RESOLUTION NO. 93-5632

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING A CONDITIONAL USE PERMIT FOR OIL DEVELOPMENT AT THE CITY MAINTENANCE YARD, 555 6TH STREET, AND CONSTRUCTION OF AN OIL PIPELINE ALONG VALLEY DRIVE FROM SIXTH STREET SOUTH TO HERONDO STREET (SUPERCEDES CITY COUNCIL RESOLUTION NO. 93-5621)

WHEREAS, on May 8, 1990, the City Council certified an Environmental Impact Report (EIR) and adopted a Statement of Overriding Considerations for the project, thereby complying with the requirements of the California Environmental Quality Act in review of this project;

WHEREAS, the City Council has reviewed and considered the information contained in the final EIR for the project;

WHEREAS, the City Council held a public hearing on July 13, 1993, to consider the recommendation of the Planning Commission and to receive oral and written testimony regarding this matter and again held a public meeting on August 10, 1993, to consider the Planning Commission response and recommendation to modifications and made the following findings:

A. The site is zoned M-1 and is suitable for the type and density of the proposed development;

B. Design of the proposed project is compatible and consistent with applicable elements of the City's General Plan, the zoning ordinance, and the Oil Code, and implements the mitigations measures, where applicable, as set forth in the Certified EIR;

C. An Environmental Impact Report has been adopted and certified by the City and the proposed project with the incorporation of mitigating conditions below, which include the approved

mitigation measures contained in the EIR, will eliminate or reduce identified environmental impacts to an acceptable level;

D. Any remaining unavoidable adverse environmental impacts are overridden by the benefits of the project as set forth in the adopted Statement of Overriding Considerations;

E. The City Council has reviewed and considered the information contained in the Addenda with the Final EIR to the project prior to making its decision on the project;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hermosa Beach, California, does hereby approve an oil development project and the construction of an oil pipeline, subject to the following conditions:

SECTION 1. GENERAL

1. The testing phase for all production shall be a maximum of one year from the date drilling is initiated.

2. If the project cannot comply with operation standards established by these conditions of approval, after two warnings the operation shall be subject to fines and/or shut down through permit revocation by the City, except in regard to noise, if it is determined that a diligent effort is being made, and a plan has been provided, reviewed and approved by the City Council

3. A minimum of one annual site audit shall take place to inspect for soil contamination as a result of accidental spills in any areas not paved and exposed. Auditor shall be hired by City.

4. The maximum number of days the workover rigs or any other rig that is to be used on-site shall be 90 days per year, and shall be operated weekdays 8:00 A.M. to 6:00 P.M. excluding holidays.

5. In the event that a residence with solar panels is affected by shading, a site specific study paid for by the oil contractor shall be conducted to determine economic impact.

6. Pursuant to Assembly Bill 3180 the operation shall be monitored for all conditions of the approval of which the City has responsibility which includes (but not limited to) noise monitoring and inspection of the site for proper maintenance.

7. The proposed plans shall be submitted to the division of oil and gas for their review and recommendation;

   a. Any recommendation by the Division shall be taken into consideration prior to approval, and may be included as conditions of approval.

8. Drill cuttings and other wastes, shall be collected in above ground containers and disposed of at an approved disposal site. Receipts for all disposal of waste product shall be provided within ten (10) days of disposal to the Public Works Director.

9. All requirements, standards, conditions stated within the Oil Production Code, Chapter 21-A, of the City's Municipal Code shall be met, unless more restrictive requirements are imposed through mitigation measures; where it cannot be clearly determined whether the City's Oil Ordinance, Chapter 21-A or mitigation measures are more stringent, the appropriate City staff shall make a determination; appealable to the City Council.

10. Three (3) copies of final building plans including site, elevation, and floor plans shall be submitted for review and approval by the Planning Director prior to the issuance of any Building Permit.

11. The proposed development shall be in substantial conformance with submitted plans. Any minor modification shall be reviewed and may be approved by the Planning Director.

