

JUN-16-1997 10:42 FROM ARMSTRONG PETROLEUM TO

9559009 P.02  
JUN 16 '97 10:18AM

CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION  
SOUTH COAST REGION

Robert F. Rooney, Ph.D., Chairman  
Russell Rubley, Vice-Chairman  
James A. Hayes, State Representative  
H. J. Carpenter, Executive Director

Temporary Address:  
925 Harbor Plaza, Second Floor  
P. O. Box 1450  
Long Beach, California 90801  
Telephones: (213) 436-4201, (213) 435-2611  
(714) 846-3662

EXEMPTION NO. E-144

VERIFICATION OF EXEMPTION

The Regulations of the California Coastal Zone Conservation Commission, Section 510, specifies that no permit shall become effective until a copy thereof has been returned to the Regional Commission, upon which all claimants have acknowledged that they have received a copy of the exemption and understand its contents. You are therefore requested to verify the following statement after completely reviewing your exemption and return the signed verification to the Coastal Commission within ten (10) working days following the exemption issuance.

The undersigned claimant acknowledges receipt of the California Coastal Commission's Exemption Number E-144 and thoroughly understands the contents of the exemption, including any conditions imposed.

General Crude Oil Company  
and  
G. E. Kadane & Sons

Nov. 5, 1973  
Date

J. S. Kadane  
Claimant's Signature

Mailed on Nov. 6, 1973

JUN-16-1997 10:43 FROM ARMSTRONG PETROLEUM TO

9559009 P.03  
JUN 16 '97 10:18AM

CALIFORNIA COASTAL ZONE CONSERVATION COMMISSION  
SOUTH COAST REGION

Robert F. Reoney, Ph.D., Chairman  
Russell Rubley, Vice-Chairman  
James A. Hayes, State Representative

Temporary Address:  
925 Harbor Plaza, Second Floor  
P. O. Box 1450  
Long Beach, California 90801  
Telephones: (213) 436-4201, (213) 435-2611  
(714) 846-3662

RESOLUTION OF EXEMPTION

Exemption Number: E-7-27-73-144

Name of Applicant: General Crude Oil & G.E. Kadane & Sons

Development Location: 6S-10W-20 and 29 bounded by Newport Beach  
(south), Costa Mesa (east) and the Santa Ana River on the west.

Development Description: Surface and subsurface oil drilling and  
production of 480 acres (the Banning Lease) consisting of 312  
existing wells and associated surface facilities and 28 additional  
wells to be drilled this year.

Commission Resolution:

1. Claimant has received for said development the following governmental permit, or other authorization, on the date indicated.
  - a. State Resources Agency - Div. Oil & Gas Permits - 1944 to present
  - b. Orange County Dept. Bldg. & Safety Permits - 1958 to present
  - c. Orange County APCD Permits - 1958 to present

JUN-16-1997 10:43 FROM ARMSTRONG PETROLEUM TO

9559009 P.04

the development on 1944  
(date)

JUN 16 '97 10:18AM  
with Commencement

of the following work:

Drilling of 109 wells with construction of surface facilities  
by 1951

- 3. Following the effective date of such permit, claimant incurred the following liabilities for such development \$ 26,600,000  
     Nov. 8 -\$12,500,000  
     Feb. 1 -\$13,000,000

- 4. The following portions of the development have been completed on the dates noted:

Nov. 8, 1972 - 295 wells and related facilities

Feb. 1, 1973 - 310 wells and related facilities

- 5. The following portions of the development were under construction as of November 8, 1972 and February 1, 1973, and were in the stage of development as noted:

November 8, 1972: 17 wells being drilled

February 1, 1973: 2 wells being drilled and @ 18,000,000  
barrels of the 42,000,000 barrel goal had been produced.

- 6. The following portions of the development are remaining to be done:

Drilling 28 new wells and additional drilling, repair and  
replacement of existing wells such that 340 wells may be in  
production at any one time.

- 7. Claimant anticipates to complete the total development on or about 1994

5. Said development described above is a single, integrated concept as demonstrated by the following:

Production since 1944 (secondary recovery since 1958) with construction and maintenance of ancillary facilities and structures based upon a goal of 42,000,000 barrels

9. That claimant has ~~not~~ acted in good faith reliance upon said permit issued under law pre-existing November 8, 1972, is demonstrated by the following:

Since 1943 all operations subject to permits and approvals

10. Wherefore the South Coast Regional Coastal Zone Conservation Commission draws the following conclusions:

- a. Claimant has ~~not~~ completed substantial work on said development.
- b. Claimant has ~~not~~ incurred substantial liabilities for such development.
- c. Claimant, in obtaining said permit and in the performing said work and in incurring said liabilities has ~~not~~ acted in good faith reliance on said permit issued under law pre-existing November 8, 1972.

11. Therefore; the South Coast Regional Coastal Zone Conservation Commission hereby grants ~~denies~~ the claim for exemption, No. E-7-27-73-144, of Siad Claimant claimant. This exemption shall constitute acknowledgement that the exempted development requires no permit from the South Coast Regional Coastal Zone Conservation Commission, provided that no substantial changes may be made in said development except in accordance with the provisions of the California Coastal Zone Conservation Act of 1972.

12. Claim of exemption No. E-7-27-73-144 is hereby granted ~~denied~~ as to the following development:

Continued production and operations on the 480 acre "Banning Lease" per the attached items:

JUN-16-1997 10:44 FROM ARMSTRONG PETROLEUM TO

9559009 P.06  
JUN 16 '97 10:18AM

## 12. Continued

- a. Continued operation and maintenance of existing oil producing and injection wells and associated surface facilities. The "existing" wells to be defined as the 312 wells either drilled or in progress as of Nov. 8, 1972.
- b. Performing workover or remedial operations on existing wells necessary to maintain or improve their performance.
- c. Drilling, redrilling and repairs to existing injection wells.
- d. Drilling, redrilling and repairs to existing oil production wells.
- e. Based upon the existing plan, the drilling of 28 additional oil producing wells and construction of associated surface facilities.
- f. Drilling, redrilling and repairs to the 28 new wells and associated facilities.
- g. Abandonment of wells in accordance with requirements and approval of the State Division of Oil and Gas and removal of surface equipment and pipelines per state and local agency requirements.
- h. Future exploratory drilling within the lease area is not exempted.

JUN-16-1997 10:44 FROM ARMSTRONG PETROLEUM TO

9559009 P.07  
JUN 16 '97 10:18AM

13. Executed at Long Beach California on  
behalf of the South Coast Regional Coastal Zone Conservation  
Commission on October 30, 1973.

M. J. Carpenter  
Executive Director

wk



# COASTAL ZONE CONSERVATION COMMISSION

This project has been approved by the South Coast Conservation Commission.

Project Name Surface & subsurface oil drilling

Project Address 6S-10W-20 and 29 bounded by Newport Beach (south) Costa Mesa (east) and the Santa Ana River on the west.

Date October 30, 1973 Permit No. E-7-27-73-144

**MUST BE POSTED PROMINENTLY  
AT CONSTRUCTION SITE**

Melvin J. Carpenter  
Executive Director  
South Coast Conservation Commission

9559009 P.08  
JUN 16 '97 10:18AM

TO

ARMSTRONG PETROLEUM

FROM 10:45

JUN-16-1997

TOTAL P.08