

## Appendix G

### 2014 Conservation Bank Transactions



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# KERN WATER BANK AUTHORITY

January 15, 2016

Ms. Julie Vance  
Regional Manager  
California Department of Fish and Wildlife  
1234 East Shaw Avenue  
Fresno, CA 93710

RE: Kern Water Bank Authority (KWBA)  
2015 Conservation Credit Certificates and  
2015 Endowment Fund for Credits Sold

Dear Ms. Vance:

Enclosed are two sets of Conservation Credit certificates for the conservation credits sold in 2015. I have enclosed a check for TWELVE THOUSAND DOLLARS, (\$12,000), representing the endowment funds for conservation credits sold in 2015. Per the Conservation Bank Agreement (Agreement), this payment is based on the sale of 32 credits at the rate of \$375.00 per credit. Paragraph 6.2 of the Agreement stipulates that KWBA should forward the endowment funds to:

FASB, California Department of Fish and Wildlife  
1416 Ninth Street, 12<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Cash Receipts Group  
Fund: KWB Conservation Bank Endowment

Based on previous conversations with CDFW staff, however, I am sending the payment to your attention. If you need anything further, please call.

Very truly yours,

KERN WATER BANK AUTHORITY



Jonathan Parker,  
General Manager

Enclosure (2)

cc: Craig Bailey, CDFW  
Thomas Leeman, USFWS  
Justin Sloan, USFWS  
Dave Hacker, CDFW

**KERN WATER BANK AUTHORITY**  
**GENERAL ACCOUNT**  
 1620 MILL ROCK WAY, SUITE 500  
 BAKERSFIELD, CA 93311



**019267**  
 11-24/1210

1/11/2016

PAY TO THE ORDER OF California Department of Fish & Game

\$ \*\*12,000.00

Twelve Thousand and 00/100\*\*\*\*\*  
 DOLLARS

California Department of Fish & Game  
 1416 Ninth Street, 12th Floor  
 Sacramento, CA 95814

MEMO

Endowment Fund for 2015 Conservation Credits

⑈019267⑈ ⑆121000248⑆ 4040017758⑈

**KERN WATER BANK AUTHORITY**

**019267**

California Department of Fish & Game

1/11/2016

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/1/2016	Bill	2015 Edmnt Fund	12,000.00	12,000.00		12,000.00
					Check Amount	12,000.00

Wells Fargo General Endowment Fund for 2015 Conservation Credits 12,000.00

**KERN WATER BANK AUTHORITY**

**019267**

California Department of Fish & Game

1/11/2016

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/1/2016	Bill	2015 Edmnt Fund	12,000.00	12,000.00		12,000.00
					Check Amount	12,000.00

Wells Fargo General Endowment Fund for 2015 Conservation Credits 12,000.00

# KERN WATER BANK AUTHORITY



January 15, 2016

Mr. Thomas Leeman  
U.S. Fish & Wildlife Service  
2800 Cottage Way W2605  
Sacramento, CA 95825

RE: Kern Water Bank Authority (KWBA)  
2015 Conservation Credit Certificates and  
2015 Endowment Fund for Credits Sold

Dear Mr. Leeman:

Enclosed are two sets of Conservation Credit certificates for the conservation credits sold in 2015. I am also forwarding a check for TWELVE THOUSAND DOLLARS, (\$12,000), representing the endowment funds for conservation credits sold in 2015 to California Department of Fish and Wildlife.

If you need anything further, please call.

Very truly yours,

KERN WATER BANK AUTHORITY



Jonathan Parker,  
General Manager

Enclosure (2)

cc: Julie Vance, CDFW  
Craig Bailey, CDFW  
Justin Sloan, USFWS  
Dave Hacker, CDFW

# KERN WATER BANK AUTHORITY

January 15, 2016

Ms. Pamela Willis  
Aera Energy, LLC  
10000 Ming Avenue  
Bakersfield, CA 93311

RE: Conservation Credit Certificate #2015-01

Dear Ms. Willis:

Enclosed, please find the above captioned Conservation Credit Certificate confirming your prior purchase of 32 credits from the Kern Water Bank Authority Conservation Bank.

Original copies of this credit certificate are being forwarded to the United States Fish and Wildlife and the California Department of Fish and Wildlife.