12. All wells must be drilled and completed within 55 months from the start of drilling of the first exploratory well in accordance with the following schedule:

EXPLORATION AND TEST PHASE (exploratory drilling, production testing)	12 MONTHS
CONSTRUCTION PHASE (Permanent facility construction)	9 MONTHS
DRILLING PHASE (Development Drilling, 1 month per well)	34 MONTHS

If the Drilling Contractor is delayed at any time in the progress of work by any act or neglect of the City of Hermosa Beach or any other governmental body having authority over this project, or by labor disputes, adverse weather conditions, by law, war, riots, strikes, unavoidable casualties, unusual delays in receiving materials or equipment or by an act of God, or causes beyond the control of the Drilling Contractor, when justified, the time periods may be extended a reasonable time to correspond with the delay incurred by the Drilling Contractor.

SECTION 2. LAND USE DEVELOPMENT

1. The maximum size for any storage tank of any type shall be forty feet in diameter and sixteen feet in height, appurtenances not included.

2. Prior to construction and prior to obtaining building permits for oil production, a complete soil analysis shall be performed and approved by all applicable governing agencies having jurisdiction over the project.

3. Not more than five tanks shall be installed, and shall be submerged in a concrete basin which contains 10% above the volume required by the State Division of Oil and Gas and the Uniform Fire Code which is as follows: The volumetric capacity of the diked area shall not be less than the greatest amount of liquid that can be released from the larges tank within the diked area. The capacity of the diked areas enclosing more than one tank shall be calculated by deducting the volume of the tanks other than the largest tank below the height of the dike.

4. All wells shall be drilled and cemented in accordance with State Division of Oil and Gas regulations to protect underground aquifers.

5. Except for the drill rig and drawworks, no equipment or appurtenant structures shall exceed 16 feet in height from grade as defined by the Oil Code.

6. The electrical service systems shall be designed with sufficient capacity to minimize surging impacts.

7. The well cellars shall be concrete lined and shall be designed to hold contaminated run-off from on-site sources; or a sump shall be provided.

8. Solid state control console linked to a control system to perform energy conservation functions such as start/stop time programming of motor equipment, data logging of energy consumption and maintenance and service scheduling shall be provided.

    a. All Electrical machinery where possible shall have a minimum coefficient of efficiency of 0.75.

9. Parking shall be provided on the site consistent with the submitted parking plan to provide adequate parking facilities for all workers involved in oil recovery operations, including exploratory and production phases.

10. All studies, reports, plans and analysis required by any section of this C.U.P. or required by law shall be submitted to and approved by the City prior to the issuance of any permit for commencing any work, including site preparation. An up-front deposit of $10,000 in addition to any required

plan check fees shall be submitted at the time of submitting such studies, reports, plans or analysis for the City to draw upon to cover the City's cost of hiring the appropriate expert or specialist, if necessary, to review these submittals for adequacy. Any amount of the deposit not used would be returned to the permittee, and any additional costs the City spends over $10,000 shall be reimbursed by the permittee.

SECTION 3. PUBLIC SAFETY

1. The site shall be enclosed by a solid masonry or concrete wall with solid gates during all operations, protecting both against public entry, observation and attraction. A chain link fence to provide security is acceptable only through the exploratory phase.

2. Security personnel shall be employed at all times during the drilling stage (24 hours) and emergency phone numbers shall be posted during production Phase II

3. Signs warning of unauthorized entry and safety hazards shall be posted on all sides.

4. Access to facilities shall be limited to authorized personnel only.

5. Trees shall be maintained at a distance from all walls to prohibit children and others from unauthorized entry.

6. All site personnel shall be instructed on required safety procedures if hydrogen sulfide concentrations are encountered. Documentation of training and instruction shall be made available to the City Personnel Director.

7. Both solid and liquid wastes shall be sampled and tested to determine if it needs to be treated as a hazardous waste.

8. An Oil Spill Prevention Control Countermeasures (SPCC) Plan and an Oil Drilling Contingency Plan will be prepared for the project and approved by the State Division of Oil and Gas, and the City of Hermosa Beach Fire and Building and Safety Departments.

