

**Meeting of the Central Valley Flood Protection Board
February 25, 2011**

Staff Report – Encroachment Permit

**Ventura Oil and Gas Company
Gas Well Drilling, Yolo County**

1.0 – ITEM

Consider approval of Permit No. 18322 BD (Attachment B)

2.0 – APPLICANT

Ventura Oil and Gas, Inc.

3.0 – LOCATION

The project is located within the Yolo Bypass East of the City of Davis and south of County Road 32A. (Yolo Bypass, Yolo County, see Attachment A)

4.0 – DESCRIPTION

Applicant proposes to drill a natural gas well, construct a production pad and install approximately 2.65 miles of pipeline (4-inch-diameter or less) within the bypass and connect to the existing PG & E pipeline located north of the well site.

5.0 – PROJECT ANALYSIS

The proposed project area which includes the well pad (200-by 250 feet) and natural gas pipeline (2.65 feet) is located within the Yolo Bypass Wildlife Area (Tule Ranch) in an unincorporated area of the Yolo County. If enough quantities of natural gas is discovered, the well will be completed the drill pad will be removed and a raised production pad (100-by 200 feet), approximately 15 feet above the ground surface, will be installed, and the remaining portion of the drill site will be returned to natural grade and restored to wetland habitat.

The production facilities will include a wellhead gas meter, a heater/separator, production water and condensate storage tank and the pipeline. The wellhead will be enclosed in a steel cage and production equipment will be elevated on a production platform in order to prevent any damages that could result from potential flooding.

The gas pipeline (4-inche diameter or less) which will be installed during the installation of production equipment will be installed using the traditional open-cut trench methods. The trench will be approximately 6 inches deep and two feet wide. Pipe joints will be bonded together and all joints connections will be inspected and tested prior to laying the pipe into the trench. The pipe will then be covered and the ground compacted above the pipe. Wetland vegetation will be planted to provide erosion control and improve habitat.

5.1 – Hydraulic Analysis

Hydraulic analysis is presented by Robert A. Booher Consulting, Environmental and Exploration Management/CTA Engineering, Surveying. The discussion is focused only on the well pad and associate equipment as the reminder of the project involves placement of project components under the ground surface, which would have no impact on the hydraulic processes of the Yolo Bypass. The analysis suggests that the proposed project will have less than significant effect if any on the hydraulic function of the Yolo Bypass.

5.2 – Geotechnical Analysis

No geotechnical analysis is required /submitted for this proposed project.

6.0 – AGENCY COMMENTS AND ENDORSEMENTS

The comments and endorsements associated with this project, from all pertinent agencies are shown below:

- There is no local maintaining agency for the project area.
- The U.S. Army Corps of Engineers 208.10 comment letter has not yet been received for this application. Upon receipt of a favorable letter and review by Board staff the letter will be incorporated into the permit as Exhibit A.

7.0 – CEQA ANALYSIS

Board staff has prepared the following CEQA Findings:

The Board, as a responsible agency under CEQA, has reviewed Initial Study/Mitigated Negative Declaration (SCH Number: 2008042078, December 2007) and Mitigation Monitoring and Reporting Program for the Glide 14-1 Natural Gas Well Project prepared by the lead agency, the California Department of Fish and Game – Bay Delta Region. These documents, including project design, may be viewed or downloaded from the Central Valley Flood Protection Board website at <http://www.cvfpb.ca.gov/meetings/2011/02-25-2011.cfm> under a link for this agenda item. These documents are also available for review in hard copy at the Board and the California Department of Fish Game office.

The California Department of Fish and Game has determined that the project would not have a significant effect on the environment and approved the project on June 16, 2010 and filed a Notice of Determination on June 17, 2010 with the State Clearinghouse. Board staff finds that although the proposed project could have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. The project proponent has incorporated mandatory mitigation measures into the project plans to avoid identified impacts or to mitigate such impacts to a point where no significant impacts will occur. These mitigation measures are included in the project proponent's Mitigation Monitoring and Reporting Program and address impacts to air quality, biological resources, hydrology and water quality, cultural resources, hazards and hazardous materials, recreation, and aesthetics. The description of the mitigation measures are further described in the adopted Mitigation Monitoring and Reporting Program.

8.0 – SECTION 8610.5 CONSIDERATIONS

1. Evidence that the Board admits into its record from any party, State or local public agency, or nongovernmental organization with expertise in flood or flood plain management:

The Board will make its decision based on the evidence in the permit application and attachments, this staff report, and any other evidence presented by any individual or group.

