equipment, vehicles, materials, structures, foundations, and debris that is currently present within the area between the perimeter wall and adjacent habitat areas shall be collected and removed. Equipment and material that can be immediately brought into service may be relocated to appropriate lay-down or storage areas within the Oil Remainder Area North site.

Comments: I have concerns with this language because it does not recognize that Newport Banning Ranch LLC is the owner of this equipment and will need to submit a separate CDP as applicant to remove all out-of-service or abandoned equipment, vehicles, materials, structures, foundations, and debris that is currently present within the area. Although this is

alluded to later in the Staff Report, this new CDP requirement must be made clear. It was confusion on CCC jurisdiction and waivers that caused the current lawsuit.

QUOTE Page 8

10. Wetland Mitigation. All filled wetlands shall be mitigated at a ratio of 4:1 (restored/created area : impacted area) for mitigation involving the creation or substantial restoration of wetland habitat and 8:1 (restored/created area : impacted area) for mitigation involving the enhancement of existing wetland habitat.

Comment: The USFWS Inventory of Wetlands should be incorporated into the CCC ESHA Map Exhibit 3

QUOTE Page 10

The Wetland Monitoring Plan shall at a minimum include the following:

Comment: This CDP should require a public comment period of 90 days on the “Wetland Monitoring Plan” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 11

13. Soil Treatment Facility. PRIOR TO CONSTRUCTION OR USE of the contaminated soil treatment facility,

Comment: This CDP should require a public comment period of 90 days on the “Soil Treatment Facility” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 11

14. Stormwater and Run-off Control Plan. PRIOR TO PERMIT ISSUANCE, the Applicant

shall submit, for Executive Director review and written approval, a Stormwater and Runoff Control Plan

Comment: This CDP should require a public comment period of 90 days on the “Stormwater and Run-Off Control Plan” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 13

17. Geotechnical Recommendations. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicant shall submit, for the review and written approval of the Executive Director, a final geotechnical report for the project

Comment: This CDP should require a public comment period of 90 days on the “Geotechnical Report” and any proposed revisions before the Executive Director approves the plan or revision, until there is a Land Use Plan and Certified Local Coastal plan for Banning Ranch

QUOTE Page 16

the Stipulation and Order Regarding Stay of Discovery and Continuance of Trial Date entered June 29, 2015 in Case No. 30-2014-00739490-CU-MC-CJC, Superior Court of the State of California, County of Orange ("Stay and Stipulation").

Comment: Unfortunately the “Stay and Stipulation” should have requires a Land Use Plan as the CCC staff recommended in CDP. The CDP is the wrong process for this land use and the Superior Court should have required a Land Use Plan and LCP before the CDP process could be implemented.

QUOTE Page 25 – “Drainage Corridor”

HDLLC proposes to convert this open channel into a covered drainage culvert for its entire length through the ORA North site. This would entail the installation of an approximately two foot diameter pipe within the drainage channel and some limited engineering to ensure that flow is maintained through the channel and it is capable of receiving surface flows at the eastern edge of ORA North and discharging them at the western edge in a similar manner as the current

configuration allows. Once the culvert is installed, the channel would be backfilled and leveled

to surrounding ground elevation.

Comment: This “open channel” seems to be a USFWS inventoried wetland. Referring to this registered inventory as a “drainage channel” rather than a wetland inventories “Riverine” is an attempt to declassify it from its true ESHA rating. This USFWS inventories wetland should be protected and a 100 ft buffer to each side should be established. See attached page 37 of th11c-5-2016-a3

QUOTE Page 27

Joint Use Area - JUA

Running between the ORA South and ORA North sites and connecting them is an approximately

60-foot wide infrastructure and access corridor that runs parallel to the Seminiak Slough and between the edge of the slough and the toe of the bluff that separates the lowland portion of the

Banning Ranch oilfield from the upland mesa. This corridor is termed the Joint Use Area (JUA)

by HDLLC in its application materials, a reference to the several entities that share an ingressegress and utility easement over it. Two existing parallel unpaved access roads separated by a six-foot high chain link fence currently exist within the JUA.

Comment: The CDP application and the Staff report do not adequately address the fact that this road has not been used to transport oil and the use of the road to transport oil is a new use. The CDP and Staff Report do not address the fact that the entire JUA is within the Banning Ranch ESHA and Buffer Area outlined by CCC Biologist J Engels (see attached report) Although Semenuik Slough is mentioned, it is not identified as a Special Study Area in the City of Newport Beach Local Coastal Plan. There is insufficient information addressing the protection and mitigation of these ESHA and buffers. This joint use road should remain under the authority of the CCC.

QUOTE Page 27

Pipeline Replacement

HDLLC proposes to abandon and replace several of the existing pipelines that it currently maintains within the JUA. Currently, the JUA pipelines corridor contains five separate aboveground lines:

Comment: The CDP application and the Staff report do not adequately address the fact that this pipeline is within the Banning Ranch ESHA and Buffer Area outlined by CCC Biologist J Engels (see attached report) Although Semenuik Slough is mentioned, it is not identified as

a Special Study Area in the City of Newport Beach Local Coastal Plan. There is insufficient information addressing the protection and mitigation of these ESHA and buffers.

Quote Page 30

This culvert installation element of the project is discussed in more detail in the subsequent section of this report on wetland fill, while this section is focused on the project's potential to adversely affect wetlands and water quality adjacent to and around the proposed project sites.

Comment: The "culvert installation element" should require a mitigation of USFWS National Wetland Inventory identified on Banning Ranch. It should be not be referred to as a "culvert installation" as this attempts to sway opinion that the wetlands which are ESHA area are somehow less than ESHA

QUOTE Page 31

While use of a larger, 100-foot buffer distance was also discussed with Commission staff and used as a target for HDLLC – and was indeed achieved with proposed project elements in several locations – a variety of site and project specific factors came into play that supported use of the narrower proposed buffer.

Comment: A buffer of 100 ft must be maintained for all of Banning Ranch and that North ORA and South ORA should not be given special treatment. In fact the "Stay and Stipulation" is clear that the Coastal Act should be upheld and not compromised just because there is a lawsuit hanging over the Coastal Commission on this decision.

I would like to recognize the dedication of the Coastal Commission Staff, and I ask the Coastal Commissioners to add additional restrictions before approval or to delay their approval to allow the staff and the applicant to work out some of the details that remain vague in the CDP to make sure the details are consistent with the Coastal Act.

Sincerely,

Everette Phillips
206 Walnut St
Newport Beach, CA 92663

From: [Gordon Cameron](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Save Genga
Date: Tuesday, December 06, 2016 11:34:16 AM

I am requesting to permanently stop construction at Genga, also known as Banning Ranch-. It is one of the last remaining sacred sites of the Acjachemen and Tongva Nations. It is as sacred to the Indians as the Riverside National Cemetery is to me.

Regards,
Gordon Cameron

From: [Cindi Alvitre](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application no. 9-15-1649. HD LLC NEWPORT BEACH
Date: Tuesday, December 06, 2016 11:34:51 AM

On behalf of Tiat society/Traditional Council of Pimu, we object to the issuance of a permit to the above agency. We need a. Lean sacred land - not one of continued desecration.

Cindi Alvitre on behalf of Tiat Society.

Sent from my iPhone

From: [June Gorman](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Cc: everette_phillips@yahoo.com
Subject: Fw: Banning Ranch - Sierra Club Member Recommend Denial of CDP 9-15-1649.doc
Date: Tuesday, December 06, 2016 11:35:28 AM
Attachments: [Banning Ranch - Sierra Club Member Recommend Denial of CDP 9-15-1649.doc](#)

Dear Cassidy Teufel,

I hope you are receiving many letters today from concerned Californians about this Banning Ranch Proposal CDP 9-15-1649. As I grew up in Newport Shores at 459 62nd St gazing out on the Banning Ranch vista, and my mother still lives in that same house, it's an issue that concerns me on many deep and visceral levels.

But most especially, as a long term California teacher and now International Sustainability educator of the past 35 years watching a recent national American election that I predicted 26 years ago down to the **very man** who would be elected if American denial, obfuscation and confusion of the truth of a democracy run by money *above and beyond all other values* was allowed to continue unfettered in an explicit strategic education and media systems takeover for the benefit of the narrowing very elite few, I just had to raise my voice again. It's an attempt to prevent another domino falling in the social and environmental destruction created by this economic-power strategy and its coldly brilliant but uncaring wake.

The factual specifics have been outlined below by others far more articulate on the specifics than I, and thus I include and second Everett's letter attached. Though those of us (especially trained in science), see the value of rational and sane compromise in terms to serve all of society, I don't believe we are in that world anymore and maybe a bit more emotional and social intelligence of the actual demonstrated values held by the Developers and their corporate support is necessary to prevent further erosion of a democratic society that works for all the people or their environment, that they long ago stopped caring about.

But the California Coastal Commission laws were written at a time people clearly understood these underlying motivations and goals for profit above people, and wrote them to prevent the well-financed political and social inequity society that results. They, *as they were written* stand as a beacon.

What we have learned over the past 45 years, is one must truly determine who is negotiating in good faith with shared social and environmental goals and who simply believes in winning at all costs? In that reality, "compromise" has become a word that covers a far greater loss of our values and political power and environmental health, at the gain of their pocketbooks.

I just deeply believe the facts on this should not be obfuscated again, to

cover compromises that seem to always be of our deepest values, and nothing on their side to show their responsibility in a shared society.

Perhaps that finally starts when we look up and face the denial of what has continued to lead us to this point, as a nation, and as a state trying to preserve those values against a tide of a "post-truth, post-fact" society.

It matters the lies we swallow, and the lies we must then tell...to our children.

Thank you for your thoughtful consideration,
June Gorman

June Gorman, Educator and Educational Theorist
Founder, Transformative Education Forum<<http://www.tef-global.org/>>
Learning Research Fellow, Schumacher
Institute <http://www.schumacherinstitute.org.uk>
Education Advisor, UN SafePlanet Campaign <<http://www.safepla.net/>>
Board Project Director for Outreach, International Model United Nations
Association<<http://imuna.org/>>
Steering Committee, (UNESCO/Global Compact) K-12 Sector for
Sustainability Education
<http://www.uspartnership.org/main/view_archive/1>)
Member, UN Education Caucus for Sustainable Development
Member, UN Commons Cluster

----- Forwarded Message -----

From: June Gorman <june_gorman@sbcglobal.net>

To: June Gorman <june_gorman@sbcglobal.net>

Sent: Tuesday, December 6, 2016 9:28 AM

Subject: Banning Ranch - Sierra Club Member Recommend Denial of CDP 9-15-1649.doc

Sent from my iPad

From: [Joseph Chapman](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: No More Drilling on Banning Ranch
Date: Tuesday, December 06, 2016 11:43:25 AM

To Whom it may concern,

I am writing to entreat that there is no more drilling on Banning Ranch. As Californians and surfers we value our land and our resources and would hate to see it saturated with fossil fuel to enrich the oil industries. We value sustainable fuel sources and responsible foresight when it comes to managing fuel industries going into the future. Please don't poison our land and water.

Best Wishes

From: [Arlis Reynolds](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please deny Application No. 9-15-1649 and protect coastal resources
Date: Tuesday, December 06, 2016 11:49:11 AM

To the Coastal Commission Staff and Commissioners:

You have the important job of upholding the Coastal Act to protect our coastline for all Californians, including future generations. Each decision you make sets a precedent for the next decision and for future applicants, so please send the message that you will always uphold the Coastal Act and that applications for development must be 100% in compliance with the Coastal Act. We cannot continue to compromise our coastline.

Please deny Application No.9-15-1649. It endangers environmentally-sensitive habitat and sends the message that applicants don't have to follow all the rules. Drilling new oil wells adjacent to protected wetlands and on a fault line is not environmentally-sensitive development.

Thank you,
Arlis Reynolds
Costa Mesa Resident

From: [Mere](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: RE: App # 9-15-1649 NO more drilling on Banning Ranch!
Date: Tuesday, December 06, 2016 12:00:02 PM

Hello,

Please STOP drilling on Banning Ranch! We have already had too many oil spills and fracking is contaminating watersheds everywhere, especially in California where we grow food. Our water is a precious resource that needs respect.

With love, meredith

Meredith Hackleman
4437 Van Horne Ave.
Los Angeles, CA 90032

From: [victoria.garrison](#)
To: [Teufel, Cassidy@Coastal](#)
Subject: No more drilling on Banning Ranch PLEASE!
Date: Tuesday, December 06, 2016 12:56:37 PM

Hi,
I repeat, no more drilling on Banning Ranch, please!
Sincerely,
Victoria Garrison

From: [Ian Hendricks](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Cc: sierraclub.banningranch@gmail.com
Subject: Banning Ranch / CDP 9-15-1649 Staff Report for the Dec. 9th CCC Hearing
Date: Tuesday, December 06, 2016 2:08:43 PM

Dear Coastal Commission,

As a Costa Mesa resident that lives right next to Banning Ranch, I have been following the Banning Ranch permit process, and I was very impressed not only with staff's professional knowledge and analysis but also their level of patience and fortitude when dealing with the applicant.

Having said this, the current staff report worries me because it looks like the current lawsuit by the applicant against the Coastal Commission has compromises in it that should not be there according to the Coastal Act. (I am still puzzled how Pacific City in Huntington Beach was approved - a huge monstrosity that is wreaking havoc on the air quality and traffic.)

As you probably already know about your Banning Ranch staff report, but worth stating again:

1. The Staff report does not address the full USFW Inventories of Wetlands for Banning Ranch. These areas are ESHA and need to be fully recognized. One thing that really bothers me is the proposal accepted by staff to compromise wetlands by re-designating ESHA as "a drainage ditch" so that a draining pipe can be used on North ORA rather than using the required Coastal Act setbacks for ESHA. WHAT?? ?? This idea to "convert this open channel into a covered drainage culvert" is a definite NO-GO. It is the same idea as a degraded ESHA. It cannot be reconciled with the Coastal Act. Don't give in.

2. This Staff Report does not mention, like prior Banning Ranch Staff Reports have mentioned, that the Coastal Development Permit process is not even the correct process for approving any development on Banning Ranch. You already know that the proper process for approving any development on Banning Ranch is to develop a Land Use Plan and have a Certified Local Coastal Plan. Banning Ranch was a "whitehole" or "deferred certification" area for the purpose of developing a specific land use plan for Banning Ranch. Approval of this Coastal Development will UNDERMINE California's ability to have a Certified Local Coastal Plan for Banning Ranch - you cannot certify as a compliant area in the future that already has a non-compliant CDP!

3. Also, this Staff Report does not allow for public review and input on the many "Special Conditions".

4. Setback of 100ft. should be required and not compromised. I am sickened by so many agencies "giving in" to big developers and money and ruining our quality of life and especially when it shouldn't be allowed according to the Coastal Act in the first place. Enough is enough.

I won't even get into the other problems with the staff report regarding a new CDP application MUST BE MADE by the surface land right owners

5. I do like the lengthy consideration for wetland and ESHA protection but the Staff Report doesn't actually protect the ESHA and buffers along the Joint Use Road and doesn't protect the California Gnatcatcher and Cactus Wren habitats adjacent to the North ORA. Also, I do not like that I will not be able to comment on the Wetland Monitoring Plan, which is extremely important, yet too vague in the Staff Report. This Staff Report is not like the reports I heard in Newport Beach in Sept. 2015. What happened?

The California Coastal Commission should not allow themselves to be bullied or bought out and should stick to the Coastal Act. It's now or never, the earth is being bought out with illegal activities and it's your job to remain vigilant to the law.

Thank you,
Kim Hendricks

From: [KATHERINE ARTHUR](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Cc: sierraclub.banningranch@gmail.com
Subject: We expect you to uphold the Coastal Act
Date: Tuesday, December 06, 2016 2:18:08 PM

Dear Coastal Commission: The fight to do what's right with Banning Ranch, which in case there's any question, is to leave it in it's natural state and not allow it to be developed in any way, has been a long slog. We expect you to uphold the Coastal Act and keep Banning Ranch untouched by development!

Do not buckle to developers or be swayed by their money to buy influence. We are watching and hope and expect you to do the right thing! BR should be forever preserved as the treasure it is.

Sincerely,
Katie Arthur/Herb Netal
Costa Mesa, CA

From: [Toni Squires](#)
To: Teufel, Cassidy@Coastal
Subject: Banning Ranch
Date: Tuesday, December 06, 2016 2:31:48 PM

Please do not drill for oil on this nature preserve. Please, please, please!

Antoinette Squires

Sent from my iPhone

From: [Lynn Friedman](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Banning Ranch
Date: Tuesday, December 06, 2016 2:53:00 PM

December 6, 2016 The setbacks of 100 ft should be required and not compromised. The extent that oil

operations are permitted and given priority according to the Coastal Act, then
To: Cassidy Teufel should be increased mitigation for each foot less than 100 ft. This is important to
Senior Environmental Scientist making less than 100 ft setbacks to become a precedent on the Banning Ranch
California Coastal Commission. This is especially true since North ORA and South ORA are separate and not

lots. The Staff Report needs to be clear that a compromise on North ORA and
From: Lynn Friedman will not result in a compromise elsewhere on Banning Ranch. South ORA
Newport Beach Resident the applicant to redesign their project so that it conforms with the Coastal Act.

California 3rd generation resident by The Staff Report is not clear enough regarding the fact that a new CDP
Re: Comments of the CDP 9-15-1649- Staff Report for the Dec 9 CCC Hearing
Energy-Cherokee Investment Partners. It hints and mentions the industrial division

use and mineral rights, but it is not clear that a new CDP application must be
POSITION: **OPPOSE CDP 9-15-1649- PLEASE DENY THIS PERMIT**
clear old equipment from North ORA or from South ORA. submitted to

6). Although there is lengthy consideration for wetland and ESHA protection, the
Dear Senior Environmental Scientist Cassidy Report does not go far enough to protect ESHA and buffers along the Staff Use

to protect the California Gnatcatcher and Catcus Wren habitats adjacent to the
As a long-term Newport Beach resident, I have been following Banning Ranch
When the residents and city council wrote up our joint 'vision' and growth plan for
the city in 2006 it included the Monitoring Plan, which is extremely important, yet too vague in the Staff Report.

9) I feel the Coastal Commission should stay its ground in the current lawsuit and
as first choice to keep this piece of land as open space. Watching the situation
from that date to the present, it appears that although the staff has identified
restrictions to help the applicant all oil wells and structures on Banning Ranch since the approval of the Coastal
conform to the Coastal Act, that the current lawsuit has influenced the staff to
compromise so that it is no longer in compliance with the Coastal Act.

Thank you for the ability to comment.
That worries me.

I am concerned enough to write you and to be spending my time following and
attending the Banning Ranch Coastal Commission meetings in Santa Monica,
Newport Beach and now in Ventura.

It is that important to most of our residents and all of OC, in fact most of
Californians and beyond due to the pricelessness of our coastline and small bits left
uninhabited and built upon.

CCC should not buckle and compromise under threat of a lawsuit. The CC has every
right to require a CDP for all oil wells and structures on Banning Ranch since the
approval of the Coastal Act.

Thank you for the ability to comment.

Sincerely,
Lynn Friedman
Newport Beach, CA 92660

From: [Sandra McKinlay](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Don't drill
Date: Tuesday, December 06, 2016 3:06:33 PM

12/6/2016

Dear Sirs and Madams,

I'm not going to give you my whole life story, just suffice it to say, that I've lived around here my whole life and from what I understand oil companies are supposed to be cleaning up their messes not making more messes and drilling more and raping the land more.

I realize you have a hard job as the coastal Commission but we have to live around here with the messes we've seen our whole lives. It's time to start enforcing the cleaning not hearing cases of more drilling. You have all signed on to this job to protect our Coast and enforcement is what you should be doing and what you're paid to do.

Sincerely,
Sandra McKinlay
long-time Newport Mesa resident

From: [Jeanne Fobes](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP No. 9-15-1649
Date: Friday, September 09, 2016 5:13:54 PM

Please add me to your mailing list. I am opposed to CDP No. 9-15-1649. Thank you.
Jeanne Fobes.

jean nefobes@gmail.com

From: [Aline](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: BANNING RANCH- COASTAL DEVELOPMENT PERMIT No. 9-15-1649
Date: Friday, September 09, 2016 10:17:44 AM
Importance: High

Good morning,

Following the grueling 11-hour public hearing on September 7, in regards of "BANNING RANCH" resulting in denial of this project by California Coastal Commission **9-1** as presented by the developers . **Please note that I strongly oppose the plan to drill 80+new oil wells and add a new oil & gas processing facility on Banning Ranch. I recommend DENIAL OF CDP No. 9-15-1649.**

Sincerely,

Aline Monin-Doremus

Villa Balboa Homeowner.

From: [Kreuter](#)
To: Teufel, Cassidy@Coastal
Subject: Banning Ranch
Date: Friday, September 09, 2016 8:33:26 AM

I want to support Denial of CDP 9-15-1649. Thanks for your consideration of this action.

Joan Kreuter

From: [Rottie Post](#)
To: Teufel, Cassidy@Coastal
Subject: Coastal permit # 9-15-1649
Date: Friday, September 09, 2016 8:01:49 AM

Hi Cassidy:

I want to right to you and express my position to the drilling of more wells on Banning Ranch. I find it amazing that no one at the meeting on Wednesday brought up the fact that the oil company is proposing more wells. We want this site cleaned up like they where ordered to do in 2001. We do not want 83 more oil wells because he can't build his resort on the bluff for rich people. The residents of West Newport & Costa Mesa have had enough. Let me know what I can do to oppose this project, and please keep up the great work you and the the staff are doing. The way you spoke at the meeting was refreshing to hear. Just science and we will win the day.

Sincerely Jeff Fialkoff

From: jolie5oma3@gmail.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: Oil wells
Date: Friday, September 09, 2016 12:09:59 AM

Sent from my iPhone

From: [Laura & Bob](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: Oil Wells on Banning Ranch
Date: Thursday, September 08, 2016 8:28:37 PM

We must require the oil company to clean up existing debris etc, as a condition of new wells, facilities being allowed. This must not be allowed to slide and citizens having to finance the clean up.

Laura Smith
21321 Fleet Ln., Huntington Beach, CA 92646

In God We Trust

From: [Mona L Swain](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: Action against more drilling on Banning Ranch
Date: Thursday, September 08, 2016 8:25:13 PM

Please add my email address to your list of interested people to help fight any more oil drilling activities on the Banning Ranch.

Thank you, Mona & John Swain

Sent from my iPad

From: [TERESA IOTTI](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please deny permit to drill 82
Date: Thursday, August 25, 2016 9:09:36 PM

Hello,

We have lived in Newport Shores near the site where these wells are to be drilled for 16 years. We are adamantly opposed to issuing this permit to drill 82. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

Thank you,
Teresa

From: [Linda Seaborn](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: Request to be added to mailing list
Date: Wednesday, August 24, 2016 8:57:25 PM

Dear Mr. Teufel,
Please add me to the mailing list for CDP No. 9-15-1649, the request to drill 80+ new oil wells (on the Newport Inglewood earthquake fault). I don't see it referenced on the meeting agenda for 9/2016.
Thank you,
Linda Seaborn
5 Canal Circle
Newport Beach, Ca 92663
(949) 338-2967

Sent from my iPad

From: suzanneohara@aol.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP No.9-15-1649
Date: Monday, August 08, 2016 2:39:53 PM

Please deny this application. This project is on the Newport-Inglewood Earthquake fault. Sincerely,
Suzanne O'Hara 13772 University St. Westminster 92683

From: [Donna Metzger](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please deny BOTH Banning Ranch Coastal Development Permit No 5-15-2097 Planned Development and Banning Ranch Coastal Development Permit 9-15-1649 New Oil Wells and Oil & Gas Operations
Date: Monday, July 25, 2016 6:19:40 PM

I have lived in Newport Shores since 1968. My children enjoyed growing up in this community. Both my children and my grandchildren participated in the Newport Shores Swim Team. My family loves being able to use our clubhouse facilities or walk to the beach.

Regarding Permit 5-15-2097, I support the Coastal Commission staff report of October 2015 recommending DENIAL of the development. I am concerned that the new Coastal Commission staff report of May 2016 gives too much space to development. I am asking the staff to review their May 2016 report and REDUCE the space available for development - do not compromise the definition of protected habitats.

I oppose the request by the applicant to add a road called "Bluff Rd" from 17th Street to Coast Highway, which exceeds the staff recommendations and will impact traffic in a terrible way for local residents.

If you deny this permit, we will know the true value of Banning Ranch and a real price can be established. This will allow the sale of the land for public acquisition at a fair price. If you do not deny the application we will never learn the fair price and the 2006 vote by Newport Beach residents approving acquisition at a fair price cannot be realized.

Regarding Permit 9-15-1649, I recommend denial of this request to drill 80+ new oil wells next to wetlands and near our community pool. Such a project has no business being approved next to protected wetlands and in such a highly urban setting and on a known fault line. The application is also flawed. It has been confusing and the environmental impact reviews are incomplete. There was a Banning Ranch Planned Community EIR created for Permit 5-15-2097, but there is no separate EIR or CROQA review for this separate permit.

The applicant wants to use one process for review with the City of Newport Beach and have two processes for the Coastal Commission. Please do not allow for short cuts. Please deny both applications.

Sincerely,

Donna Metzger
408 62nd Street
Newport Beach, CA 92663

Sent from my iPad

From: [O'Brien Sharon](#)
To: [Teufel, Cassidy@Coastal](#)
Cc: [Martin Booth](#)
Subject: Re: CDP Permit No.9-15-1649
Date: Monday, July 25, 2016 10:14:32 AM

Dear Commissioner,

Please do not allow drilling at Banning Ranch under the permit 9-15-1649. The disruption to our neighborhood and to the wildlife of that area will be horrible and destructive. Please let the last parcel of land in southern California that is not overrun with people and cars and oil wells stay that way.

Sharon T. O'Brien
424 62nd ST> Newport Beach, CA 92663
sharonto13@gmail.com

From: [Martin Booth](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP Permit No.9-15-1649
Date: Monday, July 25, 2016 6:54:49 AM

Dear Commissioner,

please disallow the permit to drill 82 wells near my Newport Shores neighborhood.

The dust, constant disturbance, noise, known and unknown environmental impact from existing wells is already over the top. The effort to add even more drill sites is an unreasonable imposition on the part of an industrial area that needs to more responsibly coexist w/ the Banning Ranch environment, the 440 home residential area of Newport Shores and the bordering waterway the Coastal Commission is chartered to protect.

Appreciate your considered efforts to respect our already burdened area by voting against the permit for additional wells.

FM Booth 314 62nd St Newport Beach, Ca.

From: [linda seaborn](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP No. 5-15-2097 and No.9-15-1649
Date: Thursday, July 21, 2016 12:22:59 PM
Attachments: [CC letter revised.doc](#)

Dear Sir,

Please review the attached letter and deny the above permits.

Thank you,

Linda Seaborn

From: [Roderick Kagy](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oil Drilling..
Date: Wednesday, July 20, 2016 5:46:13 PM

This effort to do this drilling needs to be stopped. I agree with sentiment expressed in this note.

From: Gina Lesley [mailto:glesley@roadrunner.com]
Sent: Tuesday, July 19, 2016 2:35 PM
To: 'Cassidy.Teufel@coastal.ca.gov' <Cassidy.Teufel@coastal.ca.gov>
Subject: CDP Permit No.9-15-1649

We have lived in Newport Shores near the site where these wells are to be drilled for 16 years. We are adamantly opposed to issuing this permit to drill 82. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

George and Gina Lesley

From: [Barbara Rhoads Weling](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP Permit No.9-15-1649
Date: Wednesday, July 20, 2016 4:13:07 PM

Please..... Please say no to this permit!!!! We have lived in Newport Shores near the site where these wells are to be drilled for 19 years. We are a family of 7 and we all are so disheartened to the news of the request of this permit.

We are adamantly opposed to issuing this permit to drill 82. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as autoimmune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

Barbara Weling

338 62nd Street
Newport Beach, CA 92663
[949-338-5161](tel:949-338-5161) cell

From: [Eileen DETERESA](#)
To: [Teufel, Cassidy@Coastal](#); [Gina Lesley](#); [Jacqui Larkin](#); [Kennie Jo Rizzo](#); [Gina Jonas](#); [job22@sbcglobal.net](#); [tpetros@newportbeachca.gov](#); [LA Times](#); [A NEWPORT BEACH](#); [Barbara Thiault](#); [Liz Slater](#); [Linda Seaborn](#); [Mary Lou Ellis](#); [Robin Chesnie](#); [Jo Barrett](#); [Lesley Allen](#); [ruthfornes@cox.net](#); [P NEWPORT CITY MNGR](#); [P NEWPORT CITY ENGINEER](#); [mare3@roadrunner.com](#)
Subject: CDP Permit no.9-15-1649
Date: Wednesday, July 20, 2016 12:10:17 PM

Richard and Eileen Deteresa of Newport Shores are adamantly opposed using this permit to drill ANY wells in this area.
It's unsafe, dangerous, unhealthy for people & children. Possibly sinking homes of the Newport Shores area. In a publication recently written
Newport Shores homes are built on a landfill. The list of disastrous accounts are unlimited. This permit should not be permitted.
Make yourself accountable
for your actions.
Richard Deteresa
Eileen Deteresa
Sent from my iPhone

From: [Vernetta](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP Permit No.9-15-1649
Date: Wednesday, July 20, 2016 12:07:13 PM

California Coastal Committee:

Reference: CDP Permit No. 9-15-1649

I have owned a home in Newport Shores since 1976 and plea with you to not give permits for oil to be drilled in my neighborhood.

The Newport Shores neighborhood is a family community within 2 blocks to the sands of the Pacific Ocean as well as a designated bird sanctuary on the shores of our canal. The canal is regulated with a gate and the fresh/salt water meets up with the Santa Ana River where it empties into the ocean water's edge.

The environmental impact of drilling for oil near the Newport Inglewood fault line is dangerously unknown as an influence to earthquake damage.

Please do not grant CDP Permit No. 9-15-1649.

Please consider the health of the families as well as the field animals and birds in our Newport Shores beach neighborhood. Drilling for oil next to a bird sanctuary does not protect the birds or the field animals.

Thank you, Vernetta Lieb 310-750-6857
401 Canal
Newport Beach, CA 92663

From: Meberth1@aol.com
To: Teufel_Cassidy@Coastal
Subject: CDP Permit No.9-15-1649
Date: Wednesday, July 20, 2016 12:07:00 PM

My husband and I have lived in the Newport Shores area near the proposed drilling site for over 20 years. We adamantly oppose issuing the CDP Permit No.9-15-1649 which allows the drilling of 82 oil wells and building a new oil and gas processing facility.

First, the wells are to be drilled right above the Newport Inglewood fault line, and many studies link drilling to earthquakes. It seems totally irresponsible to even be considering this.

Also, there have been no environmental studies done of the area where the wells are to be drilled; therefore the impact on the health and welfare of the residents and wildlife is an unknown. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

Lastly, this is considered an environmentally safe area. We understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. How will that affect local residents and visitors to the area, and what is the impact on the wildlife (coyotes, rabbits, birds, etc.) during and after the drilling period? The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area and we understand that they have capped none of these wells - which is extremely irresponsible.

There simply is not enough information on the environmental impacts on the area where the drilling is to occur, so again we request that the permit be denied.

Reg and Marcia Howell
2039 Bayside Drive
Corona del Mar, CA 2625

From: [gary belt](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oil drilling, CDP Permit No.9-15-1649
Date: Wednesday, July 20, 2016 10:52:09 AM

We have lived in Newport Shores near the site where these wells are to be drilled for 40 years. We are adamantly opposed to issuing this permit to drill more wells. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done [24/7](#) for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

Sent from my iPhone

From: [Greg Ozimec](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: please deny CDP Permit No.9-15-1649
Date: Tuesday, July 19, 2016 9:22:04 PM
Importance: High

We have lived in Newport Shores near the site where these wells are to be drilled for 27 years. We are adamantly opposed to issuing this permit to drill new wells in our community.

They are to be drilled right above the Newport Inglewood fault line.

Many studies are being done that link earthquakes to the drilling of oil wells.

This is a danger to our community!

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells.

The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks.

The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on our neighborhood to be drilling these wells.

Please deny this permit.

Gregory Ozimec
315 Canal Street
Newport Beach, CA 92663
949-646-2727 home

From: [Ruth Evans](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: FW: CDP Permit No.9-15-1649
Date: Tuesday, July 19, 2016 3:59:54 PM

Included below is an email to you dated July 19, 2016 regarding the above-referenced Permit. Add my name to the request to deny this permit. Is no area safe from pollution? Do residents count for nothing – and I'm not talking about four-legged animals; I'm concerned about us two-legged variety? Is no area safe from the pursuit of the almighty dollar? You will be accused of not doing your job if this permit is OK'd.

Ruth G. Evans
408 Colton Street
Newport Beach (Newport Shores)

From: Gina Lesley [<mailto:glesley@roadrunner.com>]
Sent: Tuesday, July 19, 2016 2:35 PM
To: 'Cassidy.Teufel@coastal.ca.gov' <Cassidy.Teufel@coastal.ca.gov>
Subject: CDP Permit No.9-15-1649

We have lived in Newport Shores near the site where these wells are to be drilled for 16 years. We are adamantly opposed to issuing this permit to drill 82. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

George and Gina Lesley

500 Canal Street
Newport Beach, CA 92663
949-533-7075 cell
949-646-9169 home

From: [Gina Lesley](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP Permit No.9-15-1649
Date: Tuesday, July 19, 2016 2:35:17 PM

We have lived in Newport Shores near the site where these wells are to be drilled for 16 years. We are adamantly opposed to issuing this permit to drill 82. They are to be drilled right above the Newport Inglewood fault line. Many studies are being done that link earthquakes to the drilling of oil wells. It seems totally irresponsible to even be considering this.

There has been no scientific study of the area where the wells are to be drilled on the human health impact of living by oil wells. The World Health Organization has published guidelines on limiting developments near oil fields as they are known to harbor substances hazardous to human health such as auto immune diseases and leukemia in adults and children.

This is also an environmentally safe area. I understand that the drilling is going to be done 24/7 for a minimum of 6 weeks. What happens to the coyotes, rabbits, birds, etc. when they start drilling let alone the impact of people living nearby. The company drilled one well last week and the noise was impossible for some of the neighbors. This company has already drilled over 500 wells in this area. It is my understanding that they have capped none of these wells which is irresponsible.

