

Baldwin Hills Community Standards District (CSD)
Community Advisory Panel (CAP)
Minutes: 8/25/11
DRAFT

- A. CALL TO ORDER – 7:04PM
- B. AGENDA – Approved
- C. 7/28/11 MINUTES – Approved with changes
- D. REGIONAL PLANNING/ECC UPDATE
DRP provided a copy of an email response from PXP to Gary Gless and Amendment letter to 2011 Annual Drilling Plan. No additional updates.

MRS Incident Reporting for 2011 – no exceedances to report, a noise was reported, but upon farther investigation it was determined to be not related to drilling, but to external landscaping.

MRS provided a summary from the MACC meeting held previously: AQMD reported 19 odor complaints to date in 2011. Two were substantiated due to equipment breakdowns reported by the operator to SCAQMD and 1 was substantiated as a skunk odor. Final report for the DPH phone survey will be completed in late September/early October. DPH conducts site visits to the oil field to monitor noise issues twice monthly on average. Overall, DPH has not found any noncompliance issues during their review or monitoring. DOGGR reviewed well VIC1 – 330 and approved the completion of this well for the fracking study.

The results of the EQAP audit are scheduled to be published sometime in September.

- E. OPERATOR UPDATE
Twenty-four new wells have been drilled, and there are four workover rigs operating on the field. An Amendment to the 2011 Drill Plan was submitted to perform a Fracturing Diagnostic study, and has been posted to the operator website. American Landscaping Co. has been contracted to complete the landscaping work along La Brea Avenue (Phase 1) by October 31st.
- F. ECC DISCUSSION: WELL SITE REVIEW PLAN PROCESS
MRS provided background of the 2011 Annual Drilling Plan (ADP) and subsequent amendments. Well VIC1-330 was included in a March, 2011 amendment to the 2011 ADP as a shallow well. The Site Plan Review was approved for well VIC1-330 on May 4, 2011, as a shallow well. On June 22, 2011 PXP submitted a request to amend the Site Plan Review approval for VIC1-330 to core to the nodular shale and then produce from the Vickers-Rindge zone, which is at a depth of 3,500 to 4,300 feet. The operator's intent was to core into the Nodular Shale, then fill back in and produced from the depth proposed and approved in the annual drilling plan. Regional Planning approved an amendment to the ministerial site plan on June 27, 2011 to include the coring at the nodular shale depth. Retrospectively, Regional Planning probably could have required an Amendment to the annual drilling plan for the core sampling and would likely do so in the future. Following the coring operation and in light of the opportunity for the fracturing study required as part of the Settlement Agreement, the operator filed for another amendment to test and produce from the Nodular Shale zone and for collecting data for the Fracturing Study. PXP requested to amend the Annual Drilling Plan on August 23, 2011

Data from the fracturing operation that will be used to complete the well will be collected and used as part of the Fracturing study. The bottom hole is the same x,y location, only the depth is deeper. The well location is inside the 800' barrier, so no supplemental study is necessary; however, information gathered from the fracking operation will included in the Fracturing Study. The diagnostics will include, but is not limited to: low vs. high water volume, low vs. high pressure, components used vs. those used previously at

Inglewood Oilfield. The fracturing operation will involve higher water volumes than previously used, but still much lower than that used in Shale Gas fracturing. Fresh water will be purchased from Cal American Water; produced water will not be used so as not to contaminate the study results. All other gravel pack fracking at the field are using produced water to reduce fresh water usage. The EIR, analyzed volumes of water to be purchased at 6,800 barrels/290,000 gals per day and found sufficient availability of water even during drought years.

The operator is currently developing the basis for the fracturing study. Data on fracturing for the study will come from both literature review and from data on past fracturing operations at the oil field, as well as from the proposed VIC1-330 fracturing operation. A CAP member asked how far out will the fractures go, and how many feet will be perforated. The well was already cored within the past month. The 3rd party contractor will build models, rock profiles, and develop technical data prior to the full fracturing operations that will provide information on the length of the fractures. The height of the perforation on the well is 20' ranging from a depth of 8,030 – 8,050 ft. It is currently estimated that the fractures will extend out about 150', but the exact length will not be known until the fracture modeling is complete. As part of the fracturing operation, PXP will be collecting data on ground movement using hydrophones in an existing well as well as ground based micro-seismographs.

The Fracturing Study, which is required by the settlement agreement, will be prepared by a 3rd party contractor, and peer-reviewed by independent expert hired by the County. MRS stated that they would not be the independent reviewer for the County. The County has not selected their independent reviewer yet. The operator is in the process of developing the design for the Fracturing Study and has begun the 3rd party contractor selection process. However, the contractor for the Fracturing Study has not been selected yet.

A CAP member questioned if the fracturing operation should wait until the contractor has been hired so they can oversee the fracturing operation. MRS clarified that a fairly standard set of data is collected for fracturing operations. MRS also stated that PXP has a lot of data on fracturing in the shallower formations, but there is limited data on the deeper formations. The fracturing operation is expected to last about two days, which includes time for setting up all the equipment. The actual fracturing operation would be expected to last a few hours.