2. The best available science that related to the scientific issues presented by the executive officer, legal counsel, the Department or other parties that raise credible scientific issues.

The accepted industry standards for the work proposed under this permit as regulated by Title 23 have been applied to the review of this permit.

3. Effects of the decision on the entire State Plan of Flood Control:

Similar projects have been approved at this location with the approval of State Flood control agencies.

4. Effects of reasonable projected future events, including, but not limited to, changes in hydrology, climate, and development within the applicable watershed:

The proposed project will have less than significant effect in hydrology, climate, within this watershed.

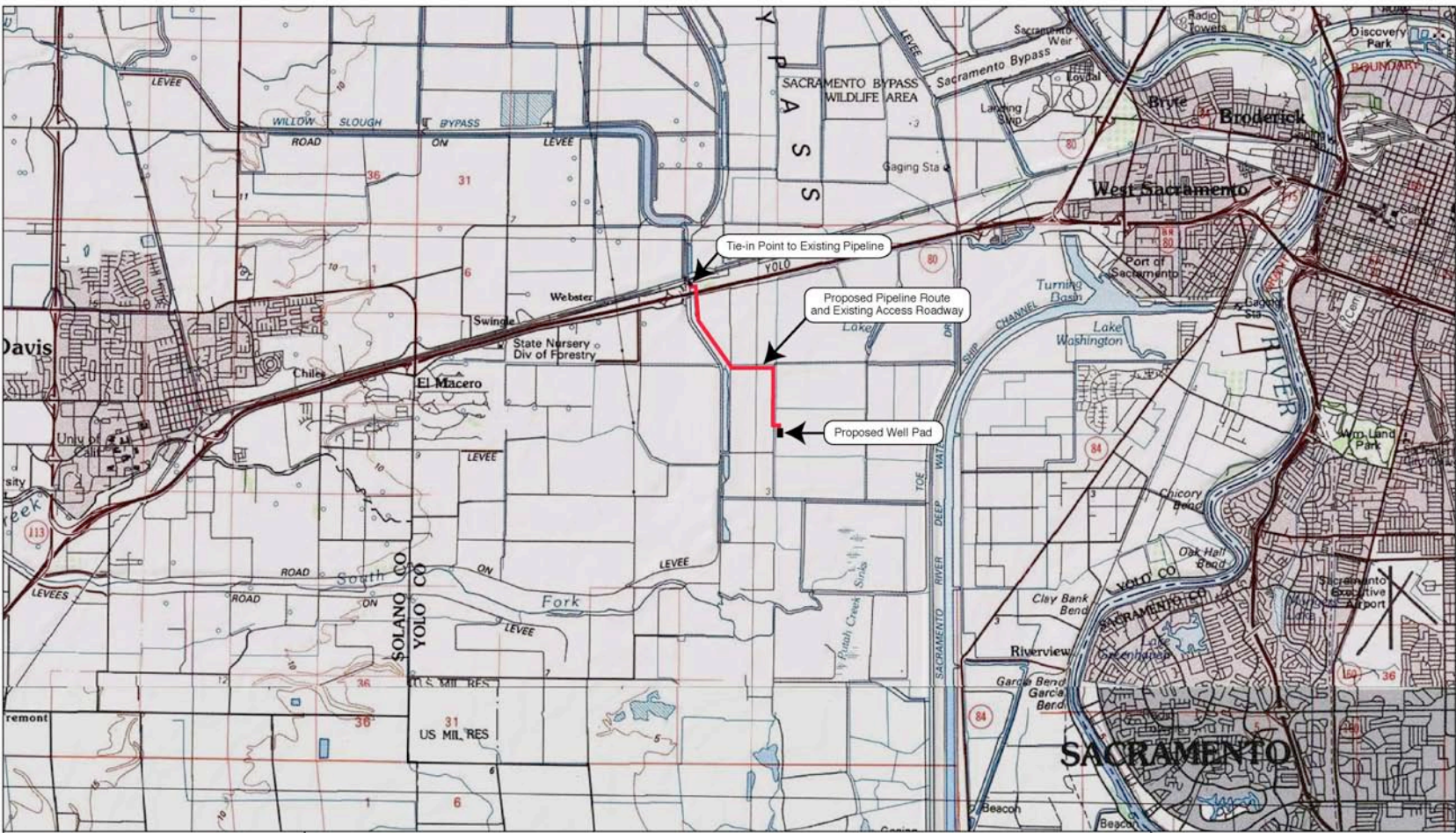
9.0 – STAFF RECOMMENDATION

Staff recommends that the Board adopt the CEQA findings, and approve the permit conditioned upon receipt of a favorable U.S. Army Corps of Engineers comment letter and direct staff to file a Notice of Determination with the State Clearinghouse.