We have forwarded the Endowment Fund (\$375.00 per credit) collected at the time of purchase to the California Department of Fish & Wildlife.

Please submit a report on your project, when completed, for inclusion in our Annual Report to California Department of Fish and Wildlife and United States Fish and Wildlife Service. We appreciate your interest in our conservation bank and hope we can be of service to you in the future.

Very truly yours,

KERN WATER BANK AUTHORITY



Jonathan Parker,  
General Manager

Enclosures (1)

# KERN WATER BANK AUTHORITY

## CONSERVATION CREDIT CERTIFICATE NO. 2015-01

### 32.0 CREDITS

**Aera Energy, LLC**  
**T11-Block 12 Development Project, Kern County**  
**(USFWS O8ESMF00-2012-TA-0288)**

This Conservation Credit Certificate certifies that Aera Energy, LLC (the “Developer”) has acquired thirty-two (32) Conservation Credits in the Kern Water Bank Conservation Bank (the “Conservation Bank”), established pursuant to the Conservation Bank Agreement (the “Conservation Bank Agreement”) dated October 2, 1997, by and among the United States Fish and Wildlife Service (“USFWS”), the California Department of Fish and Wildlife (“CDFW”), and Kern Water Bank Authority (“Bank Owner”).


This Certificate may be used only in satisfaction of requirements identified by USFWS and/or CDFW relating to that project of the Developer whose project is identified in the letter from CDFW to Developer attached hereto.

This Conservation Credit Certificate is not transferable.

KERN WATER BANK AUTHORITY

Date: January 15, 2016

By:

  
\_\_\_\_\_  
Jonathan Parker  
Authorized Representative of Bank Owner



# United States Department of the Interior



In Reply Refer to:  
08ESMF00-  
2012-TA-0288

FISH AND WILDLIFE SERVICE  
Sacramento Fish and Wildlife Office  
2800 Cottage Way, Suite W-2605  
Sacramento, California 95825-1846

APR 06 2015

APR - 9 2015

Ms. Pamela Willis  
Aera Energy, LLC  
10000 Ming Avenue  
P.O. Box 11164  
Bakersfield, California 93389

Subject: Request for Authorization to Purchase Conservation Credits from the Kern Water Bank Authority for the T11-Block 12 Development Project

Dear Ms. Willis:

This letter is in response to your March 26, 2015 request for authorization from the U.S. Fish and Wildlife Service (Service) to purchase 32 conservation credits from the Kern Water Bank Authority (KWBA) for impacts resulting from Aera Energy's T11-Block 12 Development Project (Project). Credit purchase is intended to **minimize** the effects of incidental take on the federally-listed as **endangered blunt-nosed leopard lizard (*Gambelia sila*) and San Joaquin kit fox (*Vulpes macrotis mutica*)**. Federal incidental take authorization for these species for the project would be extended through the Kern Water Bank Habitat Conservation Plan/Natural Community Conservation Plan.

The Project consists of the development and operation of 67 wells, 43 oil producers and 24 steam injectors on privately owned surface and mineral land in the South Belridge Oil Field in Kern County, California. The wells and their access roads, pipeways and associated supporting infrastructure will result in approximately 32 acres of disturbance.

The Service concludes that it is reasonably likely that this project will result in incidental take of blunt-nosed leopard lizard and San Joaquin kit fox. To **minimize** the amount and extent of take of these species, Aera Energy will incorporate all avoidance and minimization measures included as Appendix A/Attachment A in your March 26, 2015 request to the Service.

The Service authorizes Aera Energy to purchase 32 conservation credits from the Kern Water Bank Authority to compensate for project-related effects to the blunt-nosed leopard lizard and San Joaquin kit fox. In addition to credits purchased at Kern Water Bank, Aera Energy has proposed to secure 80.8 credits at the Coles Levee Ecosystem Preserve. The purchase of credits from the KWBA and securing of credits from the Cole Levee Ecosystem Preserve must be completed in full and a copy of the fully executed credit sales agreement received by the Service prior to any surface disturbance associated with the Project.



Ms. Pamela Willis

This letter and the purchase of credits from the Kern Water Bank do not provide incidental take authorization for the giant kangaroo rat (*Dipodomys ingens*). The avoidance measures proposed in Appendix A/Attachment A in your March 26, 2015 letter should be implemented. If giant kangaroo rats are detected at any time on the project site, the Service should be contacted immediately.

