

MINUTE ITEM

6/26/80
W 40135
Freckman

30. PROPOSED OIL AND GAS LEASES TO BE OFFERED WITHIN A
PORTION OF LINDSEY SLOUGH.

Calendar Item 30 attached was pulled from the agenda prior
to the meeting.

Attachment: Calendar Item 30

A 4
S 4

CALENDAR PAGE	_____
MINUTE PAGE	1368

CALENDAR ITEM

30.

6/80
W 40135
Freckman

PROPOSED OIL AND GAS LEASES TO BE OFFERED
WITHIN A PORTION OF LINDSEY SLOUGH

APPLICANT: McCulloch Oil and Gas Corporation
10880 Wilshire Blvd.
Los Angeles, CA 90024

AREA, LAND TYPE AND LOCATION:
Tide and submerged lands within the bed
of Lindsey Slough (see Exhibit "A" - location
map), Solano County.

Parcel No. 1 - 86.27 acres
Parcel No. 2 - 152.22 acres
Parcel No. 3 - 175.52 acres

Total 414.01 acres

PROPOSED ACTION:
Lease the subject lands (see Exhibit "B" -
Land Descriptions) for extraction of oil
and gas pursuant to competitive public
bid. Each of the three parcels would be
leased separately. Access to each parcel
would be from the uplands surrounding the
slough. The successful bidders would be
slant drilling into the State parcels at
depths greater than 500' below the surface.

A 4

S 4

CALENDAR ITEM NO. 30. (CONTD)

PREREQUISITE ITEMS:

In accordance with the State guidelines for implementation of the CEQA of 1970, as amended, Commission staff prepared an Initial Study for the project and concluded that the proposed work will not result in a significant effect on the environment. As a result of the findings of the Initial Study, the preparation of an EIR is not required. As such, a Negative Declaration (Exhibit "B") was prepared and circulated to concerned agencies and to the public.

In accordance with Section 6873.2 of the Public Resources Code, a public hearing was held on March 6, 1980, in Rio Vista, to consider subsidence and pollution control for the proposed leases on the bed of Lindsey Slough. No significant comments were received at this hearing, nor did the staff find that the proposed leases would result in any impairment or interference with the developed riverbank or shoreline recreational or residential areas adjacent to the proposed lease acreage.

Section 6827 of the Public Resources Code provides that the Commission with respect to a proposed lease for the extraction of gas, may specify that bidding shall be on the basis of a flat rate of royalty and award the lease of the parcel which is the subject of the bid to the qualified bidder who undertakes to pay the highest flat rate royalty, but not less than 16-2/3 percent. Geologic evaluation and the presence of gas production on the property immediately adjacent to the proposed lease parcels indicates that there is a high potential for gas production in the proposed lease parcels. Therefore, because of the potential for gas potential in the proposed lease parcels, staff recommends the use of a flat-rate royalty as the bid factor, with a minimum royalty set at 25%.

CALENDAR ITEM NO. 30. (CGNTD)

The proposed lease has been reviewed by staff counsel who has advised that the proposed lease will comply with the applicable provisions of the law and the rules and regulations of the Commission.

EXHIBITS: A. Location Map
 B. Land Descriptions
 C. Negative Declaration

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY COMMISSION STAFF.
2. CERTIFY THAT THE NEGATIVE DECLARATION (EIR ND 257) HAS BEEN COMPLETED IN COMPLIANCE WITH CEQA OF 1970, AS AMENDED, AND THE STATE GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. FIND THAT CHANGES OR ALTERATIONS HAVE BEEN REQUIRED IN, OR INCORPORATED INTO, THE PROPOSED PROJECT WHICH MITIGATE OR AVOID THE SIGNIFICANT ENVIRONMENTAL EFFECTS THEREOF AS IDENTIFIED THROUGH THE INITIAL STUDY PROCESS.
4. FIND THAT IT HAS CONSIDERED WHETHER THE ISSUANCE OF A LEASE(S) AS TO ALL OR A PART OF THE SUBJECT LANDS, WOULD RESULT IN AN IMPAIRMENT OR INTERFERENCE WITH THE DEVELOPED RIVERBANK OR SHORELINE RECREATIONAL OR RESIDENTIAL AREAS ADJACENT TO THE PROPOSED LEASE ACREAGE, OR WHETHER TO OFFER SUCH LAND FOR LEASE AS TO ALL OR A PART THEREOF AND INCLUDE IN THE OFFER FOR LEASE SUCH REASONABLE REGULATIONS WHICH MIGHT BE NECESSARY FOR THE EXPLORATION, DEVELOPMENT, AND OPERATION OF SUCH LEASE(S) IN A MANNER WHICH WILL NOT IMPAIR OR INTERFERE WITH SUCH DEVELOPED RIVERBANK OR SHORELINE RECREATIONAL OR RESIDENTIAL AREAS, PURSUANT TO SECTION 6873.2 OF THE PUBLIC RESOURCES CODE.

CALENDAR ITEM NO. 30. (CONTD)

5. AUTHORIZE THE STAFF TO OFFER, BY COMPETITIVE PUBLIC BID AS PER SECTION 6827 OF THE PUBLIC RESOURCES CODE, AN OIL AND GAS LEASE FOR PARCEL NO. 1, PARCEL NO. 2, AND PARCEL NO. 3, AS DESCRIBED IN EXHIBIT "B" HERETO, SOLANO COUNTY AS FOLLOWS:
- A) THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST FLAT RATE OF ROYALTY, FOR GAS, BUT NOT LESS THAN 25 PERCENT.
- B. THE BID LEASE FORM TO BE USED FOR EACH PARCEL SHALL BE THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION IDENTIFIED AS W 40135 (PARCEL NO. 1), (PARCEL NO. 2), AND W 40135 (PARCEL NO. 3) AND BY REFERENCE MADE A PART HEREOF. THE RENT IS TO BE \$20.00 PER ACRE PER YEAR, AND THE DRILLING TERM IS TO BE ONE YEAR. THE PERFORMANCE BOND IS TO BE IN THE AMOUNT OF \$100,000.

