

MINUTE ITEM

This Calendar Item No. 3  
was approved as Minute Item  
No. 3 by the State Lands  
Commission by a vote of 3  
to 0 at its 11-17-80  
meeting.

CALENDAR ITEM

3.

11/80  
W 40143  
Freckman

PROPOSED OIL AND GAS LEASE OFFER  
WITHIN GRAY LODGE WATERFOWL MANAGEMENT AREA

APPLICANT: Getty Oil Company  
P.O. Box 5237  
Bakersfield, California 93308

AREA, LAND TYPE AND LOCATION:  
Proprietary lands under jurisdiction of  
the Department of Fish and Game; 904.80  
acres within Gray Lodge Waterfowl Management  
Area, Butte County. (See Land Description -  
Exhibit "A", and Location Map - Exhibit "B")

TERMS: Primary Term: 20 years, Drilling Term: 2  
years, Surety Bond: \$100,000.

PROPOSED ACTION:

Lease the subject lands for the extraction  
of oil and gas pursuant to competitive  
public bid. The applicant, if the successful  
bidder, proposes to drill a test well to  
a depth of 6500 feet on the State land  
shown in Exhibit "B" (Location Map). The  
well would test the Kiome and upper Forbes  
formations for natural gas potential.

The drilling and testing procedure will  
be conducted in accordance with the rules  
and regulations of the State Lands Commission  
and other applicable agencies.

Pursuant to Section 6827 of the Public  
Resources Code, it is proposed to award  
the lease to the qualified bidder who under-  
takes to pay the highest percentage of  
net profits derived from the lease according  
to the accounting procedures attached to  
the lease on file in the Office of the  
State Lands Commission. The successful

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-1-

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CALENDAR ITEM NO. 3. (CONTD)

bidder would agree to pay to the State, in addition to the percentage of net profits, a royalty of 16 2/3% on natural gas, oil and other hydrocarbon products extracted from the leased parcel. In addition to the percentage of net profits and the royalty described above, a rental of \$20 per acre per year will be charged.

The staff will, subsequent to authorization by the State Lands Commission, offer the prior described parcel for competitive public bid.

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 would not result in a significant effect on the environment. However, there are two (2) areas (see Exhibit "B", Location Map) in which drilling will be prohibited as recommended by the Society of California Archaeology. As a result of the findings of the Initial Study, the preparation of an EIR is not required. As such, a Negative Declaration (Exhibit "C") was prepared and circulated to concerned agencies and to the public.

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

EXHIBITS:

- A. Land Description.
- B. Location Map.
- 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 THE COMMISSION'S STAFF.

CALENDAR ITEM NO. 3. (CONT'D)

2. CERTIFY THAT THE NEGATIVE DECLARATION (EIR ND 253) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CEQA OF 1970, AS AMENDED, AND THE STATE EIR 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. AUTHORIZE THE STAFF TO OFFER, BY COMPETITIVE PUBLIC BID AS PER SECTION 6827 OF THE PUBLIC RESOURCES CODE, AN OIL AND GAS LEASE FOR THE EAST  $\frac{1}{2}$  OF SECTION 13, T17N, R1E, MDM; AND ALL OF SECTION 18, T17N, R2E, MDM, BUTTE COUNTY. THE BID LEASE FORM TO BE USED FOR THE PARCEL SHALL BE THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION IDENTIFIED AS W 40143 AND BY REFERENCE MADE A PART HEREOF. THE RENT IS TO BE \$20.00 PER ACRE PER YEAR, ROYALTY IS TO BE 16  $\frac{2}{3}$ % AND THE DRILLING TERM IS TO BE TWO YEARS. THE PERFORMANCE BOND IS TO BE IN THE AMOUNT OF \$100,000.
5. DIRECT THE STAFF TO REPORT THE RESULTS OF THE COMPETITIVE PUBLIC BID AT A SUBSEQUENT MEETING OF THE COMMISSION.

W 40143

EXHIBIT "A"

LAND DESCRIPTION

A parcel of State lands located within the Gray Lodge Waterfowl Management Area, including the East 1/2 of Section 13, T 17 N, R 1 E, and all of Section 18, T 17 N, R 2 E, MDM, Butte County.

