

MINUTE ITEM

1/14/75
DJE

6. ACTION OF STATE LANDS COMMISSION OF NOVEMBER 21, 1974, AUTHORIZING THE RESUMPTION OF DRILLING OPERATIONS UNDER STATE OIL AND GAS LEASES PRC 3120, PRC 4000, AND PRC 1824; STANDARD OIL COMPANY OF CALIFORNIA - W 9732, PRC 3150, PRC 4000, PRC 1824.

During consideration of Calendar Items 2 and 3 attached, temporary Chairman Roy Bell returned the chairmanship to Commissioner Kenneth Cory.

Commissioner Mervyn Dymally pointed out that it was his understanding that Standard Oil Company had agreed to submit to the Commission an environmental impact report on the project. Chairman Cory commented it was his understanding that responsibility for the EIR lay with the Commission and not Standard. However, he understood that Standard had agreed to pay for the preparation of an EIR by the Commission so that its application could proceed in an orderly fashion.

Mr. D. G. Couvillon, Vice President, Western Operations, representing Standard Oil Company of California, appeared and confirmed that Standard had agreed that instead of pursuing the dispute through litigation, an EIR should be prepared. He added that it was his understanding arrangements had been made to postpone the lawsuit until action had been taken by the new Commission. On behalf of Standard, he requested that the matter be expedited so that, after preparation and approval of the EIR, Standard might be allowed to resume drilling.

Appearances:

Bruce Rosenthal, representing the office of Senator Omer L. Rains, 18th Senatorial District, California State Legislature. Mr. Rosenthal stated that the Senator had requested he deliver a statement from the Isla Vista Community Council, said statement being on file in the office of the State Lands Commission and by reference made a part hereof. (Note: Mr. Rosenthal's statement was given out of sequence inasmuch as it related only to Minute Item 9--Atlantic Richfield Company.)

R. W. Mansfield, Legislative Advocate, representing the State Building and Construction Trades Council, appeared and requested the Commission to approve the resumption of drilling in the Santa Barbara Channel as expeditiously as possible.

Mr. N. Gregory Taylor, Deputy Attorney General, suggested that since Chairman Cory is a party to the subject litigation, he turn the chairmanship over to another member, thereby abstaining from voting. The chairmanship was therefore turned over to Commissioner Roy Bell. Mr. Taylor then read into the record the proposed recommendations. Commissioner Dymally moved that the recommendations be adopted, at which time temporary Chairman Roy Bell seconded the motion, noting for the record that Commissioner Cory had abstained from voting.

MINUTE ITEM NO. 6. (CONTD)

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. RESCINDS THE STATE LANDS COMMISSION RESOLUTIONS OF NOVEMBER 21, 1974, APPROVING THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASES PRC 3150, PRC 4000, AND PRC 1824.
2. DETERMINES THAT APPLICATIONS FOR SUCH RESUMPTION SHALL BE CONSIDERED BY THE COMMISSION ONLY UPON THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT PREPARED IN COMPLIANCE WITH THE ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND IN ACCORDANCE WITH STATE POLICIES IN EFFECT AT THE TIME OF SUCH CONSIDERATION.
3. AUTHORIZES THE ATTORNEY GENERAL TO TAKE SUCH ACTION IN THE CASE OF CITY OF SANTA BARBARA V. THE STATE LANDS COMMISSION, SANTA BARBARA SUPERIOR COURT NO. 105991, INCLUDING THE ENTRY OF STIPULATIONS THEREIN, AS ARE CONSISTENT WITH THIS RESOLUTION AND CURRENT STATE LANDS COMMISSION POLICIES.

Attachment:

Calendar Items 2 and 3 (6 pages)

CALENDAR ITEM

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2.

INFORMATION REGARDING ACTION OF
STATE LANDS COMMISSION NOVEMBER 21, 1974,
AUTHORIZING THE RESUMPTION OF DRILLING OPERATIONS
UNDER STATE OIL AND GAS LEASES PRC 3150 AND PRC 4000;
STANDARD OIL COMPANY OF CALIFORNIA

State Leases PRC 3150 and PRC 4000 (Calendar Item 23, Exhibit "A" attached).

Lessee: Standard Oil Company of California.

County: Santa Barbara.

Issued: PRC 3150 - July 28, 1964; PRC 4000 - August 28, 1968.

Acreage: PRC 3150 - 5,553; PRC 4000 - 204.

Bonus: PRC 3150 - \$18,666,556; PRC 4000 - \$361,408.

Royalty: Sliding scale; minimum 16-2/3% - maximum 50%.

Structures: Platforms "Hope" and "Heidi" (size: 120' x 120');
water depth: Hope - 150'; Heidi - 125'; constructed
in 1965.

Well Locations: 120.

Wells Drilled: 65.

Cumulative Production: Oil - 19,691,150 bbls.; gas - 16,211,543 mcf.

Cumulative Royalty: \$13,906,159.

Current Production: Oil - 126,327 bbl./Mo.; Gas - 188,845 mcf. . .

Current Royalty: \$113,865/Mo.

Attachment: Exhibit "A" (Calendar Item 23, November 21, 1974 meeting)

In December 1973 additional operational procedures were adopted for off-shore drilling operations conducted under State oil and gas lease. Such procedures mandate safety and oil spill equipment and procedures, training of operating personnel in oil spill prevention, control and cleanup techniques, and frequent and intense inspecting and monitoring by State Lands Division representatives. Additionally, detailed well casing requirements, blowout prevention equipment, drilling fluid programs, drilling practices, production procedures, inspections, testing, plugging and record keeping are specifically detailed in the new requirements.