Other than a few more trucks on site, public will not notice the fracturing operation. PXP stated that there are risks during fracturing operations, but not those glamorized in the media, many of which have never been demonstrated to be true. Most industry operations have backup/contingency plans in place to minimize risks. PXP has had no issues during fracking operations, even those on the East Coast.

G. CAP/OPEN DISCUSSION

A CAP member noted that DOGGR's original approved for well VIC-330 included the coring samples to but not for completing the well and producing at that depth. MRS clarified that DOGGR had approved the completion of the well at greater depth. This approval also included the proposed fracturing operation. This approval was done as part of an updated Notice of Well Operations by DOGGR.

A CAP member inquired how different the current fracking operation will be from that used in this test. Operator responded that the VIC1-330 fracturing operation will use more water, higher pressures and result in longer fractures. CAP members asked if this fracturing operation would be similar to what occurred in 2006 that lead to the odor event. PXP responded that the odor event in 2006 occurred during drilling operations, not during the fracturing operations. This well has already been drilled, and when it was drilled PXP used a gas buster as required by the CSD.

CAP members asked why this test needed to be conducted prior to completion of the Fracturing Study. MRS and PXP responded that the Fracturing Study must address the type of fracturing operations PXP might use in the future. There is limited data available on fracturing in the deep formations at the Inglewood field. This study would allow PXP to collect field specific fracturing data for a deep formation, which will be critical information for the Fracturing Study.

CAP members wanted to make sure that PXP did not conduct additional fracturing operations of this type until after the Fracturing Study is complete. PXP said they would consider this, but would not commit to this at this time. It was stated that neither the CSD nor the Settlement Agreement precluded these types of fracturing operations prior to completion of the Fracturing Study.

Paul Ferrazzi stated that, in his opinion, the County violated the CSD by not submitting the drilling plan amendment for well VIC1 – 330 to the CAP for review and comment because it was a change to the target depth and bottom hole location of the well. The CSD language Section 26-C specifically states as a requirement of the Annual Drilling Plan that the annual plan (and any amendments) will be provided to the CAP for review and comment; and that the annual plan will comply with the provisions of the subsection to include estimated target depth of all proposed wells and their estimated bottom hole locations. Therefore, any change in depth and bottom hole location would be considered an amendment to the plan, and should have been submitted to the CAP for review and comment before approval (in this case, implementation and completion.)

A CAP member expressed concern for the impact to the Inglewood-Newport fault, and what contractor would be conducted the fracturing operation. PXP stated that they do not typically release the names of contractors, but that they would make an exception in this case. Halliburton would be performing the fracturing operation for VIC1-330.

A CAP member also asked if the data from the previous Sentous fracturing operations would be provided to the Fracturing Study contractor. PXP responded that they did not know if this data would be used in the study, but that if the contractor wanted this data for the study it was available.

A CAP member inquired about the ministerial approval process by which the County approved the site plan amendment without notice to the public (i.e. the CAP). Well site plans are ministerial approvals meaning that the plan must be approved if it meets the necessary requirements and if it does not meet the necessary requirements corrections must be provided so that it will meet the requirements before the County can approve the plan. The County agreed to notify the CAP in the future when amendments to site plans are submitted by PXP.

- I. ANNOUNCEMENTS
Next CAP meeting will be held September 22nd, 2011, at 7PM
- J. ADJOURN 9:00PM

8/25/11 ATTENDANCE
 (*absent)

DESIGNATED SEATS PER 22.44.142.J.1.a

Governmental Entities

1	Department of Regional Planning	Leon Freeman
2	City of Culver City	Paul Ferrazzi
3	West Los Angeles College	Rose Marie Joyce*

Operator (per 22.44.142.C)

4	Plains Exploration & Production	Lisa Paillet
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NOMINATED SEATS PER 22.44.142.J.1.a

(Accepted first-come/first-served within each sub-group)

Landowners (per 22.44.142.C)

5	Vickers Family Trust	Jeff Dritley*
6	Cone Fee Family Trust	Liz Gosnell

Neighborhood Organizations (Recognized Homeowners Association)

7	Ladera Heights Civic Assoc.	Carmen Spiva
8	Windsor Hills HOA	Gary Gless
9	United HOA (View Park)	Catharine Cottles
10	Culver Crest Neighborhood Assoc.	John Kuechle
11	Blair Hills HOA	Mary Ann Greene*
12	Raintree Community HOA	Ian Cousineau
13	Baldwin Hills Estates HOA	Ronda Jones*

Neighborhood Organizations (No Recognized Homeowners Association)

14	Ladera Crest Homeowner	George Mallory*
15	Baldwin Vista Homeowner	Irma Munoz*

School Districts

16	Los Angeles Unified	Glenn Striegler*
17	Culver City Unified	Scott Zeidman*

Neighborhood Organizations (All Others)

18	Windsor Hills Block Club	Toni Tabor*
19	Community Health Councils	Gwendolyn Flynn
20	Baldwin Hills Conservancy	David McNeill*
21	The City Project	Robert Garcia (Menaka Fernando)*

Rena Kambara - DRP

Luis Perez, John Pierson, Ray Mullins (DRP Consultants)

John Martini, Candace Salway (PXP)