There simply is not enough information on the effects on area surrounding this area to be drilling these wells. Please deny this permit.

George and Gina Lesley

500 Canal Street
Newport Beach, CA 92663
949-533-7075 cell
949-646-9169 home

From: [Kimberly Jameson](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Deny CDP permit No. 9-15-1649
Date: Sunday, July 17, 2016 2:40:15 PM

Please deny CDP permit No. 9-15-2649.

The City of Newport Beach has turned a deaf ear to appropriate public criticism and disapproval of the Banning Ranch Project, and denied requests for proper scientific study before project initiation.

As noted in the EQAC citizens advisory committee comments made on the NBR project EIR, the NBR developers who want to build residences on Banning Ranch apparently have *not* done a serious scientific study of the human health impacts of radiation hazards (called TENORM) and the other hazardous wastes that have been created by the long term Banning Ranch oilfield operations? (Even though there's much scientific evidence suggesting living on land with hazardous emissions and high levels of ambient radiation is very bad for health in both short and long term.)

It's the same conglomerate (https://en.m.wikipedia.org/wiki/Aera_Energy) that was financially very successful when they built homes on a similar property in Yorba Linda, called Vista Del Verde.

I wonder if there's any discussion of autoimmune disease on the Nextdoor Network for Vista Del Verde (<https://nextdoor.com/neighborhood/vistadelverdehomeowners--yorba-linda--ca/>) or if any of the children who attend the school built on that decommissioned oil field site have developed leukemia? Perhaps someone should inquire.

Do not support the dangerous proposal to develop NBR.
To do so under appropriate consideration of public safety would require complete excavation of the site, and thereby total coastal habitat destruction, and even then the site may not be appropriate for long term residency.

Please use your resources to follow up on these hazards and to examine the impracticality of the NBR development plan.

Thank you,
Kimberly Jameson

Kimberly A. Jameson, PhD
Institute for Mathematical Behavioral Sciences, UC Irvine

www.imbs.uci.edu/~kjameson/kjameson.html

From: [Kathy White](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Subject: CDP permit 9-15-1649
Date: Sunday, July 17, 2016 1:58:36 PM

Please consider denying this permit to move oil drilling in our Newport Shores neighborhood.

There are so many negative things about this that I cannot not even express them in an email. I'm so angry! I've lived here for 31 years and we have continued to be the area that has to fight to protect our waterways.

The 60-100 rigs proposed will be extremely close to the canal that runs around our housing track. I can't believe that pollutants from the rigs won't endanger the fish and other wildlife that surrounds us.

Please please don't allow this to happen - please

Kathy White
62nd st
Newport Beach(Shores)

From: [heidi jo bean](#)
To: [Teufel, Cassidy@Coastal](#)
Subject: PLEASE
Date: Sunday, July 17, 2016 11:11:13 AM

Please DENY CDP permit No. 9-15-1649 which allows for oil wells at Banning Ranch.

Thank you.

Heidi Jo Bean

h.bean@att.net

100 Scholz Plaza, Unit 110

Newport Beach, CA. 92663

949-642-5457

From: [Linda Seaborn](#)
To: Teufel, Cassidy@Coastal
Subject: CDP permit No. 9-15-1649
Date: Sunday, July 17, 2016 10:56:12 AM

Please deny this permit request. This drilling is on the known Newport Inglewood Earthquake Fault and is extremely dangerous and reckless.
Thank you , Linda Seaborn

Sent from my iPad

From: aivan879@gmail.com on behalf of [Aivan N](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Comment on CDP no 9-15-1649
Date: Sunday, July 17, 2016 10:52:13 AM

Hi I would like to recommend denial of coastal development of Banning Ranch (Permit No 5-15-2097) and denial of CDP No 9-15-1649.

Please uphold the Coastal Act and protect ESHA.

Thank you for your time and consideration.

From: [Patrick Osullivan](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please DENY Banning Ranch CDP No.9-15-1649
Date: Saturday, May 28, 2016 3:33:22 PM

Dear Ms. Teufel,

I am writing to recommend DENIAL of CDP No.9-15-1649 in regard to a permit to drill 80+ new oil wells and adding a new oil and gas processing facility on Banning Ranch. Banning Ranch is a unique precious coastal space that must be preserved.

Please vote to DENY Banning Ranch CDP No.9-15-1649.

Sincerely,

Patrick O'Sullivan
Huntington Beach, CA

Phone: 714.240.8084

From: [Nova Wheeler](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP No. 9-15-1649
Date: Thursday, May 26, 2016 5:50:53 PM

To Whom it May Concern,

I have been told that I may request to be added to the mailing list for Coastal Development Permit No. 9-15-1649. I would like to recommend denial of this CDP as I am against more oil being withdrawn from under the Banning Ranch! My hopes are for a public open space with no development. However, if the NBR developers are granted the right to build residential homes on this property I fear for the life of those on the Banning Ranch in case of an earthquake. I have worked at the border of this property for over 40 years and have experienced the fumes of oil well production. This is NOT a safe environment to raise children.

Thank you for your time and co-operation.

Nova Wheeler

Novawheeler@earthlink.net

From: [Pam Brennan](#)
To: Teufel, Cassidy@Coastal
Subject: 15 wells in Banning Ranch development project
Date: Friday, May 06, 2016 12:44:54 PM

Hi Cassidy,

I'm trying to determine the nature of proposed oil production planned for Banning Ranch. Will those wells be open to possibility of frac'ing in the future?

Pam Brennan
Newport Beach

From: dave@earsi.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Application No. 9-15-1649 Banning Ranch oil and gas extraction
Date: Wednesday, May 04, 2016 5:45:31 PM

Hi Cassidy,

- Please add me to the notification list for this project.
- Please provide the California Coastal Commission deemed complete Coastal Development Permit application along with all project related analysis to provide a baseline for myself and other members of the public to fully understand the project, the environmental baseline and anticipated effects on the environment. I am requesting this information to allow myself and other members of the public the opportunity to provide meaningful comments to the California Coastal Commission prior to its action on this Coastal Development Permit application.
- What is the anticipated California Coastal Commission timeline to process this application?
- When will the public have the opportunity to provide comments to the California Coastal Commission? Please include any deadlines comments must be received by.

Thank you,
Dave

Dave Tanner
223 62nd Street
Newport Beach, CA 92663
949 646-8958 home
949 233-0895 cell

Teufel, Cassidy@Coastal

From: dave@earsi.com
Sent: Wednesday, May 04, 2016 5:45 PM
To: Teufel, Cassidy@Coastal
Subject: Application No. 9-15-1649 Banning Ranch oil and gas extraction

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Cassidy,

- Please add me to the notification list for this project.
- Please provide the California Coastal Commission deemed complete Coastal Development Permit application along with all project related analysis to provide a baseline for myself and other members of the public to fully understand the project, the environmental baseline and anticipated effects on the environment. I am requesting this information to allow myself and other members of the public the opportunity to provide meaningful comments to the California Coastal Commission prior to its action on this Coastal Development Permit application.
- What is the anticipated California Coastal Commission timeline to process this application?
- When will the public have the opportunity to provide comments to the California Coastal Commission? Please include any deadlines comments must be received by.

Thank you,
Dave

Dave Tanner
223 62nd Street
Newport Beach, CA 92663
949 646-8958 home
949 233-0895 cell

Teufel, Cassidy@Coastal

From: Pam Brennan <pam@beachmailing.com>
Sent: Friday, May 06, 2016 12:45 PM
To: Teufel, Cassidy@Coastal
Subject: 15 wells in Banning Ranch development project

Hi Cassidy,

I'm trying to determine the nature of proposed oil production planned for Banning Ranch. Will those wells be open to possibility of frac'ing in the future?

Pam Brennan
Newport Beach

Teufel, Cassidy@Coastal

From: Nova Wheeler <novawheeler@earthlink.net>
Sent: Thursday, May 26, 2016 5:51 PM
To: Teufel, Cassidy@Coastal
Subject: CDP No. 9-15-1649

To Whom it May Concern,

I have been told that I may request to be added to the mailing list for Coastal Development Permit No. 9-15-1649. I would like to recommend denial of this CDP as I am against more oil being withdrawn from under the Banning Ranch! My hopes are for a public open space with no development. However, if the NBR developers are granted the right to build residential homes on this property I fear for the life of those on the Banning Ranch in case of an earthquake. I have worked at the border of this property for over 40 years and have experienced the fumes of oil well production. This is NOT a safe environment to raise children.

Thank you for your time and co-operation.

Nova Wheeler

Novawheeler@earthlink.net

Teufel, Cassidy@Coastal

From: Ed Van den Bossche <edvanforte@roadrunner.com>
Sent: Thursday, November 10, 2016 12:39 PM
To: Teufel, Cassidy@Coastal
Subject: I oppose CDP 9-15-1649

Greetings:

I wish to register my objections and to ask you to put me on the mailing list regarding this application.

Here are some reasons why I am opposed:

REASON 1) The CDP is the wrong process to try and get permission for development over a 10 year, 20 year and even longer. A land use plan through the LCP process is the correct process. This would also prevent piecemealing of the Banning Ranch, which the two CDP's submitted do. *[This CDP does not allow the opportunity for community feedback using the Coastal Commission if there are concerns about air quality, noise, water quality, clean up, ESHA and Coastal Act related concerns - normally a CDP for this type of operation would be for 10 wells over a 2 year period and then another CDP for 10 wells would be submitted to the Coastal Commission and the community would be able to use their experience with the prior CDP to comment on the next CDP, A Land Use Plan allows for longer periods between reviews because the public has more extensive reviews prior to certification. The CDP has so little opportunity for public review that it should not be granted for longer than 2 years, so the public can offer review and feedback on the next CDP.]*

REASON 2) This CDP plans to be applied to North ORA, a common easement road and South ORA and the CD is only being applied to a subset of parcels of land that have no Coastal Commission designation - the CDP should be applied evenly across the entire parcel or parcels that include the North ORA, the common easement road and South ORA - the CDP should also include the surface right owners are applicants, since the surface rights owners are responsible for the land. (NOTE: Is it true that there are only four parcels of land that make up all of Banning Ranch? – how many parcels will this cross and if this touches any parcel would the permission not set a precedent for the entire parcel? – i.e. approve a 50ft buffer from ESHA on 12 acres within a 100 acre parcel and now the 50 ft ESHA buffer is valid for all 100 acres))

REASON 3) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should be determined by at least 100 ft buffer to any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016. North ORA and South ORA were defined in the 2010 Newport Beach City Charter Update as areas where oil operations will be allowed. The City of Newport Beach had a prohibition on oil and gas operations within city limits. This political decision did not include Coastal Act limitations on ESHA or buffers on ESHA from Gnatcatcher and other adjacent habitats.

REASON 4) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should also be determined by at a fire moderation area

of 50 ft that does not include any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016.

REASON 5) This CDP does not adequately address protecting the USACE Wetlands Restoration project and the Semenuik Slough from accidental spills or accidents related to the new oil and gas processing equipment and does not protect the USACE wetlands from industrial light pollution in an adequate way. In addition to new protections from spills (barriers around oil production areas) there should be a 100 ft setback from the edge of the wetlands which are ESHA and the feeding range of the Least Tern and other protected species.

REASON 6) This CDP has no related EIR nor other documentation to support the claims that the consolidation of oil and gas operations in this North ORA and South ORA will improve air quality and water quality

REASON 7) There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North. “Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant.” - CCC staff report (5-15-2097) for proposed NBR project. When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA. “Southern tarplant (*Centromedia parryi* ssp. *australis*) is a California Native Plant Society “1b.1” species³. CNPS “1b” species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act.” From: California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon, 12/19/06 A cluster of 120 southern tarplants is situated on the proposed project boundary and vicinity of the rectangular north-western extension of ORA-North

Sincerely,

Ed Van den Bossche
121 40th Street
Newport Beach, Ca 92663

Teufel, Cassidy@Coastal

From: Patrick Osullivan <patrick.osullivan@gmx.com>
Sent: Saturday, May 28, 2016 3:33 PM
To: Teufel, Cassidy@Coastal
Subject: Please DENY Banning Ranch CDP No.9-15-1649

Dear Ms. Teufel,

I am writing to recommend DENIAL of CDP No.9-15-1649 in regard to a permit to drill 80+ new oil wells and adding a new oil and gas processing facility on Banning Ranch. Banning Ranch is a unique precious coastal space that must be preserved.

Please vote to DENY Banning Ranch CDP No.9-15-1649.

Sincerely,

Patrick O'Sullivan
Huntington Beach, CA

Phone: 714.240.8084

From: [kent morris](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Sunday, November 06, 2016 9:50:23 PM

No more gas/oil operations on Banning Ranch!!!

From: [Flossie Horgan](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: CDP 9-15-1649 Banning Ranch
Date: Wednesday, October 05, 2016 8:38:40 AM

October 5, 2016

Dear Ms. Teufel

Please reschedule the upcoming hearing on CDP 9-15-1649 . This hearing will deal with a proposal to drill 82 new oil wells on Banning Ranch. For that reason, the hearing must be held closer to Orange County. Please consider rescheduling the hearing to February 2017.

--

Flossie Horgan
207 21st Street
Huntington Beach, CA 92648

From: [Patricia Rudner](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 7:02:01 AM

I am opposed to new oil wells at the Banning Ranch. This is an ecological sensitive area and should not be subjected to the danger of contamination. Also there is no need to drill for more oil and endanger our planet with more pollution. Investments in future energy need to be in renewables. Thank you.
Patricia Rudner.

Sent from my iPad

From: [Meridee Thompson](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 7:19:41 AM

Hello Cassidy,

My name is Meridee Thompson and I am very concerned about a project near and dear to where I have lived all of my life. It is the Banning Ranch property near the West end of Newport Beach. It is a coastal area and has been used for small oil production ever since I can remember. I also can't remember any problems with it. However now there is an entity that wants to put in more oil wells, which in this day and age needs to be revisited. Also, I must point out that I am 64 years old and 60 years ago there was no concern for spills or other contamination of soils from oil as there is now.

There is already an oil glut.

This property was just lately turned down by the Coastal Commission as a giant buildout to include homes, hotels, shops etc. The local residents did not see how that much more traffic in our end of town was going to work. We have already been heavily hit by a consortium of city council members who basically gave developers the right to work outside existing building codes to put up very unpleasant looking shockingly dense 4 story projects, some backing traditional neighborhoods. Nice to have that in your backyard. Now we have that sort of thing up for a vote from the public should such atrocious buildings be considered again. They got by with about 9 projects within the city. People are pissed! Our neighborhood is located behind this newest Banning Ranch proposal, we will experience a dust kick up from this type of work and the soils there have not been "fumigated" for toxic petroleum based substances, in other words, we will breathe it.

The permit to enlarge the oil field feels like a vindictive move by the operatives who really wanted to build all over this area. I am sure rather than oil wells most people would choose the development. That is what they hope to inflame to their benefit by offering to go oil production instead.

We who are concerned about nature and it's future unknown benefits to man besides the beauty and serenity it provides are pushing for this area to remain as it is, a natural canyon that used to go to the sea, before it was bisected by PCH. I am sure you have heard all of the arguments and are quite informed about why we need to keep it for posterity. Our niche in this world is already very busy and lots of traffic, this stretch of land gives one a visual break from all the construction and development that runs rampant in our part of Orange County.

I respectfully submit my thoughts and reasons for them. I hope you will work with them.

Thank you,
Meridee Thompson

From: [dorothy.riley](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 8:17:16 AM

I am writing to oppose any new permits for new oil wells and oil/gas operations on Banning Ranch. Please help us to SAVE Banning Ranch as it is and protect our open land. We have very little open space left and we really don't need any more disturbances on these lands. Also we don't need any more traffic on PCH which would result from this land being built upon.

Thank you for your cooperation in this matter.

I remain,

Dorothy Riley, resident of Huntington Beach, Ca. 92646

From: [Nova Wheeler](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 8:24:35 AM

From: [Stacy Kline](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please Deny Coastal Development Permit No. 9-15-1649
Date: Monday, November 07, 2016 10:09:57 AM

I am writing this email to ask you to deny Coastal Development Permit No. 9-15-1649 to drill 82 new oil wells and construction of new oil and gas processing operations on two specific parts of Banning Ranch. My family has lived near Banning Ranch for most of our lives and want to see it protected, in its entirety in its natural state, with no development.

REASON 1) The CDP is the wrong process to try and get permission for development over a 10 year, 20 year and even longer. A land use plan through the LCP process is the correct process. This would also prevent piecemealing of the Banning Ranch, which the two CDP's submitted do. *[This CDP does not allow the opportunity for community feedback using the Coastal Commission if there are concerns about air quality, noise, water quality, clean up, ESHA and Coastal Act related concerns - normally a CDP for this type of operation would be for 10 wells over a 2 year period and then another CDP for 10 wells would be submitted to the Coastal Commission and the community would be able to use their experience with the prior CDP to comment on the next CDP, A Land Use Plan allows for longer periods between reviews because the public has more extensive reviews prior to certification. The CDP has so little opportunity for public review that it should not be granted for longer than 2 years, so the public can offer review and feedback on the next CDP.]*

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REASON 5) This CDP does not adequately address protecting the USACE Wetlands Restoration project and the Semenuik Slough from accidental spills or accidents related to the new oil and gas processing equipment and does not protect the USACE wetlands from industrial light pollution in an adequate way. In addition to new protections from spills (barriers around oil production areas) there should be a 100 ft setback from the edge of the wetlands which are ESHA and the feeding range of the Least Tern and other protected species.

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REASON 7) There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North. "Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant." - CCC staff report (5-15-2097) for proposed NBR project. When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA. "Southern tarplant (*Centromedia parryi* ssp. *australis*) is a California Native Plant Society "1b.1" species³. CNPS "1b" species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act." From:

California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon,
12/19/06 A cluster of 120 southern tarplants is situated on the proposed project
boundary and vicinity of the rectangular north-western extension of ORA-North

Thank you,

Stacy Kline

From: valcarson@yahoo.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 10:28:43 AM

Please deny any new oil wells on Banning Ranch. The grounds there are already so contaminated. Probably the pollution is leaching into the ocean & ground water. The beaches off the coast of Banning Ranch need a break. They need to clean up their act and our environment. The land needs to purge itself. It will take hundreds of years before that land is able to return to its natural beauty. It is the last of our open space along the coast. Please protect it for future generations. Thank you- Val Carson

Sent from my iPhone

From: [KIRK NASON](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: RE: Oppose CDP No. 9-15-1649
Date: Friday, November 18, 2016 12:47:33 PM

With the latest oil refinery issues in Torrance, we can't allow oil related activities in neighborhoods any longer

We don't want new oil wells and Fracking in Orange County. We have suffered the consequences of BigOil for too long and the likes of Chevron and ExxonMobil have no concern for humans or wildlife.
Ban any new requests for oil permits

Regards,

Kirk J. Nason
714 321-7298
Excuse brevity & typos

From: [m.kong](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Wednesday, November 16, 2016 11:29:18 PM

The oil companies threaten our drinking water and our beautiful coast. They will use fracking fluid to break loose the oil and what about the waste water with all it's toxic chemicals not to mention the earthquakes fracking causes. A road running right thru the ESHA, bending the rules again. All around bad idea. Why do we even consider it?

From: [Kevin, Nature Commission](#)
To: [Teufel, Cassidy@Coastal](#)
Cc: [Engel, Jenna@Coastal](#); [Willis, Andrew@Coastal](#); [Schwing, Karl@Coastal](#); [Dobson, Amber@Coastal](#)
Subject: Nature Commission comment on Horizontal Drilling CDP
Date: Wednesday, November 16, 2016 10:12:42 AM
Attachments: [Comment on Horizontal Drilling CDP No. 9-15-1649.pdf](#)

Coastal Commission Staff,

Please accept the attached comment into the record on the hearing for the Horizontal Drilling permit application at Banning Ranch, to be heard at your next meeting.

thank you,

Kevin Nelson
Nature Commission
949-939-9372
Kevin@NatureCommission.org
<http://naturecommission.org>

From: [Lin](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Tuesday, November 15, 2016 12:47:46 PM

Hi Cassidy,

Please don't allow companies to develop oil wells to deplete the land of California's natural resources.

Thanks,
Swee Yao

Sent from my iPhone

From: [Devon Mitchell](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please Oppose CDP No. 9-15-1649 (Local Resident's Plea for the CCC to oppose Permit)
Date: Tuesday, November 15, 2016 11:36:39 AM

I would like to voice my strong opposition to the Coastal Commission regarding the approval of the CDP 9-15-1649 Permit to drill 82 new oil wells and construct a new oil and gas processing operation on Banning Ranch.

I have been a resident of the neighboring community for 22 years and grew up dreaming of the day that the Banning Ranch land would be cleaned up and converted into a park--connecting two of my favorite spots in Southern OC, the Newport River Jettie and Fairview Park. The CCC should not allow any more drilling on that land due to the irresponsible contamination of that space in the past, and the unwillingness of the drilling company to clean up the mess they've made. The CCC should uphold the CA Coastal Act and preserve this piece of land as a natural space that can eventually be converted to a protected area that the local communities and natural habitat can thrive in.

Please take my request into consideration.

Thank you for your time.

Sincerely,
Devon Mitchell
974 Trabuco Circle
Costa Mesa, CA 92627

From: [thillspool](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649 (Local Resident's Plea for the CCC to oppose Permit)
Date: Tuesday, November 15, 2016 10:24:41 AM

Good morning,

This letter is to voice my staunch opposition to the Coastal Commission regarding the approval of the CDP 9-15-1649 Permit to drill 82 new oil wells and construct a new oil and gas processing operation on Banning Ranch.

I am a resident of Huntington Beach for 25 years now. I live in a neighboring community of the Banning Ranch land. My children have enjoyed nature and the beauty of Fairview Park and we have enjoyed riding our bikes along the river jetty. I have longed for the day that this area would be cleaned up and converted into a park--connecting two of my favorite spots in Southern OC, the Newport River Jetty and Fairview Park. Please do not allow the CCC to do more drilling on that land which has led to the thoughtless pollution of that area. The drilling company has been unwilling to clean up any of the mess they have made. The CCC should uphold the CA Coastal Act. This precious piece of land should be preserved as a natural space that can be transformed to a protected area that all can enjoy and nature can be restored in. There is so few places anymore where children and adults can go to see the wonders of nature of this beautiful planet of ours. It is being overrun with concrete buildings just for profit.

For your consideration... I appreciate your time.

Respectfully,

Andrea Hickman
Huntington Beach resident

From: [Brittany Falzone](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649 (Local Resident's Plea for the CCC to oppose Permit)
Date: Monday, November 14, 2016 4:49:23 PM

I would like to voice my strong opposition to the Coastal Commission regarding the approval of the CDP 9-15-1649 Permit to drill 82 new oil wells and construct a new oil and gas processing operation on Banning Ranch.

I have been a resident of the neighboring community for 30 years and grew up dreaming of the day that the Banning Ranch land would be cleaned up and converted into a park--connecting two of my favorite spots in Southern OC, the Newport River Jettie and Fairview Park. The CCC should not allow any more drilling on that land due to the irresponsible contamination of that space in the past, and the unwillingness of the drilling company to clean up the mess they've made. The CCC should uphold the CA Coastal Act and preserve this piece of land as a natural space that can eventually be converted to a protected area that the local communities and natural habitat can thrive in.

Please take my request into consideration.

Thank you for your time.

Sincerely,
Brittany Falzone
8682 Frazer River Circle
Fountain Valley, CA 92708

From: [J L](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please Consider Opposing CDP No. 9-15-1649 - Thank You!
Date: Monday, November 14, 2016 4:06:40 PM

Hi Cassidy - I'm writing this quick e-mail to you about Coastal Development Permit No. 9-15-1649 and it's proposal to drill 82 new oil wells and construction of new oil and gas processing operations on two specific parts of Banning Ranch. Please consider opposing this plan as it has no documentation to support claims the consolidation of the oil and gas operations will improve air quality. As a homeowner that lives adjacent to the area I am very concerned about the proposal. Thank you for the consideration.

John

From: [Ashley Dos Santos](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649 (Local Resident's Plea for the CCC to oppose Permit)
Date: Monday, November 14, 2016 3:45:52 PM

I would like to voice my strong opposition to the Coastal Commission regarding the approval of the CDP 9-15-1649 Permit to drill 82 new oil wells and construct a new oil and gas processing operation on Banning Ranch.

I have been a resident of the neighboring community for 30 years and grew up dreaming of the day that the Banning Ranch land would be cleaned up and converted into a park--connecting two of my favorite spots in Southern OC, the Newport River Jettie and Fairview Park. The CCC should not allow any more drilling on that land due to the irresponsible contamination of that space in the past, and the unwillingness of the drilling company to clean up the mess they've made. The CCC should uphold the CA Coastal Act and preserve this piece of land as a natural space that can eventually be converted to a protected area that the local communities and natural habitat can thrive in.

Please take my request into consideration.

Thank you for your time.

Sincerely,

Ashley Dos Santos
21772 Seaside Lane,
Huntington Beach, CA 92646

From: [David Isaacs](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 14, 2016 2:55:32 PM

The last thing I want in my neighborhood is new and more oil and gas wells. Enough. That's why I put solar panels on my roof! Leave Banning Ranch alone. In fact lets see it go back to nature!

Sincerely,

David G. Isaacs
DGI Management, Inc.
18195 McDurmott East
Suite G
Irvine, CA 92614
949.757.0341
david@dgimgmt.com

From: [KIRK NASON](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 14, 2016 1:54:28 PM

We don't want new oil wells and Fracking in Orange County. We have suffered the consequences of BigOil for too long and the likes of Chevron and ExxonMobil have no concern for humans or wildlife. Ban all new requests for oil permits

Regards,

Kirk J. Nason
714 321-7298
Excuse brevity & typos

From: blush1996@aol.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel,Cassidy@Coastal)
Cc: [Ainsworth, John@Coastal](mailto:Ainsworth,John@Coastal); [Johnsson, Mark@Coastal](mailto:Johnsson,Mark@Coastal); terrymwelsh@hotmail.com; steve.banning@hotmail.com
Subject: BRC comments on HDLLC CDP Application No. 9-15-1649
Date: Monday, November 14, 2016 9:12:09 AM
Attachments: [11-14-16 CCC Comment Letter on HDLLC CDP application.docx](#)

Hi Cassidy,

Attached please find the BRC's comment letter on the HDLLC CDP application. Thanks again for your time during our recent discussion.

Please let me know if you have any questions about the submission or would like further information.

All best,

Suzanne Forster, Vice President
Banning Ranch Conservancy

From: [George Watland](#)
To: [Engel, Jenna@Coastal](#); [Teufel, Cassidy@Coastal](#)
Subject: Application No. 9-15-1649 (HD LLC, Newport Beach) – OPPOSITION
Date: Friday, November 11, 2016 12:38:52 PM
Attachments: [Application No. 9-15-1649 - HD LLC, Newport Beach - Sierra Club 20161110.pdf](#)

To the California Coastal Commission (CCC):

Founded by legendary conservationist John Muir in 1892, the Sierra Club is now the nation's largest and most influential grassroots environmental organization -- with more than two million members and supporters.

The Sierra Club Banning Ranch Park and Preserve Task Force was founded in 1999 as part of the Angeles Chapter of the Sierra Club, with the mission of preserving the entire Banning Ranch as open space.

The letter attached concerns the rectangular north-western extension of Oil Remainder Area-North (ORA-North).

Thank you for your attention to this matter.

Sincerely,

George Watland

Sr. Chapter Director
213-387-4287 x 210
george.watland@sierraclub.org

Sierra Club Angeles Chapter
3435 Wilshire Blvd. Suite 660
Los Angeles, CA 90010-1904
angeles.sierraclub.org

From: [Bonnie](#)
To: Teufel_Cassidy@Coastal
Subject: CDP No. 9-15-1649
Date: Friday, November 11, 2016 9:06:12 AM

The Westside Coalition

November 10, 2016

To: Cassidy Teufel , California Coastal Commission

We represent the Costa Mesa Westside Coalition, a grassroots organization made up of individual homeowners and tenants from the neighborhoods surrounding Banning Ranch. We believe that CDP No. 9-15-1649 violates Section 3001 (b), (c) and (d) of the Coastal Act; and that the potential damage to public safety, health, welfare, public and private property, wildlife, marine fisheries, other ocean resources, and the natural environment from moving, re-drilling and drilling, and operating wells on this site far outweigh any benefits from this proposal.

1. We are extremely concerned by USGS recent findings that oil drilling may have triggered several Southern California earthquakes in the past. This, combined with recent earthquakes in Oklahoma and other active drilling areas, and the fact that concrete details on how these wells will be drilled and managed are not available for public evaluation and comment makes moving and operating wells so close to the Newport Inglewood, Newport Mesa and West Mesa faults a very scary proposition. We believe that no one, at this point, knows enough to allay our concerns about the effects that drilling, extraction and potential disposal might have on these known faults. The risk may be low, but if an earthquake is triggered or enhanced as a result of moving or operating the wells the results will be cataclysmic to the neighborhoods near NBR and, potentially, the citizens and economy of Southern California.
 2. We would like to see Banning Ranch, in its entirety, returned to a state as close to “natural” as possible, i.e., to what it was before the oil companies ruined it. That is the legal responsibility of the businesses that profited from Banning Ranch’s resources in the past and those that hope to profit in the present and future. We believe it is the legal and moral responsibility of these companies and their successor owners/managers to pay for cleaning up the land they despoiled regardless of whether this CDP or development is permitted. We could not find that in the Coastal Act, but it is clearly in CERCLA and other laws. We believe it is the Commissions responsibility to protect the Coastline by upholding these laws with the Coastal Act and denying this application.
 3. Banning Ranch is integral to our Coastal ecosystem. We believe the highest and best use of this land would be to restore it, join it with adjacent and nearby lands, and dedicate it to public use and we encourage you to consider this alternative.
- For these reasons, we urge the Coastal Commission NOT to approve CDP No. 9-15-1649.

Thank you for all that you do,

Bonnie Copeland, Sandie Frankiewicz, Michelle Simpson
The Costa Mesa Westside Coalition



This email has been checked for viruses by Avast antivirus software.
www.avast.com

From: [Ed Van den Bossche](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: I oppose CDP 9-15-1649
Date: Thursday, November 10, 2016 12:39:26 PM

Greetings:

I wish to register my objections and to ask you to put me on the mailing list regarding this application.

Here are some reasons why I am opposed:

REASON 1) The CDP is the wrong process to try and get permission for development over a 10 year, 20 year and even longer. A land use plan through the LCP process is the correct process. This would also prevent piecemealing of the Banning Ranch, which the two CDP's submitted do. *[This CDP does not allow the opportunity for community feedback using the Coastal Commission if there are concerns about air quality, noise, water quality, clean up, ESHA and Coastal Act related concerns - normally a CDP for this type of operation would be for 10 wells over a 2 year period and then another CDP for 10 wells would be submitted to the Coastal Commission and the community would be able to use their experience with the prior CDP to comment on the next CDP, A Land Use Plan allows for longer periods between reviews because the public has more extensive reviews prior to certification. The CDP has so little opportunity for public review that it should not be granted for longer than 2 years, so the public can offer review and feedback on the next CDP.]*

REASON 2) This CDP plans to be applied to North ORA, a common easement road and South ORA and the CD is only being applied to a subset of parcels of land that have no Coastal Commission designation - the CDP should be applied evenly across the entire parcel or parcels that include the North ORA, the common easement road and South ORA - the CDP should also include the surface right owners are applicants, since the surface rights owners are responsible for the land. (NOTE: Is it true that there are only four parcels of land that make up all of Banning Ranch? – how many parcels will this cross and if this touches any parcel would the permission not set a precedent for the entire parcel? – i.e. approve a 50ft buffer from ESHA on 12 acres within a 100 acre parcel and now the 50 ft ESHA buffer is valid for all 100 acres))

REASON 3) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should be determined by at least 100 ft buffer to any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016. North ORA and South ORA were defined in the 2010 Newport Beach City Charter Update as areas where oil operations will be allowed. The City of Newport Beach had a prohibition on oil and gas operations within city limits. This

political decision did not include Coastal Act limitations on ESHA or buffers on ESHA from Gnatcatcher and other adjacent habitats.

REASON 4) This CDP should not accept the political boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should also be determined by a fire moderation area of 50 ft that does not include any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016.

REASON 5) This CDP does not adequately address protecting the USACE Wetlands Restoration project and the Semenuik Slough from accidental spills or accidents related to the new oil and gas processing equipment and does not protect the USACE wetlands from industrial light pollution in an adequate way. In addition to new protections from spills (barriers around oil production areas) there should be a 100 ft setback from the edge of the wetlands which are ESHA and the feeding range of the Least Tern and other protected species.

REASON 6) This CDP has no related EIR nor other documentation to support the claims that the consolidation of oil and gas operations in this North ORA and South ORA will improve air quality and water quality

REASON 7) There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North. "Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant." - CCC staff report (5-15-2097) for proposed NBR project. When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA. "Southern tarplant (*Centromedia parryi* ssp. *australis*) is a California Native Plant Society "1b.1" species³. CNPS "1b" species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act." From: California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon, 12/19/06 A cluster of 120 southern tarplants is situated on the proposed project boundary and vicinity of the rectangular north-western extension of ORA-North

Sincerely,

Ed Van den Bossche
121 40th Street
Newport Beach, Ca 92663

From: [Molly](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Tuesday, November 08, 2016 12:54:37 PM

Please stop the drilling they have done enough, and they DO NOT clean up after themselves

thank you
molly wiehardt@sbcglobal.net

From: valcarson@yahoo.com
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 10:28:43 AM

Please deny any new oil wells on Banning Ranch. The grounds there are already so contaminated. Probably the pollution is leaching into the ocean & ground water. The beaches off the coast of Banning Ranch need a break. They need to clean up their act and our environment. The land needs to purge itself. It will take hundreds of years before that land is able to return to its natural beauty. It is the last of our open space along the coast. Please protect it for future generations. Thank you- Val Carson

Sent from my iPhone

From: [Stacy Kline](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Please Deny Coastal Development Permit No. 9-15-1649
Date: Monday, November 07, 2016 10:09:57 AM

I am writing this email to ask you to deny Coastal Development Permit No. 9-15-1649 to drill 82 new oil wells and construction of new oil and gas processing operations on two specific parts of Banning Ranch. My family has lived near Banning Ranch for most of our lives and want to see it protected, in its entirety in its natural state, with no development.