If you have any questions regarding this letter, please contact Justin Sloan, Senior Fish and Wildlife Biologist, or Thomas Leeman, Chief, San Joaquin Valley Division, at the letterhead address or at (916) 414-6600.

Sincerely,



Daniel Russell  
Deputy Assistant Field Supervisor

cc:

Jonathan Parker, Kern Water Bank Authority, Bakersfield, CA  
Reagen O'Leary, California Department of Fish and Wildlife, Fresno, CA



State of California – Natural Resources Agency  
DEPARTMENT OF FISH AND WILDLIFE  
Central Region  
1234 East Shaw Avenue  
Fresno, California 93710  
(559) 243-4005  
www.wildlife.ca.gov

EDMUND G. BROWN, JR., Governor  
CHARLTON H. BONHAM, Director



June 22, 2015

Pamela Willis  
Aera Energy, LLC  
10000 Ming A venue  
Post Office Box 11164  
Bakersfield, California 93389

**Subject: Request for Authorization to Purchase Conservation Credits from the Kern Water Bank Authority for the T11-Block 12 Development Project**

Dear Ms. Willis:

This letter authorizes Aera Energy LLC (Aera) to purchase 32 conservation credits from the Kern Water Bank Authority (KWBA) for impacts resulting from Aera Energy's T11-Block 12 Development Project (Project) in accordance with the Incidental Take Permit (ITP) No. 2081-2014-043-04 issued by the California Department of Fish and Wildlife (CDFW) for the Project.

The proposed Project consists of an extension of the existing Division of Oil, Gas and Geothermal Resources Designated South Belridge Oil Field which would include the development of 67 wells (43 oil producers and 24 stream injectors) which are considered shallow in nature. The wells, associated access roads, pipeways, and associated supporting infrastructure will result in approximately 32 acres of disturbance on privately owned surface and privately owned mineral land. The Project is located within the boundaries of South Belridge Oil Field in the unincorporated portion of western Kern County, approximately 40 miles west of Bakersfield, 25 miles north of Taft, and 8 miles north of McKittrick within Sections 11 and 12, T29S, R21E (MDB&M).

The Project is expected to cause the permanent loss of 24 acres of habitat for the Covered Species and temporary loss of 8 acres of habitat for State and federally endangered and State fully protected blunt-nosed leopard lizard (*Gambelia sila*) (BNLL), the State and federally threatened giant kangaroo rat (*Dipodomys ingens*), the State threatened and federally endangered San Joaquin kit fox (*Vulpes macrotis mutica*), and the State threatened San Joaquin antelope squirrel (*Ammospermophilus nelsoni*). Due to the presence of San Joaquin antelope squirrel, San Joaquin kit fox, and giant kangaroo rat on the Project site, Aera is acquiring a State Incidental Take Permit (ITP No. 2081-2014-043-04), pursuant to Fish and Game Code section 2081(b) because "take" of these species likely cannot be avoided. A BNLL avoidance plan will be prepared, and avoidance measures will be implemented to avoid take of BNLL.

Pamela Willis  
June 22, 2015  
Page 2

Pursuant to Condition 8 of the ITP, Aera is required to purchase 32 credits of San Joaquin kit fox habitat from the KWBA Conservation Bank. In addition to credits purchased at Kern Water Bank, Aera is required to secure 80.8 credits at the Coles Levee Ecosystem Preserve. The purchase of credits from the KWBA and securing of credits from the Cole Levee Ecosystem Preserve must be completed in full and a copy of the fully executed credit sales agreement received by CDFW prior to any surface disturbance associated with the Project. Please note that this letter does not grant Incidental Take Authority under the California Endangered Species Act for this Project under the State Incidental Take Permit held by the KWBA. Refer to the ITP discussed above for take minimization measures that are required to be implemented during Project implementation.

If you have any questions regarding this letter, please contact Craig Bailey, Senior Environmental Scientist (Supervisor), at the letterhead address or at (559) 243-4014, extension 227.

Sincerely,



Terry Palmisano  
Acting Regional Manager

cc: Jonathan Parker  
Kern Water Bank Authority  
1620 Mill Rock Way # 500  
Bakersfield, California 93311

Thomas Leeman  
United States Fish and Wildlife Service  
2800 Cottage Way, Suite W-2605  
Sacramento, California 95825