9. Drillsite and production facilities shall be constructed in accordance with the State seismic standards, and designed in accordance with U.B.C. seismic requirements for hazardous facilities.

10. A soils engineering report and engineering geology report prepared by a licensed geologist and engineer shall be prepared and reviewed in conjunction with the plans for all physical improvements. Said report shall address potential seismic hazards, such as liquefaction, due to soils or geologic conditions. All recommendations contained in said reports shall be incorporated in the construction documents.

11. An emergency response plan, including a blowout prevention and control plan, shall be prepared for review and approval by the Division of Oil and Gas and the Hermosa Beach Fire Department.

12. When a leak or spill occurs, it shall be contained, the fluid shall be recovered and the area restored to its original condition.

SECTION 4. FIRE SAFETY

1. Adequate fire detection and fighting equipment and supplies, approved by the Fire Department, shall be maintained on the drillsite and tank production facility at all times.

2. A supplementary analysis by a professional consultant shall be provided detailing any necessary improvements the Fire Department may need to prevent, and to halt oil related fires and shall also include the following: public notification, warning and evacuation plan.

3. Oil sumps, drip pans, etc. shall be cleaned at regular intervals to reduce fire hazards and prevent minor spills.

4. Oily rags, paper and miscellaneous waste shall be disposed of in an appropriate manner to reduce fire hazards.

5. Signs warning of flammable fluids and prohibiting smoking shall be installed where appropriate.

6. The drillsite and production facility shall be protected by automatic fire detection sensors and suppression systems. The fire supression systems shall include a tank-cooling sprinkler system.

7. Drilling operations shall be conducted in accordance with appropriate Division of Oil and Gas regulations and shall utilize all required blowout prevention equipment and safety devices.

8. Fire flows to service the operation shall meet Fire Department requirements.

9. All equipment necessary to contain an oil fire or blowout shall be provided and/or maintained on site and all fire personnel shall be trained on its use.

SECTION 5. SUBSIDENCE

1. Analysis shall be reviewed by an independent reservoir engineer hired by the City of Hermosa Beach and paid for by the oil driller.

2. The engineer's focus shall deal with the issue of settlement of land within the limits of the oil field and area outside the limit of the oil field and as a result of the driller's operation.

3. The engineer shall determine and submit a plan showing the potential zone of influence for all soil settlement. Settlement readings shall be measured to 0.01 feet at any control point.

4. The adjacent area shall be surveyed a minimum of 1,000 feet from the zone of influence boundary as determined above. To determine the existing ground surface elevations, an elevation control survey shall be done before the drilling begins and shall be used as a base of reference.

5. The operator shall prepare a plan outlining the method to monitor subsidence as well as any corrective measures for settlements in excess of 0.10 feet. The plan shall be approved by and independent engineer and approved by the Director of Public works.

6. There shall be an annual elevation survey for the project area to monitor and evaluate any potential settlement. If the survey data indicates subsidence, then the driller shall take such action as provided in the subsidence control plan as approved by the Director of Public Works, which shall include a program for more frequent monitoring, and shall include monitoring subsidence along the pipeline route.

SECTION 6. VEHICLE TRAFFIC AND CIRCULATION ON AND OFF SITE

1. All truck deliveries shall be limited to daylight hours (9:00 AM - 3:00 PM), Monday through Friday, except for an emergency situation, as defined by this C.U.P. and reported to the City in accordance with the notification requirement, which have been reported to the Director of Public Works in advance of the delivery.

2. Operation of earthmoving equipment shall be limited to daytime hours between 8 AM and 6 PM.

3. Equipment deliveries shall be made only during daytime hours between 9 AM and 3 PM.

4. Project related truck travel shall be restricted to specific truck routes and access points as approved by the Public Works Department.

