



# City of Whittier

13230 Penn Street, Whittier, California 90602-1772  
(562) 567-9999 www.cityofwhittier.org

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Council Member

Jeffrey W. Collier  
City Manager

May 13, 2013

Michael McCaskey  
Executive Vice President  
Matrix Oil Corporation  
104 W. Anapamu Street, Suite C  
Santa Barbara, CA 93101

Dear Mr. McCaskey:

Re: Approval for Phase 1 Grading

This letter constitutes conditional approval for Matrix Oil Corporation (Matrix) to conduct Phase 1 Grading activities at the proposed Whittier Main Oil Field Project Site under CUP09-004.

This letter shall in no way constitute approval to commence drilling or be considered an approval of the plans related to drilling (Noise Reduction Plan, etc.) previously submitted. Review of all compliance plans submitted by Matrix in satisfaction of the conditions of approval is limited to this subphase of the Project and additional reviews and approvals would have to occur for future subphases of the Project. This approval is limited to only those activities listed below:

1. Grading of soils within the previously cleared Test Well Site (as indicated in the Site Clearing Approval Letter dated January 30, 2013, and associated plans) in compliance with the grading permit issued by the City.
2. Installation of a well cellar.

The activities are subject to the following conditions:

- a. All activities at the site shall be in compliance with the Conditions of Approval as established by City Council Resolution #8423, dated November 28, 2011;
- b. All activities at the site shall be in compliance with the Mitigation Monitoring Plan from the Final Environmental Impact Report approved by the City Council on November 28, 2011;
- c. Activities at the site shall adhere to Best Management Practices ("BMP") to prevent pollution to local waterways, and prevent

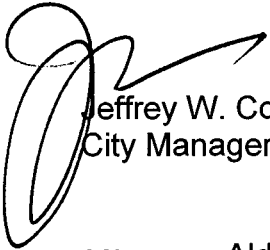
Mr. Mike McCaskey  
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sediments, construction debris and trash from being washed into storm drains causing pollution to local waterways;

- d. Site conditions during and after grading and soil disturbance shall implement erosion control BMP as directed by the City inspectors and these measures shall be maintained until as directed by the City inspectors;
- e. Measures as specified in the Operations Manual (allowed construction hours, etc.) are applicable; and
- f. Notification to the City and Habitat Authority shall be required for planned site activity, with details regarding the duration, type of activity and focus area of such activity.

This approval is limited in duration to one year from the date above.

Sincerely,



Jeffrey W. Collier  
City Manager

cc: Aldo E. Schindler, Director of Community Development  
David Pelsler, Director of Public Works