10.0 – LIST OF ATTACHMENTS

- A. Location Maps and Photos
- B. Draft Permit No. 18322 BD

Design Review:	Sam Brandon
Environmental Review:	James Herota, Andrea Mauro
Document Review:	Mitra Emami P.E., Curt Taras P.E., Len Marino P.E.



<p>Robert A. Booher Consulting Environmental Planning & Management 3221 Quail Hollow Drive Fairfield, California 94533 Telephone (707) 399-7835</p>	<p>Figure 1 KEBO GLIDE 14-1 EXPLORATORY NATURAL GAS WELL PROJECT Project Vicinity Map</p> <p>Source: National Geographic TOPOI 2003 Map</p> <p>0 1.5 3 Miles</p>	<p>Kebo Oil & Gas, Inc. 607 Railroad Drive Portland, Texas 78374</p>
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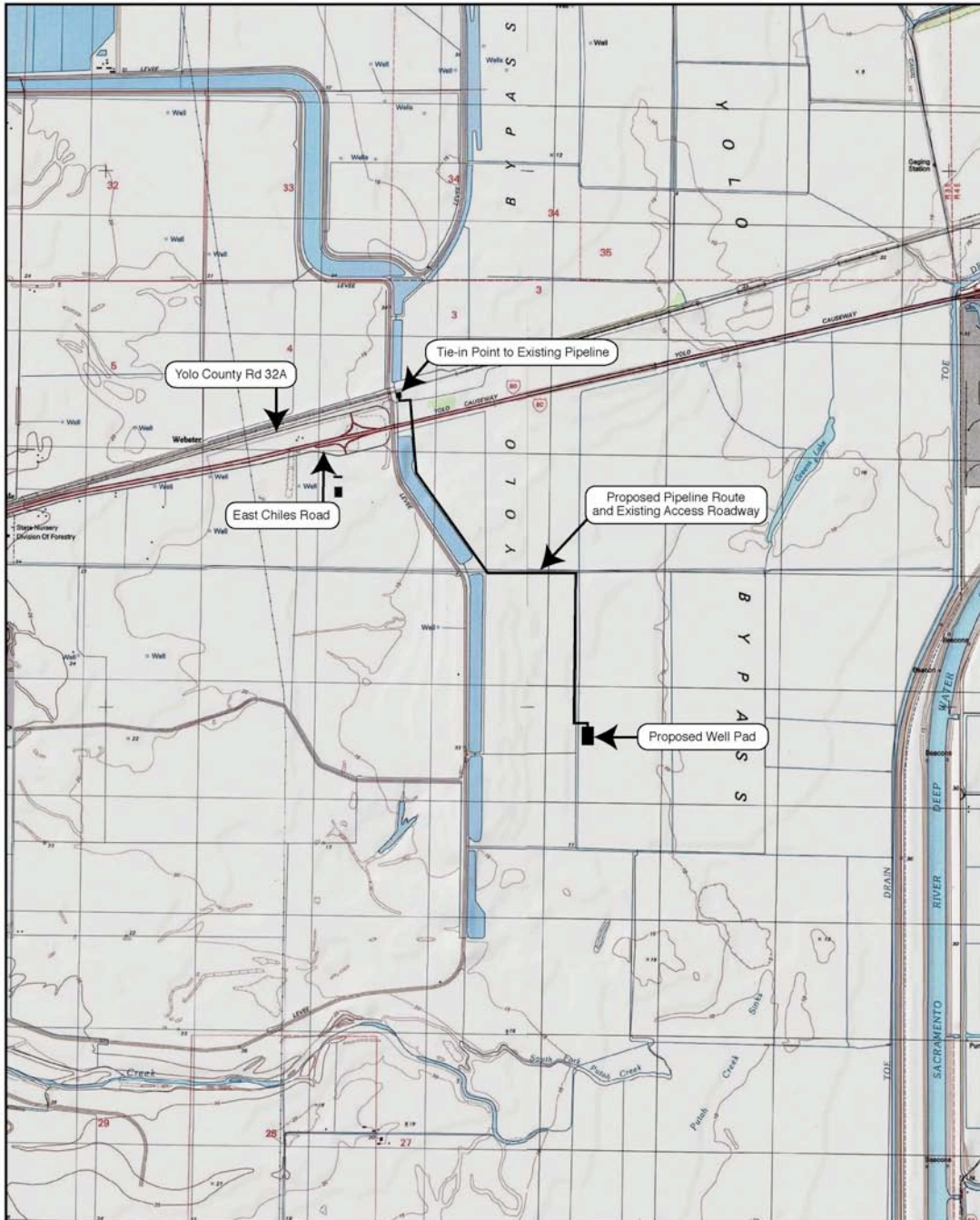
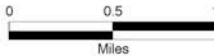