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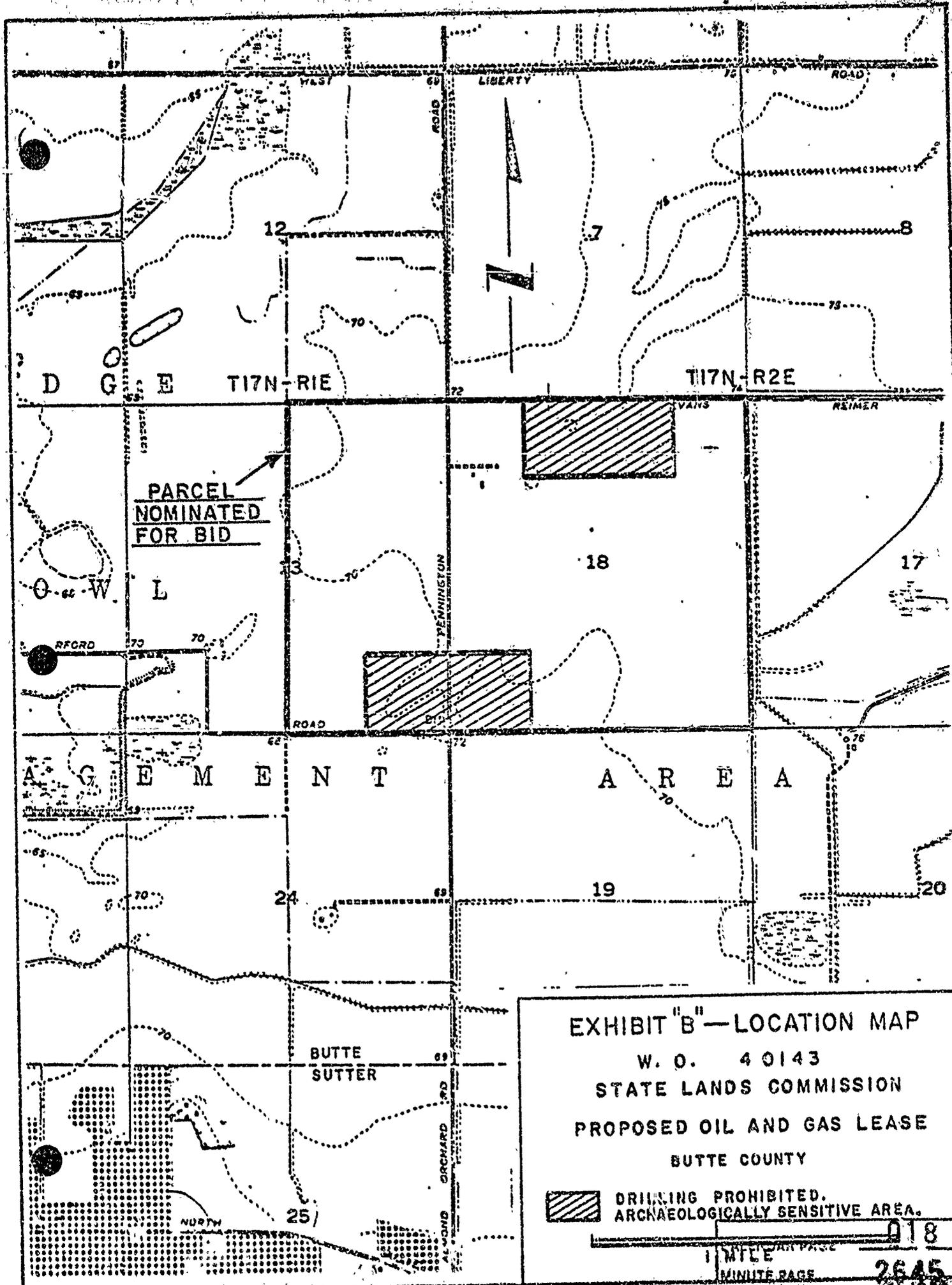


EXHIBIT "B"—LOCATION MAP  
 W. O. 4 0143  
 STATE LANDS COMMISSION  
 PROPOSED OIL AND GAS LEASE  
 BUTTE COUNTY

 DRINKING PROHIBITED, ARCHAEOLOGICALLY SENSITIVE AREA.

1 INCH = 400 FEET  
 1 MINUTE PAGE  
 2645  
 21 1972

## EXHIBIT "C"

STATE OF CALIFORNIA

## STATE LANDS COMMISSION

KENNETH C. JRY, Controller  
 MILDRED M. URB, Lieutenant Governor  
 RICHARD T. SILBERMAN, Director of Finance



EDMUND G. BROWN JR., Governor

EXECUTIVE OFFICE  
 1807 - 13th Street  
 Sacramento, California 95814

WILLIAM F. NORTHROP  
 Executive Officer

EIR ND 253File Ref.: W 40143NEGATIVE DECLARATION

Project Applicant: Getty Oil Company  
 P. O. Box 5237  
 Bakersfield, CA 93308

Project Location: State lands located within the Gray Lodge Waterfowl Management area, Butte County, including the East 1/2 of Section 13 T. 17 N., R. 1 E., and all of Section 18, T. 17 N., R. 1-E., MDBM

Project Description: To explore for and, if a discovery is made, produce natural gas from the above described 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 (Title 14, Section 15000 et. seq. of California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq. of California Administrative Code).

Based upon the attached Initial Study, the Commission finds that:

- the project will not have a significant effect on the environment.
- the mitigation measures included in the project will avoid potentially significant effects.

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

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019

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## Responses as needed to Comments on the Initial Study

## 1. Ref. Memo - Dept. of Parks and Recreation - August 13, 1979

Contacted Mr. Keith Johnson, Calif. St. Chino, who coordinated the response from the Society for California Archaeology. This letter (9/27/79) outlines two areas where drilling would be prohibited. The attached map (Exhibit "B") identifies the areas where drilling is to be excluded.

## 2. Ref. Memo - Division of Oil and Gas - August 20, 1979

The operator will meet the Division of Oil and Gas requirements for blowout prevention, cementing, freshwater protection, and water shutoff.

Surface casing will extend to a minimum depth of 1,500 feet in order to protect the freshwater deposits extending to 1,350+ feet. This casing depth will also compensate for the overpressured "Forbes" formation.

## 3. Ref. Memo - State Water Resources Control Board - August 20, 1979

The recommendations are duly noted and shall be acknowledged by the operator as part of Item No. 2 under "III. Discussion of Environmental Evaluation."

## 4. Ref. Memo - Dept. of Fish and Game - August 22, 1979

The recommendation is noted and shall be considered as addenda to the third paragraph in "F. Description."



# SOCIETY FOR CALIFORNIA ARCHAEOLOGY

District 2 Clearinghouse  
c/o Department of Anthropology  
California State University  
Chico, CA 95929

DJE	
CPR	
ADW	
ROP	
1 JTF	JTF
2 RAK	RAK
Enc. ADW	X
FILE:	40143

September 27, 1979

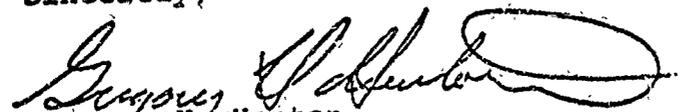
John T. Freckman  
State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, CA 90802

Dear Mr. Freckman:

One archaeological site, CA-BUT-325 is located in the lease area, but not particularly close to the proposed drilling site. This site is a prehistoric Maidu site located in the NW 1/4 of the NE 1/4 of Section 18, Township 17N, Range 2E. There is also an unrecorded prehistoric village site approximately located near the SE corner of Section 13 Township 17N Range 1E.

If the well is drilled at the indicated location we do not expect any archaeological sites to be endangered. If however the well site is moved to either of the above mentioned areas on the lease, we recommend that an on-site archaeological reconnaissance be conducted by a qualified archaeologist.

