

Exhibit "A"
SCOPE OF SERVICES

At the direction of the Contract Administrator, Consultant shall provide the following services for the Firm:

1. Code Update Sub Tasks

The Code update process will include the following sub tasks:

- Review all existing City oil and gas drilling regulations.
- Attend at least three meetings with City Staff and City Attorney's Office.
- Prepare a draft Code update with the assistance, input, and review of the City Staff and Firm.
- Prepare and conduct a presentation on the draft Code update at two community meetings scheduled by the City.
- Prepare and conduct a presentation on the draft Code update at a minimum of four public hearings.
- Prepare and Conduct presentations and answer questions at an additional five other meetings which may be scheduled on no more than two days in the City.
- Hire subcontractors, as necessary and as approved in writing by the Contract Administrator, to provide expertise in the oil and gas industry to assist in the preparation of the applicable CEQA review document.
- As directed by the City Council, the draft Code update shall include a prohibition on the use of hydraulic fracturing and acid well stimulation as defined by SB 4 2013.

2. Review of Existing City Code

MRS will review the existing City Code as it relates to oil and gas drilling and production along with applicable oil and gas codes of other City and County jurisdictions. Review of other jurisdiction oil and gas codes will focus on recently updated codes and the codes that address the use of the well stimulation methods that have become more prevalent in recent oil and gas projects. MRS will prepare a table summarizing the key issues of the oil and gas codes reviewed for Firm and City review and comparison. A comprehensive list of all issues associated with the Code update will be provided including the risks and benefits of modern oil drilling and well stimulation techniques and the applicability of those methods to the City. A summary of these issues will be a component of the community meeting presentations. MRS will work with the Firm to determine the

appropriate location of the Code update, in the Zoning Ordinance and/or as a separate chapter, to best fit the needs of the City and interested stakeholders.

3. Draft Code Update

MRS will work with the Firm and City staff to develop a draft update of the City oil and gas regulations. The update will provide the necessary provisions to protect the public health, safety, and welfare from oil and gas drilling, extraction facilities and operations, and all accessory uses associated with oil and gas extraction including well stimulation methods. MRS understands the Firm will provide the direction and final approval on the form and content of the draft Code update. The draft Code update will contain a prohibition on hydraulic fracturing and acid well simulation treatment as defined in SB 4 (2013). MRS will provide guidance and assist the Firm with the Code update to ensure the draft regulations are consistent with State and Federal law and identify areas where jurisdictional authority issues require specific analysis. The Code update process will include the input received at the community meetings. MRS will work with the Firm and City to review the topic area provided below in *italics*, and also assist the Firm to determine if additional issue area provisions are necessary to meet the City's Code update objectives.

4. City Oil and Gas Code Draft Update Topic Areas

1. *Zoning*

- a. *Zoning types: by right, CUP, or development agreement.*
- b. *Update zone map: oil overlay or district, prohibited areas.*

MRS will review the existing City Code oil and gas regulations, zoning, zoning maps, and associated permit processes and, in coordination with the Firm and City staff, recommend updates that best fit the needs of the City. Review will include the specific plan amendment and development agreement and EIR process currently under review by the City for the OXY USA Inc. Dominguez Oil Field Development Project.

2. *Process*

a. *Permits*

- i. *Applications, submittal requirements, level of description of project, necessary studies, including location or proposed wells and location and information related to previously abandoned or orphaned wells and types of drilling and extraction methods to be used, and required operational plans.*
- ii. *Types of permits required including demolition, reclamation, and drilling methods.*
- iii. *Review process.*
- iv. *Modifications and extensions of permits.*
- v. *Notice and public hearings.*
- vi. *Review authority.*
- vii. *Finding for permit approval/denial/conditions of approval/restrictions.*

b. *Financial assurances*

- i. Bonds, securities for abandonment, spills, catastrophic events.*

MRS will review the existing City Code Oil and Gas Regulation permitting process and compare the methodology with other City/County permitting processes. In coordination with Firm and City staff, MRS will recommend updates that best fit the needs of the City.

- 3. *Development standards, regulations (for construction, operation, drilling, well stimulation, accessory uses).*
 - a. Prohibited activities including hydraulic fracturing and acid well stimulation treatments (SB 4 2013).*
 - b. Comprehensive definitions.*
 - c. Aesthetics and landscaping, fencing or walls, including compatibility and screening techniques.*
 - d. Site access, including emergency personnel.*
 - e. Signage and advertising.*
 - f. Setbacks to property lines and other wells and sensitive uses (residential/schools).*
 - g. Parking.*
 - h. On-site storage and placement of equipment and storage containers.*
 - i. Road maintenance.*
 - j. Sub-contracting transportation and insurance.*
 - k. On-site field administration and operation centers (prohibition of temporary building).*
 - l. Number of wells per site/size of property.*
 - m. Hours of operation and non-emergency maintenance.*
 - n. Site security (24 hours) including access and lighting.*
 - o. Fire safeguards including training and equipment.*
 - p. Environmental/health impact issues.*
 - i. Regulations to ensure protection of environment from air, water, odors, and noise impacts to public and environment.*
 - ii. Energy efficiency measures and alternate energy production requirements to offset fossil fuel production.*
 - iii. Health impacts analysis.*
 - iv. Avoidance and management of hazards relate due to earthquakes, spills, accidents, and catastrophic events, including blowouts.*
 - v. Water quality issues from drilling and above ground operations, including separation of extracted materials and use of on-site chemicals.*
 - vi. Transportation of chemicals and waste on and off-site.*
 - vii. Lighting.*
 - viii. Safeguards and tests to ensure no contamination of ground and surface water, soil, and air.*
 - ix. Stormwater runoff and prohibition of dumping.*
 - x. Notification of spills and accidents.*
 - q. Wells*
 - i. Procedures for abandoning and re-abandoning wells.*
 - ii. Well surface pads and enclosures.*
 - iii. Well labeling.*

