



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

Planning Commission Staff Report Consent Agenda Item No. 2 March 28, 2019

SUBJECT: Unclassified Conditional Use Permit No. 3549 – First One-Year Time Extension

Grant a first one-year time extension to exercise Unclassified Conditional Use Permit No. 3549, which authorizes up to three exploratory oil and natural gas wells and related production facilities on a 0.98-acre portion of a 160-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District

LOCATION: The subject parcel is located on the West Floral Avenue alignment between Howard Avenue and South Goldenrod Avenue, approximately seven miles southwest of the unincorporated community of Raisin City, CA) (Sup. Dist. 4) (APN 041-020-21S).

OWNER: DLM Partners
APPLICANT: The Termo Company

STAFF CONTACT: Jeremy Shaw, Planner
(559) 600-4207

Marianne Mollring, Senior Planner
(559) 600-4569

RECOMMENDATION:

- Approve a first one-year Time Extension for Unclassified Conditional Use Permit No. 3549; and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

EXHIBITS:

1. Location Map
2. Existing Zoning Map
3. Existing Land Use Map
4. Planning Commission Resolution and Staff Report dated March 30, 2017
5. Applicant's correspondence requesting a first one-year Time Extension

ENVIRONMENTAL DETERMINATION:

A Mitigated Negative Declaration (MND) prepared for Initial Study No.7223 was adopted by the Planning Commission in accordance with the California Environmental Quality Act (CEQA) with the approval of Unclassified Conditional Use Permit No. 3549 on March 30, 2017.

According to Section 15162(a) of the CEQA Guidelines, when an MND is adopted for a project, no subsequent MND shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following: 1) substantial changes are proposed in the project which will require major revisions of the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously-identified significant effects; 2) substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously-identified significant effects; and 3) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous MND was adopted, shows either of the following: (A) The project will have one or more significant effects not discussed in the previous MND; (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR; (C) Mitigation Measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or (D) Mitigation Measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

PUBLIC NOTICE:

Notices were sent to four property owners within 1,320 feet of the subject parcel, exceeding the minimum notification requirements prescribed by the California Government Code and County Zoning Ordinance.

PROCEDURAL CONSIDERATIONS:

The Fresno County Zoning Ordinance requires that a Conditional Use Permit shall become void when substantial development has not occurred within two (2) years following approval. The Zoning Ordinance authorizes the Planning Commission to grant a maximum of four (4), one-year Time Extensions when it can be demonstrated that circumstances beyond the control of the Applicant have caused delays which do not permit compliance with the original time

limitation. The request for a time extension must be filed prior to the expiration date of the Conditional Use Permit.

The decision of the Planning Commission on a Time Extension for an Unclassified Conditional Use Permit is final, unless appealed to the Board of Supervisors within 15 days of the Commission's action.

BACKGROUND INFORMATION:

Unclassified Conditional Use Permit (CUP) No. 3549 was approved by the Planning Commission on March 30, 2017 and became effective 15 days later, as prescribed by law.

The Applicant filed the subject time extension request on December 10, 2018, within the time limit noted above. If this first one-year time extension is granted, the Applicant will have until March 30, 2020 to achieve substantial development of the exploratory petroleum oil and natural gas wells and production facilities.

ANALYSIS/DISCUSSION:

Unclassified Conditional Use Permit (CUP) No. 3549 was approved by the Planning Commission based upon the determination that the required Findings could be made. A copy of the Planning Commission Resolution is attached as Exhibit 4, which includes the Conditions imposed on the project.

According to the Applicant's letter requesting the time extension, additional time is needed to exercise the Conditional Use Permit due to economic uncertainty at the time the CUP was approved, and a desire by the Applicant to maintain and improve previously-drilled and completed oil and natural gas wells in the County; additionally, due to currently favorable market conditions, the Applicant desires to implement this project.

Approval of a time extension request for an Unclassified Conditional Use Permit is appropriate if circumstances beyond the control of the Applicant have caused delays which do not permit compliance with the two-year time limit established by the Zoning Ordinance. It should be noted that the Planning Commission's authority in evaluating this request is limited to determining whether or not the Applicant should be granted an additional year to exercise the Conditional Use Permit as approved.

This time extension request was routed to the same agencies that reviewed the original CUP application. None of the reviewing agencies identified any concerns or recommended any additional Conditions with this proposed time extension.

PUBLIC COMMENT:

None.

CONCLUSION:

Staff believes that this first one-year time extension for Unclassified Conditional Use Permit No. 3549 should be approved, based on factors cited in the analysis. Approval of this Time Extension will extend the expiration date to March 30, 2020.

PLANNING COMMISSION MOTIONS:

Recommended Motion (Approval Action)

- Move to approve this first one-year Time Extension request to exercise Unclassified Conditional Use Permit No. 3549; and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

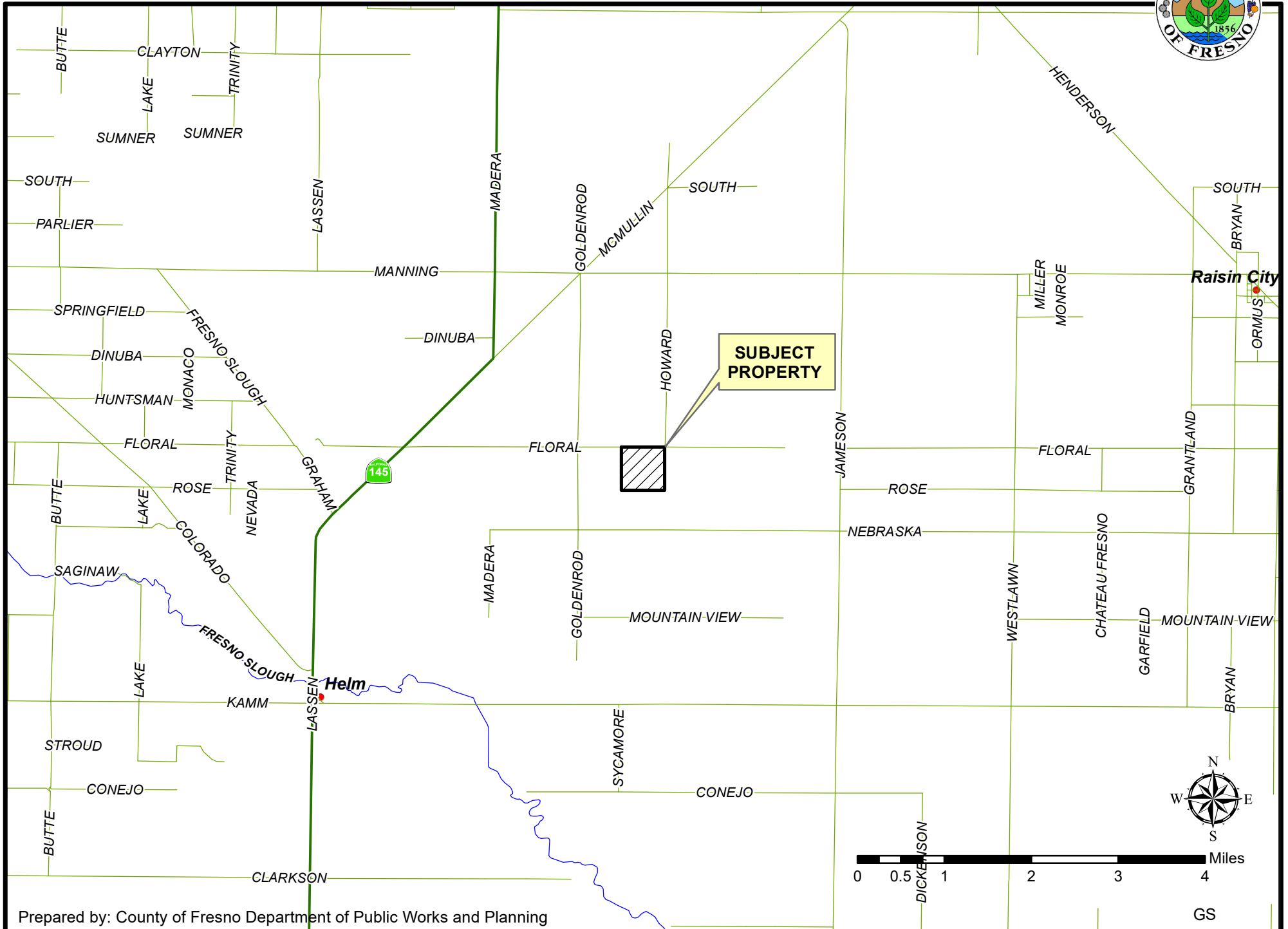
Alternative Motion (Denial Action)

- Move to deny Unclassified Conditional Use Permit No. 3549 (state reasons for denial); and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

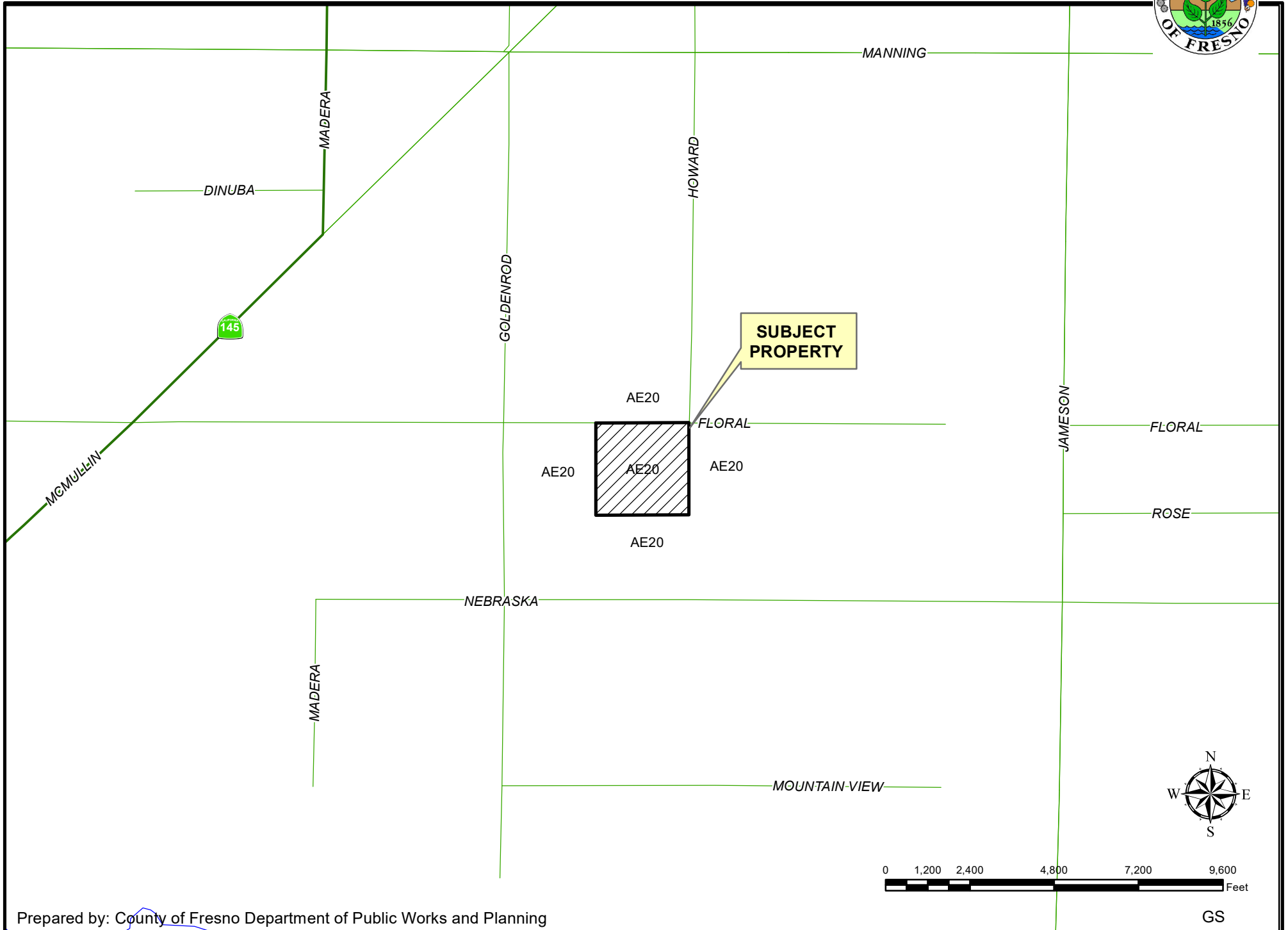
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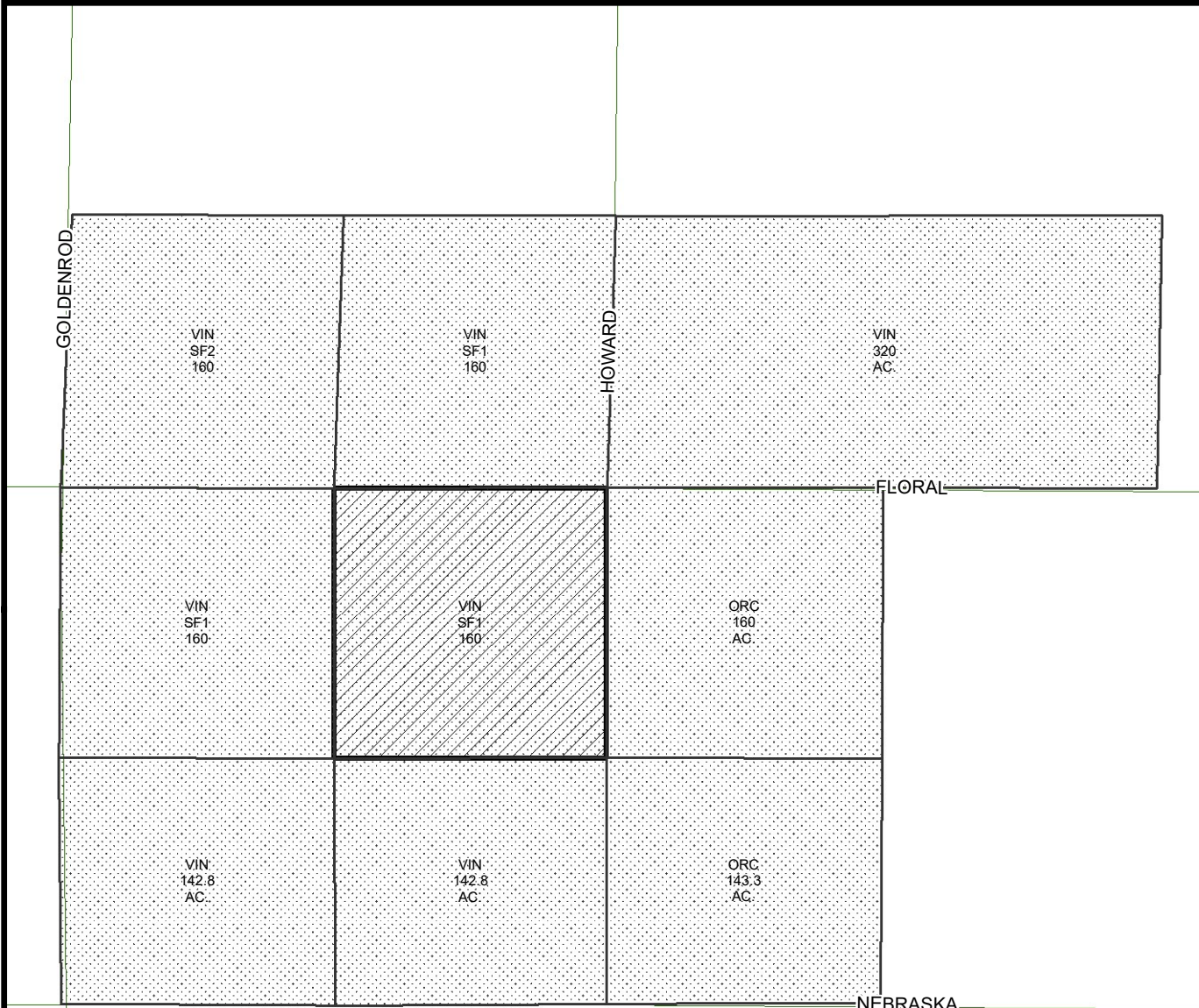
LOCATION MAP



EXISTING ZONING MAP

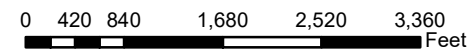


EXISTING LAND USE MAP



LEGEND	
ORC	- ORCHARD
VIN	- VINEYARD
SF#	- SINGLE FAMILY RESIDENCE
V	- VACANT

LEGEND:
 Subject Property
 Ag Contract Land



Map Prepared by: GS
J:GIS\CH\Landuse\

Department of Public Works and Planning
Development Services Division



Inter Office Memo

DATE: March 30, 2017

TO: Board of Supervisors

FROM: Planning Commission

SUBJECT: RESOLUTION NO. 12639 - INITIAL STUDY APPLICATION NO. 7223 and UNCLASSIFIED CONDITIONAL USE PERMIT APPLICATION NO. 3549

APPLICANT: The Termo Company

OWNER: DLM Partners

REQUEST: Allow up to three exploratory petroleum oil and natural gas wells with the possibility of related production facilities on a 0.98-acre portion of a 160-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District.