EXHIBIT "A"
STATE LANDS COMMISSION

W 40135
OIL & GAS LEASE
SOLANO COUNTY
PROJECT LOCATION MAP
● BENCH MARK

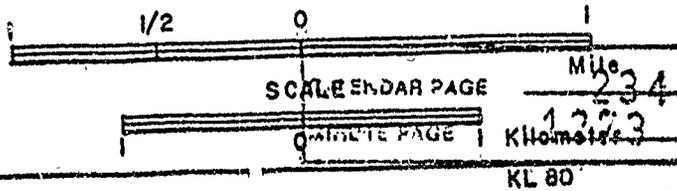
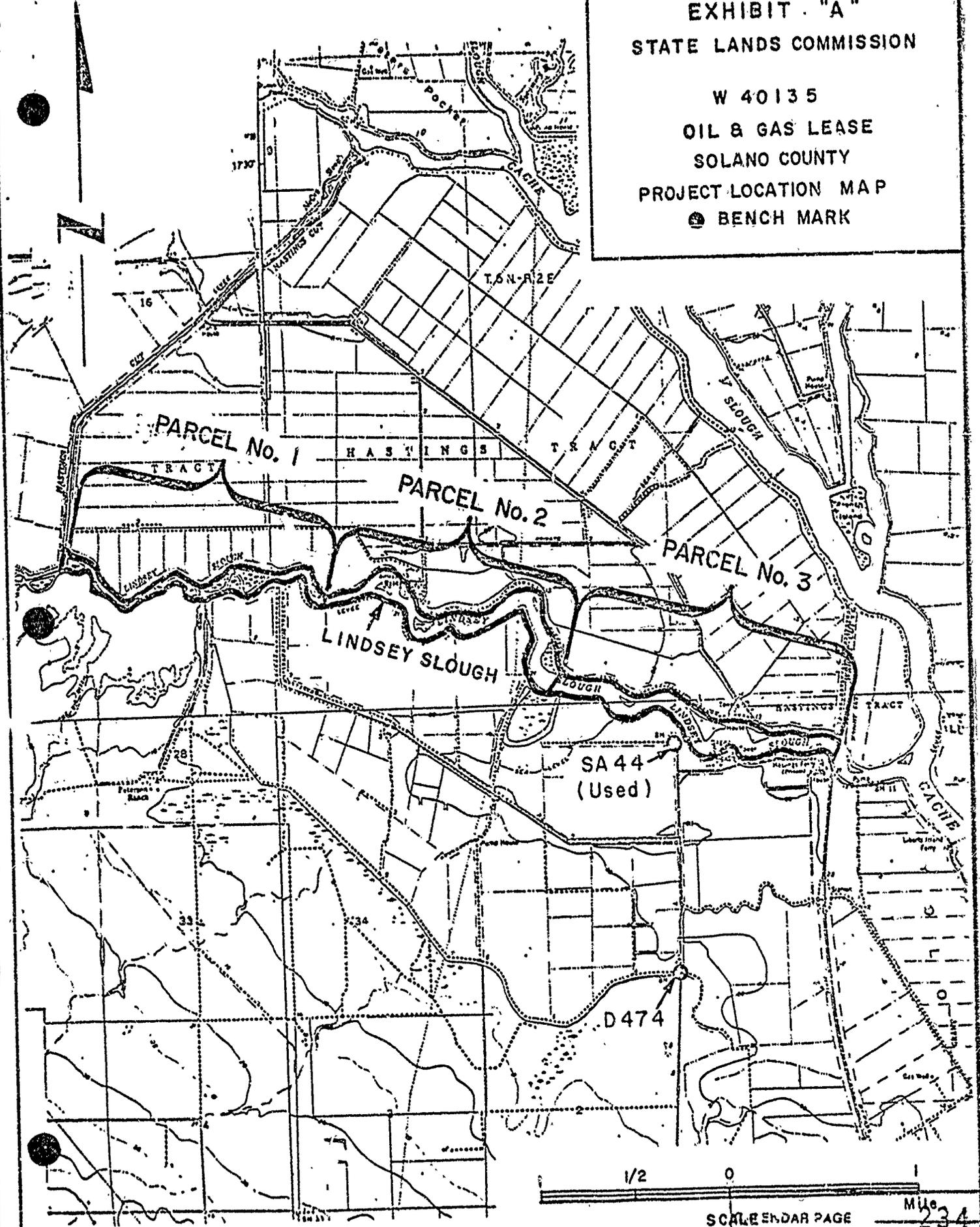


EXHIBIT "B"

LAND DESCRIPTION

Three parcels of tide and submerged land lying within the bed of Lindsey Slough, situated in T5N, R2E, and T5N, R3E, MDM, County of Solano, State of California, and more particularly described as follows:

PARCEL 1

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 20, 21 and 22, T5N, R2E, MDM, being bounded on the west by the southerly extension of the easterly line of Hastings Cut, and bounded on the east by the northerly extension of the west line of the east half of the west half of Section 27, T5N, R2E, MDM. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

PARCEL 2

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 22, 23, 26 and 27, T5N, R2E, MDM, being bounded on the west by the northerly extension of the west line of the east half of the west half of Section 27, and bounded on the east by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

PARCEL 3

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 25 and 26, T5N, R2E, MDM and Section 30, T5N, R3E, MDM, being bounded on the west by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390, and bounded on the east by the southerly extension of the westerly line of Cache Slough. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

STATE LANDS COMMISSION

EXHIBIT "C"

WINNETH CORY, Controller
KE CURRAN, Lieutenant Governor
~~XXXXXXXXXXXX~~ Director of Finance
MARY ANN GRAVES



EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814

WILLIAM F. NORTHROP
Executive Officer

EIR ND 257

File Ref.: W 40135

NEGATIVE DECLARATION

Project Applicant: McCulloch Oil and Gas Corporation
10880 Wilshire Boulevard
Los Angeles, CA 90024

Project Location: State Lands Located Within the Bed of Lindsey
Slough, Solano County

Project Description: To explore for and, if a discovery is made,
produce natural gas from under the State lands.

This NEGATIVE DECLARATION is prepared pursuant to the requirements
of the California Environmental Quality Act (Section 21000 et. seq.
of the Public Resources Code), the State EIR Guidelines (Section
15000 et. seq., Title 14, of the California Administrative Code),
and the State Lands Commission regulations (Section 2901 et. seq.
of California Administrative Code).

Based upon the attached Initial Study, it has been found that:

the project will not have a significant effect on the environment.

the attached mitigation measures will avoid potentially
significant effects.

Contact Person: Ted Fukushima (916) 322-7813
State Lands Commission
1807-13th Street
Sacramento, CA 95814

Responses to comments on the Initial Study previously circulated:

1. ref. letter - Dept. of Army, Corps of Engineers - November 6, 1979. No drilling will be conducted in Lindsey Slough or on the adjacent levees or within 10' of the landward toe of the levees.
2. ref. memo - The Reclamation Board, Dept. of Water Resources - October 10, 1979. Answer as above.
3. ref. letter - Yolo - Solano Air Pollution Control District - October 17, 1979. The prospective lessees are hereby advised that the Yolo - Solano APCD requires a Permit to operate for a producing well.

DATE NOV 13 1979

THE RESOURCES AGENCY

Memorandum

1	DJE	✓
	CFE	
2	ADW	A
	RGP	
3	RK	✓
4	JT	JK
	Enc.	
	FILE:	40135

To: D. J. Everitts, Chief
Division of Energy and
Mineral Resources
State Lands Commission
100 Ocean Gate, Suite 300
Long Beach, CA 90802

Date: NOV 7 1979

In Reply Refer
To: 420/KH
916/322-4512

From: STATE WATER RESOURCES CONTROL BOARD
Division of Planning and Research
P. O. Box 100, Sacramento, California 95801

Subject: Competitive Bid Oil and Gas Lease on a Portion of Lindsey Slough

Thank you for the opportunity to review your initial study for the subject project.

The State Water Resources Control Board and the California Regional Water Quality Control Board, Central Valley Region, have reviewed the study. From the data presented, it appears that a negative declaration will provide adequate environmental documentation for water related issues.

Please contact John Huddleson at 916/322-9870 if you need any further assistance.


Mel Holland
Assistant Division Chief

cc: California Regional Water Quality Control
Board, Central Valley Region
3201 S Street
Sacramento, CA 95816

CALENDAR PAGE

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MINUTE PAGE

1377



DEPARTMENT OF THE ARMY
SACRAMENTO DISTRICT, CORPS OF ENGINEERS
650 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814

REPLY TO
ATTENTION OF

/SPKEL-W .