REASON 1) The CDP is the wrong process to try and get permission for development over a 10 year, 20 year and even longer. A land use plan through the LCP process is the correct process. This would also prevent piecemealing of the Banning Ranch, which the two CDP's submitted do. *[This CDP does not allow the opportunity for community feedback using the Coastal Commission if there are concerns about air quality, noise, water quality, clean up, ESHA and Coastal Act related concerns - normally a CDP for this type of operation would be for 10 wells over a 2 year period and then another CDP for 10 wells would be submitted to the Coastal Commission and the community would be able to use their experience with the prior CDP to comment on the next CDP, A Land Use Plan allows for longer periods between reviews because the public has more extensive reviews prior to certification. The CDP has so little opportunity for public review that it should not be granted for longer than 2 years, so the public can offer review and feedback on the next CDP.]*

REASON 2) This CDP plans to be applied to North ORA, a common easement road and South ORA and the CD is only being applied to a subset of parcels of land that have no Coastal Commission designation - the CDP should be applied evenly across the entire parcel or parcels that include the North ORA, the common easement road and South ORA - the CDP should also include the surface right owners are applicants, since the surface rights owners are responsible for the land. (NOTE: Is it true that there are only four parcels of land that make up all of Banning Ranch? – how many parcels will this cross and if this touches any parcel would the permission not set a precedent for the entire parcel? – i.e. approve a 50ft buffer from ESHA on 12 acres within a 100 acre parcel and now the 50 ft ESHA buffer is valid for all 100 acres))

REASON 3) This CDP should not accept the political boundaries set by the

Newport City Charter update of 2010 as the project boundaries - the project boundaries should be determined by at least 100 ft buffer to any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016. North ORA and South ORA were defined in the 2010 Newport Beach City Charter Update as areas where oil operations will be allowed. The City of Newport Beach had a prohibition on oil and gas operations within city limits. This political decision did not include Coastal Act limitations on ESHA or buffers on ESHA from Gnatcatcher and other adjacent habitats.

REASON 4) This CDP should not accept the polirical boundaries set by the Newport City Charter update of 2010 as the project boundaries - the project boundaries should also be determined by at a fire moderation area of 50 ft that does not include any ESHA identified in the Coastal Commission Staff Biologist report of October 2015 and its update in September 2016.

REASON 5) This CDP does not adequately address protecting the USACE Wetlands Restoration project and the Semenuik Slough from accidental spills or accidents related to the new oil and gas processing equipment and does not protect the USACE wetlands from industrial light pollution in an adequate way. In addition to new protections from spills (barriers around oil production areas) there should be a 100 ft setback from the edge of the wetlands which are ESHA and the feeding range of the Least Tern and other protected species.

REASON 6) This CDP has no related EIR nor other documentation to support the claims that the consolidation of oil and gas operations in this North ORA and South ORA will improve air quality and water quality

REASON 7) There is a significant occurrence of southern tarplant (*Centromedia parryi* ssp. *australis*) in the rectangular north-western extension of ORA-North. "Additionally, the Lowland supports special status plants, including substantial populations of southern tarplant." - CCC staff report (5-15-2097) for proposed NBR project. When significant occurrences of southern tarplant are present (as opposed to rare scattered individual plants) the Coastal Commission has traditionally made a declaration of ESHA. "Southern tarplant (*Centromedia parryi* ssp. *australis*) is a California Native Plant Society "1b.1" species³. CNPS "1b" species are eligible for listing under the California Endangered Species Act and significant occurrences of such rare species meet the definition of ESHA under the Coastal Act." From:

California Gnatcatchers and Southern Tarplant at Parkside, by Dr. John Dixon,
12/19/06 A cluster of 120 southern tarplants is situated on the proposed project
boundary and vicinity of the rectangular north-western extension of ORA-North

Thank you,

Stacy Kline

From: [Nova Wheeler](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 8:24:35 AM

From: [dorothy.riley](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 8:17:16 AM

I am writing to oppose any new permits for new oil wells and oil/gas operations on Banning Ranch. Please help us to SAVE Banning Ranch as it is and protect our open land. We have very little open space left and we really don't need any more disturbances on these lands. Also we don't need any more traffic on PCH which would result from this land being built upon.

Thank you for your cooperation in this matter.

I remain,

Dorothy Riley, resident of Huntington Beach, Ca. 92646

From: [Meridee Thompson](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 7:19:41 AM

Hello Cassidy,

My name is Meridee Thompson and I am very concerned about a project near and dear to where I have lived all of my life. It is the Banning Ranch property near the West end of Newport Beach. It is a coastal area and has been used for small oil production ever since I can remember. I also can't remember any problems with it. However now there is an entity that wants to put in more oil wells, which in this day and age needs to be revisited. Also, I must point out that I am 64 years old and 60 years ago there was no concern for spills or other contamination of soils from oil as there is now.

There is already an oil glut.

This property was just lately turned down by the Coastal Commission as a giant buildout to include homes, hotels, shops etc. The local residents did not see how that much more traffic in our end of town was going to work. We have already been heavily hit by a consortium of city council members who basically gave developers the right to work outside existing building codes to put up very unpleasant looking shockingly dense 4 story projects, some backing traditional neighborhoods. Nice to have that in your backyard. Now we have that sort of thing up for a vote from the public should such atrocious buildings be considered again. They got by with about 9 projects within the city. People are pissed! Our neighborhood is located behind this newest Banning Ranch proposal, we will experience a dust kick up from this type of work and the soils there have not been "fumigated" for toxic petroleum based substances, in other words, we will breathe it.

The permit to enlarge the oil field feels like a vindictive move by the operatives who really wanted to build all over this area. I am sure rather than oil wells most people would choose the development. That is what they hope to inflame to their benefit by offering to go oil production instead.

We who are concerned about nature and it's future unknown benefits to man besides the beauty and serenity it provides are pushing for this area to remain as it is, a natural canyon that used to go to the sea, before it was bisected by PCH. I am sure you have heard all of the arguments and are quite informed about why we need to keep it for posterity. Our niche in this world is already very busy and lots of traffic, this stretch of land gives one a visual break from all the construction and development that runs rampant in our part of Orange County.

I respectfully submit my thoughts and reasons for them. I hope you will work with them.

Thank you,
Meridee Thompson

From: [Patricia Rudner](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Monday, November 07, 2016 7:02:01 AM

I am opposed to new oil wells at the Banning Ranch. This is an ecological sensitive area and should not be subjected to the danger of contamination. Also there is no need to drill for more oil and endanger our planet with more pollution. Investments in future energy need to be in renewables. Thank you.
Patricia Rudner.

Sent from my iPad

From: [kent morris](#)
To: [Teufel, Cassidy@Coastal](mailto:Teufel_Cassidy@Coastal)
Subject: Oppose CDP No. 9-15-1649
Date: Sunday, November 06, 2016 9:50:23 PM

No more gas/oil operations on Banning Ranch!!!

CORRESPONDENCE

(Postcards)

I ~~OPPOSED~~ BECAUSE A PROPER
ENVIRONMENTAL IMPACT REPORT
SHOULD BE COMPLETED FIRST

because a proper Environmental Impact
Report should be completed first.

/ oppose CDP 9-15-1649

please oppose CDP 9-15-1649 because
a proper Environmental Impact Report
should be completed first.

Don't Drill,
Chill, baby, chill

Dustin
Davis

Dearest Coastal Commission,

The application for drilling 82 new
oil wells is an abuse of the Coastal
Development Permit process. The
applicant is asking for more than 2
years worth ~~than~~ to avoid their
obligations to apply to the Coastal
Commission in the future.

Please Respect the Law,
Kyle Ryan

SANTA ANA CA 926

08 NOV 2015 PM 7

AnaheimCA, 92801

eMail:



CDP 9-15-1649 OPPOSE
NO NEW OIL WELLS ON BANNING RANCH

California Coastal Commission
c/o Cassidy Teufel, Sr Environmental Scientist
Energy, Ocean Resources & Federal Consistency
45 Fremont Street, Suite 2000
San Francisco, CA 94104-2219

05:22:100

No more oil wells!!

LKA

Please ensure the cleanup activities
are performed before even considering
the new oil wells proposed.

James Heumann

05 NOV 2015 PM 11

Please keep us natural and
do not install oil wells in Banning
Ranch.

Dear Mr. Tawfel,

Please consider what a rare and
unique open space we have in Banning
Ranch. We must protect this precious
resource for future generations. Please
do not allow oil wells to be put in
Banning Ranch.

Sincerely, Krista Dawkins
Krista Dawkins

— No New Oil Wells —

No more toxic fumes added
to our community.

No more Growth

OPPOSE

I Oppose drilling new oil wells
in a densely populated area
for only 300 - 500 barrels of
oil a day, not to mention the
transportation impact & impli-
cations to the environment.

no more oil tanks
transported.

PLEASE DO NOT DO ANYTHING
MORE TO BANNING RANCH. IT BELONGS
TO THE PLANTS AND ANIMALS.

NANCY

Dear Sir or Madam,

Please reconsider your choice
to make these changes that will
not only effect our wild life but
the beauty of our coast. This way our
children may see these beautiful
locations.

Thank you
Alicia D'Annunzio

Dear Mr. Teufel,

Please stop the
oil tanker trucks from
driving on Banning Road
Protect ESHA.

Thank you, 714-376-
Elizabeth Boelie 2680

No oil wells!

**EX PARTE
COMMUNICATION
DISCLOSURE FORMS**

FRIDAY 14 B

EX PARTE COMMUNICATION DISCLOSURE FORM

RECEIVED

DEC 06 2016

Filed by Commissioner: Roberto Uranga

- 1) Name or description of project: Application # 9-15-1649 (Horizontal Development, LLC)
- 2) Date and time of receipt of communication: November 30, 2016 at 12:00 pm
- 3) Location of communication: Long Beach, CA
(If not in person, include the means of communication, e.g., telephone, e-mail, etc.)
- 4) Identity of person(s) initiating communication:
Don Schmitz, Schmitz and Associates
- 5) Identity of person(s) on whose behalf communication was made:
Horizontal Drilling, LLC
- 6) Identity of persons(s) receiving communication:
Roberto Uranga
- 7) Identity of all person(s) present during the communication:
Roberto Uranga, Don Schmitz, Celina Luna

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

I met with Mr. Schmitz, representative for the project and received a briefing. Mr. Schmitz highlighted the project details and the oil remainder areas. He also went through each of the special conditions, including wetland protection buffers, mitigation, soil treatment, storm water runoff control and geotechnical recommendations.

05/06/16
Date

[Signature]
Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

RECEIVED

DEC 06 2016

FORM FOR DISCLOSURE
OF EX PARTE
COMMUNICATIONS

Date and time of communication: 11/29/16 ~~11/30/16~~ 11-11:35 AM

Location of communication: MARIN COUNTY CIVIC CENTER
(If communication was sent by mail or
facsimile, indicate the means of transmission.)

Identity of person(s) initiating communication: DON SCHMITZ

Identity of person(s) receiving communication: STEVE KINSEY

Name or description of project: HORIZONTAL DRILLING LLC
NEWPORT BANNING RANCH

Description of content of communication:

(If communication included written material, attach a copy of the complete text of the written material.) MR. SCHMITZ DESCRIBED THE PURPOSE OF THE PROJECT, WHICH IS TO CONSOLIDATE HUNDREDS OF WELLS ON THE PROPERTY INTO AN 11 AC. CENTRAL LOCATION & TO PROVIDE A PAVED ACCESS BASEMENT TO THE RELOCATED SITE. HE EXPRESSED CONCERN THAT OPPONENTS WOULD CRITICIZE THE SOLUTION FOR ITS INADEQUATE BUFFERS. HE ALSO STATED THAT STAFF WAS MOSTLY IN AGREEMENT WITH THE PROJECT BECAUSE IT WOULD CONSOLIDATE NUMEROUS WELLHEADS AND TRANSMISSION LINES THAT CURRENTLY EXIST. HE EXPRESSED A HOPE THAT

12/6/16
Date

SK Kinsey
Signature of Commissioner

HIS CLIENTS WOULD BE ABLE TO FULLY SUPPORT THE STAFF RECOMMENDATION FOLLOWING A MEETING PLANNED FOR LATER IN THE WEEK.

DISCLOSURE OF EX PARTE COMMUNICATIONS

Name or description of project:

Application No.: 9-15-1649

Applicant:

Horizontal Drilling LLC.

Banning Ranch Oilfield, Newport Beach

RECEIVED

NOV 28 2016

Date and time of receipt of communication:

November 28, 2016, 4:00 P.M.

Location of communication:

Phone call by Martha McClure in Crescent city at the request of Don Schmitz, applicant's representative

Type of communication:

Phone

Person(s) in attendance at time of communication:

Don Schmitz

Person(s) receiving communication:

Martha McClure

Detailed substantive description of the content of communication:

We reviewed the special conditions of the staff report. Overall the applicant's agent agreed with the staff report and stated that they were still working with staff to clarify required setbacks. I asked about special conditions 20 and 21 and was assured there was agreement with both. Overall the agent was satisfied with the report and gave accolades to staff for their knowledge and communication skills

Date: November 28, 2016

Signature of Commissioner: _____

EX PARTE COMMUNICATION DISCLOSURE FORM

Filed by Commissioner: Greg Cox

- 1) Name or description of project: Name or description of project:
Newport Banning Ranch
- 2) Date and time of receipt of communication: April 6, 2016, 1:15 PM
- 5) Identity of person(s) on whose behalf communication was made:
Horizontal Development LLC
- 6) Identity of persons(s) receiving communication:
Greg Cox and Victor Avina
- 7) Identity of all person(s) present during the communication:
Greg Cox, Victor Avina, Don Schmitz

Complete, comprehensive description of communication content (attach complete set of any text or graphic material presented):

I had an ex parte communication with Mr. Schmitz on April 6 at approximately 1:15 p.m. in my offices, along with my staff member, Victor Avina. Mr. Schmitz noted his client's project consisted of consolidating the oil production facilities currently spread out over the Banning Ranch property to two proposed Oil Remaining Areas (ORA's). He stated the proposed consolidation was consistent with Coastal Act policy 30262(a)2.

He explained Coastal Commission staff and the applicant are still working on the exact configuration of the oil operations within the ORA's. He relayed that Coastal Commission staff were concerned about setbacks from sensitive resources located outside of the ORA's and that the applicant will try and redesign the facility within the ORA to try and maximize setbacks but that the consolidation of a large oilfield into such a compact area was presenting challenges.

He stated that the consolidation would remove significant amounts of existing oil field development scattered around the Banning Ranch property in close proximity to other sensitive resources.

Finally, he clarified that his client, Horizontal Development LLC, was not a part of the application for the Banning Ranch project, but was a completely separate entity, and that their only interest was in a continuing, but consolidated, oil production operation.

4/15/16
Date

Greg Cox
Signature of Commissioner

TIMING FOR FILING OF DISCLOSURE FORM: File this form with the Executive Director within seven (7) days of the ex parte communication, if the communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication. If the communication occurred within seven (7) days of the hearing, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication. This form may be filed with the Executive Director in addition to the oral disclosure.

CALIFORNIA COASTAL COMMISSION

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F14b

Filed: 5/15/16
180th Day: 11/11/16
270th Day: 2/9/17
Staff: C. Teufel-SF
Staff Report: 11/18/16
Hearing Date: 12/9/16

STAFF REPORT: REGULAR CALENDAR

Application No.: 9-15-1649

Applicant: Horizontal Drilling LLC.

Agents: Leonard Anderson, Don Schmitz

Location: Banning Ranch Oilfield, Newport Beach.

Project Description: Continued operation of existing wells, structures, and oil and gas production facilities within two designated oil remainder areas (ORAs); consolidation into ORAs of oil field structures, facilities, and equipment that is currently outside of ORAs; replacement of existing oil and gas production structures, equipment and facilities in ORAs; installation of new oil and gas production facilities, structures, and equipment within ORAs; drilling and future abandonment of up to 77 new wells within ORAs; abandonment and removal of three wells and associated infrastructure outside of ORAs.

Staff Recommendation: Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

Horizontal Development LLC (HDLLC), the owner of the mineral rights for the Banning Ranch oilfield (also referred to as the West Newport Oilfield) and primary oil operator for the field,

proposes to consolidate its current and future oil production operation into two of the most heavily industrialized portions of the field. These two areas, the roughly seven acre Oil Remainder Area North and four acre Oil Remainder Area South sites, currently contain several dozen active oil wells and the oil processing and transportation facilities for the entire Banning Ranch oilfield. In the proposed project, HDLLC would continue or replace these ongoing operations in the Oil Remainder Areas (ORAs), close and abandon the three active wells it owns outside of the ORAs, relocate into the ORAs several oil production facilities and structures, and install and operate up to 77 new oil production and injection wells within the ORAs.

These proposed activities within the ORAs – including the installation of the new wells - would be carried out over the course of the next 20 to 30 years if conditions remain favorable for the continued operation of the roughly 75 year old oilfield. At most, HDLLC would install up to 15 new wells per year (eight to ten at the ORA North site and three to five at the ORA South site). The proposed abandonment and closure of HDLLC's three wells outside of the ORAs and the overall cessation of its operations outside of these areas would, however, be carried out within the first 36 months of receiving its coastal development permit. After this time, HDLLC's operations would be carried out entirely within the ORAs.

In their present condition, the ORAs contain very little that could be considered biological habitat and are comprised primarily of oil production and processing facility and bare or paved ground. Around the perimeter of the sites, however, are substantial areas of both wetlands and environmentally sensitive habitat areas that support rare and threatened plant and wildlife species. With the implementation of the requirements of **Special Conditions 3 through 14**, however, these sensitive habitat areas would be protected from loss, disturbance, or degradation due to proposed project activities. The requirements of these conditions include implementation of habitat buffers and resource protection measures such as seasonal work limitations and sound and lighting controls; development and implementation of a wetland mitigation plan to compensate for the loss of a small wetland drainage channel within the ORA North site, and development and implementation of a Spill Prevention, Control, and Countermeasures Plan and Stormwater and Runoff Control Plan.

In addition to being surrounded by sensitive plant and wildlife habitats, the area within and around the ORA sites is also potentially at risk from a variety of natural hazards. These hazards range from earthquake faults, landslides, and earthquake related liquefaction, to subsidence, flooding and induced seismicity. While not negligible, many of these risks are extremely unlikely to occur or to pose a significant threat. To provide additional assurance that site hazards are minimized and mitigated through the implementation of engineering and design solutions, **Special Condition 17** would require an independent geotechnical evaluation of these various issues and HDLLC's proposed foundation and structural support designs. The recommendations resulting from this evaluation would be integrated into the project's final design and construction plans and implemented as recommended.

Commission staff therefore recommends that the Commission **APPROVE** coastal development permit application 9-15-1649, as conditioned.

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APPENDICES

Appendix A – Special Condition 22 - Protection of Cultural Resources

Appendix B – Description of the Unpermitted Development

EXHIBITS

Exhibit 1 – Project Areas

Exhibit 2 – HDLLC Wells Proposed for Abandonment

Exhibit 3 – Wetlands and ESHA Near Oil Remainder Area North

Exhibit 4 – ESHA near Oil Remainder Area South

Exhibit 5 – Southern Tarplant Map

Exhibit 6 – Oil Remainder Area North Proposed Site Configuration

Exhibit 7 – Oil Remainder Area South Proposed Site Configuration

Exhibit 8 – Vegetation Management Zone

Exhibit 9 - Oil Remainder Area North Existing Processing Facilities

Exhibit 10 – Production Infrastructure Corridor

Exhibit 11 – HDLLC Planning Consultant Letter Regarding Sea Level Rise

Exhibit 12 – Earthquake Fault Map from Newport Banning Ranch EIR

MOTION AND RESOLUTION

Motion:

I move that the Commission approve Coastal Development Permit 9-15-1649 subject to conditions set forth in the staff recommendation specified below.

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of Commissioners present.

Resolution:

The Commission hereby approves the Coastal Development Permit 9-15-1649 for the proposed project and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

I. STANDARD CONDITIONS

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by HDLLC or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and HDLLC to bind all future owners and possessors of the subject property to the terms and conditions.

II. SPECIAL CONDITIONS

1. **Well Permits.** PRIOR TO THE INITIATION OF ALL WELL DRILLING OR ABANDONMENT ACTIVITIES, the Permittee shall provide for Executive Director review, all well drilling or abandonment permits for those wells required by state or local agencies, including those from Orange County and the California Department of Conservation, Division of Oil, Gas and Geothermal Resources. Any modifications to the project or its design, configuration, or implementation that occur as a result of these agencies' review and authorization processes shall be provided to the Executive Director for review to determine if an amendment to this coastal development permit is legally required.
2. **Construction Permits.** PRIOR TO THE INITIATION OF CONSTRUCTION ACTIVITIES, the Permittee shall provide for Executive Director review, all necessary building, construction and wetland fill or alteration permits that may be required by federal, state, or local agencies including the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, Santa Ana Regional Water Quality Control Board, and Orange County. Any modifications to the project or its design, configuration, or implementation that occur as a result of these agencies' review and authorization processes shall be provided to the Executive Director for review to determine if an amendment to this coastal development permit is legally required.
3. **Updated Spill Prevention, Control, and Countermeasures Plans.** PRIOR TO INITIATION OF CONSTRUCTION, the Permittee shall provide for Executive Director review and written approval, (1) an updated Spill Prevention, Control, and Countermeasures Plan for Oil Remainder Area North, Oil Remainder Area South, and the Joint Use Area shown on **Exhibit 1** that addresses both final proposed site conditions (well installations, equipment replacement and reconfiguration) and interim conditions and demonstrates HDLLC's ability to prevent, respond to, and contain hazardous material spills, including worst case spills based on the maximum proposed production and onsite storage volumes; and (2) a Spill Prevention, Control, and Countermeasures Plan that addresses the abandonment and removal of pipelines that would occur outside the Oil Remainder Areas and includes appropriate spill prevention, control, and response measures for the draining, flushing, capping, breakdown and removal of pipelines that service the three wells that would be abandoned within the upland mesa portion of the Banning Ranch oil field (as shown on **Exhibit 2**) as well as those that would be replaced within the Joint Use Area.
4. **Debris from Abandonment and Relocation Activities.** All debris or waste material generated as a result of Orange County and California Department of Conservation, Division of Oil, Gas and Geothermal Resources approved well abandonment activities, including concrete, visibly contaminated soil, and pipelines, utility lines, poles, and equipment taken out of service shall be immediately re-used or collected, removed from the site and transported to an appropriately certified waste disposal facility. All pipelines, pipe supports, and other pipelines infrastructure abandoned within the Joint Use Area shown on **Exhibit 1** shall either be immediately re-used, or be collected, removed from the site and transported to an appropriately certified waste disposal facility. All concrete, metal, wood, and construction debris generated as a result of the relocation of the administrative office, steam generator, steam generator building, and warehouse shall either be immediately re-

used in the Oil Remainder Areas, or be collected, removed from the site and transported to an appropriately certified waste disposal facility. At the conclusion of the relocation of the administrative office, steam generator, steam generator building and warehouse, the former sites of these structures shall be level clean soil that is unencumbered by remnant structures, debris, waste material, asphalt, or concrete foundations. All abandoned material, equipment, structures, and debris within and directly adjacent to the Oil Remainder Areas shall be collected and removed from the Banning Ranch site. Permittee shall not engage in future stockpiling or long term storage of construction debris, vehicles, out of service or abandoned equipment outside the Oil Remainder Areas and all such vehicles, equipment, and materials owned by HDLLC shall be removed as part of oil field consolidation activities.

5. Environmentally Sensitive Habitat Areas.

1. Oil Remainder Area North: No construction or installation activities shall occur within 100-feet of the edge of the environmentally sensitive habitat areas shown on **Exhibit 3** – ORA North wetland and ESHA map. This restriction shall not apply to the two southern tarplant environmentally sensitive habitat areas discussed in **Special Condition 6**.

2. Oil Remainder Area South: No construction or installation activities shall occur within 50-feet of the edge of the environmentally sensitive habitat areas shown on **Exhibit 4** – ORA South ESHA map.

6. Southern Tarplant Protection. Within the northern portion of the Oil Remainder Area North site, all structures and equipment (including the perimeter wall, wells, well pads, and pump units) and associated construction and installation activities shall occur no less than 25-feet from the edge of mapped 2016 southern tarplant population areas shown on **Exhibit 3**. **WITHIN 30 DAYS OF PERMIT ISSUANCE**, the Permittee shall submit for Executive Director review and written approval, a Southern Tarplant Habitat Enhancement Plan that includes the relocation to within the interior of the perimeter wall and re-use, or collection, removal from the site and transportation to an appropriately certified waste disposal facility, all out-of-service, abandoned, or stockpiled equipment and material adjacent to these southern tarplant populations. The Southern Tarplant Habitat Enhancement Plan shall describe how equipment and material relocation, collection, and removal activities shall be carried out in a manner that avoids disturbance of both the 2016 and historic southern tarplant habitat areas shown on **Exhibit 5** – Southern tarplant map, including through the use of biological monitors; temporary fencing or demarcation of southern tarplant habitat; preservation and replacement of all temporarily removed or disturbed soil; siting of removal equipment and machinery outside of both the 2016 and historic southern tarplant habitat areas shown on **Exhibit 5**– Southern tarplant map; and use of hand tools and hand labor when possible.

7. Bird Breeding Season Restriction. All excavation, grading, construction, demolition, removal, installation, and drilling activities shall occur outside of the February through August peak breeding season for birds, including those associated with (1) the abandonment, removal, placement or re-drilling of wells or abandonment, removal or placement of facilities or equipment near the perimeter of the Oil Remainder Area North

and Oil Remainder Area South sites; (2) the abandonment, removal, and replacement of pipelines within the Joint Use Area; and (3) the closure, abandonment, demolition, removal, or relocation of wells, structures, infrastructure, equipment or facilities outside of the Oil Remainder Area sites.

- 8. Resource Protection Measures.** The following best management practices shall be implemented during all well drilling, well installation, and equipment and facility construction and installation activities: (1) noise control measures shall be employed to mitigate noise levels to the extent feasible. These measure shall include, but would not be limited to: temporary noise barriers or sound walls between construction areas and adjacent habitats; noise pads or dampers, or moveable task noise barriers, including rubberized pads within pipewalk areas; replacement or update of noisy equipment and use of enhanced hospital quality engine mufflers; queuing of trucks to distribute idling noise; siting of vehicle access points away from the sensitive habitat area; reduction in the number of loud activities that occur simultaneously; efforts to concentrate elevated noise causing activities during the middle hours of the day outside of key morning and evening wildlife foraging periods; placement of loud stationary equipment in acoustically engineered enclosures or maximum distances away from sensitive habitat areas; and use of two-way radios or similar devices to limit personnel noise; (2) the permittee shall specify and enforce a vehicle speed limit of 15 MPH on access roads within the project vicinity (not applicable to public roads); (3) the permittee shall prohibit all project personnel from bringing pets or other domestic animals onto the project site; (4) the permittee shall mark the project site boundaries as approved by the Commission with clearly visible flagging or other materials. No project-related pedestrian or vehicle traffic shall be permitted outside the marked site boundaries; (5) the permittee shall prevent wildlife subsidies or attractants (primarily food and water) by minimizing watering for dust control, maintaining all tanks and pipes to prevent leaks, prohibiting littering by personnel, performing daily site cleanup, and providing self-closing waste containers and removing trash contents regularly to prevent overflow; and (6) all project lighting, including construction, security, and safety lighting shall be installed at the minimum necessary height, shielded and directed downwards and towards the interior of the Oil Remainder Area North and Oil Remainder Area South sites to minimize night lighting of habitat areas located adjacent to these sites. All lighting shall employ the best available “dark sky” technologies including lights with the lowest intensity possible and using wavelengths that are the most environmentally protective of organisms active at night and dawn and dusk. The lowest intensity lighting shall be used that is appropriate for safety purposes; and (7) all construction activity, except for drilling and well installation operations that must be carried out continuously until completed, shall be carried out during daylight hours.
- 9. Wetland Protection Buffer.** With the exception of the addition of security fencing installed on the existing concrete block perimeter wall and the installation of the new concrete block perimeter wall immediately around existing well numbers 583 and 37R2, all new development (including the remainder of the concrete block perimeter wall, wells, equipment, facilities, and structures) shall be located a minimum of 50-feet, and whenever feasible, 100-feet, from all wetland habitat areas shown in **Exhibit 3** – ORA North wetland and ESHA map. Around existing well numbers 583 and 37R2, the concrete block wall

shall be installed as close as possible to the outer edge of the well pads without inhibiting access for repair and maintenance activities. In addition, the concrete block perimeter wall shall be installed with a minimum height of three-feet from the ground surface and the chain like security fencing installed on top of both the existing and new wall shall have a minimum height of five-feet and include “winged slats” or other similar gapless screening devices to maximize the fence’s ability to block the transmission of sound, light, emissions, and dust. The block wall and fence shall be maintained at these heights and in an intact condition throughout the active use of the Oil Remainder Area North site. All out-of-service or abandoned equipment, vehicles, materials, structures, foundations, and debris that is currently present within the area between the perimeter wall and adjacent habitat areas shall be collected and removed. Equipment and material that can be immediately brought into service may be relocated to appropriate lay-down or storage areas within the Oil Remainder Area North site. All other material shall be transported to an appropriately certified facility for sale or disposal.

10. **Wetland Mitigation.** All filled wetlands shall be mitigated at a ratio of 4:1 (restored/created area : impacted area) for mitigation involving the creation or substantial restoration of wetland habitat and 8:1 (restored/created area : impacted area) for mitigation involving the enhancement of existing wetland habitat.
11. **Wetland Mitigation Plan.**
 - A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicant shall submit for review and written approval of the Executive Director a Wetland Mitigation Plan to mitigate for all wetland impacts associated with the proposed project. The Plan shall be developed in consultation with the California Department of Fish & Wildlife, Regional Water Quality Control Board and U.S. Army Corps of Engineers, as applicable, and at a minimum shall include:
 1. A detailed final site plan of the wetland impact area that substantially conforms with the plan submitted to the Commission on November 18, 2016, as shown generally on **Exhibit 6**. The final plan must delineate all impact areas (on a map that shows elevations, surrounding landforms, etc.), the types of impact (both permanent and temporary), and the exact acreage of each impact so identified.
 2. A detailed site plan of the mitigation site within the lowland area on the Newport Banning Ranch property. The mitigation site plan shall include both the restoration area and the buffer surrounding the restoration area. If wetland creation or substantial restoration is proposed, the mitigation site plan shall include: existing and proposed hydrologic, soil and vegetative conditions of the mitigation site(s); engineering/grading and erosion control plans and schedule – if applicable; weeding plans and schedule; planting plans and schedule; short- and long-term irrigation needs; on-going maintenance and management plans; and a monitoring plan consistent with **Special Condition 12 – Wetland Mitigation Monitoring**.
 3. A baseline assessment, including photographs, of the current physical and ecological condition of the proposed restoration site, including as appropriate, a wetland delineation

conducted according to the definitions in the Coastal Act and the Commission's Regulations and the methods laid out in the U.S. Army Corps of Engineers "Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region," a detailed site description and map showing the area and distribution of vegetation types and site topography, and a map showing the distribution and abundance of sensitive species that includes the footprint of the proposed restoration.

4. A description of the goals of the restoration plan and the applicable mitigation ratio from **Special Condition 7 – Wetland Mitigation**. The goals should also include, as appropriate, any changes to site topography, hydrology, vegetation types, presence or abundance of sensitive species, and wildlife usage, and any anticipated measures for adaptive management in response to sea level rise or other climatic changes.

5. A description of planned site preparation and invasive plant removal.

6. A restoration plan including the planting palette (seed mix and container plants), planting design, source of plant material, methods and timing of plant installation, erosion control measures, duration and use of irrigation, and measures for remediation if success criteria (performance standards) are not met. The planting palette shall be made up exclusively of native plants that are appropriate to the habitat and region and that are grown from seeds or vegetative materials obtained from local natural habitats to protect the genetic makeup of natural populations. Horticultural varieties shall not be used.

7. A plan for documenting and reporting the physical and biological "as built" condition of the restoration or mitigation site within 30 days of completion of the initial restoration activities. This report shall describe the field implementation of the approved Restoration or Mitigation Plan in narrative and photographs, and report any problems in the implementation and their resolution, and any recommendations for future adaptive management. The "as built" assessment and report shall be completed by a qualified biologist, who is not employed by and independent of the installation contractor.

8. Provisions for submittal of a wetland delineation of the mitigation site at the end of 5 years to confirm total acreage mitigated consistent with the applicable mitigation ratio established in **Special Condition 10 – Wetland Mitigation Ratio**.

B. The permittee shall undertake development in conformance with the approved final plans. Any substantial changes to the plan require a permit amendment from the Commission. More minor changes to restoration plans may be approved in writing by the Executive Director if he or she determines that no amendment is legally required.

12. Wetland Mitigation Monitoring.

A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicant shall submit for review and written approval of the Executive Director a detailed Wetland Monitoring Plan designed by a qualified wetland or restoration ecologist for monitoring of the wetland mitigation site.

The Wetland Monitoring Plan shall at a minimum include the following:

1. A plan for interim monitoring and maintenance of any restoration or mitigation site(s) and pre-approved reference site(s), including:
 - a. Schedule;
 - b. Interim performance standards;
 - c. A description of field activities that includes sampling design, number of samples and sampling methods. The number of samples should rely on a statistical power analysis to document that the planned sample size will provide adequate statistical power to detect the maximum allowable difference between the restored site and a reference site(s).
 - d. The monitoring period (generally not less than 5 years, depending on case details or longer if performance standards are not met in the initial time frame).
 - e. Changes in sea level rise, sediment dynamics, and the overall health of the wetland to allow for adaptive management, as needed. Include triggers for implementing adaptive management options.
 - f. Provision for submission of annual reports of monitoring results to the Executive Director for the duration of the required monitoring period, beginning the first year after submission of the “as-built” report. Each report shall be cumulative and shall summarize all previous results. Each report shall document the condition of the restoration with photographs taken from the same fixed points in the same directions. Each report shall also include a “Performance Evaluation” section where information and results from the monitoring plan are used to evaluate the status of the restoration project in relation to the interim performance standards and final success criteria.
 - g. Provisions for the submittal of a revised or supplemental restoration plan to be submitted if an annual monitoring report shows that the restoration effort is falling significantly below the interim performance standards. Triggers shall be included in the plan to define the level of nonperformance at which the submittal of a revised or supplemental restoration plan will be required. The applicant shall submit a revised or supplemental restoration program within 90 days to address those portions of the original program which did not meet the approved success criteria.
 - h. Following the restoration, reports shall be submitted every ten years to ensure that the restoration is maintained over the time period of the development.
2. Final Success Criteria for each habitat type, including, as appropriate: total ground cover of all vegetation and of native vegetation; vegetative cover of dominant species; and hydrology, including timing, duration and location of water movement.
3. The method by which “success” will be judged, including:
 - a. Type of comparison.
 - b. Identification and description, including photographs, of any high functioning, relatively undisturbed reference sites that will be used.
 - c. Test of similarity with a reference site. This could simply be determining whether the result of a census was above a predetermined threshold. Generally, it will entail a one- or two-sample t-test that determines if differences between the restoration site

and the reference site are within the maximum allowable difference for each success criteria (performance standard).

