

**Los Cerritos Wetlands Authority****Date: May 5, 2016****To: Governing Board Members****From: Mark Stanley, Executive Officer****Subject: Item 7: Status Report and Update on the Synergy Term Agreement.**

**STATUS REPORT AND UPDATE:** The Los Cerritos Wetlands Authority (LCWA) authorized the Executive Officer to enter into a term sheet agreement with Synergy Oil and Gas Company for the conveyance of real property. The Executive Officer received authorization to enter into negotiations with Synergy Oil and Gas Company for real property at the August 12, 2015 Board Meeting (Resolution 2015-06) since then the Executive Officer and Staff have met with Synergy several times and have developed the Term Sheet for a Land Exchange Agreement between Los Cerritos Wetlands, LLC and Los Cerritos Wetlands Authority. The term sheet outlines Synergy Oil and Gas Company and the LCWA wishes to enter into a non-binding agreement that provides for the exchange of each party's respective properties. The purpose of this Term Sheet is to set forth the preliminary and non-binding terms of subsequent negotiations toward anticipated future Agreement.

Following are the updates in regards to the Term Sheet Agreement with Synergy:

1. Recently, Synergy Oil and Gas Company and Lyon formed a new LLP called **Beach Oil Minerals Partners** which is the new entity responsible for processing the entitlements for the conveyance of the property. Therefore, many of the documents henceforth will reference Beach Oil Minerals Partners as opposed to Lyon and Synergy as separate entities. Additionally, it may be necessary for the LCWA to review the current Synergy Term Agreement to determine if the agreement requires a revision to include the new formed Beach Oil Minerals Partners LLP to ensure the new formed LLP is adequately represented.
2. The term sheet expires on October 12, 2016 but it can be extended by mutual agreement in writing for an additional six months.
3. The City of Long Beach deemed the project application complete from Beach Oil Minerals Partners, hence the City of Long Beach has hired ESA to draft the Environmental Impact Review. The City of Long Beach as the lead agency has commenced the CEQA process and has initiated public circulation of the Notice of Preparation/Initial Study for the Wetlands Restoration and Oil Consolidation, please see Exhibit B for a brief summary of the NOP and you can find the entire NOP online at [http://www.lbds.info/planning/environmental\\_planning/environmental\\_reports.asp](http://www.lbds.info/planning/environmental_planning/environmental_reports.asp)). The City of Long Beach will hold a scoping meeting on May 11, 2016 at Kettering Elementary School from 6:00pm-8:00pm and anticipates circulation of the Draft Environmental Impact Report by October 2016.

4. The LCWA in cooperation with the City of Long Beach will need to determine the role of the LCWA, either as the Responsible Agency or the Lead Agency per the CEQA Guidelines, Article 4 (Sections 15050-15053), please see Exhibit A: CEQA Guidelines. Per the CEQA Guidelines, Section 15051 the Lead Agency Designation is determined when two or more public agencies will be involved with a project, the determination of which agency will be the lead agency shall be governed by the following criteria: (a) If the project will be carried out by a public agency, that agency shall be the lead agency even if the project would be located within the jurisdiction of another public agency. (b) If the project is to be carried out by a nongovernmental person or entity, the lead agency shall be the public agency with the greatest responsibility for supervising or approving the project as a whole. (1) The lead agency will normally be the agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose such as an air pollution control district or a district which will provide a public service or public utility to the project.
5. Phase I compliance. The term sheet provides that Synergy Oil and Gas Company and the LCWA prepared a Phase I within 90 days after the term sheet agreement was executed on October 12, 2015. The LCWA determined that a Phase I was not required since the DTSC signed-off on the Phase I and II Environmental Site Assessments by CH2MHILL in July 2000 and December 2004 respectively. Further, the OTD Parcel has not been used in any way that would expose it to contamination since the LCWA acquired it in 2007. Lessees have only been authorized to store their non-hazardous materials/equipment and not perform any activities otherwise.

Beach Oil Minerals Partners completed a new Phase I study for the OTD Parcel. The Phase I is being reviewed by Beach Oil Mineral Partners counsel and has not yet been delivered to LCWA for review. In addition, Beach Oil Minerals Partners is scheduled to conduct cone penetration tests and drill borings on the OTD Parcel for the purpose of gaining information on the soils pertinent to the design of the proposed oil facilities.

6. Title Reports completed by Commonwealth Title and Fidelity Title for the OTD Parcel are currently being reviewed since these reports are inconsistent.
7. Southern California Edison counsel is working on the quitclaim deed to the LCWA and the easement to be granted by LCWA to Southern California Edison.

## **Exhibit A: CEQA Guidelines**

### **CEQA GUIDELINES**

#### **California Code of Regulations, Title 14, Division 6, Chapter 3,**

#### **Article 4. Lead Agency. (Sections 15050-15053)**

##### **Section 15050. Lead Agency Concept.**

(a) Where a project is to be carried out or approved by more than one public agency, one public agency shall be responsible for preparing an EIR or negative declaration for the project. This agency shall be called the lead agency.

(b) Except as provided in subdivision (c), the decisionmaking body of each responsible agency shall consider the lead agency's EIR or negative declaration prior to acting upon or approving the project. Each responsible agency shall certify that its decisionmaking body reviewed and considered the information contained in the EIR or negative declaration on the project.

(c) The determination of the lead agency of whether to prepare an EIR or a negative declaration shall be final and conclusive for all persons, including responsible agencies, unless:

(1) The decision is successfully challenged as provided in Section 21167 of the Public Resources Code,

(2) Circumstances or conditions change as provided in Section 15162, or

(3) A responsible agency becomes a lead agency under Section 15052.

##### **Section 15051. Criteria for Identifying the Lead Agency.**

Where two or more public agencies will be involved with a project, the determination of which agency will be the lead agency shall be governed by the following criteria:

(a) If the project will be carried out by a public agency, that agency shall be the lead agency even if the project would be located within the jurisdiction of another public agency.

(b) If the project is to be carried out by a nongovernmental person or entity, the lead agency shall be the public agency with the greatest responsibility for supervising or approving the project as a whole.

(1) The lead agency will normally be the agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose such as an air pollution control district or a district which will provide a public service or public utility to the project.

(2) Where a city prezones an area, the city will be the appropriate lead agency for any subsequent annexation of the area and should prepare the appropriate environmental document at the time of the rezoning. The local agency formation commission shall act as a responsible agency.

(c) Where more than one public agency equally meet the criteria in subdivision (b), the agency which will act first on the project in question shall be the lead agency.

(d) Where the provisions of subdivisions (a), (b), and (c) leave two or more public agencies with a substantial claim to be the lead agency, the public agencies may by agreement designate an agency as the lead agency. An agreement may also provide for cooperative efforts by two or more agencies by contract, joint exercise of powers, or similar devices.

**Section 15052. Shift in Lead Agency Designation**

(a) Where a responsible agency is called on to grant an approval for a project subject to CEQA for which another public agency was the appropriate lead agency, the responsible agency shall assume the role of the lead agency when any of the following conditions occur:

(1) The lead agency did not prepare any environmental documents for the project, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.

(2) The lead agency prepared environmental documents for the project, but the following conditions occur:

(A) A subsequent EIR is required pursuant to Section 15162,

(B) The lead agency has granted a final approval for the project, and

(C) The statute of limitations for challenging the lead agency's action under CEQA has expired.

