



County of Fresno

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

Planning Commission Staff Report Agenda Item No. 5 February 16, 2017

SUBJECT: Initial Study Application No. 7190 and Unclassified Conditional Use Permit Application No. 3544

Allow a petroleum oil/gas production facility on a 1.6-acre portion of a 315.15-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District. A prior exploratory gas well was approved for the site under Conditional Use Permit No. 3420.

LOCATION: The subject parcel is located on the north side of Mount Whitney Avenue, between the Butte Avenue alignment and the Lake Avenue Alignment, approximately two miles west of the unincorporated community of Five Points (SUP. DIST. 1) (APN 050-080-11S).

OWNER/APPLICANT: Temblor Petroleum Company, LLC

STAFF CONTACT: Christina Monfette, Planner
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Chris Motta, Principal Planner
(559) 600-4227

RECOMMENDATION:

- Adopt the Mitigated Negative Declaration prepared for Initial Study (IS) Application No. 7190; and
- Approve Unclassified Conditional Use Permit No. 3544 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. 7190

SITE DEVELOPMENT AND OPERATIONAL INFORMATION:

Criteria	Existing	Proposed
General Plan Designation	Agriculture	No Change
Zoning	AE-20 (Exclusive Agricultural, 20-acre minimum parcel size)	No Change
Parcel Size	315.15 acres	No Change
Project Site	Exploratory petroleum oil and natural gas well on a 1.6-acre portion of a 315.15-acre parcel	Productive petroleum/gas facility on a 1.6-acre portion of a 315.15-acre parcel
Structural Improvements	152-foot-tall drilling rig; 3,125 square-foot mud sump; two 280 square-foot pipe bins; 480 square-foot walkway; 64 square-foot, six-foot-deep well cellar containing the wellhead; two mud pumps; diesel-powered generator; and 350 square-foot employee trailer	One pumping jack (15 feet to 18 feet tall when fully extended) located on the top of the wellhead, a three-phase separator (five feet by three feet by ten feet), a heater/separator (if needed, ten feet by six feet), two 1,000-barrel (bbl) storage tanks for water (21 feet by 16 feet), two 2,000-bbl storage tanks (25 feet by 24 feet) for oil, and a flare stack
Nearest Residence	Approximately 1,520 feet southeast of the well location	No change

Criteria	Existing	Proposed
Surrounding Development	The unincorporated community of Five Points is located approximately two miles east of the subject parcel, the intersection of State Route 145 (Fresno Coalinga Road) and State Route 269 (Lassen Avenue) is located approximately two miles to the east, an agricultural fertilizer manufacturing operation is located approximately one mile to the southeast, and the San Luis Drain is located approximately two and a half miles to the northeast.	No Change
Operational Features	Drilling of the exploratory well will be conducted 24 hours per day for 25 days. All drilled cuttings (solid and liquid) will be transported off site to an approved solid waste disposal facility.	In the initial phase of the production, three to five vacuum trucks per day will remove oil and water from the location. Up to ten trucks per day may be used. Trucking will take place during daytime hours. Production process will be monitored on a 24-hour basis with an employee present at all times.
Employees	Four-person crews supervised by a foreman and an Applicant Representative will operate the drilling rig during three 8-hour shifts per day for 25 days.	Two on-site employees
Customers	No customers on site	No change
Traffic Trips	Up to 70 one-way truck trips per day (35 round trips per day) during assembly of the drilling rig which will take approximately two days to complete Up to 36 one-way employee trips per day (18 round trips per day) during exploratory drilling which will take approximately 25 days to complete Up to ten one-way truck trips per	Up to ten daily round-trip vacuum track trips during peak well productivity.

Criteria	Existing	Proposed
	day (5 round trips per day) during the project for the delivery of various equipment and supplies to the exploratory well site	
Lighting	Lighting of the 1.6-acre project site during site preparation and drilling operations	Low voltage safety lighting at the 1.6-acre project site
Hours of Operation	24 hours per day for the life of the project	No change

EXISTING VIOLATION (Y/N) AND NATURE OF VIOLATION: N

ENVIRONMENTAL ANALYSIS:

An Initial Study (IS) was prepared for the project by County staff in conformance with 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 included as Exhibit 8.

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:

An Unclassified Conditional Use Permit (CUP) 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 CUP Application is final, unless appealed to the Board of Supervisors within 15 days of the Commission's action.

BACKGROUND INFORMATION:

Unclassified Conditional Use Permit No. 3420 was approved by the Planning Commission on May 22, 2014, which authorized the drilling of an exploratory petroleum oil and natural gas well on a 1.6-acre (70,000 square feet) portion of a 315.15-acre parcel. The well was drilled and completed in April 2016.

Since that time, the approved exploratory well has proven successful and the current application is proposing to allow a production facility in the same location. There is no expansion to the existing pad and the Applicant is proposing to use the existing access road to access the site.

It is noted that Unclassified Conditional Use Permit Application No. 3208 was approved by the Planning Commission on October 11, 2007, authorizing the same Applicant to drill an exploratory petroleum oil and natural gas well on the subject parcel. In that instance, neither oil

nor natural gas was discovered at the site and said exploratory well was plugged and abandoned in compliance with the California Department of Conservation, Division of Oil, Gas and Geothermal Resources regulations.

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 Street Side: 35 feet Rear: 20 feet	Front (southern property line): 1,800 feet Street Side (eastern property line): 400 feet Street Side (western property line): 5,200 feet Rear (northern property line): 400 feet	Yes
Parking	No requirement	N/A	N/A
Lot Coverage	No requirement	N/A	N/A
Space Between Buildings	Six-foot minimum	N/A	N/A
Wall Requirements	No requirement	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: 150 feet	N/A	N/A

Reviewing Agency/Department Comments Regarding Site Adequacy:

Water/Geology/Natural Resources Section of the Fresno County Department of Public Works and Planning: The project is not located in a low-water area; there are no water quality issues.

Westlands Water District: The District has no objections to the petroleum production facility; however, prior to initiating construction, the Applicant should be required to contact Underground Service Alert so District Staff can locate and mark its facilities. The District has water distribution Lateral 18-8.5 in the vicinity of the proposed petroleum production facility location.

Zoning Section of the Fresno County Department of Public Works and Planning: Part of the subject parcel is located in Flood Zone “A”. This project is subject to the school development fee for Riverdale Unified.

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

Analysis:

Staff review of the Site Plans demonstrates that the proposed improvements satisfy the minimum building setback requirements of the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District. The boundaries of the proposed 1.6-acre project site will be set back at least 1,800 feet from the southern property line of the subject parcel (35 feet required), at least 5,200 feet from the western property line (35 feet required), at least 400 feet from the northern property line (20 feet required) and at least 400 feet from the eastern property line (20 feet required).

The proposed production well site is identical to the exploratory well that was approved by Conditional Use Permit No. 3420. Previous improvements included a 152-foot-tall drilling rig, a 3,125 square-foot mud sump, two 280 square-foot pipe bins, 480 square-foot walkway, 64 square-foot, six-foot-deep well cellar containing the wellhead, two mud pumps, diesel-powered generator, and 350 square-foot employee trailer. The current application proposes the following improvements: one pumping jack (15 feet to 18 feet tall when fully extended) located on the top of the wellhead, a three-phase separator (five feet by three feet by ten feet), a heater/separator (if needed, 10 feet by 6 feet), two 1,000-barrel (bbl) storage tanks for water (21 feet by sixteen feet), two 2,000-bbl storage tanks (25 feet by 24 feet) for oil, and a flare stack.

This application is proposing a change in use of the existing site from an exploratory well to a production well and there is no expansion to the existing project site.

Staff finds the proposed parcel 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	Butte Avenue alignment Lake Avenue alignment	No change
Public Road Frontage	Yes	Mount Whitney Avenue: Good condition	No change

		Existing Conditions	Proposed Operation
Direct Access to Public Road	Yes	Mount Whitney Avenue	Access to the production facility will be from Mount Whitney Avenue via the Lake Avenue alignment, and a proposed 20-foot-wide on-site access road will connect the well location to the Lake Avenue alignment.
Road ADT		Mount Whitney Avenue: 1,600 Butte Avenue alignment: unknown (private road) Lake Avenue alignment: unknown (private road)	Minimal traffic increase during the life of the project
Road Classification		Mount Whitney Avenue: Expressway Butte Avenue alignment: N/A (private road) Lake Avenue alignment: N/A (private road)	No change
Road Width		Mount Whitney Avenue: 80 feet Butte Avenue alignment: unknown (private road) Lake Avenue alignment: unknown (private road)	No change
Road Surface		Mount Whitney Avenue: Paved (pavement width: 24.1 feet) Butte Avenue alignment: unimproved - dirt Lake Avenue alignment: unimproved - dirt	No change

		Existing Conditions	Proposed Operation
Traffic Trips		<p>Up to 70 one-way truck trips per day (35 round trips per day) during assembly of the drilling rig which will take approximately two days to complete</p> <p>Up to 36 one-way employee trips per day (18 round trips per day) during exploratory drilling which will take approximately 25 days to complete</p> <p>Up to ten one-way truck trips per day (5 round trips per day) during the project for the delivery of various equipment and supplies to the exploratory well site</p>	Up to ten round-trip vacuum track trips daily during peak well productivity
Traffic Impact Study (TIS) Prepared	No	N/A	None required
Road Improvements Required		N/A	None required

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

Building Safety/Plan Check Section of the Fresno County Department of Public Works and Planning: If approved, plans, permits, and inspections will be required.