- d. A statement that final monitoring for success will occur after at least 5 years with no remediation or maintenance activities other than weeding.
4. Provisions for submission of a final monitoring report to the Executive Director at the end of the final monitoring period. The final report must be prepared by a qualified restoration ecologist. The report must evaluate whether the restoration site conforms to the goals, objectives, and success criteria set forth in the approved final restoration program. The report must address all of the monitoring data collected over the monitoring period. Following the restoration, reports shall be submitted every ten years to ensure that the restoration is maintained over the time period of the development.
5. If the final report indicates that the restoration project has been unsuccessful, in part, or in whole, based on the approved success criteria (performance standards), the applicant shall submit within 90 days a revised or supplemental restoration program to compensate for those portions of the original plan which did not meet the approved success criteria. The permittee shall undertake mitigation and monitoring in accordance with the approved final, revised wetland restoration or mitigation plan following all procedures and reporting requirements as outlined for the initial plan until all performance standards (success criteria) are met. The revised restoration program, if necessary, shall be processed as an amendment to this coastal development permit unless the Executive Director determines that no permit amendment is legally required.

B. The permittee shall undertake monitoring and other activities listed in the Monitoring Plan in conformance with the approved final plan. Any substantial changes to the plan require a permit amendment from the Commission. More minor changes to restoration plans may be approved in writing by the Executive Director, if he or she determines that no amendment is legally required.

13. **Soil Treatment Facility.** PRIOR TO CONSTRUCTION OR USE of the contaminated soil treatment facility, the Permittee shall submit, for Executive Director review and written approval, evidence that the design of the facility, treatment process, treatment thresholds, testing and reporting procedures, and treated soil re-uses have been reviewed and approved by the Santa Ana Regional Water Quality Control Board and Orange County Health Care Agency.
14. **Stormwater and Run-off Control Plan.** PRIOR TO PERMIT ISSUANCE, the Applicant shall submit, for Executive Director review and written approval, a Stormwater and Run-off Control Plan for both project sites – the Oil Remainder Area North and Oil Remainder Area South. At a minimum, the plan shall describe all structural and non-structural measures the Permittee will implement to avoid and minimize project-related impacts to wetlands and coastal waters adjacent to the project sites. The Permittee shall implement the Plan as approved by the Executive Director.

The Plan shall include locations of all facilities and structures to be built during the project and the measures incorporated in each to avoid and minimize wetland and water quality impacts. The Plan shall also identify measures the Permittee will implement to store and/or contain materials, soils, and debris originating from the project in a manner that precludes their uncontrolled entry and dispersion into nearby coastal waters or wetlands. Any debris that inadvertently enters coastal waters or wetlands shall be removed immediately.

The Plan will identify Best Management Practices (BMPs) that will be implemented during project activities to protect wetlands and coastal waters in conformance with the following:

- Appropriate structural and non-structural BMPs shall be designed to treat, infiltrate, or filter the runoff from all surfaces and activities on the project site.
- Structural BMPs (or suites of BMPs) shall be designed to treat, infiltrate or filter the amount of stormwater runoff produced by all storms up to and including the 85th percentile, 24-hour storm event for volume-based BMPs, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor (i.e., 2 or greater), for flow-based BMPs.
- Runoff from all structures, drill sites, and facilities within the oil remainder areas shall be collected and directed through a system of structural BMPs of vegetated areas and/or gravel filter strips or other vegetated or media filter devices. The filter elements shall be designed to 1) trap sediment, particulates and other solids and 2) remove or mitigate contaminants through infiltration and/or biological uptake. The drainage system shall also be designed to convey and discharge runoff in excess of this standard from the building site in a non-erosive manner.
- The Plan shall provide for the treatment of runoff from drill sites, production, processing and shipping facilities, storage areas, parking lots, and structures using appropriate structural and non-structural BMPs designed specifically to minimize hydrocarbon contaminants (such as oil, grease, and heavy metals), sediments, and floatables and particulate debris.
- All BMPs shall be operated, monitored, and maintained for the duration of project activities requiring the use of the BMPs. At a minimum, all structural BMPs shall be inspected, cleaned-out, and where necessary, repaired at least twice per month between October 15 and April 15 of each year and at least once per month between April 15 and October 15 of each year.
- The Plan shall identify a worker training program to be implemented that will identify coastal waters, wetlands, and their associated biological resources on and near the project sites, identify measures to be taken to avoid impacts to these resources.
- The Plan shall include measures for reporting any events where BMPs did not prevent adverse impacts to wetlands or coastal waters and the measures taken in response to these events.

Prior to implementing any new or modified project developments, facility locations, or BMPs not included in the coastal development permit application materials, the Permittee shall submit for Executive Director review and approval proposed modifications needed to incorporate these project components into the Plan.

15. **Indemnification by Permittee.** By acceptance of this permit, the Permittee agrees to reimburse the Coastal Commission in full for all Coastal Commission costs and attorney's fees -- including (1) those charged by the Office of the Attorney General, and (2) any court costs and attorney's fees that the Coastal Commission may be required by a court to pay -- that the Coastal Commission incurs in connection with the defense of any action brought by a party other than the Applicant/Permittee against the Coastal Commission, its officers, employees, agents, successors and assigns challenging the approval or issuance of this permit. The Coastal Commission retains complete authority to conduct and direct the defense of any such action against the Coastal Commission.
16. **Assumption of Risk, Waiver of Liability and Indemnity.** By acceptance of this permit, the Permittee acknowledges and agrees (i) that the site may be subject to hazards from flooding, sea level rise, erosion, earthquakes, and liquefaction; (ii) to assume the risks to the applicant and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.
17. **Geotechnical Recommendations.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicant shall submit, for the review and written approval of the Executive Director, a final geotechnical report for the project which addresses and provides recommendations for required foundation design, pipeline supports, fault zone setbacks, bluff slope setbacks, and liquefaction, settlement, and ground motion mitigation for the project authorized by this coastal development permit. The report shall be prepared and certified by an appropriate professional (i.e., Certified Engineering Geologist and/or Geotechnical Engineer). If the geotechnical report recommends use of any exposed foundation or support elements or any stabilization, soil re-compaction or other grading not included in the current proposal, an amendment to this permit or a new permit shall be required in order to implement such recommendations. All final design and construction plans, including foundations, grading and drainage plans, shall be consistent with all recommendations contained in the report approved by the Executive Director.

PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicant shall also submit, for the Executive Director's review and written approval, evidence that an appropriate licensed professional has reviewed and approved all final design and construction plans and certified that each of those final plans is consistent with all of the recommendations specified in the above-referenced geologic evaluation approved by the California Coastal Commission for the project site.

The permittee shall undertake development in conformance with the approved plans unless the Commission amends this permit or the Executive Director determines that no amendment is legally required for any proposed minor deviations.

- 18. Ongoing Operations.** WITHIN 36 MONTHS OF THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall discontinue all of its existing operations on the surface of the Banning Ranch Oilfield outside the Oil Remainder Areas. This shall not preclude permittee from acting as a contractor for any entity, including Newport Banning Ranch, LLC., that has the right to conduct oil operations within the oil field area outside the oil remainder areas pursuant to either (i) a coastal development permit; or (ii) the Settlement Cease and Desist and Restoration Order and Settlement Agreement issued by the Commission to Newport Banning Ranch LLC at the Commission's March 2015 meeting.
- 19. Vegetation Maintenance.** The permittee agrees not to engage in vegetation removal activities anywhere on the Banning Ranch oil field, except within 36 months of the issuance of the coastal development permit, to engage in the vegetation maintenance performed pursuant to the vegetation maintenance agreement reached with Commission staff in 2012. In an October 2, 2012 letter to West Newport Oil and Newport Banning Ranch LLC, Commission staff supported a restricted mowing regime and other, limited vegetation management measures, supporting only such measures as were necessary to reduce vegetation within previously modified areas that are: 1) within 25-feet of any active oil well; 2) within the minimum distance necessary to provide physical access to any active, above ground pipeline; or 3) within the areas shown in **Exhibit 8** that are within 100-feet of homes or occupied structures (pursuant to the Orange County Fire Authority Vegetation Management Guidelines). The clouded areas shown in **Exhibit 8** and any areas required to be restored pursuant to CCC-15-CD/R0-01 shall be excluded from vegetation removal activities other than those that involve removal of non-native species as part of habitat restoration.
- 20. Future Development.** Permittee shall waive any rights to conduct future development on the surface of the oil field that it claims to possess under the 1973 Resolution of Exemption (Exemption No. E-7-23-73-144).
- 21. Litigation.** WITHIN 60 DAYS OF THE COMMISSION'S APPROVAL OF THIS COASTAL DEVELOPMENT PERMIT, Permittee shall dismiss its litigation against the Commission (Case No. 30-2014-00739490-CU-MC-CJC) with prejudice
- 22. Protection of Cultural Resources.** HDLLC shall implement the requirements of the Protection of Cultural Resources Special Condition provided in Appendix A.

III. FINDINGS AND DECLARATIONS

A. Background

The project area, the approximately 400 acre Banning Ranch Oilfield, has separate surface and mineral rights owners but includes oil production operations and infrastructure owned and operated by both entities.

The project applicant, Horizontal Development, LLC (HDLLC), is the mineral rights owner for the Banning Ranch Oilfield and has conducted oil and gas development and production operations on it for the past several decades, in partnership with West Newport Oil, the oilfield operator that carries out day-to-day operations. West Newport Oil is an affiliate of Armstrong Petroleum Corporation, designated as the managing member of HDLLC when it was formed in the late 1990s. Along with Mobil Oil Corporation, West Newport Oil and the Armstrong Petroleum Corporation have been the primary entities involved in oil and gas production operations on the Banning Ranch Oilfield (an area within the larger West Newport Oilfield) since at least the 1980s.

Oil operations have been carried out continuously on the Banning Ranch Oilfield since the 1940s. Production peaked in 1982 with approximately 300 active wells and over 3,000 barrels of oil per day. Operations have declined sharply in recent decades and have remained relatively stable since the mid-1990s. The oilfield currently supports slightly more than 60 active production and injection wells and produces approximately 200 barrels per day.

The surface owners of the Banning Ranch Oilfield are Aera Energy, jointly owned by affiliates of Shell and ExxonMobil, and the private equity firm, Cherokee Newport Beach, LLC. In partnership with real estate developer Brooks Street, the surface owners designed the Newport Banning Ranch housing and commercial development proposal. While this proposal was being developed, the surface owners and HDLLC also crafted an agreement that establishes roughly 15 acres of the Banning Ranch Oilfield for HDLLC's oil operations and allows the surface owner to use the oil processing and transport equipment within them if it chooses to continue the oil wells and operations it owns outside of these areas. This agreement is separate from the Newport Banning Ranch project and as shown in Figure 1, these 15 acres are comprised of two "Oil Remainder Areas" (individually referred to as "ORA North" and "ORA South") and an inter-connecting access and infrastructure corridor (referred to as the "Joint Use Area"). Based on information provided to Commission staff from HDLLC, the surface owner (Aera Energy and Cherokee Newport Beach, LLC) owns all of the wells and oilfield infrastructure on the Banning Ranch Oilfield outside the ORAs, except for the three wells shown on **Exhibit 2** and their associated pipelines and infrastructure. Additionally, the surface owner owns the oil processing facility and other facilities, structures, and equipment located on ORA North. Separately, the ORA South area also supports the oil production and water service operations of the City of Newport Beach and one of the Orange County Sanitation District's sewer and pump stations. All existing wells within ORA North are owned by HDLLC, and those in ORA South are owned by HDLLC or the City of Newport Beach.

In addition to establishing the ORAs and Joint Use Area, the agreement between the surface owners and HDLLC also establishes the responsibilities related to the conveyance of ORA North

and ORA South to HDLLC, as well as the conduct of HDLLC's oil operations on the ORAs and the rest of the Banning Ranch Oilfield. Until ORA North and ORA South are conveyed to HDLLC, it occupies these areas pursuant to an exclusive easement established under the agreement. HDLLC also has a non-exclusive easement to use the Joint Use Area, the access and infrastructure corridor connecting the two ORA sites.

Further, the agreement clarifies that the surface owner is responsible for the abandonment and clean-up of its oil operations on the Banning Ranch Oilfield, while HDLLC is responsible for the abandonment of the three wells that it owns outside of the ORAs. Finally, the agreement specifies that even though HDLLC owns the mineral rights under the Banning Ranch Oilfield, once it consolidates its operations into the ORAs, the surface owner has the right to continue to operate the existing wells outside the ORAs and conduct the existing oil operations outside the ORAs, including by using the oil processing facility and other facilities, structures, and equipment within ORA North. However, as noted below, the Settlement Agreement and Settlement Cease and Desist Order and Restoration Order No. CCC-15-CD-01 and CCC-15_RO-01 issued to Newport Banning Ranch, LLC¹ requires some of the operations of the surface owner to be wound down and requires coastal development permits for certain other operations that the surface owner seeks to continue.

Exemption and Litigation

On October 2, 1973, the California Coastal Zone Conservation Commission approved Claim of Exemption No. E-7-27-73-144 filed by HDLLC's predecessor. This exempted from Coastal Act review certain specified ongoing and planned oil production and development activities on the Banning Ranch site. The exact scope of this exemption and its application to oil and gas development activities carried out in recent years on the Banning Ranch site have been the subject of disagreement between HDLLC and Commission staff. This disagreement resulted in a lawsuit filed by HDLLC, Armstrong Petroleum Corporation, and West Newport Oil Company on August 12, 2014.

This coastal development permit (CDP) application was submitted as part of a subsequent effort between Commission staff and HDLLC to find an alternate resolution to this lawsuit. Upon issuance of a CDP that is consistent with the terms of the agreement to stay the litigation described below, HDLLC will dismiss the lawsuit. Specifically, CDP No. 9-15-1649 was submitted pursuant to the Stipulation and Order Regarding Stay of Discovery and Continuance of Trial Date entered June 29, 2015 in Case No. 30-2014-00739490-CU-MC-CJC, Superior Court of the State of California, County of Orange ("Stay and Stipulation"). The Stay and Stipulation provides, in part, as follows:

5. Plaintiffs shall file applications for one or more Coastal Development Permits for that portion of the Oil Field surface that Plaintiffs and Staff have identified as the "Oil Remainder Area" (see Exhibit 2) encompassing their planned future development for the exploration, development, and production of oil and gas from the subsurface both under and outside of the Oil Remainder Area (the "CDP Applications").

¹ Newport Banning Ranch, LLC, manages planning and entitlement of the "Banning Ranch" surface rights for the property owners, Cherokee Newport Beach, LLC and Aera Energy, LLC..

and

8. ...if the CDP Applications are approved, the Commission may elect to include in the Approved CDPs the following conditions, which will be effective only after Plaintiffs have accepted all (not just those listed below) conditions of approval and the Approved CDPs have been issued to Plaintiffs pursuant to Commission regulations:

a. Plaintiffs will discontinue all of Plaintiff's Existing Operations on the surface of the Oil Field outside the Oil Remainder Area within 36 months after the issuance of the Approved CDPs...

Although this CDP application is a result of the stipulation of the parties to stay the litigation, the same process used in evaluating all coastal development permit applications has been used here – an analysis of the project against the applicable enforceable policies of the Coastal Act and the development of a recommendation based on the results of that analysis. In addition, the ongoing litigation should in no way prejudice or affect the Commission's action on this recommendation. This latter situation is specifically addressed in the Stay and Stipulation, which states in section 7(b) that:

Nothing in this Stipulation dictates or limits, or shall be construed to dictate or limit, the Commission's discretion or its application of applicable law to the facts presented by the CDP Applications. The Commission retains full discretion under applicable law to approve, approve with conditions, deny, or otherwise act upon the CDP Applications.

B. Project Description

While HDLLC currently conducts oil operations on the Banning Ranch Oilfield outside the ORAs, this coastal development permit application addresses the abandonment and consolidation of those operations into the ORA North and ORA South sites as well as its proposed future operations on those sites – including both the continuing use of existing wells and facilities, the installation and use of new facilities and the installation, use, and eventual abandonment of up to 77 new wells.

Regarding the proposed consolidation, it is important to note that while the existing active and idle wells within the ORA sites are owned by either HDLLC or the City of Newport Beach, the majority of oil and gas infrastructure and operations located outside of the ORA sites are owned by the surface owner of the Banning Ranch (Aera Energy and Cherokee Newport Beach, LLC). Specifically, these entities own all but three of the approximately 66 existing active and idle wells located outside of the ORA sites. As provided for in an agreement between HDLLC and the surface owner, the surface owner may continue operating its wells outside of the ORA sites and use the processing equipment and infrastructure within the ORA North site to prepare oil and gas generated from these wells for offsite transport and sale. However, as required by the Commission in Consent Cease and Desist No. CCC-15-CD-01 and Consent Restoration Order No. CCC-15-RO-01, the surface owner must abandon 17 of these wells and abandon or apply to the Commission for after-the-fact authorization to retain another 24 of these wells. In total, 41 out of the surface owner's approximately 66 wells – about two-thirds - will either be subject to

removal or Commission review. This will also serve to significantly consolidate and clean-up oil operations on the Banning Ranch oilfield.

HDLLC's proposed development would continue, but limit within the ORAs, the same type of exploration, development, production, processing and sales processes that it currently uses and that its predecessors have used since commercial oil operations began on the Banning Ranch Oilfield in the 1940s. Broadly speaking, these processes involve subterranean strata containing accumulations of oil, gas and water being penetrated by wellbores; the oil, gas and water brought to the surface, collected and processed; and the oil separated for sale and transport by truck to an offsite refinery.

The transition of the oil field operations on the ORAs from the existing condition to the proposed future level and configuration of development will be carried out over many years. The precise timetable will primarily be determined by future operational and economic conditions (such as the price of oil and the productivity of previously drilled wells). However HDLLC has specified in a September 27, 2016, letter submitted to supplement its CDP application that no more than five to ten wells in ORA North and three to five wells in ORA South would be drilled in any one year. As further described by HDLLC in this letter:

Oil exploration, development and production operations are an iterative process determined by geologic and engineering information gathered through the processes used to find, produce and process oil reserves. The timing, duration and implementation of this project depends upon a complex array of factors, including: availability/quality of geologic information, success of drilling and recovery operations, reservoir characteristics, advances in recovery techniques and technology, geopolitical market influences, advances in producing/processing technology, and regulatory schemes, to name a few.

It is anticipated that during the first 36 months following the issuance of the CDP for the proposed project Applicant's operations will be focused on consolidation operations, including the following:

- *continuing the existing oil operations within the ORAs and Joint Use Area and on the [rest of the oilfield] utilizing existing oil field infrastructure and facilities*
- *phased consolidation of Applicant's oil operations into the ORAs and Joint Use Area ²*
- *installation, as necessary, of oil operation production infrastructure within the ORAs and JUA in order to replace the existing oil processing facility on ORA North*
- *relocation of Consolidation Facilities described in the Response to Incomplete Notice [including the administrative offices, stream generator, and warehouse]*
- *construction of an extension to the existing block wall and perimeter fence*
- *abandonment of 3 wells [outside of the ORA sites]*

After 36 months, Applicant's oil operations will be limited to oil operations within the ORAs and JUA and HDLLC's oil operations will cease [outside of the ORA sites].

² The Joint Use Area (JUA) is the road and utility corridor adjacent to the Semeniuk Slough that connects the ORA North and ORA South sites.

The proposed project includes 62 new well locations in ORA North and 15 new well locations in ORA South. The 77 well locations represent the maximum number of wells that can be drilled on the ORAs, not necessarily the number of wells that will be drilled.

Applicant anticipates that no more than 5 -10 wells in ORA North and 3 - 5 wells in ORA South would be drilled in any year until buildout of future oil operations on the ORAs. If, and when, future oil production exceeds the processing capacity of the ORA North oil processing replacement facility, Applicant would construct the smaller additional oil processing and shipping facility on ORA South.

The details of these various project elements in ORA North, ORA South, and the area outside the ORA sites are provided below.

Northern Project Site – ORA North

The ORA North site is approximately 8.6 acres, is primarily covered by bare ground, gravel, asphalt, or asphalt like material, and includes encircling roads, construction trailers, well pads, concrete foundations, a drainage corridor, active and abandoned wells, utilities, pipelines, pumps, and other infrastructure as well as oil and gas production, processing, and shipping facilities. While very little vegetation is present within the site itself, communities of both native and non-native wetland and upland plant species exist outside the site's outer perimeter.

Existing Wells and Facilities

The ORA North site is one of the most heavily industrialized areas on the Banning Ranch oilfield and has for many decades been the site of the primary storage, processing, and transport facilities for the oilfield. As shown in **Exhibit 9**, many of these facilities remain in place and in use to receive and process produced fluids generated from wells both within the ORA North site and throughout the rest of the larger Banning Ranch oilfield. Existing facilities and equipment on ORA North includes a microturbine power generator, an office, parking area, equipment storage area, potable water, gas, telephone and electrical lines, as well as a water disposal facility (to re-inject waste water back into the subsurface oil reservoir), steam generating facility (for use as in steam injection wells to enhance production), and oil processing facility. This oil processing facility takes up the majority of the central portion of the ORA North site and is comprised of a waste water and oil emulsion separation system, a vapor recovery system, oil solids sump, gas separator and treatment system, storage tanks, and a tanker truck loading facility. Although the surface owner of the Banning Ranch oilfield owns the oil processing facility, as part of its proposed project, HDLLC would continue to use this oil processing facility until, as described further below, the facility is replaced.

Under current production levels, there are approximately 20 to 30 tanker trucks per month (less than one per day) that are loaded with oil from the ORA North oil processing facility for transport offsite for further refinement and sale. If HDLLC's maximum proposed production levels with this project are reached, the number of shipments could increase to between 70 and 100 shipments per month (three to four per day). Currently, tank trucks access the ORA North site from PCH and through the ORA South site and the unpaved access road within the Joint Use Area connecting the two sites or on paved access roads across the upland mesa portion of the Banning Ranch oilfield.

The oil processing facility at the ORA North site is currently staffed 24 hours per day, 365 days per year. Maintenance, repair, and replacement activities are carried out on an ongoing basis to help ensure facility operations remain consistent with local, state, and federal regulatory requirements. A variety of primary and secondary containment measures and structures are also in place on the site, including earthen berms throughout the site and two- to three-foot high concrete block walls near the perimeter of the storage tanks and loading equipment.

In addition to the oil and gas processing and truck loading facilities, the ORA North site also contains 32 active and abandoned injection and production wells. As shown in **Exhibit 9**, of these 32 wells, 15 have been abandoned, 13 remain active (12 production wells and one injection well) and four are idle. As part of its proposed project, HDLLC proposes to retain use of these 13 active and four idle wells as well as to abandon them at a future date when market and oilfield conditions change. This proposed abandonment activity would be carried out under the required authorization and oversight of Orange County and the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR).

Replacement Oil Processing Facility

HDLLC has an agreement with the surface owner of the Banning Ranch oilfield that allows it to continue using the existing oil processing facility on the ORA North site (owned by the surface owner) until such time as HDLLC's operations are consolidated into the ORA sites and the surface owner decides not to keep its wells outside of the ORAs in operation. If the surface owner decides not to continue oil operations outside of the ORAs, HDLLC would have 180 days to cease using the surface owner's facilities, structures and equipment within the central portion of ORA North, including the existing oil processing facility. Because these facilities, structures, and equipment are owned by the surface owner, the surface owner is responsible for their abandonment and removal from the site once its oil operations outside of the ORAs cease. In order to ensure that its operations within the ORAs are able to continue without interruption if the surface owner decides to abandon and remove its oil processing facility, HDLLC's proposed project includes the construction, installation, and use of replacement oil processing facilities.

These would include two compact processing facilities, one each in the ORA North and ORA South sites. The facility proposed for the ORA South site is discussed further below. In the ORA North site, HDLLC would construct a replacement oil processing facility within an approximately 75-foot by 75-foot area in the northern part of the site (as shown on **Exhibit 6** that would be enclosed by a 30-inch high concrete block containment wall. The components and processes that would be used in this proposed replacement facility would be similar to those within the existing facility but they would be more compact as they would be sized to accommodate only the oil production operations within the ORAs, rather than operations across the entirety of the Banning Ranch oilfield as is the case with the existing facility. The replacement facility would be similar but smaller than the City of Newport Beach production facility on the ORA South site.

Once complete, the replacement oil processing facility would receive produced liquids from all of HDLLC's existing and proposed production wells within both ORA sites and would accomplish the oil emulsion capture and water and gas separation tasks necessary to produce oil

that could be loaded onto transport trucks for offsite refinement and sale. The replacement facility would also be capable of completing these loading activities with a maximum estimated shipping capacity of between 70 and 100 trucks per month. Compared to the existing production facility, the capacity of the replacement facility represents a throughput capacity reduction of roughly 10 times (approximately 5000 barrels per day to approximately 500 barrels per day).

The proposed replacement oil processing facility would be located at the northern end of the ORA North site on an existing asphalt pad on which a steam generation facility had previously been located adjacent to another steam generation facility that still remains. This installation site is level and adjacent to an existing asphalt road that provides easy access for truck loading. The truck loading facility that currently exists on the southern end of the ORA North site is proposed to be relocated adjacent to the replacement processing facility. Once installation is complete, the pipelines that gather the fluids extracted by the wells on the ORA North and ORA South sites would be re-routed to the replacement oil processing facility.

Wells

In addition to the replacement oil processing facility, HDLLC has also proposed to install up to 62 new wells within the ORA North site. The configuration of the areas in which these wells are proposed to be installed is shown in **Exhibit 6**. As the exhibit shows, the wells would be installed in five groups or lines of wells within the interior and near the outer edges of the ORA North site. The location of these groups of wells was selected by HDLLC to maximize its ability to continue accessing oil reserves both below the ORA North site as well as in subsurface areas outside the perimeter of the site. The exact number, spacing, and location wells within the groups would be determined by Orange County and DOGGR through their required review and consideration of drilling permits for each well. Additionally, although HDLLC would install no more than 62 wells, the final number would be determined at a future date as HDLLC gathers additional information about each well's production levels and broader market conditions. However, HDLLC is not proposing to drill all 62 wells simultaneously or immediately. Rather, HDLLC proposes to drill no more than five to ten wells per year within the ORA North site and does not anticipate initiating drilling activities for at least three years after obtaining a coastal development permit.

Proposed drilling activities are described by HDLLC in its application in the following six steps:

- *The well location is surveyed*
- *If necessary, a 125' by 60' area is leveled with a skip loader for drilling equipment*
- *If necessary, pumping units on adjacent wells are removed to a storage yard*
- *A backhoe excavates an area 8' in diameter x 5' deep, to install a corrugated galvanized steel pipe directly over the proposed well location. Excavated dirt is used to level well locations, berm well locations, pipelines and for compartmentalization per [HDLLC's EPA Spill Containment and Countermeasures Plan]. Excess dirt excavated in creating the well location, if any, will be stored in the soil remediation area.*
- *Using a posthole digger, a 40' long by 16" diameter steel conductor pipe is installed. The conductor pipe is cemented in place using contract oil field cementers.*
- *Move in contract drilling equipment, rig up and drill well.*

Regarding its proposed well installation activities, HDLLC notes in its application materials that:

*Because new well locations in ORA North are in areas where existing or abandoned wells have been located, little or no site preparation should be necessary. In some cases, well pads may need to be leveled. To the extent practicable, existing production infrastructure will be used for new wells, including: (i) oil, gas, water and steam lines; (ii) gathering lines; and (iii) electrical lines. Where not practicable, or as existing production infrastructure is replaced, new production infrastructure will be installed in a production infrastructure corridor [please see **Exhibit 10**]. After the well is drilled and the drilling rig and equipment have been demobilized, a formed, steel reinforced concrete pad, 5' x 15', is constructed on the surface of the ground. The well is prepared for production, the pumping unit and electric motor installed on the pad, and production lines and electrical connections completed.*

In addition to the activities and procedures described above, HDLLC would also be required to install a blowout preventer on each well as part of drilling operations and prior to use of the well for production. These spill prevention and control devices are required by both Orange County and DOGGR through their regulations governing the drilling and use of oil wells. Specifically, DOGGR requires “blowout prevention and related well control equipment to be installed, tested, used, and maintained in a manner necessary to prevent an uncontrolled flow of fluid from a well.”

HDLLC also proposes to carry out future re-drilling activities on existing and proposed wells. Re-drilling means using the existing surface location (well pad, etc.) and deviating from the existing well bore with a new bottom hole location. Therefore re-drilling operations would not increase the number of well surface locations or well pads.

Block Wall and Security Fencing

HDLLC proposes to extend an existing concrete block perimeter wall on ORA North by adding approximately 2,000 linear feet of a standard concrete block wall 30-inches in height along the westerly and northerly perimeter of the ORA North site (as shown in **Exhibit 6**). As described by HDLLC in its application, the existing and new block walls are integral components of the secondary containment system on ORA North, developed as part of its Spill Containment and Countermeasures Plan. The block wall is proposed to be constructed on a steel reinforced concrete foundation, consistent with Orange County Building Code regulations. Excavated soil would be backfilled against the interior side of the wall, used within ORA North for earthen containment berms, well pads, or stored in the proposed soil remediation cell. On top of the block wall and continuing around the westerly and northerly boundary of the site, HDLLC proposes to install approximately 5,000 linear feet of chain link fencing, approximately five feet in height to provide enhanced security for the site.

Steam Generator

HDLLC proposes both to construct new steam generation equipment and to relocate to within ORA North an existing steam generator and enclosure structure that are currently located within the lowland portion of the Banning Ranch site outside of the ORA North site. The relocation of the existing equipment and structure would entail the disassembly of the steel frame, doors, roof

and siding on the structure and transport to the new proposed location using a flatbed truck operated on existing oilfield access roads. Once transported to ORA North, the approximately 15-foot by 20-foot structure would be reconstructed and placed on a new, steel reinforced concrete foundation of similar dimensions that would be installed near the north-east portion of the ORA North site (as shown in **Exhibit 6**). Once installed, this relocated structure would be used to house a new steam generator for use with the wells proposed in adjacent areas. This second generator would be a new device, measuring approximately 30-feet wide by 40-feet long and 20-feet high, that would be purchased, transported to the site, and installed in a pre-constructed skid-mounted condition.

In addition to the structure and new generator in the north-east area, the existing skid-mounted steam generator from the lowland site outside of ORA North would also be lifted and trucked from its current site to a new proposed location within an existing structure in ORA North adjacent to the proposed replacement oil processing facility. Installation of this relocated steam generator would require no additional surface preparation or construction.

Microturbine

As a replacement for the existing microturbine owned by the surface owner, HDLLC also proposes to install a new 20-foot by 20-foot microturbine facility within the ORA North site adjacent to the replacement oil processing facility. This new microturbine will use natural gas produced in the oil operations to provide supplemental electricity for the production facilities on ORA North. The proposed installation site for the microturbine is an existing level, gravel covered area adjacent to an existing asphalt road. Installation is proposed to include the construction of an approximately 20-foot by 20-foot steel reinforced concrete pad as well as the construction of a metal frame, metal sided structure to house the equipment. Once the pad is prepared, the new pre-built microturbine would be transported to the site via truck and put in place using a crane or similar lift sited within an existing paved area on the ORA North site.

The proposed microturbine is identical to an existing facility within the central portion of ORA North that is owned by the surface owner and already in use. The applicant anticipates the existing microturbine will be removed as part of the surface owner's abandonment and removal of its oil processing facility and associated equipment in ORA North.

Water Treatment Facility

HDLLC proposes to install a new water treatment facility on ORA North to treat the waste water generated by its oil operations, thus facilitating the reuse of this produced water in secondary recovery operations such as steam injection. The water treatment facility would be a pre-built, skid-loaded series of equipment that would be delivered to the site by truck and placed on to a prepared site with a crane or tractor. Site preparation for the water treatment facility would include the construction of a steel reinforced concrete pad, approximately 30-feet wide and 100-feet long, as well as the construction of a metal frame and sided enclosure structure to contain it.

The water treatment facility would be installed at a future date within the central portion of the ORA North site once this area is cleared and the existing facilities and equipment there are abandoned and removed by the surface owner. These abandonment and removal activities would

be carried out by the surface owner under a separate coastal development permit and not as part of HDLLC's proposed project.

Administrative Offices

HDLLC proposes to relocate an existing portable manufactured administrative office structure from the upland mesa portion of the Banning Ranch oilfield to within the ORA North site. The structure is comprised of two approximately 10-feet wide by 40-feet long and 15-feet high axle mounted wood framed components and a front and rear deck. The relocation would be accomplished by disconnecting all the attached utilities, lifting the two components off of their temporary foundation and towing them from their existing location to the ORA North site. The route would follow existing oilfield access roads. Once at the ORA North site, the structure would be erected anew and connected to above-ground utilities.

The final proposed location for the administrative office structure would be within the central portion of the ORA North site. If this area has not been cleared and prepared by the surface owner at the time of relocation, the office would be temporarily located adjacent to an existing field office on this site until its final proposed location is prepared and it can again be relocated.

Warehouse

As part of its consolidation efforts, HDLLC also proposes to dismantle and relocate to within ORA North an existing warehouse structure currently located on the upland mesa portion of the Banning Ranch oilfield. This structure is adjacent to an existing asphalt road and abandoned steam plant facility and all activities involved in deconstruction and loading would be carried out from existing roads and paved areas. The warehouse is approximately 20-feet wide by 90-feet long and is comprised of metal framing, doors and siding. Once dismantled, the warehouse would be loaded onto trucks and brought to the ORA North site using existing oilfield access roads. The final proposed location for the warehouse would be within the central portion of the ORA North site that currently supports the surface owner's oil processing facility. In the event that this facility has not been removed by the surface owner within the 36-month timeframe proposed by HDLLC for consolidation activities, the warehouse would not be relocated and would remain in its current location and would not be used by HDLLC. In the event that the entire existing warehouse is not suitable for relocation, it would be relocated in part or a new similar structure of the same dimensions would be installed.

