



City of Whittier

PLANNING DIVISION

13230 PENN STREET
WHITTIER, CALIFORNIA 90602-1772
PHONE (562)464-3380 FAX (562)464-3589
www.cityofwhittier.org

RECEIVED

APR 24 2009

PLANNING DEPT.

CONDITIONAL USE PERMIT
APPLIC

CASE CUP 09-004

ASSOCI/ DRP 09-0015

1. PROJECT INFORMATION

PROJECT ADDRESS Whittier Main Oil Field	ASSESSOR'S PARCEL NUMBER Several - See Exhibit A attached.
LEGAL DESCRIPTION (I.E. LOT AND TRACT NUMBER) See Exhibit A attached.	
I/WE THE UNDERSIGNED, REQUEST A CONDITIONAL USE PERMIT FOR THE ABOVE PROPERTY. THE CONDITIONAL USE PERMIT IS TO ALLOW: See Project Description attached.	
<i>*Note: Complete the Business / Activity Description sheet that follows the signature page of this form</i>	

2. APPLICANT INFORMATION*

**If the applicant is not the property owner, the owner must complete the Owner's Affidavit in Section 4*

NAME Matrix Oil Corporation	PHONE (805) 884-9000
STREET ADDRESS 104 W. Anapamu, Suite C	FAX (805) 884-9600
CITY, STATE, ZIP Santa Barbara, CA 93101	E-MAIL (OPTIONAL) mmccaskey@matrixoil.com
RELATIONSHIP OF APPLICANT TO PROPOSAL (BUSINESS OWNER, CONSULTANT, ETC.) Michael McCaskey, Vice-President of Matrix Oil, Co-Lessee of the Property	

3. REQUIRED FINDINGS

State law requires Planning Commissions or Zoning Administrator to make certain findings before granting a conditional use permit. It is the applicant's responsibility to provide evidence to the Planning Commission or Zoning Administrator that these findings can be made. Each of the findings are listed below, with a space for you to provide supporting evidence. The Planning Commission or Zoning Administrator will consider your responses, as well information on your plans, business description, and other sources in determining whether the findings can be made.

- The site is adequate in size, shape and topography for the proposed use, as evidenced by:

See Items 3 and 4 attached.

- The site proposed for the use has sufficient access to streets which are adequate, in both width and pavement type, to carry the quantity and quality of traffic generated by the proposed use because:

See Item 7 attached.

**MATRIX OIL CORPORATION
WHITTIER MAIN DEVELOPMENT PROJECT
CONDITIONAL USE PERMIT APPLICATION**

Filed: April 24, 2009



Conditional Use Permit

Business / Operational Description

PLANNING DIVISION

13230 PENN STREET

WHITTIER, CALIFORNIA 90602-1772

PHONE (562)464-3380 FAX (562)464-3509

Please provide a comprehensive description of your proposed business or operation below. Spaces for basic information are provided, however, please use the large space below to provide other details which describe other relevant aspects of your operation.

PROJECT ADDRESS Whittier Main Oil Field	APPLICANT'S NAME Matrix Oil Corporation
TYPE OF OPERATION Crude oil and natural gas drilling and production operations.	
HOURS OF OPERATION (WEEKDAY / WEEKEND) See Project Description and Item 7 attached.	NUMBER OF PERSONS EMPLOYED, AND MAXIMUM NUMBER ON SITE See Item 8 attached.
NUMBER AND TYPE OF VEHICLES USED IN THE OPERATION, AND WHERE STORED See Items 7 and 15 attached	
PROVIDE A FULL DESCRIPTION OF THE PROPOSED OPERATION: See Project Description attached.	

- The activities proposed will not interfere with the use, possession and enjoyment of surrounding or adjacent properties for the following reasons:

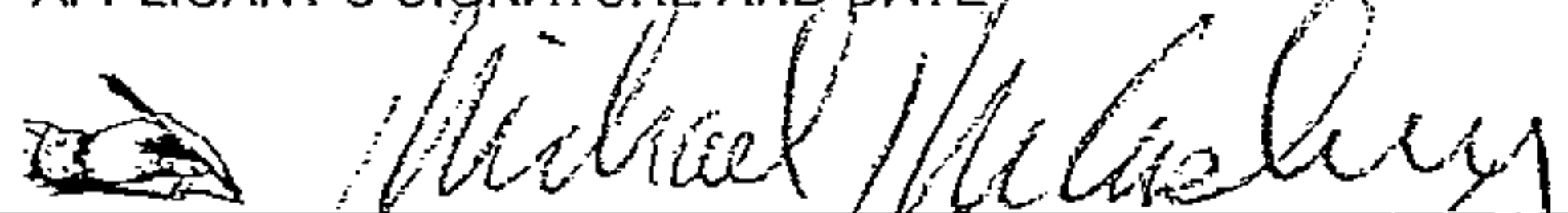
Located in relatively remote areas of the Whittier Main property, which is managed by the Puente Hills Landfill Native Habitat Preservation Authority ("Habitat Authority"). Nearest residence is well beyond 300 feet from any of the three sites. See Item 2 attached, as well as Project Description.