5. Signs shall be installed to direct detour traffic as approved by the Public Works Director.

6. The number of truck trips shall be limited to a maximum of 18 round trips per day, except in an emergency, as defined by this C.U.P. and reported to the City in accordance with the notification requirement.

7. Maintenance Yard site access shall be designed to enable trucks to turn into the site without inhibiting traffic movement on Valley Drive or Sixth Street.

8. Minor curb radii reconstruction shall be done by the operator as determined by the City Public Works depending on the length and necessary turning radii for project related trucks.

9. Area residents shall be notified of pipeline construction prior to commencement. Signs shall be installed to direct detour traffic.

10. All trucks arriving or departing the drill site shall be washed to prevent spillage of earth and all routes shall be swept and/or washed by the driller as required by the City.

11. An evaluation of the structural condition of the existing pavement shall be performed by a soils engineer on all access streets and the proposed truck routes prior to commencing any site preparation or construction and prior to the issuance of any necessary permits. The evaluation shall include as a minimum:

    a) the number, type, size and weight of trucks for export of materials or product,

    b) the number, type, size and weight of truck deliveries of building supplies, drilling supplies etc.,

    c) the number, type, size and weight of equipment transported to the site,

    d) other associated transportation items,

    e) other anticipated loading.

    The evaluation shall contain recommendations as to actions required to maintain said streets and routes in their current condition throughout the planned development phase, planned production phase, and in the close out phase.

12. The operator shall perform the actions on the existing pavement as recommended by the soils or highway engineer, the operator will hire a licensed contractor and provide street profiles, drawings, and engineering to the satisfaction of the Public Works Department prior to work commencing.

13. The City Council may restrict the use of certain street, alleys, or roadways in connection with the permittee's operations. In the event any street, alley or roadway is damaged by the permittee's operations, such damages shall be paid for by the permittee upon demand by the City, and the failure to pay such damages, being the reasonable cost of the repair of any such damaged portions, shall be grounds for the revocation of the permit and the collection of such damages.

SECTION 7. SANITARY SEWER

1. Use of the sanitary sewer is prohibited, except for the minimal use associated with the office and restroom

facilities. Any water from oil production shall be disposed in the five disposal wells.

SECTION 8. NOISE/VIBRATION

1. The entire drilling operation shall be equipped with acoustical treatment for noise to be within the standards set forth in the City's Oil Ordinance.

   a. A sound attenuation wall of 30-feet in height shall be provided along the perimeter of site as shown on plans during oil drilling phases.

2. Heavy/large reciprocating equipment shall be mounted on vibration isolators.

3. Pumping units shall be maintained to eliminate noise from worn parts.

4. The drilling rig shall be acoustically wrapped and/or paneled including the ancillary and support equipment to meet the requirements of the noise ordinance.

5. Tripping will be restricted to daylight hours only.

6. Loudspeaker paging systems shall be prohibited.

7. Well workover rigs or any other rig that is used shall be operated only between the hours of 8:00 A.M. and 6:00 P.M. during daytime weekday hours only, excluding holidays, except in an emergency, as defined by this C.U.P. and reported to the City in accordance with the notification requirement. The exhaust and intake of the diesel engine (if used on the workover rig) shall be muffled to reduce noise to an acceptable limit. The operator shall use whatever means necessary, including but not limited to, enclosing the diesel engine and rig in acoustic blankets or housing.

8. All oil maintenance equipment, vehicles and non-electrical motors shall be equipped with manufacturer approved mufflers or housed in a sound-proofing device.