Mr. D. J. Everitts
Chief, Division of Energy
and Mineral Resources
State Lands Commission
100 Ocean Gate, Suite 300
Long Beach, California 90802

DATE	NOV 13 1979
1	DJE
	CFE
2	ACW
	RCF
3	TKK RAK
4	JTF
Enc.	
FILE NO	40135

6 November 1979

Dear Mr. Everitts:

This is in response to your letter of 10 October 1979 requesting comments on the nomination for a competitive bid oil and gas lease on a portion of Lindsey Slough in Solano County. Unfortunately, we in the Sacramento District, who are responsible for the area under consideration, received the letter via the Corps' San Francisco District, leaving little time before the requested submittal date for comments of 1 November 1979. Consequently, this submittal date was extended by telephone conversation of 30 October 1979 between Mr. Mark Capik of our staff and Mr. Al Willard of yours. We regret the inconvenience and appreciate the extra time. Our comments are as follows.

As required by Section 10 of the River and Harbor Act of 3 March 1899, which prohibits the unauthorized obstruction or alteration of any navigable water in the United States, a Department of the Army permit will be required from this office for any work done below mean high tide elevation for the reach in question on Lindsey Slough. Also, in accordance with Section 404 of the Clean Water Act (33 USC 1344), a Department of the Army permit would be required if any dredged or fill material is placed below the mean high tide elevation in Lindsey Slough or adjacent wetlands. For additional information on our permit program, you may contact Mr. Art Champ of our Operations Branch at telephone (916) 440-2842.

Finally, in conjunction with the Corps' Sacramento-San Joaquin Delta Investigation, and as a part of the State's Delta Master Recreation Plan, Lindsey Slough has been designated as a significant natural

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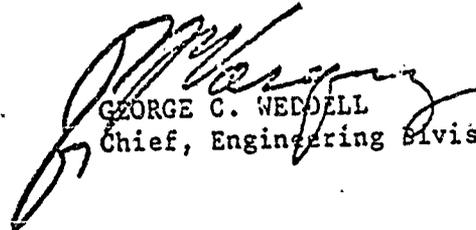
6 November 1979

SPKED-W
Mr. D. J. Everitts

resource and scenic area. Because of the particular resources identified in the Lindsey Slough area, we believe that measures should be taken to insure the protection of these values.

We appreciate the opportunity to comment on this issue and will be glad to provide further assistance if it is needed.

Sincerely,



GEORGE C. WEDDELL
Chief, Engineering Division

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AMERADA HESS CORPORATION

BOX 417
RIO VISTA, CALIFORNIA 94571
707-374-6461

October 29, 1979

DATE	10/29/79
DJE	<input checked="" type="checkbox"/>
CFE	<input type="checkbox"/>
RGF	<input type="checkbox"/>
3 RK	<input checked="" type="checkbox"/>
4 JF	<input checked="" type="checkbox"/>
Enc.	
FILE:	11-41125

Mr. D. J. Everitts
State of California
State Lands Commission
100 Oceangate, Suite 300
Long Beach, CA 90802

Dear Mr. Everitts:

In regards to your file reference #W40135, Initial Study for Competitive Bid Oil and Gas Lease, Lindsey Slough, Solano County, we have reviewed the Initial Study and have no problems or comments to add.

We would appreciate a copy of the bid package as soon as it becomes available. Thank you.

Brian J. Skeels
Operations Manager

Gael H. Troughton
Senior Geologist

GHT:sam

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McCulloch Oil and Gas Corporation



October 30, 1979

Mr. Al Willard
State Lands Commission
100 Oceangate
Suite 300
Long Beach, California 90802

DATE	10/30/79
DJE	
CFE	
ADV	st
SUP	
E.P.P.	
Enc.	4 JTF JTF
FILE:	44-1-2-5

Re: Lindsey Slough Prospect
DB 77/78-10
Your Ref: W 40135
Solano County, California

Dear Mr. Willard:

In response to your letter of October 10, 1979 concerning the Initial Study for competitive bid on a portion of the Lindsey Slough in Solano County, California, this is to advise that McCulloch has no additions or comments regarding this study. We feel that you have thoroughly covered the matter in your study.

Very truly yours,

Jack R. Andrews, Manager
Lease Acquisition & Records Dept.

JRA:vk

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Memorandum

DATE	06
DJE	
CFE	
ADW	<i>A</i>
RGP	
<i>2 RK RK</i>	
<i>3 MH</i>	<i>W</i>
Enc. <i>3 JTF JTF</i>	
FILE: <i>W40164 & W40135</i>	

Date: October 25, 1979

- make copy for file

Al Willard
 Division of Energy and
 Mineral Resources
 State Lands Commission
 100 Ocean Gate, Suite 300
 Long Beach, CA 90802

Bob Slattery
 Bob Slattery (213) 228-4242

From : STATE SOLID WASTE MANAGEMENT BOARD

Subject: Oil Leases for W 40167 (Molino - Santa Barbara Co.) and W 40135 (Solano Co.)

We have reviewed these projects and have no comments. Thank you for the opportunity to review these applications.

CALIFORNIA PAGE	<u>243</u>
MINUTE PAGE	<u>1382</u>

Memorandum

To : D. J. Everitts, Chief
 Division of Energy and
 Mineral Resources
 State Lands Commission
 100 Oceanside, Suite 300
 Long Beach, CA 90802
Attention: Al Willard

Date : OCT 24 1979

File No.:

Subject: Initial Study for
 Competitive Bid Oil and Gas
 Lease - Lindsey Slough, Solano
 County

From : THE RECLAMATION BOARD
 Department of Water Resources

We have reviewed the subject Initial Study and offer the following comments:

The prospective oil and gas lease on a portion of Lindsey Slough is within or adjacent to the Lindsey Slough project levees which are under the jurisdiction of The Reclamation Board. Therefore, the lessee will require the prior approval of The Reclamation Board before starting any work on the site.

Please advise all potential lessees that they can contact Mr. Ted Allen, Floodway Permit Section, Department of Water Resources, Room 335-10, 1416 Ninth Street, Sacramento, CA 95814, telephone (916) 445-9225, for applications and information.

No drilling is to be done within the levee section, and prior to any exploratory drilling on or adjacent to the levees, the Department of Water Resources must be contacted. The Department contact person is Mr. Russ Franson, Central District, Department of Water Resources, 3251 S Street, Sacramento CA 95816, telephone (916) 445-8458.

Thank you for furnishing this Initial Study for review.

Eldon E. Rinehart
 ELDON E. RINEHART
 General Manager
 8-485-9454

DATE	OCT 29 1979
DJE	<input checked="" type="checkbox"/>
CSE	<input checked="" type="checkbox"/>
ZADW	<input checked="" type="checkbox"/>
BGP	<input checked="" type="checkbox"/>
SCFP	<input checked="" type="checkbox"/>
Enc	SJTF <i>R/K</i>
FILE	W 13755

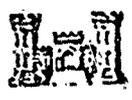
* *What* CALIFORNIA PAGE *4244*
 MINUTE PAGE *1283*

DATE: OCT 22 1979
 1. DJE _____
 CPE _____
 2. ALW [Signature]
 RGP _____
 3. PIC _____
 4. JTI [Signature] 18 October 1979
 Enc. _____
 FILE: W 40135

Dear Mr. Everitts

This office has forwarded your letter File Ref. W40135 to our office in Sacramento for their answer to you as the area of concern is in their area of responsibility.

