



OASIS ASSOCIATES
LANDSCAPE ARCHITECTURE + PLANNING

07 August 2012

Honorable Board of Supervisors
COUNTY OF SAN LUIS OBISPO
County Government Center
San Luis Obispo, CA 93408

RE: Excelaron LLC – Huasna Valley Oil Exploration & Production Project
DRC2009-00002 – Request for Continuance

Dear Supervisors,

On behalf of Excelaron, LLC, I am enclosing additional information and details concerning the Project Alternative that was proposed by Excelaron and Dr. Halleran at the May 15, 2012 hearing. Excelaron is terming this alternative the “Alternative Site Plan – Pad 1 & Pad 2”, for ease of reference. Specifically, I am attaching for your review and consideration the following documents which make up the Alternative Site Plan – Pad 1 & Pad 2 proposal:

1. Description of Alternative Site Plans for Pad 1 & Pad 2
2. Alternative Site Plan Exhibits – Pad 1 & Pad 2
3. Temporary Equipment List – Pad 1

In order to avoid any confusion, I want to be clear that the Applicant is proposing this as a Project Alternative for your consideration, pursuant to the California Environmental Quality Act (CEQA) (Pub. Res. Code § 21000 et seq.). Excelaron believes this Alternative, once reviewed, will meet the objectives of CEQA and the Project by proving both environmentally superior and feasible.

As you are probably aware, one of the purposes of the CEQA process is to try to arrive at the best project possible. To that end, one of CEQA’s major functions “is to ensure that all reasonable alternatives to proposed projects are thoroughly assessed by the responsible official.” *Wildlife Alive v. Chickering* (1976) 18 Cal. 3d 190, 197. “[T]he duty of identifying and evaluating potentially feasible project alternatives lies with the proponent and the lead agency, not the public.” *Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal. 3d 553, 568. Several project alternatives were studied in the EIR, but to date, none of them have been given any meaningful consideration. The Planning Commission did not even discuss any possible project alternatives, whether listed in the

EIR or not, before voting to deny Excelaron's application. Prior to the close of the Planning Commission hearing, Excelaron requested a continuance in order to explore possible alternatives with Planning Staff that might reduce or eliminate some of the environmental effects of the Project,¹ but that request was denied.²

Accordingly, Excelaron believes that meaningful consideration of project alternatives has not yet occurred. The alternatives discussed in the EIR warrant some consideration by your Board, but the two primary alternatives, Elimination of Pad 2 and a Phased Permitting Approach, each have potential feasibility problems.³ As outlined in Excelaron's presentation at the May 15th hearing before your Board, the Alternative Site Plan proposed by Excelaron could eliminate or substantially reduce some of the Class I impacts identified in the EIR—namely, those relating to aesthetics, land use, and noise—while still allowing the Project to remain economically and practically feasible. The specific details of this Alternative are attached to this letter and have been delivered directly to Planning Staff.

In keeping with the purposes and intent of CEQA, Excelaron is requesting that this Alternative be reviewed by Planning Staff and the County's EIR Consultant and included in the EIR,⁴ which has not yet been certified. Excelaron is confident that a review by Planning Staff and the Consultant will show that the Alternative Site Plan will reduce or eliminate some of the Class I impacts without resulting in any new or increased impacts in other areas; however, it is important that the review process takes place in an open and transparent manner that invites public input. Accordingly, Excelaron is asking that the analysis of this Alternative, once completed, be circulated for public comment even though the thresholds for recirculation under CEQA have not technically been met.

For these reasons, Excelaron is requesting that your Board continue consideration of the Project, currently on calendar for August 21, 2012, until Planning Staff and the County's

¹ Excelaron would have raised the issue of unexplored alternatives prior to the Planning Commission hearing, but had no indication that Planning Staff was going to recommend denial of the Project as proposed until approximately 10 days before the first scheduled hearing.