(3) The lead agency prepared inadequate environmental documents without consulting with the responsible agency as required by Sections 15072 or 15082, and the statute of limitations has expired for a challenge to the action of the appropriate lead agency.

(b) When a responsible agency assumes the duties of a lead agency under this section, the time limits applicable to a lead agency shall apply to the actions of the agency assuming the lead agency duties.

**Section 15053. Designation of Lead Agency by the Office of Planning and Research.**

(a) If there is a dispute over which of several agencies should be the lead agency for a project, the disputing agencies should consult with each other in an effort to resolve the dispute prior to submitting it to the Office of Planning and Research. If an agreement cannot be reached, any of the disputing public agencies, or the applicant if a private project is involved, may submit the dispute to the Office of Planning and Research for resolution. (b) For purposes of this section, a "dispute" means a contested, active difference of opinion between two or more public agencies as to which of those agencies shall prepare any necessary environmental document. A dispute exists where each of those agencies claims that it either has or does not have the obligation to prepare that environmental document. (c) The Office of Planning and Research shall designate a lead agency within 21 days after receiving a completed request to resolve a dispute. The Office of Planning and Research shall not designate a lead agency in the absence of a dispute. (d) Regulations adopted by the Office of Planning and Research for resolving lead agency disputes may be found in Title 14, California Code of Regulations, Sections 16000 et seq. (e) Designation of a lead agency by the Office of Planning and Research shall be based on consideration of the criteria in Section 15051 as well as the capacity of the agency to adequately fulfill the requirements of CEQA.

**Exhibit B: Notice of Preparation and Initial Study**

CITY PLANNING COMMISSION

MARK CHRISTOFFELS  
CHAIR

DONITA VAN HORIK  
VICE-CHAIR

RON CRUZ

ALAN FOX

ANDY PEREZ

JANE TEMPLIN

ERICK VERDUZCO-VEGA

CITY OF LONG BEACH  
CALIFORNIA



ROBERT GARCIA  
MAYOR

ORIGINAL FILED

APR 27 2016

LOS ANGELES, COUNTY CLERK

EXECUTIVE OFFICES  
333 W. OCEAN BLVD, 4TH FLOOR  
LONG BEACH, CA 90802

LINDA TATUM  
PLANNING BUREAU MANAGER  
(562) 570-6261

CHRISTOPHER KOONTZ  
ADVANCE PLANNING OFFICER  
(562) 570-6288

PHONE: (562) 570-6194

INFORMATION  
<http://www.lbds.info/planning/>

**To:** Agencies, Organizations and Interested Parties

**Subject:** Notice of Preparation of a Draft Environmental Impact Report in Compliance with Title 14, Section 15052(a) of the California Code of Regulations and Scoping Session

Pursuant to Public Resources Code Section 21165 and the Guidelines for the California Environmental Quality Act (CEQA) Section 15050, the City of Long Beach is the Lead Agency responsible for the preparation of an Environmental Impact Report (EIR) addressing potential impacts associated with the project identified below.

**Agencies:** The purpose of this notice is to serve as a Notice of Preparation (NOP) of an EIR pursuant to the State CEQA Guidelines Section 15082, and solicit comments and suggestions regarding the scope and context of the EIR to be prepared for the proposed project. Specifically, the City of Long Beach requests input on the environmental information that is germane to your agency's statutory responsibility in connection with the proposed project. Your agency may rely on the Draft EIR prepared by the City when considering permits or other approvals for this project.

**Organizations and Interested Parties:** The City of Long Beach requests your comments and concerns regarding the proposed scope and content of the environmental information to be included in the EIR.

**Project Title:** Los Cerritos Wetlands Restoration and Oil Consolidation Project

**Project Location:** The project is comprised of four sites located at: 6422 E. 2<sup>nd</sup> Street (Synergy Oil Field Site); 6701 E. Pacific Coast Highway (Pumpkin Patch site); northeast corner of Studebaker Road and 2<sup>nd</sup> Street (Los Cerritos Wetland Authority site); and 2<sup>nd</sup> Street and Shopkeeper Road (City-Property site) in the City of Long Beach.

**Project Description:** The project would implement a comprehensive wetlands restoration project which will restore a privately-owned oil field in the City of Long Beach through creation of a wetlands mitigation bank. The project includes the relocation of certain oil facilities currently located on the Synergy Oil Field and City-owned property to two off-site properties (Los Cerritos Wetland Authority Site and Pumpkin Patch site).

**Probable Environmental Effects of the Project:** Based on the findings of the Initial Study, the proposed project could have potentially significant impacts on the following environmental factors: **Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Public Services, Population and Housing, Recreation, Transportation and Traffic, and Utilities and Service Systems.**

**Public Review Period:** This NOP is available for public review and comment pursuant to California Code of Regulations, Title 14, Section 15082(b). The public review and comment period during which the City of Long Beach will receive comments on the NOP for this proposed project is:

**Beginning: Thursday, April 28, 2016   Ending: Friday, May 27, 2016**

**THE NOP AND INITIAL STUDY ARE AVAILABLE FOR PUBLIC REVIEW AT THE FOLLOWING LOCATIONS:**

City Hall, 333 West Ocean Boulevard, 5<sup>th</sup> Floor  
Long Beach Main Library, 101 Pacific Avenue  
Online at: [www.lbds.info/planning/environmental\\_planning/environmental\\_reports.asp](http://www.lbds.info/planning/environmental_planning/environmental_reports.asp)

**Scoping Meeting:** As part of the NOP process, the City will conduct a public scoping meeting in order to present the proposed project and environmental process and to receive public comments and suggestions regarding the proposed project. The scoping meeting will be held on May 11, 2016, from 6:00PM to 8:00 PM at Kettering Elementary School, Cafeteria Dining Room, 550 Silvera Avenue, Long Beach, CA. The parking lot is located on the south side of the School on 5<sup>th</sup> Street.

**Responses and Comments:** Please list a contact person for your agency or organization, include U.S. mail and email addresses, and send your comments to:

Craig Chalfant  
Planning Bureau, Development Services Department  
City of Long Beach  
333 West Ocean Boulevard, 5<sup>th</sup> Floor  
Long Beach, CA 90802

Or via email to: [craig.chalfant@longbeach.gov](mailto:craig.chalfant@longbeach.gov)



SOURCE: ESRI

Long Beach Cerritos Wetland. 150712

Project Vicinity Map

**DRAFT**

**INITIAL STUDY**

**LOS CERRITOS WETLANDS RESTORATION  
AND OIL CONSOLIDATION PROJECT**

**CITY OF LONG BEACH, CALIFORNIA**



Submitted to:

City of Long Beach  
Development Services, Planning Bureau  
333 West Ocean Boulevard, 5<sup>th</sup> Floor  
Long Beach, CA 90802

Prepared by:

Environmental Science Associates  
626 Wilshire Boulevard, Suite 1100  
Los Angeles, California 90017  
(213) 599-4300



Project No. D150712

April 2016

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# 1. INTRODUCTION

## 1.1 CEQA PROCESS

In accordance with the California Environmental Quality Act (CEQA) and its Guidelines, this Initial Study (IS) has been prepared for the proposed Los Cerritos Wetlands Restoration and Oil Consolidation Project (proposed project) located in the city of Long Beach. Consistent with State CEQA Guidelines Sections 15063(a) and 15063(a)(1), this IS determines whether the project, considering all phases of project planning, implementation, and operation, may have a significant effect on the environment. As such, and also consistent with State CEQA Guidelines Section 15063(c), this IS provides the lead agency with information to use as the basis for deciding whether to prepare an Environmental Impact Report (EIR) and the environmental issues to be addressed in the EIR.