Development Engineering Section of the Fresno County Department of Public Works and Planning: Butte Avenue and Lake Avenue are private roads and are not County-maintained. Mount Whitney is a County-maintained road that is classified as an Expressway with an existing 40-foot right-of-way north of the section line, per Plat Book. The minimum right-of-way north of the section line for an Expressway is 63 feet.

Typically, direct access from a rural Expressway to abutting agricultural parcels of twenty (20) or more acres may be permitted, in which case turnaround facilities on the agricultural property shall be required. Direct access from a rural Expressway to abutting agricultural commercial centers, agricultural parcels of less than twenty (20) acres, and nonagricultural uses will be prohibited. The County shall control access by acquiring access rights or by establishing design requirements on new developments to limit access to frontage or other roads. If not already present, a ten-foot by ten-foot corner cut-off should be improved for sight distance purposes at any proposed driveway accessing Lake Avenue.

According to FEMA FIRM Panel 2825H, the southerly portion of the parcel is located within Flood Zone A, subject to flooding from the 100-year storm. No net import of fill shall be allowed

within the flood zone. Any work within the designated flood zones shall conform to provisions established in Chapter 15.48 Flood Hazard Areas of the Fresno County Ordinance.

The U.S.G.S. Quad Maps show there are existing natural drainage channels adjacent to the parcel. Records indicate that the subject area is within an Agricultural Preserve. Any construction or new development proposed may require approval from Policy Planning.

Typically, any additional runoff generated by the proposed development of this site cannot be drained across property lines and must be retained or disposed of per County Standards. A grading permit or voucher may be required for this project.

Road Maintenance and Operations Division of the Fresno County Department of Public Works and Planning: There is no public road right-of-way along the Lake Avenue alignment. The Applicant shall ensure that they have access rights to the dirt road along this alignment.

All construction materials, equipment, and employee vehicles used in the operation shall be stored and/or parked outside of the County road right-of-way. Any work within the road right-of-way shall require that the Applicant obtain an encroachment permit from this Division.

A grizzly and/or gravel pad shall be installed as a mitigation measure to minimize sediment transport from vehicles and equipment onto the County roadway. Any sediment material transported onto the roadway shall be cleaned on a daily basis.

Storm water that is generated within the work area on site shall be retained on site and not be allowed to flow into the County road right-of-way.

This project was reviewed by the California Department of Transportation and the Fresno County Department of Public Works and Planning Design Division, who had “no comment”. 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 Mount Whitney Avenue via the Lake Avenue alignment and an existing 20-foot-wide on-site access road. Mount Whitney Avenue is classified as an Expressway and has a total existing right-of-way of 80 feet, with 40 feet north and 40 feet south of the section line along the frontage of the subject parcel. However, considering that the project is limited in scope to the operation of a production oil/gas well facility, no additional right-of-way dedication will be required for this proposal.

Review of the Applicant’s operational statement indicates a lower number of truck trips operating from the production well facility than were operating under the exploratory well permit (CUP No. 3420). Review of the proposal by the Road Maintenance and Operations Division and the Transportation Planning Division did not indicate the need for a Traffic Impact Study to analyze impacts to County Roads, based on the low estimate of traffic trips.

The Initial Study prepared for this application indicated that the project could cause potential adverse impacts to County Roads due to the tracking of stones from the project site onto the Expressway. Therefore, a mitigation measure was incorporated into the project which requires that the Applicant install a grizzly and/or gravel pad where the Lake Avenue alignment intersects Mount Whitney Avenue to minimize sediment transport.

That part of the subject parcel that is at risk of flooding from the 100-year storm is outside the project area.

Based on the above information, and with adherence to the Mitigation Measure and project Notes described above, staff believes the surrounding streets and highways serving the parcel will be adequate to accommodate the proposed use.

Recommended Conditions of Approval:

See Mitigation Measures 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	160.00 acres	Field crops	AE-20	None
	160.00 acres	Field crops	AE-20	None
South	158.79 acres	Field crops	AE-20	None
	466.34 acres	Field crops	AE-20	None
East	150.12 acres	Field crops	AE-20	None
	26.86 acres	Single-family residences Field crops	AE-20	1,520 feet southeast of the well location
West	317.58 acres	Field crops	AE-20	None

Reviewing Agency/Department Comments:

California Department of Conservation, Division of Oil, Gas and Geothermal Resources (Division): The Division has no comment on this particular project at this time. Initial applications for “Authorities to Construct” will be required by the San Joaquin Valley Unified Air Pollution Control District (Air District). Once constructed and permitted to operate by the Air District, the Division will include the new facilities in accordance with regulations provided in AB 1960; tank testing is not required for tanks younger than five years of age. Leak-detection systems, however, are required for all tanks and associated facilities.

Fresno County Department of Public Health, Environmental Health Division: 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. The default State reporting thresholds that apply are: >55 gallons (liquids), >500 pounds (solids), >200 cubic feet (gases), or at the threshold planning quantity for extremely hazardous substances.

All hazardous waste shall be handled in accordance with requirements set forth in the California Code of Regulations (CCR), Title 22, Division 4.5. This Division discusses proper labeling, storage and handling of hazardous wastes.

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.

Fresno County Fire Protection District: Fresno County Fire Protection District (FCFPD) has received notice of this project, and has not identified any significant concerns. FCFPD has no comment for this project at this time. If future development is sought, the project/development shall annex to Community Facilities District No. 2010-01 of the Fresno County Fire Protection District. The project/development will also be subject to the requirements of the current Fire Code and Building Code when a building permit or certificate of occupancy is sought.

This project was reviewed by the following departments, which had "no comment": Fresno County Department of Agriculture, San Joaquin Valley Air Pollution Control District, and Fresno County Sheriff's Office. No other comments specific to land use compatibility were expressed by reviewing Agencies or Departments.

Analysis:

The subject parcel is located in an area marked by relatively large parcel sizes and few residential land uses. The unincorporated community of Five Points is located approximately two miles east of the subject parcel, and the intersection of State Route 145 (Fresno Coalinga Road) and State Route 269 (Lassen Avenue) is located approximately two miles to the east. Additionally, an agricultural fertilizer manufacturing operation is located approximately one mile southeast of the subject parcel, and the San Luis Drain is located approximately two and a half miles to the northeast. The subject parcel is not located along a designated Scenic Highway, and no scenic vistas or scenic resources were identified in the analysis.

Improvements visible from the public road approved under the exploratory permit (CUP No. 3420) include the 152-foot drilling rig, pipe bins, and employee trailer. Proposed visual improvements include the 14.5-foot flare stack and the 15- to 18-foot pumping jack. These visual impacts are much less imposing than what was previously approved. Additionally, the improvements will be in place for only so long as the well continues to be productive. A mitigation measure has been incorporated into the project which requires that the project site be returned as close as possible to its original state after the completion of drilling. This includes the removal of all drill equipment.

Based on the above information and with adherence to the Mitigation Measure and Project Notes identified above, staff believes the proposal will not have an adverse effect upon surrounding properties.

Recommended Conditions of Approval:

See *Mitigation Measures and Project Notes 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 LU-A.3: The County may allow by discretionary permit in areas designated as Agricultural, special agricultural uses and agriculturally-related activities, including value-added processing facilities, and certain non-agricultural uses listed in Table LU-3. Approval of these and similar uses in areas designated as Agricultural shall be subject to the following criteria:</p> <ul style="list-style-type: none">a. The use shall provide a needed service to the surrounding agricultural area which cannot be provided more efficiently within urban areas or which requires location in a non-urban area because of unusual site requirements or operational characteristics;b. The use should not be sited on productive agricultural lands if less-productive land is available in the vicinity;c. The operational or physical characteristics of the use shall not have a detrimental impact on water resources or the use or management of surrounding properties within at least one quarter (1/4)-mile radius;d. A probable workforce should be located nearby or be readily available;e. For proposed agricultural commercial center uses, the following additional criteria shall apply [...]f. For proposed value-added agricultural processing facilities [...].g. For proposed churches and schools, [...].h. When approving a discretionary permit for an existing commercial use, the criteria listed above shall apply except for LU-A.3b, e2, e4, and e5.	<p>Table LU-3 lists certain oil and gas development activities as a typical use allowed in areas designated Agriculture, subject to policies in Section OS-C, Mineral Resources. Compatibility with those sections is discussed in this table.</p> <ul style="list-style-type: none">a. The operation of a productive oil well site requires a site where an exploratory well has proven successful.b. The productive well site must be placed in the same location as the exploratory well.c. Initial Study No. 7190 reviewed this application for adverse impacts to groundwater resources and the project was determined to have no impact to water quantity in the surrounding area.d. The Applicant has established employees currently working at the exploratory drill site. It is probable that the owner will use those employees to work at the productive drill site.e. f. and g. This proposal is not for an agricultural commercial center, a value-added agricultural processing facility, a church, or a school.h. This application is for a new use on an existing site.