Sincerely,

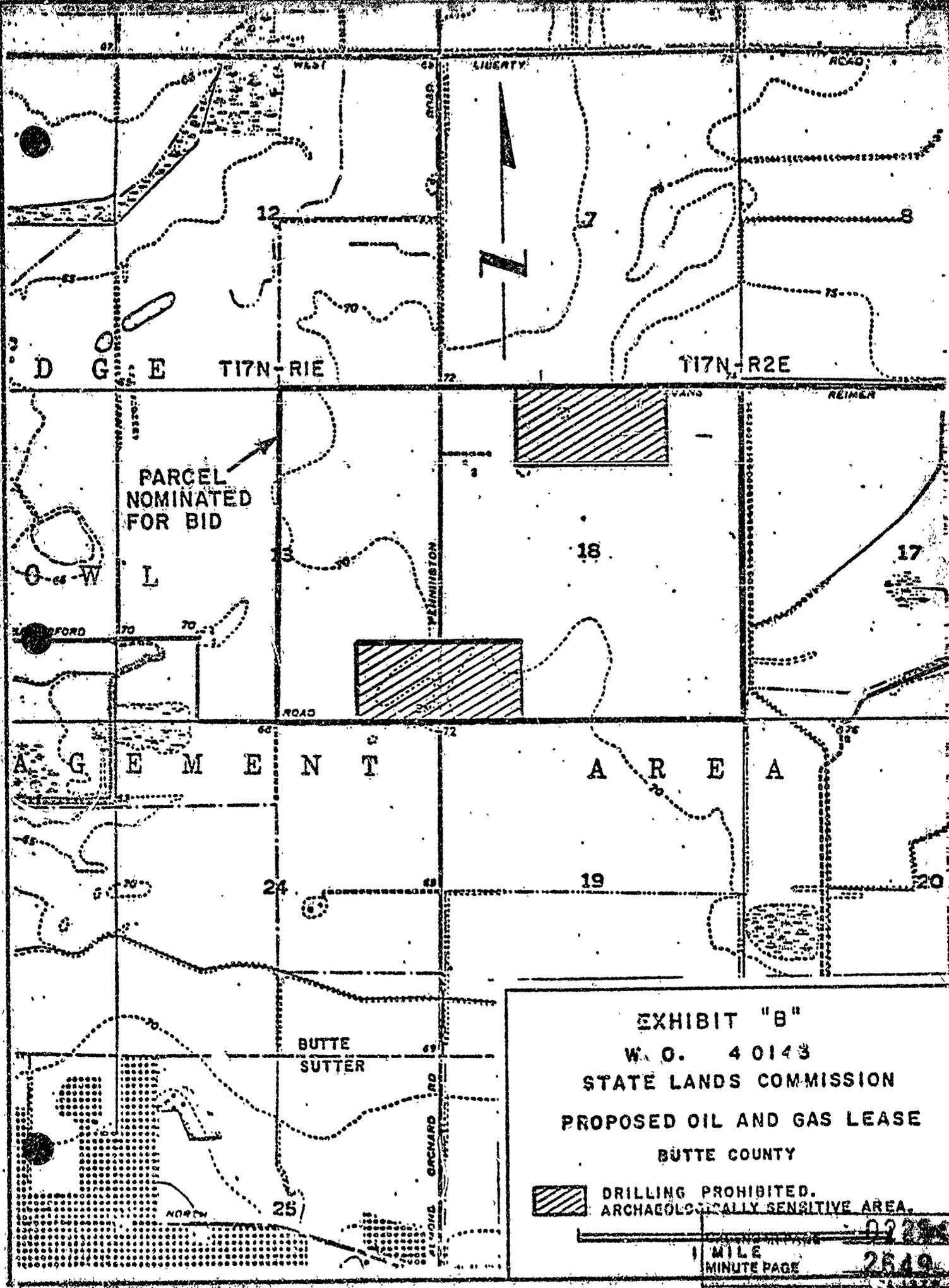
  
Gregory H. Henton  
District Archaeologist

GHH:ab

Tel (916) 893-6192

ATSS 5-459-6256

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PARCEL  
NOMINATED  
FOR BID

EXHIBIT "B"  
 W. O. 40143  
 STATE LANDS COMMISSION  
 PROPOSED OIL AND GAS LEASE  
 BUTTE COUNTY

 DRILLING PROHIBITED.  
 ARCHAEOLOGICALLY SENSITIVE AREA.

1 MILE  
 MINUTE PAGE

02284  
 2549

# Memorandum

Date : August 13, 1979

To : State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, CA 90802  
Attn: Al Willard

From : Department of Parks and Recreation

Subject: Proposed Oil and Gas Lease, Gray Lodge Waterfowl Management Area, Butte County

DATE	AUG 17 1979
DJE	
CFE	
ADW	<i>[initials]</i>
RGP	
<i>ZCP</i>	<i>[initials]</i>
<i>BRK</i>	
Enc.	<i>[initials]</i>
FILE:	<i>W 40143</i>

The Office of Historic Preservation cannot complete its review of the environmental document referenced above without additional information.

Documentation supporting the determination of no effect to archaeological, historical, or other cultural resources should be included demonstrating compliance with CEQA (14 Cal. Adm. Code:15080 et. seq.).

The requested information should be prepared by qualified professionals of the appropriate disciplines and a copy of the resulting report submitted to this office for review. For assistance in preparing this documentation, we recommend that the Regional Officer of the California Archaeological Site Survey be contacted. The Regional Officer for the project area in question is Mr. Keith Johnson. He may be contacted by calling (916) 695-6192. *Calif. St. Chico.*

If you have any questions concerning this review, please contact Nicholas Del Cioppo, Office of Historic Preservation, by calling (916) 322-3703.