Pipe Racks/ Laydown Area

To provide a location for the temporary storage of piping to be used or reused during drilling or to connect wells to processing equipment, HDLLC proposes to install and use a 75-foot wide by 150-foot long pipe rack area. This area would be comprised of level, gravel covered ground as well as elevated metal pipe supports or racks. The final proposed location of the pipe rack area would be within the central portion of the ORA North site where the surface owner's oil processing facility is currently located. If this facility is still in place when HDLLC proposes to install the pipe rack area, this area would be temporarily located elsewhere on the ORA North site until such time as its final proposed location is cleared of equipment and facilities and it can be relocated.

Soil Treatment and Stockpile Facility

To stockpile soil in anticipation of future reuse on ORA North and to treat soil that is lightly to moderately contaminated with hydrocarbons as a result of the proposed continued and expanded oil production operations within ORA North, HDLLC proposes to construct and use a soil treatment facility within the site. The facility would be similar to an existing facility located outside the ORA North site currently used by HDLLC and would be approximately 50-feet wide by 100-feet long and consist of concrete containment rails, steel reinforcement bars, and drainage, backfill, and berm materials. The proposed design would include the installation of pre-cast concrete rails, a geomembrane, gravel drainage material and geotextile over the existing surface of the ground. Based on past experience with the existing soil treatment facility, HDLLC anticipates that each batch of soil will require up to several weeks of treatment to breakdown hydrocarbon contamination. Treatment would consist of the addition of limited fertilizers and water as well as periodic mixing to promote the growth and activity of native soil microbes capable of breaking down hydrocarbons into their constituent molecules. Use of the soil treatment facility as well as testing methods, protocols, and threshold levels are proposed to be carried out in accordance with authorizations from the Santa Ana Regional Water Quality Control Board and Orange County Health Care Agency, as described further in the Water Quality section of this report and memorialized in **Special Condition 13**.

The proposed soil treatment facility would be constructed within the central portion of the ORA North site once the surface owner abandons and removes the existing equipment and facilities from this area.

Drainage Corridor

The ORA North site includes an existing drainage corridor that bisects the site and facilitates the movement of runoff from the upland mesa on the east side of the site to the wetland areas on the west of the site. This roughly 700-foot long corridor is protected by an easement that prohibits HDLLC from restricting the flow of water to or from it. The drainage corridor currently contains a partially vegetated shallow open channel that is several feet wide and deep and serves to channel surface flow across ORA North. The drainage channel is dry during much of the year and contains several inches of standing or flowing water during rainfall events and extremely high tides.

HDLLC proposes to convert this open channel into a covered drainage culvert for its entire length through the ORA North site. This would entail the installation of an approximately two-foot diameter pipe within the drainage channel and some limited engineering to ensure that flow is maintained through the channel and it is capable of receiving surface flows at the eastern edge of ORA North and discharging them at the western edge in a similar manner as the current configuration allows. Once the culvert is installed, the channel would be backfilled and leveled to surrounding ground elevation.

Southern Project Site – ORA South

The southern project site, the Oil Remainder Area (ORA) South, is an approximately 4.8 acre area that HDLLC shares with the City of Newport Beach's oil production wells and processing facility and the Orange County Sanitation District's pump station. The site is adjacent to Pacific Coast Highway (PCH) and has controlled access gates on either side of the pump station located

on the south end of the site adjacent to the northbound lane of PCH, as shown in **Exhibit 7**. This site has supported oil production operations since the 1940s and of the 26 wells that have been installed on the site, approximately 24 remain in use – roughly split between HDLLC and the City of Newport Beach.

Existing Wells and Facilities

HDLLC proposes to continue use of its seven active and four idle oil production wells on the ORA South site. In addition to operation of these wells, HDLLC also proposes to continue use of the electrical switchgear and equipment storage yard that are currently located along the eastern edge of the ORA South site as well as the transport pipelines that are used to move produced liquids from the ORA South wells to the oil processing facility on ORA North.

New Wells

In addition to continued use of its existing wells, HDLLC also proposes to install and operate up to 15 new wells on ORA South. Most of these wells are proposed to be installed near the toe of the bluff along the eastern side of the site, the only portion of the site that is not encumbered by City of Newport Beach and Orange County Sanitation District operations and available for HDLLC's exclusive use. In addition to the up to 13 wells that are proposed to be installed in a line along the eastern side of the site, HDLLC also proposes to install two more wells in the central portion of the site, adjacent to two of HDLLC's existing wells.

Installation and drilling of these 15 wells is proposed to proceed in a similar manner as the wells proposed for ORA North, described in detail above. Prior to drilling, HDLLC would be required to obtain authorization from both Orange County and DOGGR for each well and the number, spacing and configuration of wells within the proposed well installation area displayed on **Exhibit 7** would be determined by these agencies during their review processes.

Microturbine

In addition to the one that would be placed on the ORA North site, HDLLC also proposes to install a new microturbine facility on the ORA South site. This microturbine would be identical to the one installed on the ORA North site - a 20-foot long by 20-foot wide sled-mounted facility that would be brought to the site pre-constructed on a truck and installed on a steel reinforced concrete pad by a tractor or crane. The concrete pad would be approximately the same dimensions as the microturbine and would also support a metal framed and sided structure that would be constructed to enclose the microturbine. The microturbine would be placed adjacent to the proposed oil processing facility and would use natural gas collected from the oil processing operations to generate electricity for use onsite for oilfield operations on the ORA South site.

Oil Processing and Shipping Facility

In addition to the replacement oil processing facility that is proposed to be installed on the ORA North site, HDLLC also proposes to install another replacement oil processing and shipping facility on the ORA South site. This facility would be very similar to the existing facility on the ORA South site that is operated by the City of Newport Beach to treat and load the oil generated by the approximately 12 wells that the City operates at that site. The facility would be comprised of equipment including a waste water and oil emulsion separation system, a vapor recovery

system, oil solids sump, gas separator and treatment system, storage tanks, and a tanker truck loading facility

The proposed HDLLC oil processing and shipping facility on the ORA South site would be enclosed in an approximately four-foot high concrete block containment wall and would include storage tanks and equipment for loading oil onto transport trucks as well as equipment used to separate the oil, water, solids and gases from the liquids extracted by the production wells on ORA South. This equipment would include sumps, vapor recovery systems, water disposal systems, water extraction devices, and heater treaters. The total proposed dimensions of the oil processing facility would be 60-feet wide by 60-feet long and it would be installed at least 20 feet south of the City of Newport Beach's existing oil processing facility near the center of the ORA South site. To prepare this location for installation, an existing oil well within the proposed footprint would be abandoned and removed. This abandonment would be carried out pursuant to the required authorization from both Orange County and DOGGR.

Lay Down Area

HDLLC proposes to use a portion of the ORA South site to temporarily store out of service pipelines and other similar infrastructure equipment before it is brought back into service. The proposed location would be at the north end of the ORA South site and would be approximately 40-feet wide by 60-feet long on an existing prepared gravel pad.

Field Office

The final facility that HDLLC proposes for the ORA South site would be a construction office. This office would be a mobile construction office trailer approximately 10-feet wide by 20-feet long and would be placed along the western edge of the ORA South site and connected to existing water and electrical utilities that are currently available at the site.

Joint Use Area - JUA

Running between the ORA South and ORA North sites and connecting them is an approximately 60-foot wide infrastructure and access corridor that runs parallel to the Seminiak Slough and between the edge of the slough and the toe of the bluff that separates the lowland portion of the Banning Ranch oilfield from the upland mesa. This corridor is termed the Joint Use Area (JUA) by HDLLC in its application materials, a reference to the several entities that share an ingress-egress and utility easement over it. Two existing parallel unpaved access roads separated by a six-foot high chain link fence currently exist within the JUA. In addition, the JUA contains a variety of aboveground pipelines and service lines at the base of the bluff on the eastern side of the interior road. The JUA roads are currently used by HDLLC and the surface owner as part of existing oilfield operations as well as by personnel from the Orange County Sanitation District and other public agencies that use the road along the edge of the slough to access facilities and properties located adjacent to the Banning Ranch.

Pipeline Replacement

HDLLC proposes to abandon and replace several of the existing pipelines that it currently maintains within the JUA. Currently, the JUA pipelines corridor contains five separate aboveground lines: a six-inch flexible plastic sewer line; a one-inch plastic water line; a three-inch oil production line; a two-inch natural gas production line; and a three-inch waste water

line. HDLLC proposes to abandon the oil and natural gas lines and replace them with additional lines. In total, HDLLC proposes to have eight pipelines within the JUA pipeline corridor – all of which would be made from high density polyethylene (HDPE) plastic: a six-inch sewer line, four-inch produced fluid line to transport fluids from wells to processing facility; two-inch natural gas service line; two-inch produced natural gas line; three-inch potable water line; three-inch shipping line; and a two- and four-inch sleeve reserved for unspecified future use.

HDLLC proposes to install these various lines as needed as the proposed wells are installed and brought into service. The lines are proposed to be installed within an excavated and backfilled trench that would be created at the bottom of the bluff along the JUA and would be isolated from the existing access road by an existing earthen berm. The trench would be dug by a backhoe and would be approximately two-feet deep by eight-feet wide.

Road Use

HDLLC proposes to continue and slightly increase use of the existing unpaved access road within the JUA. In addition to its use by construction personnel, drill rigs, and material and equipment delivery trucks during the various construction and installation phases of the proposed project, the access road may also be used to transport oil from the ORA North processing facility to an offsite refinery. HDLLC has proposed to limit this shipping traffic to within daylight hours and if its maximum proposed production levels are reached, anticipates between three and five round trips per day. However, HDLLC would only use the JUA access road route for oil shipments if its current transport route from the ORA South site across the upland mesa and down to ORA North from the eastern side is restricted or closed by the surface owner. Until such a closure or restriction comes into effect, HDLLC would continue to use this other currently used access route for shipping traffic and other personnel and construction traffic.

Well Abandonment

As part of its proposed oil operation consolidation efforts, HDLLC would close and abandon all of its oil operations outside of the ORA sites. These operations are limited to the use of three wells on the upland mesa portion of the Banning Ranch oilfield, as shown in **Exhibit 3**. Each of these wells would be abandoned and closed as an initial part of the proposed project. In addition, HDLLC has also requested in its application materials that its coastal development permit include authorization for the future abandonment of both the existing and proposed wells within the ORA sites. These well abandonment activities – both those that would be carried out in the immediate term on the upland mesa and those that would be carried out at a future date within the ORAs - would be carried out consistent with state, local, and federal regulations and subject to authorization by both Orange County and DOGGR.

Proposed well abandonment activities would include not only the closure and capping of the well itself but also the collection and removal of all the surface equipment, structures, and infrastructure that is in place for that well, including the concrete well pad, pump unit, electrical lines, transformers, utility poles, pipelines, vessels, and flow lines. In addition, all contaminated soils at the well site would also be excavated and removed to a treatment or disposal facility. Soil testing would be carried out to confirm the absence of contaminated soils around the perimeter of the excavation.

C. Other Agency Approvals

California Department of Conservation, Division of Oil, Gas, and Geothermal Resources

The Department of Conservation Division of Oil, Gas, and Geothermal Resources (DOGGR) has authority over both the drilling and abandonment of oil and gas production wells. Oil and gas well drilling or abandonment must be carried out in accordance with the current requirements of DOGGR. This is ensured through DOGGR's well drilling and abandonment permitting processes. Prior to implementing the proposed well drilling and abandonment activities, HDLLC would be required to obtain well drilling and abandonment permits from DOGGR. Because these permits are only valid for a limited duration, HDLLC has elected to seek these permits after the Commission's review of its coastal development permit application has been completed.

County of Orange

Similar to DOGGR, the County of Orange (County) also has authority to issue drilling and oil well permits. Prior to implementing the proposed well drilling and abandonment activities, HDLLC would be required to obtain well drilling and abandonment permits from the County. Because these permits are only valid for a limited duration, HDLLC has elected to seek these permits after the Commission's review of its coastal development permit application has been completed. In addition to well permits, HDLLC would also be required to obtain building permits and other local approvals for the various project elements prior to initiating construction.

U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers (ACOE) has regulatory authority over the proposed project under Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 1344) and Section 404 of the Clean Water Act. Section 10 of the Rivers and Harbors Act regulates structures or work in navigable waters of the United States. Section 404 of the Clean Water Act regulates fill or discharge of materials into waters and ocean waters.

The ACOE has yet to receive an application for the proposed project from HDLLC and has therefore not initiated review. Pursuant to Section 307(c)(3)(A) of the Coastal Zone Management Act (CZMA), any applicant for a required federal permit to conduct an activity affecting any land or water use or natural resource in the coastal zone must obtain the Commission's concurrence in a certification to the permitting agency that the project will be conducted consistent with California's approved coastal management program. The subject coastal development permit (9-15-1649) will serve as Commission review of the project under the CZMA.

California Regional Water Quality Control Board

The Santa Ana Regional Water Quality Control Board staff would work with staff of the Orange County Health Care Agency to review and approve any scope of work for excavation, on-site remediation or off-site transport of any petroleum hydrocarbon-impacted soil at the site. HDLLC would be required to have a work plan prepared submitted to both agencies for review and approval prior to implementing proposed project elements that would include such work.

D. Wetlands and Water Quality

Section 30231 of the Coastal Act states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The proposed project is located in close proximity to wetlands and estuarine tidal waters and also includes the conversion of an approximately 700-foot long open wetland drainage channel to a covered subsurface culvert. This culvert installation element of the project is discussed in more detail in the subsequent section of this report on wetland fill, while this section is focused on the project's potential to adversely affect wetlands and water quality adjacent to and around the proposed project sites. The primary sources of these potential adverse effects would be (1) disturbances to wetland habitats from the construction and use of wells and other oilfield facilities in adjacent areas; (2) discharges of potentially contaminated runoff and surface waters from the project sites into wetlands and estuarine waters; and (3) unintentional releases or spills of oil or hazardous materials into wetlands or estuarine waters.

Each of these potential impact sources is discussed and evaluated below.

Development Adjacent to Wetlands

As shown in **Exhibit 3**, the roughly triangular shaped ORA North site is bounded on two sides – the north and west – by substantial areas of wetland habitat. These habitat areas start between a few feet and a few dozen feet from the perimeter of the existing footprint of the site and extend across the majority of the lowland portion of the Banning Ranch oilfield properties. Wetland habitat types around the perimeter of ORA North range from dense stands of wetland vegetation to open waters, mudflats, and populations low lying estuarine plant species such as saltgrass and pickleweed. In a variety of locations, existing structures, oil wells, processing equipment, or production facilities are located within a few feet of wetland habitats outside of the perimeter of the ORA North site, but aside from the wetlands within the drainage corridor, no wetland habitat is located within the ORA North site.

However, development activities, including both the temporary activities associated with construction and installation, and the longer term ongoing activities associated with use and maintenance of the installed structures and equipment, have the potential to adversely affect the biological productivity and quality of adjacent natural habitats. These adverse impacts may result from a variety of sources, including the transmission of elevated sound levels that can mask wildlife communications or cause wildlife to startle, flee, or abandon areas; the discharge of dust, emissions, or debris that may smother vegetation, restrict growth, reproduction or other natural functions, attract populations of scavengers or lead to contamination of soils, water, and

air; and the increased likelihood for greater levels of human and vehicle traffic into surrounding areas, resulting in direct disturbance or destruction of sensitive habitats.

The proximity of HDLLC's proposed project elements at the ORA North site to existing wetland habitats must therefore be closely considered. Despite the close proximity of some existing development on ORA North to wetland habitats, HDLLC has proposed to locate all new proposed wells, equipment, and facilities away from the outside perimeter of the site and maintain a separation of no less than 50 linear feet between this proposed development and wetland areas. The only proposed exception to this would be installation of a screened chain link security fence on top of the existing concrete wall section along the south-west side of the site. While use of a larger, 100-foot buffer distance was also discussed with Commission staff and used as a target for HDLLC – and was indeed achieved with proposed project elements in several locations – a variety of site and project specific factors came into play that supported use of the narrower proposed buffer.

Among these factors is the existing development and use patterns of the ORA North site, the existence and persistence of wetland areas around its perimeter despite its long-term operational history, and the limited proposed modification to the historical use patterns of the site that would occur as a result of the proposed project. Although the site may eventually support additional wells under HDLLC's proposal, the processing and production activities that would be carried out on it – even under the maximum proposed conditions – would be significantly less than the historical use levels when the ORA North site was processing the fluids generated from several hundred wells throughout the Banning Ranch oilfield. In comparison to historic conditions, the more compact, modernized and consolidated processing and production facilities would generate substantially less overall activity. Specifically, if total daily production is used as a proxy for activity, the reduction from historic peak levels would be roughly 600% (from 3,600 barrels per day to a proposed maximum of 300 to 500 barrels per day).

Another key factor or consideration used to evaluate the appropriateness of HDLLC's proposed minimum buffer width is the type of development proposed to be carried out closest to the wetland areas and the amount of activity and disturbance associated with it. As shown on **Exhibit 6**, the primary development proposed to occur around the perimeter of the ORA North site would be the installation and operation of wells. While well drilling involves higher levels of activity and disturbance, these activities are very limited in duration and once they are complete, operation of installed wells is typically limited to simply the presence and limited movement of pump units. Activities associated with well operations that involve personnel or equipment are typically limited to a couple dozen hours per year of maintenance activities and inspections. The activity levels that would be carried out as part of the proposed project are therefore substantially different than those associated with other types of development - such as roads or residential or commercial structures and facilities - that include a more constant stream of human activity around them and are therefore more likely to lead to adverse impacts on surrounding habitat areas unless buffer distances are maximized.

However, despite these factors, the more limited buffering capacity provided by a minimum 50 foot separation distance alone would still be insufficient to ensure that the biological productivity and quality of wetland habitats around the proposed development would be maintained and

where feasible, enhanced. In consultation with the Commission's biological staff, **Special Condition 9** was therefore developed to ensure that those areas where a buffer distance below the typical 100-feet for wetlands is to be used, additional measures would be taken to provide enhanced buffering. Specifically, **Special Condition 9** requires that HDLLC augment its proposed perimeter wall to a minimum of three-feet and to install "gapless" slatting on the proposed security fence at the top of the wall to dampen sound, restrict and limit discharges of dust and debris, prevent spills from within the ORA site from passing outside of it, limit light trespass, and limit foot traffic and activity on the outer side of the wall between the edge of the ORA North site and adjacent habitat areas. In addition to enhancing the buffering capacity of the distance between the new proposed development and nearby habitat areas, this new, more elevated wall and fence combination around the northern and western perimeter of the ORA North site would also provide increased protection for wetland habitats from existing development near the edges of the ORA North site, including wells, a steam generator, and other production and processing facilities and equipment. By augmenting the buffer between existing habitat areas and existing development, **Special Condition 9** would provide a feasible impact minimization measure to further protect these wetlands.

Further, **Special Condition 9** would also enhance the buffering capacity of the 50- to 100-foot area between the proposed development and wetlands habitats in many key locations by also requiring the collection and removal of out-of-service or abandoned equipment, materials, structures, foundations, and debris that is currently present in the proposed buffer areas. Collection and removal of these materials would facilitate the persistence, growth, and natural expansion of adjacent wetland habitats and further compensate for the reduced protection provided by the narrower wetland buffer distances proposed in some areas along the western and northern sides of the ORA North site.

Regarding the proposed well drilling and installation efforts that bring with them concentrated day and night activities; a specific approach was developed to address the short-term but high-intensity nature of the work. Historically, the complete drilling process for wells on the Banning Ranch oilfield has taken less than 10 days (from mobilizing to demobilizing drill rigs and well installation equipment) of 16 to 24 hour drilling per day. In addition, a variety of techniques, management practices, and equipment is available that can limit the transmission and release of sound, light, emissions, debris, and discharges during drilling activities, including the use of sound mufflers, light shielding, enclosures for drill rigs, closed systems for well and drilling fluids, and seasonal restrictions (such as those for breeding or nesting seasons). HDLLC has proposed to implement several of these measures during all proposed drilling activities – such as the use of closed systems for drilling fluids and muds - and a variety of others are included in **Special Conditions 7 and 8** which require the use of temporary sound screens between drill sites and nearby habitat areas; the use of hospital quality mufflers on equipment whenever feasible; the use of two-way radios to limit personnel noise; the use of rubberized pads in key areas of the pipewalk to dampen the sound of moving and dropping pipes; the concentration of high sound generating activities during the middle part of the day outside of critical wildlife foraging periods; the restriction on drilling activities during the peak bird breeding and nesting season (February through August); and limitations on the location and direction of construction, security and facility lighting.

Water Quality

As noted in project application materials:

The [Banning Ranch oilfield] is hydraulically bounded to the west by the mouth of the Santa Ana River and to the south by marsh channels. The marsh channels are connected by a culvert to the mouth of the Santa Ana River [through a series of tide gates]. As water in the Santa Ana River mouth and marsh channel is directly connected to the Pacific Ocean, the aquifer located below the [Banning Ranch oilfield] is in direct connection with sea water. Depth to ground water at the [Banning Ranch oilfield] is approximately equal to mean sea level and is influenced by tidal fluctuations. Based on work conducted by the CDWR (1967), it appears likely that ground-water flow at the [Banning Ranch oilfield] is from the uplands zone towards the Santa Ana River in the northern portion of the site and from the mesa towards the Pacific Ocean in the southern portion of the site.

In other words, while the ORA North and ORA South sites are not themselves wetlands, they are located within a wetland complex that is connected to the ocean by both surface and subsurface waters. Careful consideration must therefore be made of the activities proposed to occur within the sites and how these activities may allow contaminated materials to pass outside of them and into surrounding wetland, estuarine, and marine waters.

Considering first the ORA North site, several proposed project elements pose a potential risk to water quality. These elements include the drilling and operation of up to 77 new oil wells, the operation of existing oil wells, the processing, storage and shipping of oil, the pipeline and truck transport of oil, and the operation of a soil treatment facility for hydrocarbon contaminated soil. The primary risks to water quality associated with these activities would be from an uncontained spill that flows out of the site or the discharge of surface runoff that is exposed to contamination on the ORA North site and flows off of it into surrounding waters. To address these issues, HDLLC has proposed two main project features – extension of an existing concrete block wall and berm structure so that it separates the site from all adjacent wetland areas and replacement of the open drainage channel that bisects the site with a covered culvert structure that surface contaminants and runoff cannot reach. To further limit the potential for contaminated runoff or spills to adversely affect water quality by reaching wetlands and open waters outside of the ORA North site, **Special Conditions 3 and 14** would also require that HDLLC develop and submit for Executive Director review and approval both a Spill Prevention, Control, and Countermeasures Plan and a Stormwater and Runoff Control Plan. The Spill Prevention, Control, and Countermeasures Plan would be required to demonstrate HDLLC's ability to prevent, respond, and contain hazardous material spills, including worst case spills based on maximum proposed production and onsite storage volumes and would therefore limit the potential occurrence and consequences of such spills. The Stormwater and Runoff Control Plan would be required to include a series of best management practices deemed appropriate for the project sites and proposed development, including structural and non-structural infiltration, treatment or filtration measures for runoff from all project surfaces, measures to ensure that structural and non-structural best management practices are routinely maintained in working condition and engineered to effectively operate in heavy storm conditions.

In addition, the Stormwater and Runoff Control Plan would also be required to outline the measures incorporated to avoid and minimize wetland and water quality impacts and to store

and/or contain materials, soils, and debris originating from the project in a manner that precludes their uncontrolled entry and dispersion into nearby coastal waters or wetlands.

Conclusion

Although that the proposed project has the potential to adversely impact water quality and the biological productivity of coastal waters, with implementation of **Special Condition Nos. 3, 7, 8, 9 and 14**, the Commission finds the project would be carried out in a manner in which water quality and the biological productivity of coastal waters will be maintained and enhanced. The Commission therefore concludes that the proposed project, as conditioned, would be consistent with the water quality and wetland resource section (Sections 30231) of the Coastal Act.

E. Fill of Open Coastal Waters

Section 30233(a) of the Coastal Act states:

The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:

- (1) *New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.*
- (2) *Maintaining existing, or restoring previously dredged depths on existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.*
- (3) *In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.*
- (4) *Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.*
- (5) *Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.*
- (6) *Restoration purposes.*
- (7) *Nature study, aquaculture, or similar resource dependent activities.*

Coastal Act Section 30108.2 defines “fill” as “earth or any other substance or material ... placed in a submerged area.” As part of its project, HDLLC proposes to place a metal culvert and backfill soils within an approximately 700-foot long open wetland drainage channel that supports standing and flowing water. Installation and burial of this culvert constitutes “fill” of wetland waters, as that term is defined in the Coastal Act.

The Commission may authorize a project that includes filling of wetland waters if the project meets the three tests of Coastal Act Section 30233. The first test requires that the proposed activity fit within one of seven use categories described in Coastal Act Section 30233(a)(1)-(7). The second test requires that no feasible less environmentally damaging alternative exists. The third and final test mandates that feasible mitigation measures are provided to minimize any of the project's adverse environmental effects.

Allowable use

The purpose of the culvert is to support HDLLC's expansion of its energy facility. An "energy facility" is defined as "any public or private processing, producing, generating, storing, transmitting, or recovering facility for electricity, natural gas, petroleum, coal, or other source of energy" and is described as an allowed use in Coastal Act Section 30233(a)(1). Therefore, the Commission finds that the project meets the allowable use test for fill of wetland waters under Coastal Act Section 30233(a).

Alternatives

The Commission must further find that there is no feasible less environmentally damaging alternative to placing fill in wetland waters. Coastal Act Section 30108 defines "feasible" as "...capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors."

In addition to the proposed conversion of the open drainage corridor to a covered culvert, HDLLC and Commission staff also considered maintaining the drainage channel in its present condition, blocking it with soil, and installing grated screening over the top of it. However, these alternatives were rejected because they would either be inconsistent with the easement that prohibits HDLLC from restricting the flow of water to or from the drainage corridor or would be more environmentally damaging by not protecting the waters within the drainage corridor – and the surrounding waters that they flow into – from the contamination that may currently enter them as they flow through the industrialized ORA North site in the open channel. The Commission therefore agrees with the applicant that these alternatives would be infeasible or more environmentally damaging when compared to the proposed culvert installation activities.

For the reasons described above, the Commission finds that the proposed project is the least environmentally damaging feasible alternative and therefore the second test of Coastal Act Section 30233(a) is satisfied.

Mitigation Measures

The final requirement of Coastal Act Section 30233(a) is that filling of wetland waters may be permitted if feasible mitigation measures have been provided to minimize any adverse environmental impacts. In addition to the mitigation measures described in greater detail in the terrestrial biological resources, wetland and water quality resources, and hazards sections of this report, **Special Conditions 10 through 12** are specifically focused on ensuring that the loss of existing wetland habitat within the open drainage channel is appropriately mitigated. **Special Condition 10** establishes a wetland mitigation ratio of 4:1 (area created: lost) for wetland habitat creation or substantial restoration efforts and 8:1 (area enhanced: lost) for wetland enhancement efforts such as those that remove invasive vegetation species, increase hydraulic connectivity, or promote biodiversity. The companion conditions, **Special Conditions 11 and 12** require that

HDLLC develop and submit for Executive Director review and approval a Wetland Mitigation Plan that comprehensively describes the manner in which the appropriate amount of wetland area would be created or enhanced on site and establishes performance criteria, monitoring protocols, and reporting procedures to ensure that the plan is implemented and successfully achieves the envisioned wetland habitat benefits. To maximize both the potential for success of the wetland mitigation effort and the biological productivity and quality of the resulting wetland – as well as to reduce overall mitigation costs and efforts, Commission staff and staff of the Santa Ana Regional Water Quality Control Board have coordinated to allow HDLLC to propose to carry out a joint wetland restoration project that combines the mitigation effort required in this permit with the approximately 3 acre wetland restoration effort required by the Santa Ana Regional Water Quality Control Board in resolution of its 2001 Cease and Desist Order. This joint wetland restoration effort would result in the creation of a larger single wetland area that meets the combined restoration area requirements of both agencies rather than two smaller wetland areas – one for each agency.

These feasible mitigation measures will minimize the project's adverse environmental impacts. Thus, with the imposition of the conditions of this permit, the Commission finds that the third and final test of Coastal Act Section 30233(a) has been met.

Conclusion

Because the three tests have been met, the Commission finds the proposed project, as conditioned, consistent with Section 30233 of the Coastal Act.

F. Terrestrial Biological Resources

Coastal Act Section 30240 states that:

(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

In addition, Coastal Act Section 30107.5 defines "Environmentally sensitive area" as follows:

"Environmentally sensitive area" means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.

The proposed project would be primarily located within the two areas of the Banning Ranch site that have some of the longest history of disturbance and concentrated oil and gas production activities, the ORA North and ORA South sites. Both sites are dominated by paved surfaces and

cleared ground, support oil and gas wells and processing and shipping equipment, and have little or no existing vegetation.

ORA North Site

The results of botanical surveys carried out on this site by HDLLC's biological consultants in September, October, and November of 2016 indicate that little to no vegetation is present within the site itself and the immediate perimeter consists primarily of bare, disturbed ground or non-native species. However, the surveys also indicate that a variety of sensitive upland and wetland plant communities are also present a short distance outside the perimeter of the site.

Commission staff ecologist, Dr. Jonna Engel, participated in a confirmation survey carried out around the perimeter of the ORA North site on November 4, 2016, and the vegetation survey map developed by HDLLC's biological consultants is consistent with the observations she made during that survey.

Southern Tarplant

Among the notable observations from vegetation surveys carried out over the past several months is the presence of two populations of southern tarplant (*Centromadia parryi* ssp. *australis*) at the northern edge and northwestern corner of the ORA North site. The southern tarplant is a small to medium-sized annual herb in the sunflower family. It is glandular, aromatic, and more or less sticky to the touch, and produces solitary or clustered flower heads with short but prominent yellow ray flowers typically from May through November. Generally, southern tarplant occurs in alkali meadow or ruderal vegetation types, often in flat areas or within depressions. Populations of this plant have been observed in these same or similar locations during previous vegetation surveys carried out on the site going back to at least 2009.

The California Department of Fish and Wildlife's Biogeographic Division manages and maintains the California Natural Diversity Database (CNDDB) which is an inventory of the status and locations of rare natural communities, plants, and animals in California. The Southern tarplant has a global and state rarity ranking of G3T2/S2.

Southern tarplant (*Centromadia australis* ssp. *parryi*) is also a California Native Plant Society List 1B.1 species. This designation has two parts, the "1B" rarity ranking and the "0.1" threat ranking. The California Native Plant Society provides the following descriptions and definitions for these rankings:

Plants with a California Rare Plant Rank of 1B are rare throughout their range with the majority of them endemic to California. Most of the plants that are ranked 1B have declined significantly over the last century. California Rare Plant Rank 1B plants constitute the majority of taxa in the CNPS Inventory, with more than 1,000 plants assigned to this category of rarity.

All of the plants constituting California Rare Plant Rank 1B meet the definitions of the California Endangered Species Act of the California Department of Fish and Game Code, and are eligible for state listing. Impacts to these species or their habitat must be analyzed during preparation of environmental documents relating to CEQA, or those considered to

be functionally equivalent to CEQA, as they meet the definition of Rare or Endangered under CEQA Guidelines §15125; (c) and/or §15380.

...

Threat Ranks

0.1-Seriously threatened in California (over 80% of occurrences threatened / high degree and immediacy of threat)

Based on the rarity of this species and the recognized threat to its continued existence, the Commission finds both populations of southern tarplant are environmentally sensitive habitat areas (ESHA).

HDLLC's proposed development in the area of the site that supports these two populations of southern tarplant includes a section of the perimeter wall and a proposed wells installation area (as shown in **Exhibit 6**). The initial proposed location of this development would have run through one of the southern tarplant populations and within several feet of the other. The presence of this development and the construction and installation activities associated with its placement would likely have resulted in the direct loss of much or all of both populations.

To protect these southern tarplant ESHAs from the significant disruption of habitat values associated with the loss of individual plants, growing areas, and seed stock that would occur through the construction and placement of a concrete block wall and oil production wells within it, HDLLC revised the proposed location of the wall and wells in the southern tarplant area to remain no less than 25-feet from the edge of the populations that were mapped in October and November of 2016 – during the growing and blooming period for this species. This revised proposal is memorialized in **Special Condition 6** which would require HDLLC to locate proposed development elements away from the 2016 mapped southern tarplant habitat areas shown on **Exhibit 5**. This reconfiguration of the proposed perimeter wall and wells would bring them a minimum distance of 50-feet south of the eastern southern tarplant ESHA (and closer to the interior of the ORA North site). This minimum 50-foot buffer width is consistent with typical Commission practice and the guidance provided by the City of Newport Beach LCP for areas of rare vegetation that do not support special status wildlife species. The wells and wall would also be located a minimum distance of 50-feet from the majority of the western southern tarplant ESHA as well. However, because this area is located near the corner of the site, **Special Condition 6** would allow the outer corner of the perimeter wall within a minimum distance of 25-feet from the edge of the western southern tarplant ESHA.

To compensate for the reduced protection for this ESHA provided by the narrower buffer width in this location, **Special Condition 6** would also require HDLLC to develop and submit, for Executive Director review and approval, a Southern Tarplant Habitat Enhancement Plan for the collection and removal of the out-of-service, abandoned, and discarded equipment, facilities, debris and materials located adjacent to the eastern and western southern tarplant ESHA. This plan would detail both the removal targets and the manner in which they would be removed (including the proposed staging and operating location of removal equipment) so as to ensure that disturbance or loss of ESHA does not occur during removal work. Removal of the out-of-service and abandoned facilities and equipment from around the southern tarplant ESHAs would free up several hundred square feet of habitat adjacent to the eastern and western southern

tarplant populations. Given the southern tarplant's ability to colonize disturbed areas, the creation of this habitat is expected to enhance its populations in this area by providing them with additional space to grow, expand, and disperse into. This would compensate for the additional levels of disturbance caused by the reduced buffer distance by facilitating the expansion and persistence of the southern tarplant ESHA.