Figure 2
KEBO GLIDE 14-1 EXPLORATORY NATURAL GAS WELL PROJECT
 Project Location Map

Robert A. Booher Consulting
 Environmental Planning & Management
 3221 Quail Hollow Drive
 Fairfield, California 94533
 Telephone (707) 399-7835



Sources: National Geographic TOPOI 2003
 and CNDDB 2007

Kebo Oil & Gas, Inc.
 607 Railroad Drive
 Portland, Texas 78374



Photograph 1

Proposed exploratory natural gas drill pad location. Photograph looking east from western edge of proposed drill pad.



Photograph 2

Proposed exploratory natural gas drill pad. Photograph looking south from northern edge of proposed well pad.

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STATE OF CALIFORNIA
THE RESOURCES AGENCY
THE CENTRAL VALLEY FLOOD PROTECTION BOARD

PERMIT NO. 18322 BD

This Permit is issued to:

Venture Oil and Gas, Inc.
207 South 13th Avenue
Laurel, Mississippi 39440

To drill a natural gas well, construct a 200- by 250-foot production pad and install (trench) a 2.65 mile, 4-inch-diameter gas pipeline within the Yolo Bypass. The project is located east of the City Davis, west of Sacramento, and south of County Road 32A (Section 14, T8N, R3E, MDB&M, Yolo Bypass, Yolo County).

NOTE: Special Conditions have been incorporated herein which may place limitations on and/or require modification of your proposed project as described above.

(SEAL)

Dated: _____

Executive Officer

GENERAL CONDITIONS:

ONE: This permit is issued under the provisions of Sections 8700 – 8723 of the Water Code.

TWO: Only work described in the subject application is authorized hereby.

THREE: This permit does not grant a right to use or construct works on land owned by the Sacramento and San Joaquin Drainage District or on any other land.

FOUR: The approved work shall be accomplished under the direction and supervision of the State Department of Water Resources, and the permittee shall conform to all requirements of the Department and The Central Valley Flood Protection Board.

FIVE: Unless the work herein contemplated shall have been commenced within one year after issuance of this permit, the Board reserves the right to change any conditions in this permit as may be consistent with current flood control standards and policies of The Central Valley Flood Protection Board.

SIX: This permit shall remain in effect until revoked. In the event any conditions in this permit are not complied with, it may be revoked on 15 days' notice.

SEVEN: It is understood and agreed to by the permittee that the start of any work under this permit shall constitute an acceptance of the conditions in this permit and an agreement to perform work in accordance therewith.

EIGHT: This permit does not establish any precedent with respect to any other application received by The Central Valley Flood Protection Board.

NINE: The permittee shall, when required by law, secure the written order or consent from all other public agencies having jurisdiction.

TEN: The permittee is responsible for all personal liability and property damage which may arise out of failure on the permittee's part to perform the obligations under this permit. If any claim of liability is made against the State of California, or any departments thereof, the United States of America, a local district or other maintaining agencies and the officers, agents or employees thereof, the permittee shall defend and shall hold each of them harmless from each claim.

ELEVEN: The permittee shall exercise reasonable care to operate and maintain any work authorized herein to preclude injury to or damage to any works necessary to any plan of flood control adopted by the Board or the Legislature, or interfere with the successful execution, functioning or operation of any plan of flood control adopted by the Board or the Legislature.

TWELVE: Should any of the work not conform to the conditions of this permit, the permittee, upon order of The Central Valley Flood Protection Board, shall in the manner prescribed by the Board be responsible for the cost and expense to remove, alter, relocate, or reconstruct all or any part of the work herein approved.

SPECIAL CONDITIONS FOR PERMIT NO. 18322 BD

THIRTEEN: All work approved by this permit shall be in accordance with the submitted drawings and specifications except as modified by special permit conditions herein. No further work, other than that approved by this permit, shall be done in the area without prior approval of the Central Valley Flood Protection Board.

FOURTEEN: The permittee is responsible for all liability associated with construction, operation, and maintenance of the permitted facilities and shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California; including its agencies, departments, boards, commissions, and their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages arising from the project undertaken pursuant to this permit, all to the extent allowed by law. The State expressly reserves the right to supplement or take over its defense, in its sole discretion

FIFTEEN: The permittee shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California, including its agencies, departments, boards, commissions, and their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages related to the Central Valley Flood Protection Board's approval of this permit, including but not limited to claims filed pursuant to the California Environmental Quality Act. The State expressly reserves the right to supplement or take over its defense, in its sole discretion.