*Knox Mellon*  
Dr. Knox Mellon  
State Historic Preservation Officer  
Office of Historic Preservation

*James P. Tryner*  
James P. Tryner, Chief  
Resource Preservation and  
Interpretation Division

*Anthropology Dept.  
Calif. State Univ. - Chico  
Chico, CA 95929*

7013C PERM

CALENDAR PAGE	023
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# Memorandum

**D. J. Everitts**  
State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, California 90802

1	DJE	✓
	CHT	
2	ADI	✓
	RC	
	3	PP
	YRK	PAK
	SWP	JTF
	FILE	W/AD

Date : August 20, 1979

Subject: Initial Study - Lease of Gray Lodge, Butte County

From : Department of Conservation — Division of Oil and Gas  
Sacramento

→ Room 1316-35, 12000 11th St  
10/16 916 91  
12/17 62 9-510

The Division of Oil and Gas agrees with the finding that a Negative Declaration should be prepared for the proposed competitive bid oil and gas lease at the Gray Lodge Waterfowl Management Area.

The Initial Study stated that in the event commercial production is not established, the well would be plugged and abandoned in accordance with the rules and regulations of the Division of Oil and Gas. Mention should be made in the Negative Declaration that the operator must also meet the division's requirements for blow-out prevention, cementing, freshwater protection, and water shutoff.

Wells drilled in the proposed lease area will penetrate the basal "Forbes" formation, which is overpressured in this general area; the 1300 feet of surface casing is minimal. In addition, as the freshwater deposits extend to 1350+, it would appear that 1500 feet of surface casing should be set to maximize the protection of the fresh waters.

If you have any questions, please contact John Sullivan at (916) 662-4683.

  
M. G. Mefferd  
State Oil and Gas Supervisor

*Handwritten notes:*  
8/23  
S: 8/23

# Memorandum

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

Date: AUG 20 1979

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

DATE	AUG 22 1979
DJE	✓
CPE	
ADW	✓
RGP	
SCPP	✓
YRK	✓
PAR	✓
Enc	SJTF -JTV
FILE:	420/45

From : STATE WATER RESOURCES CONTROL BOARD  
 DIVISION OF PLANNING AND RESEARCH

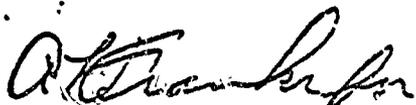
P.O. BOX 100  
 SACRAMENTO, CALIF. 95816

Subject: Initial Study for Competitive Bid Oil and Gas Lease on a Portion of the Gray Lodge Waterfowl Management Area, Butte County

We have coordinated the review of the subject Initial Study with the Hydrogeologic/Geotechnical Section of the State Board.

If toxic materials such as thinning agents are used in the drilling muds, the mud pit must be lined with plastic or other impervious material and the spent mud must be disposed of at a site approved by the California Regional Water Quality Control Board, Central Valley Region. A negative declaration is appropriate for this project if proper procedures for drill mud and production waste disposition will be followed. The project sponsor should provide adequate information to the Lead Agency to ensure that proper disposal of wastes will be accomplished.

If you have any questions, please contact Kathy Haitz at the above number.



L. Ray Dunham  
 Acting Assistant Chief

cc: California Regional Water Quality Control  
 Board, Central Valley Region  
 3201 "S" Street  
 Sacramento, California 95816  
 ATTN: Tony Landis

RECEIVED  
 AUG 23 1979  
 STATE WATER RESOURCES CONTROL BOARD  
 DIVISION OF PLANNING AND RESEARCH

CALENDAR PAGE	025
MINUTE PAGE	2652

# Memorandum

State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, California 90802

DATE	_____
DJ	_____
CF	_____
JAW	_____
RC	_____
3CPP	_____
JRK	_____
SAK	_____
FILE	W40143

Date: August 22, 1979

Your file: W 40143

From : Department of Fish and Game - Region 2

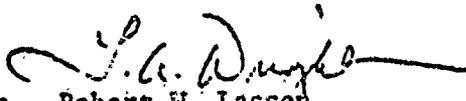
Subject: Initial Study for Competitive Bid Oil and Gas Lease on a Portion of the Gray Lodge Waterfowl Management Area, Butte County

The subject document has been reviewed and the Department's comments are as follows:

The Initial Study check list appears to cover the assessment needed. We agree with the determination.

Under "F Description", the Department would like the following sentence added at the end of the next to the last paragraph:

"However, the pad and access road need not be restored if so judged, by the area manager, to be beneficial to the State."

  
For Robert W. Lassen  
Regional Manager

cc: Chief of Operations  
Environmental Services Branch, D. Lollock  
Wildlife Management Branch, E. Hunt  
J. Cowan (Area Manager)



Getty Oil Company | P. O. Box 5237, Bakersfield, California 93388 • Telephone: (805) 399-2961

Western Exploration and Production Division

August 13, 1979

State Land Commission  
State Lands Division  
100 Oceangate, Suite 300  
Long Beach, California 90802

Attn: A. D. Willard

Re: W-40143  
Gray Lodge Area  
Butte County, California

DATE	AUG 15 1979
DJE	
CFE	
ADW	<i>[initials]</i>
RGP	
3 CPPA	
4 RE PAK	
5 JIF JIF	
FILE:	W 40143

Gentlemen:

Getty Oil Company has read the Initial Study for Competitive Bid Oil & Gas Lease.

Getty Oil concurs with the State Land Commission that the proposed project could not have a significant effect on the environment and believes that a negative declaration should be prepared.

Very truly yours,

GETTY OIL COMPANY

*[Signature]*  
George M. Thompson  
Acting Division Exploration Mgr.

