

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

Resolution No. _____

In The Matter Of the Proposed Grant of)	NOTICE AND RESOLUTION OF
a Private Franchise to ERG RESOURCES,)	INTENT TO GRANT A PRIVATE
LLC, for the Purpose of Distributing)	PIPELINE FRANCHISE
Petroleum Byproducts by Pipeline)	CALIFORNIA PUBLIC UTILITY CODE
Within Public Right-of-Way in)	SECTION 6231 ET. SEQ. and
Certain Unincorporated Areas of Santa)	SANTA BARBARA COUNTY
Barbara County)	CODE SECTION 2-82.1

WHEREAS, on March 23, 1970, the Santa Barbara County Board of Supervisors granted to TEXACO, INC., by Ordinance 2071, a franchise for the purpose of installing pipelines to transmit oil products within certain public right-of-way in unincorporated portions of the County of Santa Barbara (hereinafter "County"); and

WHEREAS, the portion of the pipeline system installed pursuant to Ordinance 2071 and depicted on Exhibit "A", attached hereto and by reference made a part hereof, has been operated as a private line under permit with the County's Energy Division of Planning and Development; and

WHEREAS, Ordinance 2071 expired on March 23, 2010, and title to those pipelines has been transferred by TEXACO, INC., to CHEVRON U.S.A, INC., and subsequently to ERG RESOURCES, INC., (hereinafter "ERG"), a Texas Limited Liability Company, which is currently holding over under that Ordinance until a new Ordinance is adopted by County and accepted by ERG; and

WHEREAS, ERG has filed with the County an application for a new private franchise for the purpose of transmitting produced water and related oil and gas products through the existing private line located within County road right-of-way in the unincorporated areas of the County; and

WHEREAS, the Director of the County's Public Works Department has evaluated the application and determined that the continued use of the existing pipeline will not negatively impact the County's road system; and

WHEREAS, this Board of Supervisors has determined that it is in the best interest of the public to grant, by Ordinance, said private franchise for the continued use of the existing pipeline to transmit produced water and related oil and gas products, for a period of twenty years.

NOW, THEREFORE, BE IT RESOLVED, the Santa Barbara County Board of Supervisors does hereby find, determine and order as follows:

1. The above recitals are true and correct; and
2. The pipelines run through County roadway along Cat Canyon and Palmer Road, north of Los Alamos, in the unincorporated area of the County. A map of the existing private pipeline is attached hereto and incorporated herein by reference as Exhibit "A"; and
3. Pursuant to California Public Utilities Code Section 6232, County hereby declares its intention to grant the franchise applied for; and
4. The Clerk of the Board is hereby directed to publish in the Santa Maria Times within ten days after passage hereof, the Public Notice of the sale of the franchise, attached hereto as Exhibit "B"; which establishes November 1, 2011, at 9:00 A.M., or shortly thereafter, in the County of Santa Barbara Board of Supervisors Hearing Room, located at 105 East Anapamu Street, Fourth Floor, in Santa Barbara, California, as the time and place for the introduction and First Hearing on the proposed Ordinance; and November 15, 2011, at 9:00 A.M., or shortly thereafter, in the County of Santa Barbara Board of Supervisors Hearing Room, located at 105 East Anapamu Street, Fourth Floor, in Santa Barbara, California, as the time and place for the Second Hearing and proposed adoption of the Ordinance.

Passed and adopted by the Board of Supervisors of the County of Santa Barbara, State of California, this ____ day of _____ 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

COUNTY OF SANTA BARBARA

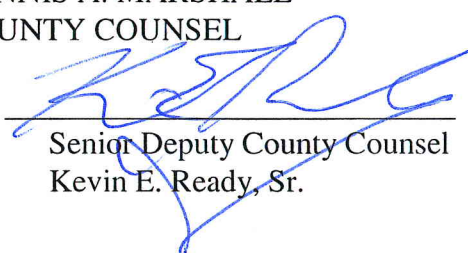
ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

CHAIR, BOARD OF SUPERVISORS

By: _____
Deputy

APPROVED AS TO FORM:
DENNIS A. MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING:
ROBERT W. GEIS, C.P.A.
AUDITOR-CONTROLLER

By: 
Senior Deputy County Counsel
Kevin E. Ready, Sr.