TRULY YOURS
 Hans J. Lamm

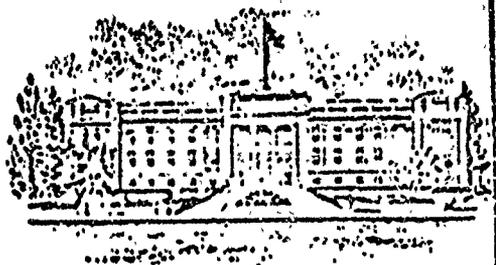


U.S. ARMY ENGINEER DISTRICT
 SAN FRANCISCO
 CORPS OF ENGINEERS

HANS J. LAMM
 CHIEF, ENFORCEMENT SECTION

211 MAIN STREET
 SAN FRANCISCO, CALIF. 94105 TEL. (415) 556-8966

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 MINUTE PAGE 1384



James A. Koslaw
 Air Pollution Control Officer
 Telephone 666-8433

DATE: _____
 1 DJE ✓
 CFF _____
 2 ADW ✓
 RUP _____
 3 RK P.H. AIR
 4 JTB JTF
 Enc. _____
 FILE: W41135

YOLO-SOLANO
 POLLUTION CONTROL
 DISTRICT
 P.O. BOX 1006
 WOODLAND, CALIF. 95695

October 17, 1979

Mr. D. J. Everitts, Chief
 Division of Energy and Mineral Resources
 State Lands Commission
 100 Oceangate, Suite 300
 Long Beach, CA 90802

Dear Mr. Everitts:

This letter is in response to your letter dated October 10, 1979 concerning a Negative Declaration covering an oil and gas lease on a portion of Lindsey Slough in Solano County.

It is the District's opinion that the emissions from the development of these lands into natural gas producing wells would not contribute significantly to air pollution levels. The District would like to be informed when operations begin, particularly as to use of combustion engines for the operation, and when operations are closed.

However, the bidders should be notified that the Yolo-Solano APCD does require an evaluation as to the need for a Permit to Operate for a producing well.

If you have any questions please contact the District Engineer, Mr. Carroll Robertson.

Sincerely,

Tom Armstrong
 Air Pollution Control Inspector

TA:ra

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MINUTE PAGE	1385

IR/NOTICE MAILING LIST

W 40135

*Honorable James W. Nielsen
Member of the Senate
4th District
California State Legislature
State Capitol
Sacramento, CA 95814

*Honorable Thomas M. Hannigan
Member of the Assembly
4th District
California State Legislature
State Capitol
Sacramento, CA 95814

Salano County Board of Supervisors
Court House
Fairfield, CA 94533

NOTE: If more than one Assembly-
man, Senator or Board of
Supervisors are affected,
add to list in the spaces
provided on the following
pages.

PRESS BUREAU OFFICES AND NEWSPAPERS
(Cross out those not wanted)

Capitol News Service
Fred Kline, Executive Editor
301 Capitol Mall, Suite 300
Sacramento, CA 95814

~~San Francisco Examiner
110 Fifth Street
San Francisco, CA 94103~~

~~UPI News Bureau
107 S. Broadway
Los Angeles, CA 90012~~

~~Sacramento Bee
21st & Q Street
Sacramento, CA 95804~~

~~Associated Press
1111 S. Hill Street
Los Angeles, CA 90015~~

~~Los Angeles Times
Times-Mirror Square
Los Angeles, CA 90012~~

~~United Press International
925 L Street, Suite 1185
Sacramento, CA 95814~~

~~City News Service
107 S. Broadway, Room 1127
Los Angeles, CA 90012
Attn: Mr. Marshall Voight~~

~~Associated Press
925 L Street, Suite 320
Sacramento, CA 95814~~

~~City News Service
P.O. Box 2522
Los Angeles, CA 90054~~

REGIONAL NEWSPAPERS

The Daily Republic
P.O. Box 47
Fairfield, CA 94533

*NOTE: An asterisk indicates that a copy of the environmental document will be sent with the notice.

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FOR LONG BEACH EIR's ONLY

*The Resources Agency
1416 Ninth Street, Room 1311
Sacramento, CA 95814

*State Clearinghouse (15 copies)
Office of Planning and Research
1400-10th Street, Room 121
Sacramento, CA 95814

*U.S. Fish & Wildlife Service
2800 Cottage Way
Sacramento, CA 95825

*State Library (3 copies)
Government Publications Section
Library and Courts Buildings
Sacramento, CA 95814

_____ Planning Department

See Attached Mailing list

*Environmental Protection Agency
100 California Street
San Francisco, CA 94111
Attn: Paul De Falco, Jr.
Regional Administrator

*U.S. Geological Survey
945 Middlefield Road
Menlo Park, CA 94025
Attn: Reid Stone, Geothermal
Supervisor (Send only
geothermal related docu-
ments)

*Ed Hastey, State Director
California State Office
Bureau of Land Management
2800 Cottage Way-Room 2841
Sacramento, CA 95825

*Unic Oil Company of California
P.O. Box 7600
Los Angeles, CA 90051
Attn: Mrs. Ferbrache
(Minerals, Geothermal, Oil & Gas)

AREAWIDE CLEARINGHOUSE
(Where Applicable)

*

NOTE: An asterisk indicates that
a copy of the environmental
document will be sent with
the notice

CALENDAR PAGE 24C
MINUTE PAGE 1388

MAILING LIST FOR MEMO WITH INITIAL STUDY:

Department of Fish and Game
Attn.: Mr. Don Lollock
Environmental Services
1416 Ninth Street, 12th Floor
Sacramento, CA 95814

Division of Oil and Gas
Attn.: Mr. M.G. Mefferd
State Oil and Gas Supervisor
1416 Ninth Street, Room 1316
Sacramento, CA 95814

Solid Waste Management Board
Attn.: Mr. Albert A. Marino
Executive Officer
825 "K" Street, Suite 300
Sacramento, CA 95814

Mel Schwartz
Reclamation Board
1416 Ninth Street, RM 204-5
Sacramento, CA 95814

W. Don Maughan, Chairman
California State Water
Resources Control Board
P.O. Box 100
Sacramento, CA 95801

Greg Vaughn
Regional Water Quality Control Board
3201 "S" Street
Sacramento, CA 95816

W 40135
wiil
wiib

CALENDAR PAGE	250
MINUTE PAGE	1389

MAILING LIST FOR LETTER WITH INITIAL STUDY:

Air Pollution Control District
Yolo/Solano County
P.O. Box 1006
Woodland, CA 95695

Clayne E. Munk
Solano County Planning Department
Court House
Fairfield, CA 94533

District Engineer
U.S. Army Engineer Dist., San Francisco
211 Main St.
San Francisco, CA 94105

U.S. Fish & Wildlife Service
2800 Cottage Way
Sacramento, CA 95825

Mr. Jack R. Andrews
McCulloch Oil and Gas Corporation
10880 Wilshire Blvd.
Los Angeles, CA 90024

Mr. B.J. Skeels, Operations Manager
Amerada-Hess Corporation
P.O. Box 417
Rio Vista, CA 94571

Mr. Al Marques
Aminoil USA, Inc.
P.O. Box 88
Huntington Beach, CA 92648

Mr. M. James Walker
ARCO Oil and Gas Company
P.O. Box 147
Bakersfield, CA 93302

W 40135
wlik
wlyb

CALENDAR PAGE

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PHINITE PAGE

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STATE OF CALIFORNIA
STATE LANDS COMMISSION

Initial Study for the Issuance of Competitive Bid Sub-surface Oil and Gas Leases Covering a Portion of Lindsey Slough in Solano County and a Plan to Control Subsidence and Pollution.

