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April 6, 2017

Culver City
Attn: Mayor Jim B. Clarke
9770 Culver Boulevard
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Culver City, CA 90232-0507

**Subject: Business Item for April 17, 2017, Special Meeting of the City Council
Inglewood Oil Field Specific Plan Project**

Sentinel Peak Resources thanks the City Council for setting a special meeting to discuss the Inglewood Oil Field Specific Plan Project and the Environmental Impact Report (EIR) that is being prepared. As we understand it, Culver City seeks to update its oil drilling regulations through a Specific Plan for the 80-acre oil and gas site in the City currently being operated by Sentinel Peak Resources. The Initial Study for the EIR describes the requirements for the draft Specific Plan:

“The filing of drilling plans, permits, studies, surveys and monitoring plans; a maximum number of 30 wells to be drilled or redrilled through 2031; a prohibition of major facilities; drilling and redrilling setbacks of 400 feet from developed areas and 75 feet from public roadways; a maximum of two wells may be drilled or redrilled on an annual basis for the first two years and, thereafter, a maximum of three wells may be drilled or redrilled on an annual basis; a maximum of one drilling rig may be in place at any one time; a maximum of two rigs used for reworking, maintenance and/or abandonment may be present at any one time.”¹

This prompts a series of important questions: What is the potential future vision for this property? How were 30 wells determined to be “full buildout”? How were surface owner interests and existing oil and gas rights factored in? What physical features are proposed? Could oil and gas production facilities be located alongside other beneficial uses of the remaining property?

Answers to these questions are important to City leaders and to residents, as well as to us and the owners of the 80-acres of interest. We have not yet reviewed the draft Specific Plan, but we expect that it does not address these points because these questions have not yet been answered. That leaves many open-ended points and results in a murky picture at best of activities proposed.

¹ Inglewood Oil Field Specific Plan Project Initial Study by BonTerra Psomas dated Oct 2015

Research is needed to answer those questions -- to describe more fully the oil and gas production plan based on a modern-day assessment of site geology, the surface features proposed in support of that production plan, and the proposed future vision for the property. The result will be a more concrete proposal upon which a set of oil and gas regulations may be developed.

Sentinel Peak Resources is underway with its detailed geological studies now. The findings will inform the pace of drilling and the positioning of surface features, basic building blocks for a solid set of regulations. That information is foundational to answering the important questions posed above.

We realize that this approach varies both in content and timing as compared to the City current process. We also realize that submitting a more detailed plan to the City places Sentinel Peak Resources in the customary position of "applicant". The end result will be a forward-thinking and realistic plan for use of the 80 acres, allowing the City to tailor regulations that are founded on that plan.

In considering this approach, please bear in mind:

1. The geologic technical assessment is expected to be complete in the third quarter of 2018. That information will be used to prepare a land use application for submittal to the City.
2. Future beneficial land uses in conjunction with oil and gas production would be proposed jointly with the landowners. Our joint application could then provide the foundation for City oil and gas regulations.
3. This approach would be based on site conditions and proposed by stakeholders as opposed to addressing a somewhat arbitrary set of conditions.
4. As "applicant", Sentinel Peak Resources would stand in the customary position of funding the City's future review steps.

Meanwhile, know that our many points of compliance on topics such as air and water quality, sensitive species, spill prevention and response, and ground movement are available for public review at Inglewoodoilfield.com.

We extend our gratitude for considering this approach at the upcoming meeting on April 17th and look forward to discussing this further.

Sincerely,



George Paspalof
Executive Vice President – Los Angeles Basin Operations



Christine M. Halley, PE
Director of EH&S and Regulatory Affairs

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