GMT:WCH:dml

*[Handwritten notes]*  
WCH  
11 02 1979

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EIR/NOTICE MAILING LIST

W 40143

\*Honorable Ray Johnson  
Member of the Senate  
1st District  
California State Legislature  
State Capitol  
Sacramento, CA 95814

\*Honorable James A. Christie  
Member of the Assembly  
3rd District  
California State Legislature  
State Capitol  
Sacramento, CA 95814

Butte County Board of Supervisors  
1859 Bird Street  
Orville CA 95965

NOTE: If more than one Assemblyman, 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

PI 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

Mercury-Register  
P.O. Box 651  
Orville, CA 95965

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

CALENDAR PAGE 028  
MINUTE PAGE 2655  
FORM 13.5 (rev. 10/77)

\*Mr. William Kier  
Senate Office of Research  
1116-9th Street, Room 23  
Sacramento, CA 95814

\*Mr. Jeffrey Arthur, Consultant  
Senate Committee on Natural  
Resources and Wildlife  
State Capitol, Room 2203  
Sacramento, CA 95814

\*Assembly Committee on  
Resources and Land Use  
State Capitol, Room 3142

\*Chief Clerk of the Assembly  
California State Legislature  
State Capitol  
Sacramento, CA 95814

\*Commander, 11th Coast Guard Dist.  
19 Pine Avenue  
Long Beach, CA 90802  
(Southern California Ocean items only)

\*Mr. Phil DeYoung  
Pacific Gas and Electric Company  
P.O. Box 7444  
Sacramento, CA 95826

\*Mr. N. Gregory Taylor  
Assistant Attorney General  
Department of Justice  
3580 Wilshire Boulevard  
Los Angeles, CA 90010

\*Mr. Robert H. O'Brien  
Environment and Consumer Protection  
Department of Justice  
3580 Wilshire Boulevard  
Los Angeles, CA 90010

\*William F. Northrop

\*Don Hoagland (Geothermal only)

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

\*Mr. F.J. Hortig  
Consulting Engineer  
Energy Resources  
2216 Westboro Avenue  
Alhambra, CA 91803

\*Secretary of the Senate  
State Capitol  
Sacramento, CA 95814

\*USC Law Center  
USC, Room 422  
Los Angeles, CA 90007

Friends of the Earth  
717 K Street, Suite 209  
Sacramento, CA 95814

Honorable Stan Statham

Member of the Assembly

1<sup>st</sup> District

California State Legislature

State Capitol

SACRAMENTO, CA 95814

APPLICANT

Getty Oil Company

P.O. Box 5234

Fresno, CA 93308

Attn: J.W. Wolfington

FOR LONG BEACH DISTRICT 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  
245 Middlefield Road  
Menlo Park, CA 94025  
Attn: Reid Stone, Geothermal  
Supervisor (Send only  
geothermal related docu-  
ments)

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

\*Union Oil Company of California  
P.O. Box 7800  
Los Angeles, CA 90051  
Attn: Mrs. Ferbrache  
(Minerals, Geothermal, Oil & Gas)

\*\*\*\*\*

AREAWIDE CLEARINGHOUSE  
(Where Applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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a copy of the environmental  
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the notice

DISTRIBUTION LIST FOR MEMOS

E. C. Fullerton  
Department of Fish and Game  
1416 Ninth Street  
Sacramento, CA 95814

Department of Fish and Game  
Region 2  
1001 Jedsmith Drive  
Sacramento, CA 95670

Department of Conservation  
Division of Oil and Gas  
1416 Ninth Street, Room 1316  
Sacramento, CA 95814

John Huddleson  
State Water Resources Control Board  
2125 19th Street  
Sacramento, CA 95670

Bob Sleppy  
Solid Waste Management Board  
825 K Street, Suite 300  
Sacramento, CA 95814

Kenneth Buell  
Department of Health  
714 P Street, Room 430  
Sacramento, CA 95814

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

Office of Planning and Research  
Attn: Laurie Wright  
1400 10th Street  
Sacramento, CA 95814

James Trynee  
Department of Parks & Recreation  
1200 "K" Street Mall  
Sacramento, CA 95814

DISTRIBUTION LIST FOR LETTERS

Lawrence J. Lawson  
Planning Director  
Butte County Planning Department  
Seven County Center Drive  
Oroville, CA 95965

Butte County Air Pollution Control District  
P. O. Box 1229  
316 Nelson Avenue  
Oroville, CA 95965

J. W. Hoffington  
Getty Oil Company  
P. O. Box 5257  
Bakersfield, CA 93308

## STATE LANDS COMMISSION

KENNETH CORY, Controller  
 MIKE CURIO, Lieutenant Governor  
 RICHARD T. SILBERMAN, Director of Finance



EDWIN B. BROWN JR., Governor

EXECUTIVE OFFICE  
 1807 - 13th Street  
 Sacramento, California 95814

WILLIAM F. NORTHROP  
 Executive Officer

File Ref.: W 40143INITIAL STUDY CHECKLISTI. BACKGROUND INFORMATION

- A. Applicant: GETTY OIL COMPANY  
P. O. BOX 5237  
BAKERSFIELD, CA 93308
- B. Checklist Date: 7 / 25 / 79
- C. Contact Person: John T. Freckman  
 Telephone: (213) 590-5213
- D. Purpose: To explore for and, if a discovery is made, produce natural gas from the State lands described below.
- E. Location: State lands located within the Gray Lodge Waterfowl Management Area, Butte County, including the East 1/2 of Section 13 T17N, R1E, and all of Section 18, T17N, R1E, M.D.B. & M. (See Exhibit "A")
- F. Description: Issuance by competitive bid of an Oil and Gas Lease on the above described State lands. Upon issuance of the lease, exploratory drilling will be initiated on this land. The initiation of drilling will require the establishment of a drill-site pad and (see attached Description continuation)

CALENDAR PAGE  
 MINUTE PAGE

033  
 2660

C. Persons Contacted: See List of Persons or Agencies Contacted

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

II. ENVIRONMENTAL IMPACTS

(Explain all "yes" and "maybe" answers)

Yes      Maybe      No

A. Earth. Will the proposal result in:

- |  |                                     |                                     |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 1. Unstable earth conditions or in changes in geologic substructures?  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 2. Disruptions, displacements, compaction, or overcovering of the soil?  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| 3. Change in topography or ground surface relief features?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4. The destruction, covering, or modification of any unique geologic or physical features?   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 5. Any increase in wind or water erosion of soils, either on or off the site?  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 6. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet, or lake? | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 7. Exposure of people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Air. Will the proposal result in:

- |   |                          |                          |                                     |
|---|--------------------------|--------------------------|-------------------------------------|
| 8. Substantial air emissions or deterioration of ambient air quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|

- 9. The creation of objectionable odors?
- 10. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally?