² Because of the unfortunate and hasty denial by the Planning Commission, Excelaron had no choice but to appeal the matter to your Board, and consequently finds itself before your Board somewhat prematurely.

³ As noted in the EIR, the environmentally-preferred alternative, Elimination of Pad 2, could render the project economically infeasible and, as noted in Excelaron's comments to the Draft EIR, the Phased Permitting approach may have legal and other feasibility issues.

⁴ In particular, the Alternative Site Plan would involve a Phase I test well at Pad 1, which was not part of the Project as proposed, and therefore not evaluated in the EIR.

EIR Consultant have had an opportunity to review this Alternative and circulated their analysis for public review and comment as a supplement to the EIR. (Excelaron will, of course, cover any additional expense associated with these activities that does not fall under the scope of the current EIR contract.) We expect that the Project will be brought back to your Board for consideration and an eventual decision once this has occurred; how long the process will take, however, will depend to some extent on the number and nature of the public comments received. Still, it is important that this process be allowed to occur, in order to ensure that the EIR and the County's ultimate decision are as informed as possible and consistent with the goals and objectives of CEQA.

For all of these reasons, we hope that your Board will see fit to grant the continuance and allow the CEQA process to work, so that we might ultimately arrive at a better project for both the environment and the public. For its part, Excelaron will commit to continue to work collaboratively with Planning Staff, and do everything it can to make certain that this additional process goes as smoothly and efficiently as possible. We appreciate your understanding and consideration. Thank you.

Respectfully,
OASIS ASSOCIATES, INC.



C.M. Florence, AICP Agent
EXCELARON LLC

Attachments

cc: Board of Supervisors
J. Giffen
E. L. Carroll
W. McDonald, Esq.
Excelaron LLC

ALTERNATIVE SITE PLANS – PAD 1 & PAD 2

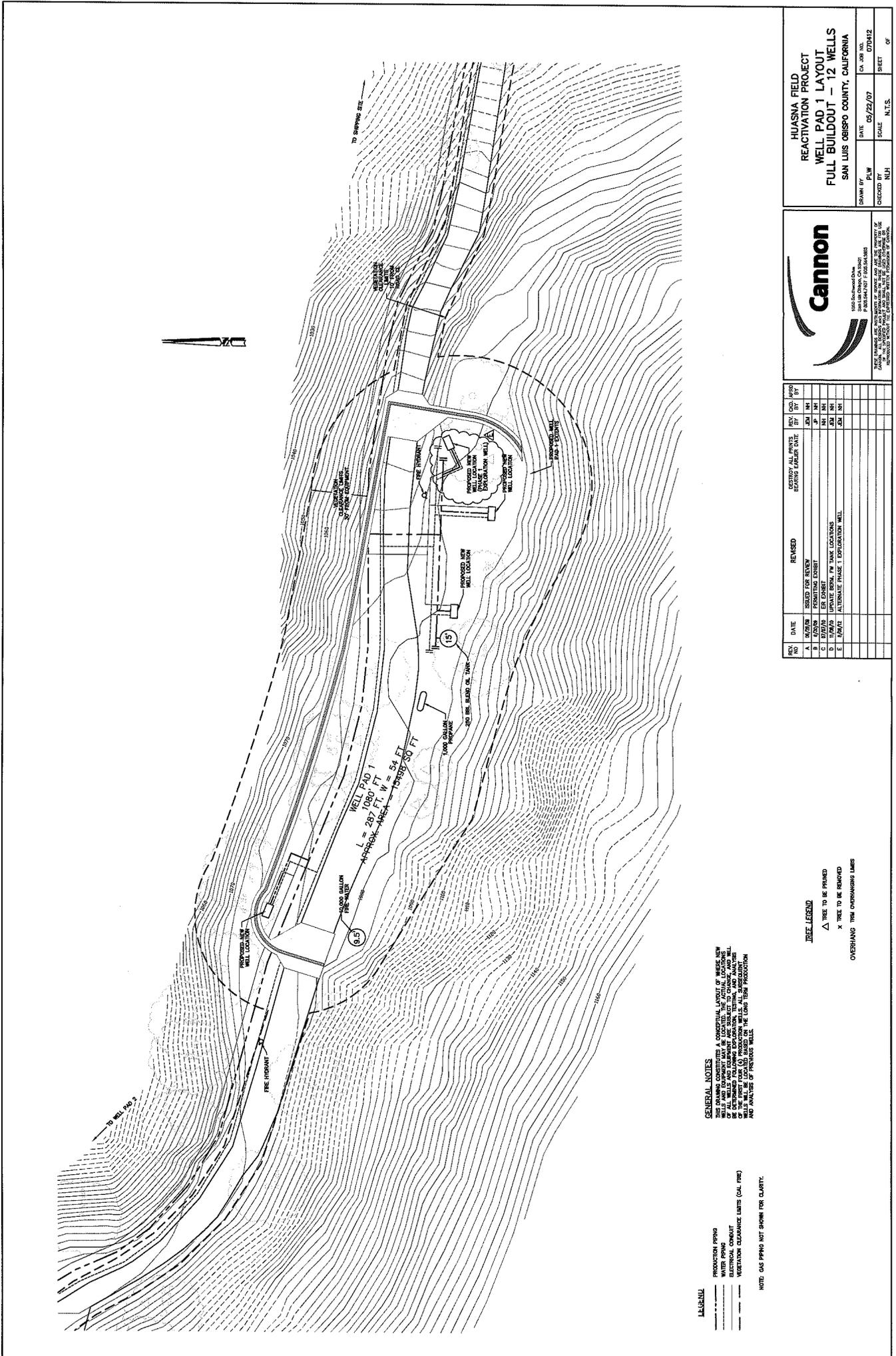
Excelaron LLC is proposing to include an exploratory well at Pad 1 and limit the number of wells drilled at Pad 2 as follows:

