



Inglewood Settlement Agreement Summary

Issue	Community Standards District (CSD)	Settlement Agreement
Number of new/redrilled wells allowed (over 20 years)	Limit of 600 wells by "Director's Review"	Reduced to 500 wells by "Director's Review"
Number of Drilling Rigs	Maximum of 3 drilling or redrilling rigs	Reduced to 2 drilling or redrilling rigs
Number of new/redrilled wells allowed (initially)	Limit of 24 wells in 2009 (PXP drilled 0)	Limit to 30 wells/year until (1) PXP drills 50 wells {~9/11} and (2) Director's Review determines CSD's provisions are effective
Number of new/redrilled wells allowed (annually)	Limit of 53 wells (45 new) per year	Reduced to 35 wells/year (up to 53 with bonus wells)
Well Abandonments and Bonus Wells	No required schedule	Bonuses awarded if P&A wells fall within 800' of Developed Areas earn 2 new wells for every 1 abandonment. Currently have 14 new well bonuses accrued



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Perimeter Drilling	400' setback	Annual Drilling Plan Supplements required to assess whether deep wells proposed within 800' of Sensitive Developed Areas (residences, parks, schools and health care facilities) can be slant drilled and moved further away. 400' setback frozen as of October 2008
Hydraulic Fracturing Study	No CSD requirements	PXP will conduct peer-reviewed study of the feasibility and potential impacts of fracturing operations PXP may conduct in the Field
Clean Technology	Discuss in Annual Drilling Plan and consider from time to time	Every 5 years, County evaluate latest clean technology advances that would reduce environmental impacts and require PXP to use on brand new equipment, to extent commercially available



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Cement Well Plugs	No CSD requirements	Install 150' cement surface plug on all new P&A's
Noise	Quiet Mode Drilling Plan (6pm – 8am); no noise above baseline by more than 5 dBA	No noise above baseline by more than 3 dBA (10pm – 7 am)
Noise Spikes	No restrictions	PXP must investigate and consult with County if nighttime noise exceeds baseline by 10 dBA for more than 15 minutes in any hour
Gas Plant Flare	Allows both new and existing flares. New flare installed within 180 days of permit issuance.	Allows only one gas plant flare to operate at any one time
Landscaping	Comply with Mia Lehrer conceptual plan and complete in 2 - 5 years	Install first 2 phases within 9 months of County approval of those plans. All 7 phases completed within 3 years of final phase approval



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Oil Field Clean-up	Unused Equipment Plan to remove facilities at end of useful life	Update plan periodically and remove unnecessary unused equipment within view of sensitive developed areas
Health/EJ Study	Every 5 years county may update EIR's health risk assessment if met station data warrants	County to complete final phase of Community Health Assessment by June 2012, with additional assessments every 5-7 years
Electrical Distribution Study	No CSD requirements	County to propose joint study with Edison and LADWP to streamline and consolidate electrical lines in field. PXP fund 1/4 th
Air Quality	Use portable flares on nodular shale wells; monitor H ₂ S and TPH during drilling; Odor Minimization Plan; Fugitive Dust Plan; and Tank Pressure Monitoring	County to spend up to \$250,000 to conduct air quality monitoring to assess risk of acute and chronic exposures to air contaminants from the Field



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Public Notice of Agreement	N/A	County will post on CSD website and schedule an annual discussion with status of compliance
Settlement Payments	N/A	PXP \$1,250,000 County \$ 350,000