1. PROJECT AND ITS LOCATION:

The State has received a nomination for a competitive bid subsurface oil and gas lease in Solano County on all of the tide and submerged land lying within the bed of Lindsey Slough in Sections 20, 21, 22, 23, 25, 26, and 27, T. 5N., R. 2E., and Section 30, T. 5N., R. 3E., MDB&M, and bounded on the east by the westerly line of Cache Slough Extended and on the west by the easterly line of Hastings Cut Extended. The slough will be divided into three (3) parcels each of which will be leased separately. They are described in exhibit "A". Parcel No. 1 contains 86.27 acres, parcel No. 2, 152.22 acres, and parcel No. 3, 175.52 acres. Division of Lindsey Slough into three parcels is being considered because there are four different lease-holders whose leases border the slough; three on the south and one on the north. There are two lease-holders bordering each parcel; therefore competitive bidding is required. Upon issuance of leases for the above-described lands subsequent drilling may be undertaken in an effort to determine if economically producible volumes of gas are present beneath the State lands. Exhibits "A", "B" and "C" are included for visual clarification and definition of the area of the proposed project.

2. STATEMENT OF OBJECTIVES SOUGHT BY THE PROPOSED PROJECT:

The objective of this proposed project is to explore for and develop natural gas beneath State lands as described above.

3. GENERAL DESCRIPTION OF THE PROJECT:

In short the project is the issuance of oil and gas leases on the subsurface lands of Lindsey Slough. Upon issuance of the leases exploratory drilling and seismic surveys may be initiated on the land adjacent to the slough. Directional drilling under the State lands from adjacent lands could occur. Locations for test wells have not been determined. Following issuance of the leases and appropriate exploration subsequent drilling may be under taken to produce volumes of gas that may or may not be present beneath State Lands.

4. a) DESCRIPTION OF THE ENVIRONMENTAL SETTING:

The existing physical environmental in the vicinity of the nominated parcel (Lindsey Slough in toto) is that of a rural agriculture area. The area is essentially level with an elevation that is at or very near sea level. Lindsey Slough itself is fed by Barker Slough, Calhoun Cut and Hastings Cut. From Hastings Cut Lindsey Slough drainage is generally slightly south of east until it joins with Wright Cut and Cache Slough. The levees bordering Lindsey Slough are 12 to 25 feet above the surrounding land. The slough contains more than a dozen islands. These islands are marshy in nature with the majority of berms being below the mean high water mark; therefore they are considered a portion of the slough bed. Marshy lands also exist just South of the Slough in Section 26, T. 5N., R. 2E.

This marsh is encompassed by an intermittant unnamed Oxbow lake on three sides and Lindsey Slough levee on the North. No levee exists on the extreme

Southwest edge of the Slough; this area is primarily an intermittent lake into which "The Big Ditch" empties. Roads in the vicinity of Lindsey Slough are generally private or unimproved dirt transecting the various properties on either side of the slough. These roads also run along the tops of most of the levee. A medium duty road extends along the eastern segment of the southern levee. This road is part of a route that parallels the western bank of the Sacramento River and Cache Slough. The road exits the Lindsey Slough area to the south about three quarters (3/4) of a mile west of where it enters the Lindsey Slough levee. The land to the north of the Slough, the Hastings Tract, is dotted with several small groupings of residential dwellings. About one-half mile north of the approximate center of the slough is a private airstrip running almost E-W just west of a N-S running road. Near the intersection of this road and the slough is an airway beacon.

In the Hastings Tract lying between Lindsey Slough, Cache Slough and Hastings Cut are 16 abandoned gas wells and two (2) producing gas wells as of August, 1979. Within approximately two miles of the southern edge of Lindsey Slough are no less than 27 producing gas wells and 20 abandoned gas wells.

5. ENVIRONMENTAL IMPACT OF THE PROPOSED PROJECT:

The only long-term environmental impact of the proposed project will be the production of natural gas if gas is discovered, that otherwise might not be produced at all. Thus one beneficial effect of this proposal might be to provide much-needed natural gas to meet the energy requirements of the State. Short-term environmental impacts are probably of more concern than long-term impacts. This is because most probably the life expectancy of producing gas wells would be 10 - 20 years. Short-term environmental impacts have two possible scenarios. The first case would be drilling and possible redrilling of exploratory wells which failed to

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find producible gas accumulation. The second case would be the discovery of a commercial gas pool by exploration drilling. In case one, the environmental impacts would have a relatively short duration and would depend on the number of exploration wells drilled next to the approximately four (4) mile length of the slough. Individual well drilling time would probably range from 30 to 60 days depending on the number of redrills from the original well. Environmental impacts would consist of the following:

A). A moderate increase in traffic on the various roads transiting the area around Lindsey Slough resulting from the transport of equipment, crew personnel and drilling material. The individual rates would be contingent on the drill site selection.

B). A local increase in noise level above that of normal farm equipment operation to a level of about 70 decibels at 1000 feet from any of the possible drillsites. The effect on housing in the area will be dependent on the location of the wells. Since the levees meander with the slough the chances are good that sound will be somewhat attenuated if any drilling is attempted in close proximity to the slough or the associated levees.

C). A minor amount of temporary air pollution from the operation of diesel engines that supply power for the drilling activity. This pollution is approximate to that contributed by several diesel-powered heavy duty trucks.

In case two, above, the environmental impacts will be the same as for case one (A, B, and C, above), except that their duration may extend, intermittently, over a longer period of time, depending on how long exploration and possible production takes. Environmental impact would be intermittent, that

is to say impacts would occur as wells were drilled and possibly produced. Drilling operations in the area are expected to yield natural gas only. Pollution potential in a natural gas field is minimal. Subsidence, however, is another consideration if gas is found and produced, but withdrawal of gas generally has an insignificant effect on subsidence because:

- 1). the gas sands are generally thin, ranging from 10 to 50 feet in thickness, and can only compact a small amount.
- 2). the sands are relatively competent and resist compaction.
- 3). the water drive generally fills the sand interstices as the gas is withdrawn.
- 4). water is not extracted with the gas.
- 5). the volume of gas withdrawn is very small relative to the column of rock involved.

6. ADVERSE ENVIRONMENTAL IMPACTS THAT CANNOT BE AVOIDED IF THE PROJECT IS IMPLEMENTED:

The short-term impacts cited in Item 5, although of minor adverse character, cannot be avoided if this project is implemented to the fullest degree; that is, leasing, exploration and subsequent production.

7. MITIGATING MEASURES PROPOSED TO MINIMIZE IMPACTS:

The drilling of wells will be conducted in strict accordance with the regulations of the State Lands Commission and the State Division of Oil and Gas. Surface casing will be set as prescribed by the regulations to protect the ground water, and approved blowout prevention equipment will be used during drilling operations. Drilling fluids and drill cuttings will be sumped or tanked to a public licensed disposal site and subsequently the site(s) will be cleaned up and restored as nearly as practicable to its former condition.

If a producible gas accumulation is discovered, the gas will be moved from the drillsite(s) by pipeline(s) and there will be no venting or release of gas to the atmosphere during the production phase. No conflict is anticipated with the local residences or the airway beacon or the private airfield in the local vicinity. Suitable measures will be taken in the event any problems develop with the above mentioned locations.