Coastal California Gnatcatcher Habitat Areas

In addition to southern tarplant, vegetation surveys carried out around the perimeter of the project site also delineated several areas of coastal sage scrub and brittle brush scrub near the eastern and north-eastern boundaries of the site. These vegetation communities have previously been identified during prior survey efforts on the site, but the more recent efforts focused on a more discrete area and included a higher level of refinement. As noted previously, the results of these surveys were reviewed in the field by Commission staff ecologist, Dr. Engel, on November 4, 2016, who determined the maps produced by HDLLC's biological consultants to be consistent with her field observations.

Using the results of vegetation mapping carried out in prior years and refined over the past several months as well as the focused survey results and observations of the use of these vegetation areas by coastal California gnatcatcher (*Polioptila californica californica*) that have been made over the past 14 years, the Commission staff ecologist worked with mapping and analytical staff to identify environmentally sensitive habitat areas (ESHA) and wetlands around the proposed project sites and to develop figures displaying their locations and configurations. The figure developed for the ORA North site is provided in **Exhibit 3**. Working with this figure, HDLLC was then able to design its proposed new development activities within the ORA North site to remain a minimum of 100-feet outside of these areas of coastal California gnatcatcher occupied ESHA. In contrast to the 50-foot buffer distance for vegetation ESHA that is not used by special status wildlife species described in the section on southern tarplant above, the Commission's biological staff considers a wider 100-foot buffer distance to be more appropriate and protective for the native habitat that supports the coastal California gnatcatcher – a bird species listed as threatened under the federal Endangered Species Act, has a rarity ranking of G3T2/S2, and is a California species of special concern. HDLLC's commitment to maintain this 100-foot buffer distance is memorialized in **Special Condition 5** which references **Exhibit 3** and requires that all new wells, facilities, structures, and infrastructure within ORA North remain at least 100-feet from the areas of ESHA it delineates.

Based on internal review by Commission staff and consultation with Commission staff ecologist, Dr. Engel, this buffer distance, combined with the type of development activities that are proposed to occur outside of it and the protective measures required by **Special Condition 8** such as the prohibition on drilling activities during the February through August peak bird breeding season – would be adequate to ensure that ESHA around the eastern and north-eastern portions of the ORA North site and the wildlife it supports would not be adversely affected by the proposed project.

ORA South Site

The results of vegetation surveys carried out on this site in September, October, and November of 2016 indicate that the ORA South site is also primarily a paved and cleared industrial area that

contains little to no native vegetation or habitat. The exception is the far eastern edge of the rectangular site. This area consists of a partially vegetated bluff that supports several large areas of intact native plant communities, including coastal sage scrub, California brittle bush scrub, and prickly pear scrub. Several of these plant communities are considered to be rare and have been designated for protection by the Commission as ESHA. Although HDLLC proposes to install a series of up to 13 wells along the eastern side of the ORA South site, it has proposed to maintain a minimum buffer distance of 50-feet from the western edge of the native scrub plant communities in this area as a resource protection measure and has developed its proposed site configuration with no proposed new development within this buffer area.

To evaluate the adequacy of HDLLC's proposed 50-foot resource protection buffer, the Commission's staff ecologist carried out a field verification site visit to this area on November 4, 2016. Commission staff also considered the results of past vegetation surveys, those carried out by HDLLC's biological consultants over the past several months, and the results of coastal California gnatcatcher breeding surveys and territory mapping efforts carried out in this area between 1992 and 2015. Several of the types of vegetation communities along the eastern edge of the ORA South site are considered rare and have previously been designated for protection by the Commission as ESHA. Such habitats include those areas labeled California brittle bush scrub and prickly pear scrub (both of which are provided with the "S3" rarity ranking in the Manual of California Vegetation, 2nd Ed., designating them as vegetation communities with between 20 and 100 viable occurrences statewide), and the combined and disturbed variants of these communities that were mapped by HDLLC's biological consultant.

Further contributing to the importance of these areas of native habitat, use by the coastal California gnatcatcher has also been observed in this area as well. Of the breeding surveys carried out on the Banning Ranch oilfield since 1992, five have included observations of gnatcatcher use within the native scrub habitat areas at the periphery of the ORA South site, including the most recent survey carried out in 2015. These vegetation communities - shown on **Exhibit 4** - are considered ESHA because they are rare and especially valuable.

As described above in the section on the ORA North site, 100-feet is the target width of a protective buffer for these types of rare habitat areas that support sensitive wildlife species. However, a determination of the appropriate buffer width for a particular project and resource must also include a consideration of site and project specific details. In the case of the proposed project and the ORA South site, several of those details suggest that a narrower buffer would still provide an adequate level of protection for the ESHA to the east of the site. Among these details is the topography of the project site. Specifically, the ESHA is located at or near the top of a 40-foot high bluff system and the proposed development areas are several dozen feet away from the base of the bluff system, thus providing both a horizontal and vertical separation between the proposed development and habitat areas. Because the extent of HDLLC's proposed 50-foot buffer would be measured using a two-dimensional map (rather than following ground contours and providing a reduced "through the air" separation), it does not account for the bluff slope and site topography and the on the ground separation distance between the edge of the proposed development and the edge of the habitat area. Thus, in three dimensions the buffer is actually substantially greater than 50-feet. Additionally, the vertical separation between the two areas allows for greater dampening of sound, light, and air emissions as well as additional assurances

that potential sources of habitat disturbance such as dust, debris, accidental spills, and pedestrian access remain well separated from the habitat areas.

The other important detail to be considered is the type of proposed development and the anticipated amount of activity and potential habitat and wildlife disturbance it would generate. For development such as roads or commercial and residential structures and uses, it is critical to maximize buffer distances due to the high levels of disturbance factors and continuous human activities associated with them, and the strong potential for these activities and disturbances to adversely affect nearby habitats and wildlife. However, HDLLC is not proposing those types of development and instead proposes to install and operate a maximum of 13 wells along the eastern edge of the ORA South site, as shown in **Exhibit 7**.

While well drilling involves higher levels of activity and disturbance, these activities are very limited in duration and once they are complete, operation of installed wells is typically limited to simply the presence and limited movement of pump units. Activities associated with well operations that involve personnel or equipment are typically limited to a couple dozen hours per year of maintenance activities and inspections. The activity levels that would occur near ESHA adjacent to the ORA South site as part of the proposed project are therefore substantially different than those associated with other types of development and includes significantly fewer potential disturbance factors (such as lighting, high levels of noise, vehicles, pets, emissions, debris, human activity, etc.). As such, HDLLC's proposal to locate these development activities 50-feet or more from ESHA would be consistent with the protection of that ESHA that is also separated from the development by a roughly 40 foot high bluff. The implementation of this proposed buffer area is memorialized in **Special Condition 5**.

Regarding the proposed well drilling and installation efforts that bring with them concentrated day and night activities; a specific approach was developed to address the short-term but high-intensity nature of the work. Historically, the complete drilling process for wells on the Banning Ranch oilfield has taken less than 10 days (from mobilizing to demobilizing drill rigs and well installation equipment) of 16 to 24 hour drilling per day. In addition, a variety of techniques, management practices, and equipment is available that can limit the transmission and release of sound, light, emissions, debris, and discharges during drilling activities, including the use of sound mufflers, light shielding, enclosures for drill rigs, closed systems for well and drilling fluids, and seasonal restrictions (such as those for breeding or nesting seasons). HDLLC has proposed to implement several of these measures during all proposed drilling activities – such as the use of closed systems for drilling fluids and muds - and a variety of others are included in **Special Conditions 7 and 8** which require the use of temporary sound screens between drill sites and nearby habitat areas; the use of hospital quality mufflers on equipment whenever feasible; the use of two-way radios to limit personnel noise; the use of rubberized pads in key areas of the pipewalk to dampen the sound of moving and dropping pipes; the concentration of high sound generating activities during the middle part of the day outside of critical wildlife foraging periods; the restriction on drilling activities during the peak bird breeding and nesting season (February through August); and limitations on the location and direction of construction, security and facility lighting.

With implementation of the protective measures required in **Special Conditions 7 and 8** and the buffer area required in **Special Condition 5**, the proposed development of the ORA South site would be sited and designed to prevent impacts which would significantly degrade adjacent ESHA and would be compatible with the continuance of those habitat areas.

Joint Use Area

Although the Joint Use Area and the existing pipeline and infrastructure corridor within it that connects the ORA North and ORA South sites does not contain any sensitive vegetation communities, the proposed project activities in this area would be carried out at the base of a line of bluffs that include at their summits several areas in which gnatcatcher use has consistently been observed and recorded over the past 14 years. However, the proposed project activities at the base of these bluffs would be spatially and topographically separated from these sensitive wildlife habitat areas and would have no potential to result in the long-term loss or degradation of those areas. To further protect these bluff top habitat areas from temporary disturbance or degradation from pipeline installation and removal activities proposed to be carried out at their base, **Special Condition 7** would prohibit these activities from being carried out during the time of year that the habitats and their associated wildlife is most sensitive to disturbance – the February through August peak bird breeding season. With this protective measure in place, the two to three weeks of proposed pipeline installation and replacement work would be carried out during a time of year in which any unforeseen and unanticipated disturbance of sensitive bluff top habitats would not have a significant or lasting effect.

Abandonment and Consolidation

In addition to the proposed new development within the ORAs, HDLLC also proposes to abandon and remove three wells and relocate several facilities and structures located outside of the ORAs. While none of these proposed work areas are within sensitive habitat areas, several of them – including the proposed “Mesa 1” well abandonment location – are located adjacent to rare and sensitive vegetation communities and habitat areas for rare wildlife species such as the California gnatcatcher. To ensure that these abandonment, removal, demolition, and relocation activities do not adversely affect adjacent habitats, **Special Condition 4** would require the complete removal and disposal of debris associated with the abandonment, removal, demolition, and relocation activities. This would prevent potential disposal of debris in sensitive habitat areas and ensure the transport to an appropriate waste disposal facility of all such material that cannot be immediately re-used within the ORAs. Further, **Special Condition 7** would prohibit abandonment, removal, demolition, and relocation activities from being carried out during the most sensitive period for sensitive bird species, the February through August peak bird breeding and nesting season.

Conclusion

Although the proposed project has the potential to adversely impact environmentally sensitive habitat areas, with implementation of **Special Condition Nos. 5 through 8**, the Commission finds the project would be carried out in a manner in which these environmentally sensitive habitat areas would be protected against significant disturbance of habitat values. The Commission therefore finds the proposed project, as conditioned, consistent with Section 30240 of the Coastal Act.

G. Hazards

Coastal Act Section 30250 states that:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

(b) Where feasible, new hazardous industrial development shall be located away from existing developed areas.

(c) Visitor-serving facilities that cannot feasibly be located in existing developed areas shall be located in existing isolated developments or at selected points of attraction for visitors.

In addition, Coastal Act Section 30253 states, in relevant part, that:

New development shall do the following:

(1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.

(2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

The proposed project site is within an area with a documented history of geologic and flooding risks. The Safety Element of the Orange County General Plan includes the ORA North and ORA South and JUA sites within the areas mapped to be at elevated risk of liquefaction. The California Geological Survey (a branch of the California Department of Conservation's Division of Mines and Geology) seismic hazard maps, which identify zones of potential liquefaction also include these three sites in the liquefaction zone, along with roughly 50% of the land area within the Newport Beach and Anaheim mapping segment. The Orange County Zoning Maps include both ORA sites and the JUA within areas of flooding risk. Based on a review of aerial photographs from the past two decades and correspondence with HDLLC, the most recent flooding event appears to have been in April of 2003 and resulted in the inundation of a substantial portion of the ORA North site, including many of the areas proposed to support new oil production wells, processing facilities, and equipment. Further, the California Geological Survey's Fault Activity Map of California indicates that several significant faults lie within the vicinity of the project area, including the Newport-Inglewood Fault Zone, responsible for the magnitude 6.4 Long Beach Earthquake of 1933, one of the more destructive earthquakes in California's history. Past geotechnical investigations of the Banning Ranch oilfield – carried out as part of oil and gas exploration and as an initial step in prior development proposals – indicate

the presence of several branches of the Newport-Inglewood Fault within the Banning Ranch oilfield, including several areas where faulting is evident on the surface.

Flooding

As noted above, all of the proposed project sites – the ORAs and JUA – are included within the County zoning maps as areas with elevated flooding risk and aerial imagery available from April of 2003 shows extensive flooding within the lowland areas of the Banning Ranch oilfield, including substantial portions of the ORA North site. In the Orange County zoning maps, the project sites all have the Flood Plain Zone 2 overlay, designated them to be within the Flood Plain Zone 2. The County Zoning Code describes areas with this overlay to be flood prone and requires a site development permit to be issued for uses such as the proposed project that are not specifically included in the relevant code sections.

The County Zoning Code also requires a variety of additional standards to be met by development within the Flood Plain Zone 2 area, including requirements that the development be (1) designed and adequately anchored to prevent flotation, collapse or lateral movement resulting from hydrodynamic and hydrostatic levels, including the effects of buoyancy; (2) constructed with materials resistant to flood damage; (3) Constructed by methods and practices that minimize flood damage; (4) For buildings including manufactured homes, the elevation of the lowest floor, including the basement or cellar, must be at least one (1) foot above the base flood elevation. (Informational Note: Flood insurance may still be required of the property owner by the lender if the building pad or foundation is at or below the base flood elevation.); and (5) designed so as not to significantly redirect flood flows against other unprotected structures and properties. As part of its pursuit of the proposed project, HDLLC will be required to seek authorization from Orange County for the various project elements in the ORAs and JUA. As part of its review, the Orange County Environmental Planning Division would evaluate the project's conformance with these standards and may require modifications or alterations to the project if this evaluation finds the project to be inconsistent.

Based on the Commission staff's review, several proposed project elements would significantly reduce flooding risk at the various project sites. The most prominent of these project elements is the proposed perimeter wall that would be constructed and extended to enclose the western and northern sides of the roughly triangular ORA North site. These two sides abut low elevation wetland areas and during the last flooding event at the site in 2003 flood waters moved onto the site from these directions. The proposed installation of the perimeter wall would serve to separate the site from these low elevation areas and insulate it from flooding originating in the lowland areas or the Santa Ana River. While this wall is proposed for spill containment, security, and habitat buffering purposes (as described in the previous section on wetlands and water quality) and not necessarily for flood protection, it would provide the additional benefit of protecting the ORA North site from potential flooding. It should be noted, however, that this type of response to flooding risk – a barrier wall – is considered poor practice because it would decrease the area available for flood waters to spread into and therefore increase the volume of water and flooding potential of adjacent areas that are not protected by the barrier.

In addition, tidal and freshwater flow from the Santa Ana River onto the lowland wetland portion of the Banning Ranch oilfield is regulated by tidal gates that are designed to close when water

levels capable of causing flooding are reached. With the tidal gates closed, water from the Santa Ana River would continue into the ocean and the project sites, slough and wetlands would be isolated and protected from flooding. These tidal gates are operated through coordination with the U.S. Army Corps of Engineers and Orange County Flood Control District, and their operation since 2003 has successfully prevented a recurrence of the flooding event that occurring during the spring of that year.

Sea Level Rise

As described in more detail above, the lowland area of the Banning Ranch oilfield is capable of being hydrologically isolated from tidal and marine influence and inundation through the use of tidal gates. These gates are designed to be used during periods of elevated tidal influence to prevent flooding and inundation of both the Banning Ranch area and the nearby Newport Shores community. Although designed to address storm surge and flooding on the Santa Ana River, this system of tidal gates would be expected to provide protection for the site from effects of sea level rise as well.

Although the proposed project area is shown on sea level rise software and decision support tools to be at elevated risk of inundation under a variety of sea level rise scenarios, it is important to note that these tools do not consider some site specific factors – such as the presence and operation of the tidal gates in the levee that separates the project area from the Santa Ana River. The response to this issue provided by HDLLC’s planning consultant and included as **Exhibit 11** addresses this in more detail.

Geologic Hazards

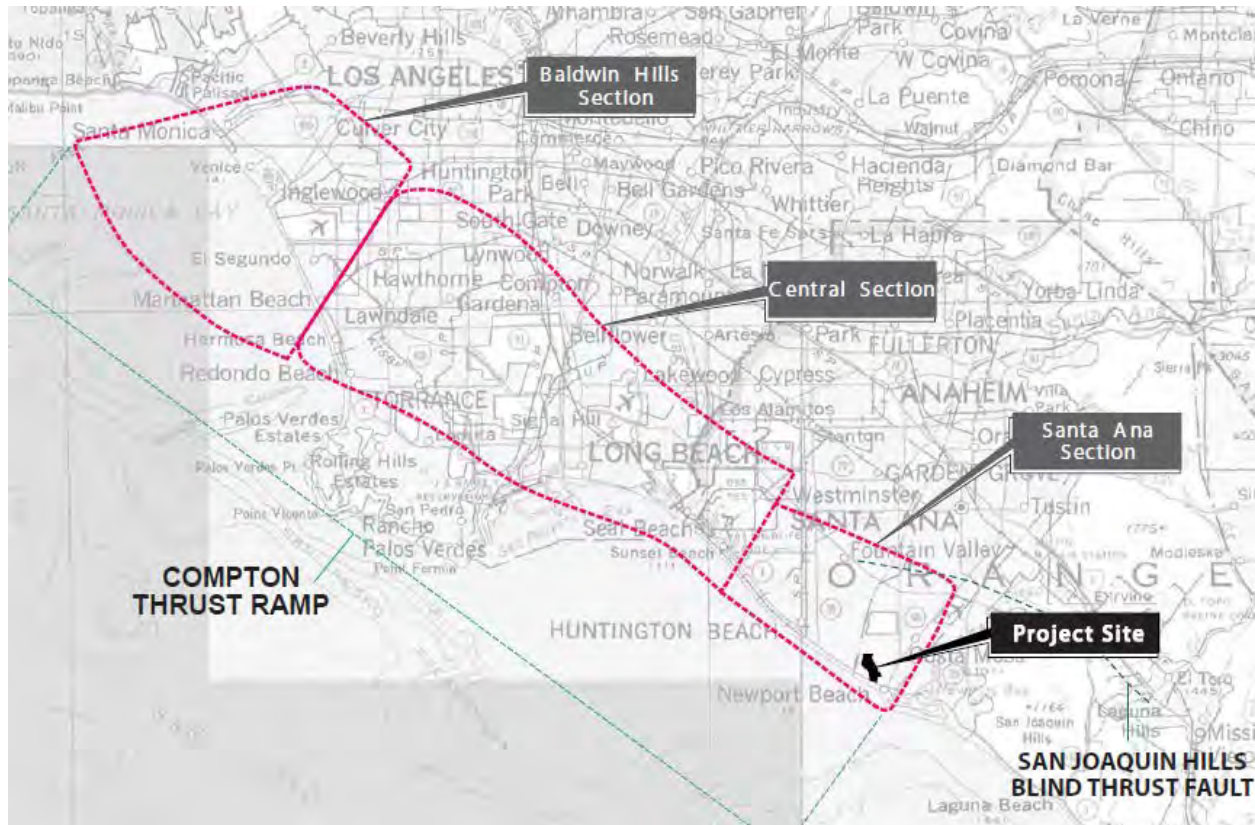
Based on a review of HDLLC’s application materials, relevant studies, reports, maps, and public comments, five general types of geologic hazards have the potential to occur within the proposed project areas. These include earthquakes, earthquake induced liquefaction, oil production induced seismicity, ground subsidence, and landslides. The Commission’s staff geologist, Dr. Mark Johnsson, has reviewed these and other materials and concurs with the findings developed below.

Earthquake

The Environmental Impact Report (EIR) certified by the City of Newport Beach for the Newport Banning Ranch residential and commercial development project on the Banning Ranch Oilfield includes the following description and figures of the earthquake fault system on the oilfield and in the surrounding region:

Three regional fault systems are within approximately six miles of the Project site: the Compton Thrust Ramp, the Newport-Inglewood Fault Zone, and the San Joaquin Hills Blind Thrust Fault. Exhibit 4.3-1, Regional Fault Map: Compton Thrust Ramp, depicts the Project site in relationship to the Compton Thrust Ramp and the San Joaquin Hills Blind Thrust Fault. Where present, the depth of the Compton Thrust Ramp is believed to be approximately three to six miles below ground surface (GMU 2010). Horizontal offsets in the Compton Thrust Ramp’s geologic fold structure imply that the fault can be divided into three segments (the Baldwin Hills, Central, and Santa Ana segments). The Project site may be located above the Santa Ana segment of the Compton Thrust Ramp, but the lateral extent

of this segment is poorly constrained. The Compton Thrust Ramp would not pose a risk of surface rupture within the Project site because it is a buried thrust fault. Based on published studies which document the lack of fault deformation in deposits (as old as 15,000-20,000 years), the Compton Thrust Ramp was removed as a seismic source from the 2008 National Seismic Hazards Maps and California Uniform Earthquake Rupture forecast.



The Newport-Inglewood Fault is a northwest-southeast trending feature within ½ mile of the Project site that poses the closest source of active seismic activity for the Project. This fault system enters the region from the Los Angeles basin and passes offshore at Newport Beach. The fault zone runs onshore between Beverly Hills and Newport Bay. South of Newport Bay, the fault zone heads offshore and coincides with submarine faults and the existing submarine canyon located off the end of the Newport Pier. Further offshore, it is believed that the Newport- Inglewood Fault Zone coincides with the Rose Canyon fault, which runs through the City of San Diego.

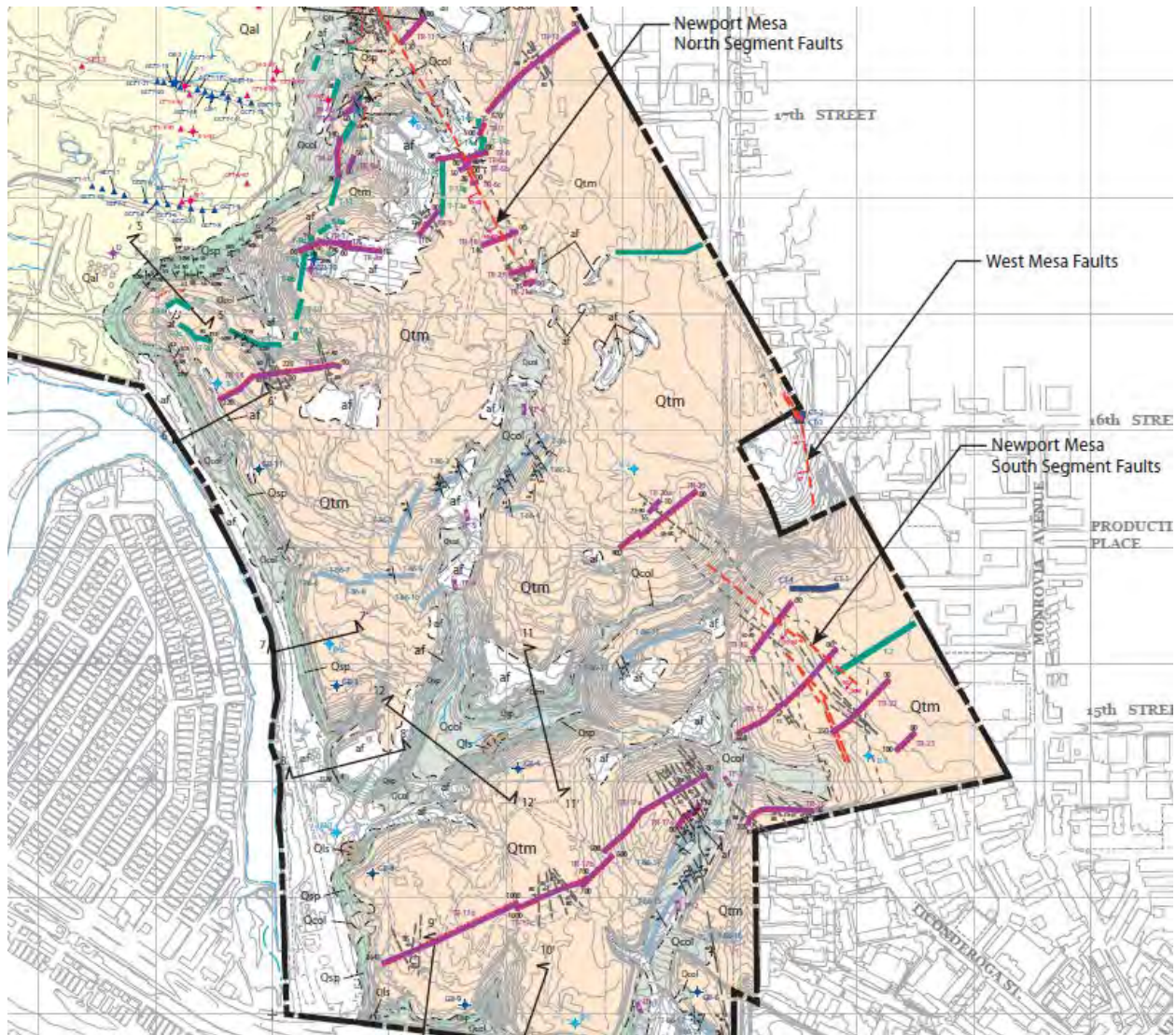
The Newport-Inglewood Fault Zone can be divided into two segments based upon local characteristics and level of seismic activity. North of Signal Hill, the fault zone orients more to the north. South of Signal Hill, geomorphic expressions⁴ of the fault zone can be found in topographic features including Signal Hill (Long Beach), Landing Hill (in Seal Beach), Bolsa Chica Mesa, Huntington Mesa, and Newport Mesa. As shown on Exhibit 4.3-2, Regional Faulting: Newport-Inglewood Fault Zone, the segment of this fault zone south of Signal Hill can be further divided into sections, including (from north to south) the Cherry

Hill, Northeast Flank, Reservoir Hill, Seal Beach, and North and South Branch Faults. Since 1920, approximately 15 earthquakes greater than or equal to magnitude 4.0 have occurred along this fault zone north of Newport Bay. The 1933 Long Beach earthquake was one of the largest of these events, with a magnitude of 6.9 on the Richter scale. The Project area appears to be within the southern limits of the 1933 aftershock zone.



*South of the City of Huntington Beach, the Newport-Inglewood Fault Zone has a northwesterly orientation which diverges into splay faults. Splay faults are smaller faults that branch off the main fault, and constitute zones of seismic activity. Splay faults on the Project site are part of the “North Branch” of the Newport-Inglewood Fault Zone. Evidence of the North Branch splay faults on the Project site have been identified through review of prior investigations and existing literature, as well as GMU’s field trenching and subsequent analysis of associated data. As depicted on Exhibit 4.3-3, Geologic Map [an excerpt is included below and the entirety is included as **Exhibit 12**], two fault segments associated with the Newport-Inglewood Fault Zone’s North Branch—Newport Mesa North Segment and the Newport Mesa South Segment—are generally less than 1,800 feet long and are separated by 1,300 feet of sediments and soils that do not show signs of Holocene fault activity. Within the Project site, the two segments terminate and do not appear to have experienced a high degree of seismicity in recent times (evidenced by infrequent movement and low slip rates). Although they have no obvious geomorphic expression reflected in surface landforms, trench data indicate that portions of these fault segments could not be*

proved to be inactive (i.e., pre-Holocene) based on California criteria. Therefore, these fault segments are identified as “faults that could not be proven to be inactive” and “Fault Setback Zones” have been established to be conservative (GMU 2010).



Ground Motion

Most of Southern California is subject to ground shaking (ground motion) as a result of movement along active and potentially active fault zones in the region. A probabilistic seismic hazard analysis (PSHA) of horizontal ground shaking was performed to evaluate the likelihood of future earthquake ground motion occurring at the site. The PSHA uses seismic sources and attenuation equations consistent with the 2008 USGS National Seismic Hazard Maps. Table 4.3-1 presents a list of active earthquake faults that are located within 50 miles of the Project site. Because the aforementioned Compton Thrust Ramp was removed as a seismic source from the 2008 National Seismic Hazards Maps and California Uniform Earthquake Rupture Forecast, it is not defined as a seismic source in the PSHA ground motion analysis and not included in Table 4.3-1 [below].

Fault Name	Distance (km/miles)	Seismology Parameters		
		Maximum M _w	Fault Type	Slip Rate (mm/yr)
Newport-Inglewood (Los Angeles Basin)	<1.0/<1.0	7.1	rl-ss	1.0
San Joaquin Hills Blind Thrust	4.6/2.9	6.6	bt	0.5
Newport-Inglewood (Offshore)	5.4/3.6	7.1	rl-ss	1.5
Palos Verdes	19.1/11.9	7.3	rl-ss	3.0
Puente Hills Thrust	33.3/20.7	7.1	bt	0.4
Whittier	33.6/20.9	6.8	rl-ss	2.5
Chino-Central Avenue	37.1/23.1	6.7	rl-r-o	1.0
Elsinore-Glen Ivy	37.6/23.4	6.8	rl-ss	5.0
Coronado Bank	40.5/21.2	7.6	rl-ss	3.0
San Jose	45.6/28.3	6.4	ll-r-o	0.5
Elysian Park Thrust (upper)	50.6/31.4	6.4	r	1.3
Elsinore-Temecula	55.2/34.3	6.8	rl-ss	5.0
Raymond	56.7/35.2	6.5	ll-r-o	1.5
Sierra Madre	56.8/35.3	7.2	r	2.0
Cuamonga	58.3/36.2	6.9	r	5.0
Verdugo	58.7/36.5	6.9	r	0.5
Hollywood	60.2/37.4	6.4	ll-r-o	1.0
Clamshell-Sawpit	60.8/37.8	6.5	r	0.5
Santa Monica	64.8/40.3	6.6	ll-r-o	1.0
Malibu Coast	70.2/43.6	6.7	ll-r-o	0.3
Rose Canyon	74.4/46.2	7.2	rl-ss	1.5
San Jacinto-San Bernardino	76.6/47.6	6.7	rl-ss	12.0
San Jacinto-San Jacinto Valley	78.4/48.7	6.9	rl-ss	12.0
Northridge (East Oak Ridge)	78.8/49.0	7.0	bt	1.5
Sierra Madre (San Fernando)	78.8/49.0	6.7	r	2.0
Anacapa-Dume	79.8/49.6	7.5	r-ll-o	3.0
rl: right-lateral; ll: left-lateral; ss: strike-slip; r: reverse; o: oblique; bt: blind thrust; km: kilometers; M _w : moment magnitude; mm/yr: millimeter(s) per year				
^a CDMG Statewide Fault Database (CDMG OFR 96-08)				
Source: GMU 2010.				

Although the extensive geotechnical investigations carried out on the Banning Ranch oilfield over the past several decades have not revealed an active fault within or adjacent to either of the project sites (as shown in **Exhibit 12**, the active faults are all found on the upland mesa portion of the field) and neither of them are within designated fault setback zones, the project sites may nevertheless be subject to significant ground motion if a significant earthquake occurs on one of the faults included on the table above. The Orange County and DOGGR well and oilfield regulations require wells to be outfitted with a variety of spill prevention devices, such as blowout preventers, that may be triggered during a significant earthquake to prevent uncontrolled spills from occurring. These measures, as well as **Special Condition 3**, requiring an updated Spill Prevention, Control and Countermeasures Plan for the proposed development, are expected

to be sufficient to address risks posed by seismic activity. Nevertheless, additional engineering and design measures may also be available that could reduce these risks further. Therefore, to further ensure that the proposed project elements are appropriately engineered and installed in a manner capable of withstanding this type of situation, **Special Condition 17** would require HDLLC to submit, for Executive Director review and approval, a final geotechnical report for the project which addresses and provides recommendations for required foundation design, pipeline supports, fault zone setbacks, bluff slope setbacks, and liquefaction, settlement, and ground motion mitigation for the project. The report would be prepared and certified by a Certified Engineering Geologist and/or Geotechnical Engineer and if the revised geotechnical report recommends use of any exposed foundation or support elements or any stabilization, soil re-compaction or other grading not included in the current proposal, an amendment to this permit or a new permit would be required in order to implement such recommendations. Additionally, **Special Condition 17** would also require HDLLC to submit evidence that an appropriate licensed professional has reviewed and approved all final design and construction plans and certified that each of those final plans is consistent with all of the recommendations specified in the above-referenced geologic evaluation approved by the California Coastal Commission for the project site.

In addition, **Special Condition 3** would also require HDLLC to develop and implement a Spill Prevention, Control, and Countermeasures Plan for all levels of proposed development to further address spill risk and response. This plan would be required to address “worst-case” scenarios such as those presented by catastrophic events such as earthquakes that may result in significant failures of storage or containment devices and cause the release of large volumes of fluids. In these types of scenarios, the perimeter containment structures on the ORA sites – such as the proposed perimeter wall on ORA North – would likely play a part in spill containment.

With implementation of these Special Conditions, the proposed project would be appropriately designed to minimize risks to life and property in areas of high geologic hazard and to assure stability and structural integrity.

Liquefaction

The certified EIR for the Newport Banning Ranch project also includes information regarding liquefaction and liquefaction risk on the project site:

Liquefaction is the loss of soil strength or stiffness due to a buildup of water pressure between soil particles during severe ground shaking. This condition is associated primarily with loose (low density), saturated, fine- to medium-grained, cohesion-less soils that often make up alluvial materials. Lateral spreading is the finite, horizontal movement of material associated with pore pressure build-up or liquefaction. This process can occur in a shallow underlying deposit during an earthquake in areas susceptible to liquefaction. In order to occur, lateral spreading requires the existence of a continuous and laterally unconstrained liquefiable zone.

The City of Newport Beach General Plan (Newport Beach 2006a) and the Seismic Hazard Zone Map for the Newport Beach Quadrangle (CDMG 1998) indicate that the entire Lowland area of the Project site is susceptible to liquefaction and associated lateral

spreading (Exhibit 4.3-4). Prior testing of the alluvial soils within the Lowland area confirms this potential for liquefaction (GMU 2010).