LOCATION: The subject parcel is located on the West Floral Avenue Alignment between Howard Avenue and South Goldenrod Avenue, approximately seven miles southwest of the unincorporated community of Raisin City, CA (Sup. Dist. 4) (APN 041-020-21S).

PLANNING COMMISSION ACTION:

At its hearing of March 30, 2017, the Commission considered the Staff Report and testimony (summarized in Exhibit A).

A motion was made by Commissioner Abrahamian and seconded by Commissioner Lawson to adopt the Mitigated Negative Declaration prepared for the project, adopt the required Findings for approval of a Conditional Use Permit, and approve Unclassified Conditional Use Permit No. 3549, subject to the Conditions listed in Exhibit B.

EXHIBIT A

Initial Study Application No. 7223
Unclassified Conditional Use Permit Application No. 3549

- Staff: The Fresno County Planning Commission considered the Staff Report dated March 30, 2017, and heard a summary presentation by staff.
- Applicant: The Applicant's representative concurred with the Staff Report and the recommended Conditions. He described the project and offered the following information to clarify the intended use:
- We understand the Commissioners' concerns about limits to flexibility if too specific a well location is requested, and the need to submit a subsequent application.
 - We have been attempting to file for multiple well sites over a broader area.
 - We could drill in the middle of the 160-acre parcel and then drill horizontally, but that would have a greater impact on the existing farmland.
 - The drilling is termed directional drilling.
- Others: No other individuals presented information in support of or in opposition to the application.
- Correspondence: No letters were presented to the Planning Commission in support of or in opposition to the application.

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**Mitigation Monitoring and Reporting Program
Conditional Use Permit (CUP) Application No. 3549
(Including Conditions of Approval and Project Notes)**

Mitigation Measures					
Mitigation Measure No.*	Impact	Mitigation Measure Language	Implementation Responsibility	Monitoring Responsibility	Time Span
*1.	Aesthetics	All outdoor lighting shall be hooded and directed so as to not shine toward adjacent properties and public streets.	Applicant	Applicant/Fresno County Department of Public Works and Planning (PW&P)	Ongoing
*2.	Aesthetics	All portable lighting, including lights located atop the drill rig, shall be directed downward toward the base of the rig to minimize potential glare.	Applicant	Applicant/PW&P	Ongoing
*3.	Aesthetics	All drilling towers shall be marked and lighted in such a manner as to avoid potential safety hazards to aircraft application of herbicides and pesticides on adjacent farmlands.	Applicant	Applicant/PW&P	Ongoing
*4.	Agricultural and Forestry Resources	When drilling operations are completed, or production activities cease, the Applicant shall return the project site (as much as is practical) to its original condition within 90 days of termination of the drilling operations, and remove all drilling equipment.	Applicant	Applicant/PW&P	Ongoing
*5.	Cultural Resources	In the event that cultural resources are unearthed during ground-disturbing activities, all work shall be halted in the area of the find. An Archeologist should be called to evaluate the findings and make any necessary mitigation recommendations. If human remains are unearthed during ground-disturbing activities, no further disturbance is to occur until the Fresno County Sheriff-Coroner has made the necessary findings as to origin and disposition. All normal evidence procedures should be followed by photos, reports, video, etc. If such remains are determined to be Native American, the Sheriff-Coroner must notify the Native American Commission within 24 hours.	Applicant	Applicant/PW&P	Ongoing
Conditions of Approval					
1.	Development of the property shall be in accordance with the Site Plans, Elevations, and Operational Statement approved by the Planning Commission.				

EXHIBIT B

2.	Contact the Building and Safety Section of the Development Services Division at (559) 600-4560 regarding permits for siting, construction and electrical work.
3.	A ten-foot by ten-foot corner cutoff shall be maintained for sight distance purposes at the exiting driveway onto Howard Avenue.

*MITIGATION MEASURE – Measure specifically applied to the project to mitigate potential adverse environmental effects identified in the environmental document.
Conditions of Approval reference required Conditions for the project.

Notes	
The following Notes reference mandatory requirements of Fresno County or other Agencies and are provided as information to the project Applicant.	
1.	All hazardous waste shall be handled in accordance with requirements set forth in the California Code of Regulations (CCR), Title 22, Division 4.5, which discusses proper labelling, storage and handling of hazardous waste.
2.	If oil or gas is not discovered in economically viable amounts, the well shall be plugged and abandoned in compliance with California Department of Conservation Division of Oil, Gas, and Geothermal Resources (DOGGR) regulations.

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County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

Planning Commission Staff Report Agenda Item No. 5 Hearing Date, March 30, 2017

SUBJECT: Initial Study Application No. 7223 and Unclassified Conditional Use Permit Application No. 3549

Allow up to three exploratory petroleum oil and natural gas wells with the possibility of related production facilities on a 0.98-acre portion of a 160-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District.

LOCATION: The subject parcel is located on the West Floral Avenue Alignment between Howard Avenue and South Goldenrod Avenue , approximately seven miles southwest of the unincorporated community of Raisin City, CA) (Sup. Dist. 4) (APN 041-020-21S).

OWNER: DLM Partners
APPLICANT: The Termo Company

STAFF CONTACT: Jeremy Shaw, Planner
(559) 600-4207

Chris Motta, Principal Planner
(559) 600-4227

RECOMMENDATION:

- Adopt the Mitigated Negative Declaration prepared for Initial Study (IS) Application No. 7223; and
- Approve Unclassified Conditional Use Permit No. 3549 with recommended Findings and Conditions; and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

EXHIBITS:

1. Mitigation Monitoring, Conditions of Approval and Project Notes
2. Location Map
3. Existing Zoning Map
4. Existing Land Use Map
5. Site Plans and Detail Drawings
6. Elevations
7. Applicant's Operational Statement
8. Summary of Initial Study Application No. 7223

SITE DEVELOPMENT AND OPERATIONAL INFORMATION:

Criteria	Existing	Proposed
General Plan Designation	Agriculture	No change
Zoning	AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District	No change
Parcel Size	160 acres	No change
Project Site	Two single-family residences surrounded by vineyards	Up to three exploratory oil and natural gas wells on a 0.98-acre portion of a 160-acre parcel. The 0.98-acre drill site to be cleared of vegetation and graded to level
Structural Improvements	Two 1,012 square-foot single-family residences; three 1,600 square-foot storage buildings; one 18,000 square-foot storage building	<p>Drilling and testing phase:</p> <ul style="list-style-type: none"> • 158-foot-tall drilling rig • Up to three wellheads: <ul style="list-style-type: none"> ○ Proposed oil well head location DH 4-5 ○ Proposed oil wellhead location DH 5-5 ○ Proposed oil wellhead location DH 6-5 each with the following: <ul style="list-style-type: none"> • A trap/separator; pump jack; pipelines to offsite tanks; mud tank; draw-works; catwalk • A 100 square-foot by 6-foot-deep cellar with guardrail

Criteria	Existing	Proposed
		<ul style="list-style-type: none"> • Mud pump • Standby pump • Diesel-powered generator • Water tank • Mud tank • 266 square-foot mud dock • Two 236 square-foot pipe racks • Two fluid tank systems • Doghouse (driller's office) • Four 200 square-foot employee parking spaces • Driller's House • Parking for short-term accommodation trailers
Nearest Residence	Approximately 1,320 feet north of the proposed drill pad site	No change
Surrounding Development	Farming and Agricultural Operations	No change
Operational Features	Raisin Vineyards	Up to three exploratory oil and natural gas wells, with the possibility of a production facility
Employees	N/A	<ul style="list-style-type: none"> • Site preparation phase: Up to five (5) employees • Drilling and Testing Phase: Up to 15 employees • Production Phase: One worker to inspect the site daily
Customers	N/A	No customers on site
Traffic Trips		<ul style="list-style-type: none"> • Site Preparation Phase: Ten one-way employee trips per day (five round trips per day) for up to five days • Drilling and Testing Phase: 100 total one-way truck trips (50 round trips) to deliver equipment and supplies to the site; 30 one-way employee trips per day (15 round trips per day) for up to 63 days • Production Phase: 20 one-way employee trips per day (ten round trips per day) for up to 15 days for production site preparation; two

Criteria	Existing	Proposed
		one-way employee trips per day (one round trip per day) year-round inspection; 12 one-way truck trips per week (six round trips per week) year-round to remove oil from the site
Lighting	N/A	<ul style="list-style-type: none"> • Temporary directional lighting will be used during drilling operations. • Lighting and marking of the drilling tower in order to reduce potential conflicts with nighttime aerial application of herbicides and pesticides
Hours of Operation	N/A	24 hours per day for the life of the project

EXISTING VIOLATION (Y/N) AND NATURE OF VIOLATION: No

ENVIRONMENTAL ANALYSIS:

An Initial Study (IS) was prepared for the project by County Staff pursuant to the provisions of the California Environmental Quality Act (CEQA). Based on the IS, staff has determined that a Mitigated Negative Declaration is appropriate. A summary of the Initial Study is below and included as Exhibit 8.

Notice of Intent to Adopt a Mitigated Negative Declaration publication date: February 15, 2017

PUBLIC NOTICE:

Notices were sent to four property owners within one quarter-mile of the subject parcel, exceeding the minimum notification requirements prescribed by the California Government Code and County Zoning Ordinance.

PROCEDURAL CONSIDERATIONS:

Pursuant to the Zoning Ordinance, Sections 853-B.11 and 857-C1.a, an Unclassified Conditional Use Permit is required to allow for oil and gas exploration and drilling in the AE-20 Zone District.

An Unclassified Conditional Use Permit may be approved only if four Findings specified in the Fresno County Zoning Ordinance, Section 873-F are made by the Planning Commission. The decision of the Planning Commission on an Unclassified Conditional Use Permit Application is final, unless appealed to the Board of Supervisors within 15 days of the Commission's action.

BACKGROUND INFORMATION:

The project proposal entails the drilling of up to three exploratory oil and gas wells on a 0.98-acre portion of a 160-acre parcel, identified as Assessor's Parcel Number 041-02-21S. The

proposed oil and gas well(s) would be located on a level earthen drilling pad (the "drill site") which is surrounded by existing vineyards. On August 21, 2014 the Planning Commission approved Unclassified Conditional Use Permit (CUP) No. 3459 to allow three exploratory petroleum oil and natural gas wells on 1.72-acre portion of a 605.60-acre parcel. The Walrond 2-5 well, which was approved by CUP No. 3459 (APN 041-020-24S), is in currently in operation on a 143-acre parcel located adjacent to and south of the subject parcel.

***Finding 1:** That the site of the proposed use is adequate in size and shape to accommodate said use and all yards, spaces, walls and fences, parking, loading, landscaping, and other features required by this Division, to adjust said use with land and uses in the neighborhood.*

	Current Standard:	Proposed Operation:	Is Standard Met (y/n)
Setbacks	Front: 35 feet Side: 20 feet Rear: 20 feet	No change	
Parking	No requirements	N/A	N/A
Lot Coverage	No requirements	N/A	N/A
Space Between Buildings	Six feet minimum	N/A	N/A
Wall Requirements	No requirements	N/A	N/A
Septic Replacement Area	100 Percent	N/A	N/A
Water Well Separation	Septic tank: 50 feet; Disposal field: 100 feet; Seepage pit/cesspool: 150 feet	N/A	N/A

Reviewing Agency/Department Comments Regarding Site Adequacy:

Zoning Section of the Fresno County Department of Public Works and Planning: The proposed improvements satisfy the setback requirements of the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District.

No other comments specific to the adequacy of the site were expressed by reviewing Agencies or Departments.

Analysis:

Staff review of the Site Plan indicates that the proposed facilities meet the minimum building setback requirement of the AE-20 Zone District. The proposed 42,688 square-foot drill site will be set back approximately 1,300 feet from the Floral Avenue alignment to the north, approximately 2,400 feet from the eastern property line, approximately 3,780 feet from the southern property line and approximately 2,600 feet from the western property line. Staff finds

that the project site is adequate in size and shape to accommodate the proposed use.

Recommended Conditions of Approval:

None

Conclusion:

Finding 1 can be made.

Finding 2: That the site for the proposed use relates to streets and highways adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use.

		Existing Conditions	Proposed Operation
Private Road	Yes	Floral Avenue alignment: Unpaved Howard Avenue alignment: Unpaved Nebraska Avenue alignment: Unpaved Goldenrod Avenue alignment: Unpaved	No change
Public Road Frontage	No	Nearest public road is Jameson Avenue, located two miles east of the subject parcel	No change
Direct Access to Public Road	No	N/A	Access to the project site will be from Jameson Avenue where it intersects with the Floral Avenue alignment and the Howard Avenue alignment, and an existing 20-foot-wide access road will connect the project site to the Floral Avenue alignment.
Road ADT		Floral, Howard, Nebraska and Goldenrod Avenues: unknown (private roads).	Minimal traffic increase during the life of the project
Road Classification		Floral, Howard, Nebraska and Goldenrod Avenues: private roads	No change

		Existing Conditions	Proposed Operation
		private roads	
Road Surface		Floral, Howard, Nebraska and Goldenrod Avenues: private roads	No change
Traffic Trips		N/A	<ul style="list-style-type: none"> • Site Preparation Phase: Ten one-way employee trips per day (five round trips per day) for up to five days • Drilling and Testing Phase: 100 total one-way truck trips (50 round trips) to deliver equipment and supplies to the site; 30 one-way employee trips per day (15 round trips per day) for up to 63 days • Production Phase: 20 one-way employee trips per day (ten round trips per day) for up to 15 days for production site preparation; two one-way employee trips per day (one round trip per day) year round inspection; 12 one-way truck trips per week (six round trips per week) year-round to remove oil from the site
Traffic Impact Study (TIS) Prepared	No	N/A	Not required
Road Improvements Required		N/A	None required

Reviewing Agency/Department Comments Regarding Adequacy of Streets and Highways:

No other comments specific to the adequacy of streets and highways were expressed by reviewing Agencies or Departments.