9. Noise monitoring shall be conducted under the supervision of an independent certified acoustical engineer paid for by the permittee. Reports shall be submitted to the Planning Director within three working days after the completion of each phase of the monitoring. The monitoring shall include the following:

   a. Pre-drilling phase monitoring. Prior to the start of the drilling phase, noise measurements shall be obtained during the operation of the specific drilling rig which has been selected and the measurements shall be related to those experienced at the the nearest residential boundaries to the drilling site. In addition, the noise control measures which have been (or will be) applied to

the rig as needed for compliance with the City of Hermosa Beach noise ordinances shall be identified.

b. Start of Drilling. Noise measurements shall be obtained during the nighttime hours (10:00 P.M. to 7:00 A.M) for at least six hours on each of the three nights within the five day period from the start of the drilling phase. Monitoring is to occur at the nearest residential boundary to the actual drilling operation.

c. During the drilling phase. Noise monitoring shall occur during a six-hour period between the hours from 10:00 P.M. to 7:00 A.M. at least once each month during the drilling phase of the project. The noise level data obtained shall be compared to the City of Hermosa Beach Noise Ordinance standards by the Planning Department. Where an exceedence of the standards is identified, noise control measures shall be required.

d. Production phase. Noise measurements shall be obtained during a six-hour period between the hours from 10:00 P.M. to 7:00 A.M. at least once each year during the production and completion phase.

SECTION 9. LANDSCAPING

1. A Detailed Landscape Plan for Phase I (exploratory and testing) and Phase II, indicating the type, size and quantity of plant materials shall be submitted to the Planning Director for review and approval, and it shall be consistent with the conceptual landscape plan reviewed by the Planning Commission, and shall comply with Section 21A-2.9 of the Oil Code.

2. During Phase I, test facility, landscaping consisting of 24" box, or larger size trees may be installed without permanent planting.

3. Minimum 24" boxed trees for Phase I and II shall be adequate in size to create a buffer effect to obscure visibility of oil production activity. Permanent trees planted around the perimeter of the site for Phase II shall be a minimum sixteen (16) feet high at planting.

4. Trees along the lot perimeter shall be provided to create a dense landscape buffer to the satisfaction and field review of the Planning Director.

5. The aesthetic impact of the exposed masonry walls on the west and northern sides shall be softened with the planting of climbing vines to the satisfaction and field review of the Planning Director.

6. Landscaping shall be maintained in a neat and clean condition.

7. A complete automatic sprinkler system shall be provided prior to commencement of Phase II.

SECTION 10. AESTHETICS

1. The tanks, acoustical wrap and wall, and production facility shall be painted a neutral color to blend in with the surroundings; color shall be reviewed and approved by the Planning Commission/

2. The use of architectural lighting beyond safety and security requirements shall be prohibited.

3. The site for drilling equipment and the storage facilities shall be depressed in combination with walls so that the visual impact is minimized.

4. All outdoor lighting shall be shielded and directed inward of both sites.

5. Lighting shall be limited solely to the amount and intensities necessary for safety and security purposes.

6. Certain activities which might involve unshielded lighting (i.e., site preparation and restoration) activities shall be limited to daylight hours and thus not require nighttime lighting.

7. A split-face block wall maintained graffiti free of a minimum of 12 feet in height shall be provided; wall materials shall be reviewed and approved by Planning Director. During test drilling minimum 6' high fencing shall be provided.

8. The height of the site's perimeter wall shall be increased to at least 16 feet if beam pumping units taller than 12 feet are installed, or if perimeter trees, when planted for Phase II, are not a minimum of sixteen (16) feet in height when installed.

9. Tanks shall be submerged 6 to 8 feet or more below grade and will be adjacent to the 12-foot high privacy wall.

10. If the drill derrick remains idle for more than one year, review and approval by the City Planning Commission or City Council shall be required, or the derrick shall be dismantled at the expense of the operator.

11. All production equipment and structures shall be painted to blend with the surrounding environment with review and approval by the Planning Director.

12. On-site signs shall be limited to those needed for public health and safety.

13. All derricks masts hereafter erected for drilling, re-drilling or remedial operations or for use in production operations shall be removed within 45 days after completion

of the work unless otherwise ordered by the Division of Oil and Gas of the state.

