

STATE OF CALIFORNIA

Minutes of the meeting of the
State Lands Commission
Sacramento, California

Start: 10:05 a.m.
End. 10:46 a.m.

APPEARANCES

Commissioners Present:

Kenneth Cory, State Controller, Chairman
Roy M. Bell, Deputy Director of Finance, alternate
for Richard T. Silberman, Director of Finance
Mike Curb, Lieutenant Governor

Staff Members in Attendance:

William F. Northrop, Executive Officer
R. S. Golden, Assistant Executive Officer
R. C. Hight, Chief Counsel
James F. Trout, Chief, Division of Land Management
and Conservation
Dwight E. Sanders, Chief, Planning and Environmental
Coordination
D. J. Everitts, Chief, Extractive Development--State
Leases
W. M. Thompson, Chief, Extractive Development---Long
Beach Operations

Representing the Office of the Attorney General:

Jan Stevens, Assistant Attorney General

EXHIBIT "A"

EXECUTIVE OFFICER'S REPORT

By

WILLIAM F. NORTHROP
FEBRUARY 22, 1979

W 9601

SLC ACCEPTANCE OF COASTAL EASEMENTS:

SINCE 1973, THE STATE COASTAL COMMISSION AND ITS REGIONAL COMMISSIONS HAVE REQUIRED THE DEDICATION OF NUMEROUS PUBLIC BEACH ACCESS AND OPEN-SPACE EASEMENTS AS CONDITIONS TO COASTAL DEVELOPMENT PERMITS (GRANTED BY THEM). HOWEVER, MANY OF THE ACCESS EASEMENTS ARE NOT NOW OPEN TO THE PUBLIC BECAUSE THEY ARE NOT UNDER THE ADMINISTRATIVE AUTHORITY OF AN APPROPRIATE OPERATING PUBLIC ENTITY, SUCH AS A CITY, COUNTY, OR STATE AGENCY. THE STATE LANDS COMMISSION, AS WELL AS THE DEPARTMENTS OF PARKS AND RECREATION, FISH AND GAME, AND OTHERS, HAVE BEEN ASKED BY THE COASTAL COMMISSION TO ACCEPT THESE EASEMENTS AND OPEN THEM TO PUBLIC USE. STAFF IS PRESENTLY EXPLORING AREAS BY WHICH THE COMMISSION MAY JUDGE AND ACCEPT SUCH EASEMENTS. SEVERAL LEGAL QUESTIONS REGARDING THE COMMISSION'S EXPOSURE TO PUBLIC LIABILITY AND MAINTENANCE RESPONSIBILITY STILL REMAIN TO BE RESOLVED BEFORE WE PRESENT SPECIFIC CRITERIA AND PROCESSES FOR ACCEPTING THESE EASEMENTS FOR YOUR CONSIDERATION.

ACCEPTANCE OF COASTAL EASEMENTS BY THE STATE LANDS COMMISSION WILL ASSIST NOT ONLY IN THE IMPLEMENTATION OF THE COASTAL ACT, BUT IN THE ADMINISTRATION OF THE COMMISSION'S MANDATE TO PROTECT AND ENHANCE PUBLIC ACCESS TO THE SHORELINE.

WE PROPOSE, WITH YOUR CONCURRENCE, TO CONTINUE THIS EFFORT WITH THE STAFFS OF THE COASTAL COMMISSION, THE COASTAL CONSERVANCY, AND OTHER STATE AND LOCAL AGENCIES.

STATE OIL AND GAS LEASE/HUNTINGTON BEACH FIELD

W 40172

STATE OIL AND GAS LEASE PRC 163.1, COVERING APPROXIMATELY 640 ACRES OF TIDE AND SUBMERGED LANDS IN THE HUNTINGTON BEACH FIELD, ORANGE COUNTY, WAS ISSUED ON NOVEMBER 15, 1944, AND IS CURRENTLY OPERATED BY AMINOIL U.S.A., INC. THE LEASE HAS PRODUCED CONTINUOUSLY SINCE 1945 AND PRODUCED IN EXCESS OF 5,000,000 BARRELS OF PRIMARY OIL. SIXTEEN PRIMARY PRODUCERS WERE ORIGINALLY DRILLED IN PRC 163.1 BETWEEN 1945 AND 1957. AT PRESENT, ALL BUT THREE WELLS HAVE BEEN SHUT-IN DUE TO POOR PRODUCTION AND THE CURRENT DAILY AVERAGE PRODUCTION PER WELL FROM THESE THREE WELLS IS LESS THAN 10 BARRELS PER DAY OF 21-22° API OIL.