C. Water. Will the proposal result in:

- 11. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters?
- 12. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff?
- 13. Alterations to the course or flow of flood waters?
- 14. Change in the amount of surface water in any water body?
- 15. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity?
- 16. Alteration of the direction or rate of flow of ground waters?
- 17. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?
- 18. Substantial reduction in the amount of water otherwise available for public water supplies?
- 19. Exposure of people or property to water related hazards such as flooding or tidal waves?

D. Plant Life. Will the proposal result in:

- 20. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)?
- 21. Reduction of the numbers of any unique, rare or endangered species of plants?
- 22. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?

Yes      Maybe      No

23. Reduction in acreage of any agricultural crop?                 

**E. Animal Life. Will the proposal result in:**

24. Change in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)?                 

25. Reduction of the numbers of any unique, rare or endangered species of animals?                 

26. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals?                 

27. Deterioration to existing fish or wildlife habitat?                 

**F. Noise. Will the proposal result in:**

28. Increase in existing noise levels?                 

29. Exposure of people to severe noise levels?                 

**G. Light and Glare. Will the proposal result in:**

30. The production of new light or glare?                 

**H. Land Use. Will the proposal result in:**

31. A substantial alteration of the present or planned land use of an area?                 

**I. Natural Resources. Will the proposal result in:**

32. Increase in the rate of use of any natural resources?                 

33. Substantial depletion of any nonrenewable resources?                 

**J. Risk of Upset. Will the proposal result in:**

34. The involvement of a risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals, or radiation) in the event of an accident or upset conditions?                 

**K. Population. Will the proposal result in:**

35. The alteration, distribution, density, or or growth rate of the human population of the area?

Yes      Maybe      No

**L. Housing. Will the proposal result in:**

36. Affecting existing housing, or create a demand for additional housing?                 

**M. Transportation/Circulation. Will the proposal result in:**

37. Generation of substantial additional vehicular movement?                 

38. Affecting existing parking facilities, or create a demand for new parking?                 

39. Substantial impact upon existing transportation systems?                 

40. Alterations to present patterns of circulation or movement of people and/or goods?                 

41. Alterations to waterborne, rail, or air traffic?                 

42. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians?                 

**N. Public Services. Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:**

43. Fire protection?                 

44. Police protection?                 

45. Schools?                 

46. Parks and other recreational facilities?                 

47. Maintenance of public facilities, including roads?                 

48. Other governmental services?                 

**O. Energy. Will the proposal result in:**

49. Use of substantial amounts of fuel or energy?                 

50. Substantial increase in demand upon existing sources of energy, or require the development of new sources of energy?

Yes      Maybe      No

P. Utilities. Will the proposal result in a need for new systems, or substantial alterations to the following utilities:

- |                               |                          |                          |                                     |
|-------------------------------|--------------------------|--------------------------|-------------------------------------|
| 51. Power or natural gas?     | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 52. Communication systems?    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 53. Water?                    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 54. Sewer or septic tanks?    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 55. Storm water drainage?     | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 56. Solid waste and disposal? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Q. Human Health. Will the proposal result in:

- |   |                          |                          |                                     |
|---|--------------------------|--------------------------|-------------------------------------|
| 57. Creation of any health hazard or potential health hazard (excluding mental health)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 58. Exposure of people to potential health hazards?                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

R. Aesthetics. Will the proposal result in:

- |   |                          |                          |                                     |
|---|--------------------------|--------------------------|-------------------------------------|
| 59. The obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|

S. Recreation. Will the proposal result in:

- |  |                          |                          |                                     |
|--|--------------------------|--------------------------|-------------------------------------|
| 60. An impact upon the quality or quantity of existing recreational opportunities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|

T. Archeological/Historical. Will the proposal result in:

- |  |                          |                          |                                     |
|--|--------------------------|--------------------------|-------------------------------------|
| 61. An alteration of a significant archeological or historical site, structure, object, or building? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|

U. Mandatory Findings of Significance.

- |  |                          |                          |                                     |
|--|--------------------------|--------------------------|-------------------------------------|
| 62. Does the project have the potential to degrade the quality of the environment reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|

- |  | <u>Yes</u>               | <u>Maybe</u>             | <u>No</u>                           |
|--|--------------------------|--------------------------|-------------------------------------|
| 63. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?                        | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 64. Does the project have impacts which are individually limited, but cumulatively considerable?   | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 65. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

III. DISCUSSION OF ENVIRONMENTAL EVALUATION

See attached Discussion

IV. DETERMINATION

On the basis of this initial evaluation:

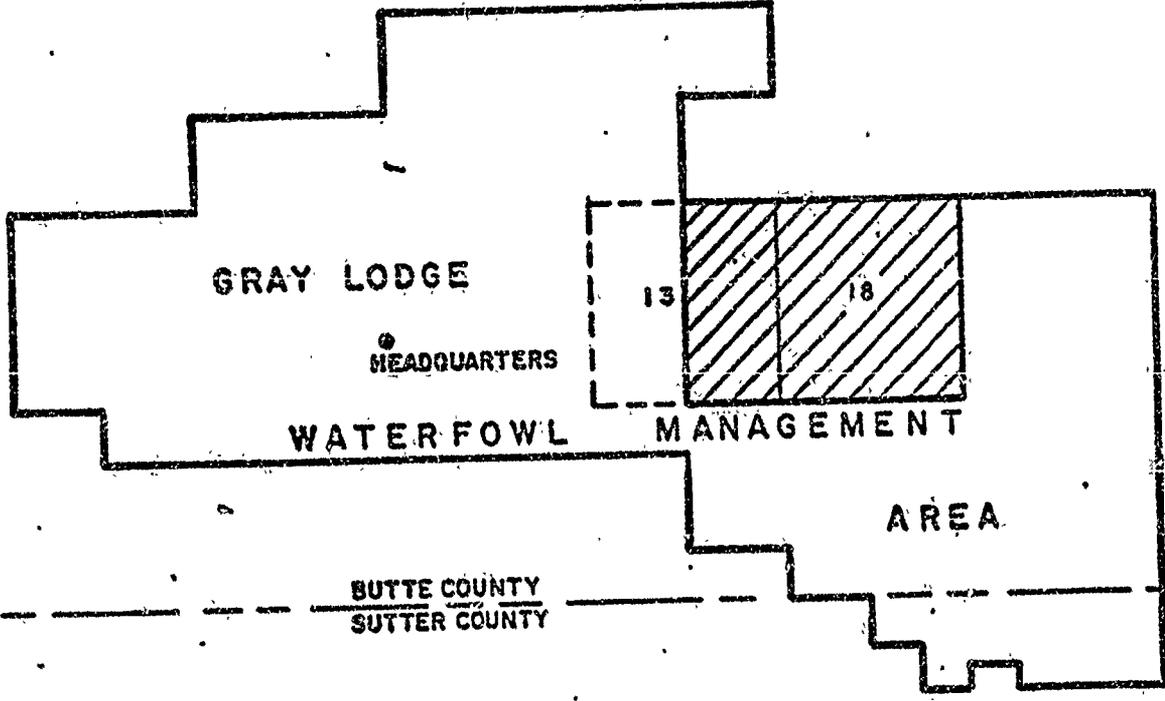
I find the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A **NEGATIVE DECLARATION** will be prepared.