- At Pad 1 – One (1) test well during Phase I and a total of three (3) additional wells during Phase IV;
- At Pad 2 – One (1) test well during Phase I and no more than two (2) additional wells during Phase IV;
- The balance of the two (2) wells in Phase I would be drilled at the Shipping Site;
- Hours of operation during drilling at Pad 2 only to occur between the hours of 7 am – 9 pm Monday through Friday and 8am – 5pm weekends¹;
- Wells are proposed to be located on the south east portion of Pad 2 to further mitigate visual and noise impacts;
- Phase I drilling at the Shipping Site and Pad 1 and Phase IV drilling at the Shipping Site and Pad 1, would have no restrictions on the drilling hours².
- The total number of project wells would remain capped at twelve (12) for the overall project.

Attachments: Pad 1 Alternative Site Plan (11" x 17")
Pad 1 Temporary Equipment List (8 ½" x 11")
Pad 2 Alternative Site Plan (11" x 17")

¹ This limitation may be modified if the County determines that LUO §22.34.040 B.4.b. applies.

² Based upon the FEIR determination that nighttime drilling at those pads was found to be in compliance with the Noise Ordinance.



LEGEND

- PRODUCTION PIPING
- WATER PIPING
- ELECTRICAL CONDUIT
- VEGETATION CLEARANCE LIMITS (CAL. TREE)

NOTE: GAS PIPING NOT SHOWN FOR CLARITY.

GENERAL NOTES

PRODUCTION PIPING, CONDUITS, AND WELL LOCATIONS ARE SHOWN FOR GENERAL INFORMATION ONLY. THE EXACT LOCATION OF THE PRODUCTION PIPING, CONDUITS, AND WELL LOCATIONS SHALL BE DETERMINED FOLLOWING EXPLORATION, TESTING, AND ANALYSIS. WELL LOCATIONS SHALL BE LOCATED BASED ON THE LONG TERM PRODUCTION AND ANALYSIS OF PREVIOUS WELLS.