The Lindsey Slough is protected from possible drillsites by its associated levee which stands 12 to 25 feet above the ground level. Drillsites that might be drilled in the area to the SW of Lindsey Slough, where no levee is located, must have appropriate plans for suspension of all drilling and production operations, except those that are corrective, protective, or mitigative, immediately in the event of any disaster or contamination or pollution resulting from operations. Drillsite(s) which are located such as to be separated from Lindsey Slough by the levee shall be constrained by the above-mentioned requirements also. In the event of contamination or pollution, such drilling and production operations shall not be resumed until adequate corrective measures have been taken and authorization for resumption of operations has been made by the State Lands Commission. Corrective measures shall be taken immediately whenever pollution has occurred. Residuary products of oil, drilling fluid, sanitary wastes and other refuse shall be disposed of in approved dumping areas. None of these products will be permitted to enter Lindsey Slough or any other slough, cut or marsh land connected therewith. The lessee(s) will be required to comply with the Commission's applicable procedures for Drilling and Production Operations on tide and submerged lands. The drilling procedures contain detailed engineering requirements on well programming, blowout prevention equipment, testing procedures, drilling

procedures, and supervision and training as related to the safety aspects of drilling. The production procedures cover well completion, remedial and well-maintenance work, subsurface injection projects, waste disposal, safety equipment procedures related to production facility operations and the operation and maintenance of pipelines. It is the responsibility of the Division of Oil and Gas and the State Lands Commission to see that the procedures are followed, and that a system of inspections and reports are required to insure that this is being done.

Certain operations performed in drilling and production work are considered critical with respect to well control, fire, explosion, oil spills, and other discharge or emissions. The critical operations may occur during drilling, well completion and recompletion, well maintenance and stimulation, wireline servicing, facility maintenance and construction. The lessee(s) will be required to submit and have approved by the State Lands Commission a Critical Operations and Curtailment Plan, setting forth critical well operations which will be curtailed when adverse conditions exist.

Even though the chances of discovering oil are slight, the lessee(s) will be required to maintain a current oil-spill contingency plan for initiating corrective action to control and recover oil spilled on any waters or land. The plan will cover both minor and major oil spills associated with lease operations. An integral part of the required contingency plan will be the availability of the services of Clean Bay, Inc., a nonprofit organization formed by the oil industry in the San Francisco area to combat oil spills by preventative and cleanup equipment. This equipment is located in Concord and Martinez, and available for quick response under emergency conditions.

The lessee(s), upon discovery of natural gas or oil, will be required to determine a recent subsidence rate before volumes of gas are produced from the

lease(s). This will be accomplished by precision level surveys of bench marks in the area that are part of the U. S. Coast and Geodetic Survey first order survey network.

The lessee(s) will be also required to establish bench marks in the area to effectively monitor subsidence which will be tied by precise leveling into the control network. Such bench marks set by the lessee(s) shall be surveyed each year and the control network surveyed every two years.

If a sufficient number of drillsites and resultant bench marks are located, a minimum of three (preferably one on each side of the lease area(s)) will be surveyed for horizontal as well as vertical control. Since it was established that during subsidence (due to the removal of subsurface elements) bench marks will move toward the center or toward the area of deepest subsidence, such procedure could serve to effectively detect areal subsidence.

After discovery, a well may be drilled and programmed to include a "casing joint survey". A "casing joint survey" is a procedure in which a magnetic tool is lowered into the well and, as it is withdrawn, records the magnetic density of the casings. Lengths of casing can be accurately determined by such techniques and comparisons with later surveys or "runs" may indicate casing deformation, a possible result of subsidence. While a casing joint survey may not reveal a total subsidence rate, it will permit the operator to determine if casings opposite the producing sands are undergoing deformation. These surveys would run about every two years as part of the subsidence monitoring procedure.

Many gas sands in the delta region are repressured with a partial or full waterdrive mechanism. If the reservoir has a natural water-drive, then water encroachment or replacement as the reservoir is depleted of gas would sustain formation pressures. This condition could negate any subsidence attributed to gas production.

8. ALTERNATIVES TO THE PROPOSED ACTION:

The proposed action is the eventual issuance of an oil and gas lease(s) by the State Lands Commission to the highest bidder(s) to facilitate the exploration and development of possible natural gas resources on the parcels (segments of Lindsey Slough) concerned. The only alternative to this action would be for the Commission to not issue the lease(s). This could result in a failure to evaluate a potential source of new natural gas reserves which are sorely needed to supply California's energy requirements.

9. THE RELATIONSHIP BETWEEN LOCAL SHORT-TERM USES OF MAN'S ENVIRONMENT AND THE MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY:

The proposed project as outlined above should have no cumulative or long-term adverse effects. The proposal will neither enhance the state of the physical environment nor will it reduce it over the long term.

It may add to the supply of a clean-burning energy source for a period of 10 to 20 years at the expense of minor local adverse impacts over a period of 12-18 months. The incremental costs and benefits are small in either case, and of quite short duration. At the conclusion of the project there will be no residual impact on man's environment.

10. IRREVERSIBLE ENVIRONMENTAL CHANGES THAT WOULD BE INVOLVED IF THE PROPOSED ACTION SHOULD BE IMPLEMENTED:

There will be no irretrievable commitment of resources other than production and use of the natural gas. As indicated above, without issuance of the lease(s) in question it may not be possible for the applicant(s) to continue the exploratory program and the potential gas resource will remain unevaluated.

11. GROWTH-INDUCING IMPACT OF THE PROPOSED ACTION:

Because no new permanent employees will move into the area as a result of this temporary work, and because any new facilities (i.e., pipelines, wellhead

assemblies, etc.) will not require permanent attendees, there would be no growth-inducing impact from this project.

12. WATER USE

The source of the water used in drilling operation will probably be from a water well in the area purchased from one of the local property owners.

13. ECONOMIC AND SOCIAL FACTORS:

As indicated above, there will be no growth-inducing impact from this project. If a discovery is made, then a modest increment of additional clean-burning energy source will be available to fuel the State's economy, and the State will derive a royalty income from the lease(s) in question. The overall social impact will be negligible.

14. PERSONS AND AGENCIES CONTACTED:

California Department of Fish and Game

California Department of Conservation, Division of Oil and Gas

California Solid Waste Management Board

The Reclamation Board

California State Water Resources Control Board

Regional Water Quality Control Board

APCD - Yolo/Solano Counties

Solano County Planning Department

U. S. Army Corps of Engineers

U. S. Fish and Wildlife Service

McCulloch Oil Corp.

Amerada

Aminoil, U.S.A., Inc.

O.P.R. - Clearinghouse - Attn.: Laurie Wright

ARCO

EXHIBIT "A"

LAND DESCRIPTION

W 40135

Three parcels of tide and submerged land lying within the bed of Lindsey Slough, situated in T5N, R2E, and T5N, R3E, MDM, County of Solano, State of California, and more particularly described as follows:

PARCEL 1

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 20, 21 and 22, T5N, R2E, MDM, being bounded on the west by the southerly extension of the easterly line of Hastings Cut, and bounded on the east by the northerly extension of the west line of the east half of the west half of Section 27, T5N, R2E, MDM.

PARCEL 2

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 22, 23, 26 and 27, T5N, R2E, MDM, being bounded on the west by the northerly extension of the west line of the east half of the west half of Section 27, and bounded on the east by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390.

PARCEL 3

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 25 and 26, T5N, R2E, MDM and Section 30, T5N, R3E, MDM, being bounded on the west by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390, and bounded on the east by the southerly extension of the westerly line of Cache Slough.

Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

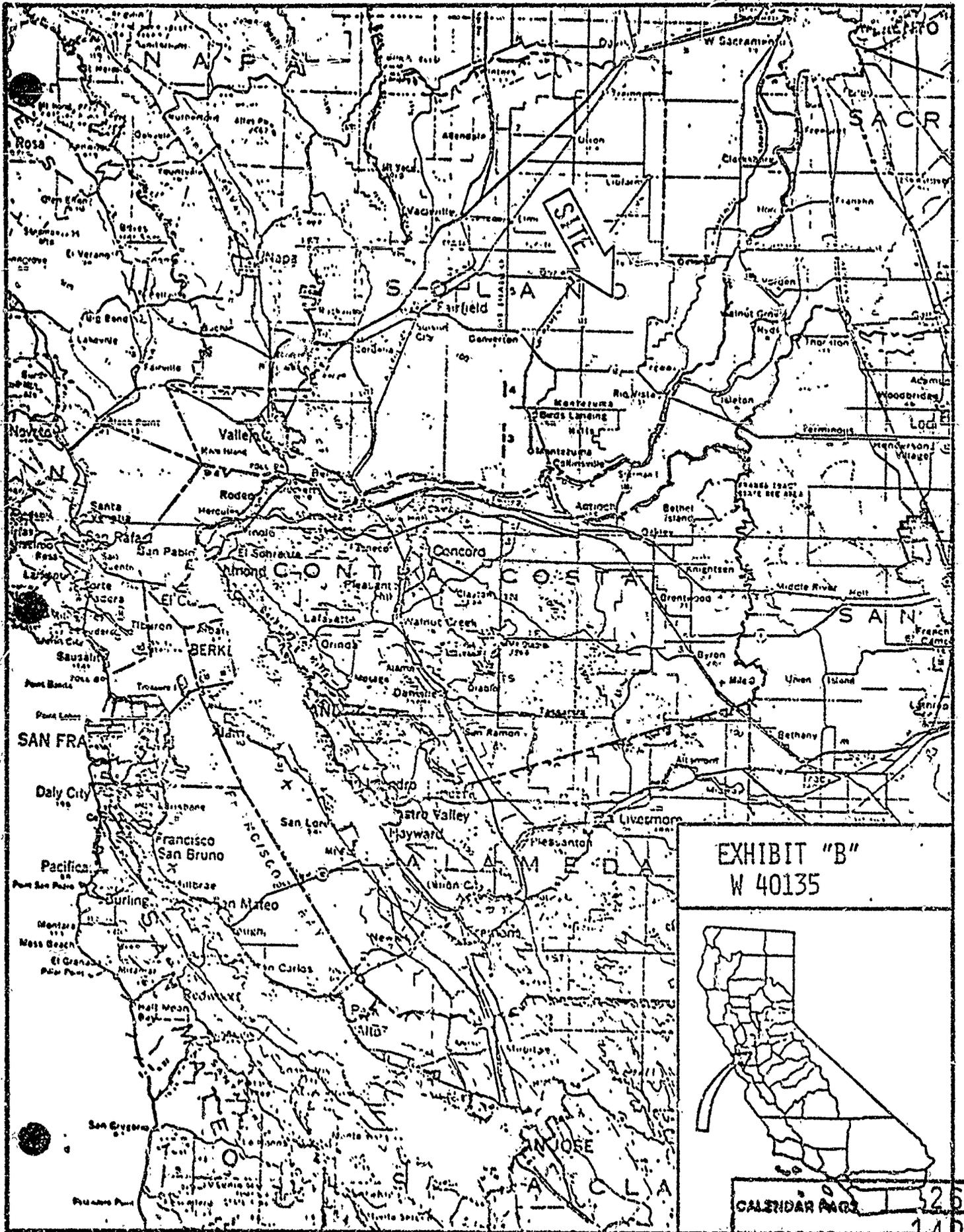


EXHIBIT "B"
W 40135



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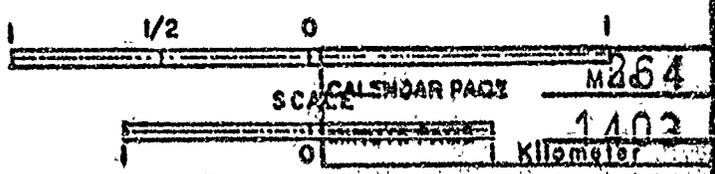
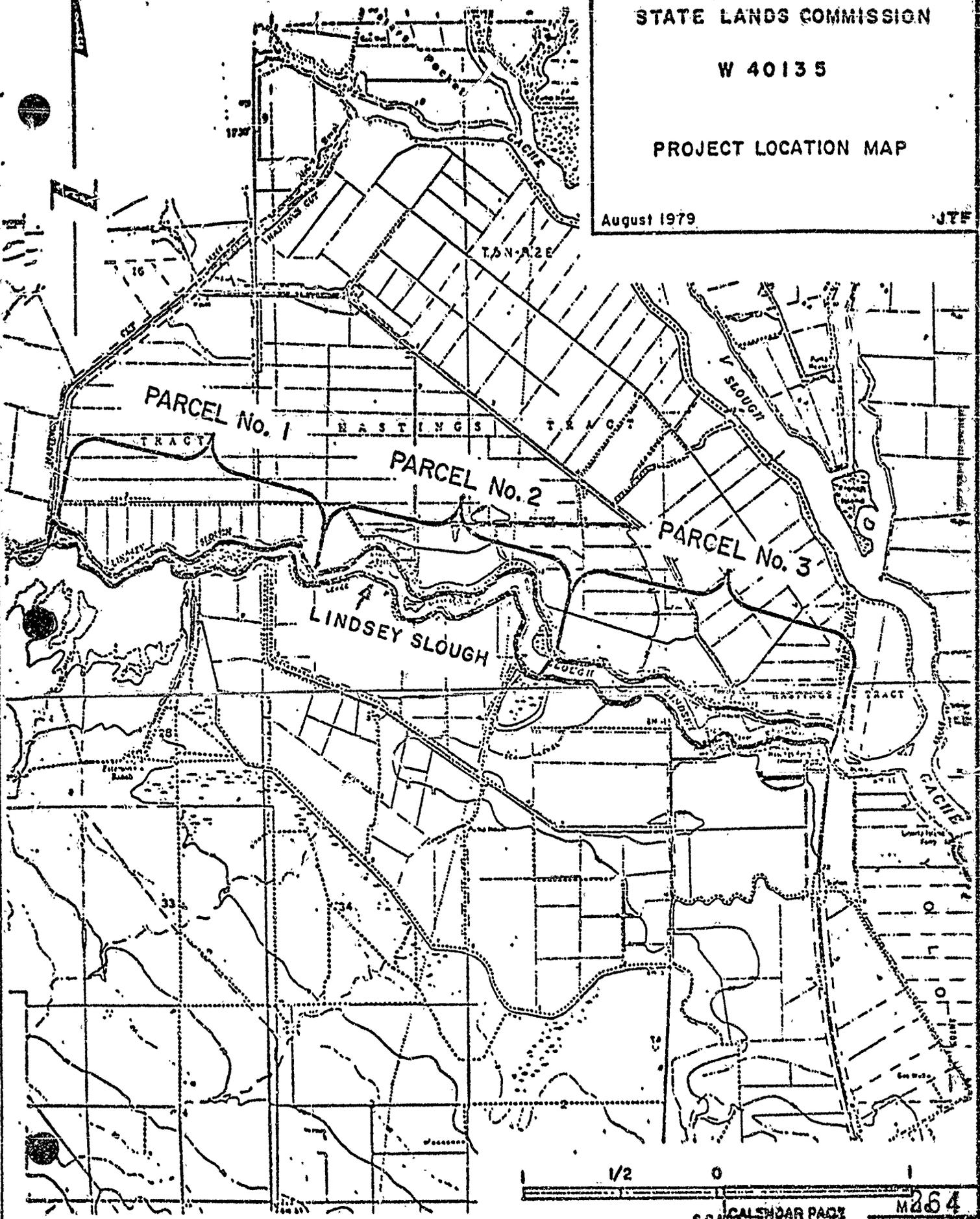
EXHIBIT "C"
STATE LANDS COMMISSION

W 40135

PROJECT LOCATION MAP

August 1979

JTF



Do not type in of dotted line.