Relevant Policies:	Consistency/Considerations:
General Plan Policy LU-A.4: The County shall require that the recovery of mineral resources and the exploration and extraction of oil and natural gas in areas designated Agriculture comply with the Mineral Resources Section of the Open Space and Conservation Element.	Review of relevant policies from the Mineral Resources Section of the Open Space and Conservation Element of the Fresno County General Plan is included in this table.
General Plan Policy OS-C.13: 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.	The subject discretionary land use application (Conditional Use Permit No. 3544) satisfies this policy. As part of the review for this application, an Initial Study was prepared to determine potential environmental impacts from approval of this project. No adverse impacts on surrounding land or land uses were identified in the course of that analysis.
General Plan Policy OS-C.18: The County shall establish procedures to ensure that exploration and recovery of mineral resources, including oil and natural gas, will occur under appropriate locational and operational standards within areas designated Agriculture and Westside Rangeland.	The County has adopted Zoning Ordinance Section 857, which outlines the Regulations for Oil Drilling and Gas Development in All Districts. Analysis of the project’s consistency with these policies will follow in the “Analysis” section below.

Reviewing Agency Comments:

Policy Planning Section of the Fresno County Department of Public Works and Planning: APN 050-080-11S is restricted under a Williamson Act Contract, Agricultural Land Conservation Contract (ALCC) No. 1512.

The proposed oil/gas production facility on a 1.6-acre portion of the 315.15-acre parcel is considered a compatible use on land enrolled in the Williamson Act program. The proposed operation will occupy a small portion of the subject parcel, which meets the Williamson Act statute’s compatibility standards.

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

Analysis:

The subject parcel is designated for Agriculture in the Fresno County General Plan.

General Plan Policy LU-A.3 states that the opportunities for non-agricultural uses, or value-added agricultural uses may be permitted on land that is designated for Agriculture. This project proposes to use a 1.6-acre portion of the subject parcel for a production oil facility, which is a use listed in table LU-3.

Criteria (a) and (b) of this policy relate to the siting of this project. CUP No. 3420 was approved by the Planning Commission on May 22, 2014 to allow an exploratory petroleum oil and natural gas well on the project site. Since that time, the exploratory well has proven to be successful and the Applicant has applied for CUP No. 3544 to permit the recovery of the oil from the well. It is necessary for this project to be sited in this location because this is where the Applicant discovered oil. Therefore, this application is consistent with Criteria (a) and (b).

Criteria (c) of this policy requires that the project will not have a detrimental impact on water use or management within at least one quarter-mile of the project site. There are no residences within that distance, and an agricultural fertilizer manufacturing operation is located at the intersection of South Lake Avenue and North Mount Whitney Avenue, immediately east of the subject parcel. The Initial Study prepared for this application did not identify any adverse impacts on groundwater sustainability from this project and therefore, the application is consistent with this policy.

Criteria (d) through (g) relate to specific types of development projects: agricultural commercial centers, value-added agricultural processing facilities, and churches or schools. This application is proposing an oil drilling facility and therefore these criteria do not apply.

Criteria (h) relates to projects in which a discretionary permit is being considered for an existing commercial use. Since the prior application processed for this site was for an exploratory well and not a commercial use, this criteria does not apply. This application is consistent with Policy LU-A.3.

General Plan Policy LU-A.4 requires that the approval of a land use permit for the extraction of oil and natural gas in areas designated for agriculture are consistent with the Mineral Resources Section of the Fresno County General Plan. In general, this application is consistent with those policies; however, a thorough review follows:

The Open Space and Conservation Element of the Fresno County General Plan is divided by types of land use. Those policies that relate to Oil and Gas include Policies OS-C.12 through OS-C.20.

Policy OS-C.12 provides three designations for land within Fresno County as it relates to the regulation of oil and gas development: urban areas, established oil and gas fields, and non-urban areas. These distinctions affect the process for these applications. Since this project is in an area designated as non-urban and since the Applicant has filed for a Conditional Use Permit, this application is consistent with this policy.

Policy OS-C.13 requires a special permit for oil and gas facilities. Approval of this proposal will qualify as such a permit and therefore, the proposed project is consistent with this policy.

Policy OS-C.14 relates to the approval of oil wells in an established oil and gas field. This project is not in such a location and therefore, this policy does not apply.

Policy OS-C.15 relates to the approval of oil refineries and as such, does not apply to this application.

Policy OS-C.16 relates to the approval of manufacturing and marketing activities and as such, does not apply to this application.

Policy OS-C.17 requires the timely reclamation of oil and gas development sites upon termination of such activities. As part of the environmental review of this application, a mitigation measure was placed on the project which requires that the Applicant restore the site as close as possible to its pre-drilling condition within 90 days of termination of drilling activities. With compliance to this mitigation measure, the project is consistent with this policy.

In regard to Policy OS-C.18, compliance to the Zoning Ordinance policies outlined in Section 857 will establish compliance with this policy. As discussed with Policy OS-C.12, this application relates to policies for oil production facilities in non-urban areas. Such uses are permitted subject to approval of a Conditional Use Permit (this application) and also allow for the installation and use of necessary equipment, structures, and facilities. Review of the application by the Zoning and Building Safety Sections of the Department of Public Works and Planning did not identify any conflicts with these policies, and therefore, this application is consistent.

Based on these factors, the subject application is consistent with the General Plan.

Recommended Conditions of Approval:

See Mitigation Measures attached as Exhibit 1.

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 can be made.

Staff therefore recommends approval of Unclassified Conditional Use Permit No. 3544, subject to the Mitigation Measures, recommended Conditions of Approval, and Project Notes attached as Exhibit 1.

PLANNING COMMISSION MOTIONS:

Recommended Motion (Approval Action)

- Move to adopt the Mitigated Negative Declaration prepared for Initial Study Application No. 7190; and
- Move to determine the required Findings can be made and move to approve Unclassified Conditional Use Permit No. 3544 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 No. 3544; 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.

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**Mitigation Monitoring and Reporting Program
Initial Study Application No. 7190/Unclassified Conditional Use Permit Application No. 3544
(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 as not to shine toward adjacent properties and public streets.	Applicant	Applicant/Public Works and Planning (PW&P)	Ongoing
*2.	Agricultural and Forestry Resources	When drilling operations are complete, 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.	Applicant	Applicant/PW&P	Within 90 days of the termination of drilling operations
*3.	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 Commission within 24 hours.	Applicant	Applicant/PW&P	During all ground-disturbing activities
*4.	Transportation/Traffic	Prior to commencing production operations, a grizzly and/or gravel pad shall be installed on the Lake Avenue alignment where the Lake Avenue alignment intersects Mount Whitney Avenue to minimize sediment transport from vehicles and equipment onto Mount Whitney Avenue.	Applicant	Applicant/PW&P	As noted

*MITIGATION MEASURE – Measure specifically applied to the project to mitigate potential adverse environmental effects identified in the environmental document.

Conditions of Approval	
1.	The subject production oil well operation shall be conducted in accordance with the Site Plans and Operational Statement approved by the Planning Commission for Unclassified CUP No. 3544.

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.	Prior to initiating construction, the Applicant shall contact Underground Service Alert to allow Westlands Water District staff to locate and mark their facilities.
2.	Plans, permits, and inspections are required.
3.	If not already present, a ten-foot by ten-foot corner cut-off should be improved for sight distance purposes at any proposed driveway accessing Lake Avenue.
4.	Portions of the parcel are located in Flood Zone A, which is subject to the 100-year storm. Any work performed within the flood zones shall conform to provisions established in Chapter 15.48 Flood Hazard Areas of the Fresno County Ordinance.
5.	Any additional runoff generated by the proposed development of this site cannot be drained across property lines and must be retained or disposed of per County Standards. A grading permit or voucher may be required for this project.
6.	All construction materials, equipment, and employee vehicles used in the operation shall be stored and/or parked outside of the County road right-of-way.
7.	Any work within the road right-of-way shall require that the Applicant obtain an encroachment permit from the Road Maintenance and Operations Division.
8.	Initial applications for "Authorities to Construct" will be required by the San Joaquin Valley Unified Air Pollution Control District (Air District). Once constructed and permitted to operate by the Air District, the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources will include the new facilities in accordance with regulations provided in AB 1960; tank testing is not required for tanks younger than five years of age. Leak-detection systems, however, are required for all tanks and associated facilities.
9.	Within 30 days of the occurrence of any of the following events, the facility must update their Hazardous Materials Business Plan (HMBP) and Site Map on file with the Fresno County Department of Public Health: 1) There is a 100% or more increase in the quantities of a previously-disclosed material; or 2) The facility begins handling a previously-undisclosed material at or above the HMBP threshold amounts. The facility must also certify that a review of the HMBP has been conducted at least once every three years and that any necessary changes were made and that the changes were submitted to the Fresno County Department of Public Health.
10.	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 wastes.
11.	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

Notes	
	accordance with federal, state and local government requirements. Contact the Water Surveillance Program at (559) 600-3357 for more information.
12.	If future development is sought, the project/development shall annex to Community Facilities District No. 2010-01 of the Fresno County Fire Protection District. The project/development also will be subject to the requirements of the current Fire Code and Building Code when a building permit or certificate of occupancy is sought.
13.	The Riverdale Unified School District in which the subject property is located is authorized by State Law to adopt a resolution requiring the payment of construction fees. The Department of Public Works and Planning, Development Services Division requires certifications from the school district that the fees have been paid. An official certification form will be provided by the County when application is made for a building permit.