14. The operator shall diligently and continuously pursue drilling operations until the all 30 oil wells and all five (5) water disposal wells are completed or abandoned to the satisfaction of the Division of Oil and Gas of the state and upon completion or abandonment shall remove all drilling equipment from the drill site within 45 days following completion or abandonment of the well unless otherwise ordered by the Division of Oil and Gas.

SECTION 11. ODORS/VAPOR/AIR POLLUTION

1. A vapor recovery system shall be installed to recover 99% of hydrocarbon emissions during storage and transfer of crude oil.

2. Raw gas shall not be allowed into the atmosphere.

3. Gas and vapor detection systems shall be installed at appropriate locations.

4. All project site activities shall be conducted such as to eliminate escape of gas in accordance with best available control technology and practices which shall be reviewed and approved by the City.

5. All requirements of AQMD shall be met at all times.

6. A state-of-the-art scrubber shall be employed for the exploratory phase to eliminate odors from waste gases, and any flame shall be enclosed.

7. Tanks shall be designed and located so that no odors or fumes can be detected from the adjacent areas outside the exterior walls of the project.

8. Operators shall not blow lines to the atmosphere, except in an emergency, as defined by this C.U.P. and reported to the City in accordance with the notification requirement.

9. Construction equipment and vehicles shall be maintained in proper tune.

10. Odorless drilling muds shall be used.

11. Well tubing and rods shall not remain out of the well during workover operations less than 8-hours. The tubing will be surface washed with a detergent solution to remove odor bearing residual hydrocarbons if exposed longer than 8-hours.

12. Odor control will be further enforced by the SCAQMD under Rules 402, 466, and 466.1 of their regulations, and the commercial recovery system shall be employed for the permanent facility.

13. There shall be no open flames allowed

14. The permittee shall monitor drilling mud during drilling on the site for odorous substances and take such measures to eliminate any odor which would be perceptible outside the drill site.

15. The permittee shall undertake no refining process or any process for the extraction of products from natural gas, except for such minor processed as necessary to make natural gas acceptable to the City gas mains for domestic use.

16. Well cellars shall be maintained in a clean and efficient manner to prevent waste accumulation and shall be frequently steam cleaned.

SECTION 12. GRADING/STORM WATER/SITE RUNOFF

1. Grading shall not be performed when wind speeds exceed 20mph. The contractor shall maintain a wind speed monitoring device on site during grading operations. The contractor shall continually keep the soil moist during grading operations. At no time shall any dust be allowed to leave the work site.

2. Normal wetting procedures shall be employed during grading. Reviewed and approval of procedure shall be by Public Works Director.

3. Graded surfaces shall be paved or landscaped per approved plan.

4. Project site shall be graded so that all contaminated runoff is collected and treated on-site and disposed of according to all laws.

5. Site shall be graded in a manner so that all hazardous or contaminated fluids and runoff are directed toward a cellar and approved pit and disposed of properly.

6. No water from the site shall be allowed to enter the storm drainage system or any public area.

7. No water from the site shall be allowed to surface flow across the public beach.

SECTION 13. PIPELINE CONSTRUCTION

1. The pipeline operators shall adhere to all applicable federal, state, regional, and local statutes governing design, construction, operation, and maintenance of the pipelines and related equipment.

2. A detailed pipeline survey shall be conducted in order to locate existing pipelines prior to excavation for pipeline construction.

3. A responsible agent paid for by the applicant shall be present during excavations.

4. Areas of construction and maintenance activities shall be delineated by signs, flagmen, pavement markings, barricades, and lights, as determined by permit requirements of all local agencies.

5. Where pedestrian activities are affected during construction, appropriate warning signs shall be installed and pedestrians will be diverted. Pedestrian access to businesses and residences will be maintained during construction. Special facilities, such as handrails, fences, and walkways shall be provided, if necessary, for the safety of pedestrians.

6. Obstruction of emergency vehicle operations will be partially mitigated by ensuring that providers of emergency services are kept informed of the location, nature, and duration of construction activities so alternate routes can be chosen. It is essential that fire department access is maintained to all buildings adjacent to construction activities. For this reason, a minimum of at least one lane for streets undergoing construction will be kept open at all times, and fire hydrants in construction areas will remain accessible.

