

MINUTE ITEM

5/31/78
Mills

23. MARICULTURE LEASE, CALIFORNIA SEA FARMS - W 21640.

Calendar Item 23, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 23 (5 pages)

A 35

S 18

CALENDAR ITEM

23.

MARICULTURE LEASE

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W 21640

Mills

At its December 19, 1977 meeting, the State Lands Commission considered and voted to approve Calendar Item 19 pertaining to approval of the location of a proposed mariculture project by California Sea Farms upon PRC 3150.1 and PRC 3133.1, subject to the consent of the lessees of those parcels, Chevron USA/Atlantic Richfield Company, and Exxon. Also authorized pursuant to said Calendar Item 19 was an agreement between the State and said lessees that the proposed mariculture operations will not interfere with the oil and gas operations, and that said lessees would hold harmless and indemnify the State in case of loss. A copy of Calendar Item 19, as approved, is attached as Exhibit "A".

After further research by the Commission's legal staff, it has been determined that in this case the Commission need not approve the location of the mariculture project pursuant to the mariculture provisions of the Fish and Game Code, Sections 6480 et. seq. and that Commission approval is required only for the granting of the license to California Sea Farms by the lessees, pursuant to PRC 3150.1 and PRC 3133.1.

In addition, inasmuch as lessees are able to grant such licenses to California Sea Farms only by virtue of their operations under PRC 3150.1 and PRC 3133.1, and because said leases contain covenants whereby lessee agree to indemnify and hold harmless the State in case of loss connected with those operations, it will be unnecessary to repeat this covenant in a separate agreement pertaining specifically to the mariculture project as authorized by the Commission pursuant to Calendar Item 19.

California Sea Farms has also agreed to indemnify and hold harmless the State as a condition of its mariculture lease with the Department of Fish and Game.

EXHIBIT: A. Calendar Item 19, December 19, 1977.

IT IS RECOMMENDED THAT THE COMMISSION:

1. WITHDRAW ITS PRIOR APPROVAL OF THE LOCATION OF THE MARICULTURE OPERATION OF CALIFORNIA SEA FARMS, AND APPROVE THIS ISSUANCE TO CALIFORNIA SEA FARMS BY LESSEES CHEVRON USA/ATLANTIC RICHFIELD COMPANY, AND EXXON,

CALENDAR ITEM NO. 23. (CONTD)

OF LICENSES TO CONDUCT MARICULTURE PROJECTS ON THEIR RESPECTIVE OIL AND GAS LEASES, PRC 3150.1 AND PRC 3133.1, PROVIDED THE MARICULTURE OPERATIONS WILL NOT INTERFERE WITH LESSEES' OIL AND GAS OPERATIONS.

2. FIND THAT THE INDEMNIFY AND HOLD HARMLESS PROVISIONS OF PRC 3150.1 AND PRC 3133.1 APPLY TO THE MARICULTURE OPERATIONS CONTEMPLATED HEREUNDER, SO AS TO RENDER A SEPARATE INDEMNIFY AGREEMENT UNNECESSARY.

Attachment: Exhibit "A"

EXHIBIT "A"

MINUTE ITEM

This Calendar Item No. 19

was approved as Minute Item

No. 19 of the State Lands

Commission by a vote of 2

to 12 at its 12/19/77

meeting.

CALENDAR ITEM

19.

12/77

W 21640

Mills

MARICULTURE LEASE

California Sea Farms has applied to the California Fish and Game Commission for the lease of two parcels of submerged lands located in the Santa Barbara Channel, Santa Barbara County; for the purposes of experimental cultivation of abalone. Both parcels are currently under lease from the State Lands Commission for the extraction of oil and gas. Parcel number one lies approximately 3/4 miles west of Rincon Point in 54 feet of water and is contained within lease PRC 3133.1 issued to Exxon. Parcel number two encompasses the area below and around the Chevron USA/Atlantic Richfield Company oil recovery platform "Hope" and is included within lease PRC 3150.1. California Sea Farms is currently seeking permission from the respective lessee to conduct the mariculture operations.

The purpose of the lease is to rear abalone for market and the project is very similar to that currently in effect around platform "Holly". The abalone will be reared in cages. At the shallow water site these cages will be suspended from buoys and will also be placed on the bottom. Habitats under offshore oil platform "Hope" will be suspended from cables. Species to be raised are red abalone, green abalone, white abalone, and breaded abalone. The applicant will plant 50,000 abalone in habitats during the first year and 120,000 each year thereafter.

The proposed lease was approved by the Fish and Game Commission at their December 9, 1977 meeting. Pursuant to the provisions of Fish and Game Code Section 6502, Section 131 of Title 14 of the California Administrative Code and the provisions of leases PRC 3150.1 and 3133.1, the approval of the State Lands Commission is required to validate the various agreements among the parties.

Pursuant to authority vested by the Secretary for Resources, the Department of Fish and Game has prepared an environmental report in connection with this project; Public Resource Code Section 21080.5; 14 Cal. Adm. Code Sections 15190-92. The State Lands Division has reviewed and considered the information contained in that document in making its recommendation to the Commission. Said report is on file with the State Lands Commission.