TREE LEGEND

- △ TREE TO BE PRUNED
- X TREE TO BE REMOVED

OVERHANGING TREE OVERHANGING LIMBS

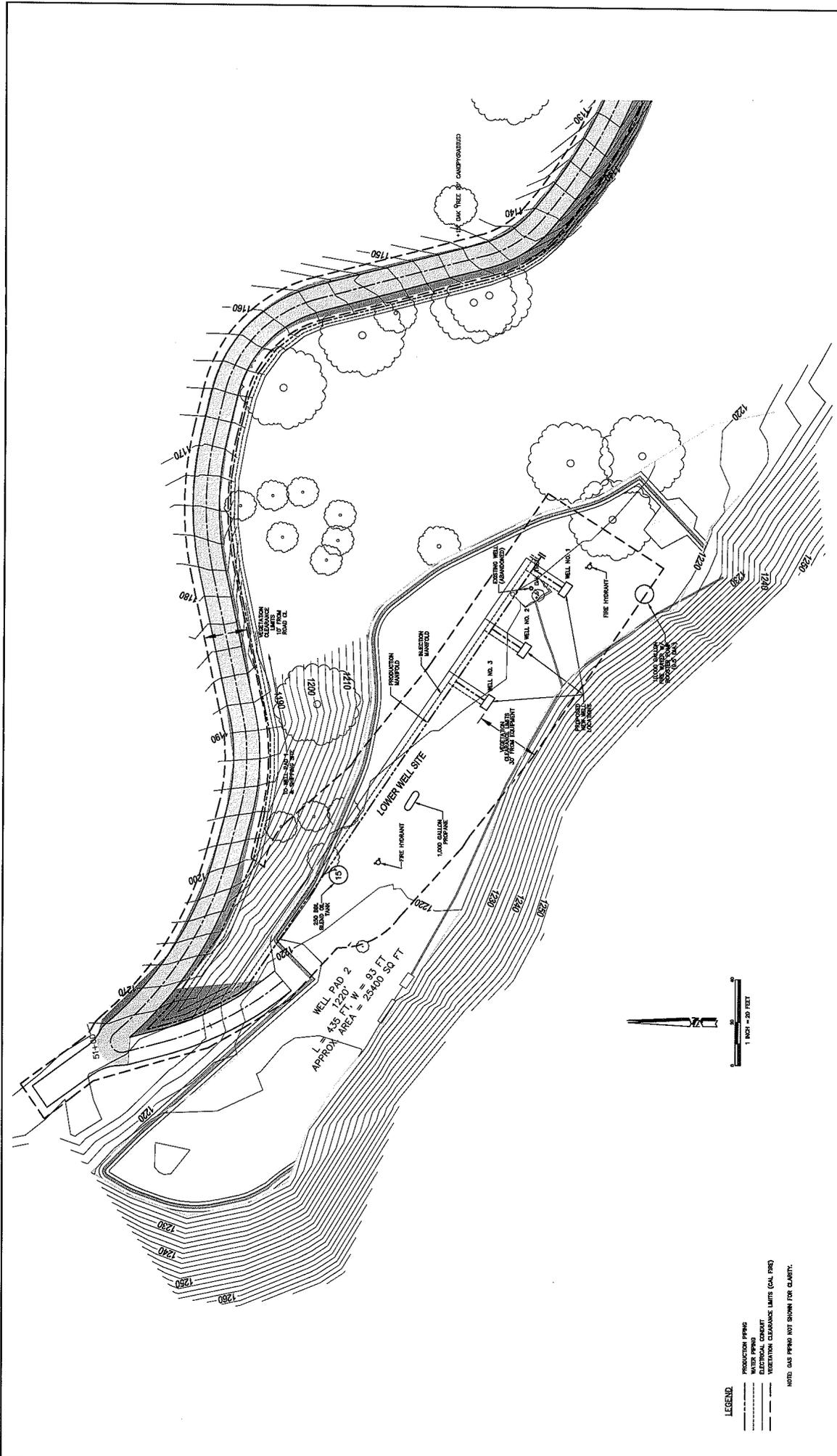
REV. NO.	DATE	REVISION	ISSUED FOR REVIEW	ISSUED FOR CONSTRUCTION	ISSUED FOR PERMITTING	ISSUED FOR AS-BUILT
A	07/25/06	ISSUED FOR REVIEW	DEM	DEM	DEM	DEM
B	07/25/06	ISSUED FOR PERMITTING	DEM	DEM	DEM	DEM
C	07/25/06	ISSUED FOR CONSTRUCTION	DEM	DEM	DEM	DEM
D	07/25/06	ISSUED FOR AS-BUILT	DEM	DEM	DEM	DEM
E	07/25/06	ISSUED FOR PERMITTING	DEM	DEM	DEM	DEM