7. If public transit stops along pipeline routes need to be temporarily relocated during construction, the applicant shall coordinate with the appropriate local operators to provide signs directing riders to the temporary stop locations.

8. When hauling excavated and waste materials from construction sites, substandard roadways will be avoided and local jurisdiction regulations governing hauling vehicles will be adhered to.

9. Pipeline construction and operation of earth moving equipment shall be limited to daylight hours between 8:00 AM and 3:00 PM and shall not be permitted during weekend periods. Additionally, construction-related trucks should not be operated during peak traffic hours of 7 to 9 AM and 3 to 7 PM. Pipeline construction at major intersections shall be limited to daylight hours between 9:00 AM and 3:00 PM to avoid peak traffic periods.

10. Equipment deliveries shall be made only during daytime hours between 8 AM and 3 PM.

11. In order to reduce visual impacts and possible safety hazards, storage of pipes and other materials, as well as construction equipment, shall not be permitted on any street during non-construction hours.

12. Area residents within 300′ shall be notified about the pipeline construction operation prior to commencement of construction.

13. Detour signs on pipeline construction routes shall be placed at appropriate locations.

14. Steel plates covering pipeline excavation trenches shall be placed to permit traffic movement during non-construction hours.

15. Pipelines shall be designed with ample safety factors, pressure-tested prior to being placed in operation, and monitored for corrosion once in operation.

16. Safety shut-down devices that respond to drops in pipeline pressure shall be incorporated into the project in order to stop the flow of the pipeline contents in case of a pipeline rupture.

17. Groundwater level and land subsidence shall be monitored to insure that pipeline damage does not occur as a result of geologic and hydrologic phenomena. The annual subsidence survey shall include a report to the City on monitoring efforts to insure pipeling damage has not occurred.

18. Pipeline construction along Valley Drive shall be approved by the Director of Public Works prior to issuance of a permit.

19. Pipeline construction shall not occur in the area known as the Hermosa Valley Greenbelt.

20. Storage of materials shall not be allowed on the Hermosa Valley Greenbelt. The storage or dumping upon the greenbelt of any materials, construction equipment, debris, oil drilling equipment, drilling rigs, piping, etc., and any and all equipment and vehicles necessary for the the construction and maintenance of the pipeline and oil development site shall be prohibited. The use of the greenbelt as a staging area for construction of the oil facility or pipeline shall be be prohibited. There shall be no parking or standing of any vehicles on the greenbelt for any time period.

21. Trenches shall be covered during non-working hours to minimize traffic circulation problems.

SECTION 14

Definition and notification requirements for emergency situations:

I. For purposes of this Conditional Use Permit, "Emergency" is defined as follows:

A threat to the health and safety of persons in the surrounding area to the drill site and the following conditions which require immediate action:

A. Conditions which could lead to a potential spill or well blowout:

1. Entry of oil and gas into the wellbore while drilling, tripping or out of the hole which may be indicated by one or more of the following:

   a. Pit volume gain
   b. Well flowing with pumps off
   c. Flow rate increases with circulation
   d. Improper hole fill-up on trips
   e. Sudden increase in drilling rate
   f. Pump pressure decreases and pump rate increases
   g. Decrease in returning mud rate
   h. Sloughing shale
   i. Changes in mud salinity and/or mud flow properties

2. Lost circulation or loss of ability to circulate

3. Casing or wellhead failure while drilling

4. Stuck pipe and/or equipment during any of the following operations:

   a. Drilling
   b. Tripping drill pipe and tools
   c. Wireline logging
   d. Drill stem testing
   e. Running casing
   f. Perforating and stimulating completion interval

5. Loss of rig power or equipment failure while drilling or tripping.

B. Injuries to personnel at the Drill Site

C. Conditions which could reduce the stability and safety of the rig and production equipment:

1. Natural events:

   a. Excessive winds, rain and lightning
   b. Floods
   c. Subsidence
   d. Earthquakes

2. Other events:

   a. Riots/Demonstrations
   b. Fire

II. **Notification Required:** In the case of an emergency, as defined above, the permittee shall give immediate notice to the City of the occurrence of the emergency event. The City will provide a list of phone numbers. A written notice, including a detailed description of the emergency condition, and the actions taken and/or proposed to be taken to correct

the situation, shall be provided within 24 hours of the occurrence of the emergency event.