- The proposed use will be compatible with existing and permitted uses of surrounding and adjacent properties in the following ways:

All activities will occur within the area managed by the Habitat Authority. There will be relatively minimal disturbance to most of the property. An aggregate of seven acres (of the total of 1,290 acres) will be utilized for cellar sites and processing facilities. See Project Description.

- * The use will be consistent with the General Plan, any applicable specific plan and the Whittier Zoning Regulations, with regard to location, operation and design of the use, in the following ways:


See Project Description and other Items attached.

APPLICANT'S SIGNATURE AND DATE  Date: 4/24/09
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4. OWNER'S AFFIDAVIT

This affidavit allows the applicant identified in the box above to act in the owner's stead. The Planning Division will assume that the applicant will represent the proposal at any required public hearings. Although the owner will receive notice of any public hearings, all correspondence will be sent to the designated applicant.

CASE NO: <u>CUP09-004</u>

I/We, the owner of the subject property, hereby authorize _____ to:	
APPLICANT'S NAME	
<input type="checkbox"/> Make application for a Conditional Use Permit for the subject property and/or; <input type="checkbox"/> Act for me in my place and stead at any and all meetings connected with this application, either before the Planning Commission or the City Council, and to take such action as deemed advisable in connection with this application.	
Owner's Signature: 	Date: _____
OWNER'S NAME	PHONE
STREET ADDRESS	FAX
CITY, STATE, ZIP	

TO BE COMPLETED BY CITY STAFF SPECIFIC PLAN AREA: <input type="checkbox"/> W.T.C.S.P. <input type="checkbox"/> UPTOWN <input type="checkbox"/> WHITTIER BOULEVARD SPECIFIC PLAN <input type="checkbox"/> REDEVELOPMENT PROJECT AREA ISSUED BY: _____ RECEIVED BY: <u>BD</u> DATE: <u>4/24/09</u> FEE: \$ <u>7,733.00</u> (ACT. PL 452)

EXHIBIT "A"

All of those lands located in the incorporated area of the City of Whittier acquired by the City of Whittier under the following Deeds:

1. Grant Deed from Mountains Recreation and Conservation Authority to the City of Whittier dated December 20, 1995, and recorded on December 26, 1995, as Instrument Number 95-2043171, Los Angeles County Official Records; and
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APN's:

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8137-021-907, Approximately 10.45 acres
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2. 8289-020-900, Approximately 66.70 acres
8291-003-901, Approximately 235.55 acres

