

E&B

Natural Resources

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1600 Norris Road • Bakersfield, CA 93308

July 22, 2013

Mr. Ken Robertson, AICP, Director
City of Hermosa Beach
Community Development Department
1315 Valley Drive
Hermosa Beach, California 90254

RE: Errata to the Planning Application
E&B Oil Development Project

Dear Mr. Robertson:

Attached please find errata changes to the Planning Application for the E&B Oil Development Project (proposed project). These revisions are in response to comments and requested clarifications from City staff as well as revisions that the E&B project team identified during the City's review process.

Please feel free to contact Karen Northcutt or me with any questions. We look forward to working with you to address any questions and provide information you may need to continue processing the Planning Application.

Very truly yours,



Michael Finch
Vice President of Health, Safety, Environmental & Governmental Affairs
E&B Natural Resources Management Corp.

Attachments

Errata to the Planning Application
Attachment A Errata to Air Quality Impact Analysis
Attachment B Errata to Traffic Impact Analysis

ERRATA TO PLANNING APPLICATION

The following provides changes to the Planning Application submitted to the City of Hermosa Beach on November 12, 2012. These changes, which provide clarifications or correct typographical errors, are shown in ~~strikeout~~ for deletions and underline for additions. The following changes do not make significant changes to the Planning Application and they do not change the conclusions or impact findings reached in the technical reports provided in the Appendices to the Planning Application with the exception of the Air Quality Impact Analysis provided as Appendix C as discussed in greater detail in Attachment A.

PROJECT DESCRIPTION

On page 7 of the Planning Application Project Description, Subsection 2.4 Offsite Gas Pipeline Alignment and Metering Station Site, the following paragraph has been inserted after the second paragraph:

Once the proposed gas pipeline from the project site ties into the SCG point of receipt at the proposed metering station, SCG would construct a six-inch gas pipeline that travels northeast for approximately 1.4 miles to connect to an existing SCG pipeline transmission facility (Line 1170) located on the south side of 190th Street near where 190th Street intersects with Green Lane, between Flagler Lane and Beryl Street, in the City of Redondo Beach. After the first portion of the new six-inch gas pipeline leaves the proposed metering station and heads northeast, it would be located in an existing SCG easement within the SCE Utility Corridor between N. Francisca Avenue and Pacific Coast Highway. The new pipeline would exit the SCE Utility Corridor on the south side of the intersection of Herondo Street/Anita Street with Pacific Coast Highway, head across Pacific Coast Highway, and continue to travel northeast within the ROW of Anita Street/190th Street to its point of connection with the existing SCG pipeline transmission facility (Line 1170). If for some reason the first portion of the new pipeline could not be located within the existing SCG easement within the SCE Utility Corridor between N. Francisca Avenue and Pacific Coast Highway, it would leave the proposed metering station and travel for a short distance north within the ROW of N. Francisca Avenue and turn northeast at Herondo Street within the ROW until it reaches the intersection of Herondo Street/Anita Street with Pacific Coast Highway. At that point it would continue to the northeast as described previously. Although SCG would obtain the necessary permits and construct the new gas pipeline, the Applicant would pay for the associated costs of construction.

It should be noted that the proposed alignments of the new gas pipeline discussed above are consistent with the conceptual locations of the gas and oil pipeline scenarios identified in Figures 4A and 4B of the Planning Application Project Description and analyzed in the technical reports provided in the Appendices to the Planning Application.

On page 7 of the Planning Application Project Description, Subsection 2.4 Offsite Gas Pipeline Alignment and Metering Station Site, the last paragraph has been revised as follows:

As shown in Figures 4A and 4B, the proposed gas pipeline from the project site is bounded: to the east by ...

On page 11 of the Planning Application Project Description, Subsection 2.4 Offsite Gas Pipeline Alignment and Metering Station Site, the following paragraph has been added after the second paragraph:

As shown in Figures 4A and 4B, the proposed gas pipeline from the proposed metering station to the to the existing SCG pipeline transmission facility is bounded: to the north by commercial land uses and residential development in the City of Redondo Beach; and to the south by commercial land uses, residential development, and public facilities including Dominguez Park and Redondo Beach Dog Park in the City of Redondo Beach.