Analysis:

Access to the project site will be from Jameson Avenue via the Floral Avenue alignment and the Howard Avenue alignment, and an existing 20-foot-wide access road will connect the project site with the Floral Avenue alignment.

Recommended Conditions of Approval:

See recommended Conditions of Approval attached as Exhibit 1.

Conclusion:

Finding 2 can be made.

Finding 3: That the proposed use will have no adverse effect on abutting property and surrounding neighborhood or the permitted use thereof.

Surrounding Parcels				
	Size:	Use:	Zoning:	Nearest Residence:
North	160 acres	Vineyards/Single Family Residence	AE-20	Approximately 1,320 feet from the proposed drill site
South	142.8 acres	Vineyards	AE-20	None
East	160 acres	Orchard	AE-20	None
West	160 acres	Vineyard	AE-20	None

Reviewing Agency/Department Comments:

Water/Geology/Natural Resources Section of the Fresno County Department of Public Works and Planning: No water quantity issues were expressed with this project. All water used in conjunction with this proposal will be trucked to the site daily.

Fresno County Department of Agriculture: The Fresno County "Right to Farm" Ordinance 17.04.100 and 17.72.075 shall be presented to the Applicant so that any necessary mitigation measures can be considered by the facility to minimize any potential discomfort or risk to employees.

Fresno County Department of Public Health, Environmental Health Division: All hazardous waste shall be handled in accordance with requirements set forth in the California Code of Regulations (CCR), Title 22, Division 4.5, which discusses proper labeling, storage and handling of hazardous waste. This requirement shall be included as a Project Note.

Facilities proposing to use and/or store hazardous materials and/or hazardous wastes shall meet the requirements set forth in the California Health and Safety Code (HSC), Division 20, Chapter 6.95, and the California Code of Regulations (CCR), Title 22, Division 4.5. Any business that handles a hazardous material or hazardous waste may be required to submit a Hazardous Materials Business Plan pursuant to the HSC, Division 20, Chapter 6.95.

In an effort to protect groundwater, all abandoned water wells (not intended for use or future use) within the 1.6-acre project area shall be properly destroyed by an appropriately-licensed contractor (permits required). Prior to destruction of agricultural wells, a sample of the upper most fluid in the well column should be checked for lubricating oil. The presence of oil staining around the well may indicate the use of lubricating oil to maintain the well pump. Should lubricating oil be found in the well, the oil should be removed from the well prior to placement of

fill material for destruction. The “oily water” removed from the well must be handled in accordance with federal, state and local government requirements.

No other comments specific to land use compatibility were expressed by reviewing Agencies or Departments.

Analysis:

This proposal entails the drilling of up to three exploratory petroleum oil and natural gas wells on a 0.98-acre (42,000 square feet) portion of a 160-acre parcel identified as Assessor’s Parcel Number (APN) 041-020-21S. If exploratory drilling is not successful, the wells will be plugged and abandoned in compliance with the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) regulations. This requirement shall be included as a Project Note.

If oil and/or gas are discovered in economically viable amounts, a production facility will be established on a 0.98-acre (42,000 square feet) portion of said 160-acre parcel.

With regard to the drilling and testing phase of the proposal, a 158-foot-tall drilling rig will be operated 24 hours per day for up to 21 days to drill the first exploratory well, utilizing directional drilling techniques. If oil or gas is not discovered in economically viable amounts, the well will be plugged and abandoned in compliance with DOGGR regulations, and the Applicant may drill up to two more exploratory wells, also utilizing directional drilling techniques. Each of these two subsequent exploratory wells would utilize the same 158-foot-tall drilling rig that was used to drill the first exploratory well. As with the first exploratory well, the drilling rig would be operated 24 hours per day for up to 21 days for each of the two subsequent exploratory wells. If oil or gas is not discovered in economically viable amounts, the subsequent exploratory wells would be plugged and abandoned in compliance with DOGGR regulations.

Each of the three exploratory wells would have a wellhead contained within a 100 square-foot by six-foot-deep cellar with a driller’s house, draw-works, and catwalk. Support facilities to be shared by the three exploratory wells include: mud pump; standby pump; diesel-powered generator; water tank; mud tank; 266 square-foot mud dock; two 236 square-foot pipe bins; two pipe racks; two fluid tank systems; doghouse (driller’s office); four employee parking spaces; and up to five travel trailers for accommodations.

The production phase of the proposal would be initiated if oil or gas is discovered in economically viable amounts during the drilling and testing phase of the project. Depending upon the amounts of oil or gas discovered, the Applicant may utilize one or more of the three exploratory wells for production. Each of the three wells would have a 30-foot-tall electric pumping unit and on-site piping to connect the pumping units to production facilities. Support facilities to be shared by the three wells for production include: oil and water heater/separator unit; dehydrator unit; two 20-foot-tall oil storage tanks; 25-foot-tall wash tank; 25-foot-tall water tank; and four employee parking spaces.

The project site is located in an agricultural area marked by relatively large parcel sizes and few residential land uses. The unincorporated community of Raisin City is located approximately seven miles northeast of the subject parcel, and the unincorporated community of Helm is located approximately four and three quarter-miles to the southwest. The subject parcel is not located along a designated Scenic Highway, and no scenic vistas or scenic resources were identified in the analysis.

Based on the above information with adherence to the recommended Conditions of Approval, Mitigation Measures and Project Notes identified in the Initial Study (IS) prepared for this project and discussed in this staff report, staff believes the proposal will not have an adverse effect upon surrounding properties.

Recommended Conditions of Approval:

See recommended Conditions of Approval attached as Exhibit 1.

Conclusion:

Finding 3 can be made.

Finding 4: That the proposed development is consistent with the General Plan.

Relevant Policies:	Consistency/Considerations:
<p>General Plan Policy OS-C.13: The County shall require a special permit for oil and gas activities and facilities due to their potential adverse effects on surrounding land or land uses.</p>	<p>The subject discretionary land use application (Conditional Use Permit Application No. 3459) satisfies Policy OS-C.13. With conditions of Approval, Mitigation Measures and Project Notes identified in the Initial Study prepared for this project and discussed under Finding 3 of this Staff Report, staff believes this proposal is consistent with the General Plan.</p>
<p>General Plan Policy OS-C.17: County shall require timely reclamation of oil and gas development sites upon termination of such activities to facilitate the conversion of the project site to its primary land use as designated by the General Plan.</p>	<p>A Mitigation Measure has been included requiring the Applicant to remove all drilling equipment and return the project site to its original condition within 90 days of terminating operations.</p>
<p>General Plan Policy OS-C.20: County shall not allow any building intended for human occupancy to be located near any active petroleum well unless suitable safety and fire protection measures and setbacks are approved by the local Fire District.</p>	<p>The nearest dwelling unit is located on the subject parcel, approximately 2,875 feet northwest of the nearest proposed well location. Further, the Fresno County Fire Protection District reviewed this proposal and expressed no concerns with the project</p>
<p>General Plan Policy PF-C.17: The County shall undertake a water supply evaluation, including determinations of water supply adequacy, impact on other water users in the County, and water sustainability.</p>	<p>This proposal was reviewed by the Water/Geology/ Natural Resources Section of the Fresno County Department of Public Works and Planning, which expressed no concerns with the proposal as it relates to water quantity, as the subject parcel is not located in a water-short area, and no use of on-site ground water is proposed, as the Applicant will truck water to the project site for operational purposes.</p>

Reviewing Agency Comments:

Policy Planning Section of the Fresno County Department of Public Works and Planning: The subject parcel is designated Agriculture in the General Plan. The Agriculture and Land Use Element of the General Plan lists mineral extraction and oil and gas development as non-agricultural uses permitted in areas designated Agriculture, subject to Policies listed in Section OS-C of the General Plan. Policy OS-C.13 requires a special permit for exploratory oil and gas drilling due to the potential for adverse effects on surrounding land uses. Policy OS-C.17 requires timely reclamation of oil and gas development sites upon termination of such activities to facilitate the conversion of the project site to its primary land use as designated by the General Plan. Policy OS-C.20 requires no human occupancy to be located near any active petroleum or natural gas well unless suitable safety and fire protection measures and setbacks are approved by the local Fire District. The subject parcel is currently enrolled under Williamson Act Contract No. 7455; however, exploratory oil and gas wells are a compatible use with the Williamson Act Contract.

No other comments specific to General Plan Policy were expressed by reviewing Agencies or Departments.

Analysis:

As discussed above, this proposal is consistent with the General Plan Policies applicable to the project. The Applicant has requested approval of the proposed use through the subject discretionary land use application and associated Initial Study environmental analysis, a Mitigation Measure has been included requiring the Applicant to remove all drilling equipment and return the project site to its original condition within 90 days of terminating drilling operations, the nearest dwelling unit is located on the subject parcel approximately 2,875 feet northwest of the nearest proposed well location, the Fresno County Fire Protection District reviewed this proposal and expressed no concerns with the project, and the Water/Geology/Natural Resources Section of the Fresno County Department of Public Works and Planning expressed no concerns with the proposal as it relates to water quantity, as the project site is not in a water-short area and no use of on-site groundwater is proposed, as the Applicant will truck water to the project site for operational purposes.

Because the subject property is restricted under Williamson Act (ALCC) Contract No.7455, the Applicant, as required, submitted a Statement of Intended Use, signed by the property owner(s), which indicated that the subject property is currently engaged in a commercial agricultural operation. Exploratory oil and natural gas wells are a compatible use to the extent that they do not significantly displace farmland on the restricted land. Based on the 0.98-acre size of the proposed lease area out of the 160-acre parcel, staff does not believe this is a concern.

Based on these factors, staff believes the proposed project is consistent with the General Plan.

Recommended Conditions of Approval:

None

Conclusion:

Finding 4 can be made.

PUBLIC COMMENT:

None.

CONCLUSION:

Based on the factors cited in the analysis, staff believes the required Findings for granting the Unclassified Conditional Use Permit (CUP) can be made. Staff therefore recommends approval of Unclassified Conditional Use Permit (CUP) No. 3549, subject to the recommended Conditions.

PLANNING COMMISSION MOTIONS:

Recommended Motion (Approval Action)

- Move to adopt the Mitigated Negative Declaration prepared for Initial Study Application No. 7223; and
- Move to determine the required Findings can be made and move to approve Unclassified Conditional Use Permit (CUP) No. 3549, subject to the Mitigation Measures, Conditions of Approval and Project Notes listed in Exhibit 1; and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

Alternative Motion (Denial Action)

- Move to determine that the required Findings cannot be made (state basis for not making the Findings) and move to deny Unclassified Conditional Use Permit (CUP) No. 3549; and
- Direct the Secretary to prepare a Resolution documenting the Commission's action.

Mitigation Measures, recommended Conditions of Approval and Project Notes:

See attached Exhibit 1.

JS:

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**Mitigation Monitoring and Reporting Program
Conditional Use Permit (CUP) Application No. 3549
(Including Conditions of Approval and Project Notes)**

Mitigation Measures					
Mitigation Measure No.*	Impact	Mitigation Measure Language	Implementation Responsibility	Monitoring Responsibility	Time Span
*1.	Aesthetics	All outdoor lighting shall be hooded and directed so as to not shine toward adjacent properties and public streets.	Applicant	Applicant/Fresno County Department of Public Works and Planning (PW&P)	Ongoing
*2.	Aesthetics	All portable lighting, including lights located atop the drill rig, shall be directed downward toward the base of the rig to minimize potential glare.	Applicant	Applicant/PW&P	Ongoing
*3.	Aesthetics	All drilling towers shall be marked and lighted in such a manner as to avoid potential safety hazards to aircraft application of herbicides and pesticides on adjacent farmlands.	Applicant	Applicant/PW&P	Ongoing
*4.	Agricultural and Forestry Resources	When drilling operations are completed, or production activities cease, the Applicant shall return the project site (as much as is practical) to its original condition within 90 days of termination of the drilling operations, and remove all drilling equipment.	Applicant	Applicant/PW&P	Ongoing
*5.	Cultural Resources	In the event that cultural resources are unearthed during ground-disturbing activity, all work shall be halted in the area of the find, and an Archeologist shall be called to evaluate the findings and make any necessary mitigation recommendations. If human remains are unearthed during ground-disturbing activity, no further disturbance is to occur until the Fresno County Coroner has made the necessary findings as to origin and disposition. If such remains are determined to be Native American, the Coroner must notify the Native American Heritage Commission within 24 hours.	Applicant	Applicant/PW&P	Ongoing
Conditions of Approval					
1.	Development of the property shall be in accordance with the Site Plans, Elevations, and Operational Statement approved by the Planning Commission.				
2.	Contact the Building and Safety Section of the Development Services Division at (559) 600-4560 regarding permits for siting,				

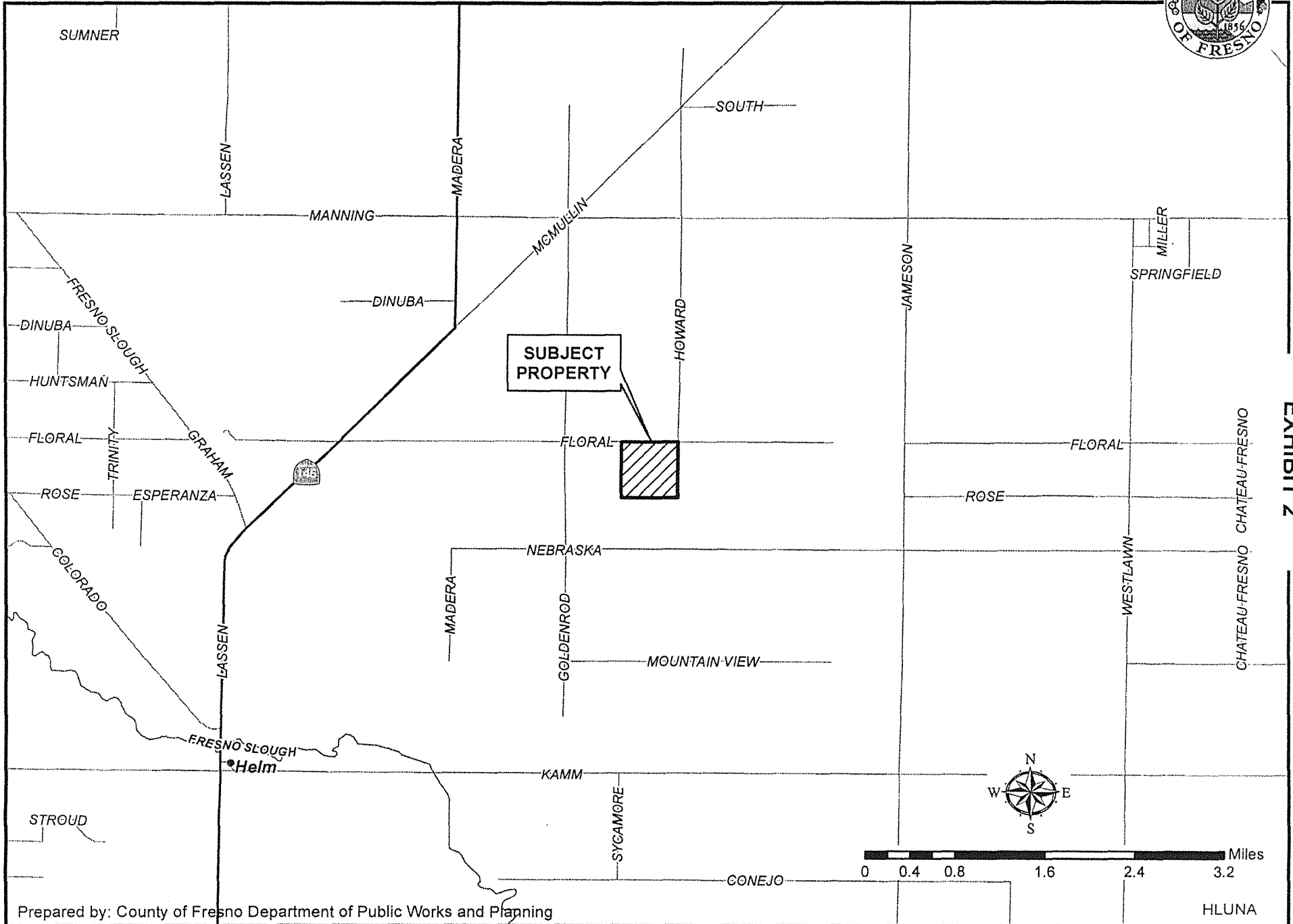
	construction and electrical work.
3.	A ten-foot by ten-foot corner cutoff shall be maintained for sight distance purposes at the exiting driveway onto Howard Avenue.

