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August 18, 2008

JOHN B. GALVIN
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BY E-MAIL & HAND DELIVERY

Michael Allen,
Chief Deputy Clerk of the Board
SANTA BARBARA COUNTY
BOARD OF SUPERVIORS
105 Anapamu, Room 407
Santa Barbara, CA 93101

**Re: Opposition to Continuance
Tranquillon Ridge Project Appeal
Hearing Date: August 19, 2008
Case No. 08APL-00000-00019 & 20**

Dear Mr. Allen:

On behalf of our client, Plains Exploration & Production Company (PXP), this is to express PXP's strong opposition to the requests for continuance submitted late last Friday afternoon. PXP asks that the appeal hearing proceed as scheduled.

As part of an apparent coordinated strategy, the two oil company appellants filed contemporaneous requests for continuance of the hearing on their appeals of the Planning Commission's approval of the Tranquillon Ridge Project. These requests were filed 29 minutes apart late last Friday afternoon. Both requests should be denied.

The Planning Commission approved the Tranquillon Ridge Project on April 21, 2008, nearly four months ago. Shortly thereafter, Vaquero and Exxon/Sunset appealed the decision. Exxon later withdrew its appeal. More than a month ago on July 8, your Board set the appeal hearing for August 19. Public notice was duly given. Late last Friday afternoon, both oil company appellants asked for a continuance. In PXP's view, there is no justification for a continuance at this late date.

Both appellants claim that "good public policy" favors a delay. Sunset argues that Tranquillon Ridge appeal hearing should trail the Board's energy crises discussion scheduled for August 26. Vaquero claims more time is needed to resolve end date issues. None of these matters is new. The latest maneuvers are transparent efforts to delay the Tranquillon Ridge Project, or derail it altogether, in an effort to advance appellants' own commercial interests.

At the core of each of the appeals are a number of alleged inadequacies in the Tranquillon Ridge EIR. The comprehensive staff report prepared on each of the

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appeals thoroughly analyzes and rejects each of these allegations. Despite Sunset's argument, none of the project-specific issues raised by its appeal has anything to do with any "broader public policy" discussions that may occur in the future. Vaquero complains that the County's permit process for authority to use PXP's facilities is unreasonable. But Vaquero has never even begun the process it complains about. If Vaquero believes that it has a legitimate complaint with the County process, Vaquero is free to pursue it. Vaquero's problems have nothing to do with the merits of the Tranquillon Ridge Project.

PXP's application has been pending for four years. The other agencies standing in line to consider the project cannot move forward until Santa Barbara County takes final action. The State Lands Commission is scheduled to consider aspects of the Tranquillon Ridge leases in closed session on August 22, **only three days after your Board is scheduled to act on these appeals**. The ripple effect of any further delay in the County proceedings is self-evident.

With timely approvals from the County and the other agencies, PXP can begin drilling by January. Substantial new volumes of oil and gas - - and substantial new revenue for Santa Barbara County - - can begin flowing soon thereafter. At tomorrow's hearing, PXP will provide evidence that property tax and royalty sharing revenues to the Santa Barbara County community are expected to average about **\$2.5 million per month** during the first five (5) years of Tranquillon Ridge Project. Thus, any further delay in the project will prove costly to the County, as well as to the State of California, and PXP.

Appellants' 11th hour gamesmanship should be seen for what it is. If appellants are still not prepared to go forward on their own appeals, perhaps they should follow Exxon's lead and withdraw.

Respectfully Submitted,

HOLLISTER & BRACE •

By


Steven Evans Kirby

SEK:bew

Copy: Supervisor's Carbajal, Wolf, Firestone, Gray and Centeno
John Baker, P & D, Doug Anthony, P & D
Plains Exploration & Production Company, Inc.