As required by State CEQA Guidelines Section 15063(d), this IS includes a description of the project, including the location of the project; an identification of the environmental setting; and an identification of potential environmental effects. Because all effects identified as potentially significant will be analyzed in the EIR, this IS does not identify potential mitigation measures; instead, mitigation measures will be provided in the Draft EIR.

The City of Long Beach (City), as the principal public agency responsible for approving the Project, is the “lead agency” for the CEQA environmental review process. Implementation of this project would include approval of discretionary actions by the City; as such, the City Council is responsible for certification of the environmental documentation and for approval of the project.

## 1.2 CONTACT PERSON

Any questions regarding this IS, its assumptions, or conclusions should be referred to:

Craig Chalfant, Senior Planner  
City of Long Beach  
Long Beach Development Services, Planning Bureau  
333 West Ocean Boulevard, 5th Floor  
Long Beach, California 90802  
(562) 570-6368  
[craig.chalfant@longbeach.gov](mailto:craig.chalfant@longbeach.gov)

## 2. PROJECT DESCRIPTION

### 2.1 PROJECT LOCATION

The Los Cerritos Wetlands Restoration and Oil Consolidation Project (proposed project) would implement a comprehensive wetlands restoration project that will restore portions of a privately owned oil field in the City of Long Beach through creation of a wetlands mitigation bank, while allowing operation of the oil facilities to continue through relocation of operations and equipment to other parts of the project site. The project is proposed by Beach Oil Minerals Partners (BOMP).

The proposed project is located in the City of Long Beach, in Los Angeles County. **Figure 1** shows the regional location of the proposed project, and **Figure 2** shows a localized view of the project site. More specifically, the proposed project would be implemented on four properties: the Synergy Oil Field site, Pumpkin Patch site, Los Cerritos Wetlands Authority (LCWA) site, and City-owned property (City Property) located in the southeast portion of the City. The proposed project includes the development of specific oil facilities currently located on the Synergy Oil Field and City-owned properties on the LCWA site and the Pumpkin Patch site. The location of each site is described in more detail below.

**Synergy Oil Field site:** The Synergy Oil Field site consists of an approximately 154-acre property located at 6433 E. 2nd Street. The site is bound by the Pacific Coast Highway to the west, 2nd Street to the south, Studebaker Road to the east and the Los Cerritos Channel to the north.

**Pumpkin Patch site:** The Pumpkin Patch site consists of an approximately 5.5-acre property located at 6701 E. Pacific Coast Highway. The site is located adjacent to commercial and office land uses which abut the southern boundary of the commercial retail area the “Marketplace.” The site is bound by the Pacific Coast Highway to the west, the San Gabriel River to the south, the commercial-retail uses at the Marketplace to the north, and the undeveloped land associated with the City-owned property to the east.

**Los Cerritos Wetlands Authority site:** The Los Cerritos Wetlands Authority (LCWA) site consists of an approximately 5-acre parcel located at the northeast corner of the 2nd Street and Studebaker Road intersection. The site is bound by 2nd Street to the south and Studebaker Road to the west, and is adjacent to buildings and facilities associated with industrial uses to the north and east.

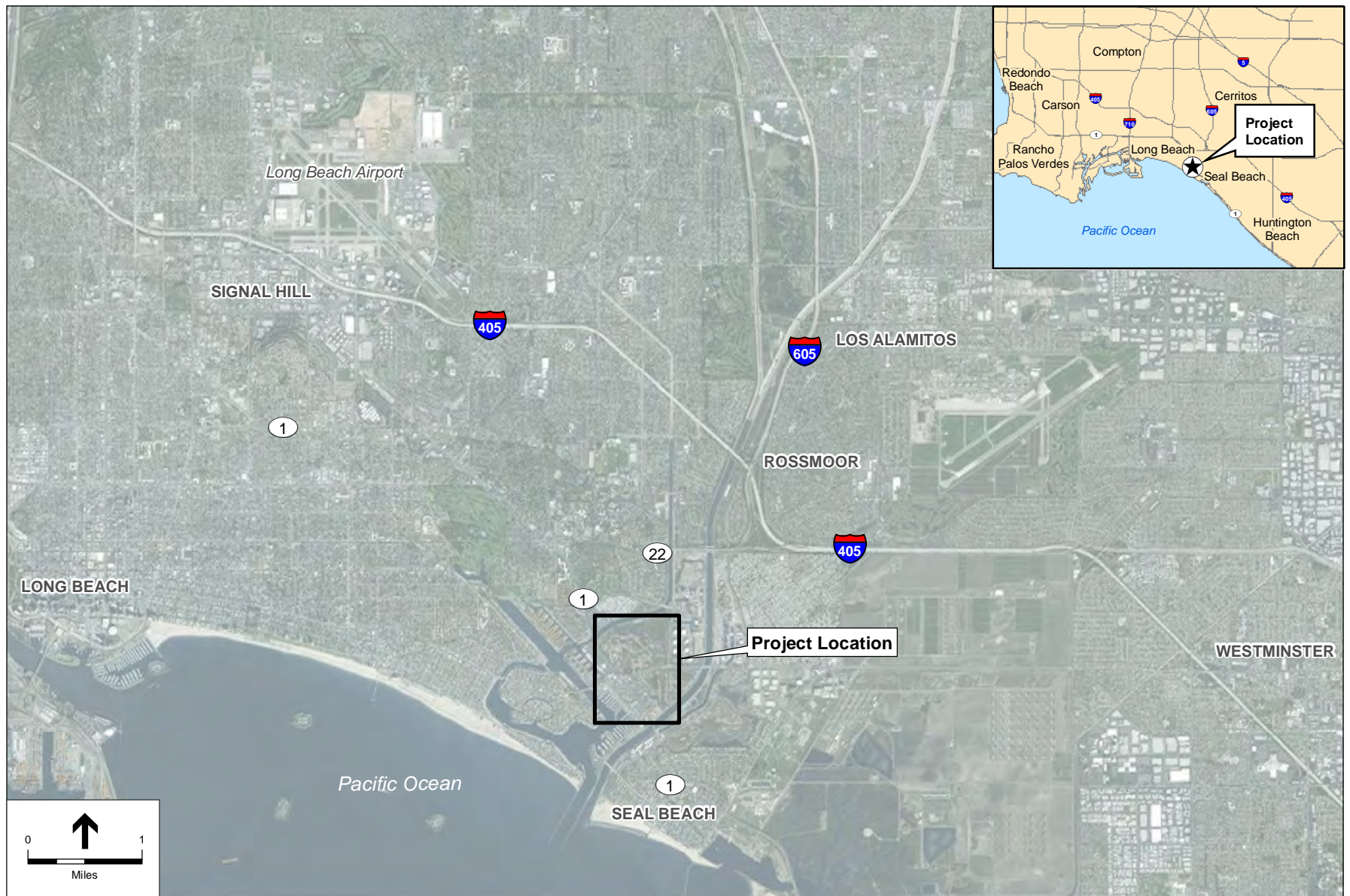
**City Property site:** The City Property site is an approximately 33-acre site located at 2nd Street and Shopkeeper Road. The site is bound by Shopkeeper Road to the west, 2nd Street to the north, undeveloped land to the east, and the San Gabriel River to the south.