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EXHIBIT:

A. Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21065, 14 CAL. ADM. CODE 15037, AND 2 CAL. ADM. CODE 2903(d).
2. APPROVE THE LOCATION OF A MARICULTURE LEASE BY THE FISH AND GAME COMMISSION TO CALIFORNIA SEA FARMS PROVIDED CONSENT IS OBTAINED FROM THE CURRENT HOLDERS OF THE OIL AND GAS LEASES AND A PERMIT IS OBTAINED FROM THE CALIFORNIA COASTAL COMMISSION.
3. FIND THAT APPROVAL OF THE AGREEMENT WILL HAVE NO SIGNIFICANT EFFECT UPON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 ET SEQ., OF THE PUBLIC RESOURCES CODE.
4. AUTHORIZE THE EXECUTIVE OFFICER TO ENTER INTO AN AGREEMENT WITH CHEVRON USA, INC.; ATLANTIC RICHFIELD COMPANY AND CALIFORNIA SEA FARMS; AND AN AGREEMENT WITH EXXON AND CALIFORNIA SEA FARMS TO ALLOW THE LEASEES TO PERMIT THE MARICULTURE OPERATIONS ON THE LEASED PREMISES, TO PROVIDE THAT THE MARICULTURE OPERATIONS WILL NOT INTERFERE WITH THE OIL AND GAS OPERATIONS, AND TO HOLD HARMLESS AND INDEMNIFY THE STATE IN CASE OF LOSS.

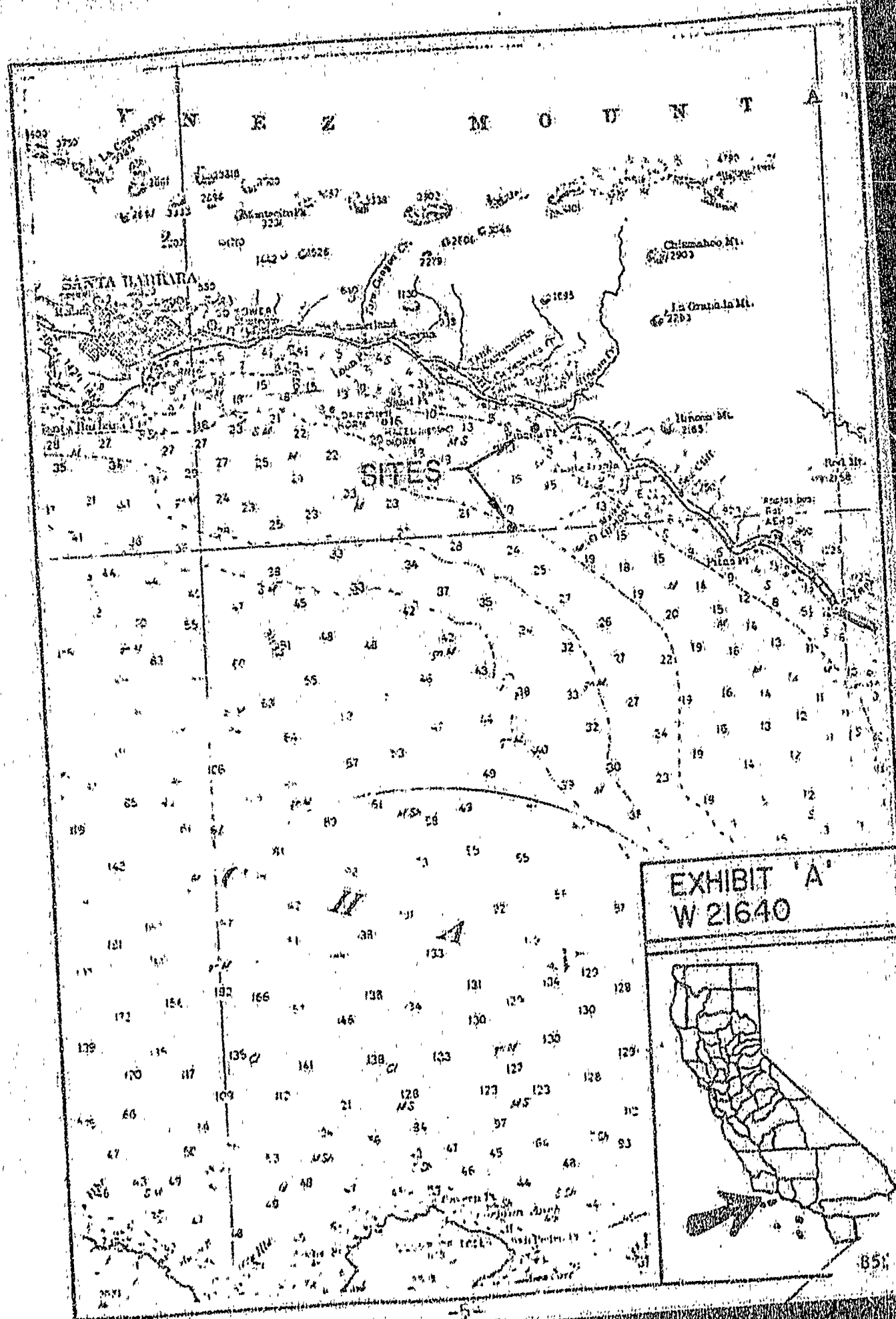


EXHIBIT 'A'
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