Cannon

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PROJECT	HUASNA FIELD REACTIVATION PROJECT
TITLE	WELL PAD 1 LAYOUT FULL BUILDOUT - 12 WELLS
DATE	05/22/07
SCALE	N.T.S.
DRAWN BY	PLW
CHECKED BY	PLW
DATE	05/22/07
SCALE	N.T.S.
SHEET	07M12
OF	07



REV. NO.	DATE	REVISION	DESIGNED ALL POINTS	REV. DATE	APP'D
A	07/27/07	ISSUE FOR REVIEW	BY	07/27/07	JKW
B	07/27/07	FOR COMMENTS	BY	07/27/07	JKW
C	07/27/07	FOR COMMENTS	BY	07/27/07	JKW
D	07/27/07	ISSUE FOR PWD TANK LOCATIONS	BY	07/27/07	JKW
E	07/27/07	ISSUE FOR FOREST	BY	07/27/07	JKW

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DATE	07/27/07
DRAWN BY	JKW
CHECKED BY	NHJ
SCALE	1" = 20'
SHEET	1 OF 5

LEGEND

- PRODUCTION PIPING
- WATER PIPING
- VEGETATION CLEARANCE LIMITS (CAL FIRE)

NOTE: GAS PIPING NOT SHOWN FOR CLARITY.

TREE LEGEND

- △ TREE TO BE PRUNED
- TREE TO BE REMOVED
- X TREE TO BE REMOVED

OVERSHADING THIN OVERSHADING LIMBS

NOTES FOR TREES

1. TREES WITH PRUNED (△) OR REMOVED (○) MARKS MUST HAVE A BLUE SHADE AND BE Labeled BY DATE AND TIME OF PRUNING OR REMOVAL.
2. TREES TO BE REMOVED (X) MUST BE Labeled BY DATE AND TIME OF REMOVAL.
3. TREES TO BE PRUNED (△) MUST BE Labeled BY DATE AND TIME OF PRUNING.
4. WELLS MUST BE TO BE REMOVED OR REPLACED BY DATE.

LIST OF TEMPORARY EQUIPMENT FOR PAD 1 – PHASE 1

Equipment	Size	Quantity
Wash Tank	500 bbl	1
Stock tank	500 bbl	1
Water Tank	500 bbl	1
Blend Tank	500 bbl	1
Facilities Equipment		
Pumping Units		1
Pumping Unit Engines	20 hp, propane fuels	1
Low Nox Heater/Burner (propane fueled)	1.15 mmbtu/hr	1
In-line heater exchange	77,000 btu/hr (non-fired equipment)	1
Vapor Recovery System w/Gas Scrubber	Compressor, 5hp	1
Gas Processing vessels	5 feet diameter x 15 feet tall	1
Injection pump and motor	Electric, 20 hp	1
Oil Loading Rack	Electric pump, 3 hp	1
Propane Tank	1,000 gallons	1
Propane Generator - main	75 kW (100 bhp)	1
Propane Generator - Emergency	20 kW (27 bhp)	1
Fire Suppression System		
Fire Water tank	500 bbl	1
Fire Hydrants		2
Booster Pumps	As required	1