The Assessor Parcel Numbers (APNs) of the project sites and each parcel's approximate gross acreage are summarized in **Table 1**. **Figure 3** depicts the location of the properties that together make up the proposed project site.

**Table 1. Project Site Characteristics**

Gross Acres (approximate)	Assessor Parcel Numbers	Section/Township/Range
<b>SYNERGY OIL FIELD SITE</b>		
0.22	7237-017-010	Section 05, Township 12, Range 02 West
6.78	7237-017-011	Section 05, Township 12, Range 02 West
1.73	7237-017-012	Section 05, Township 12, Range 02 West
118.53	7237-0217-013	Section 05, Township 12, Range 02 West
11.05	7237-017-014	Section 05, Township 12, Range 02 West
11.29	7237-017-019	Section 05, Township 12, Range 02 West
0.284	7237-017-805	Section 05, Township 12, Range 02 West
1.388	7237-017-806	Section 05, Township 12, Range 02 West
0.003	7237-017-807	Section 05, Township 12, Range 02 West
0.478	7237-017-808	Section 05, Township 12, Range 02 West
0.015	7237-017-809	Section 05, Township 12, Range 02 West
Total Acres		
154 <sup>1</sup>		
<b>PUMPKIN PATCH SITE</b>		
0.003	7237-020-003	Section 05, Township 12, Range 02 West
4.28	7237-010-043	Section 05, Township 12, Range 02 West
0.722	7237-020-044	Section 05, Township 12, Range 02 West
0.535	7237-020-045	Section 05, Township 12, Range 02 West
Total Acres		
5.5		
<b>CITY PROPERTY SITE</b>		
0.006	7237-020-003	Section 05, Township 12, Range 02 West
0.186	7237-020-041	Section 05, Township 12, Range 02 West
0.005	7237-020-044	Section 05, Township 12, Range 02 West
0.005	7237-020-045	Section 05, Township 12, Range 02 West
0.008	7237-020-051	Section 05, Township 12, Range 02 West
0.103	7237-020-901	Section 05, Township 12, Range 02 West
29.756	7237-020-903	Section 05, Township 12, Range 02 West
1.411	7237-020-904	Section 05, Township 12, Range 02 West
Total Acres		
33 <sup>1</sup>		
<b>LOS CERRITOS WETLANDS AUTHORITY SITE</b>		
0.923	7237-019-007	Section 05, Township 12, Range 02 West
4.07	7237-019-809	Section 05, Township 12, Range 02 West
Total Acres		
5.0		
<b>TOTAL ACRES</b>		
193.783		

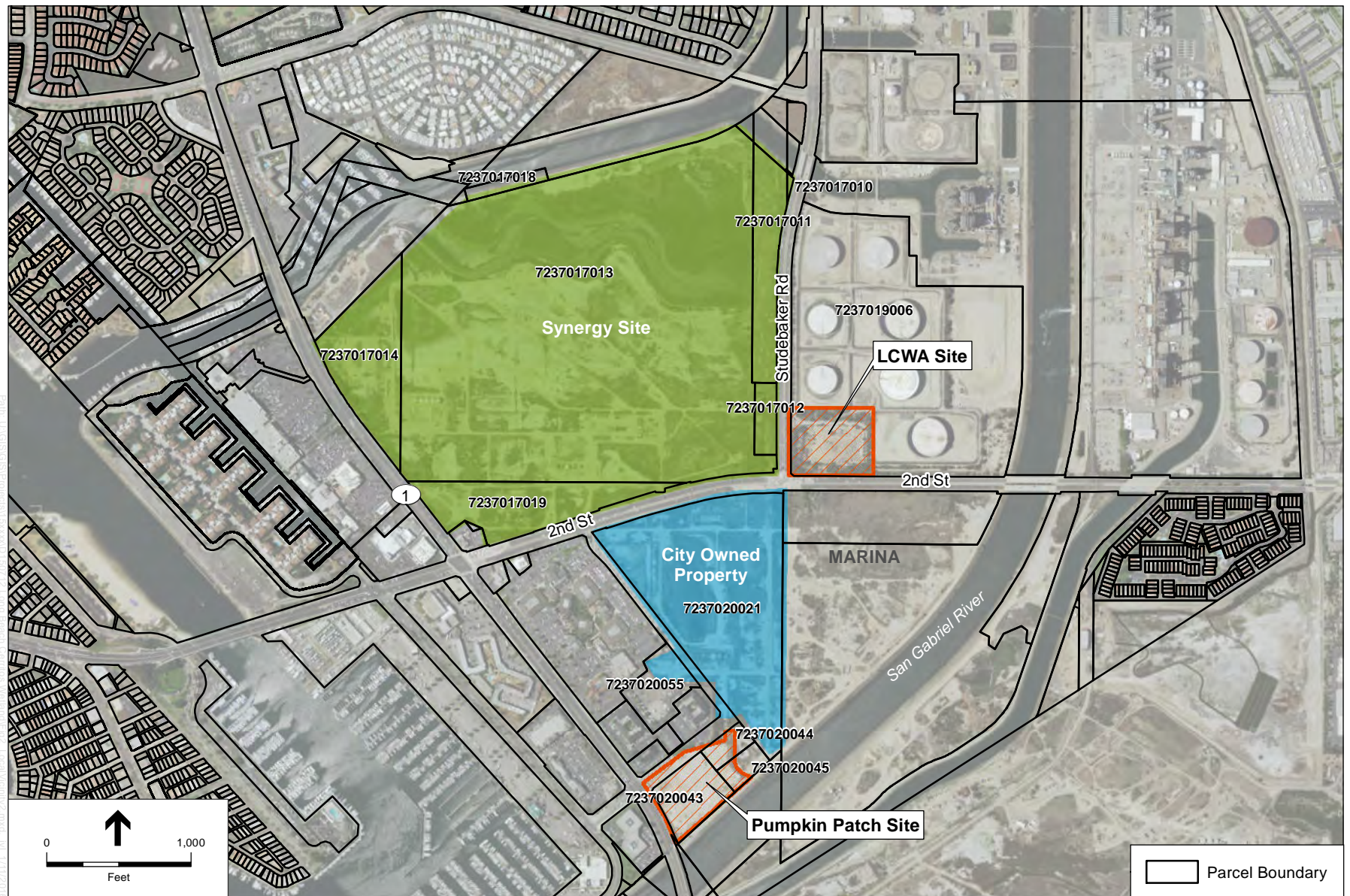
<sup>1</sup> Approximate acreages are rounded up for the Total Acres shown.