*MITIGATION MEASURE – Measure specifically applied to the project to mitigate potential adverse environmental effects identified in the environmental document.
Conditions of Approval reference recommended Conditions for the project.

Notes	
The following Notes reference mandatory requirements of Fresno County or other Agencies and are provided as information to the project Applicant.	
1.	All hazardous waste shall be handled in accordance with requirements set forth in the California Code of Regulations (CCR), Title 22, Division 4.5, which discusses proper labelling, storage and handling of hazardous waste.
2.	If oil or gas is not discovered in economically viable amounts, the well shall be plugged and abandoned in compliance with California Department of Conservation Division of Oil, Gas, and Geothermal Resources (DOGGR) regulations.

JS:ksn
G:\4360Devs&PIn\PROJSEC\PROJDOCS\CUP\3500-3599\3549\SR\CUP3549 MMRP (Ex 1).docx

LOCATION MAP



EXISTING ZONING MAP

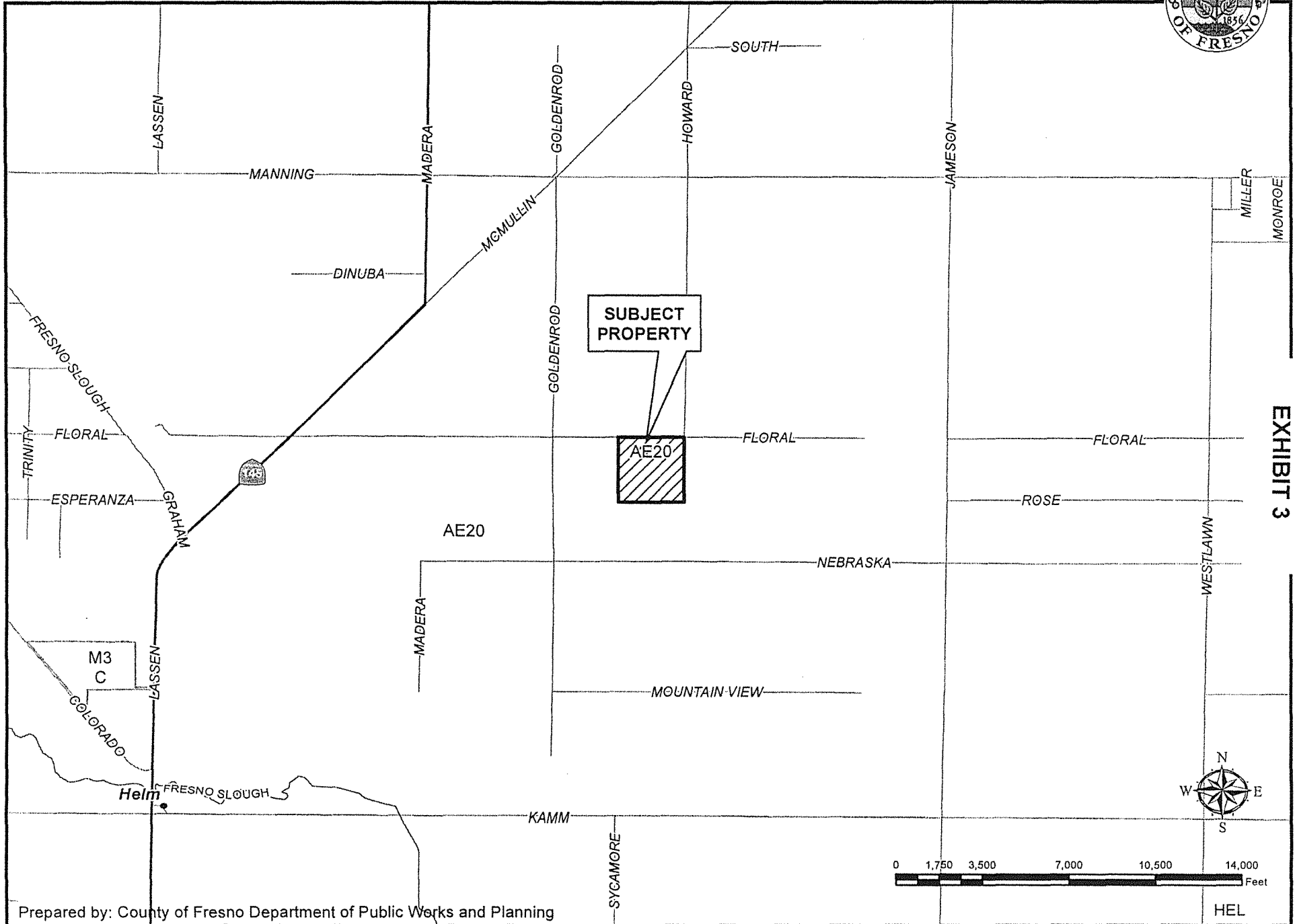
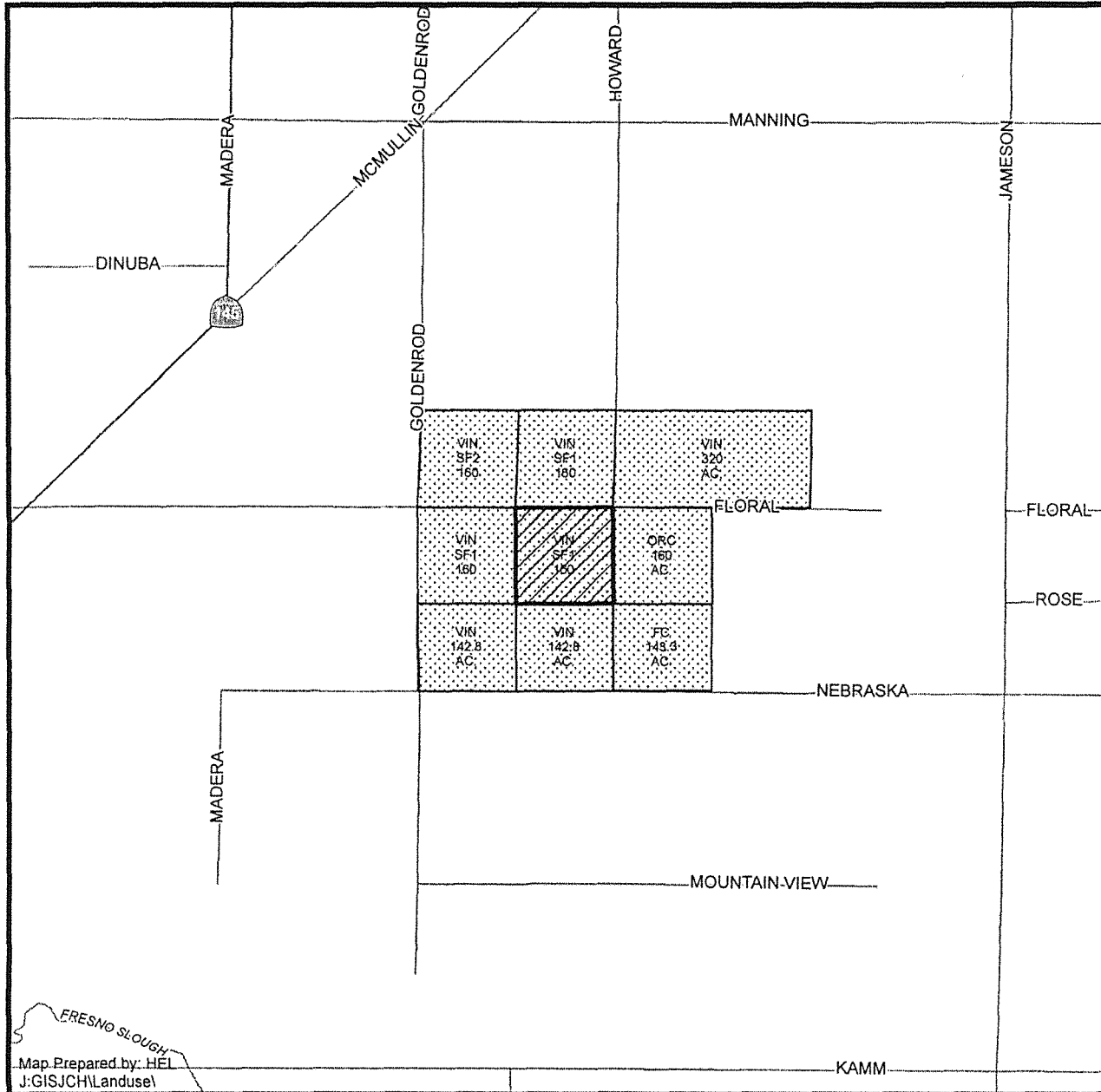


EXHIBIT 3

CUP 3549

EXISTING LAND USE MAP

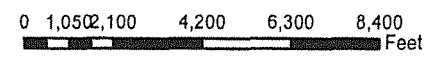
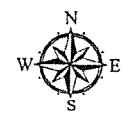


LEGEND	
FC	FIELD CROP
ORC	ORCHARD
VIN	VINEYARD
SF#	SINGLE FAMILY RESIDENCE
V	VACANT

LEGEND:

Subject Property

Ag Contract Land



Department of Public Works and Planning
Development Services Division

EXHIBIT 4

FRESNO SLOUGH
Map Prepared by: HEI
J:GISJCH\Landuse1

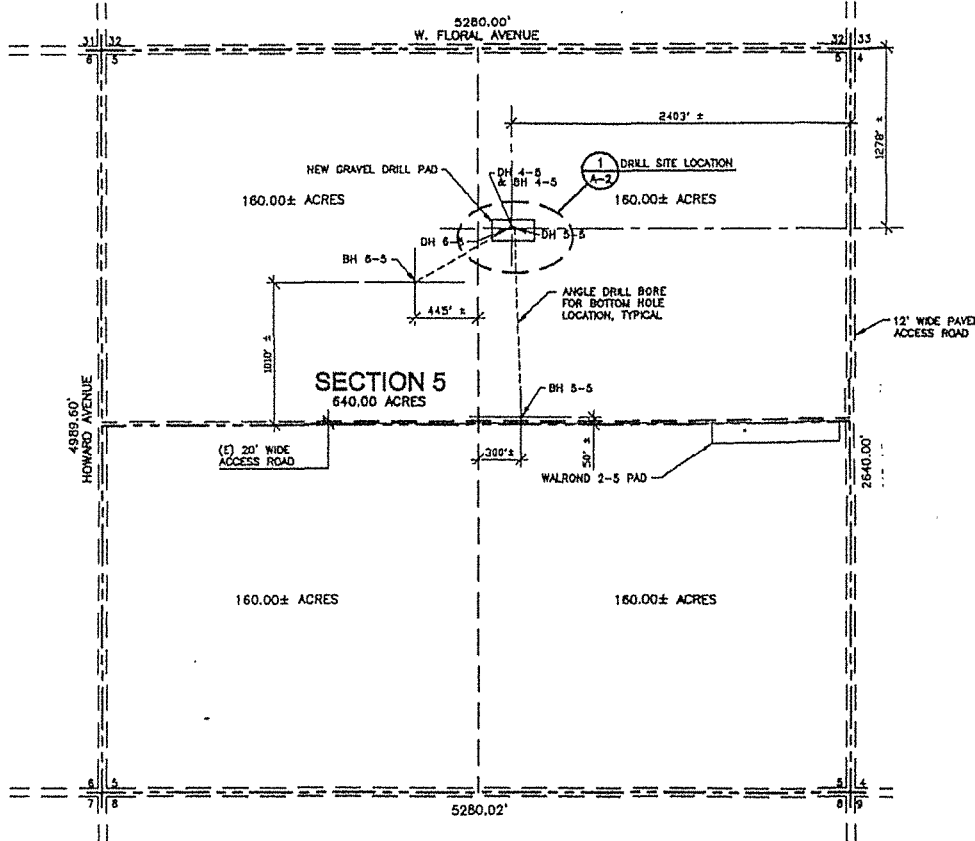
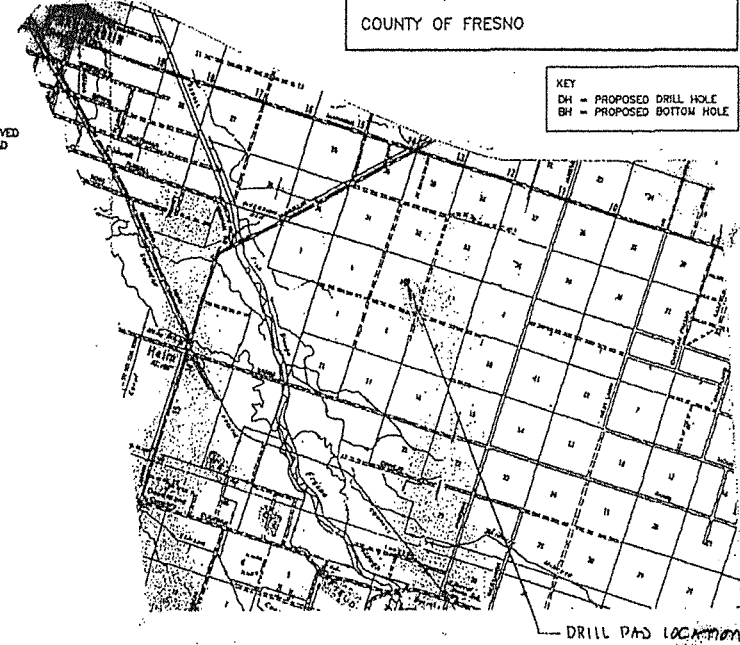
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OCT 25 2016

DEPARTMENT OF PUBLIC WORKS
AND PLANNING
DEVELOPMENT SERVICES DIVISION
CUP 3549
IS 7223

LEASEE: THE TERMO COMPANY
OWNER: DLM PARTNERS
WELL: WALROND #4-5
SECTION 5 T.16S. R.18E., MDBM
APN: 041-02-215
RIVERDALE, CA
COUNTY OF FRESNO

KEY
DH = PROPOSED DRILL HOLE
BH = PROPOSED BOTTOM HOLE



SITE PLAN
SCALE: 1"=800'



VICINITY MAP
SCALE: NONE

DRAWING SCHEDULE
A-1 SECTION SITE PLAN
A-2 PAD SITE PLAN
A-3 EXPLORATORY OIL WELL ELEVATIONS
A-4 PROPOSED PRODUCTION OIL WELLS
A-5 PRODUCTION OIL WELL ELEVATIONS