I find the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

Date: 7 / 25 / 79

  
\_\_\_\_\_  
D. J. EVERITTS, Chief  
Division of Energy  
and Mineral Resources  
For The State Lands Commission



PENNINGTON

T17N  
T16N



**EXHIBIT "A"**  
 W.O. 40143  
 STATE LANDS COMMISSION  
 Proposed Oil & Gas Lease,  
 Butte County

PARCEL NOMINATED FOR  
 COMPETITIVE BID

July 1979



F. DESCRIPTION: (cont.)

an access road to it. An earthen pit will also be needed for temporary storage of waste drilling fluid. Casing will be run in the well to protect any subsurface fresh water aquifer encountered. Assuming a total well depth of about 6,500 feet, typically 1,300 feet of 9 5/8 inch surface casing would be run and cemented.

In the event of commercial production, the appropriate casing would be run and would be tested to meet the requirements of the California Division of Oil and Gas. An example of this type of operation would be the running and cementing of a string of 5 1/2 inch production casing through the lowest potentially productive sands. The production casing would then be perforated opposite the natural gas zones. In the event more than one horizon is capable of commercial production, a string of 2 5/8 inch tubing might be set opposite the upper horizon. Upon completion of the well, the drilling rig would be removed and the earthen pit drained and refilled with dirt. A production pad approximately 125 feet by 275 feet would then be graveled. Surface facilities would consist of a heater, a regulator, and a meter to be installed. In the event of dual completion, two heaters, two regulators, and two meters would be needed; however, the size of the pad would not increase.

In the event that commercial production is not established, the well would be plugged and abandoned in accordance with the rules and regulations of the Division of Oil and Gas. The location and access road would then be restored to as near normal as practical, including replanting of local vegetation.

Approximately 15 to 20 days would be required to drill and test the well with an extra 5 to 10 days needed if commercial production is encountered.

CALENDAR PAGE	042
MINUTE PAGE	2669

### III. DISCUSSION OF ENVIRONMENTAL EVALUATION

No. 2 Construction of the drill-pad and access road will disrupt some vegetation and soil. The disruption will include an area approximately 2 1/2 - 3 acres depending on the length of the access road. The Department of Fish and Game, which oversees the Gray Lodge Waterfowl Management Area has stipulated that several conditions be met prior to drilling the test well. These are as follows:

1. The drill site pad and access road to be constructed to a height of not less than 30 inches.
2. The access road to be constructed at a location determined by the Area Manager.
3. Fill dirt for the pad and access road to be taken from an area determined by the Area Manager.
4. Any damages to structures, roads, or facilities caused by the lessee to be repaired or replaced.
5. The time frame for work (drilling, construction, etc.) will be February 1 to September 1 of a given year.
6. The site to be cleaned of any litter or material considered unsightly or harmful to wildlife.
7. The Area Manager is to be notified prior to commencement of work.

If production is obtained several other wells could be drilled, the maximum number being five (5) based on a 160 acre spacing across the 904.80 acres of the parcel to be leased. Economical gas production would also mean piping recoverable gas to the nearest gathering line. There are several Pacific Gas and Electric Company gas pipelines within the Waterfowl area and a natural gas odorizing plant within the northern edge of the area.

If commercial gas production is not obtained, the location and access road would be restored to as near normal as practical, including replanting of local vegetation.

No. 3 Any change in topography would be minor. Any changes would be a result of the drill-pad and access road construction described in No. 2 above.

No. 12 The drainage in the immediate area of the drill-site will possibly be affected by the construction of the drill-pad and the access road, however this will be minimal because the area is one of low relief. Nearby marshlands indicate drainage is poor overall. The area is periodically flooded, intentionally, by the Department of Fish and Game.

### III. DISCUSSION OF ENVIRONMENTAL EVALUATION (cont.)

- No. 14 There will be a slight reduction in the amount of surface water in the area. This will only occur periodically, when the fields are flooded by the Department of Fish and Game to create large ponds and marshlands for the migrating waterfow. The reduction will be on the order of 2 1/2 - 3 acres, the size of the drill-pad and access road. If commercial production is obtained, up to five (5) wells could be drilled (see No. 2 above) thereby making the total possible surface water reduction about 15 acres.
- No. 20 Some grasses and weeds will be disturbed by the drilling-pad and access road construction (see No. 2 above).
- No. 24 Minor disturbances by operations described in No. 2 above; most animals would be displaced, therefore the numbers would remain relatively unchanged.
- No. 27 As described in No. 2 above, a small section of wildlife habitats would be disturbed by the construction of the drill-pad and access road.
- No. 28 Increased noise level, caused primarily by the drilling machinery will be temporary (15 - 20 days) during the drilling and testing.
- No. 32 The rate of removal of natural gas will increase, provided commercial production of gas is obtained through the exploratory phase of the project.
- No. 33 Natural gas, if a commercially producible amount is found, is the only nonreversible resource that will be removed.
- No. 34 Certain operations performed in drilling and production work are considered critical with respect to well control, fire, explosion, oil spills and other discharges or emissions. The critical operations may occur during drilling, well completion, well maintenance and construction. The lessee 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.