CMM:ksn
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LOCATION MAP

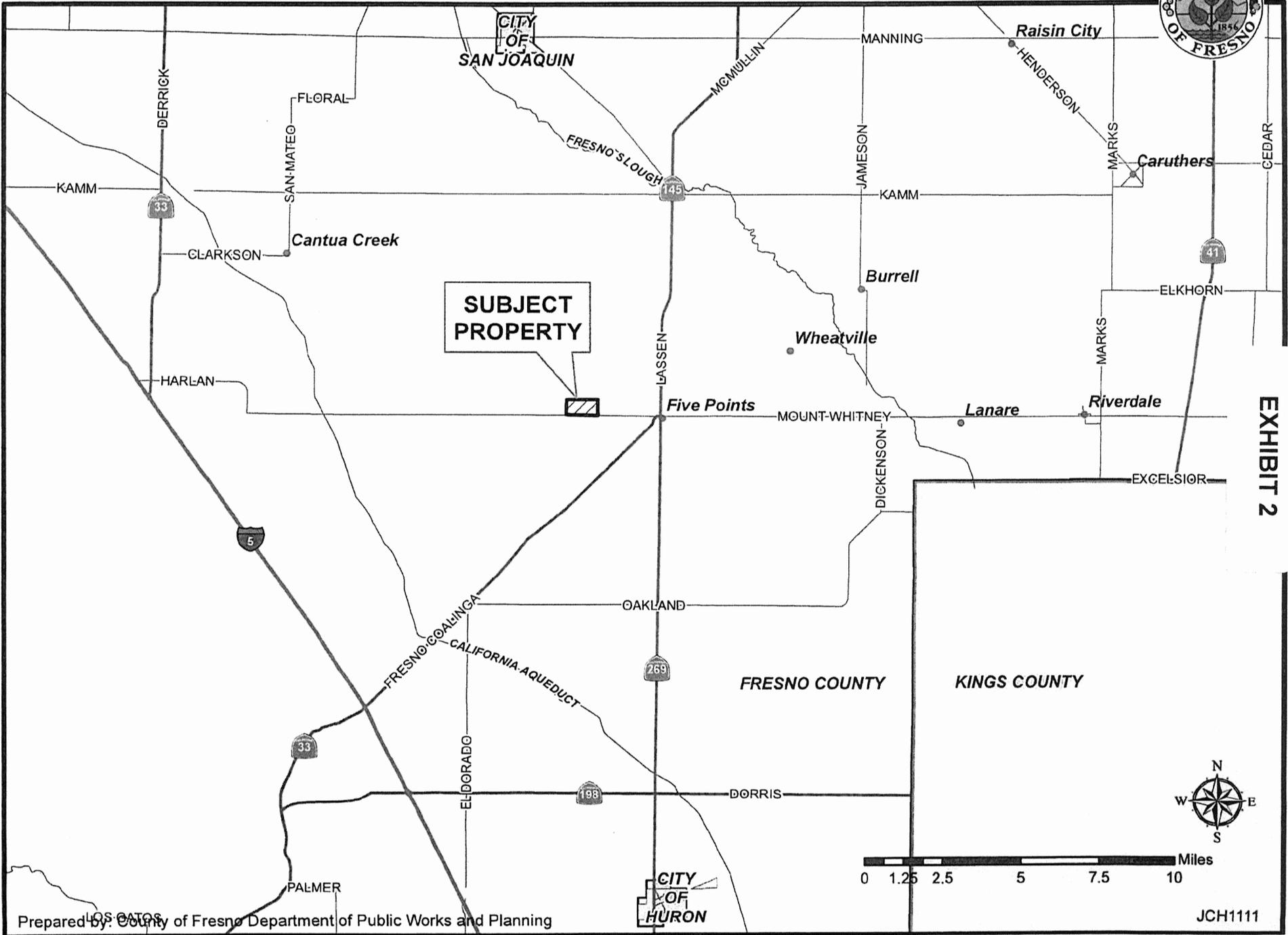


EXHIBIT 2

EXISTING ZONING MAP

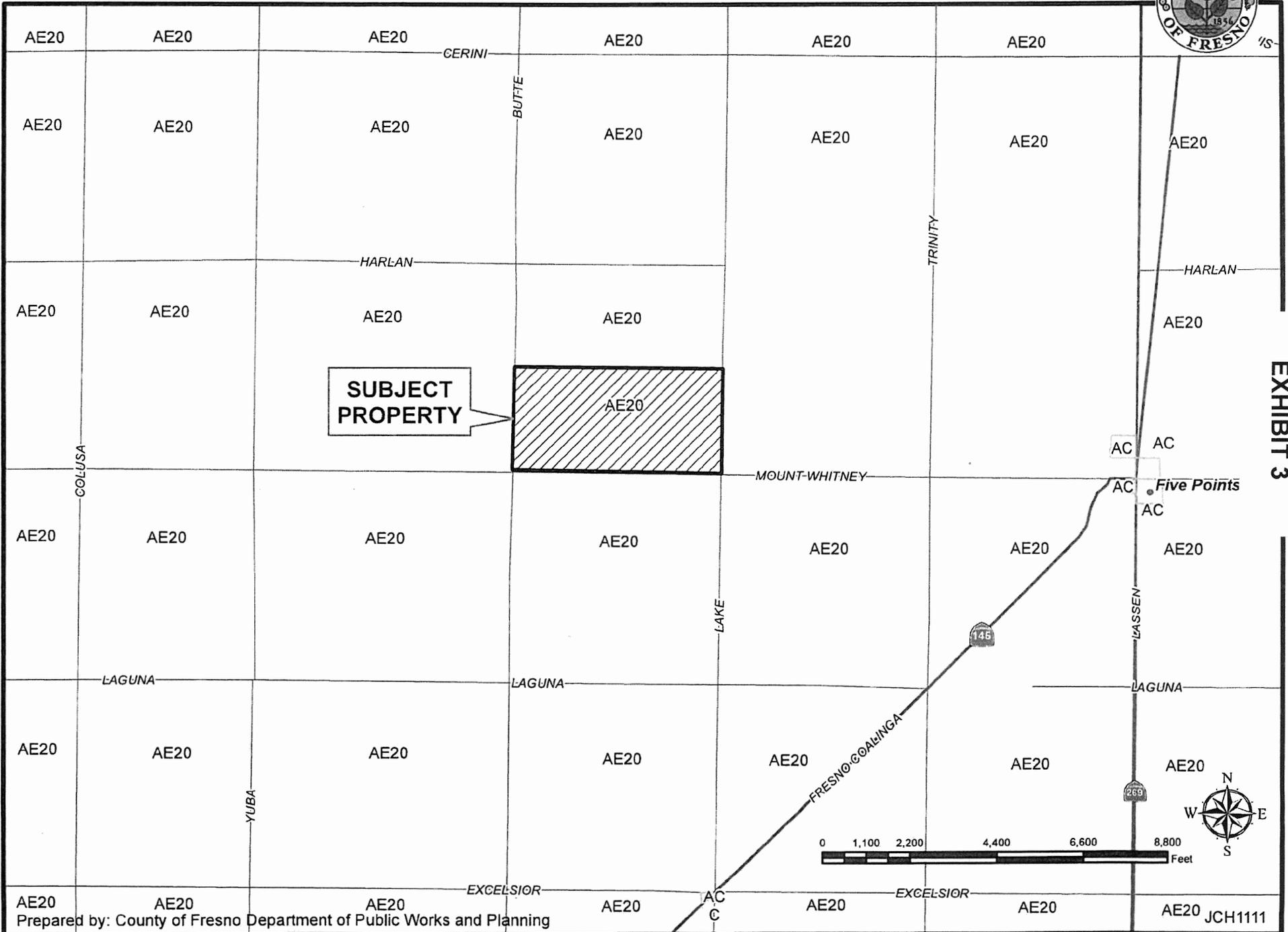
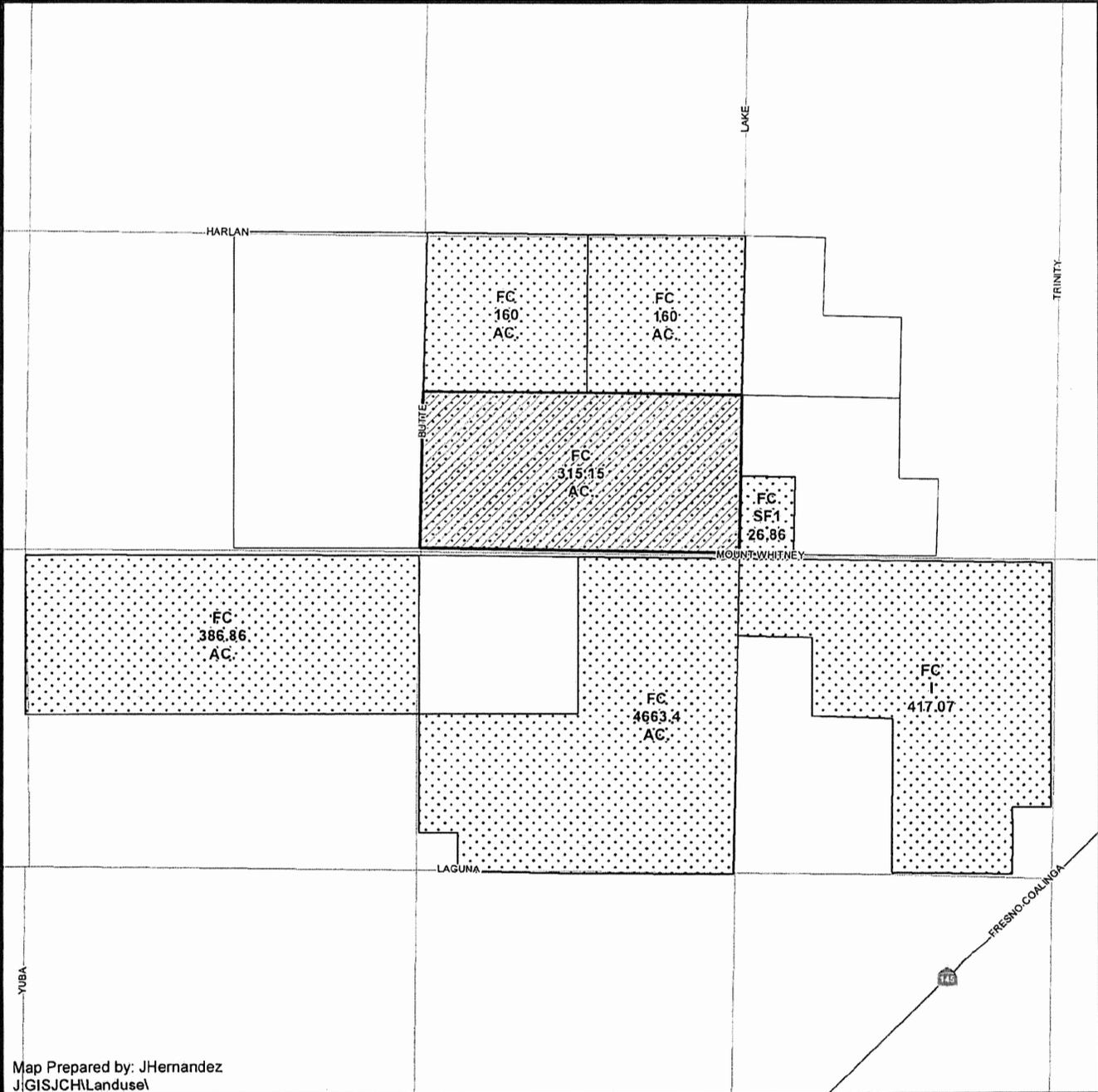