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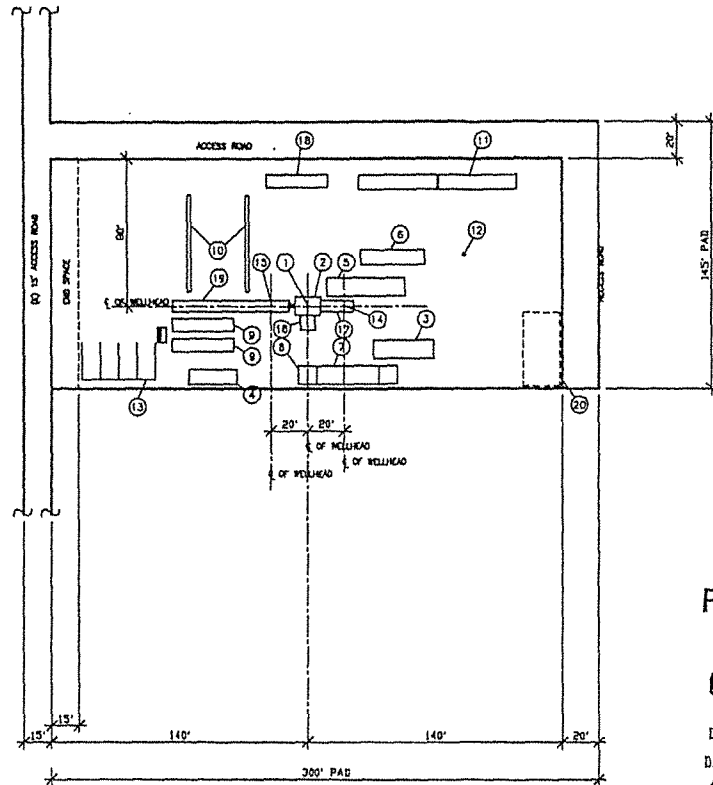
SITE PLAN FOR
WALROND #4-5
FRESNO COUNTY, CA

job no. 71-150000
date 06-29-2015
dr. by J. JOHNSON
revision 04-04-2016. PLAN CHECK

sheet no. A-1
of

Exhibit 5 - Page 1

EXHIBIT 5



A
A-2
SCALE 1"=80'

PROPOSED EXPLORATORY OIL WELLS

LEASEE: THE TERMO COMPANY
 OWNER: DLM PARNTERS
 WELL: WALROND #4-5
 SECTION 5 T.16S. R.18E., MOB/M
 APN: 041-02-21S
 RIVERDALE, CA
 COUNTY OF FRESNO

LEGEND
 (E) EXISTING
 (N) NEW

- KEY**
- ① PROPOSED OIL WELLHEAD LOCATION DH 4-5
 - ② CELLAR 10'-0" SQUARE X 8' DEEP WITH GUARD RAIL SURROUND ABOVE GROUND
 - ③ MAIN MUD PUMP, 10' WIDE X 33'-6" LONG
 - ④ STANDBY PUMP, 8' WIDE X 26'-2" LONG
 - ⑤ GENERATOR, 10' WIDE X 42'-8" LONG
 - ⑥ WATER TANK, 8' WIDE X 35' LONG
 - ⑦ MUD TANK, 6'-4" WIDE X 40' LONG
 - ⑧ MUD DOCK, 8' WIDE X 33'-3" LONG
 - ⑨ PIPE BIN, 7' WIDE X 33'-8" LONG
 - ⑩ PIPE RACK
 - ⑪ FLUIDS TANK SYSTEM, 8' X 43', QTY-2
 - ⑫ (E) CLEARED, LEVEL SITE WITH DIRT BASE
 - ⑬ EMPLOYEE PARKING SPACE, 10' X 20', QTY (4)
 - ⑭ PROPOSED OIL WELLHEAD LOCATION DH 5-5
 - ⑮ PROPOSED OIL WELLHEAD LOCATION DH 6-5
 - ⑯ DRILLER'S HOUSE
 - ⑰ DRAINWORKS
 - ⑱ DOGHOUSE
 - ⑳ CATWALK
 - ㉑ SHORT TERM ACCOMMODATION TRAVEL TRAILERS PARKING

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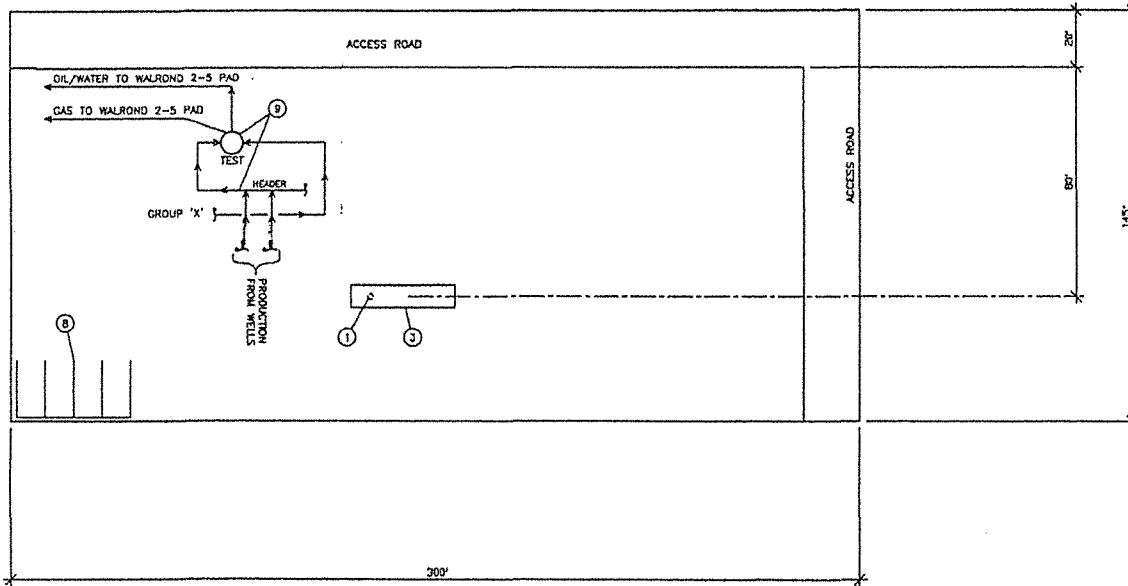
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 AND PLANNING
 DEVELOPMENT SERVICES DIVISION
 CUP3549
 1S 7223

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 CLOVIS, CA 95611
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 FAX: (509) 923-7198
 E-MAIL: info@thedrawingcenter.com

SITE PLAN FOR
WALROND #4-5
 FRESNO, CA

job no. S.C. 21874	date 06-28-2015	dr. by J. JOHNSON
revisions		

sheet no.
A-2
 of _____



ANA **A** **A-2** **SITE PLAN DETAIL "A"**
 SCALE: 1"=40'
PROPOSED PRODUCTION OIL WELLS

LEASEE: THE TERMO COMPANY
 OWNER: DLM PARTNERS
 WELL: WALROND #4-5
 SECTION 5 T.16S. R.18E., MDBM
 APN: 041-02-215
 RIVERDALE, CA
 COUNTY OF FRESNO

LEGEND
 (E) EXISTING
 (N) NEW

KEY
 ① PRODUCTION OIL WELL LOCATION DH 4-5
 ② THIS NUMBER NOT BEING USED
 ③ (H) PUMPING UNIT FOR DH 1-32
 ④ THIS NUMBER NOT BEING USED
 ⑤ THIS NUMBER NOT BEING USED
 ⑥ THIS NUMBER NOT BEING USED
 ⑦ THIS NUMBER NOT BEING USED
 ⑧ EMPLOYEE PARKING SPACE, 10' X 20', QTY (4).
 ⑨ TRAP SEPARATOR

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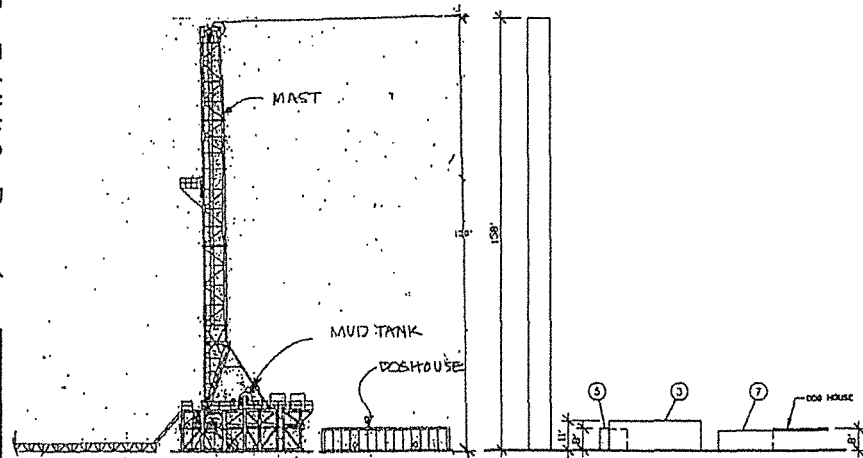
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 DEVELOPMENT SERVICES DIVISION
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 CLOVIS, CA 95612
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 FAX: (559) 323-7194
 E-MAIL: cdraw@comcast.net

**SITE PLAN FOR
 WALROND #4-5
 FRESNO COUNTY, CA**

job no. 04-04-2016
 date 08-29-2015
 dr. by J. JOHNSON
 revision 04-04-2016, PLAN CHECK

sheet no. **A-4**
 of _____

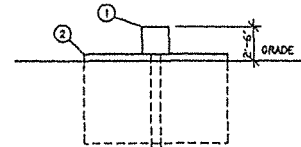


**FRONT VIEW
RIG ELEVATION**
SCALE: 1"=40'

EXPLORATORY OIL WELL

**SIDE VIEW
RIG ELEVATION**
SCALE: 1"=40'

EXPLORATORY OIL WELL



**EXPLORATORY OR PRODUCTION
WELLHEAD ELEVATION**
SCALE: 1/8"=1'-0"

LEASEE: THE TERMO COMPANY
OWNER: DLM PARTNERS

WELL: WALROND #4-5
SECTION 5 T.16S. R.18E., MDBM
APN: 041-02-21S
RIVERDALE, CA
COUNTY OF FRESNO

LEGEND
(E) EXISTING
(N) NEW

- KEY**
- ① OIL WELLHEAD
 - ② CELLAR 10'-0" SQUARE X 6' DEEP WITH GUARD RAIL SURROUND ABOVE GROUND
 - ③ MAIN MUD PUMP, 10' WIDE X 33'-6" LONG
 - ④
 - ⑤ GENERATOR, 10' WIDE X 42'-9" LONG
 - ⑥
 - ⑦ MUD TANK, 9'-4" WIDE X 40' LONG
 - ⑧
 - ⑨
 - ⑩
 - ⑪
 - ⑫ (C) CLEARED, LEVEL SITE WITH DIRT BASE

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CUP 3549
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E-mail: thedrawingcenter.net

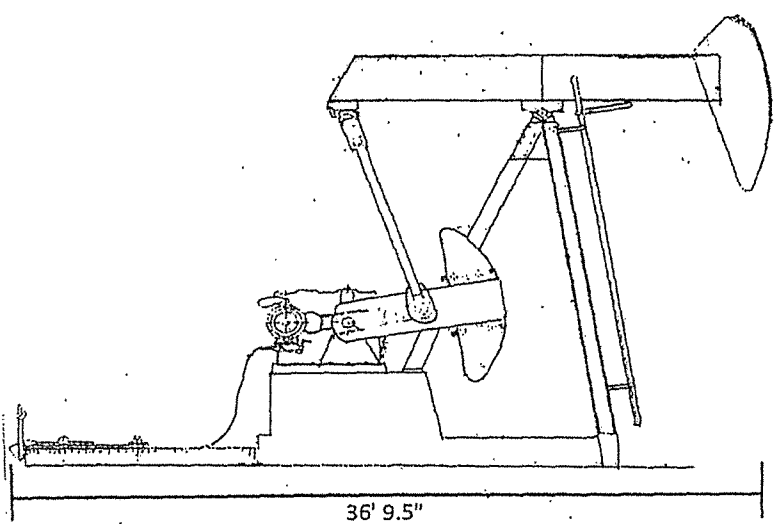
**SITE PLAN FOR
WALROND #4-5**
FRESNO COUNTY, CA

job no. DL 11978 7-1-10.dwg	date 08-29-2010	dr. by J. JORWAN
revisions		

sheet no.
A-3
of _____

LEASEE: THE TERMO COMPANY
OWNER: DLM PARTNERS
WELL: WALROND #4-5
SECTION 5 T.16S, R.18E., MOB
APN: 041-02-21S
RIVERDALE, CA
COUNTY OF FRESNO

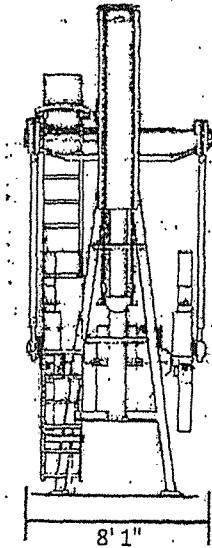
LEGEND
(E) EXISTING
(N) NEW



PRODUCTION
SIDE VIEW PUMPING UNIT
SCALE: NONE



29' 3"



PRODUCTION
FRONT VIEW PUMPING UNIT
SCALE: NONE

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OCT 25 2016

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AND PLANNING
DEVELOPMENT SERVICES DIVISION

CVP 3549
IS 7223

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TEL: (530) 822-7183
FAX: (530) 323-7184
E-mail: drawing@the-drawing.com

SITE PLAN FOR
WALROND #4-5
FRESNO COUNTY, CA

job no. 04-11974
date 04-28-2016
dr. by A. Jarama
revisions
Δ 04-04-2016, PLAN CHECK

sheet no.
A-5
of _____

EXHIBIT 7

The Termo Company "Applicant"
Oil Well Project
Operational Statement

The proposed project includes drilling an exploratory oil and natural gas well called the Walrond 4-5, to a depth of approximately 7,000 feet, on a 0.98 acre, level earthen drilling pad (the "drill site"). If drilling is successful, the applicant proposes to construct limited production facilities to process the oil and gas production. If oil or gas production and economics warrant, two or more wells, the Walrond 5-5 and Walrond 6-5, may be drilled from the same drill site using directional drilling techniques. If either well is completed as a producer it would use the same limited production facilities.

The proposed project's purpose is to develop additional oil and natural gas reserves for the State of California. The objective of the proposed project is to locate possible untapped oil and/or natural gas resources with the potential for drilling additional wells from the drill site.

If the initial test well is not successful, the Applicant may or may not elect to drill the second or third test well. In the event that one or all of the wells are not successful, the production facility phase will be cancelled and the well or wells would be plugged and abandoned in compliance with the State of California, Department of Conservation, Division of Oil, Gas and Geothermal Resources regulations. The drill site and any newly built access roads would then be restored to their original condition as nearly as practical, or to a condition matching current usage.

The proposed project is located approximately 7 miles west by southwest of Raisin City in 160 acres of the northeast quarter in Section 5, Township 16 South, Range 18 East, MDBM (APN: 041-020-21). The location of the proposed drill site and the proposed bottom hole locations are identified on the attached vicinity and location map.

Access to the location will be from South Jameson Avenue, then West on a farm road roughly aligned with West Floral Avenue, then South on a farm road roughly aligned with Howard Avenue, then West on a farm road roughly aligned with West Rose Avenue, then North on a farm road roughly aligned with South Bishop to the drill site. Gravel and sand may be used to surface the access road if necessary. Access to the site is shown on the attached location map.

The proposed drill site will encompass an area not greater than 140 feet by 297 feet (approximately 0.98 acres). Photographs representative of the proposed project areas are attached.

