

MINUTE ITEM

This Calendar Item No. 40  
was approved as Minute Item  
No. 40 by the State Lands  
Commission by a vote of 3  
to 0 at its 10-29-79  
meeting.

CALENDAR ITEM

40.

10/79  
W 40074  
Hanna  
PRC 308.1  
& PRC 309.1

AGREEMENT FOR FUNDING OF EIR WITH  
ARCO OIL AND GAS COMPANY

Arco Oil and Gas Company of California has made an application to the State Lands Commission for permission to resume drilling operations under State Oil and Gas Leases PRC 308.1 and PRC 309.1, Santa Barbara County.

The purpose of the proposed project is to resume offshore drilling by re-drilling from 1 to 3 existing wells and drilling from 1 to 6 new wells to evaluate the hydrocarbon potential of the new Monterey formation and other potentially productive formations in the southerly (seaward) portion of the lease. The proposed exploratory well drilling will involve offshore operations from a floating or mobile vessel. Should commercial quantities of oil or gas to be obtained from these wells, up to 6 delineation wells would be drilled to determine the areal extent of the productive zones.

State EIR Guidelines and Lead Agency rules for the implementation of CEQA require that the Lead Agency prepare an EIR for projects potentially having a significant environmental impact. Staff is of the opinion that an EIR is necessary to determine and examine the significant impacts of this project.

The State Lands Commission will serve as the "Lead Agency" for the purpose of preparing the EIR. The Commission's staff has determined that the EIR should be prepared by a private consulting organization under contract to the State Lands Commission.

On June 5, 1979, the Commission authorized the solicitation of proposals for preparation of the EIR for this project and authorized the Executive Officer to award a contract to the best qualified bidder. Proposals have been received and evaluated and staff is currently preparing a contract with Atlantis Scientific in the amount of \$85,995.

The provisions of the Resources Agency Guidelines for the implementation of CEQA of and the Commission's Article 10 contained within Title 2, Division 3 of Cal. Adm. Code. stipulate that all costs including the Commission's administrative costs for the preparation, etc., of an EIR shall be borne by the project applicant.

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Further, as part of the Draft EIR review process the staff proposes to conduct two public hearings, one in Santa Barbara and one in Sacramento.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO DEVELOP AND SIGN AN AGREEMENT WITH ARCO OIL AND GAS COMPANY WHICH WILL PROVIDE THE NECESSARY FUNDING FOR THE PREPARATION OF THE EIR FOR ARCO'S RESUMPTION OF DRILLING OPERATIONS.
2. AUTHORIZE TWO PUBLIC HEARINGS FOR THE PURPOSE OF SOLICITING PUBLIC COMMENT ON THE DRAFT EIR COVERING THE RESUMPTION OF DRILLING OPERATION UNDER STATE OIL AND GAS LEASES PRC 308.1 AND PRC 309.1, SANTA BARBARA COUNTY.

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STATE LANDS COMMISSION  
W 40074

Resumption of Drilling Operations

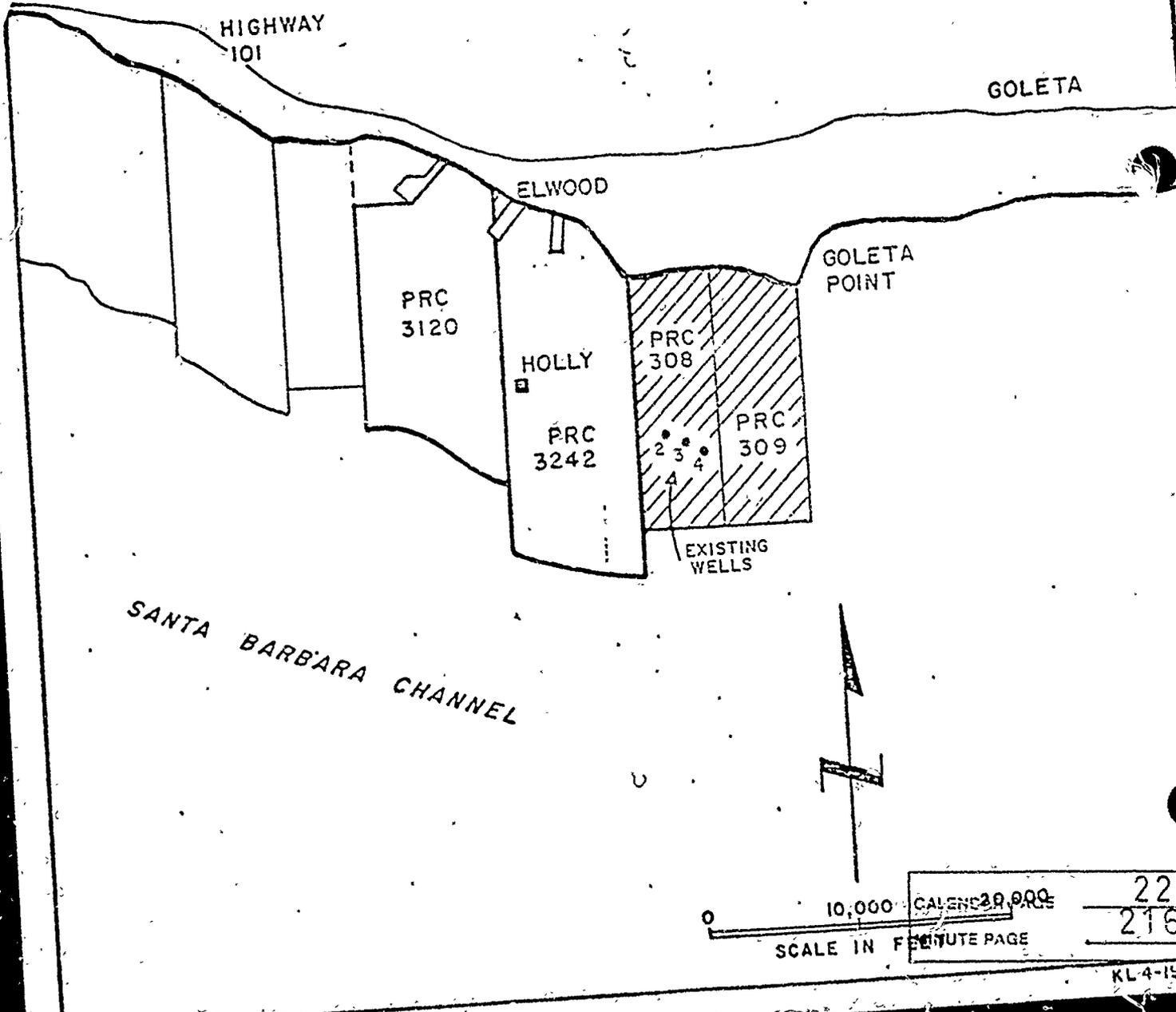
PRC 308.1 & PRC 309.1

ARCO OIL AND GAS COMPANY  
SANTA BARBARA COUNTY

April 1979

EXHIBIT "A"

SANTA BARBARA  
10 MILES



SANTA BARBARA CHANNEL

10,000 FEET  
SCALE IN FEET  
CALENDAR PRC  
221  
2166

KL 4-1979