On page 12 of the Planning Application Project Description, Subsection 2.6 Truck Routes, the following revisions have been made:

Inbound Trucks

1. Inbound trucks from westbound Artesia Boulevard
2. Left on to southbound Pacific Coast Highway
3. Right ~~Left~~ on to westbound Pier Avenue
4. Left on southbound Valley Drive
5. Right into the project driveway on Valley Drive

Or

1. Inbound trucks from westbound 190th Street (which becomes Anita Street)
2. Right on northbound Pacific Coast Highway
3. Left on to westbound Pier Avenue
4. Left ~~Right~~ on to southbound Valley Drive
5. Right into the project driveway on Valley Drive

On page 23 of the Planning Application Project Description, Subsection 5.1 Phase 1: Site Preparation, the following revision has been made to the first paragraph:

The purpose of Phase 1 would be to prepare the project site for drilling and testing as well as the subsequent phases of the proposed project. It is anticipated that Phase 1 would occur for a period of approximately six months as indicated in the schedule provided in Table 2. The vehicles, equipment, and employees estimated for Phase 1 are provided in Tables 3, 4, and 5, respectively. Parking for the employees and public parking removed during Phase 1 would be provided in an adjacent private parking area located at the northeast corner of Cypress Street/6th Street. Additional project-related personnel would also utilize parking spaces within the parking areas for the building located at 601 ~~600~~ Cypress Street on the northwest corner of Cypress Street/6th Street.

On page 36 of the Planning Application Project Description, Subsection 5.1 Phase 1: Site Preparation, Construction of Well Cellar, the following revision has been made:

A cement well cellar approximately eight feet wide by forty feet long by ~~eight to~~ 12 feet deep would be constructed for three exploratory wells and one water injection well to allow for the drilling of the wells in Phase 2. The well cellar would provide containment of rainwater as well as any potential oil spillage during Phase 2. Figure 11 shows the location of the well cellar.

On page 42 of the Planning Application Project Description, Subsection 5.2 Phase 2: Drilling and Testing, the following note have been added to Table 9:

Note: During the initial preparation of the Planning Application, it was estimated that a total number of 20 employees were estimated to drill the three test wells and one water injection well and, since the drilling would occur 24 hours per day, these employees would work in two 12-hour shifts. This estimate of 20 employees was assumed in the preparation of the technical reports provided in the Appendices to the Planning Application and provided a worst-case analysis. However, since the initial preparation of the Planning Application, it has been determined that a more appropriate estimate would be five employees per shift for a total of 10 employees. This refined estimate of employees has been reflected in the Parking Plan provided as Attachment A to the Responses to the Planning Application Completeness Review.

On page 61 of the Planning Application Project Description, Subsection 5.3 Phase 3: Final Design and Construction, Complete Construction of Well Cellars, the following revision has been made:

The cement well cellar constructed in Phase 2 would be extended and the second well cellar would be constructed to allow for the drilling of the remaining wells in Phase 4. At completion, the well cellars would be approximately eight feet wide by 120 feet long by ~~8 to~~ 12 feet deep, with stairs at each end and covered with expanded metal grating. The well cellars would be equipped with storm water management collection sumps and pumps to direct storm water to the drain sump for processing and injection, into the oil-producing reservoir below the oil water contact, by the water injection wells drilled in Phase 4. Figure 18 shows the location of the well cellars.

On page 68 of the Planning Application Project Description, Subsection 5.4 Phase 4: Development and Operation, the following note have been added to Table 17:

Note: During the initial preparation of the Planning Application, it was estimated that a total number of 20 employees were estimated to drill the remaining 27 oil wells and three water injection wells and, since the drilling would occur 24 hours per day, these employees would work in two 12-hour shifts. This estimate of 20 employees was assumed in the preparation of the technical reports provided in the Appendices to the Planning Application and provided a worst-case analysis.

However, since the initial preparation of the Planning Application, it has been determined that a more appropriate estimate would be five employees per shift for a total of 10 employees. This refined estimate of employees has been reflected in the Parking Plan provided as Attachment A to the Responses to the Planning Application Completeness Review.

ATTACHMENT B

On page B-2 of the Planning Application Attachment B, Modern Drilling Rig, the following revision has been made to the third bulleted item:

- Alarms and sensors will be installed for gas detection, including hydrogen sulfide and carbon dioxide.

On page B-5 of the Planning Application Attachment B, Underground Power Lines Along Valley Drive and 6th Street, the following revision has been made to the bulleted item:

- Undergrounding of Overhead utility lines and poles adjacent to the project site along Valley Drive and around the corner of Valley Drive and 6th Street will improve visual aesthetics and sidewalk access.

APPENDIX C

Refer to Attachment A for errata changes to the Air Quality Impact Analysis provided as Appendix C in the Appendices to the Planning Application.

APPENDIX M

Refer to Attachment B for errata changes to the Traffic Impact Analysis provided as Appendix M in the Appendices to the Planning Application.

Attachment A

July 22, 2013

Mr. Mike Finch
Vice President HSE & Government Affairs
E&B Natural Resources Management Corp.
1600 Norris Road
Bakersfield, CA 93308

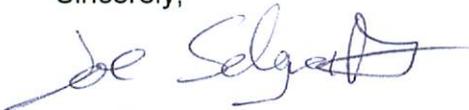
**Subject: Errata - Air Quality Impact Analysis
E & B Oil Development Project, Hermosa Beach, California**

Dear Mr. Finch:

Please find attached errata to the Air Quality Impact Analysis for the E&B Oil Development Project. The errata have been prepared to provide clarifications related to the analysis of the potential impacts of the proposed project and to correct typographical errors discovered during our review of the document.

