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FREQUENTLY ASKED QUESTIONS

LA HABRA HEIGHTS COMMUNITY OUTREACH MEETING

FAQ: Who is Matrix Oil Corporation?

ANSWER: Matrix is an independent, moderately size oil company concentrating on the acquisition of producing oil and gas properties. Currently, Matrix owns production in Whittier, the La Cienega area of Los Angeles, the San Joaquin Basin in central California, the Sacramento area, N. Dakota and West Texas. www.matrixoil.com

FAQ: What was happening on this property prior to Matrix acquiring the property?

ANSWER: This 70 Acre parcel in the City of La Habra Heights has been owned by Sempra Utilities (a public utility) for many years. Sempra has historically operated the property as a natural gas storage field. There are currently 9 natural gas wells on the property. The operations will encompass approximately 4 acres of the 70 acres.

FAQ: What is a natural gas storage field?

ANSWER: This is where the Utility would push natural gas from the Southern California Gas Company distribution system into the ground during times when demand for natural gas is low (summertime) and then draw the natural gas back out of the ground during times of high demand (winter months) allowing swings in capacity to level out supply.

FAQ: How is the previous natural gas storage operation different than the proposed oil wells?

ANSWER: This project is not very different at all. Oil wells will produce both oil and natural gas from the very same wells that Sempra used to push natural gas into the wells, and then produce oil and gas back out of the wells. The only difference is that we may drill to deeper depths and target more oil to be produced than natural gas.

FAQ: As a La Habra Heights resident, I currently receive oil and gas royalty checks. Will I get more royalty income from this project?

ANSWER: Generally speaking you will receive more royalty income as oil and gas production is increased within the city limits. We can't say about every individual person situation, but the City of La Habra Heights enjoys a very unusual situation where Union Oil Company many years ago tied mineral royalties to surface property ownership, making the residences automatically receive royalties from mineral extraction.

FAQ: Will the City receive any money from this project?

ANSWER: Yes. The City of La Habra Heights has an established fee structure where a per barrel fee is paid to the City for crude oil produced in La Habra Heights, and fees for natural gas as well. Also, the City will receive sales tax from point of receipt purchases and property taxes.

FAQ: Is this project entirely in the City of La Habra Heights?

ANSWER: Yes. The 70 Acre parcel and this project is only in La Habra Heights.

FAQ: What is this property currently zoned as?

ANSWER: This property is zoned for oil and gas extraction. It has historically been in this capacity for many years. The zoning will not change.

FAQ: Is this land open space or covered by any public trust? Is it related to the Puente Hills Habitat?

ANSWER: No. This is privately owned property. A large portion of the land has remained open to hikers and hopefully it will remain that way. Our plans are to only restrict access to the portions of the property where the oil and gas operations will be located. The new facilities and wells will reside on the same locations that Sempra used for its facilities and wells.

FAQ: There are some very nice trees on this property; will any of them be cut down?

ANSWER: Our desires are to not remove any trees unless absolutely necessary. We believe the proposed facilities and wells will fit nicely on the existing cleared locations with a minimum of disruption to the surroundings.

FAQ: Will any of the facilities be visible from the surrounding neighborhoods?

ANSWER: We will make every attempt to camouflage the operation with natural screening from the mature groves of trees on the property. Extensive modeling is being done to establish how the project will be perceived from the surrounding neighborhoods and preliminary results are showing almost a negligible visual impact.

FAQ: Will there be increased truck traffic as a result of this project?

ANSWER: Yes, unfortunately any new project will bring with it increased traffic in the form of construction equipment, people, and the resulting impacts to in particular the Las Palomas Drive area leading up the property.

FAQ: The road leading up to this property is very narrow, how are you going to get trucks and equipment up that road?

ANSWER: Las Palomas Drive is a non-standard road, meaning it is narrow and could cause conflicts with oncoming traffic when trucks are moving up the road. Our plans are to work with the directly impacted neighbors living on this road, providing whatever

means are best to minimize any conflicts. Some ideas are that we will provide pilot cars and spotters whenever large trucks are traversing the area. We also can develop a community call list to notify affected neighbors when we are scheduling the truck movements. All ideas will be considered.

FAQ: What happens if the trucks from this project damage the City streets?

ANSWER: Working with the City, we will pay for repairs or resurfacing of the streets that are damaged by the traffic from this project.

FAQ: We treasure our night sky; will these facilities have offensive lighting?

ANSWER: All lighting fixtures associated with this project will be designed to minimize light escaping the property. A detailed lighting study will be performed to ensure light from the property is minimized.

FAQ: Will the noise from the project disturb the peace?

ANSWER: Significant and state of the art noise proofing will be utilized to minimize noise. Continuous monitoring with recording devices will be used to adjust noise attenuation efforts to not cause disturbances.

FAQ: Will this project be a fire hazard?

ANSWER: Oil and gas are flammable products. However the new facilities will be state of the art systems with the latest instrumentation and safety systems available. There will be fire safety systems, early warning detection, computer monitoring systems, and firefighting systems on site. The site will be monitored both by operating personnel on the ground and by remote telemetry.

FAQ: How will you get the oil and gas to market?

ANSWER: Initially we plan to truck the oil and gas off of the site, up to a maximum of 6 trucks a day. We are also working with Occidental Petroleum to utilize their existing pipelines to take the oil out through existing systems. Occidental has limited capacity and can handle preliminary volumes.

FAQ: Will the pipeline run through my property?

ANSWER: Typically no. If it were ever desirable for us to run a pipeline across your private property, your permission would be the first requirement, and then you would receive a fee for a right-of-way for the pipeline to cross your property. Generally this would not be necessary or desirable.