Persons or Agencies Contacted

California Department of Parks & Recreation  
California Department of Fish and Game  
California Department of Conservation, Division of Oil and Gas  
California Solid Waste Management Board  
California Reclamation Board  
California Department of Health  
California State Water Resources Control Board  
O. P. R. Clearinghouse, Attn: Laurie Wright  
Butte County Planning Department  
Butte County Air Pollution Control District  
Getty Oil Company, Attn: J. W. Woffington

Do not trim to the left of marked lines.

CR-107

### FEDERAL GRANT APPLICATION/AWARD NOTIFICATION STATE OF CALIFORNIA STATE CLEARINGHOUSE (918) 445-0613

1. APPLICATION DATE  
yr mo day  
19 79 10

ITEMS 1-31 TO BE COMPLETED BY APPLICANT

2. APPLICANT - Organizational Unit  
**STATE LANDS COMMISSION**

4. ADDRESS - Street or P. O. Box  
**100 PENNINGTON ST., SUITE 301**

3. FEDERAL EMPLOYER'S NO.

8. CITY **LONG BEACH** 9. COUNTY **LOS ANGELES** 10. STATE, ZIP CODE **CA 90802**

10. TYPE OF ACTION  
 New  Modification  Continuation  
11. TYPE OF CHANGE (Complete if 10b or 10c was checked)  
11a  Increased Dollars 11b  Decreased Dollars  
12.  Increased Duration 12b  Decreased Duration  
13.  Other Scope Change 13b  Cancellation

16. REQUESTED FUND START yr mo 19\_\_ 17. EST. PROJECT START yr mo 19\_\_  
18. EST. PROJECT DURATION (Months) \_\_\_\_\_  
19. APPLICANT TYPE Enter Letter   
A. State B. School District C. Community Action Agency  
D. Sub State Dist E. Sponsored Organization F. Indian  
G. County H. City J. Other (Specify in Remarks)

22. BRIEF TITLE OF APPLICANT'S PROJECT  
**TO EXPLORER FOR AND, IF A DISCOVERY IS MADE, PRODUCE NATURAL GAS FROM THE STATE LANDS WITHIN GRAY LARSEN UNDEVELOPED AREA AT AREA, BUTTE COUNTY INCLUDING THE EAST 1/4 OF SEC 13 T17N, R1E, AND ALL OF SEC 14 T17N, R1E, AND ALL**

27. AREA OF PROJECT IMPACT (Indicate City, County, State, etc.)  
**GRADNEY BUTTE COUNTY CA**

28. CONGRESSIONAL DISTRICT **S-1, A-3** 29. Environmental Assessment Required By State/Federal Agency  Yes  No

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

31. NAME/TITLE OF CONTACT PERSON **TED FLEMING** ADDRESS - Street or P. O. Box **107-103 STREET** TELEPHONE NO. **(918) 445-7515**

31. d. IS ENVIRONMENTAL DOCUMENT REVIEW REQUIRED YES  NO   
If Yes  Draft EIR  Final EIR  Negative Declaration Attached (20 copies) None attached - Document Will Be Forwarded On Approximately \_\_\_\_\_ Mon \_\_\_\_\_ Day \_\_\_\_\_ Year  
If No  Federal Program Does Not Require (An Environmental Document Project Exempt Under State Categorical Exemption, Class \_\_\_\_\_)

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  Waived  Unfavorable

34. STATE APPLICATION IDENTIFIER (SAI) State \_\_\_\_\_ Number \_\_\_\_\_

35. CLEARINGHOUSE IMPACT CODE STATE WIDE  Yes  No County/ City Ping Area \_\_\_\_\_

36. STATE PLAN REQUIRED  Yes  No 37. RECEIVING DATE AT CLEARINGHOUSE yr mo day 19\_\_ 38. SIGNATURE OF CH OFFICIAL

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 19\_\_ 42. NAME OF FEDERAL / STATE AGENCY TO WHICH THIS APPLICATION SUBMITTED

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. AGENCY \_\_\_\_\_

45. ORGANIZATIONAL UNIT \_\_\_\_\_ 46. ADMINISTERING OFFICE \_\_\_\_\_

47. ADDRESS - Street or P. O. Box \_\_\_\_\_ 48. CITY \_\_\_\_\_ 49. STATE \_\_\_\_\_ 50. ZIP CODE \_\_\_\_\_ 51. TELEPHONE NUMBER \_\_\_\_\_

ITEMS 55-59 TO BE COMPLETED BY THE FEDERAL OFFICE APPROVING THE GRANT APPLICATION

55. a.  Approved b.  Rejected c.  Withdrawn 56. FEDERAL AMOUNT IF Y... (Funds) \_\_\_\_\_

57. FUNDS AVAILABLE \_\_\_\_\_ 58. ENDING DATE \_\_\_\_\_ 59. FEDERAL GRANT ID \_\_\_\_\_

60. FEDERAL AMOUNT IF Y... (Funds) \_\_\_\_\_ 61. STATE SHARE \_\_\_\_\_ 62. LOCAL SHARE \_\_\_\_\_ 63. OTHER \_\_\_\_\_ 64. TOTAL (30, 61, 62, 63) \_\_\_\_\_

PART 1  
PART 2  
PART 3  
PART 4  
PART 5

DATE: 10/19/79

NOTICE

A regular meeting of the State Lands Commission has been scheduled for Nov, 1979, at \_\_\_\_\_ a.m. (p.m.), in Room \_\_\_\_\_ of \_\_\_\_\_

Among the items to be considered at this meeting will

be an application from GETTY OIL COMPANY  
NOMINATING A PORTION OF THE GRAY LODGE  
WATERFOWL MANAGEMENT AREA FOR AN  
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