EXHIBIT "A"

CALENDAR ITEM

23.

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APPROVAL OF RESUMPTION OF DRILLING OPERATIONS
ON STATE OIL AND GAS LEASES PRC 3150.1 AND PRC 4000.1
CARPINTERIA OFFSHORE FIELD, SANTA BARBARA COUNTY

LEASES: PRC 3150.1 and PRC 4000.1.
LESSEE: Standard Oil Company of California.
COUNTY: Santa Barbara.
AREA: Carpinteria Offshore Field.

PERTINENT INFORMATION:

The purpose of the project is to complete the development of oil and gas reserves in known reservoirs underlying the subject leases from the two existing Platforms "Hope" and "Heidi". The productive limits of these reservoirs and the geology of the lands underlying the developed portion of the leases in question are fully known as a result of prior drilling operations.

Present geological information establishes that a total of 20 new wells would be the maximum number required to develop the known reservoirs and can be accomplished using existing well locations on the platforms. In no event will the total number of wells drilled from the two platforms exceed 20. The proposed work would be accomplished with one drilling rig, which would be installed first at Platform "Heidi" and subsequently moved to Platform "Hope". The program will require no additional production facilities on the platforms, no additional pipelines, and no additional onshore facilities.

The project will be conducted in accordance with the procedures for drilling and production operations, and rules and regulations of the State Lands Commission and the State Division of Oil and Gas.

ENVIRONMENTAL IMPACT:

In accordance with the State Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended, a negative declaration has been prepared and circulated to concerned agencies and to the public.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.
2. CERTIFY THAT THE NEGATIVE DECLARATION (ND EIR 166) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASES PRC 3150.1 AND PRC 4000.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASES, AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

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3.

INFORMATION REGARDING ACTION OF
STATE LANDS COMMISSION NOVEMBER 21, 1974,
AUTHORIZING THE RESUMPTION OF DRILLING OPERATIONS
UNDER STATE OIL AND GAS LEASE PRC 1824;
STANDARD OIL COMPANY OF CALIFORNIA

State Lease PRC 1824 (Calendar Item 24, Exhibit "A" attached).

Lessee: Standard Oil Company of California.

County: Santa Barbara.

Issued: January 10, 1957.

Acreage: 5,500.

Bonus: \$7,250,607.

Royalty: Flat Rate, Oil - 12-1/2%; Gas - 10%.

Structures: Platforms "Hilda" and "Hazel" (size: Hilda - 120' x 125'; 106' water depth; constructed 1960. Hazel - 110' x 113'; 100' water depth; constructed 1958).

Well Locations: 66.

Wells Drilled: 49.

Cumulative Production: Oil - 24,413,513 bbls.; Gas - 82,939,708 mcf.

Cumulative Royalty: \$14,128,073.

Current Production: Oil - 16,861 bbl./Mo.; Gas - 100,080 mcf/Mo.

Current Royalty: \$14,932/Mo.

Attachment: Exhibit "A" (Calendar Item 24, November 21, 1974 meeting)

In December 1973 additional operational procedures were adopted for off-shore drilling operations conducted under State oil and gas lease. Such procedures mandate safety and oil spill equipment and procedures, training of operating personnel in oil spill prevention, control and cleanup techniques, and frequent and intense inspecting and monitoring by State Lands Division representatives. Additionally, detailed well casing requirements, blowout prevention equipment, drilling fluid programs, drilling practices, production procedures, inspections, testing, plugging and record keeping are specifically detailed in the new requirements.

EXHIBIT "A"

CALENDAR ITEM

24.

11/74
GWG
W 9732

APPROVAL OF RESUMPTION OF DRILLING OPERATIONS
ON STATE OIL AND GAS LEASE PRC 1824.1
SUMMERLAND OFFSHORE FIELD, SANTA BARBARA COUNTY

LEASE: PRC 1824.1.
LESSEE: Standard Oil Company of California.
COUNTY: Santa Barbara.
AREA: Summerland Offshore Field.

PERTINENT INFORMATION:

The purpose of the project is to complete the development of the oil and gas reserves in the reservoirs underlying the subject lease from the two existing Platforms "Hilda" and "Hazel". The limits of these reservoirs and the geology of the lands underlying the developed portion of the lease in question are known as a result of prior drilling operations.

Present geological information establishes that a total of 16 new wells would be the maximum number required to develop those reservoirs and can be accomplished using existing well locations on the platforms. In no event will the total number of wells drilled from the two platforms exceed 16. The proposed work would be accomplished with one drilling rig, which would be installed first at Platform "Hilda" and subsequently moved to Platform "Hazel". The program will require no additional production facilities on the platforms, no additional pipelines, and no additional onshore facilities.

The project will be conducted in accordance with the procedures for drilling and production operations, and rules and regulations of the State Lands Commission and the State Division of Oil and Gas.

ENVIRONMENTAL IMPACT:

In accordance with the State Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended, a negative declaration has been prepared and circulated to concerned agencies and to the public.

EXHIBIT: A. Location Map.

CALENDAR ITEM NO. 24. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.
2. CERTIFY THAT THE NEGATIVE DECLARATION (ND EIR 165) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASE PRC 1824.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.