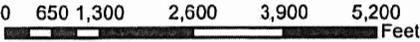
EXHIBIT 3

EXISTING LAND USE MAP



LEGEND
 FC - FIELD CROP
 I - INDUSTRIAL
 SF# - SINGLE FAMILY RESIDENCE
 V - VACANT

LEGEND:
 Subject Property
 Ag Contract Land

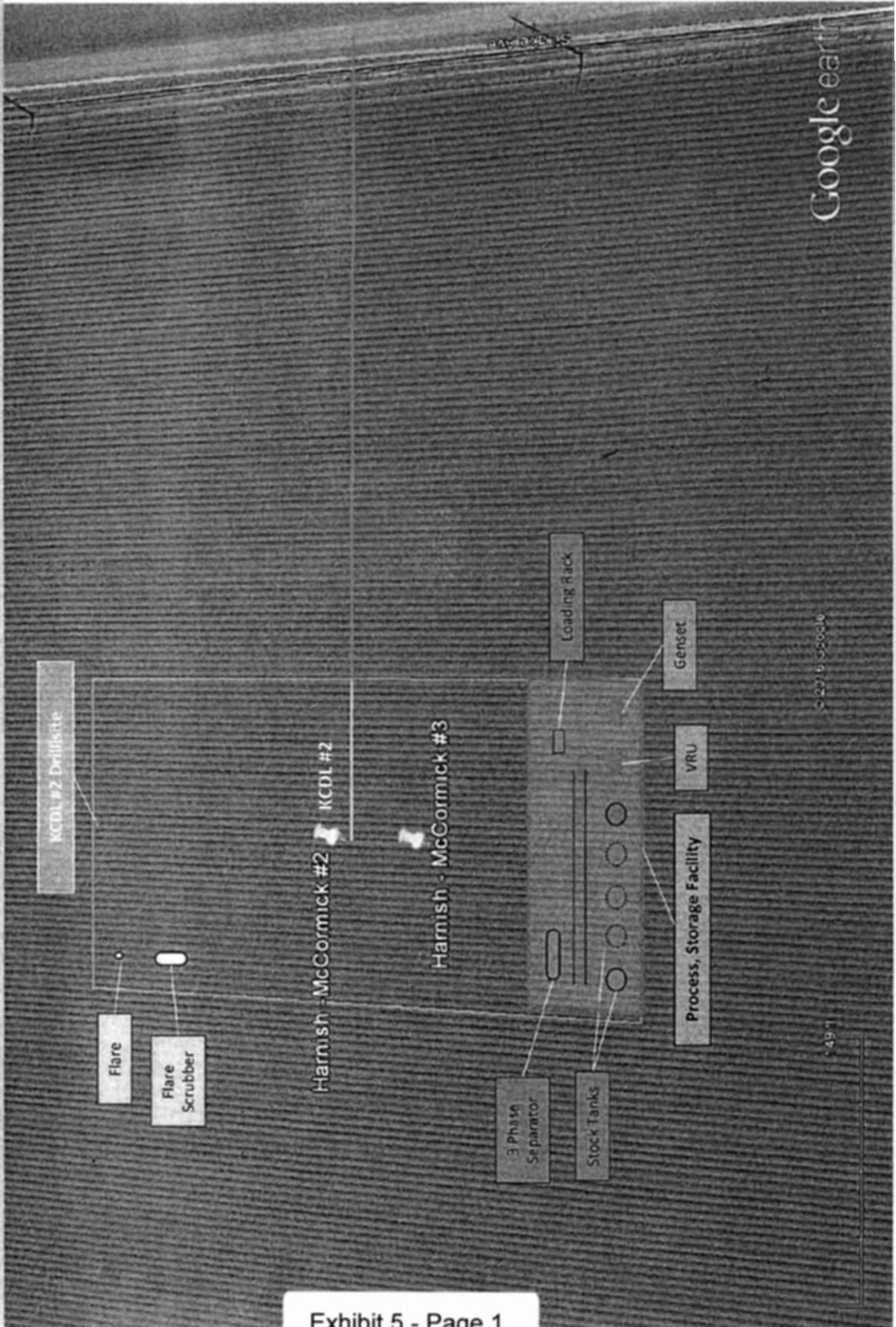


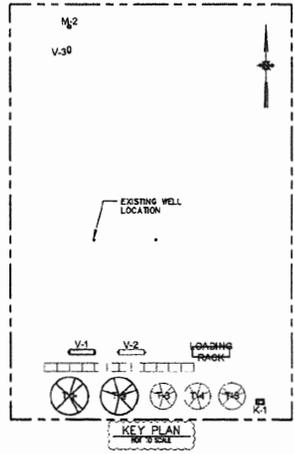
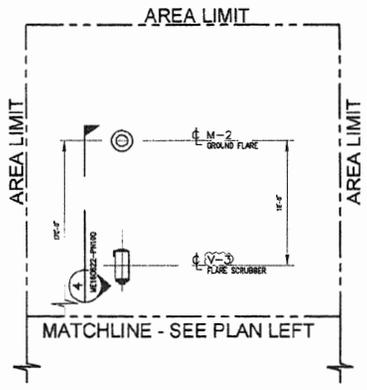
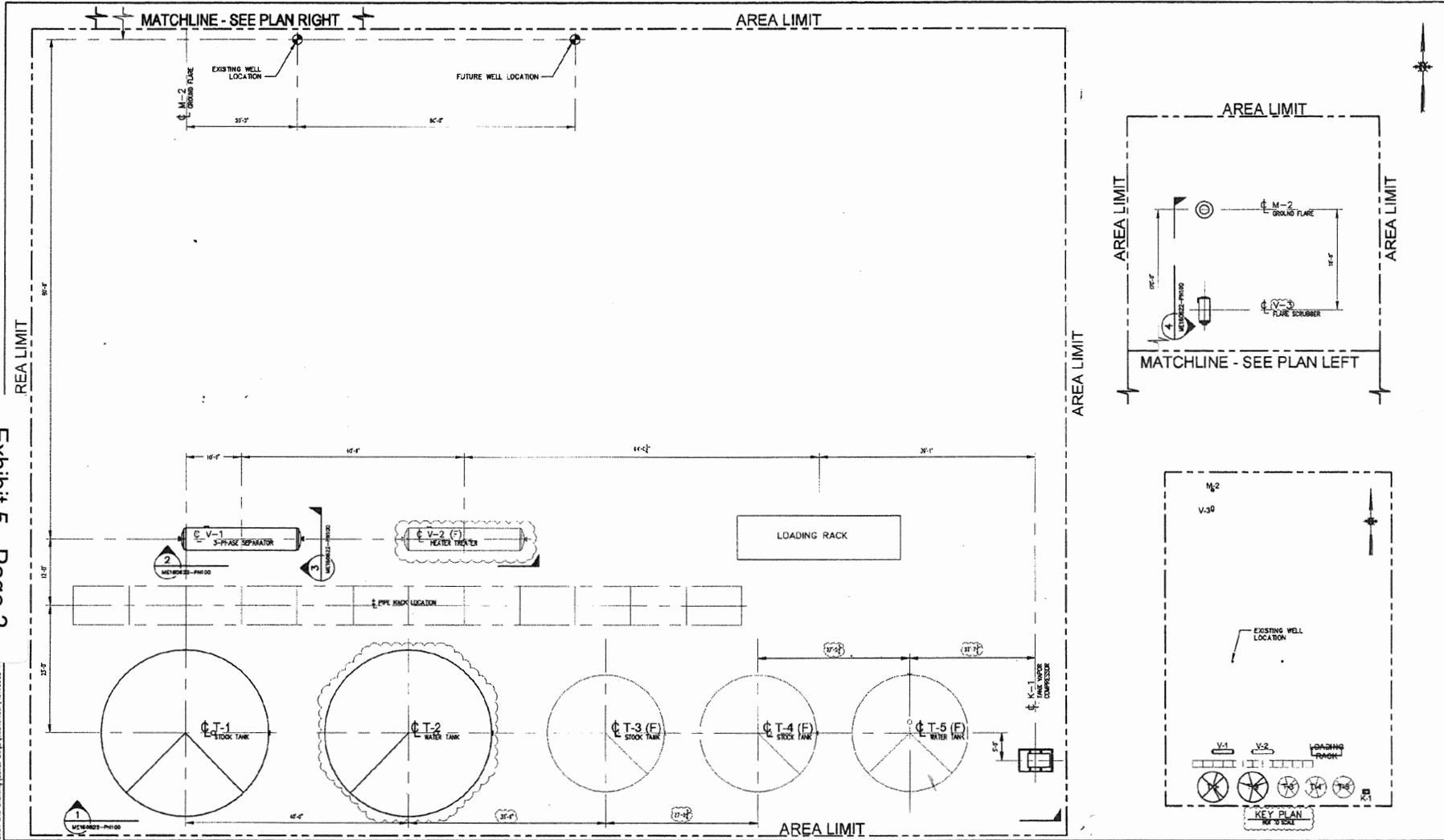
Department of Public Works and Planning
 Development Services Division

Map Prepared by: JHernandez
 JGISJCHLanduse1

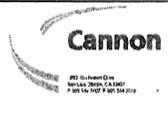
EXHIBIT 4

Harnish-McCormick Production Facility





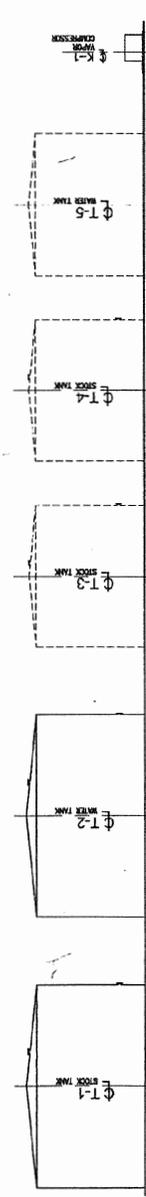
NOTES:



REV	DATE	BY	CHKD	APP'D	DRWN BY
A	02/24/16	MM	TT	MM	TT
B	02/25/16	MM	TT	MM	TT

PLOT PLAN - PRODUCTION FACILITY LAYOUT	
HARNISH-McCORMACK PRODUCTION TREATING & STORAGE FACILITIES	
TEMBLOR PETROLEUM COMPANY, LLC	
FRESNO COUNTY, CALIFORNIA	
SCALE: HORIZ.	VERTICAL TYPE
SCALE: 1/8"=1'-0"	RASIN CITY
DATE: 7/22/16	WEST
PROJECT NUMBER	DRAWING NUMBER
160622	ME160622-PL001
SHEET NO.	REV
1	B

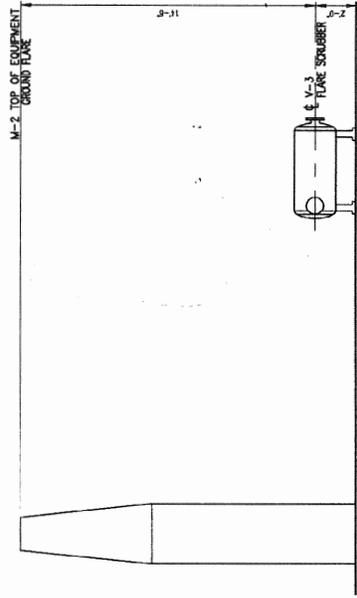
EXHIBIT 6



ELEVATION 1
 STOCK TANKS, WATER TANK, AND
 HEATER TREATER
 SCALE: 1/8" = 1'-0"



ELEVATION 2
 V-1 PHASE SEPARATOR & V-2 HEATER
 TREATER
 SCALE: 1/8" = 1'-0"



ELEVATION 3
 V-3 PHASE SEPARATOR
 SCALE: 1/8" = 1'-0"

ELEVATION 4
 V-3 FLARE SCRUBBER
 SCALE: 1/8" = 1'-0"

NOTES:

REV.	DATE	BY	CHKD.	DESCRIPTION
A	10/15/2014	JAC	JAC	ISSUED FOR PERMIT
B	01/15/2015	JAC	JAC	REVISED FOR PERMIT

PROJECT NO.	ME160622-PN100
CLIENT	TEMBLOR PETROLEUM COMPANY, LLC
LOCATION	PRESNO COUNTY, CALIFORNIA
DRAWN BY	JAC
CHECKED BY	JAC
DATE	01/15/2015

ELEVATION PLAN - PRODUCTION FACILITY LAYOUT
 HARNISH-MCCORMICK PRODUCTION TREATING & STORAGE FACILITIES
 TEMBLOR PETROLEUM COMPANY, LLC
 PRESNO COUNTY, CALIFORNIA

I:\Projects\160622\1 Production and Refining\Plant Design\Mechanical\160622 - Harnish McCormick Production Facility\Drawings\ME160622-PN100.dwg 7-15-14 10:27:30 AM BSH

EXHIBIT 7

OPERATIONAL STATEMENT
DEVELOPEMNT SERVICES DIVISION PLANNING &
RESOURCE MANAGEMENT DEPARTMENT
FOR
TEMBLOR PETROLEUM COMPANY LLC
5201 California Ave, Suite 340