SIXTEEN: The Central Valley Flood Protection Board and the State of California and/or any department(s) thereof shall not be held liable for damage(s) to the herein permitted project resulting from release(s) of water from reservoirs, flood fight, operation, maintenance, inspection, or emergency repair.

SEVENTEEN: The permittee shall contact the Department of Water Resources by telephone, (916) 574-0609, and submit the enclosed postcard to schedule a preconstruction conference. Failure to do so at least 10 working days prior to start of work may result in delay of the project.

EIGHTEEN: No construction work of any kind shall be done during the flood season from November 1st to April 15th without prior written approval of the Central Valley Flood Protection Board.

NINETEEN: No excavation shall be made or remain in the Yolo Bypass during the flood season from November 1st to April 15th without prior written approval of the Central Valley Flood Protection Board.

TWENTY: All cleared trees and brush shall be completely burned or removed from the Yolo Bypass, and downed trees or brush shall not remain within the bypass during the flood season from November 1st to April 15th.

TWENTY-ONE: Any earth pad or access road constructed at the well location shall not be higher than one foot above adjacent ground elevation.

TWENTY-TWO: Material(s) excavated during sump construction shall not be spoiled higher than 3 feet above the adjacent ground elevation.

TWENTY-THREE: Upon completion of well drilling activities, any sump constructed/excavated for drilling shall be completely backfilled to the original ground level in 4- to 6-inch layers and compacted to the density of the adjacent undisturbed material.

TWENTY-FOUR: Drilling fluids shall be properly disposed of outside of the floodway. Drilling fluids shall not be used as backfill.

TWENTY-FIVE: Before work starts on permanent production facilities/structures at the well site, a detailed plan of these structures shall be provided to the Central Valley Flood Protection Board.

TWENTY-SIX: Fences shall not be installed around the perimeter of production facilities and/or structures at the well-head.

TWENTY-SEVEN: For producing gas wells within floodways, a remotely actuated rapid-closure device shall be installed in the pipeline waterward of the levee section or at the well head that is operable during the design flood event. The design flood stage at the project site is 23.3 feet, NGV Datum.

TWENTY-EIGHT: Backfill material for excavations for pipeline construction shall be placed in 4- to 6-inch layers and compacted to at least the density of the adjacent, firm, undisturbed material.

TWENTY-NINE: Permanent, ferromagnetic, location markers shall be placed to identify the pipeline's alignment.

THIRTY: Should the well be nonproductive, prior to abandonment, the drill hole shall be completely grouted and the area restored to the condition that existed prior to start of work.

THIRTY-ONE: All debris generated by this project shall be disposed of outside the bypass.

THIRTY-TWO: The project site shall be restored to at least the condition that existed prior to

commencement of work.

THIRTY-THREE: Debris that may accumulate on the permitted encroachment(s) and related facilities shall be cleared off and disposed of outside the floodway after each period of high water.

THIRTY-FOUR: The permittee may be required, at permittee's cost and expense, to remove or alter all or any part of the herein permitted project if removal or alteration is necessary as part of or in conjunction with any present or future flood control plan or project or if damaged by any cause. If the permittee does not comply, the Central Valley Flood Protection Board may remove or modify the herein permitted project at the permittee's expense.

THIRTY-FIVE: The permitted encroachment(s) shall not interfere with operation and maintenance of the flood control project. If the permitted encroachment(s) are determined by any agency responsible for operation or maintenance of the flood control project to interfere, the permittee shall be required, at permittee's cost and expense, to modify or remove the permitted encroachment(s) under direction of the Central Valley Flood Protection Board Board. If the permittee does not comply, the Board may modify or remove the encroachment(s) at the permittee's expense.

THIRTY-SIX: If the project, or any portion thereof, is to be abandoned in the future, the permittee or successor shall abandon the project under direction of the Central Valley Flood Protection Board and Department of Water Resources, at the permittee's or successor's cost and expense.

THIRTY-SEVEN: The mitigation measures approved by the CEQA lead agency and the permittee are found in its Mitigation and Monitoring Reporting Program (MMRP) adopted by the CEQA lead agency. The permittee shall implement all such mitigation measures.

THIRTY-EIGHT: The permittee shall comply with all conditions set forth in the letter from the Department of the Army dated X XX, 20.., which is attached to this permit as Exhibit A and is incorporated by reference.