FEDERAL GRANT APPLICATION/AWARD NOTIFICATION

STATE OF CALIFORNIA STATE CLEARINGHOUSE (916) 445-0813

1 APPLICATION DATE
yr mo day
19 79 12 7

ITEMS 1-31 TO BE COMPLETED BY APPLICANT

2. APPLICANT - Organizational Unit
STATE LANDS COMMISSION

4. ADDRESS - Street or P. O. Box
100 OCEAN BLVD, SUITE 300

7. FEDERAL EMPLOYER ID NO.

6. CITY
LONG BEACH

8. COUNTY
LOS ANGELES

7. STATE S. ZIP CODE
CA 90802

9. PROG TITLE/NO. (Catalog of Fed Domestic Agencies)

10. TYPE OF ACTION
 New Modification Continuation
 11. TYPE OF CHANGE (Complete if 10b or 10c was checked)
 Increased Dollars Increased Duration Other Scope Change
 Decreased Dollars Decreased Duration Cancellation

13. EXISTING FID NUMBER

15. REQUESTED FUND START yr mo
16. FUNDS DURATION (Months) _____

17. EST. PROJECT START yr mo
18. EST. PROJECT DURATION (Months) _____

19. APPLICANT TYPE
 A. State B. School District
 C. Interstate D. Community Action Agency
 E. Sub State Dist F. Sponsored Organization
 G. County H. Indian
 I. City J. Other (Specify in Remarks)

FUNDS REQUESTED (For Changes Show Only Amt. of Inc./Dec. or Del.)
 20. FEDERAL 118
 21. STATE 118
 22. LOCAL 118
 23. OTHER 118
 24. TOTAL (20, 21, 22, 23) 118

25. BRIEF TITLE OF APPLICANT'S PROJECT
OIL & GAS LEASE ON A PORTION OF LINDSEY SLAUGH, SOLANO COUNTY

26. DESCRIPTION OF APPLICANT'S PROJECT (Purpose)
To Explore For And, IF A Discovery is made, Produce Natural Gas from the STATE LANDS UNDER TIDE AND SUBMERGED WATERS WITHIN Lindsey Slough, possibly using slant drilling techniques.

27. AREA OF PROJECT IMPACT (Indicate City, County, State, etc.)
ROVISTA, SOLANO, CALIF

28. CONGRESSIONAL DISTRICT
Of Applicant Districts Impacted by Project

29. Environmental Assessment Required By State/Federal Agency?
STATE Yes No

30. CLEARINGHOUSE(S) TO WHICH SUBMITTED
 State Area Wide None

31. NAME/TITLE OF CONTACT PERSON
TED FUKUSHIMA

31. b ADDRESS - Street or P. O. Box
1807 - 13th Street

31. c TELEPHONE NO.
(916) 322-2211

31. d ENVIRONMENTAL DOCUMENT REVIEW REQUIRED YES NO
 Environmental Impact Statement (Report) Attached (20 copies)
 Draft EIR Final EIR
 Negative Declaration Attached (20 copies)
 None attached & Document Will Be Forwarded On _____
 Approximate: _____ Mon _____ Day _____ Year _____
 Federal Program Does Not Require An Environmental Document
 Project Exempt Under State Categorical Exemption, Class _____

31. e Will the project require relocation?
YES NO
 1. Does your agency have a civil rights affirmative action policy and plan?
YES NO
 2. Is project covered by Aff. Div.?
YES NO
 3. If YES, is EEOA extended?
YES NO

If project is physical in nature or requires environmental document, list the U.S. Geological Survey Quadrangle map in which project is located.
DOZIER LIBERTY IS. ROVISTA BIRDS LANDING

ITEMS 32-38 TO BE COMPLETED BY CLEARINGHOUSE

32. CLEARINGHOUSE ID MULTIPLE CLEARINGHOUSE

33. a ACTION BASED ON REVIEW OF
 Notification Application
 33. b ACTION TAKEN
 With Comment Without Comment
 With Comment Unfavorable

34. STATE APPLICATION IDENTIFIER (SAI) **CA**

35. CLEARINGHOUSE IMPACT CODE STATE WIDE County/ City/ Ping Area

36. STATE PLAN REQUIRED Yes No

37. RECEIVING DATE AT CLEARINGHOUSE yr mo day
38. FINAL CH ACTION DATE yr mo day

39. SIGNATURE OF CH OFFICIAL

ITEMS 39-42 TO BE COMPLETED BY APPLICANT BEFORE SENDING FORM TO FEDERAL AGENCY

39. CERTIFICATION - The applicant certifies that to the best of his knowledge and belief the above data are true and correct and filing of this form has been duly authorized by the governing body of the applicant. Check box if clearinghouse response is attached.

40. a NAME (Print or Type) _____ b TITLE _____ c SIGNATURE OF Authorized Representative _____ d TELEPHONE NUMBER _____

41. DATE MAILED TO FEDERAL/STATE AGENCY yr mo day
42. NAME OF FEDERAL / STATE AGENCY TO WHICH THIS APPLICATION SUBMITTED
STATE LANDS COMMISSION

ITEMS 43-54 TO BE COMPLETED BY FEDERAL OFFICE EVALUATING AND RECOMMENDING ACTION ON THE APPLICATION

43. GRANT APPLICATION ID (Assigned by Federal Agency)

44. GRANTING AGENCY

45. ORGANIZATIONAL UNIT

46. ADMINISTERING OFFICE

47. ADDRESS - Street or P. O. Box

48. CITY

49. STATE S. ZIP CODE

50. TELEPHONE NUMBER

51. TELEPHONE NUMBER

ITEMS 55-65 TO BE COMPLETED BY THE FEDERAL OFFICE APPROVING THE GRANT APPLICATION

52. Application Rec'd. yr mo day

53. a Exp. Action Date yr mo day

53. b Exp. Action Date yr mo day

54. Exp. Action Revised As Of yr mo day

55. a ACTION Awarded Rejected Withdrawn

55. b FUNDS AVAILABLE

55. c SENDING DATE

55. d FEDERAL GRANT ID

55. e FEDERAL FUND ACCOUNT NUMBER

56. FEDERAL AMOUNT IF Y. 118

57. STATE SHARE 118

58. LOCAL SHARE 118

59. OTHER 118

60. TOTAL (56, 57, 58, 59) 118

61. MULTIPLE PROGRAM - LINE

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PART 1

PART 2

PART 3

PART 4

PART 5

DATE: 12/10/79

NOTICE

A regular meeting of the State Lands Commission has been scheduled for _____, 1980, at _____ (a.m. (p.m.)), in Room _____ of _____

Among the items to be considered at this meeting will be an application from McCulloch Oil and Gas Corp.
NOMINATING A PORTION OF LINDSEY TRACT
SOLANO COUNTY FOR A COMPETITIVE BID
SUBSURFACE OIL AND GAS LEASE

In accordance with Division 13 of the Public Resources Code, () a negative declaration identified as EIR ND _____) () an Environmental Impact Report identified as EIR _____ has been prepared) AND () is attached for your information.) () may be obtained from Ted T. Fukushima, 1807 - 13th Street, Sacramento, CA 95814.)

WILLIAM F. NORTHROP
Executive Officer

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DATE (MM/YY) 1405

Form 13
mitk