

CALIFORNIA COASTAL COMMISSION

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October 30, 2015

Kendall Lousen
Schmitz & Associates, Inc.
5234 Chesebro Rd. #200
Agoura Hills, CA 91301

Re: **Coastal Development Permit Application No. 9-15-1649 Oil Remainder Areas as Newport Banning Ranch**

Dear Mr. Lousen:

On September 30, 2015, the California Coastal Commission (Commission) received a coastal development permit application from you on behalf of Horizontal Development, LLC (HDLLC) for the proposed installation and use of 92 production wells and associated equipment; two steam generation facilities; several electricity-generating microturbines; a wastewater desalination facility; a transport truck loading facility; warehouse and field-office buildings; a contaminated soil bioremediation area; pipelines; a perimeter earthen berm or concrete block wall with slatted chain link fencing; and the removal of idle process equipment from two interconnected work sites on the Newport Banning Ranch oil field. The Commission staff has reviewed your application materials and has determined that the application is incomplete because we need additional information to adequately analyze the proposed project under the policies of Chapter 3 of the Coastal Act. Please provide the following information:

1. **Project Description.** Although the application materials provide information in a variety of sections about different proposed construction and removal activities, it lacks a consolidated narrative description of all of the proposed development elements. Commission staff pulled together these different elements into the list of ten items provided in the paragraph above, but it is unclear whether the list is comprehensive. Please provide a complete, consolidated project description that includes all of the construction, installation, and removal activities that are proposed to be carried out. This description should include a description of: (a) the amount, quantity and location of all facilities, structures, and equipment proposed to be installed or removed; (b) the manner in which this installation or removal work would be carried out; and (c) the location and size of stockpile areas, staging areas, and access routes.
2. **Resource Management and Protection Plans.** The application indicates that several strategies would be employed during the proposed drilling to reduce the likelihood and magnitude of fluid contamination and that a variety of plans have been developed that describe these strategies. These include implementation of a Water Quality Management

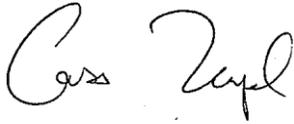
Plan, a Spill Prevention, Control and Countermeasure Plan, a Blow-Out Prevention Plan, and contractor best management practices. Please provide copies of these plans and management practices.

3. **Removal of Facilities and Equipment.** The application notes that some removal of structures, idle equipment and facilities would occur as part of the proposed development. Please describe (a) the type and quantity of materials to be removed; (b) the manner in which this material would be deconstructed and prepared for removal; (c) the proposed disposal location; (d) any anticipated treatment or clean-up of contaminants that may occur as part of these removal activities; and (e) any resource protection measures or best management practices that would be implemented during the removal activities.
4. **Project Timing.** Please indicate the estimated time for completion of the proposed development, including installation of the 92 production wells, as well as the other proposed installation and removal activities.
5. **Project Lighting.** Please provide a schematic diagram showing the type, intensity, and location of lighting that would be installed to facilitate the installation and operation of the proposed wells, facilities, and structures and describe the proposed lighting hours and any shielding that would be used.
6. **Well Sites.** The project plan documents appear to indicate that several of the proposed well sites are located on a slope or bluff area. Please describe the amount and location of any proposed grading that would occur to facilitate access to these sites and the installation of well pads and cellars.
7. **Total Wells.** Please describe how the number of proposed wells was determined.
8. **Biological Resources and Wetlands.** Please provide additional maps of the biological resources and wetland areas that also indicate the location of all of the proposed development elements – including the proposed disturbance footprint associated with the installation or removal of these elements. Please also clarify any fill of Coastal Act-defined wetland areas is proposed to occur as part of the project, and if so, how such activity complies with the allowable use, alternatives, and mitigation tests of the Coastal Act (Section 30233).
9. **Consolidation of Oil Production Operations.** The application indicates that the proposed project is to consolidate future oil recovery operations into the ORAs. Please clarify if, as part of its proposal, HDLLC would restrict its future oil production operations on the site, and any potential operations of other parties, outside of the oil remainder areas (ORAs) and describe how this would be accomplished. Please also clarify whether this proposed consolidation is contingent on Commission approval of the Newport Banning Ranch commercial and residential development proposal.
10. **Application Filing Fees.** The application included a check in the amount of \$55,400 and information suggesting that this fee was based on the square footage of the proposed development. For the type of development project described in the application, filing fees

are more typically determined based on the total development cost (with additions made based on the amount of proposed grading). In order for Commission staff to assist with the calculation of the filing fees for this project and determine if the submitted fees are sufficient, please provide an estimate of the total anticipated development cost of the project along, with the total amount of proposed grading.

If you have any questions, please contact me at (415) 904-5502 or via email at the following address: cteufel@coastal.ca.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Cassidy Teufel". The signature is fluid and cursive, with the first name "Cassidy" written in a larger, more prominent script than the last name "Teufel".

Cassidy Teufel
Energy, Ocean Resources and Federal Consistency Division