The proposed project includes three phases: (1) a site preparation phase, (2) a drilling and testing phase, and (3) a production phase. A description of each phase of the operation is provided below. An additional phase (4), a subsequent well drilling and testing phase would occur if the second and/or third well is drilled.

Site Preparation Phase

The drill site boundaries will be clearly delineated to ensure all activities are confined to the project site. The proposed drill site will be cleared of vegetation, and the drill pad will be graded to level an area not greater than 0.98 acres in size. Gravel may be used to improve the surface of the access road to the drill site and on the drill site work areas.

Site Preparation Phase cont.

The Applicant estimates that up to five (5) days will be needed to prepare the access road and the drill site. Approximately 3 to 5 contractors and employees will be onsite during the site preparation phase. Contractors or employees will operate heavy equipment needed to grade and level the drill site.

Construction related equipment operated onsite during this phase will include a crane, dozer, front end loader, grader/scrapper, roller, and water truck.

Site preparation activities will be conducted during daylight hours and will not produce glare.

Emissions resulting from the operation of diesel powered construction equipment may produce odors. However, these activities are short term and should not exceed five (5) days.

Site preparation activities may produce dust. The applicant proposes the following to minimize dust during site preparation:

- Water all active road and construction area as needed to reduce or eliminate dust from traffic and construction.
- Cover all trucks hauling soil, sand or other loose materials or require all trucks to maintain at least two feet of freeboard.

Operation of construction related equipment will generate noise. The United States Environmental Protection Agency has found that the noisiest equipment types operating at construction sites typically range from 88 dBA to 101 dBA at a distance of 50 feet. The following table lists noise levels typically generated by construction equipment that may be used during the Site Preparation Phase.

NOISE LEVELS GENERATED BY CONSTRUCTION EQUIPMENT

Type of Equipment	Typical Sound Level (dBA at 50 feet)
Generator	76
Air Compressor	81
Pneumatic Tools	85
Backhoe	85
Excavator	86
Dozer	87
Front-End Loader	88
Dump Truck	88
Scraper	88

Based on sound levels presented in the above table, equipment associated with the construction of the drill site could produce noise levels in excess of 88 dBA at a distance of 50 feet from the proposed drill site. However, the nearest residence is located approximately 1,365 feet north from the proposed project site. Using an attenuation algorithm of 6 dBA per doubling of distance, (accepted technical standard) maximum outdoor noise levels are expected to be well below 59.28 dBA to non-existent at the nearest residence.

No solid or liquid wastes will be generated during the site preparation phase. No outdoor lighting or outdoor sound amplification system will be used during the site preparation phase.

Drilling and Testing Phase:

The drilling and testing phase of the project will require approximately 30 to 35 truck trips to mobilize the drilling rig and associated equipment to the drill site. An additional 10 to 15 trucks will be required to transport supplies and service contractor equipment to the site and not more than 5 short term accommodation travel trailers will be set up on the site during drilling and completion operations. It is anticipated that not more than 2 hydraulic cranes will also be transported to the site to set up the drilling rig, raise the drilling mast and set the associated drilling equipment and supplies. After a well is drilled, and the well is either completed or abandoned, the drilling rig is promptly disassembled and removed from the drill site.

Drilling operations for each well will be conducted 24 hours per day for an anticipated period of 15 to 21 days per well. Approximately 5 to 15 personnel will be on site at any given time during drilling operations.

Approximately 3 to 5 truck trips per day will be required to support drilling operations. All drilling and production testing equipment (i.e., drilling rig, mud pumps, mud system equipment, portable water tanks, waste tanks, fuel tanks, portable toilets, pipe racks, and pipe baskets, etc.) will be temporarily installed and contained within the proposed drill site. Drilling equipment is identified on the drill site plot plan included with this application. An above ground portable fluids tank system will be used for drilling and completion operations. All drilling fluids and earthen cuttings will be contained within the tank system.

The estimated volume of cuttings and/or drilling fluids generated per day is approximately 5,000 gallons. Chemical toilets will be used onsite during the Drilling and Testing Phase and all sewage will be transported off site to an appropriate licensed disposal facility.

No hazardous materials (as classified by state and county regulatory definitions) will be used in the drilling fluid system. All drilled cuttings will be separated from the mud system, de-watered and stored on the location until drilling is completed. The cuttings will then be hauled to a licensed waste disposal facility that handles non-hazardous waste. Liquid waste will be transported to a licensed disposal facility at the end of the Drilling and Testing Phase.

Approximately 10,500 gallons of water per day will be required during drilling operations. Water will be purchased from a private commercial supplier and trucked to the drill site. Bottled water will be purchased and transported onsite for human consumption.

Temporary directional lighting will be used during drilling and completion operations but lighting is not required for the limited production facility. Directional lighting is used to minimize impacts of lighting to nocturnal animals. The temporary drilling rig will be obstruction flagged and lighted in accordance with FAA Advisory Circular 70/7460-1K "Obstruction Marking and Lighting".

Well drilling, testing, completion and production activities will not produce glare.

Emissions resulting from the operation of diesel-powered generators used to power drilling equipment may produce odors. However, these activities are short term and temporary in nature.

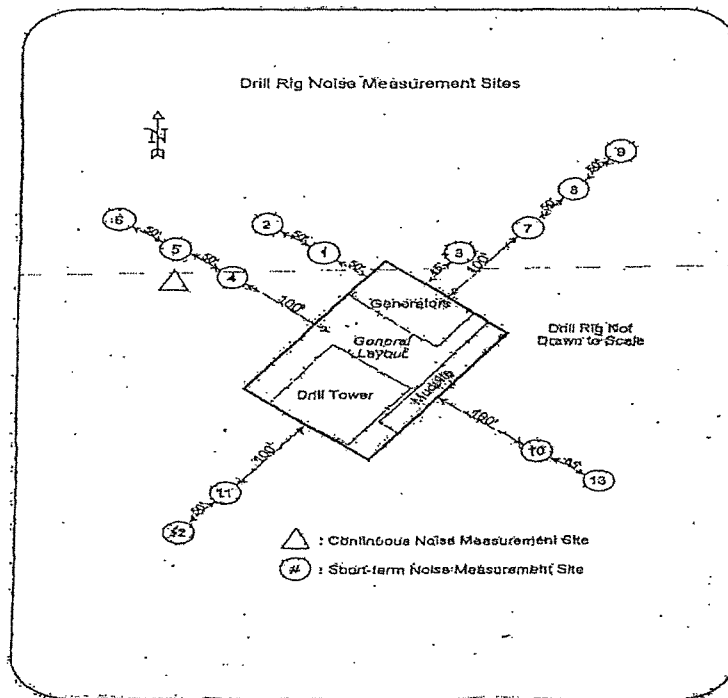
Vehicle trips to the site may produce dust. The Applicant will incorporate the same operational procedures identified in the Site Preparation Phase to minimize the generation of dust.

Drilling and Testing Phase (cont.):

Short-term noise increases would be anticipated on and around the project site during the Drilling and Testing Phase. These activities would last for approximately one to three weeks depending upon the time necessary to actually drill and test the well(s) using the temporary drilling rig.

In order to quantify the noise generated by a drilling rig, drilling companies have conducted noise level measurement surveys. These surveys include noise level measurements at numerous locations surrounding the drilling rig during normal operating conditions. Field observations indicate that there are a number of noise sources associated with drilling rig operations including power generators, mud pumps, and the derrick (labeled as the drill tower in the diagram) itself. However, of all these noise sources, the generators were identified as the dominant noise-producing component. The results of the survey are presented in the following table.

Monitoring locations are shown in the following figure 1



Drilling and Testing Phase (cont.):

Drilling Rig Noise Level Measurement Data		
Site #	Description	Measured Leq (dB)
1	50' northwest of generators fans	91
2	100' northwest generators fans	83
3	45' northeast of generators	80
4	100' northwest of facility	85
5	150' northwest of facility	80
6	200' northwest of facility	76
7	100' northeast of facility	66
8	150' northeast of facility	64
9	200' northeast of facility	62
10	100' southeast of facility	71
11	100' southwest of facility	69
12	150' southwest of facility	67
13	165' southeast of facility	67

Figure 1 shows the location of these noise measurement sites

In addition to the short-term noise level measurement survey, continuous hourly noise level monitoring was performed. The purpose of this monitoring was to quantify drilling rig related noise levels over a 24-hour period, and to identify periods of increased noise level generation. The results of this monitoring are shown numerically in the following table. It should be noted that the recording unit was located approximately 135 feet from the generator fans, the major-noise producing component of the drilling rig.

Statistical Summary of Ambient Noise Measurement Results					
Location	Daytime (7a.m.-10p.m)		Nighttime (10p.m-7a.m)		CNEL
	Average (Leq)	Maximum (Lmax)	Average (Leq)	Maximum (Lmax)	
In vicinity of residences nearest to the project site	35	57	37	59	48

Based on sound levels presented in above table, equipment associated with drilling operations could produce noise levels in excess of 79 dBA at a distance of 135 feet from the proposed drill site. However, the nearest residence is located approximately 1,365 feet north of the proposed project site. Based on an attenuation algorithm of 6 dBA per doubling of distance, maximum outdoor noise levels are expected to be well below 58.9 dBA to non-existent at this residence.

Production Phase

If economic quantities of oil and/or natural gas are discovered in the initial or subsequent test wells, the well will be completed and limited production facilities will be installed. The entire drill site area will be maintained to facilitate the drilling of a second and or third exploratory test well, if the Applicant chooses. After the drilling of the second and or third test well, any portion of drill site not required by the Applicant will be returned to natural grade and restored to the same condition previous to the proponent's activity.

Limited production facilities will include a well head, a trap/separator, a pumping unit, and pipelines to offsite tanks on the approved Walrond 2-5 production site. Processed water will mix with process water from the Walrond 2-5 production site and then be piped to the Termo's Vie Del 4-1 injection well. A copy of the production site plot plan and the oil production unit schematic are attached.

Operation of production equipment could result in long-term noise. The primary source of noise associated with operating production equipment is from the pump jack, including its electric motor. Use of a natural gas compressor may be required, depending on the pressure of the produced natural gas. Accordingly, until the well pressure is tested, the need for compression at the well site cannot be determined. Likewise a well that does not require compression early in its life cycle may require compression at some later point in time.

Noise levels recorded at the production drill site are presented in the following table:

Oil Well Measurement Results

Site #	Distance	Location	Comments	Sound Level, Leq (dBA)
1	1'	Pumping Unit	Noise source was primarily engine noise	78.2
2	50'	50-feet from site	Noise source was operations of well site	69.7
3	100'	100-feet from site	Noise source was operations of well site	63.5
4	200'	200-feet from site	Noise source was operations of well site	56.3
5	700'	700 feet from site	Primary source included well site, distant traffic	46.6
6	1,365	Nearest Residence	Well barely audible. Primary noise distant traffic	40.98

Based on sound levels presented in the above Table, equipment associated with long-term oil production operations could produce maximum noise levels of 69.7 dBA at a distance of 50 feet from the proposed production facility. As previously stated, the nearest residence is located approximately 1,365 feet north of the proposed project site. Based on an attenuation algorithm of 6 dBA per doubling of distance, maximum outdoor noise levels are expected to be less than 40.98 dBA at this residence.

Production Phase Cont.

The Applicant proposes to use non-reflective production equipment.

Approximately 3 to 5 personnel will be required to operate equipment and install the proposed permanent limited production facility. Approximately 5 to 10 days will be required for installation of the permanent production equipment.

Emissions resulting from the operation of construction equipment used to install the production facility may produce odors. However, these activities are very short term and temporary in nature.

Vehicle trips to the site during construction of the limited production facility may produce dust. The Applicant proposes to incorporate the same operational procedures identified in the Site Preparation Phase to minimize the generation of dust.

Produced oil and natural gas will be metered for sales and the production facility will be inspected on a daily basis. Produced fluids will be piped offsite to the approved Walrond 2-5 site for further processing.

The production equipment will not generate hazardous waste as defined by Title 22, Division 4.5, Chapter 11, but any waste that may be created will be handled in accordance with both county and state requirements and will be disposed of in a licensed facility by licensed handlers.

Typically a maximum of one truck trip per day will be required to inspect the well during the producing life of the well(s). At least four employee parking spaces will be provided on the drill pad.

It is sometimes necessary to bring in a daylight workover rig for downhole repairs during the production life of a well. The rig and all associated equipment will be contained within the boundaries of the well site and the average workover rig height is less than 100 feet

No night lighting will be required for the production facility. Fencing may be installed at the discretion of the applicant or the request of the Division of Oil and Gas to secure the production facility.

At the end of the well(s) economic life (defined as sufficient production to pay for operating expenses), the well(s) will be plugged and abandoned according to the State of California, Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) regulations. The site will be cleared of all equipment and returned to its previous conditions as nearly as practical.



EXHIBIT 8

County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

EVALUATION OF ENVIRONMENTAL IMPACTS

- APPLICANT:** The Termo Company
- APPLICATION NOS.:** Initial Study Application No. 7223 and Conditional Use Permit Application No. 3549
- DESCRIPTION:** Allow drilling of up to three exploratory oil and gas wells and related production facilities, if oil and gas resources are discovered, on a 0.98-acre portion of a 160-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District.
- LOCATION:** The project site is located on the south side of the Floral Avenue alignment between the Howard Avenue alignment and South Goldenrod Avenue approximately seven miles southwest of the unincorporated community of Raisin City and four and one-half miles northeast of the unincorporated community of Helm (SUP. DIST.: 4) (APN: 041-020-21S). (Section 5, Township 16 South, Range 18 East).

I. AESTHETICS

- A. Would the project have a substantial adverse effect on a scenic vista; or
- B. Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway; or
- C. Would the project substantially degrade the existing visual character or quality of the site and its surroundings?

FINDING: LESS THAN SIGNIFICANT IMPACT:

This project includes the drilling of up to three exploratory oil and gas wells to a depth of approximately 7,000 feet utilizing directional drilling techniques, on a 0.98-acre portion of a 160-acre parcel. If drilling of the first well is successful, and oil and gas resources are discovered, production facilities will be installed to process the oil and /or natural gas. Up to two additional wells may be drilled on the same site utilizing the same 158-foot tall drilling rig that was used to drill the first exploratory well. The total number of exploratory wells allowed with this project, will be limited to three.

The proposed exploratory wells will be located on a level earthen drilling pad (the “drill site”). Each exploratory well will consist of a wellhead contained within a 10-foot by 10-foot by six-foot deep cellar with a guardrail surrounding it, a driller’s office, a draw works, a catwalk. Additional equipment will include a mud pump, a standby pump, a diesel powered generator, a water tank, a 9-foot by 40-foot mud tank, mud dock, two pipe bins, two pipe racks, two fluid tank systems, four employee parking spaces, and up to five travel trailers for temporary employee accommodations.

If drilling is not successful the production phase will be cancelled and the well or wells will be plugged and abandoned in compliance with the State of California, Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) regulations.

The project will consist of three phases, the site preparation phase, the drilling and testing phase and the production phase. The site preparation phase will last up to 5 days and involve clearing of vegetation from, and the leveling of 0.98-acre drill site.

The Drilling and Testing Phase of the operation will include the construction of a temporary 158-foot-tall drilling rig, which will be operated 24 hour per day for up to 21 days for the drilling of the well and for each subsequent well if warranted. At least two hydraulic cranes and various other pieces of construction equipment will be used in setting up the temporary drill rig.