SOURCE: ESRI

Long Beach Cerritos Wetland. 150712

**Figure 1**  
Regional Location



SOURCE: ESRI

Long Beach Cerritos Wetland. 150712

**Figure 2**  
Local Vicinity

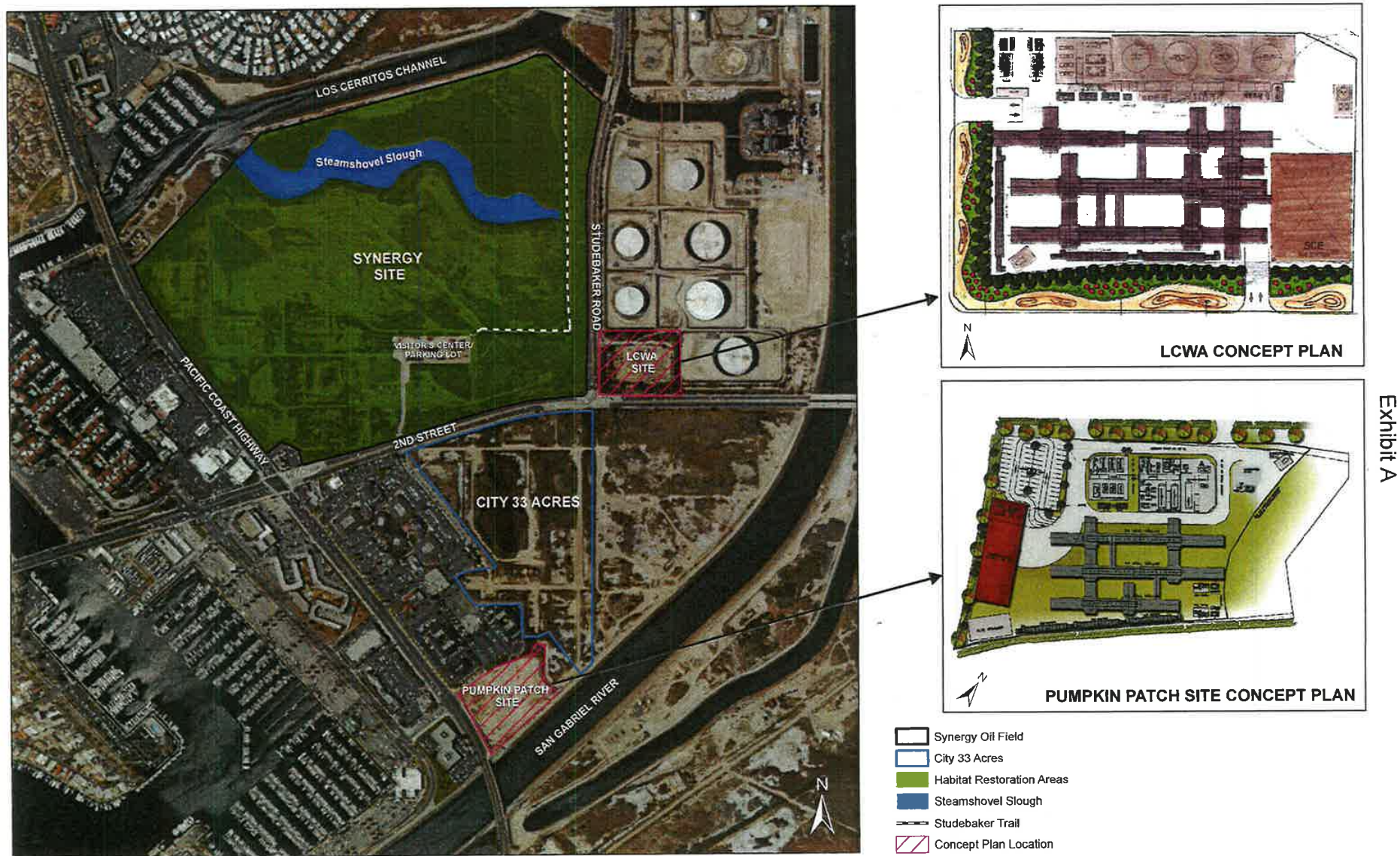


Exhibit A

SOURCE: Glenn Lukos Associates

Long Beach Cerritos Wetland . 150712

**Figure 3**  
Project Site

## 2.2 ENVIRONMENTAL SETTING

The project site, which includes the four properties described previously, totals approximately 193 acres, consisting of developed and disturbed vacant land. The southern portion of the Synergy Oil Field site is currently being operated as an active oil field. Because of the geologic conditions at the Synergy Oil Field site (i.e., the Newport- Inglewood Fault traverses the site), the oil field is divided between two operating areas, one on each side of the fault. The Pumpkin Patch site is currently used seasonally for the sale of pumpkins and Christmas trees. There is also an existing oil well on the site. The LCWA site is currently undeveloped and is used on a temporary lease basis for equipment storage and staging. The City Property site currently contains approximately 18 oil wells that are currently being operated by BOMP.

The surrounding land uses include open space, commercial, and residential land uses. Additionally, the Synergy site is located south of the Los Cerritos Channel and contains the Steamshovel Slough. The Steamshovel Slough is a remnant of the larger historic Los Cerritos tidal marsh complex. The slough is approximately 650 meters long and is considered a historic or “ancient” marsh in that this remnant marsh has not been modified through dredging or filling. Steamshovel Slough is a fully tidal marsh with an open connection to the Los Cerritos Channel, which flows to the Alamitos Bay, that supports a range of wetland vegetation. The Slough is also home to a wide variety of wildlife, as most of the local special-status species, including California least terns, forage within the Los Cerritos Wetlands. The Pumpkin Patch Site and City Property are located west of the San Gabriel River. Pacific Coast Highway and the Marina Pacifica Mall are located to the west of the site.

The Department of Conservation’s Farmland Mapping and Monitoring Program has designated the sites as urban built-up land. The project site is not encumbered by a Williamson Act land use contract. The proposed project does not contain forest land as defined in Public Resources Code Section 12220(g). Additionally, the project does not contain a preserve area (Habitat Conservation Plan area or Natural Communities Conservation Plan or other preserve areas designated by the City).

The project site is located within two flood zones A and X as defined by the Federal Emergency Management Agency (FEMA). Zone A is defined as an area where no based flood elevations are determined, and is located along the Streamshovel Slough area. The rest of the project sites are located within Zone X, which is defined as an area of 0.2 percent annual chance flood; and an area of 1 percent annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile.

Some areas of the project site, primarily located on the Synergy Oil Field site, are identified as a wetland area on the National Wetland Inventory. The Newport/Inglewood fault, which is an active fault, traverses the Synergy Oil field site through the western portion of the Synergy Oil Field site and bisects the City-owned property in a northwest-southeast direction; therefore, there is a state-designated Alquist-Priolo Earthquake Fault Zone on the project site.

The proposed project would be served by the City of Long Beach Police Department for law enforcement and public safety. The project is located in the eastern division of the Police

Department, and the closest police substation is presently located at 3800 E. Willow Street, west of Lakewood Boulevard. The Long Beach Fire Department would provide fire protection and emergency medical and rescue services for the proposed project. The nearest fire station to the project sites is Fire Station 21, located approximately 0.25 miles west of the project site at 225 Marina Drive.

The project sites are located approximately 3.25 miles southeast of the Long Beach Municipal Airport. The proposed project is not located within an Airport Influence Area.