Total Approximate Area 1290.72 acres

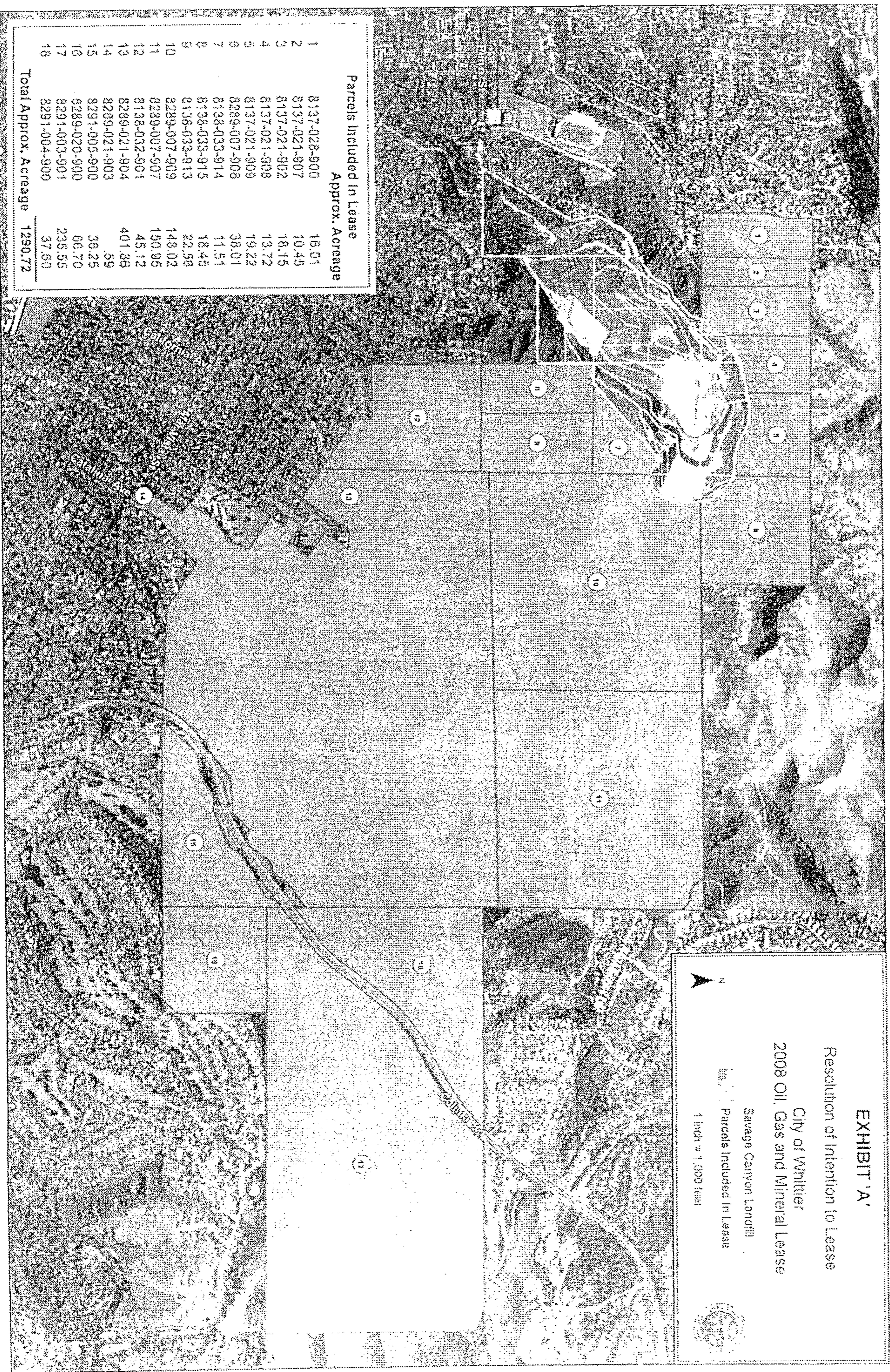


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 City of Whittier
 2008 Oil, Gas and Mineral Lease
 Savage Canyon Landfill
 Parcels Included In Lease
 1 inch = 1,000 feet

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Total Approx. Acreage		1290.72

**MATRIX OIL CORPORATION
WHITTIER MAIN OIL FIELD DEVELOPMENT PROJECT
PROJECT DESCRIPTION**

Introduction

This Project Description has been prepared to accompany the application for a Conditional Use Permit for the Whittier Main Oil Field Development Project (“Project”).

Site Description and Ownership

The City of Whittier owns approximately 1,290 acres of former oil field lands commonly known as Whittier Main Field. The majority of this land was purchased by the City from Chevron and Unocal Corporations with a grant from Proposition A funds. The land is managed for the City by the Puente Hills Landfill Native Habitat Preservation Authority (“Habitat Authority”), a joint powers agency with members including the City of Whittier, the County of Los Angeles, the Los Angeles County Sanitation District, and the Hacienda Heights Improvement Association.

The Whittier Main Oil Field was operated for over 100 years; however, all operations ceased in the early 1990’s when production was shut-in and all wells and facilities were abandoned.

On October 28, 2008, the City entered into an Oil, Gas and Mineral Lease Agreement with Matrix Oil Corporation (“Matrix”) of Santa Barbara, California. This Agreement leases the City’s mineral rights underlying the Whittier Main Field to Matrix and provides them certain rights including the drilling of exploratory oil wells and the extraction of oil, gas and other hydrocarbons from the land. In exchange, Matrix will pay the City royalties on the proceeds from the sale of produced oil and natural gas.