However, although the project sites are within these general mapped areas of seismic hazard, focused geotechnical investigations carried out on the Banning Ranch oilfield – including areas directly adjacent to the ORA North site – over the past several decades have demonstrated that the liquefaction risk potential in the lowland area is not uniform. The most relevant of these investigations, carried out by Leighton and Associates in 1997 and titled “Preliminary Geotechnical Investigation of Liquefaction and Settlement Potential, Proposed Residential Development at the Lowland Portion of Newport Banning Ranch,” included several soil cores directly to the north of the ORA North site and provides a series of figures demonstrating the results of the analysis carried out on those cores. The report offers the following conclusions:

These figures indicate the presence of soil layers that are susceptible to liquefaction. These soil layers appear to be localized and relatively thin, with thicknesses ranging from 1 to 10 feet. These layers were encountered at depths varying from 6 to 50 feet below existing ground surface and do not appear to be continuous throughout the site. As such, lateral spreading or horizontal deformation as a result of liquefaction of underlying soils is not expected to be significant.

Seismically induced settlement was evaluated using the method suggested by Tokimatsu and Seed (1987). The settlement was estimated to be on the order of 1 to 3 inches. The depth of liquefiable layer in each boring and CPT, and the estimated liquefaction induced settlement are presented in the table below.

The referenced table indicates that the liquefaction induced settlement potential of the soils adjacent to the ORA North site is approximately 1.3 inches. This level of settlement is well within the range of engineering solutions and mitigation measures to proactively address. As such, **Special Condition 17** would require HDLLC to submit, for Executive Director review and approval, a final geotechnical report for the project which addresses and provides recommendations for required foundation design, pipeline supports, fault zone setbacks, bluff slope setbacks, and liquefaction, settlement, and ground motion mitigation for the project. The report would be prepared and certified by a Certified Engineering Geologist and/or Geotechnical Engineer and if the revised geotechnical report recommends use of any exposed foundation or support elements or any stabilization, soil re-compaction or other grading not included in the current proposal, an amendment to this permit or a new permit would be required in order to implement such recommendations.

Additionally, **Special Condition 17** would also require HDLLC to submit evidence that an appropriate licensed professional has reviewed and approved all final design and construction plans and certified that each of those final plans is consistent with all of the recommendations specified in the above-referenced geologic evaluation approved by the Commission for the project site.

With implementation of this Special Condition, the Commission finds the proposed project would be appropriately designed to minimize risks to life and property potentially caused by liquefaction.

Subsidence

The certified EIR for the Newport Banning Ranch project also includes information regarding subsidence on the project site:

Subsidence is a lowering or settlement of the ground surface through collapse of subsurface void space. This condition can occur in areas where oil or groundwater has moved out of an area and has created a void space unable to sustain the materials above it or in areas where subsurface materials are dissolved, leaving little or no support for surface soils or features. Subsidence can be a dangerous condition for structures and facilities if not accounted for in project planning and design. There are and have historically been active oil operations on the Project site; subsidence has been known to occur in oilfields as the space occupied by the oil deposit collapses as the oil is removed. As noted by GMU, the most recent technical study for subsidence at or near the Project site was completed by Woodward Clyde in 1985. The study concluded that ground subsidence from oilfield operations in the West Newport Oilfield has not occurred (GMU 2010). The conclusions of the Woodward Clyde technical study were consistent with the results of field investigations performed by GMU which did not indicate any evidence of subsidence.

Information provided to Commission staff in HDLLC's application materials provide further support for these conclusions from the EIR and previous geotechnical investigations carried out on the field. This information includes the monitoring results from four survey points maintained by the Orange County Public Works Department around the project area in Newport Beach and Costa Mesa that show nearly insignificant changes in ground elevation in the period for which data is available, between 1992 and 2005. Specifically, these survey points showed a decrease in elevation of between one and four millimeters, well below a level that would raise concerns about subsidence. Additionally, there is no evidence that attributes this small amount of subsidence to oilfield activities rather than the natural settlement of soils over time. For comparison, the ground surface at and around the Wilmington oilfield in Los Angeles County dropped nine meters as a result of oil production operations carried out between 1926 and 1961.

In addition, HDLLC has also stated that there has been no evidence of subsidence (cracking, settling of structures or foundations) within the Banning Ranch oilfield in the more than 75 years of oil operations that have occurred there. Although not objective data, this assertion has been corroborated by staff of the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) with whom Commission staff consulted. Additionally, the manner in which oil production operations are carried out on the field is expected to minimize the potential for subsidence to occur. Specifically, these operations involve the re-injection back into the subsurface oil formations of the produced water that is brought up with the oil. Because produced water makes up the majority of fluid extracted as part of oil production operations (particularly in older fields like the Banning Ranch oilfield), its re-injection significantly limits the total volume of fluid removed from the subsurface, prevents the formation of the subsurface voids (open porosity) that are typically associated with subsidence, and allows the ground

surface to maintain equilibrium. Injection of produced water into producing oil formations to maintain formation pressure and increase the output of production wells is a typical oilfield practice.

Induced Seismicity

Commission staff has received correspondence from several dozen members of the public regarding the proposed project and one of the most frequent concerns raised has been related to the drilling and installation of oil wells in an area with known earthquake faults. This concern has been largely focused on the potential for the operation of HDLLC's proposed wells to induce seismic events – in other words, to cause earthquakes. There is no doubt that induced seismicity is an ongoing and growing concern in many parts of the Country. For example, the United States Geological Service estimates that between the years 1973–2008, there was an average of 21 earthquakes of magnitude three and larger (M3+) in the central and eastern United States while in 2014 this rate was over 600 M3+ earthquakes, over 1000 in 2015, and over 500 through August of 2016. They attribute this to the rapid increase in wastewater disposal wells over that same period.³ Commission staff has therefore carefully evaluated this concern and considers several important points worthy of note.

The most significant of these points is that while the majority of induced seismic events in other parts of the Country has been associated with new oil and gas fields, oil production operations have been carried out on the Banning Ranch oilfield for over 75 years - much of this time at production levels several times higher than the maximum levels proposed in the current project. During this time there has been no evidence that induced seismic events have occurred on or around the oilfield.

This has recently been supported by a comprehensive analysis of oilfield operations and seismic events throughout the Los Angeles region (Hauksson et al 2015). This area was selected for research because it is seismically active and has for many decades supported a wide variety of oil operations in close proximity to faults (primarily because oil bearing formations are frequently found near ancient and active faults in this area). This study used a variety of analytical techniques and data sources, including differences in the depths of earthquake epicenters and oil wells; fluid extraction and injection volumes compared to earthquake magnitudes; comparisons of earthquakes within and outside oilfields; and the location and scale of oilfield operations and concluded that while clear indications of induced seismic events is evident from the early days of the Wilmington oilfield, no other such events have occurred since 1961 or are likely to occur again under current production levels and techniques. In particular, the study found:

The normalized rates of earthquakes since 1935 and focal depths and b-values within and outside oil fields in the Los Angeles Basin show no significant differences. The early practice of rapid oil extraction that caused compaction of the oil-producing strata and led to 9 m of subsidence and damaging $ML \leq 3.2$ induced earthquakes in the Wilmington oil field from 1949 to 1961 has been abandoned. Since then, no clear instances of induced earthquakes ($ML > 1.5$) related to production and injection of fluids in LA Basin oil fields

³ The USGS website and the many scientific studies and publications it hosts are a key information resources for this subject: <https://earthquake.usgs.gov/research/induced/>

have occurred, presumably because the fields are maintained mostly in volumetric balance. The balanced exchange of fluid volumes likely minimizes variations in reservoir pressures and poroelastic stresses.

Based on our results, we do not expect significant anomalous induced seismicity associated with oil-field activities in the LA Basin in the long term, barring significant changes in production practices. In most cases, more than 90% of the presently recoverable oil has been removed, and secondary or tertiary recovery is proceeding at a slow but steady pace. However, if drastically different recovery techniques were applied, such as extensive horizontal drilling and associated hydraulic fracturing (fracking) and/or deep fluid injection, the potential for induced seismicity would need to be reassessed.

In the context of HDLLC's proposed project, several of the factors cited above that minimize the occurrence of induced seismicity should be highlighted - induced seismicity is unlikely when (1) oilfields are maintained mostly in volumetric balance (i.e. extraction is balanced with injection); (2) most of the recoverable oil has been removed and secondary and tertiary recovery proceeds at a slow and steady pace; (3) the types of recovery techniques in use are not drastically changed (i.e. extensive horizontal drilling is not introduced along with hydraulic fracturing and/or deep injection). These are important points because all three of these factors would be associated with the proposed project – it uses injection to balance extraction; is part of a “mature” oilfield operation that would continue a relatively low, stable rate of production; and does not include any significant changes to current and historic recovery techniques or include the use of hydraulic fracturing or deep fluid injection.

A second important point regarding induced seismicity is the difference between the proposed project and the oilfield development that has occurred elsewhere in the Country recently and contributed to the dramatic rise in induced seismicity events that have received national interest and media attention. As alluded to at the beginning of this section, most of those events are from oil and gas production operations in portions of southern Kansas and Oklahoma where oilfields have only been established in the past several years. This is in strong contrast to the Banning Ranch oilfield operation that has been in existence for over 75 years without triggering the type of seismic events seen around these other newer fields.

Another fundamental difference between the proposed project and the areas where induced seismicity is recognized as a growing problem is that the induced seismic events in these other areas have most frequently been caused by wastewater injection wells, whereas HDLLC primarily proposes to drill and operate extraction wells. While HDLLC has been unable to commit to the exact mix of production and injection wells that it may eventually drill – citing the uncertainty behind making such a decision at this point in time – the current use of existing wells on the ORA North and ORA South sites may provide some indication of how the proposed future wells would be used. Of the 13 active wells within the ORA North site, 12 are production wells and only one is used for injection. Similarly, among the 11 active wells at the ORA South site, only two are used for injection. Based on this existing well mix, only a small number of new injection wells would be expected to be installed as part of the proposed project.

Considering this low number of anticipated injection wells, the United States Geological Survey's finding that not all injection wells pose a risk of induced seismicity is an important one. Specifically, the USGS found that of more than 150,000 Class II injection wells in the United States, roughly 40,000 are waste fluid disposal wells for oil and gas operations and only a small fraction of these disposal wells have induced earthquakes that are large enough to be of concern to the public.

Given all of the above, the Commission considers the risk of induced seismicity associated with the proposed project to be insignificant. Further, because HDLLC would be required to obtain drilling permits from both Orange County and DOGGR prior to drilling each individual well, this issue would be considered further by these agencies at each step along the way if HDLLC implements the proposed project described in its coastal development permit application and pursues any of the 77 proposed wells.

Landslides

All three proposed project areas, ORA North, ORA South, and the JUA are located near the base of the bluff system that separates the lowland portion of the Banning Ranch oilfield from the upland mesa. These bluffs vary in height at the project areas from gentle vegetated slopes of between 30 and 40 feet in height to steeper bare earth bluffs of approximately 60-feet in height with slopes of 30 to 40 degrees. These latter bluff areas, primarily located near the south-western corner of the ORA North site, may be susceptible to continual small scale erosion or larger, more episodic collapse. A collapse or failure of such a bluff would result in a landslide that could extend into the central portion of the ORA North site, potentially causing burial or damage to facilities, equipment, or structures within its run-out path. While the 100-foot buffer distance required by **Special Condition 5** between sensitive habitat areas on the top of these bluffs and the site of new development within the ORA North site would help ensure that this development remained outside of potential landslide runout areas, very little evidence exists that would suggest that such landslides are likely to occur. For example, site investigations carried out and referenced in the EIR certified by the City of Newport Beach for the Newport Banning Ranch development project found no historic evidence of large, deep-seated landslides or slope failures on the project site, and quantitative slope stability analyses generally found high (>1.5) factors of safety against sliding.

In addition, the EIR also discussed the results of several studies on bluff collapse around HDLLC's proposed project sites and provided the following discussion and conclusion:

Deep seated bluff stability analyses indicate that the existing bluff slopes meet City requirements for stability under static and seismic conditions.⁸ The results under static conditions indicate that the slopes in their current condition possess safety factors in excess of 1.5 (i.e., acceptable) for deep seated rotational stability. Under pseudo-static conditions, the slopes possess safety factors in excess of 1.1 (i.e., acceptable). Additional seismic analyses also show that the level of ground shaking corresponding to a site PGA as determined by a site specific PSHA for both 475 and 975 year earthquake return periods would not exceed the level at which significant bluff failure would occur. Consequently, the potential for major slope failure during a seismic event is considered low. Shallow slumping on steeper portions of the natural slope faces may still occur under conditions of extreme

moisture and/or during a seismic event. GMU also performed rotational and traditional surficial stability analyses to evaluate the maximum proposed fill slope. These analyses indicate adequate safety factors; no significant impact would be anticipated.

Conclusion

With implementation of **Special Condition 17**, the proposed project would be appropriately designed to minimize risks to life and property in areas of high geologic and flooding hazard and to assure stability and structural integrity. The Commission therefore finds the proposed project, as conditioned, consistent with Section 30250 and 30253 of the Coastal Act.

H. Cultural Resources

Section 30244 of the Coastal Act protects cultural resources in the coastal zone and states:

Where development would adversely impact archaeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.

Coastal Act Section 30244 states that reasonable mitigation measures shall be required where development would adversely impact identified archaeological resources. These resources may be sacred lands, traditional cultural places and resources, and archaeological sites.

Eight prehistoric and three historic resource areas have been recorded on the larger Banning Ranch oilfield site, and five cultural resources studies have been conducted there. Additionally, 17 cultural resource investigations have been carried out within a one-mile radius of the site.

As a part of the certified EIR for the Newport Banning Ranch project, a Prehistoric and Historical Archaeological Resources Assessment and a Paleontological Resources Assessment were prepared. Evaluation of 11 archaeological sites on the Banning Ranch oilfield property resulted in a finding that three of the sites (CA-ORA-839, CA-ORA-844B, and CA-ORA-906) are deemed eligible for listing in CRHR and the NRHP as historical resources. While original site locations could be verified, several sites had been heavily impacted by ongoing oilfield operations. According to the EIR, one site (CA-ORA-839) qualifies as a “unique” archaeological resource, as that term is defined in Public Resources Code Section 21083.2(g).

While the proposed project sites have experienced extensive use over the years and are primarily comprised of paved or graded surfaces and existing or abandoned oil wells and processing facilities, at least one known archeological site is within the area of the ORA North site. However, with implementation of **Special Condition 5** and the 100-foot resource protection buffer for ESHA around the perimeter of the ORA North site, this known archeological site would be avoided by the proposed project. Because the presence of this site may indicate that other archeological resources sites exist within the project sites, and because cultural resources are not confined to the boundaries of archaeological sites, but instead can encompass landscapes that are significant to Native American tribal groups because of habitation or use for cultural practices, **Special Condition 22** is established to require monitoring and provide mitigation from the potential adverse impacts of the proposed project on archeological and paleontological resources. This condition would require the development and implementation of an

archaeological monitoring and mitigation plan for the protection of archaeological/cultural resources during project grading and construction activities.

Conclusion

With implementation of **Special Conditions 5 and 22**, the proposed project would avoid known archeological resource areas and include reasonable mitigation measures to address potential adverse impacts to archaeological or paleontological resources. The Commission therefore finds the proposed project, as conditioned, consistent with Section 30244 of the Coastal Act.

I. Unpermitted Development Activities

Development, generally⁴ including, but not necessarily limited to, drilling and operation of oil wells; removal of major vegetation; grading; installation of pads and wells; construction of structures, roads and pipelines; placement of solid material; discharge or disposal of any dredged material or any liquid waste; removing, mining, or extraction of material; and change in intensity of use of the land has occurred on the Banning Ranch Oilfield without a CDP. The activities described above constitute “development” within the meaning of the definition in Coastal Act, and no CDP has been issued to authorize those activities. HDLLC does not contest those facts. The issue that has been debated by Commission staff and HDLLC in this case is whether such a permit was required. Although the activities clearly fall within the scope of Coastal Act Section 30600(a)’s requirement for a CDP, the Coastal Act also creates exceptions for various types of development that the Act designates as exempt from permitting requirements, including activities for which a person has obtained a vested right (Coastal Act Section 30608⁵) prior to 1977. HDLLC’s predecessor-in-interest obtained a Resolution of Exemption (“Resolution”) for its vested development from the South Coast Regional Commission in 1973. HDLLC has contended that the development activities described above were all within the scope of work that the Resolution declared to be exempt based on a vested rights theory.

The Commission acknowledges HDLLC’s position that there potentially may be some ambiguity as to the precise contours of the Resolution’s scope. However, in issuing Settlement Agreement and Settlement Cease and Desist Order and Restoration Order and Nos. CCC-15-CD-01 and CCC-15-RO-01 to NBRLLC to resolve its liability for some of these same activities in March 2015, the Commission found that, although NBRLLC and HDLLC have asserted there is some ambiguity about the precise scope of activities covered by the Resolution, some of the development activities are clearly outside its scope (see, for instance, pages 20-23 of the staff report). The Commission affirms this finding that some of the development activities described above occurred without the necessary authorization from the Commission. The clearest examples of this are: (1) wells that were drilled as part of an entirely different approach from the one for which the vested right was affirmed; (2) mowing that occurred in a location indicating that it was not associated with any wells, and additionally, mowing associated with any wells that were outside the scope of the Resolution; and (3) significant expansions of facilities and creations of

⁴ Please see **Appendix B** for a list of development specifically addressed, as described herein, by this CDP.

⁵ Proposition 20, the Coastal Initiative, under which HDLLC’s predecessor claimed a vested right, provided a similar exemption for development that occurred prior to 1973. (Former Pub. Res. Code § 27404, under the Coastal Initiative).

new facilities to conduct new types of operations, distinct from that which the Resolution found to be exempt⁶. Thus, development, including the three types listed immediately above, has occurred that was beyond the scope of the exemption recognized by the Resolution. As such, a CDP was required for these activities and none was applied for or obtained by HDLLC or any other party, in violation of the Coastal Act.

Commission staff and HDLLC have debated the meaning of the Resolution at its margins for some years now. On August 12, 2013, HDLLC filed suit against the Commission, seeking declaratory relief to affirm its interpretation of the Resolution and confirm that “[a]ll wells and other development within the Oil Field occurring since 1973 for which a [CDP] has not been sought have been developed in a manner consistent with the vested rights . . . and the Resolution.” This litigation is pending but stayed, pursuant to the Stay and Stipulation. The parties have come to agreement, which is embodied in the Stay and Stipulation, on a means to move forward through this CDP process that will, upon issuance and execution of the CDP, address HDLLC’s liability for the unpermitted development activities described above and result in HDLLC’s dismissal of the litigation.

Issuance of the CDP and compliance with all of the terms and conditions of this CDP will result in resolution of HDLLC’s liability for the unpermitted development activities described herein and, in addition, will result in resolution of HDLLC’s liability pursuant to Section 7 of the Stay and Stipulation. Commission review and action on this CDP does not constitute an implied statement of the Commission’s position regarding the legality of any development undertaken on the Banning Ranch Oilfield without a CDP that is not addressed herein. Except as expressly provided herein, nothing in this CDP shall limit or restrict the exercise of the Commission’s enforcement authority pursuant to Chapter 9 of the Coastal Act, including the authority to require and enforce compliance with this CDP.

To ensure resolution of the matter of the unpermitted development activities described herein, **Special Conditions No. 18, 19, 20 and 21** require HDLLC to, respectively, discontinue all of its existing operations on the surface of the Banning Ranch Oilfield outside the Oil Remainder Areas; waive any rights it claims to possess under the Resolution; and dismiss its lawsuit, which, as noted above, seeks to confirm HDLLC’s assertion that all wells and other development on the Banning Ranch Oilfield occurring since 1973 has been undertaken in compliance with the Coastal Act. Resolution of the unpermitted development at issue is thus contingent on, in part, HDLLC’s agreement through this CDP to cease all of the unpermitted activities described herein, to the extent that it is involved in these activities, and furthermore, to forfeit any rights it claims to possess under the Resolution to undertake development on the Banning Ranch Oilfield. Although development has taken place prior to submission of this permit application, consideration of whether the proposed development could be approved by the Commission has been based solely upon the Chapter 3 policies of the Coastal Act. Approval of this CDP is

⁶ By highlighting these as the clearest examples, the Commission does not waive its position that other elements of the development activities described in this section may also have been outside the scope of the Resolution. However, as is explained below, because the parties have come to agreement on a resolution of this dispute, the Commission finds that it is unnecessary to interpret the Resolution and determine its precise contours, which would only highlight the dispute that it is, by this action, seeking to resolve.

possible only because of the conditions included herein, and failure to comply with these conditions despite undertaking development pursuant to this permit would also constitute a violation of this CDP and of the Coastal Act and may result in institution of enforcement action under the provisions of Chapter 9 of the Coastal Act.

J. Alternatives

CEQA Guidelines Section 15126.6 provides direction for the discussion of alternatives to the proposed project. This section requires:

- (1) a description of "...a range of reasonable alternatives to the project, or to the location of a project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." [15126.6(a)]
- (2) a setting forth of alternatives that "...shall be limited to ones that would avoid or substantially lessen any of the significant effects of the project. Of those alternatives, the [CEQA document] need examine in detail only the ones that the lead agency determined could feasibly attain most of the basic objectives of the project." [15126.6(f)]
- (3) a discussion of the "no project" alternative, and "...if the environmentally superior alternative is the "no project" alternative, the [CEQA document] shall also identify an environmentally superior alternative among the other alternatives." [15126.6(e)(2)]
- (4) a discussion and analysis of alternative locations "...that would substantially lessen any of the significant effects of the project need to be considered in the [CEQA document]." [15126.6(f)(2)(A)]

In defining feasibility, the Coastal Act, Section 30108, states that:

"Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

In addition, the CEQA Guidelines, Section 15126.6 also defines the feasibility of alternatives and states:

Among the factors that may be taken into account when addressing the feasibility of alternatives are site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries (projects with a regionally significant impact should consider the regional context), and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site.

Over the past year, Commission staff and HDLLC have considered and evaluated a series of project alternatives. In addition to the proposed project, the following alternatives were considered.

Initial Alternative

The proposed project submitted in HDLLC's initial CDP application materials on September 30, 2015, included a nearly continuous line of new wells along the three sides of the ORA North site and directly adjacent to the base of the bluff at the ORA South site. In total, 92 wells were proposed to be installed. In addition, the proposal included the installation of a concrete block perimeter wall directly along the boundary of the ORA North site. This initial alternative

proposed the placement of a wall and oil wells through the center of a population of southern tarplant (a plant species recognize as both rare and seriously threatened in California) and would have resulted in the direct loss of a substantial portion of the population, and the disturbance and degradation of the remainder. In addition, the proposed number and location of proposed wells along the perimeter of the site would have placed construction activities and oil production development within or directly adjacent to a variety of sensitive plant and wildlife habitats, including wetlands and native scrub habitats known to support California gnatcatcher (a federally protected species listed as threatened under the Endangered Species Act). As a result, these sensitive biological resources would have suffered direct loss as well as ongoing disturbance and degradation. Due to the significant and unavoidable adverse impacts it would have resulted in, this project alternative was rejected.

Minimum Buffer Alternative

The second alternative considered for the proposed project would have relocated some of the proposed development away from the perimeter of the ORA North and ORA South project sites and established a buffer width consistent with the minimum distance established in the City of Newport Beach LCP – 50-feet – from both wetland habitats and sensitive upland vegetation communities. However, this alternative continued to include the placement of a wall and oil wells within a population of southern tarplant and only proposed to apply the buffer to select development elements. Further, the proposed buffer distance did not consider the feasibility of the preferred 100' distance that is typically recommended for wetlands and habitat for sensitive wildlife species such as the California gnatcatcher. As such, this minimum buffer alternative would also have resulted in significant and unavoidable adverse impacts to biological resources and was rejected.

No Project Alternative

Active oil and gas production has been ongoing across the majority of the Newport Banning Ranch site since the 1940s [FACT CHECK - I CAN'T REMEMBER]. HDLLC is the owner of the mineral rights to this site and in the absence of the proposed project has the ability to continue to extract oil and gas from portions of the site outside of the ORA North and ORA South sites. While the scope of the development that HDLLC could undertake on the site without a coastal development permit is a source of disagreement between Commission staff and HDLLC, both staff and HDLLC agree that at least some ongoing oil and gas development is exempt from coastal permitting requirements. Thus, under the no project alternative, HDLLC would not consolidate its production onto the most disturbed areas of the site and would continue to produce oil and gas in the more environmentally sensitive portions of the site. The no project alternative is therefore not the environmentally preferred alternative in this case.

Conclusion

As detailed in the findings above, the Commission finds that, within the meaning of the Coastal Act and California Environmental Quality Act of 1970, there are no feasible alternatives which would substantially lessen any significant adverse effect which the proposed project may have on the environment.

K. Indemnification

Coastal Act section 30620(c)(1) authorizes the Commission to require applicants to reimburse the Commission for expenses incurred in processing CDP applications. *See also* 14 C.C.R. § 13055(g). Thus, the Commission is authorized to require reimbursement for expenses incurred in defending its action on the pending CDP application. Therefore, consistent with Section 30620(c), the Commission imposes **Special Conditions 15 and 16**, requiring reimbursement of any costs and attorney fees the Commission incurs “in connection with the defense of any action brought by a party other than the Applicant/Permittee challenging the approval or issuance of this permit.”

L. California Environmental Quality Act

Section 13096 of Title 14 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect that the activity may have on the environment.

The Coastal Commission’s review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. The preceding coastal development permit findings discuss the relevant coastal resource issues with the proposal related to the protection of marine resources and public access, and the permit conditions identify appropriate modifications to avoid and/or lessen any potential for adverse impacts to said resources.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the proposed project, as conditioned, would have on the environment within the meaning of CEQA. Thus, if so conditioned, the proposed project will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A)

Appendix A: Protection of Cultural Resources Special Condition

22. Protection of Cultural Resources

- A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the permittee shall submit for the review and approval of the Executive Director an archaeological monitoring and mitigation plan for the protection of archaeological/cultural resources during project grading and construction activities, prepared by an appropriately qualified professional, consistent with **Subsections E, F and G** of this condition, which shall incorporate the following measures and procedures:
1. During all digging, ground disturbance, and subsurface activity on the site, Archaeological monitor(s) qualified by the California Office of Historic Preservation (OHP) standards and the Native American most likely descendants (MLDs) from each tribe when State Law mandates identification of MLDs, shall be present on the site.
 2. Also present during all digging, ground disturbance, and subsurface activity on the site shall be a minimum of 1 set of Native American monitors for every location of ground disturbance; 1 set shall include 2 individual monitors and be defined as one monitor representing the Gabrieleño-Tongva and one monitor representing the Juaneño-Acjachemen, as identified on the Native American Heritage Commission's list (NAHC list)⁷. Both Native American monitors in the set shall be present at the same time and monitoring the same location.
 3. More than 1 set of monitors on the site may be necessary during times with multiple grading and soil disturbance locations.
 4. Tribal representatives selected for the monitoring set shall be rotated equally and fairly among all tribal groups identified as Gabrieleño-Tongva and Juaneño-Acjachemen on the NAHC list, such that every tribal group has an equal opportunity to monitor on the site.
 5. During all digging, ground disturbance, and subsurface activity on the site, any Native American representatives of the Gabrieleño-Tongva and Juaneño-Acjachemen on the NAHC list are welcome to be present on the site and monitor, even if they are not the assigned set of monitors within the rotation for that day.
 6. The permittee shall provide sufficient archeological and Native American monitors to assure that all project grading or other development that has any potential to uncover or otherwise disturb cultural deposits is monitored at all times. All archaeological monitors, Native American monitors and Native American most likely descendants (MLD) shall be provided with a copy of the approved archaeological monitoring and mitigation plan required by this permit. Prior to commencement of grading, the applicant shall convene an on-site pre-grading meeting with the all archaeological monitors, Native American monitors and Native American most likely descendants (MLD) along with the grading contractor, the applicant and the applicant's archaeological consultant in order to ensure that all parties understand the procedures to be followed pursuant to the subject permit condition and the approved archaeological monitoring and mitigation plan, including the procedures for dispute resolution. At the conclusion of the meeting all attendees shall be required to sign a declaration, which has been prepared by the applicant, subject to the review and

⁷ Both the Native American Heritage Commission's current California Tribal Consultation list and SB Contact list

approval of the Executive Director, stating that they have received, read, discussed and fully understand the procedures and requirements of the approved archaeological monitoring and mitigation plan and agree to abide by the terms thereof. The declaration shall include contact phone numbers for all parties and shall also contain the following procedures to be followed if disputes arise in the field regarding the procedures and/or terms and conditions of the approved archaeological monitoring and mitigation plan. Prior to commencement of grading a copy of the signed declaration shall be given to each signatory and to the Executive Director.

- (a) Any disputes in the field arising among the archaeologist, archaeological monitors, Native American monitors, Native American most likely descendants (MLD), the grading and construction contractors or the applicant regarding compliance with the procedures and requirements of the approved archaeological monitoring and mitigation plan shall be promptly reported to the Executive Director via e-mail and telephone.
 - (b) All work shall be halted in the area(s) of dispute. Work may continue in area(s) not subject to dispute, in accordance with all provisions of this special condition.
 - (c) Disputes shall be resolved by the Executive Director, in consultation with the archaeological peer reviewers, Native American monitors, Native American MLD, the archaeologist and the applicant.
 - (d) If the dispute cannot be resolved by the Executive Director in a timely fashion, said dispute shall be reported to the Commission for resolution at the next regularly scheduled Commission meeting.
7. If any cultural deposits are discovered during project grading or construction, including but not limited to skeletal remains and grave-related artifacts, traditional cultural sites, religious or spiritual sites, or other artifacts, the permittee shall carry out significance testing of said deposits and, if cultural deposits are found by the Executive Director to be significant pursuant to **Subsection C** of this condition and any other relevant provisions, additional investigation and mitigation in accordance with all subsections of this special condition;
8. If any cultural deposits are discovered, including but not limited to skeletal remains and grave-related artifacts, traditional cultural sites, religious or spiritual sites, or other artifacts, all development shall cease in accordance with **Subsection B** of this special condition;
9. In-situ preservation and avoidance of cultural deposits shall be considered as the preferred mitigation option, to be determined in accordance with the process outlined in this condition, including all subsections. A setback shall be established between the boundary of cultural deposits preserved in-situ and/or reburied on-site and any proposed development; the setback shall be no less than 50 feet and may be larger if necessary to protect the cultural deposits;
10. If human remains are encountered, the permittee shall comply with applicable State and Federal laws. Procedures outlined in the monitoring and mitigation plan shall not prejudice the ability to comply with applicable State and Federal laws. The range of investigation and mitigation measures considered shall not be constrained by the approved development plan. Where appropriate and consistent with State and Federal laws, the treatment of remains shall be decided as a component of the process outlined in the other subsections of this condition.

- B. Discovery of Cultural Deposits.** If an area of cultural deposits, including but not limited to skeletal remains and grave-related artifacts, traditional cultural sites, religious or spiritual sites, or other artifacts, is discovered during the course of the project, all grading and construction activities in the area of the discovery that have any potential to uncover or otherwise disturb cultural deposits in the area of the discovery and all construction that may foreclose mitigation options or the ability to implement the requirements of this condition shall cease and shall not recommence except as provided in **Subsections C and D** and other subsections of this special condition. In general, the area where construction activities must cease shall be 1) no less than a 200-foot wide buffer around the cultural deposit; and 2) no more than the residential enclave area within which the discovery is made.
- C. Significance Testing Plan Required Following the Discovery of Cultural Deposits.** An applicant seeking to recommence construction following discovery of the cultural deposits shall submit a Significance Testing Plan for the review and approval of the Executive Director. The Significance Testing Plan shall identify the testing measures that will be undertaken to determine whether the cultural deposits are significant. The Significance Testing Plan shall be prepared by the project archaeologist(s), in consultation with the Native American monitor(s), and the Most Likely Descendent (MLD) when State Law mandates identification of a MLD. Once a plan is deemed adequate, the Executive Director will make a determination regarding the significance of the cultural deposits discovered.
- (1) If the Executive Director approves the Significance Testing Plan and determines that the Significance Testing Plan's recommended testing measures are de minimis in nature and scope, the significance testing may commence after the Executive Director informs the permittee of that determination.
 - (2) If the Executive Director approves the Significance Testing Plan but determines that the changes therein are not de minimis, significance testing may not commence until after the Commission approves an amendment to this permit.
 - (3) Once the measures identified in the significance testing plan are undertaken, the permittee shall submit the results of the testing to the Executive Director for review and approval. The results shall be accompanied by the project archeologist's recommendation as to whether the findings should be considered significant. The project archeologist's recommendation shall be made in consultation with the Native American monitors and the MLD when State Law mandates identification of a MLD. If there is disagreement between the project archeologist and the Native American monitors and/or the MLD, both perspectives shall be presented to the Executive Director. The Executive Director shall make the determination as to whether the deposits are significant based on the information available to the Executive Director. If the deposits are found to be significant, the permittee shall prepare and submit to the Executive Director a supplementary Archeological Plan in accordance with **Subsection D** of this condition and all other relevant subsections. If the deposits are found to be not significant by the Executive Director, then the permittee may recommence grading in accordance with any measures outlined in the significance testing program.

D. Supplementary Archaeological Plan Required Following an Executive Director Determination that Cultural Deposits are Significant.

An applicant seeking to recommence construction following a determination by the Executive Director that the cultural deposits discovered are significant shall submit a Supplementary Archaeological Plan for the review and approval of the Executive Director. The Supplementary Archeological Plan shall be prepared by the project archaeologist(s), in consultation with the Native American monitor(s), the Most Likely Descendent (MLD) when State Law mandates identification of a MLD, as well as others identified in subsection E of this condition. The supplementary Archeological Plan shall identify proposed investigation and mitigation measures. If there is disagreement between the project archeologist and the Native American monitors and/or the MLD, both perspectives shall be presented to the Executive Director. The range of investigation and mitigation measures considered shall not be constrained by the approved development plan. Mitigation measures considered shall range from in-situ preservation to recovery and/or relocation. A good faith effort shall be made to avoid impacts to cultural resources through methods such as, but not limited to, project redesign, capping, and creating an open space area around the cultural resource areas. In order to protect cultural resources, any further development may only be undertaken consistent with the provisions of the final, approved, Supplementary Archaeological Plan.

- (1) If the Executive Director approves the Supplementary Archaeological Plan and determines that the Supplementary Archaeological Plan's recommended changes to the proposed development or mitigation measures are de minimis in nature and scope, construction may recommence after the Executive Director informs the permittee of that determination.
- (2) If the Executive Director approves the Supplementary Archaeological Plan but determines that the changes therein are not de minimis, construction may not recommence until after the Commission approves an amendment to this permit.