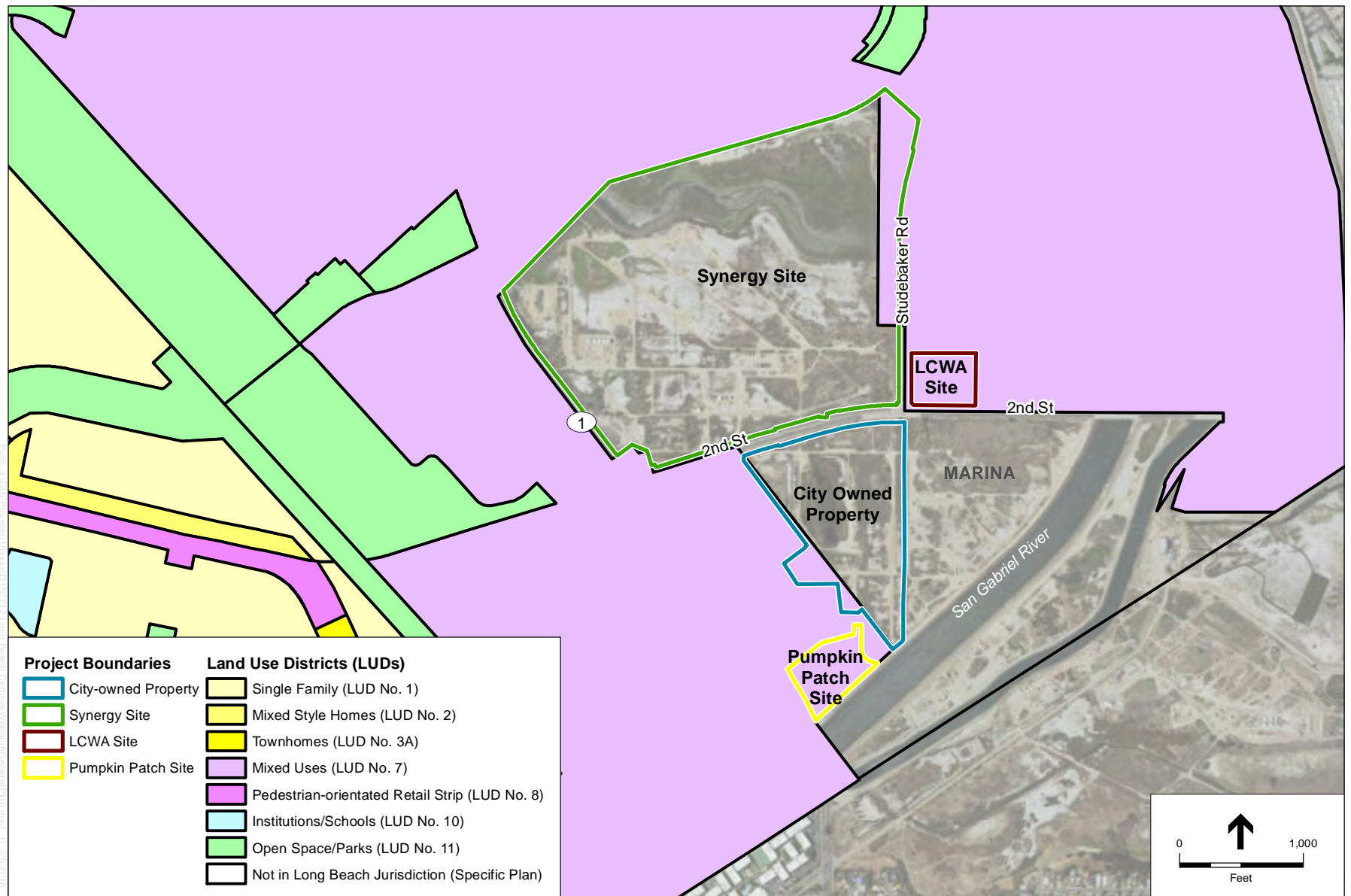
According to the City of Long Beach General Plan Land Use Designations map and shown in **Figure 4**, the Synergy Oil Field site and City Property site are not assigned a specific General Plan Land Use District (LUD); however, the Pumpkin Patch site and LCWA site are designated as LUD No. 7 Mixed Uses. As shown in **Figure 5**, the project site has a Zoning designation of PD-1 (SEADIP) Subareas (11a, 11b, 19, 25 and 33).

## 2.3 PROJECT DESCRIPTION

The proposed project would implement a proposed comprehensive wetlands restoration project that will restore a privately owned oil field in the City of Long Beach through creation of a wetlands mitigation bank. The proposed project would be implemented on four properties (Synergy Oil Field site, Pumpkin Patch site, Los Cerritos Wetlands Authority site, and City Property site) located in the southeast portion of the City. A summary of the project activities proposed at each of the sites is provided below, with additional detail provided in Section 2.3.1, below.

**Synergy Oil Field site:** The proposed project would establish a wetlands mitigation bank and public access trail on the northerly 78 acres of the approximately 154-acre Synergy Oil Field property (formerly known as the Bixby Oil Field) located at 6433 E. 2nd Street. This project would implement a wetlands restoration plan on the southerly approximately 72 acres of the Synergy Oil Field over time as the 35 existing oil wells are removed, and would construct public access improvements (including a parking lot on existing disturbed areas) and convert an existing building for use as a visitors' center on the remaining approximately 4 acres of the Synergy Oil Field.

**Pumpkin Patch site:** The proposed project would construct an approximately 5,200-square-foot, two-story office building 35 feet in height and an approximately 9,750 square feet of storage/warehouse 22 feet in height, and a 47-space parking area on 5.5 acres of the site. Additionally, a portion of the oil production activities currently being conducted at the Synergy Oil Field will be developed on the Pumpkin Patch site. The project proposes the development of three oil well cellars which will house up to a maximum of 50 wells (oil production and water injection), and construction of two tanks: a 3,000 barrel "wet oil" tank (30 feet in diameter and 24 feet high), and a 2,000-barrel "skim oil" tank (24 feet in diameter and 24 feet high). A drill rig, approximately 160 feet in height will be use on-site to initially drill the wells. A workover rig, approximately 120 feet in height will be brought onsite to re-drill wells as necessary. A 22-foot wall will be constructed on the perimeter of the site.



SOURCE: ESRI; City of Long Beach 2015

Long Beach Cerritos Wetland. 150712

**Figure 4**  
General Plan



SOURCE: City of Long Beach, 2003

Long Beach Cerritos Wetland . 150712

**Figure 5**  
Planned Development District 1: SEADIP

**Los Cerritos Wetlands Authority (LCWA) site:** The project proposes to develop up to a maximum of 70 wells (oil production and water injection) in three well cellars to be constructed on the 5-acre LCWA site. In addition to the wells, the project proposes the construction of two oil tanks (a 28,000 barrel sales oil tank 70 feet in diameter and 48 feet high and a 5,000-barrel injection water tank 35 feet high and 32 feet in diameter) and three natural-gas-powered turbines that will be used to generate power for the oil production operations on both the LCWA and Pumpkin Patch sites. A drill rig, approximately 160 feet in height, will be used on-site to initially drill the wells. A workover rig, approximately 120 feet in height will be brought on site to re-drill wells as necessary. A 15- to 20-foot-high ground fare will also be built on-site.

**City Property site:** The proposed project would, over time remove and abandon, 18 oil wells currently being operated by Synergy on the 33-acre City-owned property located at 2nd Street and Shopkeeper Road.

### 2.3.1 Project Characteristics

#### General Proposed Project Activities

##### *Synergy Site*

At the Synergy Oil Field site, the proposed project would implement a wetlands restoration plan over approximately 78 acres of the northerly portion of the approximately 154-acre Synergy Oil Field that will be established as a wetlands mitigation bank. In addition, a public access trail would be provided along the perimeter of this area. Establishment of the mitigation bank would be overseen by an Interagency Review Team, whose members include federal and state regulatory agencies, consisting of but not limited to the California Coastal Commission, U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service (USFWS), California Department of Fish and Wildlife (CDFW), and U.S. Environmental Protection Agency (USEPA).