Bakersfield, CA 93309
FOR
Harnish McCormick No. 3 Production Facility
Sec 20, T17S, R17E, MDB&M
APN# 050-080-11S
Pre-Application Review Number
38927

CUP 3544
RECEIVED
COUNTY OF FRESNO

AUG 09 2016

DEPARTMENT OF PUBLIC WORKS
AND PLANNING
DEVELOPMENT SERVICES DIVISION

1. Nature of the operation:

This project proposes to install a production facility to produce oil well Harnish-McCormick No. 3 (CUP No 3420). The well was drilled and completed in April 2016.

The installation of the production equipment will take two weeks and will be located on the same pad which was permitted under CUP No. 3420. The same existing roads will be utilized to access the pad. There will be no expansion of the existing pad or the access road for this project.

The production facility will be located on the southern boundary of the location. The production facility consists of a pumping jack which will be located on top of the wellhead. The pumping jack will lift the oil, gas, and any associated water to the surface. A three phase separator will separate gas and water from oil. If required, a heater/separator unit will be utilize to help in separation process. The water will be pumped into two 1000 bbls storage tanks as shown in the Facility Layout Plan which is attached. The oil will be pumped into two 2000 bbls storage tanks. The produced gas will be piped to a flare stack and burned.

An earthen berm will be constructed around the storage tanks to contain any oil or water that may spill on the location. The capacity of the berm will be equivalent to total capacity of all the tanks (7000 bbls).

In the initial phase of the production, three to five vacuum trucks per day will remove oil and water from the location. The oil will be hauled to an oil pipeline nearby for sale. If future wells are successful, as many as 10 vacuum trucks per day might be used to haul oil and water from the location. The water will be hauled to a commercial permitted injection well for injection. It is believed that the water production will be insignificant at the beginning of the operation but might increase in the future years.