- iv. *Multiple well completions and bores.*
- v. *Thermal operations.*
- vi. *Procedures for routine maintenance, types of chemicals used and disclosure to the City.*
- vii. *Types of equipment used.*
- viii. *Types of well production (well stimulation methods).*
- ix. *Regulations for well completions, well pumps, water injection, gas injection and chemical injection.*
- x. *Use of routine or conventional well stimulation.*
- xi. *Standards for well abandonment.*
- xii. *Gas flaring.*
- xiii. *Standards for regulations for new, operating, abandoned, re-abandoned, and re-drilling of old or idle wells.*
- xiv. *Leak testing methods and procedures.*
- xv. *Site restoration and remediation procedures and requirements.*
- r. *Accident and catastrophic event procedures and response requirements.*
 - i. *Blowout standards and testing.*
 - ii. *Earthquake shutdown.*
 - iii. *Existing abandoned well risks.*
- s. *Pipelines.*
 - i. *Procedures for leak testing and maintenance.*
 - ii. *Standards for new, operating, idle and re-activation of pipes.*
 - iii. *Site restoration procedures and requirements.*
 - iv. *Responsibility to re-pave and re-landscape streets.*
- t. *Responsibilities of the surface property owner versus subsurface property owner.*

MRS will review the existing City Code oil and gas regulation Development Standards and compare the City standards with the standards of similar jurisdictions. In coordination with the Firm and City staff, MRS will recommend updates that are consistent with the City Development Standards for other types of projects and that best fit the needs of the City.

4. Monitoring and Enforcement

- a. *Enforcement and penalties including enforcement authority.*
- b. *Water and air testing and monitoring (frequency, locations, types).*
 - i. *Developer's responsibility for City costs.*
 - ii. *Independent consultant or City administrator.*
- c. *Identification or responsible party/administrator for monitoring and enforcement.*
- d. *Notice and reporting requirements of operators/drillers.*
 - i. *Accidents.*
 - ii. *Compliance with City Codes and requirements.*
 - iii. *Safety plans and compliance.*
 - iv. *Chemicals used on site and used in drilling and operations including investigations.*
- e. *Enforcement mechanisms for bad operators, definition of bad operators (e.g. Santa Barbara County Code).*

- f. List of required notifications to the City such as management and supervisor change notification.*

MRS will review the existing City Code oil and gas regulation monitoring and enforcement rules and penalties and compare the City's approach with those of similar jurisdictions. MRS will provide the Firm with applicable recommendations from the Santa Barbara County regulations, as appropriate, that best fit the needs of the City.

5. *Financial*

- a. Revenue mechanisms for the City.*
 - i. Franchise fee.*
 - ii. Barrel fees.*
 - iii. Other types of fees.*
- b. Development impact fees.*
- c. Community benefit fees and programs.*
- d. Greenhouse gas emission reduction program.*

MRS will review the existing City Code oil and gas regulation financial mechanisms and provide recommendations to ensure proposed projects generate applicable fees to the benefit of the City. In coordination with the Firm and City staff, MRS will recommend options for a City GHG emission reduction program.

5. CEQA Compliance

As required in the City Oil and Gas Code Update Scope document, MRS will prepare the CEQA documentation, studies, and findings necessary for the City to approve the Code Update.

6. Meeting and Site Visits

In addition to the required meetings/hearings listed above under the Code Update Sub Tasks heading, MRS staff will be available to meet with the Firm and City staff and officials as necessary to coordinate and facilitate the draft Code update process.

7. Deliverables

MRS will provide the following materials and information to the Firm to assist the Firm on the substance and format of the draft Code update.

- a. Examples of other jurisdiction comprehensive oil and gas codes with a focus on recently updated codes and codes that address well stimulation techniques. MRS will provide a summary table detailing the key issues associated with the regulations.
- b. A comprehensive list of key issues associated with the development of oil and gas resources to be addressed in the City Code update process.

c. A comprehensive list of modern oil drilling techniques, including well stimulation techniques, the risks and benefits of those techniques, and the applicability of those techniques to potential projects in the City of Carson.

d. A summary of the issues identified at the community meetings held on the Code update.

8. OXY Project Review

MRS will review the EIR and entitlements (including the Development Agreement) for the OXY USA Inc. Dominguez Oil Field Development Project (OXY Project), to ensure that they meet the requirements of the new code or to add mitigation measures or enhancements to the OXY Project to meet the intent and purpose of the Oil and Gas Code Update and best practice standards.