When the Project is fully developed, the well cellars, together with the Oil Processing and Gas Plant will be physically located at three different locations, referred to as "sites". All three sites will be located within the Whittier Main Field. These sites are to be known as the West Site, consisting of 1.0 to 1.5 acres, the Central Site consisting of 4.0 to 5.0 acres, and the East Site consisting of 1.0 to 1.5 acres. The total area required for the three sites will be approximately 7.0 acres. In addition, a crude oil truck loading facility will be located adjacent to Colima Road. Roads, pipelines and electrical conduit corridors, called the "backbone", will be constructed to connect the three production sites and the oil truck loading facility to the Central Site facilities. Electrical and pipeline interconnections will be made to the Southern California Edison grid, the Southern California Gas Company pipeline and the Suburban Water District system

Description of the Processes

Phase A – Drilling and Testing

The initial step of the Project will be the drilling and testing phase to determine the potential productivity and economic viability of the Project. During this phase, a total of three test wells will be drilled from the Central and West Sites to total vertical depths between 1,000 and 10,000 feet. These wells will utilize "horizontal drilling" technology, which enables the wells to be drilled long distances laterally, such that the bottom-hole locations may be several thousand feet from the surface locations of each well.

A sufficient portion of each well site will need to be preliminarily graded and leveled to accommodate the various types of equipment needed to drill the wells. This will include the drilling rig, temporary liquid storage tanks, pumps, pipe racks, etc. All this equipment will be delivered to the well sites by specially equipped trucks. Edison Company will provide a temporary service meter from which poles will distribute power to the well sites.

The drilling of test wells will require the use of a large drilling rig (approximately 130 feet tall) that will drill round the clock until planned depths and bottom-hole locations have been reached. It is anticipated that

temporary service from Edison Company will power the drilling rig and other needed equipment. The surface equipment will be screened from view and noise reduction will be accomplished using appropriate temporary fencing and soundproofing.

Once test well drilling is complete, the wells will be cased off, wellheads will be installed, and all the drilling equipment will be removed. A down-hole pump will be installed on each productive well for the purpose of pumping oil and water to the surface for testing. Volumes of liquids will be measured and samples taken to determine composition. These liquids will be temporarily stored in on-site tanks and then transported off site by trucks. The gas encountered also will be measured for volume and tested for composition and will be clean-burned adjacent to the wells.

The information obtained from the test wells will provide valuable data which will enable Matrix to determine the economic viability of the Project. If deemed economic, the information will also be used to determine the quantity and depths of wells required to maximize oil and gas recovery and also to optimize the capacity of oil processing, gas plant, and oil loading facilities.

Phase B – Design and Construction

If the Testing Phase confirms the economic viability of one or more of the sites, Matrix will construct permanent production and processing facilities, including underground well cellars and the truck loading facility. The sites will first be leveled and adjacent hills stabilized, after which the area required for the well cellars will be excavated and reinforced concrete will be poured. There will be one well cellar at each of the sites. The cellars will be approximately 12 ft wide and 8 ft deep with metal stairs at each end, and will be covered with expanded metal grating for safety. The distance between wells will be approximately eight feet; accordingly, the length of each cellar will be determined by the potential maximum number of wells to be accommodated. Matrix currently estimates they may require up to twenty wells per site. Drilling of subsequent wells will involve the same activities as those undertaken during the test well phase

The liquid pumped to the surface will be an emulsion of oil and water. A well test station located at each of the sites will separate the emulsion and measure the respective quantities of oil and water produced by each well. One or more vessels will also be required at each site for liquids handling. The liquids will be pumped to the oil processing facility at the Central Site. Gas produced will be collected and piped to the gas plant, which will also be constructed at the Central Site.

Each site will have a comprehensive fire protection system as required by the County of Los Angeles Fire Department. Automated alarm systems will also be included in each site's design. LA County Fire will also require fire hydrants at each site. Access roads and emergency site access will be designed in accordance with their requirements.

The "backbone" pipelines that deliver oil, water and gas from the sites to Central Site processing facility will be routed next to roads. Most of the pipelines will be above ground stabilized on pipe supports. Pipe bridges will be built to cross streams where necessary. Electrical power will be routed on power poles from the electrical meters provided by Edison.

The oil processing facility will be located at the Central Site across the road and north of the well cellar. This facility will include tanks and vessels for oil/water separation, air compressors for control purposes, pumps for moving oil and water, tanks for temporary storage of oil and water, and supporting vessels, controls and metering equipment. Spill prevention containment around all vessels, tanks and critical equipment will be built into the design. The oil processing facility will separate water and solids from the oil, after which the oil will be temporarily stored in tanks prior to shipment. The separated water will be accumulated in tanks, filtered, and then pumped back into subsurface oil producing sands by high-pressure injection pumps. There will be no interference with the fresh water table, which is located at shallower depths and will be protected from the injection fluids by steel casing. Solids will be shipped off site by trucks.

