

FEB 17 2012

CALIFORNIA
COASTAL COMMISSION

February 13, 2012

Commissioners

Chair Shallenberger
Coastal Commissioners

South Coast Office

Ms. Sherilyn Sarb
Ms. Teresa Henry
Mr. Andrew Willis

San Francisco Office

Charles Lester, PhD
Lisa Haage

RE: Response to February 8, 2012 Public Comments by Mr. Steve Ray

Dear Chair Shallenberger, Commissioners and Staff:

Newport Banning Ranch LLC (NBRLLC) has reviewed statements regarding our property that were made during Public Comments in the morning session at your February 8, 2012 meeting in Santa Cruz. During that session, Mr. Steve Ray, referring to himself as the Executive Director of the Banning Ranch Conservancy, addressed the Commission on several matters. With respect to comments related to Newport Banning Ranch, or Banning Ranch as it often referred to, Mr. Ray's testimony was inaccurate and misleading. Mr. Ray's comments pertained to on site restoration activities pursuant to Consent CDO #CCC-11-CD-03 and CRO #CCC-11-RO-02 which was approved by the CCC on April 14, 2011 and the subsequent restoration plan approved by the Executive Director on December 20, 2011. You may recall this restoration program was related to resolving allegations of unpermitted development conducted on the Newport Banning Ranch property in 2004 by Southern California Edison subcontractors working on a utility undergrounding project in adjacent residential neighborhoods. Mr. Ray also commented on activities by the oil operators at NBR (i.e., independent mineral rights owners, not affiliated with Newport Banning Ranch LLC).

Our purpose in writing you this letter is to correct the record with respect to these statements.

Principal Points Misrepresented:

NBR Mitigation Project Currently Underway – 2 Issues

1. **Comment:** The speaker started his remarks with an aerial photos exhibit depicting the 1.66-acre Area C required for mitigation. The speaker testified that portions of the mitigation area were within 100 feet of existing residential properties – and therefore “would be subject to clearing for fire modification.”

Correction: The speaker was not correct in his testimony. The photo used by Mr. Ray (and attached hereto) is the same that is in the Commission-approved Restoration Plan. The 1.66-acre Area C mitigation site was staked by registered civil engineer crews prior to commencement of restoration activities. The area is more than 100 feet from adjacent residential properties and will not be impacted by future fuel modification activities.

Newport Banning Ranch LLC

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2. **Comment:** The speaker also testified that the same area discussed in Item 1 above sustained mowing of native habitat prior to mitigation activities. He further characterized the mitigation activities as “destroying ESA [sic] and then creating it” – and closed with his view that NBR was trying to “pull a fast one on the community and on this Commission.”

Correction: The speaker was not correct in his testimony. Area C has been reviewed by Commission staff, biologists working for the land owner, and biologists working for the City of Newport Beach in connection with the Draft EIR for Newport Banning Ranch. Prior to commencement of mitigation activities, the area consisted of disturbed non-native grasslands, invasive and ornamental vegetation, oil roads and other un-vegetated areas, and some small stands of disturbed mulefat. In commencing work, the disturbed mulefat areas were protected in place. No native habitat areas have been impacted.

NBRLLC is pursuing the mitigation in strict adherence to the approved Restoration Plan and has been reporting progress to the Commission’s South Coast office.

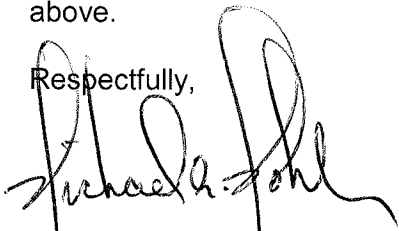
Well Drilling

1. **Comment:** The speaker, citing information in the Draft EIR for NBR, testified that the oil operators have drilled more wells than are allowed in the 1973 Resolution of Exemption (Exemption) and are, therefore, in violation of the Exemption.

Correction: The speaker was not correct in his testimony. The 489 wells noted in the DEIR represent, according to the oil operator, an estimate of the total number of wells drilled during the nearly 70 years of oil exploration and operations at NBR. Many wells had ceased operations by the time the Exemption was granted. We have contacted the oil operators, who stated that they have not exceeded the number of operating wells permitted under the Exemption.

Thank you for the opportunity to correct the record with respect to the matters discussed above.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael A. Mohler", written over a horizontal line.

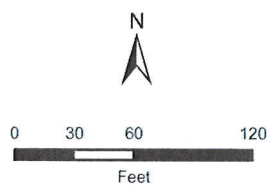
Michael A. Mohler
Newport Banning Ranch LLC

Cc: George Basye, NBRLLC



Legend

- NOV Creation - Fuscoe
- GLA Vegetation
- NOV Creation - GLA (1.66 ac.)



NEWPORT BANNING RANCH

Restoration Area C

GLENN LUKOS ASSOCIATES



Exhibit 4A