

The Coalition of Labor, Agriculture & Business

September 28, 2008

SANTA BARBARA COUNTY
BOARD OF SUPERVISORS
105 E. Anapamu Street
Santa Barbara, CA 93101

**Re: Support for PXP's Tranquillon Ridge Project
October 7, 2008 Appeal Hearing**

Dear Chair Carbajal, Members of the Board:

This is to express COLAB's unqualified support for PXP's Tranquillon Ridge Project as approved by your Planning Commission last April. COLAB urges your Board to reject the two remaining appeals, certify the EIR and approve the project.

COLAB's support for the Tranquillon Ridge Project stems from a number of factors. These include the following:

- All of the complex infrastructure needed to develop the Tranquillon Ridge Field is already in place and ready for drilling operations to begin. This means that substantial new quantities of oil and gas can be brought to market promptly after all required agency approvals are obtained - as early as the 1st Quarter of next year.
- This ready access to new oil and gas resources translates into a surge of new revenue for Santa Barbara County. The local community can expect to receive \$150 million during the first five years of project operations alone. Assuming oil prices remain at \$100/bbl, the community can expect to receive a total of \$313 million in new property tax revenue and \$14 million in revenue sharing monies during the 14 year life of the project. Out of these funds, the Santa Barbara County Fire Department would receive \$45 million, with \$74 million going into the County's General Fund.

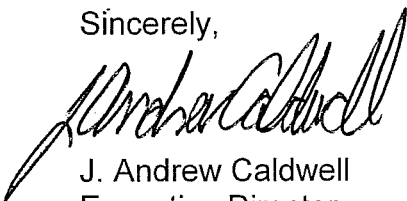
- These substantial new revenues would be generated without other citizens contributing one cent in new taxes.
- If it turns out that significant oil and gas reserves remain after PXP's operations conclude in 2022, other operators can seek permits to develop the remaining resources from onshore locations.
- PXP has an exemplary record of complying with the County's stringent health, safety and environmental standards. The company has also shown uncommon leadership in bringing forward an offshore oil project that is environmentally sound and acceptable even to the most ardent of traditional adversaries.

These factors contribute to a positive political climate for the necessary state and federal approvals to be obtained and for this project to become a reality after so many years.

We believe that the benefits of the Tranquillon Ridge Project are overwhelming and that it should be approved without further delay.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Andrew Caldwell". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

J. Andrew Caldwell
Executive Director
COLAB