

MINUTE ITEM

This Calendar Item No. 33
was approved as Minute Item
No. 33 by the State Lands
Commission by a vote of 3 - CALENDAR ITEM
to 0 at its 11-20-79 meeting. 33.

11/79
W 40185
Willard

FUNDING OF EIR AND GEOLOGICAL AND GEOPHYSICAL FIELD SURVEY

On June 29, 1979, the Department of the Interior held OCS Lease Sale No. 48. Included in this sale were several parcels which received very large bids and are located adjacent to or near unleased State-owned submerged lands in the Pt. Conception area of Santa Barbara County. Lease No. P-0318 which is immediately adjacent to vacant State lands received a bid in excess of \$53 million or \$37,280 per acre. The largest single bid \$95 million was made on Lease No. P-0321 separated from State lands by a parcel which was withdrawn from sale because of alleged geologic hazards (see Exhibit "A"). These OCS Leases were issued with a Plat 16 2/3% royalty. It is estimated that 40,000 acres of vacant State tide and submerged lands are available for leasing in the Pt. Conception area.

Section 6871.3, P.R.C., provides a relevant part: "Whenever it appears to the Commission that it is for the best interest of the State to lease lands subject to the provisions of Sections 6871.1 or 6877 of this Code for the production of oil or gas therefrom, ..., the Commission may, subject to the provisions of Section 6871.4, offer the same for bidding at such times and such parcels as the Commission shall determine to be in the best interest of the State".

It cannot be determined at this time that it is in the best interest of the State to lease the lands depicted on Exhibit "A" until an EIR has been completed. Further additional geological and geophysical information will be required to complete our assessment of the oil and gas potential of the area and recommended procedures for leasing such lands (i.e., lease size and shape, biddable factor, rentals, drilling terms, etc.).

The State Lands Commission will serve as the lead agency in the preparation of the EIR. It is proposed to solicit proposals from private consulting organizations for preparation of the environmental document and the geological and geophysical exploration survey and award contracts to the lowest qualified bidders. The Request for Proposals (RFP) will specifically advise consultants that existing environmental data be utilized and referenced.

No funds have been budgeted for these services; however, all costs incurred will be reimbursed by the lessees.

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CALENDAR ITEM NO. 33. (CONTD)

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER TO EXPLORE ALL MEANS INCLUDING A BUDGET CHANGE PROPOSAL TO OBTAIN THE REQUIRED FUNDING FOR PREPARATION OF ANY EIR AND THE GEOLOGICAL AND GEOPHYSICAL FIELD SURVEY OF CERTAIN TIDE AND SURMERGED LANDS IN THE VICINITY OF PT. CONCEPTION, SANTA BARBARA COUNTY, AS INDICATED AT THE "AREA OF INTEREST" ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
2. AUTHORIZE ISSUANCE OF REQUEST FOR PROPOSALS COVERING PREPARATION OF AN EIR AND FOR CONDUCT OF A GEOLOGICAL AND GEOPHYSICAL EXPLORATION SURVEY FOR PROPOSED LEASING FOR THE EXTRACTION OF OIL AND GAS FROM THE ABOVE LANDS.
3. AUTHORIZE THE EXECUTIVE OFFICER TO AWARD CONTRACTS FOR PREPARATION OF THE EIR AND THE GEOLOGICAL AND GEOPHYSICAL EXPLORATION SURVEY TO THE LOWEST QUALIFIED BIDDER.