Please contact me at 661-377-0073 x12 if you have any questions or comments.

Sincerely,



Joe Selgrath
Principal Environmental Specialist

ERRATA TO AIR QUALITY IMPACT ANALYSIS

Changes to the Air Quality Impact Analysis are shown in underline or ~~strikeout~~, as appropriate.

On pages 26 and 27, Subsection Total Phase 3 Emissions, the first paragraph of the subsection and Table 9 have been revised as follows:

Total Phase 3 Emissions

As seen in Table 9, the daily PM₁₀ emissions from Phase 3 construction activities would not exceed the SCAQMD threshold of significance for regional emissions. Refer to Exhibit H for the schedule of the Phase 3 construction activities. The majority of PM₁₀ emissions indicated in Table 9 for the “2015 Construction Emissions - Facility” are associated with the transportation of contaminated soils generated by the Phase 3 soil remediation activities to an offsite disposal facility (onroad; emissions that are generated offsite emissions). ~~Contaminated soils will be generated by the soil remediation activities that are part Phase 3.~~ The PM₁₀ emissions indicated in Table 9 for the “2015 Construction Emissions - Pipeline” are associated with the construction of the offsite oil and gas pipelines in the Cities of Hermosa Beach, Redondo Beach and Torrance. As indicated in the Phase 3 schedule, the transportation of the contaminated soils would not occur at the same time as the construction activities for the offsite pipelines. Since these activities would not be concurrent, the PM₁₀ emissions would not be totaled. Therefore, the short-term impacts to regional air quality as a result of construction activities for Phase 3 of the proposed project would not be significant.

Table 9: Short-term Construction Emissions – Phase 3 – Final Design and Construction

Source	Pollutant					
	Maximum Daily Emissions (lbs/day)					
	ROG	NO _x	CO	PM ₁₀	PM _{2.5}	SO _x
2015 Construction Emissions – Facility	8.50	64.38	44.3	125.54	3.48	0.12
2015 Construction Emissions – Pipeline	3.92	26.80	19.83	26.80	1.92	0.04
Total	12.42	91.18	64.13	152.34	5.40	0.16
2016 Construction Emissions – Facility	6.65	38.50	34.50	3.18	2.39	0.06
2016 Construction Emissions – Pipeline	3.64	24.79	19.23	26.64	1.76	0.04
Total	10.29	63.29	53.73	29.82	4.15	0.10
SCAQMD Threshold	75	100	550	150	55	150
Is Regional Threshold Exceeded?	No	No	No	No	No	No
Localized Significance Threshold	---	91	664	3	3	---
Is Localized Threshold Exceeded?	---	No (See note)	No	No (See note)	No (See note)	---

Notes: ROG = reactive organic gases
CO = carbon monoxide
NO_x = Nitrogen Oxides
PM₁₀ = Particulate Matter < 10 microns
MT = Metric Tons
Refer to Exhibit H for the schedule of activities and Exhibit J for a printout of the model used in this analysis.
Localized Significance Thresholds for NO_x are not exceeded for facility (onsite) construction emissions (maximum daily emissions are 64.38 lb/day) nor for offsite pipeline construction emissions (maximum daily emissions are 26.80 lb/day).
Facility - PM₁₀ localized significance thresholds are not exceeded for onsite facility construction emissions. The majority of the PM₁₀ construction emissions are related to offsite on-road hauling of contaminated soils. Maximum daily onsite emissions are 2.81 lb/day.
Pipeline - PM_{2.5} localized significance thresholds are not exceeded for pipeline construction. PM₁₀ localized significance thresholds are not exceeded for pipeline construction (1.53 lb/day). The majority of PM₁₀ emissions are associated with hauling of removed soil (on-road, offsite emissions).

On page 29, Subsection 6.4 Operational Air Emissions, Phase 2- Drilling and Testing, the second paragraph has been revised as follows:

As seen in Table 11, the daily emissions from Phase 2 operational activities would not exceed the SCAQMD threshold of significance for regional emissions. Air dispersion modeling indicates that PM_{10} and $PM_{2.5}$ emissions from operations do not exceed the operational LST of 2.25 ug/m^3 . Therefore, the long-term impacts to local and regional air quality as a result of operational activities for Phase 2 of the proposed project would be less than significant.