The proposed project would also implement over time, as described in the forthcoming removal and abandonment discussion, a restoration plan (separate from the 78-acre mitigation bank) on approximately 72 acres in the southerly portion of the Synergy site. As a result, over time, the proposed project would remove and remediate approximately 35 wells and associated oil production facilities and equipment from the southerly 72 acres of the Synergy site and restore the degraded wetlands surrounding these facilities. Further, the project would construct and implement public access improvements, including a parking lot on existing disturbed areas and conversion of an existing structure for use as a visitors' center.

Because all existing oil operations cannot be terminated at once, the project proponent has developed an oil well removal plan that describes the removal and abandonment process to be implemented over a period of 40 years. The time frame for commencing the removal of the 53 existing oil wells on both the Synergy and City-owned sites is tied to the completion of construction of the new office building, warehouse, and production facilities on the Pumpkin Patch site. Only after operations commence on the new production sites (i.e., Pumpkin Patch and LCWA sites) would it be feasible to begin the removal of the existing oil wells. The date the Certificate of Occupancy is issued by the City for the office and warehouse on the Pumpkin Patch

site is referred to as the “New Occupancy Date.”

On or before the 20-year anniversary of the “New Occupancy Date,” Synergy would remove and abandon 50 percent of the wells on the Synergy Oil Field site and the City Property site in accordance with the abandonment guidelines set forth by the Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR). The balance of all remaining wells owned and operated by Synergy on the Synergy Oil Field site and City Property site would be removed on or before the 40-year anniversary from the “New Occupancy Date.” During this period, if any of Synergy’s oil wells operated on these two sites produce less than one full barrel of oil per day for a period of 18 consecutive months, Synergy would remove and abandon that well in accordance with the abandonment guidelines set forth by the DOGGR.

### ***Pumpkin Patch Site***

At this approximately 7-acre site, the proposed project would construct a two-story, 35-foot-high, 5,200-square-foot office building for use as Synergy offices, including a 47-space parking lot. In addition, a 22-foot-high 9,750-square-foot storage/warehouse for oil field equipment and materials would also be constructed.

The Pumpkin Patch site would include the drilling of up to 50 new wells (oil production and water injection) and construction and operation of oil production facilities, including a gas compression system, water treatment system, injection water system, and blowdown stack.<sup>2</sup> A drill rig, approximately 160 feet in height will be used on site to initially drill the new wells. It takes approximately two months to drill a new well. A workover rig, approximately 120 feet in height will be brought on site to re-drill wells as necessary. Oil production facilities would be to the 5 acres located closest to the PCH with the northeastern portion of the project site remaining as open space to protect and also provide a 100-foot buffer from the coastal wetland habitat area. A 22-foot-high perimeter screen wall and perimeter landscaping would also be provided. Access to the site would be provided via a new entrance from Studebaker Road.

In addition to these on-site facilities, a pipeline system is proposed to link the Pumpkin Patch and LCWA sites to transport oil between the two sites for storage or transport to off-site pipelines. The pipeline will be horizontally drilled and will be placed under 2<sup>nd</sup> Street and will traverse a small portion of the Bryant property (the oil field north of the City’s 33-acre oil field) and the City’s 33-acre oil field.

### ***LCWA Site***

At the 5-acre LCWA site, the proposed project would include installation of approximately 70 new wells (oil production and water injection) housed in three well cellars. In association with the wells, the site would provide production equipment, including an elevated piperack,<sup>3</sup> a 28,000-barrel sales oil tank (70 feet in diameter and 48 feet high) which will be used to store oil that will be shipped to refineries for future sale, and a 5,000-barrel injection water tank (32 feet in

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<sup>2</sup> A chimney or vertical stack that is used to vent pressure and prevent “loss of containment” of volatile liquids and gases.

<sup>3</sup> Supports drillpipe, drill collars, or casing above the ground.

diameter and 35 feet high) to store water that will be injected in the ground to minimize the potential for subsidence, as well as a flare/fired equipment systems area.<sup>4</sup> The site would also include three natural-gas-powered turbines to provide power for the oil operations on both the LCWA site and the Pumpkin Patch site. A drill rig, approximately 160 feet in height, will be used on-site to initially drill the new wells. It takes approximately 2 months to drill a new well. A workover rig, approximately 120 feet in height will be brought on site to re-drill wells as necessary. The site would be screened with a 22-foot-high perimeter screen wall. The project proposes to improve the existing entry off of Studebaker Road and construct a secondary entry off of 2nd Street.

Off-site infrastructure improvements will be constructed for both the Pumpkin Patch and LCWA sites. The oil produced will be transported to off-site refineries using two existing oil shipping pipelines, in the immediate vicinity of the project site. The project may use one or both of these pipelines to transport oil off-site. One line is referred to as the Plains All American Pipeline and the other is referred to as the Crimson Pipeline. Additionally, natural gas produced from the site will be transported via the active gas pipeline owned and operated by Southern California Gas Company. As the connection points to all three of these pipelines are off-site, the project will also construct oil and gas pipelines that run from the LCWA site and the Pumpkin Patch site to the connection point for each of these existing pipelines. Given the location of all three of these pipelines, it is anticipated that the pipeline connections will be constructed in existing rights-of-way or streets. The project applicant would be required to make street improvements to the areas where the connections points are developed in the right-of-way, including improvements such as sidewalk, curb, and gutter.

#### ***City Property Site***

Activities on the City property site include the removal and abandonment of 18 oil wells over time, in accordance with the abandonment guidelines set forth by the DOGGR pursuant to the removal and abandonment schedule described previously. The activities would be consistent with the Surface Use Agreement.<sup>5</sup>

#### **Restoration and Oil Production Development Activities**

Phase 1 of the restoration plan to implement the wetlands mitigation bank includes grading in strategic locations within the 78-acre mitigation bank area (northern portion of the Synergy Oil Field site) to restore tidal exchange from the Steamshovel Slough; removal of targeted existing oil service roads; installation of a new berm and sheet pile wall to protect the existing oil facilities from potential sea-level rise; and planting of wetland vegetation. Once all plants have been installed, the mitigation bank restoration plan will undergo a 5-year maintenance, monitoring, and reporting period. As part of Phase 1, approximately 95 percent of the above-ground and obsolete pipelines will be removed as well as the tank farms from the southerly 72 acres of the Synergy site. During Phase 1, construction would begin on the Pumpkin Patch site and LCWA site to allow for the commencement of oil production activities and processing from both sites. Once

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<sup>4</sup> Gas combustion device systems.

<sup>5</sup> Surface use agreements to define notice, location, and operational requirements on a site through a lease agreement.

construction is complete, the office and storage yard at the Synergy Oil Field site would be vacated and those functions would be relocated to the Pumpkin Patch site. This work is anticipated to take approximately 18 to 24 months from the initiation of construction activities.

A trail would start at the visitors' center parking lot and run parallel to Studebaker Road on the eastern perimeter edge of the restored wetlands area (Studebaker Trail). The trail would also be constructed during mitigation bank restoration activities, but would not be open to the public until completion of Phase 2.

Phase 2 of the project is anticipated to take approximately 12 to 18 months to implement and complete. Drilling of the 50 new wells on the Pumpkin Patch site and 70 wells on the LCWA site would continue. Both the Pumpkin Patch and LCWA sites would be operational.