If drilling is successful, the production phase will be initiated. The production phase involves the removal of the 158-foot tall temporary drilling rig and the installation of a 29-foot tall pumping unit (pump jack) on the same 0.98-acre site used for exploratory drilling. The pumping unit will be connected by pipeline to nearby (off site) production facilities located at the existing and previously approved Waldron 2-5 site. The Waldron 2-5 site is located on an adjacent parcel southeast of the subject parcel and includes a trap/ separator and above ground storage tanks.

The subject parcel is located in an area of characterized by large agricultural lots with few residential dwellings. The subject parcel does not have direct public road access, is not located near a State scenic highway and there are no known scenic resources in the vicinity, nor are there trees, rock outcroppings or historic buildings located in the vicinity.

- D. Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

The project will utilize temporary directional lighting during the drilling and completion phase of the operation, but will not be necessary for the production facility. The use of the lighting has the potential for creating glare, which could adversely impact nighttime visibility, and views of the surrounding area, Directional lighting will be used to minimize any adverse effects on the surrounding area, including any nocturnal animals. Well drilling, testing, completion and production activities will not produce glare.

* **Mitigation Measure(s)**

1. *All lighting shall be directed hooded or directed downward so as not to shine toward adjacent properties and public streets.*
2. *All drilling towers shall be marked and lighted in such a manner so as to avoid potential safety hazards to aircraft application of herbicides and pesticides on adjacent parcels.*

II. AGRICULTURAL AND FORESTRY RESOURCES

- A. Would the project convert prime or unique farmlands or farmland of state-wide importance to non-agricultural use; or
- B. Would the project conflict with existing agricultural zoning or Williamson Act Contracts; or
- C. Would the project conflict with existing zoning for or cause rezoning of forest land, timberland, or timberland zoned Timberland Production; or
- D. Would the project result in the loss of forest land or conversion of forest land to non-forest use; or
- E. Would the project involve other changes in the existing environment, which due to their location or nature, could result in conversion of Farmland to non-agricultural uses or conversion of forest land to non-forest use?

FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

The subject parcel is classified as Prime and Unique Farmland on the California Department of Conservation, State Important Farmlands Map, and is enrolled in Agricultural Land Conservation Contract (Williamson Act) ALCC No. 7455. The project entails the clearing of existing vineyards from a 0.98-acre portion of a 160-acre parcel. There is no forestland, timberland or timberland zoned for timber production on the near the project site or in the vicinity of the subject parcel.

According to the Policy Planning Section of the Department of Public Works and Planning, exploratory and production, drilling of oil wells is a compatible use subject to special permit, and to the extent that they do not significantly displace farmland on the ALCC restricted land. In this case, the size of the proposed lease area is 0.98-acres, out of a total of 160-acres. The Policy Planning Section did not identify any concern with the project resulting in the conversion of Farmland to non-agricultural use.

* **Mitigation Measure(s)**

1. *When drilling operations are completed, or production operations cease, the Applicant shall return the project site (as much as practical) to its original*

condition and all drilling equipment shall be removed within 90 days of termination of the drilling operations.

III. AIR QUALITY

- A. Would the project conflict with or obstruct implementation of the applicable Air Quality Plan; or
- B. Would the project violate any air quality standard or contribute to an existing or projected air quality violation; or
- C. Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under a Federal or State ambient air quality standard; or
- D. Would the project expose sensitive receptors to substantial pollutant concentrations; or
- E. Would the project create objectionable odors affecting a substantial number of people?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The project was reviewed by the San Joaquin Valley Air Pollution Control District. The Air District did not express any air quality related concerns with this project. During the site preparation phase of the project, the drilling site will be cleared of vegetation and graded to level the area; additionally the access road surface may be improved with the addition of gravel. The use of diesel powered construction related equipment onsite may produce dust and odors. The applicant estimates that site preparation activities will be short term and not exceed five (5) days. During the drilling and testing phase the applicant estimates that approximately 3-5 truck trips per day will be required to support drilling operations. The applicant will incorporate the same operational procedures identified in the Site Preparation Phase to minimize the generation of dust. All drilling and production testing equipment (drilling rig, mud pumps, mud system equipment, portable water tanks, waste tanks, fuel tanks, portable toilets, pipe racks, and pipe baskets), will be temporarily installed and contained within the proposed drill site. Additionally, the project will be subject to Air District Regulation VIII (Fugitive Dust Rules), and Air District Rule 2280 (Portable Equipment Registration) requiring all portable emission units (including drilling rigs) to be registered with the California Air Resources Board (CARB) or with the Air District. These requirements will be included as Project Notes. Compliance with Air District Regulations and Rules will reduce air quality impacts from the project proposal to a less than significant impact.

IV. BIOLOGICAL RESOURCES

- A. Would the project have a substantial adverse effect, either directly or through habitat modifications, on any candidate, sensitive, or special-status species; or
- B. Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or

by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS); or

- C. Would the project have a substantial adverse effect on federally-protected wetlands as defined by Section 404 of the Clean Water Act through direct removal, filling, hydrological interruption or other means; or
- D. Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites; or
- E. Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance; or
- F. Would the project Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local regional, or state habitat conservation plan?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The subject parcel is located in an agricultural area and has been previously disturbed by agricultural cultivation, both currently and historically. In addition, neighboring parcels have also been historically utilized for agricultural cultivation. No impacts were identified relating to any candidate, sensitive, or special status species, any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife (CDWF). The project is not located in the vicinity of any Federally-protected wetlands as defined by Section 404 of the Clean Water Act, nor would it interfere with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites as none are located in the vicinity of the subject property.

This project will not conflict with any local policies or ordinances protecting biological resources, tree preservation policy or any provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state Habitat Conservation Plan.

This project will not conflict with any local policies or ordinances protecting biological resources or any provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state Habitat Conservation Plan.

V. CULTURAL RESOURCES

- A. Would the project cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5; or

- B. Would the project cause of substantial adverse change in the significance of an archeological resource pursuant to Section 15064.5; or
- C. Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature; or
- D. Would the project disturb any human remains, including those interred outside of formal cemeteries; or
- E. Would the project cause a substantial adverse change in the significance of a tribal cultural resource as defined in Public Resources Code Section 21074?

**FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION
INCORPORATED:**

The project site is located in an agricultural area and has been previously disturbed, as it has been used for agricultural cultivation. Adjacent parcels have also been historically used for agricultural cultivation.

Policy OS-J.1 of the Fresno County General Plan states that the County shall require that discretionary projects, as part of any required CEQA review, identify and protect important historical, archeological, paleontological, and cultural sites and their contributing environment from damage, destruction, and abuse to the maximum extent feasible. Project-level mitigation shall include accurate site surveys, consideration of project alternatives to preserve archeological and historic resources, and provision for resource recovery and preservation when displacement is unavoidable”.

The project site has not been identified as an area designated as either moderate or high sensitivity for archaeological resources, however a mitigation measure would require that in the event cultural resources are unearthed during ground disturbing activity, all work would be halted in the area of the find, and an Archeologist shall be contacted to evaluate the findings and make any necessary mitigation recommendations. A Mitigation Measure reflecting this requirement has been incorporated into the project. The Mitigation Measure will reduce potential impacts to cultural resources to a less than significant level.

*** Mitigation Measure**

1. *In the event that cultural resources are unearthed during ground-disturbing activity, all work shall be halted in the area of the find, and an Archeologist shall be called to evaluate the findings and make any necessary mitigation recommendations. If human remains are unearthed during ground-disturbing activity, no further disturbance is to occur until the Fresno County Coroner has made the necessary findings as to origin and disposition. If such remains are determined to be Native American, the Coroner must notify the Native American Commission within 24 hours.*

VI. GEOLOGY AND SOILS

A. Would the project expose people or structures to potential substantial adverse effects, including risk of loss, injury or death involving:

1. Rupture of a known earthquake?
2. Strong seismic ground shaking?
3. Seismic-related ground failure, including liquefaction?
4. Landslides?

FINDING: NO IMPACT:

Per the Fresno County General Plan Background Report figures 9-5 and 9-6, the subject parcel is not in an area subject to substantial adverse effects involving 1) Rupture of a known earthquake, 2) Strong seismic ground shaking, 3) Seismic-related ground failure, including liquefaction, or 4) Landslides. The project site is in an area designated as Seismic Design Category C in the California Geological Survey. No agency expressed concerns related to ground shaking, ground failure, liquefaction or landslides. Development of the project will be subject to the Seismic Design Category C Standards.

B. Would the project result in substantial erosion or loss of topsoil?

FINDING: LESS THAN SIGNIFICANT IMPACT:

Grading and leveling activities may increase the likelihood that some erosion will occur at the project site, however the proposed site is predominately flat and is surrounded by actively cultivated and irrigated vineyards and any erosion or loss of topsoil will have a less than significant impact on the surrounding area. The subject parcel is not located in an area of Generalized Erosion Hazard, as identified in figure 7-4 of the County General Plan Background Report, which identifies Erosion Hazards in Western Fresno County. According to the Development Engineering Section of the Fresno County Department of Public Works and Planning, excavations performed under the direction of a registered design professional are exempted work, and a Grading Permit is not required per Fresno County Ordinance Code. However, in instances where a Grading Permit is not required, but where there may be an impact on surrounding properties, a Grading Voucher may be required.

C. Would the project result in on-site or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

D. Would the project be located on expansive soils, creating substantial risks to life or property?

FINDING: NO IMPACT:

The project site is not located in an area of known risk of landslide, lateral spreading, subsidence, liquefaction, collapse, or within an area of known expansive soils.

- E. Would the project have soils incapable of adequately supporting the use of septic tanks or alternative disposal systems where sewers are not available for wastewater disposal?

FINDING: NO IMPACT:

The project does not entail the use of any on-site septic system. Chemical toilets will be utilized on-site during the drilling and testing phase and all sewage will be transported off-site to an appropriate licensed disposal facility. Additionally, the applicants operational statement indicates that an above ground portable fluids tank system will be utilized for drilling and completion operations and that all drilling fluids and earthen cuttings will be contained within the tank system. The estimated volume of cuttings and or drilling fluids is estimated to be approximately 5,000 gallons per day. After drilling is completed, all drilled cuttings will be hauled by truck to a licensed waste disposal facility that handles non-hazardous waste. Liquid waste will be transported to licensed disposal facility after the Drilling and Testing Phase is complete.

VII. GREENHOUSE GAS EMISSIONS

- A. Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment; or
- B. Would the project conflict with any applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The San Joaquin Valley Air Pollution Control District has reviewed this project and expressed no concerns with this project proposal. The applicant's operational statement indicates that although the project will produce emissions from diesel-powered construction equipment during the site preparation phase, and diesel-powered generators during the drilling and testing phase, the use of said construction equipment and generators will be short term and temporary, not more than five days for site preparation and approximately 15-21 days per well for drilling and testing.

VIII. HAZARDS AND HAZARDOUS MATERIALS

- A. Would the project create a significant public hazard through routine transport, use or disposal of hazardous materials; or
- B. Would the project create a significant public hazard involving accidental release of hazardous materials into the environment?

FINDING: LESS THAN SIGNIFICANT IMPACT:

According to the applicants submitted operational statement; during the Drilling and Testing Phase of the proposed project an above ground portable fluids tank system will be used for drilling and completion operations. All drilling fluids and earthen cuttings will be contained within the tank system. No hazardous materials (as classified by state and County regulatory definitions) will be used in the drilling fluid system.

The Environmental Health Division of the Department of Public Health has reviewed this project and offered the following comments: Facilities proposing to use and/or store hazardous wastes shall meet the requirements set forth in the California Health and Safety Code (HSC), Division 20, Chapter 6.95, and the California Code of Regulations (CCR), Title 22, Division 4.5. Any business that handles a hazardous material or hazardous or hazardous waste may be required to submit a Hazardous Materials Business Plan pursuant to the HSC, Division 20, Chapter 6.95. *This comment shall be included as a project note.*

In an effort to protect groundwater, all abandoned water wells (not intended for use or future use) within the 1.6-acre project area shall be properly destroyed by an appropriately licensed contractor (permits required). Prior to destruction of agricultural wells, a sample of the upper most fluid in the well column should be sampled for lubricating oil. The presence of oil staining around the well may indicate the use of lubricating oil to maintain the well pump. Should lubricating oil be found in the well, the oil should be removed from the well prior to placement of fill material for destruction. The "oily water" removed from the well must be handled in accordance with federal, state and local government requirements. *This comment shall be included as a project note.*

- C. Would the project create hazardous emissions or utilize hazardous materials, substances or waste within one quarter-mile of a school?

FINDING: NO IMPACT:

There are no schools located within one-quarter mile of the project site, however the nearest school is Helm Elementary which is located in the Unincorporated Community of Helm approximately four and one-half miles southwest of the project site.

- D. Would the project be located on a hazardous materials site?

FINDING: NO IMPACT:

No hazardous materials sites are located within the boundaries of the subject parcel.

- E. Would a project located within an airport land use plan or, absent such a plan, within two miles of a public airport or public use airport, result in a safety hazard for people residing or working in the project area; or

- F. Would a project located within the vicinity of a private airstrip result in a safety hazard for people residing or working in the project area?

FINDING: NO IMPACT:

The subject parcel is not located within and Airport Land Use Plan or within two miles of a public or private use airport, however, according to the applicants operational statement , the temporary drill rig will be obstruction flagged and lighted in accordance with FAA Advisory circular 70/7460-1K " Obstruction Marking and Lighting".

- G. Would the project impair implementation of or physically interfere with an adopted Emergency Response Plan or Emergency Evacuation Plan?

FINDING: NO IMPACT:

This project proposal will not impair the implementation of or physically interfere with an adopted Emergency Response Plan or Emergency Evacuation Plan.

- H. Would the project expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

FINDING: NO IMPACT:

The project site is not located in a wildland area.

IX. HYDROLOGY AND WATER QUALITY

- A. Would the project violate any water quality standards or waste discharge requirements or otherwise degrade water quality?

FINDING: LESS THAN SIGNIFICANT IMPACT:

According to the applicants operational statement, processed water will be mixed with processed water from the existing Walrond 2-5 well, and subsequently be transferred by pipeline offsite to the Termo Company's existing Vie Del 4-1 injection well.

The Environmental Health Division of the Fresno County Department of Public Health had the following comments; In an effort to protect groundwater, all abandoned water wells (not intended for use or future use) within the 1.6-acre project area shall be properly destroyed by an appropriately licensed contractor (permits required). Prior to destruction of agricultural wells, a sample of the upper most fluid in the well column should be sampled for lubricating oil. The presence of oil staining around the well may indicate the use of lubricating oil to maintain the well pump. Should lubricating oil be found in the well, the oil should be removed from the well prior to placement of fill material for destruction. The "oily water" removed from the well must be handled in accordance with federal, state and local government requirements. *This comment shall be included as a project note.*

According to the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR), applicants for oil and gas development projects shall submit detailed drilling proposals to DOGGR in order to obtain specific drilling requirements for their projects. This requirement, as well as a standard DOGGR requirement for all hazardous and non-hazardous wastes and materials generated by the exploratory well drilling operation to be hauled off to an approved waste disposal facility, will be included as Project Notes.