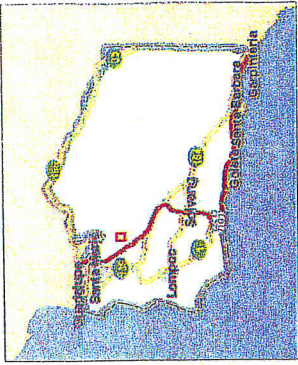
By: 
Deputy



County of Santa Barbara - My Property



EXHIBIT A
1 of 2



Legend

Districts - Supervisorial

Aerial Imagery - 2006

Red: Band_1

Green: Band_2

Blue: Band_3

ERG - Existing

Pipeline Location

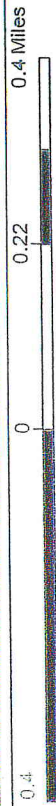
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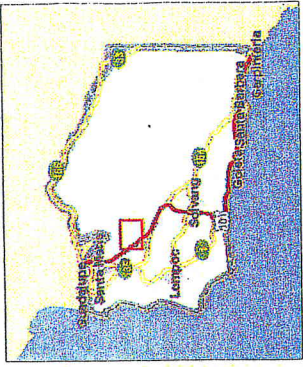
Notes

Enter Map Description

This map is for reference only. Santa Barbara County shall not be liable for any errors, omissions, or damages that result from inappropriate use of this document. No level of accuracy is claimed for the boundary lines shown hereon and lines should not be used to obtain coordinate values, bearings or distances.



County of Santa Barbara - My Property



Legend

Districts - Supervisory

Aerial Imagery - 2006

Red: Band_1

Green: Band_2

Blue: Band_3

● EEO - Existing
 Pipeline Location

1: 55,547

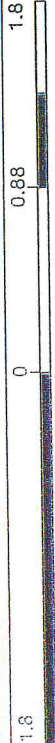


Notes

Enter Map Description

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1.8 Miles



PUBLIC NOTICE
BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

NOTICE IS HEREBY GIVEN that ERG RESOURCES, LLC has filed its application with the Board of Supervisors of the County of Santa Barbara requesting said Board to grant it a private utility franchise for a period of twenty years, under the Franchise Act of 1937, to use, or lay and use oil and gas pipes and appurtenances under the public roads and places within the unincorporated areas of said County, as they now or hereafter exist within the County; for the purpose of transmitting and distributing produced water and related gas and oil products. The pipelines run through County roadway along Cat Canyon and Palmer Road, north of Los Alamos, in the unincorporated area of the County.

If said franchise shall be granted, ERG RESOURCES, LLC, its successors and assigns, shall during the life thereof pay to County an annual fee agreed to in accordance with California Public Utilities Code Section 6231, and such fees shall be subject to increase to the maximum rate established by any amendment or successor to Section 6231. Upon commencement of this franchise, the annual fee shall be \$2,899.37. The franchise fee shall be paid annually from the date of the granting of the franchise applied for and in the event such payment shall not be made said franchise shall be forfeited.

NOTICE IS HEREBY FURTHER GIVEN that any and all persons having any objections to the granting of said franchise may appear before this Board of Supervisors at the Board Hearing Room located in at 105 East Anapamu Street, Fourth Floor, in Santa Barbara, California, at the hour of 9:00 A.M. on November 1, 2011; or at the Board Hearing Room located in at 105 East Anapamu Street, Fourth Floor, in Santa Barbara, California, at the hour of 9:00 A.M. on November 15, 2011, and be heard thereon; and

NOTICE IS HEREBY FURTHER GIVEN that at any time not later than the hour so set for hearing objections any person interested may make written protest stating objections against the granting of said franchise which protests must be signed by the protestant and delivered to the Clerk of the Board of Supervisors, and the Board of Supervisors shall at the time set for hearing said objections proceed to hear and pass upon all protests so made.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (805) 568-2240. Notification at least 48 hours prior to the meeting will enable the Clerk of the Board to make reasonable arrangements.

IF YOU CHALLENGE THIS PROJECT IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE BOARD OF SUPERVISORS AT, OR PRIOR TO, THE PUBLIC HEARING.

Witness my hand and seal this _____ day of _____, 2011.

Chandra L. Wallar
CLERK OF THE BOARD OF SUPERVISORS

By _____
Deputy Clerk

EXHIBIT B