No hazardous material will be stored. A portable sanitary facility will be used. It will be pumped out on a regular basis for disposal at an approved off-site location.

2. Operational time limits:

The production process will be monitored on 24 hour basis with a company man present at all times. The trucking of oil and water will take place during the day time hours.

3. Number of customers or visitors

There will be no customer visits at the location. There will be an employee present during the production period on 24 hour basis. Three to ten vacuum trucks will be used during the day time hour to haul oil and water.

4. Number of employees:

There will be two employees, who will man the location on 12 hour shift per day

5. Service and delivery vehicles:

Three to five vacuum trucks will be used to haul oil and water per day during the day light hours.

6. Access to the site

Existing access to the site via Mr. Whitney Avenue to S. Lake Avenue; then North of S. Lake Avenue to the project site.

7. Parking:

The existing drill site, 200' x 350', is bladed and on a flat field. Temporary parking will not be a problem.

8. Goods for sale:

Oil will be hauled away using vacuum trucks.

9. Equipment used:

Please see the answer in #1 above.

10. Supplies:

All the equipment on location will be powered by produced natural gas. There is no need for additional supplies.

11. Appearance:

The production layout is shown in the attached schematics.

12. Solid & Liquid Waste:

There will be no solid waste generated at the site. The produced formation water can be considered as liquid waste. The produced water will be hauled away with vacuum truck and will be injected in certified commercial injection well.

13. Estimated water:

There is no need to use water during the production operation.

14. Advertising:

No advertising, whatsoever, will exist.

15. Buildings:

No existing buildings will be used, nor will any buildings be constructed for this temporary drilling operation.

16. Lighting/Sound

The production area will have low voltage lighting for safety. The lighting system will be directed inward with no glare. The lighting system will be powered with a gas generator using produced natural gas from the well. The noise level will be mostly due to the gas generator with less 50 decibel noise level outside of the boundary of the location.

17. Landscaping:

There will not be any landscaping.

END OPERATIONAL STATEMENT

TEMBLOR PETROLEUM COMPANY LLC

Mary Halpin

Irani Engineering

Agent for Temblor Petroleum Company LLC

**EVALUATION OF ENVIRONMENTAL IMPACTS**

- APPLICANT: Temblor Petroleum Company, LLC
- APPLICATION NOS.: Initial Study Application No. 7190 and Unclassified Conditional Use Permit Application (CUP) No. 3544
- DESCRIPTION: Allow a petroleum oil/gas production facility on a 1.6-acre portion of a 315.15-acre parcel in the AE-20 (Exclusive Agricultural, 20-acre minimum parcel size) Zone District.
- LOCATION: The subject parcel is located on the north side of Mount Whitney Avenue, between the Butte Avenue alignment and the Lake Avenue Alignment, approximately two miles west of the unincorporated community of Five Points (SUP. DIST.: 1) (APN: 050-080-11S).

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:

The proposed production facility will consist of the following oil producing equipment: a pumping jack (15 feet to 18 feet tall, when fully extended) which is located on the top of the wellhead, a three phase separator (five feet by three feet by ten feet), a heater/separator (if needed, 10 feet by 6 feet), two 1,000 barrel (bbl) storage tanks for water (21 feet by sixteen feet), two 2,000 bbl storage tanks (25 feet by 24 feet) for oil, and a flare stack. Previous improvements approved by CUP 3420 and Initial Study 6742 include a 152-foot tall drilling rig; 3,125 square-foot mud sump; two 280 square-foot pipe bins; 480 square-foot walkway, 64 square-foot, six-foot deep well cellar containing the wellhead; two mud pumps; diesel-powered generator; and 350 square-foot employee trailer. The proposed improvements are significantly shorter than the exploratory equipment that was approved under the previous use permit.

The subject parcel is located in an agricultural area marked by relatively large parcel sizes and few residential land uses. The unincorporated community of Five Points is located approximately two miles east of the subject parcel, and the intersection of State Route 145 (Fresno Coalinga Road) and State Route 269 (Lassen Avenue) is located approximately two miles to the east. Additionally, an agricultural fertilizer manufacturing operation is located approximately one mile southeast of the subject parcel, and the San Luis Drain is located approximately two and a half miles to the northeast. The subject parcel is not located along a designated Scenic Highway, and no scenic vistas or scenic resources were identified in the analysis.

- 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 production area will be lit with low-voltage lighting for safety. These lights have the potential to cause adverse glare effects or affect nighttime views in the area. A mitigation measure requiring that all lights will be hooded and directed downward will ensure that there are no significant impacts on surrounding properties.

* **Mitigation Measure(s)**

1. *All outdoor lighting shall be hooded and directed as not to shine towards adjacent properties and public streets.*

II. AGRICULTURAL AND FORESTRY RESOURCES

- A. Would the project convert prime or unique farmlands or farmland of state-wide importance to non-agricultural use?

FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

The project site is located on land which is classified as Farmland of Statewide Importance on the Fresno County Important Farmlands Map (2014). The previous application approved for this location removed approximately 1.6 acres of land from agricultural production and this application is proposed within the same project boundaries. The remaining 313.55 acres of the subject parcel will remain available for agricultural use and a Mitigation Measure will require that the project site be returned to its original condition upon cessation of operations.

* **Mitigation Measure(s)**

1. *When drilling operations are complete, 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.*

- B. Would the project conflict with existing agricultural zoning or Williamson Act Contracts?

FINDING: LESS THAN SIGNIFICANT IMPACT:

The subject parcel is enrolled under Agricultural Land Conservation Contract (Williamson Act Contract) No. 1512. The project was reviewed by the Fresno County Policy Planning Division who determined that since the project will occupy only a small portion of the land under the contract, the removal of oil is a compatible use with the Contract. The project site consists of the same 1.6 acres approved for the exploratory well and the entire footprint of the operation represents less than 1% of the total acreage on the parcel, which continues to be farmed under Contract.

- 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: NO IMPACT:

The subject parcel is not located in an area of forestland nor is it zoned for Timberland Production. Approval of an oil well will not encourage the conversion of additional farmland or any forestland away from their intended uses.

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?

FINDING: LESS THAN SIGNIFICANT IMPACT:

This project was reviewed by the San Joaquin Valley Air Pollution Control District (Air District), which reviews projects for compliance with emission regulations. No concerns were expressed by the Air District relating to the project's contribution to criteria pollutants in the Valley. The applicant will be required to apply for an Authority to Construct (ATC) from the Air District and will be subject to existing regulations. With the

issuance of ATCs, the Air District monitors new sources of emissions to ensure compliance with national, state, and local emission standards.

- E. Would the project create objectionable odors affecting a substantial number of people?

FINDING: NO IMPACT:

The project site is located on a 1.6-acre portion of a 315.15-acre parcel and is set back from the property lines by at least 200 feet in every direction. Land uses in the area are large farming operations with few residential uses. Based on the project's distance from any sensitive receptors or other groups of people, there will be no impacts due objectionable odors.

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 as said property has been historically utilized for agricultural cultivation. Additionally, neighboring properties have also been historically utilized for agricultural cultivation and, therefore, have also been previously disturbed. This proposal was referred to the U.S. Fish and Wildlife Service (USFWS), which did not identify any concerns related to the project. This proposal was also referred to the California Department of Fish and Wildlife (CDFW), which also did not identify any concerns. Therefore, no impacts were identified in regard to: any candidate, sensitive, or special-status species; riparian

habitat or other sensitive natural community; Federally protected wetlands; 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. This proposal 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. There is no expansion of the project site from the approved exploratory well, which was determined by Initial Study Number 6742 to have a less than significant impact on the environment.

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 subject parcel is not located in an area determined to be high or moderately sensitive to archeological discoveries; however, the possibility of discovery remains. As such, a mitigation measure has been included which will require that if cultural resources are uncovered during ground-disturbing activity, all work shall be halted and an archeologist shall be called to evaluate the findings and necessary mitigation measures.

* **Mitigation Measure(s)**

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:

The area is designated as Seismic Design Category C in the California Geological Survey. No agency expressed concerns or complaints related to ground shaking, ground failure, liquefaction or landslides. Construction 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:

The subject parcel is generally flat and while changes in topography and erosion may result from grading activities, it is not likely. Additionally, any grading performed as part of this project may require a permit or voucher issued by the County.

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

FINDING: LESS THAN SIGNIFICANT IMPACT:

The subject parcel is not located in an area at risk of landslides or lateral spreading according to Figure 9-6 (FCGPBR). This Figure also shows that the project site is located in an area of deep subsidence. The Background Report discusses that subsidence in Fresno County has been historically caused by the overpumping of the groundwater basin and notes that except in droughts, subsidence has generally stabilized. Since this project proposes to remove oil from the ground and does not propose excessive drain on groundwater, it will have a less than significant impact on subsidence risks.

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

FINDING: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

The subject parcel is not located in an area at risk of landslides or lateral spreading. Soils on the parcel are a mix of Ciervo, wet-Ciervo complex and Posochanet clay loam.