The gas plant will also be located at the Central Site adjacent to the oil processing facility. All sites will send produced gas via pipeline to the gas plant where liquids and impurities will be removed. The gas plant will have compressors, pumps, vessels, tanks, a metering system, an odorizing system, a fire protection system, an automatic emergency shutdown system and an emergency clean-burning flare. Some of the produced gas will be used on site and most will be sold directly to Southern California Gas Company via pipeline on Colima Road.

The marketable crude oil will be shipped via pipeline to the Truck Loading Facility at the East Site next to Colima Road. The oil will be loaded onto oil tanker trucks and transported to Southern California refineries.

Electrical service will be required for all sites, and will be obtained from Southern California Edison Company. Electric power for the Central Site and West Site will be provided close to the Central well cellar and will be distributed to the Central and Western sites via power poles located adjacent to the main road. Electric power to the East site, including the truck loading facility, will be provided on Colima Road close to the truck loading facility. Clean water will be obtained from the Suburban Water District and distributed to the sites via the backbone system.

Matrix plans to provide sufficient well cellar and supporting oil and gas processing capacity to handle daily production volumes of 10,400 barrels of crude oil and 6,000 MCF of natural gas. Matrix anticipates building its sites and processing facilities in a modular fashion which will support additional capacity as needed

Phase C – Operations and Maintenance

Matrix plans to comply with all prevailing rules, regulations and permit conditions in the conduct of its Project operations. This will include fire safety, noise and visual screening limitations, air quality standards, traffic congestion considerations, waste management, and protection of biological and other sensitive resources existing on the lease property.

J.C. "Mac" McFarland

April 24, 2009

City of Whittier
Planning Division
13230 Penn Street
Whittier, CA 90602

Dear City of Whittier,

Attached, please find Matrix Oil Corporation's Conditional Use Permit Application for its proposed Whittier Main Oil Field Development Project on lands owned by the City of Whittier as described in Exhibit A. The Application is signed by Mr. Michael McCaskey, Vice-President of Matrix Oil Corp.

As agreed, the requisite filing and other fees associated with this Application will be deducted from Matrix Oil's "initial deposit" which was paid to the City in October, 2008. Please furnish an accounting of same to Matrix Oil.

Matrix Oil Corporation and I look forward to working with the City and its agents and contractors in facilitating an efficient and thorough Environmental Impact Report.

Sincerely,


J. C. McFarland

7021 Worsham Drive, Whittier, CA 90602

Office 562-696-1662 ♦ Fax 562-696-4852 ♦ E-mail mac@mcfarl.com

**MATRIX OIL CORPORATION
WHITTIER MAIN DEVELOPMENT PROJECT
CONDITIONAL USE PERMIT APPLICATION**

Filed: April 24, 2009



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PLANNING DIVISION APR 24 2009
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PLANNING DEPT.
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CONDITIONAL USE PERMIT
 APPLIC
 CASE CUP 09-004
 ASSOCIATED WITH DRP 09-0015

1. PROJECT INFORMATION

PROJECT ADDRESS Whittier Main Oil Field	ASSESSOR'S PARCEL NUMBER Several – See Exhibit A attached.
LEGAL DESCRIPTION (I.E. LOT AND TRACT NUMBER) See Exhibit A attached.	
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RELATIONSHIP OF APPLICANT TO PROPOSAL (BUSINESS OWNER, CONSULTANT, ETC.) Michael McCaskey, Vice-President of Matrix Oil, Co-Lessee of the Property	

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CASE NO: <u>CUP09-004</u>

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CITY, STATE, ZIP	

TO BE COMPLETED BY CITY STAFF
SPECIFIC PLAN AREA:
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ISSUED BY: _____
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Conditional Use Permit