The California Regional Water Quality Control Board (RWQCB) has consistently commented that the requirement to file a Report of Waste Discharge with said agency for the temporary discharge of drilling muds/boring wastes to an unlined sump may be waived subject to the following criteria: a) drilling mud can remain in a sump only if the discharger can demonstrate the mud is non-hazardous and does not contain halogenated solvents; b) drilling mud must first be dried (fluids removed), then the site must be restored to pre-sump conditions within 60 days of well completion or abandonment, and the backfilled sump must be covered with at least one foot of clean soil; c) the sump must be greater than 100 feet from the nearest surface water and the bottom of the sump must be at least five feet above the highest groundwater elevation. Additionally, if the exploratory well becomes commercially productive, the Applicant shall identify an acceptable method for the disposal of water produced by operations. As such, the Applicant shall be required to contact the RWQCB for any permits needed for drilling fluids disposal prior to commencing operations. *This requirement will be included as a Project note.*

- B. Would the project substantially deplete groundwater supplies or interfere substantially with groundwater recharge so that there would be a net deficit in aquifer volume or a lowering of the local groundwater table?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The project operational statement indicates that approximately 10,500 gallons of water per day will be required during drilling operations. Water will be purchased from a private commercial supplier and trucked to the drill site, for operational purposes, and bottled water will be provided for employee consumption. The project site is not located in a water short area, and no use of on-site groundwater is proposed.

- C. Would the project substantially alter existing drainage patterns, including alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off site; or
- D. Would the project substantially alter existing drainage patterns, including alteration of the course of a stream or river, in a manner which would result in flooding on or off site?

FINDING: NO IMPACT:

No streams or rivers are located near the subject parcel. The Fresno Slough is located approximately 2.8 miles southwest of the proposed drill site.

- E. Would the project create or contribute run-off which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted run-off?

FINDING: LESS THAN SIGNIFICANT IMPACT:

See discussion in Section VI.B Geology and Soils.

- F. Would the project otherwise substantially degrade water quality?

FINDING: NO IMPACT:

No additional water quality impacts were identified in the project analysis.

- G. Would the project place housing within a 100-year floodplain; or

- H. Would the project place structures within a 100-year flood hazard area that would impede or redirect flood flows; or

- I. Would the project expose persons or structures to levee or dam failure; or

- J. Would the project cause inundation by seiche, tsunami or mudflow?

FINDING: LESS THAN SIGNIFICANT IMPACT:

No new housing is proposed with this project, other than the temporary employee accommodation trailers, which will be occupied during the drilling and testing phase identified in the applicant's operational statement. According to FEMA, FIRM Panel 2575H, the project site is not subject to flooding from the 100-year storm. Additionally, the project site is not prone to seiche, tsunami or mudflow. According to the Fresno County General Plan, Background Report (Figure 9-8), the subject parcel is in a Dam Failure Flood Inundation Area however there are no dams or levees in the vicinity of the subject parcel, and no reviewing agencies express concern over flood hazard or potential exposure to levee or dam failure at the project site.

X. LAND USE AND PLANNING

- A. Will the project physically divide an established community?

FINDING: NO IMPACT:

This proposal will not physically divide an established community. The unincorporated community of Helm is located approximately four and three quarter miles southwest of the project site.

- B. Will the project conflict with any Land Use Plan, policy or regulation of an agency with jurisdiction over the project?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The subject parcel is designated Agriculture in the Fresno County General Plan. The Agriculture and Land Use Element of the General Plan lists mineral extraction and oil and gas development as non-agricultural uses permitted in areas designated as Agriculture, subject to Policies listed in Section OS-C of the General Plan.

Policy LU-A.4 of the General Plan requires that the recovery of mineral resources and the extraction of oil and gas in areas designated Agriculture comply with the Mineral Resources Section of the Open Space and Conservation Element.

According to General Plan Policy OS-C.13, the County shall require a special permit for certain oil and gas activities and facilities as specifically noted in the Oil and Gas Development Matrix (Table OS-C.1) due to their potential significant adverse effects on surrounding land or land uses. In this case, the subject land use application, Unclassified Conditional Use Permit (CUP) Application No. 3549 satisfies this requirement.

Policy OS-C.17 requires timely reclamation of oil and gas development sites upon termination of such activities to facilitate the conversion of the project site to its primary land use as designated by the General Plan. In the case of this application, a Mitigation Measure has been included, discussed in Section II (Agricultural and Forestry Resources), requiring the Applicant to remove all drilling equipment and return the project site to its original condition within 90 days of terminating operations.

Policy OS-C.20 requires that no human occupancy be located near any active petroleum or natural gas well unless suitable safety and fire protection measures and setbacks are approved by the local Fire District. In this instance, the nearest dwelling units are located approximately one quarter mile north of the proposed drill site.

- C. Will the project conflict with any applicable Habitat Conservation Plan or Natural Community Conservation Plan?

FINDING: NO IMPACT:

XI. MINERAL RESOURCES

- A. Would the project result in the loss of availability of a known mineral resource; or
- B. Would the project result in the loss of availability of a locally important mineral resource recovery site designated on a General Plan?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The project site is located in an area-designated Mineral Resource Zone (MRZ-1) in Figure 7-9 of the County General Plan Background Report. Areas designated MRZ-1 are areas where adequate information indicates that no significant mineral deposits are present, or where it is judged that little likelihood exists for their presence.

XII. NOISE

- A. Would the project result in exposure of people to severe noise levels; or
- B. Would the project result in exposure of people to or generate excessive ground-borne vibration or ground-borne noise levels; or
- C. Would the project cause a substantial permanent increase in ambient noise levels in the project vicinity; or
- D. Would the project result in a substantial temporary or periodic increase in ambient noise levels?

FINDING: LESS THAN SIGNIFICANT IMPACT:

According to the applicants Operational Statement, short-term noise increases would be anticipated on an around the project site during the drilling and Testing phase, due to operation of construction equipment. This phase would last approximately one to three weeks, however operation of production equipment could result in long-term noise. The primary source of noise associated with operating production equipment is from the pump-jack and its electric motor. Use of a natural gas compressor may also be required. The nearest residence to the proposed drill site is approximately 1,365 feet north. The applicant's Operational Statement indicates that continuous hourly noise level monitoring was performed over a 24-hour period to identify periods of increased noise level generation. The study concluded that ambient noise levels from the well at the nearest residence would be barely audible. According to General Plan Policy HS-G.6, the County shall regulate construction-related noise to reduce impacts on adjacent uses in accordance with the County's Noise Control Ordinance. Section 8.40.060-H of the Fresno County Ordinance Code states that noise sources associated with the drilling and re-drilling of petroleum, gas, injection or water wells are exempt from exterior noise standards.

- E. Would the project expose people to excessive noise levels associated with a location near an airport or a private airstrip; or
- F. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?

FINDING: NO IMPACT:

The subject parcel is not located in the vicinity of an airport or private airstrip and therefore not impacted by airport noise. There are a number of private airstrips surrounding the subject parcel. The nearest airport or private airstrip to the

project site is privately owned San Joaquin Airport- CA32 which is located approximately ten and one-half miles west northwest of the proposed drill site.

XIII. POPULATION AND HOUSING

- A. Would the project induce substantial population growth either directly or indirectly?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The Applicant's Operational Statement indicates that not more than five (5) short term accommodation travel trailers will be set up on site during the drilling and completion operations.

- B. Would the project displace substantial numbers of existing housing; or
- C. Would the project displace substantial numbers of people, necessitating the construction of housing elsewhere?

FINDING: NO IMPACT:

The project will not result in an increase of housing or population either directly or indirectly, and is therefore not expected to result in the displacement of any housing or people in the vicinity of the project site.

XIV. PUBLIC SERVICES

- A. Would the project result in substantial adverse physical impacts associated with the provision of new or physically-altered public facilities in the following areas:

1. Fire protection?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The Fresno County Fire Protection District reviewed this proposal and expressed no concerns with the project.

2. Police protection;
3. Schools;
4. Parks; or
5. Other public facilities?

FINDING: NO IMPACT:

No new or physically altered public facilities will be necessitated by this proposal, and no other impacts on the provision of facilities or services were identified by any agencies in the project analysis.

XV. RECREATION

- A. Would the project increase the use of existing neighborhood and regional parks; or
- B. Would the project require the construction of or expansion of recreational facilities?

FINDING: NO IMPACT:

No increase in the use of existing neighborhood and regional parks is anticipated, nor will the construction of or expansion of recreational facilities be required with this proposal.

XVI. TRANSPORTATION/TRAFFIC

- A. Would the project conflict with any applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation; or
- B. Would the project conflict with an applicable congestion management program, including, but not limited to, level of service standards and travel demands measures?

FINDING: LESS THAN SIGNIFICANT IMPACT:

According to the applicants operational statement there are three phases to the project proposal. First, the site preparation phase will take up to five days and require up to five employees. Accordingly, preparation of the site will generate up to ten one-way employee trips (five round trips per day) for up to five days.

The drilling and testing phase will take up to will generate up to 70 total one-way truck trips (35 round trips per day) to deliver equipment and supplies to the project site, including up to five short term accommodation travel trailers and two hydraulic cranes for setting up the drilling rig. Drilling activities will be conducted 24 hours per day for up to 21 days, per well, and up to 15 employees will be on-site at any given time during drilling operations. Up to 5 truck trips per day will be required to support drilling operations. The drilling of the exploratory wells will generate up to 30 one-way employee trips (15 round trips per day) for up to 63 days (up to 21 days for each well).

If drilling is successful, the subsequent installation of production facilities is expected to take up to 15 days and require up to ten employees and accordingly generate up to 20 one-way employee trips (ten round trips per day) for up to 15 days. During the subsequent production phase of the project, the site will be inspected on a daily basis and up to three trucks will be required to remove oil from the site twice per week. The production phase is expected to generate two one-way inspection trips per day (one round trip per day), year round, and up to 12 one-way truck trips per week (six round trips per week), year round to remove oil from the project site.

This project proposal was reviewed by the Design Division of the Fresno County Department of Public Works and Planning, which expressed no traffic related concerns with the project, and a Traffic Impact Study was not required by this agency.

- C. Would the project result in a change in air traffic patterns?

FINDING: NO IMPACT:

The project proposal will not result in a change in air traffic patterns.

- D. Would the project substantially increase traffic hazards due to design features; or

- E. Would the project result in inadequate emergency access?

FINDING: LESS THAN SIGNIFICANT IMPACT:

Road Maintenance and Operations Section, Development Services Division has reviewed this application and offers the following comments; The nearest County maintained public road is Jameson Avenue, which is located about two and one-half miles east of the project site. The applicant should demonstrate that appropriate access easements to the subject property exist or are provided. The applicants submitted operational statement indicates that access to the project site will be from Jameson Avenue and then west on a farm road roughly aligned with Floral Avenue.

- F. Would the project conflict with adopted plans, policies or programs regarding public transit, bicycle or pedestrian facilities or otherwise decrease the performance or safety of such facilities?

FINDING: NO IMPACT:

The project will not conflict with any adopted alternative transportation plans. No such impacts were identified in the project analysis.

XVII. UTILITIES AND SERVICE SYSTEMS

- A. Would the project exceed wastewater treatment requirements; or
- B. Would the project require construction of or the expansion of new water or wastewater treatment facilities?

FINDING: LESS THAN SIGNIFICANT IMPACT:

See discussion in Section VI.E Geology and Soils.

- C. Would the project require or result in the construction or expansion of new storm water drainage facilities?

FINDING: LESS THAN SIGNIFICANT IMPACT:

See discussion in Section VI.B Geology and Soils.

- D. Would the project have sufficient water supplies available from existing entitlements and resources, or are new or expanded entitlements needed?

FINDING: LESS THAN SIGNIFICANT IMPACT:

See discussion in Section IX.B Hydrology and Water Quality.

- E. Would the project result in a determination of inadequate wastewater treatment capacity to serve project demand?

FINDING: LESS THAN SIGNIFICANT IMPACT:

See discussion in Section VI.E Geology and Soils.

- F. Would the project be served by a landfill with sufficient permitted capacity; or

- G. Would the project comply with federal, state and local statutes and regulations related to solid waste?

FINDING: NO IMPACT:

No such impacts were identified in the project analysis.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

- A. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California prehistory or history?

FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

The discussion of this project in section IV identified no potentially significant impacts to the quality of the environment, or potential to substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California prehistory or history.

- B. Does the project have impacts that are individually limited, but cumulatively considerable?

FINDING: NO IMPACT:

No cumulatively considerable impacts were identified in the project analysis.

- C. Does the project have environmental impacts which will cause substantial adverse effects on human beings, either directly or indirectly?

FINDING: NO IMPACT:

No environmental impacts, which will cause substantial adverse effects on human beings, either directly or indirectly, were identified in the project analysis.

CONCLUSION/SUMMARY

Based upon the Initial Study prepared for Unclassified Conditional Use Permit Application No. 3549, staff has concluded that the project will not have a significant effect on the environment. It has been determined that there would be no impacts to Mineral Resources, Population and Housing, or Recreation.

Potential impacts related to Air Quality, Biological Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use Planning, Noise, Public Services, Transportation/ Traffic, and Utilities and Service Systems have been determined to be Less the Significant.

Potential impacts relating to Aesthetics, Athletics, Agricultural and Forestry Resources, and Cultural Resources have been determined to be less than significant with the identified Mitigation Measures.

A Mitigated Negative Declaration/Negative Declaration is recommended and is subject to approval by the decision-making body. The Initial Study is available for review at 2220 Tulare Street, Suite A, Street Level, located on the southeast corner of Tulare and "M" Street, Fresno, California.

JS

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County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

May 9, 2017

The Termo Company
3275 Cherry Avenue
Long Beach CA 90807

Dear Applicant:

Subject: Resolution No. 12639 - Initial Study Application No. 7223 and Unclassified
Conditional Use Permit Application No. 3549

On March 30, 2017, the Fresno County Planning Commission approved your Unclassified Conditional Use Permit with Conditions. A copy of the Planning Commission Resolution is enclosed.

Since no appeal was filed with the Clerk to the Board of Supervisors within 15 days, the Planning Commission's decision is final.

The approval of this project will expire two years from the date of approval unless a determination is made that substantial development has occurred. When circumstances beyond the control of the Applicant do not permit compliance with this time limit, the Commission may grant an extension not to exceed one additional year. Application for such extension must be filed with the Department of Public Works and Planning before the expiration of the Unclassified Conditional Use Permit.

If you have any questions regarding the information in this letter please contact me at jshaw@co.fresno.ca.us or 559-600-4207.

Sincerely,

Jeremy Shaw, Planner
Development Services Division

JS:ksn
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Enclosure



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December 10, 2018

Mr. Jeremy Shaw, Planner
Fresno County Department of Public Works and Planning
Development Services and Capital Projects Division
2220 Tulare Street, 6th Floor
Fresno, CA 93721

Re: CUP #3549 – Walrond 4-5 Project - Application for Time Extension

Dear Mr. Shaw,

The purpose of this letter to outline The Termo Company's (Applicant) need for a one year time extension for the implementation of the above referenced Conditional Use Permit (CUP).

The Walrond 4-5 Project is for the drilling of between one and three exploratory oil and gas wells in an agricultural area and near other active oil and gas wells. The Project CUP was approved by County staff on March 30, 2017 and will expire on March 30, 2019. At the time of approval the price of crude oil was still recovering from its collapse in early 2016. This economic uncertainty made it too risky for Termo to develop this Project. In addition to the economic considerations, Termo was focused on maintaining and improving the wells it had already drilled and completed in Fresno County and building out our approved projects and infrastructure.

We now see an opportunity to implement this project as the market conditions are much more favorable and our existing and future operations in Fresno County continue to develop positive momentum. As such, we are hopeful the Planning Commission will grant us this extension.

Please do not hesitate to contact me with any questions or requests for additional information. My direct line is (562) 279-1955 or by email at ralphc@termoco.com.

Sincerely,

Ralph E. Combs
Manager of Regulatory and Government Affairs
The Termo Company

Encl: Application for Time Extension, Payment

Cc: DLM Partners, Landowner
Mr. Neil Ormond, Consultant