A new parking lot would be constructed on the Synergy site in association with the rehabilitation of the existing office structure for use as a visitors' center. Once construction is completed, the visitors' center and the trail would be open for public use, with the potential for trail access to be docent-led only. This phase also proposes the commencement of habitat restoration activities on the southerly 72 acres of the Synergy Oil Field site, where pipeline and tank removal activities may have temporarily disturbed adjacent habitat. Abandoning the oil production activities at the Synergy Oil Field and City Property sites and establishing oil production at the two smaller sites (the Pumpkin Patch and LCWA sites) allows for the restoration of the natural wetland habitat at the Synergy Oil Field site, and provides the opportunity for future restoration of the City Property site. The project also supports the business decision by Synergy to use directional drilling, which is an innovative technique that extracts oil at an angle through rigs that are co-located at a centralized and more manageable location, allowing oil extraction at a quicker rate that is more cost efficient.

### **Phased Removal and Abandonment of Existing Oil Wells**

As part of the proposed project, Synergy will implement the removal and abandonment of the oil wells and equipment from the Synergy Oil Field and City Property sites.

Upon completion and occupancy of Synergy's new oil operating areas on the Pumpkin Patch and LCWA sites and completion and occupancy of Synergy's office and warehouse facilities on the Pumpkin Patch site (referred to as the "New Occupancy Date"), if an oil well operated on either the Synergy Oil Field or City Property sites produces less than one full barrel of oil per day for a period of 18 consecutive months, Synergy would remove and abandon that well in accordance with the abandonment guidelines set for by the DOGGR. In addition, on or before the 20-year anniversary of the New Occupancy Date, Synergy would remove and abandon 50 percent of their wells operated on the Synergy Oil Field and City Property sites in accordance with the abandonment guidelines set forth by the DOGGR. Habitat restoration would be implemented for any area temporarily impacted by the removal and abandonment of oil wells.

By the 40<sup>th</sup> anniversary of the New Occupancy Date, all remaining oil wells operated on the Synergy Oil Field and City Property sites would be completely removed and abandoned in accordance with the abandonment guidelines set forth by DOGGR. Habitat restoration would be implemented for any area temporarily impacted by the removal and abandonment of oil wells.

Once all of Synergy's wells are removed and abandoned from the Synergy Oil Field site, a comprehensive wetland restoration plan for the southerly 72 acres will be developed.

**Table 2** demonstrates the estimated phasing and timeline for the removal and relocation of the oil production facilities at the project sites.

**Table 2: Project Phases by Site**

	<b>Synergy Oil Field site</b>	<b>Pumpkin Patch site</b>	<b>Los Cerritos Wetlands Authority site</b>	<b>City-owned property site</b>
<b>Phase 1 – 18 to 24 months</b>				
	<p>Removal of targeted existing oil service roads, 95 percent of the above ground and obsolete pipelines, and tank farms from the site.</p> <p>Implementation of the mitigation bank restoration plan, including grading, planting, and construction of trail.</p> <p>Implementation of restoration plan for any area temporarily impacted by removal of pipelines and tanks.</p>	<p>Construction of new office building and storage/warehouse building on-site.</p> <p>Drilling of up to 50 new operating oil wells to commence.</p>	<p>Construction of new oil production facilities, an elevated pipe rack, 21,000 barrel sales oil tank, and 5,000 barrel injection water tank.</p> <p>Drilling of up to 70 new operating oil wells to commence.</p>	<p>Removal of 95 percent of the above ground and obsolete pipelines, and removal of the tank farm from the site.</p> <p>Implementation of restoration plan for any area temporarily impacted by removal of pipelines and tank.</p>
<b>Phase 2 – 12 to 18 months</b>				
	<p>Rehabilitation of existing office structure to new visitors' center and associated surface parking lot.</p> <p>Grand opening of visitors' center and trail.</p>	<p>Relocation of office operations from Synergy to new building. Kickoff New Occupancy Date.</p> <p>Drilling of up to 50 new operating oil wells to continue.</p>	<p>Drilling of up to 70 new operating oil wells to continue.</p>	
<b>Phase 3 – Within 20 years after New Occupancy Date</b>				
	<p>Removal and abandonment of 50 percent of wells operated on the Synergy Oil Field Site and City Property Site AND</p>			<p>Removal and abandonment of 50 percent of their wells operated on the Synergy Oil Field Site and City Property Site AND</p>

	<b>Synergy Oil Field site</b>	<b>Pumpkin Patch site</b>	<b>Los Cerritos Wetlands Authority site</b>	<b>City-owned property site</b>
	<p>any wells producing less than one barrel of oil per day for a period of 18 consecutive months.</p> <p>Implementation of restoration plan for any area temporarily impacted by removal and abandonment of oil wells.</p>			<p>any wells producing less than one barrel of oil per day for a period of 18 consecutive months.</p> <p>Implementation of restoration plan for any area temporarily impacted by removal and abandonment of oil wells.</p>
<b>Phase 4- Within 40 years of New Occupancy Date</b>				
40 years	<p>Removal and abandonment of one-hundred percent of all oil wells operated on the Synergy Oil Field Site and City Property Site</p> <p>Implementation of restoration plan for any area temporarily impacted by removal and abandonment of oil wells.</p> <p>Development of comprehensive restoration plan for southern 72 acres.</p>			<p>Removal and abandonment of one-hundred percent of all oil wells operated on the Synergy Oil Field Site and City Property Site</p> <p>Implementation of restoration plan for any area temporarily impacted by removal and abandonment of oil wells.</p>

## **2.4 PROPOSED DISCRETIONARY ACTIONS/ REQUIRED APPROVALS**

The proposed project would require an amendment to the Southeast Area Development and Improvement Plan (SEADIP) to allow for the following activities:

- Oil production uses on the Pumpkin Patch site and the Los Cerritos Wetlands Authority (LCWA) site
- The elimination of the extension of Studebaker Road and other circulation improvements
- The designation of the Synergy site as open space and passive recreation uses upon completion of the wetlands restoration work

The proposed project would also require an amendment to the City's Oil Map to include the LCWA site and Pumpkin Patch site within mapped Oil Production Areas. These actions would also require an amendment to the City of Long Beach Local Coastal Program (LCP) to include the Synergy site in the City's LCP; the designation of the Synergy site for oil production (as an interim use), as well as open space and passive recreation uses; the designation of the Pumpkin Patch site for oil production uses; and the designation of the LCWA site for oil production uses. Other approvals may also be required, either from the City or other Responsible Agencies.

The City of Long Beach, the lead agency for the project under the California Environmental Quality Act (CEQA), has discretionary authority over the proposed project.

### **2.4.1 City of Long Beach**

- SEADIP Amendment
- Oil Operating Area Boundary Change
- Site Plan Review for Pumpkin Patch
- Site Plan Review for the LCWA Site
- Site Plan Review for the Synergy Oil Field
- Oil Drilling Permit
- Oil Well Permit
- Certificate of Compliance for the LCWA 5-acre parcel
- Certificate of Compliance for the Synergy 76-acre mitigation bank area, visitors' center, parking lot, and trails

### **2.4.2 Other Responsible Agencies**

- U.S. Army Corps of Engineers
- California Coastal Commission
- California Department of Fish and Wildlife
- U.S. Fish and Wildlife Service
- National Marine Fisheries Service
- Los Cerritos Wetlands Authority
- South Coast Air Quality Management District