

PROPOSED FINDINGS OF FACT

1. The site, known as the Murphy Drillsite, overlays a portion of the Las Cienegas Oil Field, and is located on a slightly sloping, irregular shaped property fronting on the south side of Adams Boulevard, between Cimarron Street to the west and Manhattan Place to the east. The property has dimensions of 323 feet along the south side of Adams Boulevard, 165 feet along the north side of 27th Street and a non-uniformed depth of 588 feet and an overall square footage of 141,451 or 3.25 acres. The Drillsite is located in the [Q]R4-1-O-HPOZ Zone, within Urbanized Oil Drilling District U-37 as established in 1959 by Ordinance No. 114,701. That portion of the Drillsite containing the existing drilling and production equipment is enclosed with a concrete block wall that is set back from Adams Blvd. approximately 25 feet. The portion of the Drillsite within the block wall is accessed through one of two gates and driveways from Adams Blvd. The easterly portion of the Drillsite, located outside of the block wall, is utilized for parking and has a separate driveway off of Adams Blvd. The southerly portion of the Drillsite fronts along 27th Street and is enclosed by a 6 foot wrought iron fence. The southerly landscaped area can be accessed from the drilling and production area enclosed by the block wall via an existing gate. Vehicular access to the southerly area is through an existing driveway on 27th Street. Set back approximately 270 feet from 27th Street is the southerly line of the block wall. The southerly area between 27th Street and the block wall is landscaped with mature landscaping, as is the northerly portion of the Drillsite fronting on Adams Blvd. The site is improved with tanks, vessels, well cellars, pumps, generators, compressors and various pieces of equipment for operating the facility. There are also a small number of operational buildings on the site located in the R4-zoned portion of the site. The owner of the fee underlying the Drillsite is The Roman Catholic Archbishop of Los Angeles. FM O&G is the current leaseholder of the entire Drillsite as successor to a written Drillsite Lease Agreement with the Archbishop. The entire leased parcel from Adams Blvd. to 27th Street is constitutes the Drillsite and has been depicted as such on plot plans from 1959 up to present. Extant entitlements and Zoning determinations have never restricted the operational portion of the Drillsite to the walled area - this area is simply where equipment has been housed to date. Thus, the full area of the controlled drillsite - 3.25 acres - has been preserved in ZA determinations to the present day.
2. The nearest residential uses are located to the east of the site, on property zoned [Q]R4-1-O developed with a two-story multiple-family dwelling complex, and on the south side of 27th Street, where properties are located in the RD2-1-O Zone and developed with one- and two-story single-family dwellings and apartment buildings.
3. A review of the past record and information attached to the file indicates that oil drilling and oil production have occurred on the site since it was first authorized to be operated at this location on April 5, 1961 under ZA Case No. 15227, subject to 24 conditions. Development of the site for oil and gas drilling and production operations has been subject to a Zoning approval process referred to as a "Review of Plans" for the construction of buildings and the installation of equipment on the site. In addition, subsequent cases have also regulated oil drilling and production on the property, mainly addressing the need for occasional drilling and re-drilling of

new or existing wells. The last such submittals were approval by the Zoning Administrator on September 14, 2007 for the expansion of the well cellar and approval of the drilling of three new wells and the future drilling of nine additional wells in ZA 15227 (O)(PA4) and the related December 26, 2007 Review of Plans for the expansion of gas handling facilities, the August 26, 2008 Review of Plans for approval to drill Well M-31 and the May 14, 2013 Review of Plans for approval to drill wells M-37, M-33 and M-40 all as part of the nine additional wells approved on September 14, 2007.

4. Part of the operation of a site for oil drilling and production includes installation and operation of mechanical equipment necessary for the safe processing of oil and gas at the site. The installation, operation and maintenance of equipment for handling natural gas at a Controlled Drill Site is normal and expected as a consequence of drill site operations and does not constitute either a change in land use or an expansion of the operations at the facility. The installation of permanent natural gas handling equipment was first authorized by written Approval of Plans dated June 1, 1962 in Cases ZA 15227 and 15937. The Compressor House, which houses compressors used in gas handling, was authorized by Approval of Plans dated April 9, 1963 in Case ZA 15227. By Plan Approval dated July 18, 1985, in Case ZA 15227, the ZA authorized the installation of gas treating equipment, including a carbon dioxide removal plant to reduce CO² levels in the gas to meet The Gas Company pipeline specification. On December 26, 2007, in Case ZA 15227(O)(PA4), the ZA again approved the expansion of the gas plant by the installation and operation of PSA skid. The installation and operation of the proposed CEB800 is necessary for the continued safe handling of off-spec natural gas that does not meet The Gas Company pipeline specifications and is a normal and expected consequence of drill site operations.
5. After a public review of the conditions of operations pursuant to Council motions dated April 13, 2004, the Zoning Administrator determined that the use of the property posed no significant nuisance to adjoining or neighboring properties and approved plans to allow the continued use of the property for oil drilling and production purposes. Such determination was made April 15, 2005.
6. The proposed location of the CEB800 and Sound Wall is on the southerly landscaped portion of the Drillsite, south of the existing block wall, and set back from 27th Street approximately 270 feet. The landscaped area fronting on 27th Street is about 1.3 acres and is fully enclosed by a fence and gate that remains locked at all times, except during ingress and egress. The approximately 29-foot high southerly block wall is a retaining wall that encloses the current operational areas of the Drillsite to control noise and block the equipment from public view. The CEB800 is proposed to be installed in an approximately 1,500 square foot area at the bottom of the wall on the southerly side of the lot and set back from 27th Street by approximately 245 feet. The CEB800 enclosure area represents 1% of the total area of the Drillsite. The CEB800 can be located in its proposed location without violating any existing landscaping conditions. Conscious of locating the CEB800 in the least obtrusive spot, FM O&G's plans carefully placed the equipment and its Sound Wall directly behind the existing southerly

wall in an area that is not visible from 27th Street through the existing dense landscaping, including fully mature trees that completely hide the southerly wall where the CEB800 will be placed from the sight line on 27th Street. Some existing landscaping will be removed for the construction of the new equipment pad and installation of the CEB800 and Sound Wall, but the landscaping will be replaced with fast growing planting materials, as shown on the Conceptual Landscaping Plan.

7. None of the conditions controlling the Drillsite, including those related to landscaping, prohibit locating equipment on any portion of the Drillsite. Section 13.01-E, 2(f) is clear: "The entire controlled drilling site shall be adequately landscaped, except for those portions occupied by any required structure[.]" Landscaping should take place around necessary machinery, such as the CEB800 and has been provided for by the Conceptual Landscape Plan and Artist's Renderings submitted by Applicant. The landscaping condition in the 2007 PA4 does not limit the placement of operating equipment; it simply instructs the operator to implement certain landscaping measures.
8. Condition No. 9, as originally imposed on April 5, 1961, was determined to be outdated and was modified by Condition No. 5 on March 13, 2006 in ZA 15227(O) (PA3) by striking out the provision restricting access to the site from the driveway on 27th Street. Access to the site from 27th Street is already authorized.

ADDITIONAL MANDATORY FINDINGS

1. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this project is located in Zone C, areas of minimal flooding.
2. On _____, the project was issued a Notice of Exemption (Article III, Section 3, City CEQA Guidelines), long reference ENV 2014-_____-CE, for a categorical exemption, Class 5, Category 23, City CEQA Guidelines, Section 15100. I hereby adopt that action.
3. Fish and Game: The subject project, which is located in Los Angeles County, will not have an impact on fish or wildlife resources or habitat upon which fish and wildlife depend, as defined by California Fish and Game Code Section 711.2.