SECTION 15

1. This grant shall not be effective for any purposes until the permittee and the owners of both properties involved have filed at the office of the Department of Planning their affidavits stating that they are aware of, and agree to accept, all of the conditions of this grant.

2. The Conditional Use Permit shall be recorded, and proof of recordation shall be submitted to the Planning Department.

3. Each of the above conditions is separately enforced, and if any of the conditions of approval is found to be invalid by a court of law, all the other conditions shall remain valid and enforceable.

4. Permittee shall defend, indemnify and hold harmless the City, its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul this permit approval, which action is brought within the applicable time period of Government Code Section 65907. The City shall promptly notify the permittee of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the permittee of any claim, action or proceeding, or if the City fails to cooperate fully in the defense, the permittee shall not thereafter be responsible to defend, indemnify, or hold harmless the City.

   a. The permittee shall reimburse the City for any court and attorney's fees which the City may be required to pay as a result of any claim or action brought against the City because of this grant. Although the permittee is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve the permittee of any obligation under this condition.

   b. The permittee shall provide a cash bond to the City, in the amount of $50,000, to be used by the City towards Attorneys costs in the event of litigation. This conditional use permit shall not be in full force and effect until this cash bond is submitted.

5. The subject property shall be developed, maintained and operated in full compliance with the conditions of this grant and any law, statute, ordinance or other regulation applicable to any development or activity on the subject property. Failure of the permittee to cease any development or activity not in full compliance shall be a violation of these conditions.

SECTION 16

The Planning Commission may review this Conditional Use Permit and may amend the subject conditions or impose any new conditions if deemed necessary to mitigate detrimental effects on the neighborhood resulting from the subject project.

The Planning Commission shall review, and if necessary, modify the conditions as set forth in this Conditional Use Permit on an annual basis or upon change in the operator of the project.

The Planning Commission reserves the right to revoke this Conditional Use Permit if any violation of these conditions or the Hermosa Beach Municipal Code occurs. The City shall provide the operator with notice in writing of any violation, stating the City's basis for determining that a violation has occurred. The operator shall have a reasonable time to abate the violation before further action is taken. The City may require the operator with notice in writing to submit written documentation of actions taken to remedy any violation and may require monitoring or other procedures to be implemented in order to ensure that the violation will be abated.

This resolution revokes and supercedes City Council Resolution No. 93-5621.

PASSED, APPROVED, and ADOPTED this 10th day of August, 1993, by the following vote:

AYES: Benz, Essertier, Mayor Wiemans
NOES: Midstokke
ABSTAIN: None
ABSENT: Edgerton

PRESIDENT of the City Council and MAYOR of the City of Hermosa Beach, California

ATTEST:
Naoma Valdes, Deputy
CITY CLERK

APPROVED AS TO FORM:
Charles L. Vose
CITY ATTORNEY

p/pcrsoil 8/24/93

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF HERMOSA BEACH)

I, Naoma Valdes, Deputy City Clerk of the City Council of the City of Hermosa Beach, California, do hereby certify that the foregoing Resolution No. 93-5632 was duly and regularly passed, approved and adopted by the City Council of the City of Hermosa Beach at a Regular Meeting of said Council at the regular place therof on August 10, 1993.

The vote was as follows:

AYES: Benz, Essertier, Mayor Wiemans
NOES: Midstokke
ABSTAIN: None
ABSENT: Edgerton

DATED: August 12, 1993

Naoma Valdes
Deputy City Clerk