MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF OIL AND GAS

AND

SANTA BARBARA COUNTY

1. PURPOSE

This Memorandum of Understanding (MOU) between the California Department of Conservation, Division of Oil and Gas (hereinafter called the Division), and Santa Barbara County (hereinafter called the County) establishes procedures for delineating administrative field boundaries for new oil and gas fields and altering the administrative field boundaries of existing oil and gas fields within Santa Barbara County. This MOU also establishes procedures for addressing environmental concerns, resource development, and public participation in the oil and gas resource-development process.

2. RESPONSIBILITIES

Santa Barbara County Zoning Ordinances, Articles II and III, address oil and gas exploration and development outside State-designated oil and gas fields. Article III, §35-319 through §35-319.6, and Article II, §35-176 through §35-176.11 set forth permit processes for oil and gas well development. The Santa Barbara County Resource Management Department (RMD) incorporates Division administrative field boundaries in its land-use regulations. Therefore, administrative field boundaries have become de facto planning tools for the County's planning process. The County's planning process is subject to the California Environmental Quality Act and public review.

The designation of new oil and gas fields and the alteration and delineation of administrative field boundaries are handled as administrative procedures of the Division, as there are no statutory outlines for the process. Before establishing or altering administrative field boundaries, the Division consults with well operators and, at times, the Conservation Committee of California Oil and Gas Producers and the American Association of Petroleum Geologists Nomenclature Committee. The objective is to include all commercial production within administrative field boundaries. Generally, administrative field boundaries are not extended or

established until commercial production is established.

3. PROCEDURES

Recognizing the responsibility of the County for public access in the planning process and that the incorporation of oil and gas administrative field boundaries is important to the planning and environmental process, the Division agrees to notify the County of any proposed new oil and gas administrative field boundaries and administrative field boundary changes that expand existing field limits prior to any such new or changed designations. The administrative field boundary information may include maps delineating existing and proposed boundaries, and other relevant information requested by the RMD. The County will review the proposed administrative field boundary changes or new field designations and either concur or determine the need for additional review, based on environmental or other concerns, which may require notification of affected cities, towns, and other jurisdictions that may be impacted by the administrative field boundary changes or new field designations in order to gather input regarding the effects of the proposed new field designation or boundary change(s). The County shall notify the Division of any such determination. If no such notification is received by the Division within 30 days, it will be considered as concurrence by the County.

If, following appropriate notice, significant concerns regarding a proposed boundary change or designation are expressed by the public, the County will consult with the Division and, if additional public participation is determined by the Division to be necessary, the Division will issue a legal notice for a joint public workshop to discuss the concerns. Following the workshop, the Division may modify its expansion or designation, incorporate additional mitigation measures, or adopt other measures to address those concerns. If an administrative field boundary is expanded or a new one created, a map with the revised administrative field boundaries will be filed with the County.

Fr.ch party shall remain responsible for its own administrative costs associated with joint public workshops and other administrative costs associated with the Memorandum of Understanding.

4. MODIFICATION OF THIS AGREEMENT

This agreement becomes effective upon signature by the designated parties and may be modified in writing upon the initiative of either party to ensure consistency with State or County statutes or regulations, or for any other purpose agreed upon mutually. This MOU can be terminated by either party by providing written notice at least 60 days before the termination date.

IN WITNESS WHEREOF, This Memorandum of Understanding is executed at Santa

Barbara, California on this 26 day of January, 1993

CHAIRPERSON

Santa Barbara County Board of

Supervisors

STATE OF CALIFORNIA CONCUR:

EDWARD G. HEIDIG, DIRECTOR

State of California

Department of Conservation

ATTEST;

ZANDRA CHOLMONDELEY
County Clerk of the Board

By Kotest Coken
Deputy Clerk of the Board

APPROVED AS TO FORM:

APPROVED AS TO ACCOUNTING FORM:

DAVID NAWI County Counsel

Deputy County Counsel

ROBERT GEIS

Auditor-Controller

CHARLES MITCHELL County Risk Manager

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RESOLUTION OF THE BOARD OF SUPERVISORS COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF RECOMMENDING APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN COUNTY OF SANTA BARBARA AND STATE OF CALIFORNIA DIVISION OF OIL AND GAS RELATING TO NOTIFICATION OF AND PUBLIC HEARINGS ASSOCIATED WITH THE)))))))	RESOLUTION NO.	93- 61
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WITH REFERENCE TO THE FOLLOWING:

- A. In 1985 the Santa Barbara County Planning Commission expressed concern relating to ongoing onshore oil and gas development in the County. The Commission targeted environmental and land use concerns related to permitting of wells outside state designated fields. The Commission identified the lack of coordination and the absence of an avenue to address potential land use and environmental impacts unavailable to the County through existing ordinance. The Commission also expressed the need to allow local participation regarding designation and expansion of state oil fields by the Division of Oil and Gas as being a concern.
- B. In response to the Planning Commission's concerns and directives, the Resource Management Department secured a grant from the California Energy Commission to develop an Onshore Oil and Gas Development Master Environmental Assessment. The assessment, completed in 1991, evaluated the cumulative environmental impacts associated with onshore oil and gas development, the jurisdictional environment, future oil and gas production, abandonment and mitigation measures.
- C. The grant agreement provided, per the Commission's expressed concern, for the development of a Memorandum of Understanding with the State Division of Oil and Gas involving notification of the County, and the facilitation of public input related to the expansion or designation of state designated oil and gas fields.
- D. The Memorandum of Understanding between the State Division of Oil and Gas and the County of Santa Barbara has been drafted and reviewed by signatory parties. The Memorandum of Understanding is ready for consideration by the Santa Barbara County Board of Supervisors.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

- 1. The above recitations are true and correct.
- 2. Pursuant to the directives of the Planning Commission, the attached Memorandum of Understanding has been developed relating to the designation, and expansion of state designated oil and gas fields and setting forth procedures to be followed for jurisdictional notification, and public participation.
- 3. The Board of Supervisors hereby approves and executes the attached Memorandum of Understanding between the County of Santa Barbara and The State Division of Oil and Gas as set forth herein.
- 4. The Chair and the Clerk of this Board are hereby authorized and directed to sign and certify all maps, documents and other materials in accordance with this Resolution to show the above mentioned action by the Board of Supervisors.

PASSED, APPROVED, AND ADOPTED this 26th day of January 1993 by the following vote:

AYES: Supervisors Schwartz, Rogers, Chamberlin, Staffel, Stoker

NOES: None.

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ABSENT: None

Chairman, Board of Supervisors

ATTEST:

CLERK OF THE BOARD OF SUPERVISORS

Deputy Clerk-

Zandra Cholmondeley

APPROVED AS TO FORM

DAVID NAWI

COUNTY COUNSEL

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Deputy County Councel

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