E. Review of Plans Required by Archaeological Peer Review Committee, Native American Groups and Agencies.

Prior to submittal to the Executive Director, all plans required to be submitted pursuant to this special condition, including the monitoring and mitigation plan during project grading, excepting any Significance Testing Plan, shall have received review and written comment by a peer review committee convened in accordance with current professional practice. Names and qualifications of selected peer reviewers shall be submitted for review and approval by the Executive Director. Representatives of Native American groups with documented ancestral ties to the area, as determined by the NAHC, shall also be invited to review and comment on the above required plans. The plans submitted to the Executive Director shall incorporate the recommendations of the peer review committee and the Native American groups or an explanation provided as to why the recommendations were rejected. Furthermore, upon completion of the peer review and Native American review process, and prior to submittal to the Executive Director, all plans shall be submitted to the California Office of Historic Preservation (OHP) and the NAHC for their review and an opportunity to comment. The plans submitted to the Executive Director shall incorporate the recommendations of the OHP and NAHC. If any of the entities contacted for review and

comment do not respond within 30 days of their receipt of the plan, the requirement under this permit for those entities' review and comment shall expire, unless the Executive Director extends said deadline for good cause. All plans shall be submitted for the review and approval of the Executive Director.

- F. At the completion of implementation of the archaeological grading monitoring and mitigation plan, the applicant shall prepare a report, subject to the review and approval of the Executive Director, which shall include but not be limited to, detailed information concerning the quantity, types, location, and detailed description of any cultural resources discovered on the project site, analysis performed and results and the treatment and disposition of any cultural resources that were excavated. The report shall be prepared consistent with the State of California Office of Historic Preservation Planning Bulletin #4, "Archaeological Resource Management Reports (ARMR): Recommended Contents and Format". The final report shall be disseminated to the Executive Director and the South Central Coastal Information Center at California State University at Fullerton.
- G. The permittee shall undertake development in conformance with the approved plans unless the Commission amends this permit or the Executive Director determines that no amendment is legally required for any proposed minor deviations.

Appendix B: DESCRIPTION OF THE UNPERMITTED DEVELOPMENT

In reviewing documents submitted in conjunction with Coastal Development Permit application No. 5-13-032 and the associated CEQA process, Commission enforcement staff confirmed that the development described below has occurred on the Banning Ranch Oilfield without any CDP. In issuing Settlement Cease and Desist and Restoration Orders and Settlement Agreement No. CCC-15-CD-01 and CCC-15-RO-01 to NBRLLC to resolve its liability for these same activities in March 2015, the Commission found that, although NBRLLC and HDLLC have asserted there is some ambiguity about the precise scope of activities covered by the Resolution, some of the development activities are clearly outside its scope.

Disputed Wells and Associated Structures

The unpermitted development activities at issue include drilling and operation of new wells subsequent to the issuance of Resolution without authorization from the Commission. Although the Resolution identifies 340 specific wells to which it applies, additional wells (“Additional Wells”) were drilled subsequent to the Resolution without further authorization from the Commission. As noted herein, HDLLC asserts that the drilling of those wells was covered by the original Resolution. They contend that the Resolution authorizes the drilling of additional wells, provided that the total number of wells in operation at any one time does not exceed 340.

Drilling and operation of new wells, in many cases, includes, but may not be limited to such development activities as removal of vegetation, grading, installation of pads and wells, construction of roads and pipelines, placement of solid material, discharge or disposal of dredged material, removing, mining, or extraction of material, and change in intensity of use of the land. Each of these activities constitutes development under the Coastal Act and, therefore, requires Coastal Act authorization, generally a coastal development permit. Any development activity conducted in the Coastal Zone without a valid coastal development permit or other Coastal Act authorization and that is not otherwise exempt constitutes a violation of the Coastal Act. Where these activities occurred in conjunction with the approximately 153 Additional Wells, the legal status of these activities would be derivative of the status of the wells themselves.

Currently, at least 49 Additional Wells remain active or idled on the Banning Ranch Oilfield, in addition to approximately 40 wells that were initially covered by the Resolution. Pursuant to this Settlement Cease and Desist Order and Restoration Order and Settlement Agreement issued to NBRLLC, 17 of the Additional Wells will be removed and NBRLLC will remove or apply to retain the 24 remaining Additional Wells that are located outside the Oil Remainder Areas.

Additional Oilfield Activities

In addition to the drilling of the Additional Wells, a number of other activities have occurred on the site subsequent to issuance of the Resolution that appear to exceed the scope of the Resolution. In addition to authorizing the operation and maintenance of the wells existing at the time of the Resolution; and the “drilling, redrilling, and repairs to” all of the authorized wells, the Resolution covers (1) operation and maintenance of surface facilities associated with the existing wells and construction of and repairs to facilities associated with the new wells covered by the Resolution. However, the Resolution does not state that the expansion of existing facilities or the

creation of new facilities in addition to those associated with the wells covered by the Resolution is exempt.

In its application for CDP No. 5-13-032, NBRLLC details changes in the oil recovery strategy that have occurred on the site over time subsequent to issuance of the Resolution, which have resulted in installation or expansion of existing structures on the site, grading, placement of materials and/or removal of major vegetation. HDLLC believes that the wells exempted by the Resolution are not limited to the 340 Exempt Wells, and thus, by extension the exemption for new facilities is not limited to facilities associated with the 340 Exempt Wells, but would in fact cover these additional oilfield activities, which are described in the application for CDP No. 5-13-032 and include the following:

1. "Existing steaming and production facilities were expanded and road and pipeline infrastructure installed to accommodate this secondary recovery process."
2. "Facilities and processes were modified to comply with existing, and in anticipation of, changes in regulatory oversight and a new steam generation plant was constructed adjacent to the tank farm facility."
3. "Facilities utilized in the air and steam injection processes were idled, then deconstructed and their sites utilized in the abandonment operations."
4. "A pilot soil bioremediation program was implemented and an impacted soil holding cell constructed."

Removal of Major Vegetation/Mowing

Extensive removal of major vegetation has occurred on the Properties, purportedly to address fire safety and pipeline access concerns, without the necessary coastal development permits. Under the Coastal Act, removal of major vegetation constitutes 'development' and requires authorization, unless otherwise exempt. Vegetation can qualify as 'major vegetation' based on, among other things, its volume, its importance to coastal habitats, the presence of sensitive species, or, in the case of rare or endangered vegetation, its limited distribution.

In November 2011, during the process of commenting on the DEIR for the Newport Banning Ranch project, staff reviewed site biological information associated with the CEQA process. Staff also subsequently received and reviewed additional biological information submitted in conjunction Coastal Development Permit application No. 5-13-032. It was evident from this newly submitted information that the site supported a diversity of habitats and sensitive species. The CEQA and CDP application materials demonstrated that the special status species and habitats that are known to be supported by the site include, but may not be limited to coastal sage scrub and bluff scrub; wetlands; riparian habitat; grasslands, including native grasslands; Southern Tarplant; San Diego Fairy Shrimp; and bird species such as Coastal California Gnatcatcher, Least Bell's Vireo, Belding's Savannah Sparrow, Cooper's Hawk, Sharp Shinned Hawk, Northern Harrier, White-tailed Kite, Osprey, Merlin, Burrowing Owl and Loggerhead Shrike.

The planning documents and biological surveys of the site describe the vegetation on site and identify areas of native plant communities and protected habitats, including habitats for sensitive species, within and adjacent to the mowed areas. The mowing at issue thus involves removal of major vegetation, an activity that constitutes ‘development’ under the Coastal Act. Such clearance has resulted in alterations to the extent, health, and/or type of vegetation and habitat located on the site. In addition to requiring authorization from the Commission, this activity is problematic from a resource protection perspective, particularly in areas that contain sensitive habitats or are adjacent to such habitats.

HDLLC has contended that the mowing constituted necessary “maintenance” of the authorized oil facilities. The Commission recognizes the need to abate potential fire hazards on the site. However, it is apparent from aerial photographs that “fuel modification” undertaken on site far exceeds any standard fuel modification zone, including the requirements of the Orange County Fire Authority and DOGGR. Where this excessive fuel modification has resulted in the unnecessary removal of major vegetation, because it occurred without authorization, it constitutes unpermitted development. Fuel modification has also occurred around Additional Wells, and to the extent those wells were themselves installed in without the necessary authorization under the Coastal Act, the associated vegetation clearance would be unpermitted development as well.

Although the precise scope of the exemption recognized by the Resolution is disputed by HDLLC in some respects, the Commission finds that at least some of the activities described in the “Additional Wells and Associated Structures,” “Additional Oilfield Activities,” and “Removal of Major Vegetation/Mowing” sections above are not covered by the Resolution, and they have not been authorized by any coastal development permit. Thus these activities constitute violations of the Coastal Act.

Exhibit 1 – Project Areas



Exhibit 2 – HDLLC Wells Proposed for Abandonment and Removal

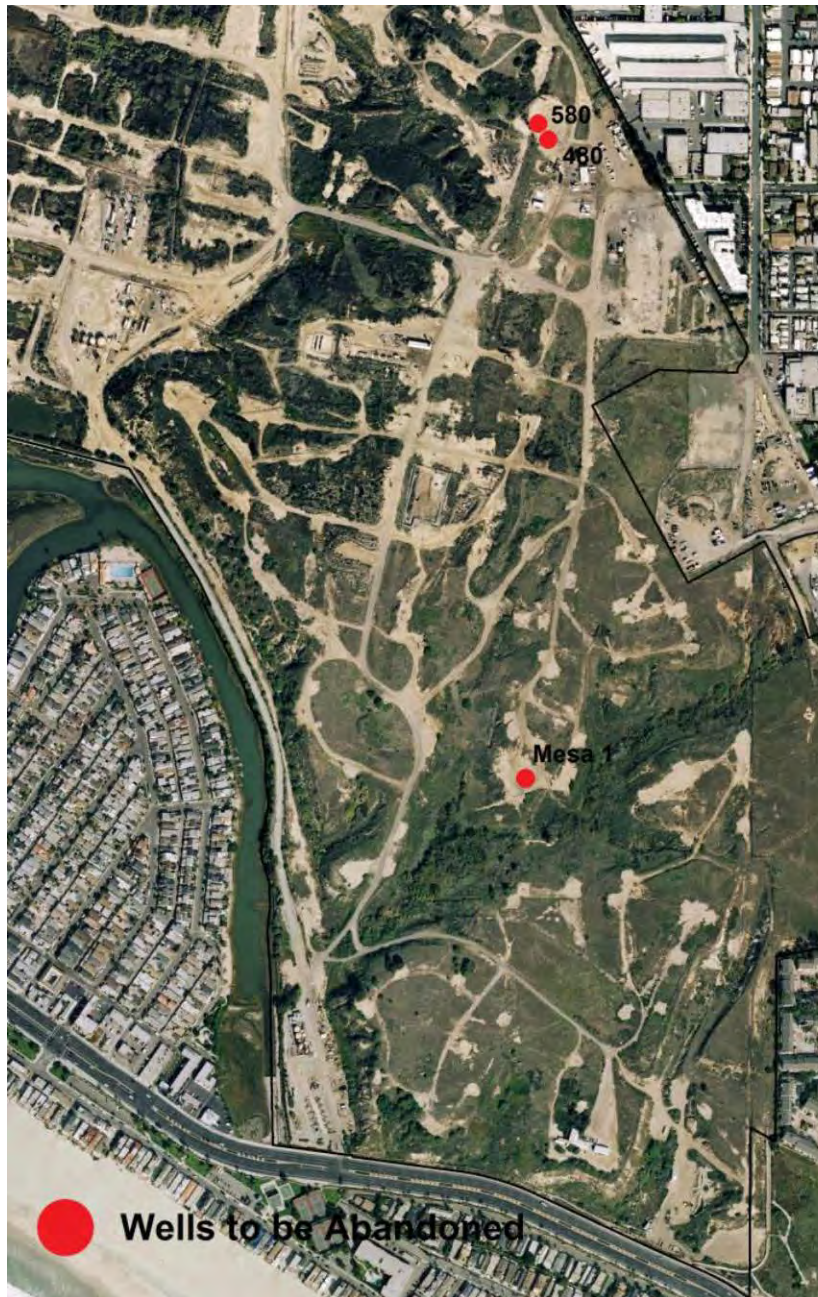


Exhibit 3 – Wetlands and ESHA Near Oil Remainder Area North

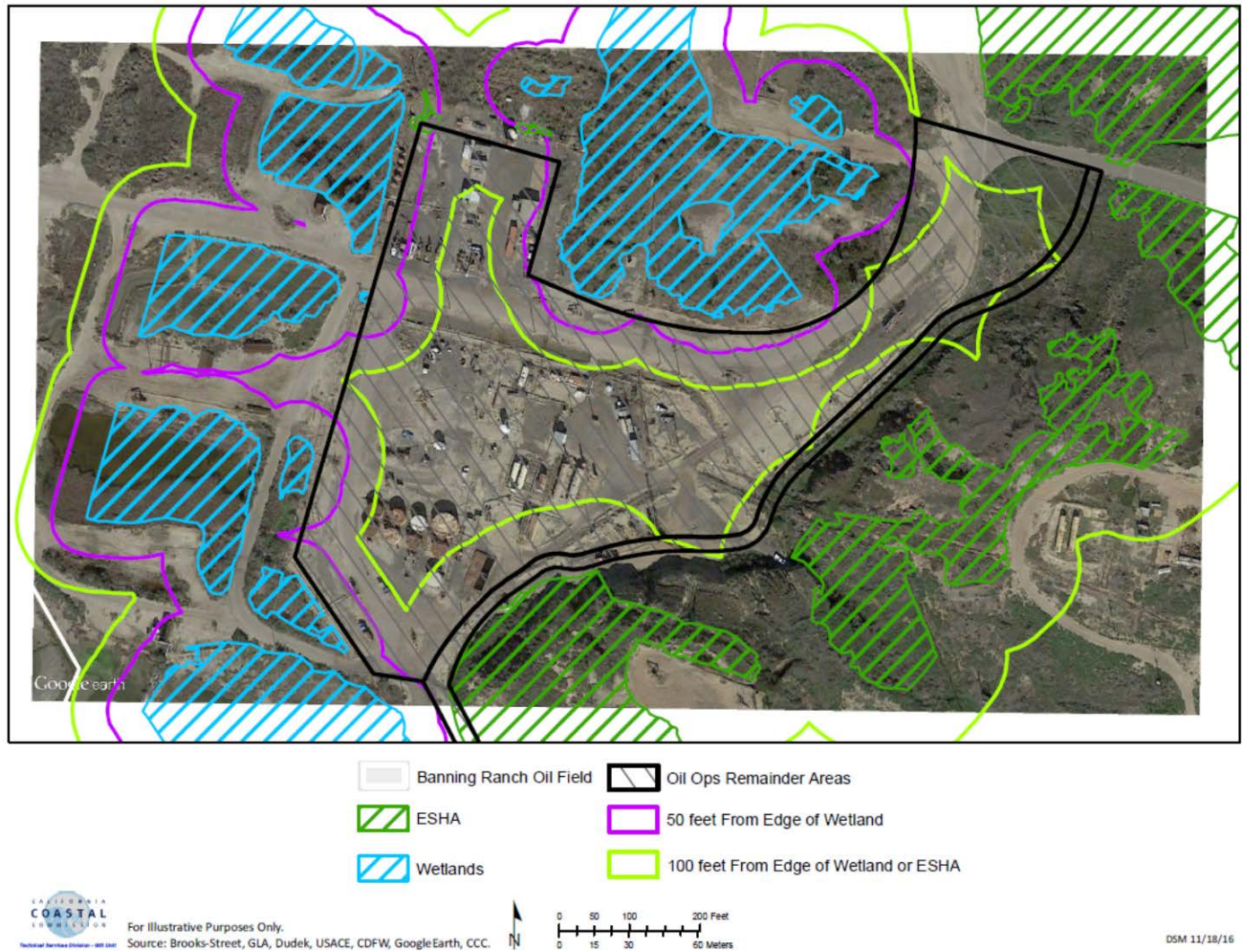


Exhibit 4 – ESHA near Oil Remainder Area South



For Illustrative Purposes Only.
Source: Brooks-Street, Dudek, USACE, CDFW, GoogleEarth, CCC.



Vegetation Revised 11-07-16

DSM 11/17/16

Exhibit 5 – Southern Tarplant Map



Exhibit 6 – Oil Remainder Area North Proposed Site Configuration

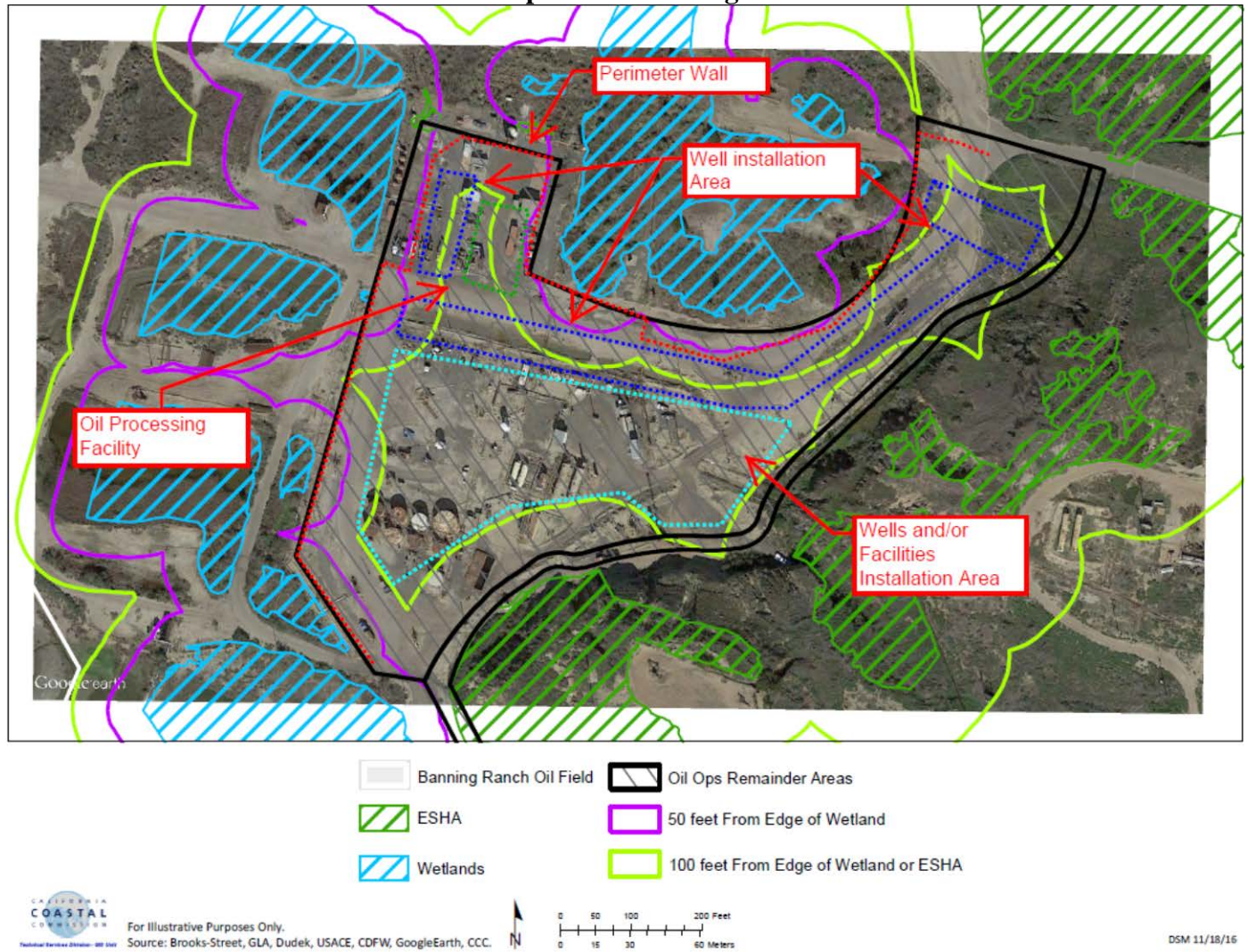
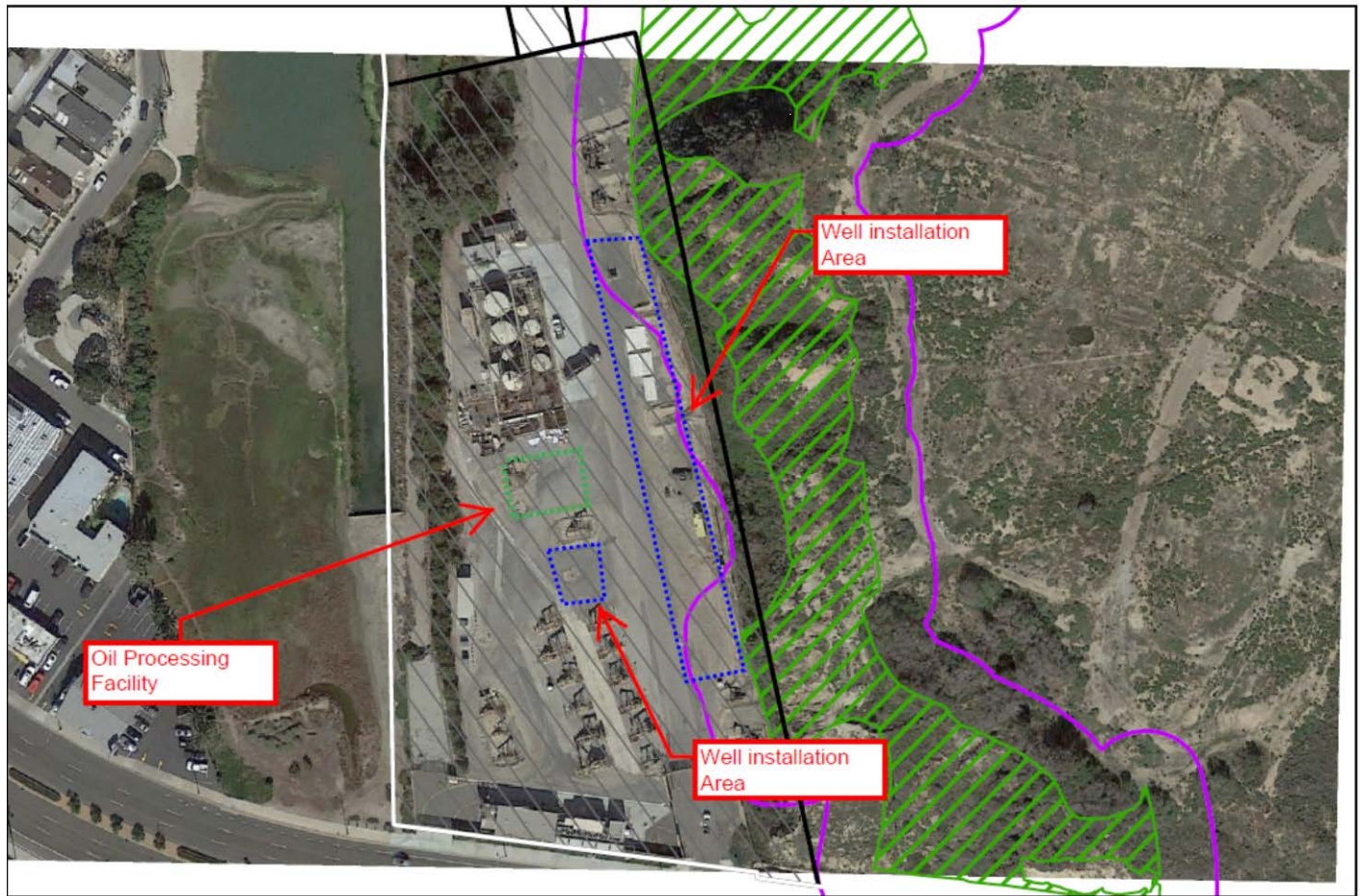


Exhibit 7 – Oil Remainder Area South Proposed Site Configuration



Vegetation Revised 11-07-16

For Illustrative Purposes Only.
Source: Brooks-Street, Dudek, USACE, CDFW, GoogleEarth, CCC.

DSM 11/17/16

Exhibit 8 – Vegetation Management Zone (page 1 of 2)



Exhibit 8 – Vegetation Management Zone (page 2 of 2)



Exhibit 9 - Oil Remainder Area North Existing Processing Facilities



**ORA North
Production Process Facilities
Existing - Active Facilities**

Devise ID	Equipment
D5, D6, D7	Stock Tanks
D13, D14	Free Water Knockouts
D21	Flotation Cell
D24	Waste Water Clarifier
D26	Pump Feed Tank, Injection Pump
	Sewer Pump, Final Separator

Devise ID	Equipment
D31	Gas Separator
D32, D33	Heater Treaters
D50	Gas Treating Vessel
D58, D59	Oil Solids Sump

Figure 3. ORA North Active Facilities



● Production ● Idle ● Injection ● Abandoned

Exhibit 10 – Production Infrastructure Corridor



Exhibit 11 – HDLLC Planning Consultant Letter Regarding Sea Level Rise (page 1 of 2)

October 12, 2016

Mr. Cassidy Teufel, Senior Environmental Scientist
Energy, Ocean Resources and Federal Consistency
California Coastal Commission
45 Fremont Street
San Francisco, CA 94105-2219

RE: HDLLC – Sea Level Rise
CDP No. 9-15-1649

Dear Mr. Tuefel,

This letter is in response to the Nature Commission letter dated September 25, 2016 regarding, in part, sea level rise issues related to the HDLLC application for CDP No. 9-15-1649. The Coastal Commission's "Sea Level Rise Policy Guidance" projects a rise in sea level of 2-12-inches by 2030; 5-24 inches by 2050 and 17-66 inches by 2100 (Table 6).

Mr. Nelson claims that, "NOAA projections show flooding of the entire Banning lowland area in decades to come. There are also other factors such as increase storm intensity due to global warming that may accentuate project risk over time." He also included mapping from NOAA and claims that "flooding areas in green."

Mr. Nelson's claims are both misleading and erroneous. According to NOAA, "Low-lying areas, displayed in green, are hydrologically "unconnected" areas that may flood. They are determined solely by how well the elevation data captures the area's hydraulics. A more detailed analysis of these areas is required to determine the susceptibility to flooding." (NOAA website <https://coast.noaa.gov/slr/> captured on October 12, 2016). This is very high-level data gathered for the entire coast based entirely on the land elevation above sea level. Turning to NOAA's "Mapping Confidence" section, even at three feet of sea rise, the North and South ORAs are identified largely as "Low Confidence" with a high degree of uncertainty that these areas will flood.

There is good reason for the high degree of uncertainty as elevations are a small factor in determining the potential impacts in these areas. As NOAA correctly points out, these areas are unconnected hydrologically. The Santa Ana River is channelized with 11-12-foot high, 50-foot wide (at the base) rip rap levies according to the Coastal Commission's staff report addendum for Orange County Public Works CDP No. 5-15-0234 dated July 11, 2016 for channel dredging.



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Exhibit 11 – HDLLC Planning Consultant Letter Regarding Sea Level Rise (page 2 of 2)

According to the DEIR for Newport Banning Ranch, "The design elevations of the tidal gates in the Santa Ana River Levee indicate that they will begin to close when the water level inside the USACE-restored salt marsh basin reaches an elevation of 3.0 feet above msl, and will be completely closed when interior water elevations reach 3.5 feet above msl." (Source: Banning Ranch DEIR 4.4-12).

There are also conditions on site that alter the hydrology. "Because only a limited area on the Newport Banning Ranch Site, covering approximately 11.94 acres is subject to tidal flooding, due to diking and berming more than 80 years ago, it is not possible to determine the extent of Section 10 Waters based on current site conditions." (Source: Glenn Lukos and Associates report - Jurisdictional Delineation for Horizontal Development LLC Oil Remainder Area at West Newport Oil Field, Orange County, California. September 22, 2015 p.4).

Earthen berms or 20-30" high block walls around the ORAs will also limit both water intrusion into the sites and limit the potential for fluid contamination beyond the ORA in the event of flooding.

The ORAs have been functioning continually for more than 70 years. The South ORA is adjacent to a sanitation pumping station, West Coast Highway and other significant infrastructure improvements that are more susceptible to sea level rise. Extensive flood control infrastructure has been in place for many decades and is continually being maintained and improved. These factors combine to minimize the potential impact of sea level rise on either ORA.

Thank you for your consideration on this and the entire Coastal Development Permit.

Respectfully,

David S. Armstrong
Director of Planning

Exhibit 12 – Earthquake Fault Map from Newport Banning Ranch EIR (page 1 of 2)

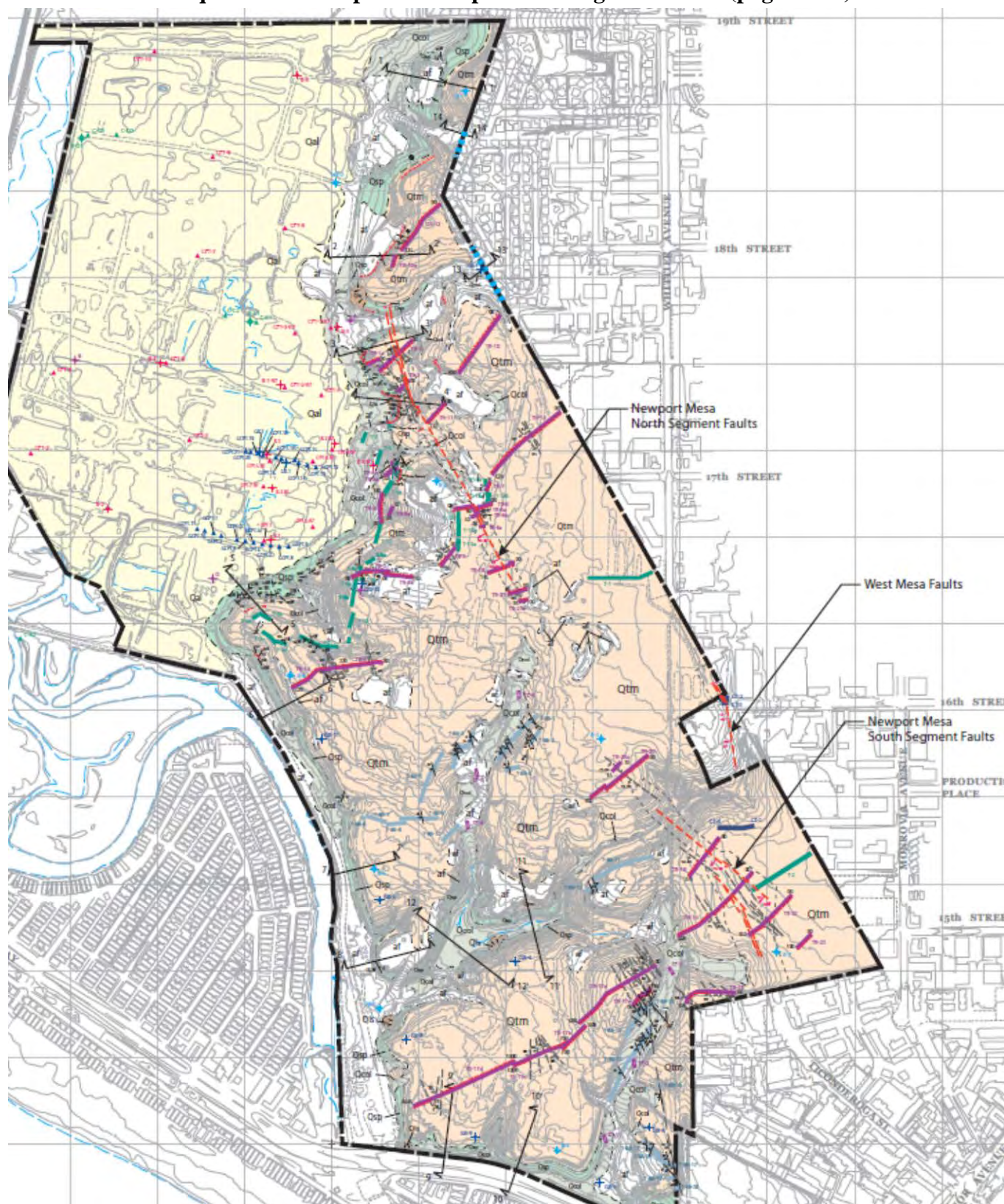





























Exhibit 12 – Earthquake Fault Map from Newport Banning Ranch EIR (page 2 of 2)

EXPLANATION		
	Qal	Alluvium
	af	Man-Made Fill (Artificial), Where Observed or Inferred to be Greater Than About 2 Feet Thick
	Qcol	Colluvium/Slopewash Deposits
	Qls	Landslide Deposits (Surficial Slump Debris)
	Qtm	Marine Terrace Deposits
	Qsp	San Pedro Formation
		Strike and Dip of Beds
		Horizontal Bedding
		Geologic Contact, Approximately Located, Dotted Where Concealed and Dashed Where Uncertain
		Continuous, Unbroken Pre-Holocene Age Deposits
		Active Fault (Orange), Showing Strike and Dip
		Inactive Fault (Black), Showing Strike and Dip
		Paleo-Channel in Qsp Formation Deposits
		Landslide, Showing Movement Direction
	CPT-10, CPT-4-97	Leighton & Associates CPT Sounding (1997)
	HSA, 9-1-97	Leighton & Associates Hollow Stem Auger Boring (1997)
	GCMF-1	Goffman, McCormick & Urban, Inc., CPT Sounding (1998)
	GB-1	Goffman, McCormick & Urban, Inc., Bucket Auger Boring (1998)
	B-7	Pacific Soils Engineering Bucket Auger Boring (1993)
	HAB-2	Pacific Soils Engineering Hollow Stem Auger Boring (1993)
	C-81	Woodward Clyde Consultants CPT Sounding (1985)
	FT-9	Fault Trench, by Goffman, McCormick & Urban, Inc., This Study, Showing Station "00"
	FAG-15	Fault Trench by Earth Technology (1986)
	CT-3	Fault Trench by Converse Consultants (1994)
	F-3a	Fault Trench By ECI, Inc., for Leighton & Associates, Inc. (1997)
	TP-6	Test Pits by Goffman, McCormick & Urban, Inc. (1998)
	B-01	Woodward Clyde Consultants Hollow Stem Auger Boring (1985)
	GW	Groundwater Monitoring Well Installed by GeoSyntec (1994)
		Hilliker Wall
	A'	Geologic Cross Section Line