On page 30, Subsection 6.4 Operational Air Emissions, Phase 4 – Development and Operations, Table 12 has been revised as follows:

Table 12: Operational Emissions – Phase 4 – Development and Operations

Source	Pollutant lbs/day					
	ROG	NO _x	CO	PM ₁₀	PM _{2.5}	SO _x
Area	1.48	0.0	0.0	0.0	0.0	0.0
Energy	0.0	0.0	0.0	0.0	0.0	0.0
Mobile	0.03	0.09	0.31	0.08	0.01	0.00
Stationary Source	<u>17.8</u> 22.6	<u>51.7</u> 49.5	<u>34.1</u> 99.8	<u>5.1</u> 41.8	<u>5.0</u> 41.8	<u>2.7</u> 7.7
Waste	0.0	0.0	0.0	0.0	0.0	0.0
Water	0.0	0.0	0.0	0.0	0.0	0.0
Total	<u>19.3</u> 24.4	<u>51.8</u> 49.6	<u>34.4</u> 100.4	<u>5.2</u> 41.9	<u>5.0</u> 41.8	<u>2.7</u> 7.7
SCAQMD Threshold	55	55	550	150	55	150
Is Regional Threshold Exceeded?	No	No	No	No	No	No
Localized Significance Threshold	---	91	664	1	1	---
Is Localized Threshold Exceeded?	---	No	No	No (after modeling)	No (after modeling)	---
Notes: ROG = reactive organic gases CO = carbon monoxide NO _x = Nitrogen Oxides PM ₁₀ = Particulate Matter < 10 microns MT = Metric Tons Refer to Exhibits J and O for a printout of the model used in this analysis..						

On page 31, Subsection 6.5 Potential Effect on Sensitive Receptors, the third paragraph has been revised as follows:

Ground-level CO concentrations from stationary source combustion emissions were determined using the air dispersion model AERMOD. Maximum CO emissions from the stationary source are expected to occur during Phase 4 of the proposed project when the microturbines and gas combustor are operating at the same time. Maximum 1-hour ground-level concentrations of CO were calculated to be 11.77 ug/m³ (0.01 part per million by volume [ppmv]). According to the SCAQMD, background CO concentration at the Long Beach air monitoring station were 5.1 ppmv in 2010 and are projected to be 5.1 ppmv in 2015. The level of significance for CO emissions is an average concentration exceeding 9 ppmv over a 24-hour period or exceeding an average concentration of 20 ppm over 1 hour. Based on this, the increase in CO emissions resulting from the proposed project are not expected to result in localized impacts such as CO “Hot Spots” and are not expected to impact nearby sensitive receptors. Therefore, the potential impacts to sensitive receptors will be less than significant.

Exhibit H has been revised to include the addition of the schedule by phase as provided on the following pages.

Attachment B

July 22, 2013

Mr. Michael Finch
E&B Natural Resources Management Corp
1600 Norris Road
Bakersfield, California 93308

Subject: Errata Changes to Traffic Impact Analysis

Dear Mike:

The following are errata changes to the *Traffic Impact Analysis (TIA) for the E&B Oil Development Project* prepared by Arch Beach Consulting on November 12, 2012.

Errata Changes

On page 5 of the Traffic Impact Analysis, the following change has been made to Intersection 18:

Intersection 18. Valley Drive/8th ~~18th~~ Street

On page 21 in subsection Trip Generation, Permanent Operations, of the TIA, the following change has been made:

Permanent Operations, would also start in 2018 and would occur for approximately 30 - 35 years. The proposed project would be designed with a capacity for crude oil production at 8,000 barrels per day and gas production at 2.5 million cubic feet per day. Based on the detailed ~~construction~~ operations data provided by the Project Applicant, this phase would generate four heavy trucks (3+ axle), one medium truck (2 axle), and eight cars or pickup trucks (~~construction worker's vehicles~~) during its peak activities (conduct routine maintenance and operations).

References to Intersection 18 have been changed from Valley Drive/18th Street to Valley Drive/8th Street in the following tables in the Traffic Impact Analysis:

Table D on page 37
Table E on page 41
Table F on page 48
Table H on page 65

References to Intersection 18 have been changed from Valley Drive/18th Street to Valley Drive/8th Street in the following figures in the Traffic Impact Analysis:

Figure 3 on page 22
Figure 4 on page 23
Figure 5 on page 24
Figure 6 on page 25

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Figure 7 on page 26
Figure 8 on page 27
Figure 9 on page 28
Figure 10 on page 29
Figure 11 on page 30
Figure 12 on page 31
Figure 14 on page 35
Figure 15 on page 40
Figure 16 on page 44
Figure 17 on page 47
Figure 18 on page 52
Figure 19 on page 56
Figure 21 on page 64
Figure 22 on page 68
Figure 23 on page 71
Figure 24 on page 75

Please contact me at (858) 925-6190 if you have any questions.

Sincerely,

Arch Beach Consulting, Inc.

A handwritten signature in black ink, appearing to read "Dennis M. Pascua". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dennis M. Pascua
Principal Transportation Planner