THE LESSEE IS STUDYING THE FEASIBILITY OF AN UPPER MAIN ZONE WATERFLOOD PROGRAM FOR THE LEASE. A PART OF THIS STUDY WILL INCLUDE A PILOT WATERFLOOD PROJECT IN THE UPPER MAIN ZONE. NO NEW WELLS WILL BE DRILLED. THE EXISTING IDLE WELLS WILL BE CONVERTED TO WATER INJECTION. UPON CONCLUSION OF THE STUDY THE LESSEE MAY REQUEST THE COMMISSION TO MODIFY THE EXISTING INDIVIDUAL WELL SLIDING SCALE ROYALTY FORMULA, IN ACCORDANCE WITH SECTION 6830.1, ET SEQ. OF THE PUBLIC RESOURCES CODE, TO PROVIDE FOR A FULL SCALE UPPER MAIN ZONE WATERFLOOD PROJECT ON PRC 163.1. THE STAFF WILL BE MONITORING THIS PILOT PROJECT."

EXHIBIT "B"

ASSISTANT EXECUTIVE OFFICER'S REPORT

By

R. S. GOLDEN

FEBRUARY 22, 1979

W 1835.6

FEDERAL CONSISTENCY DETERMINATIONS FOR OCS ACTIVITIES

SECTION 307 (c) (3) OF THE FEDERAL COASTAL ZONE MANAGEMENT ACT PROVIDES A MECHANISM WHEREBY A COASTAL STATE WHICH HAS A COASTAL MANAGEMENT PROGRAM APPROVED BY THE SECRETARY OF COMMERCE CAN REQUIRE A CERTIFICATION OF CONSISTENCY FROM ANY APPLICANT WHO SUBMITS A PLAN TO THE SECRETARY OF THE INTERIOR FOR THE EXPLORATION, DEVELOPMENT, OR PROTECTION OF THE OUTER CONTINENTAL SHELF, IF THE ACTIVITIES INVOLVED AFFECT ANY LAND OR WATER USE IN THE STATE'S COASTAL ZONE. SINCE THE CERTIFICATION OF THE STATE'S COASTAL MANAGEMENT PROGRAM BY THE FEDERAL GOVERNMENT WENT INTO EFFECT SEVERAL MONTHS AGO, THE COASTAL COMMISSION HAS BEEN REVIEWING AN INCREASING NUMBER OF APPLICATIONS FOR OCS RELATED ACTIVITIES ON FEDERAL LANDS OFF THE CALIFORNIA COAST. OUR STAFF IN BOTH SACRAMENTO AND LONG BEACH HAS BEEN REVIEWING AND WILL CONTINUE TO REVIEW THE REQUESTS FOR CONSISTENCY CERTIFICATION BY THE COASTAL COMMISSION AND HAS FROM TIME TO TIME COMMENTED ON THEM.

TWO SUCH APPLICATIONS WERE CONSIDERED BY THE STATE COASTAL COMMISSION TUESDAY EVENING (FEBRUARY 20, 1979). THESE REQUESTS FOR CERTIFICATION INVOLVED THE DRILLING OF 6 EXPLORATORY WELLS IN THE SANTA BARBARA CHANNEL PROPOSED BY THE EXXON CORPORATION, AND THE DRILLING OF ONE WELL IN THE SAN PEDRO BAY AREA SOUTH OF HUNTINGTON BEACH BY THE SOHIO PETROLEUM COMPANY. THE COMMISSION CONCURRED IN THESE CERTIFICATIONS.

IN RELATED ACTION YESTERDAY, THE COMMISSION HAD A HEARING ON PROPOSED REGULATIONS FOR CONSISTENCY DETERMINATIONS. OUR CONCERNS WERE EXPRESSED RELATIVE TO RECEIVING NEEDED TECHNICAL DATA TO EVALUATE POSSIBLE DRAINAGE AND OTHER IMPACTS OF OIL DEVELOPMENT ON OCS LANDS. CONFIDENTIALITY PROVISIONS OF FEDERAL REGULATIONS AND LAWS POSE SOME POTENTIAL PROBLEMS. COMMISSION STAFF WILL BE EXPLORING WAYS OF OBTAINING THIS DATA FOR OUR REVIEW. THE MATTER WILL BE SUBJECT TO FURTHER PUBLIC HEARING IN MARCH.

RECORD OF ACTION TAKEN BY THE
STATE LANDS COMMISSION
AT ITS MEETING OF FEBRUARY 22, 1979

During the meeting, the recommendations of the staff relative to Calendar Items C1, C2, C3, C5, C6, C7, C8, C9, C10, C11, C12, C13, C14, C15, C16, 18, 20, 21, 22, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, and 37 were adopted as resolutions of the Commission by unanimous vote.

Commission action on Calendar Items C4, 23, and 36 is set forth on pages 223, 339, and 427.

Calendar Item 17 was withdrawn from the agenda prior to the meeting (see page 287).

Commission action on Calendar Item 19 was deferred.

Calendar Item 30 was informational, no action was taken.

CALENDAR PAGE _____

MINUTE PAGE _____

191