The project site is located within the area of the Posochanet clay loam soils. Clay soils present a risk of expansion; however, the temporary nature and relatively small footprint of this project will prevent significant impacts. No permanent buildings will be placed on the property and a mitigation measure has been incorporated that will require that the ground is returned to its natural state once the drilling operations end.

* **Mitigation Measure(s)**

1. See Section II.A.

- 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:

There is no septic proposed with this application. A portable sanitary facility will be present on site in lieu of permanent facilities.

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:

Compliance with Air District rules and regulations will reduce air quality impacts to a less than significant level. Review of this project by the Air District did not identify any specific concerns.

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:

The project proposed to extract, process, and transport oil. 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. All hazardous waste shall be handled in accordance with requirements set forth in the California Code of Regulations (CCR), Title 22, Division 4.5. This Division discusses proper labeling, storage and handling of hazardous wastes. With compliance to these existing regulations, the project will not have a significant adverse impact on the public through the use or transport of hazardous materials.

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

FINDING: NO IMPACT:

The subject parcel is not located within a quarter-mile of a school.

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

FINDING: NO IMPACT:

The subject parcel is not located on a Hazardous Waste Site according to the Certified Unified Program Agency list dated October 11, 2016 and the Superfund Enterprise Management System (SEMS), last updated on December 22, 2016 did not identify any Superfund sites in the vicinity.

- 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 project site is not within an Airport Land Use Plan or in the vicinity of any public or private airport.

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

FINDING: NO IMPACT:

This proposal will not impair the implantation of, or physically interfere with an adopted Emergency Response 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 an area at risk of wildfire.

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:

The Division of Oil, Gas, and Geothermal Resources has reviewed this application and determined that with adherence to existing regulations which require leak-detection systems on all tanks and associated facilities, this application would not have a significant impact on water quality.

- 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: NO IMPACT:

The Water/Geology/Natural Resources Division had no water quantity concerns.

- 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:

The project will not alter the course of a stream or river.

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

FINDING: LESS THAN SIGNIFICANT IMPACT:

All run-off from this parcel must be retained on site per County Standards and with adherence to existing regulations requiring leak-detection systems on the tanks and the proposed berming around the storage tanks, no polluted water will enter the local system.

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

FINDING: NO IMPACT:

There is no housing proposed with this project.

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

FINDING: NO IMPACT:

A portion of the parcel is in Flood Zone A according to FEMA FIRM Panel 2825 of 3525, last revised February 18, 2009; however, the proposed improvements are north of the flood area and therefore there are no impacts to structures placed within the flood hazard area.

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

FINDING: NO IMPACT:

The subject parcel is not in an area at risk of flood by levee or dam failure, according to Figure 9-8 (FCGPBR).

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

FINDING: NO IMPACT:

The subject parcel is not in an area at risk of inundation by seiche, tsunami, or mudflow.

X. LAND USE AND PLANNING

A. Will the project physically divide an established community?

FINDING: NO IMPACT:

The project site is located at least 200 feet from the property lines in every direction. There is no expansion from the site of the previously approved exploratory well, and no established communities will be divided. The nearest community is the unincorporated area of Five Points, approximately two miles west 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: NO IMPACT:

The extraction of oil is permitted in Fresno County with approval of an Unclassified Conditional Use Permit that is being processed concurrently with this Initial Study. Additionally, while the subject parcel is under a Williamson Act Contract, the use is

compatible with the contract because the project site represents a small portion of the entire contract area. Therefore, the project is not in conflict with any Land Use Plan, policy, or regulation.

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

FINDING: NO IMPACT:

Review of the California Fish and Wildlife California Regional Conservation Plans map dated August 2015 determined that the project falls within the PG&E San Joaquin Valley Operation and Maintenance plan. Since that Plan applies only to PG&E projects, this well-drilling operation is not in conflict with that plan.

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: NO IMPACT:

The subject parcel is not located in an area designated by Figure 7-7 of the Fresno County General Plan Background Report (FCGPBR) to be a locally-important mineral resource recovery site.

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:

The project is anticipated to increase ambient noise in the area due to the use of an on-site generator to run the on-site lighting. However, review by the Fresno County Department of Environmental Health did not identify any concerns with the level of noise that would be produced. Additionally, the project is located in an area of large agricultural operations where the nearest residence is approximately 2,000 feet

southeast of the project site and there are no other improvements within a mile. The anticipated volume of noise will have a less than significant impact.

- 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 a public airport or private airstrip, and is not impacted by airport noise.

XIII. POPULATION AND HOUSING

- A. Would the project induce substantial population growth either directly or indirectly; or
- 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 directly or indirectly induce population growth, nor will it displace any existing housing. The project site is located in a 350 by 200 foot portion of a 315-acre parcel that is otherwise entirely dedicated to agricultural production.

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

FINDING: NO IMPACT:

The project was reviewed by the Fresno County Fire Protection district and no adverse impacts to fire protection services were identified. The project was also reviewed by the

Fresno County Sheriff's office which did not identify any adverse impacts to Police protection services. No impacts to schools, parks, or other public facilities were identified by any reviewing agency.

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:

This project will have no impact on the use of neighborhood parks or require the expansion of recreational facilities.

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:

This proposal was reviewed by the California Department of Transportation (CALTRANS) and the Design Division of the Fresno County Department of Public Works and Planning. Neither of these agencies expressed any concerns regarding the carrying capacities of the adjacent roadways, nor did either agency require a Traffic Impact Study. The project is anticipated to require up to 10 vacuum trucks per day during peak well productivity.

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

FINDING: NO IMPACT:

The project site is not in the vicinity of a public, private, or military airport.

- D. Would the project substantially increase traffic hazards due to design features; or
- E. Would the project result in inadequate emergency access; or
- 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: LESS THAN SIGNIFICANT IMPACT WITH MITIGATION INCORPORATED:

Access to the well location will be from Mount Whitney Avenue via the Lake Avenue alignment, and a proposed 20-foot wide on-site access road will connect the exploratory well location to the Lake Avenue alignment. This proposal was reviewed by the California Department of Transportation (CALTRANS) and the Design Division of the Fresno County Department of Public Works and Planning, neither of which agency identified any concerns regarding increased traffic hazards or emergency access. According to the Road Maintenance and Operations Division of the Fresno County Department of Public Works and Planning, a grizzly and/or gravel pad shall be installed as a mitigation measure to minimize sediment transport from vehicles and equipment onto the County roadway (Mount Whitney Avenue).

* **Mitigation Measure(s)**

1. *Prior to commencing production operations, a grizzly and/or gravel pad shall be installed on the Lake Avenue alignment where the Lake Avenue alignment intersects Mount Whitney Avenue to minimize sediment transport from vehicles and equipment onto Mount Whitney Avenue.*

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: NO IMPACT:

The produced water will be hauled away with a vacuum truck and injected in a certified commercial injection well. The project will not contribute to the volume at existing wastewater treatment facilities.

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

FINDING: NO IMPACT:

Fresno County regulations require that all storm water generated within the work area shall be retained on-site. Therefore, no expansion of storm water drainage facilities is required.

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

FINDING: NO IMPACT:

This project was reviewed by the Fresno County Water/Geology/Natural Resources department which did not identify the need for additional water entitlements.

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

FINDING: NO IMPACT:

This project will not contribute wastewater to a wastewater treatment facility. Water will be trucked away and injected into a water-injection well.

- 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 solid waste will be generated at the site. A portable sanitary facility will be installed during operations and will be pumped out at an approved location.

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:

There is a less than significant impact on fish, other wildlife, and endangered plants and animals in the area due to the project's size and located within an agricultural field. Impacts to important examples of California history or prehistory have been reduced to less than significant with the incorporation of the mitigation measure as detailed in Section V.

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

FINDING: LESS THAN SIGNIFICANT IMPACT:

The proposed exploratory petroleum oil and natural gas well will adhere to permitting requirements, rules and regulations set forth by the San Joaquin Valley Air Pollution Control District, the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR), and the California Regional Water Quality Control Board (RWQCB). No cumulatively considerable impacts were identified in the analysis.

other than Aesthetics, Agricultural and Forestry Resources, Cultural Resources, and Transportation/Traffic which will be addressed with the Mitigation Measures discussed in Section I (Aesthetics), Section II (Agricultural and Forestry Resources), Section V (Cultural Resources), and Section XVI (Transportation/Traffic).

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

FINDING: NO IMPACT:

No such impacts were identified by the analysis.

CONCLUSION/SUMMARY

Based upon the Initial Study prepared for Conditional Use Permit Application No. 3544, staff has concluded that the project will not/will have a significant effect on the environment. It has been determined that there would be no impacts to Land Use And Planning, Mineral Resources, Population and Housing, Public Services, Recreation, and Utilities and Service Systems.

Potential impacts related to Agricultural And Forestry Resources, Biological Resources, Greenhouse Gas Emissions, Hazards and Hazardous Materials, and Hydrology and Water Quality, have been determined to be less than significant.

Potential impacts relating to Aesthetics, Agricultural and Forestry Resources, Cultural Resources, Geology and Soils, Noise, and Transportation/Traffic have determined to be less than significant with compliance with the listed 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.

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