

PXP

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July 1, 2008

The Honorable Yvonne Burke
Supervisor, Second District
Room 866 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Re: Release of the Baldwin Hills Community Standards District EIR

Dear Supervisor Burke:

PXP is encouraged that the Draft Environmental Impact Report (DEIR) for the Baldwin Hills Community Standards District Project (CSD) was released on schedule June 19, 2008. I am sure that all recognize that this marked a significant milestone for you, the Second District community and the Department of Regional Planning. The release of the DEIR is significant in several ways, 1) it represents a precedent setting first-ever EIR for a Community Standards District project, 2) it is the most comprehensive EIR ever written for an operating oil and gas field conforming with existing County zoning, and 3) it is the culmination of over a year of scientific studies and surveys conducted by an independent third party to address the very issues you pledged to evaluate in the urgency ordinance after listening to the community's concerns. As required under the California Environmental Quality Act, the DEIR evaluates all potentially significant impacts of the project and recommends mitigations to eliminate or reduce them to insignificance. The public and PXP now have 60 days to review the document and comment on its adequacy. This is in addition to the almost dozen meetings the County, EIR contractor and PXP held with the community groups.

Time is of the essence. Last June, PXP reached an agreement with you and your Board to voluntarily cease drilling new wells in the Inglewood Oil Field. PXP hasn't drilled a well since June 21, 2007. With gasoline prices soaring and foreign imports increasing, this country needs to increase domestic production. Urban drilling is occurring elsewhere throughout Southern California in a safe and environmentally compatible manner and the DEIR will provide added assurance that drilling in Baldwin Hills will be conducted in the same manner.

Supervisor, in closing, PXP appreciates the commitment that you and the County staff have made to move expeditiously through the public comment period and public hearing

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process by September, 2008 with the goal of bringing forward an EIR and CSD containing mitigations from the EIR before the Board of Supervisors in October, 2008. Based on this commitment, PXP wishes to inform you that it has decided not to make any new applications for new drilling through October 21, 2008.

We look forward to working with our Baldwin Hills neighbors and the County towards the fruition of this endeavor.

Sincerely,

A handwritten signature in black ink, consisting of a stylized, cursive 'M' followed by a long horizontal line extending to the right.