Business / Operational Description

PLANNING DIVISION

13230 PENN STREET

WHITTIER, CALIFORNIA 90602-1772

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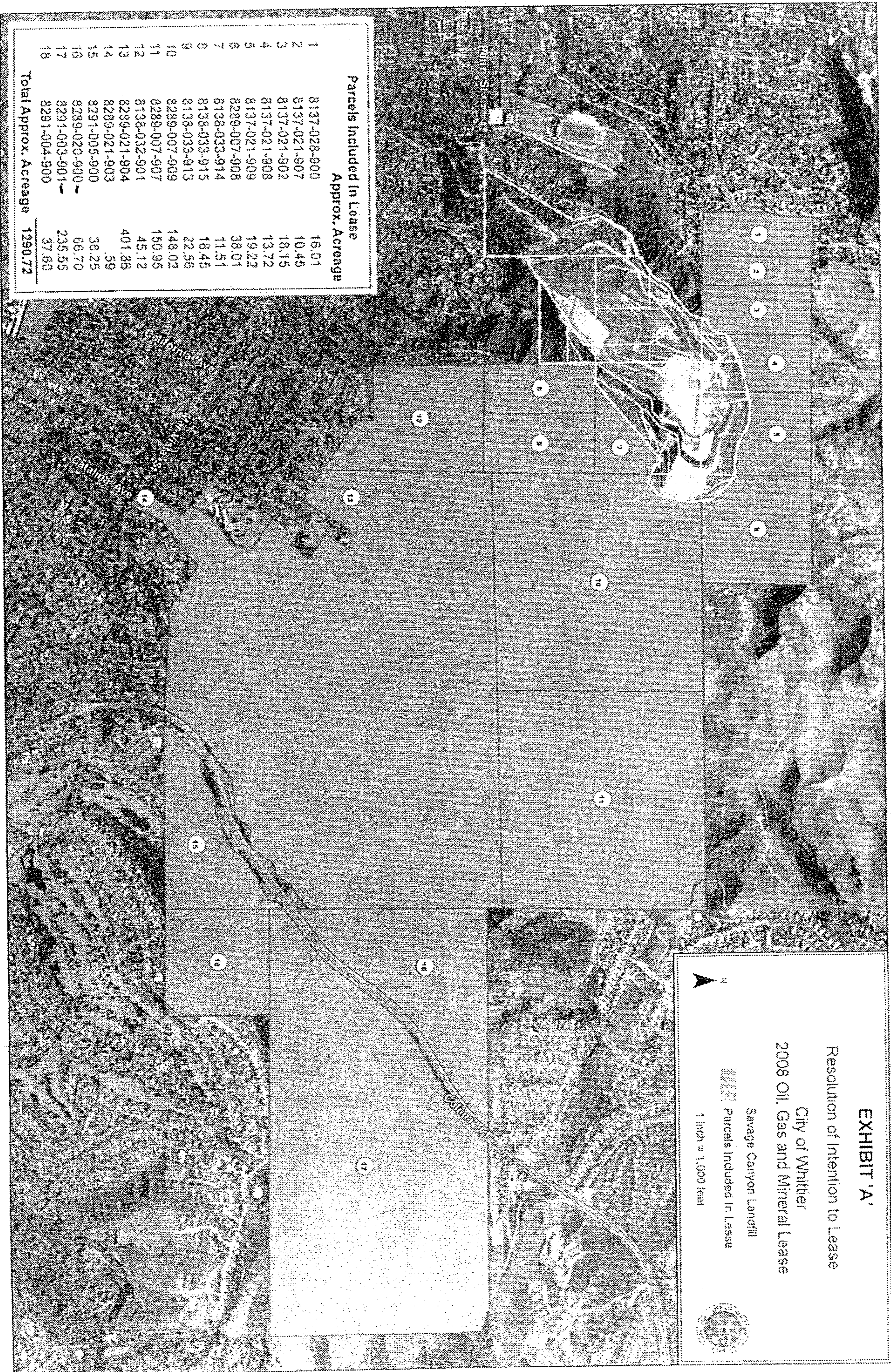
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Description of the Processes

Phase A – Drilling and Testing

The initial step of the Project will be the drilling and testing phase to determine the potential productivity and economic viability of the Project. During this phase, a total of three test wells will be drilled from the Central and West Sites to total vertical depths between 1,000 and 10,000 feet. These wells will utilize "horizontal drilling" technology, which enables the wells to be drilled long distances laterally, such that the bottom-hole locations may be several thousand feet from the surface locations of each well.

A sufficient portion of each well site will need to be preliminarily graded and leveled to accommodate the various types of equipment needed to drill the wells. This will include the drilling rig, temporary liquid storage tanks, pumps, pipe racks, etc. All this equipment will be delivered to the well sites by specially equipped trucks. Edison Company will provide a temporary service meter from which poles will distribute power to the well sites.

The drilling of test wells will require the use of a large drilling rig (approximately 130 feet tall) that will drill round the clock until planned depths and bottom-hole locations have been reached. It is anticipated that

