MINUTE ITEM
This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 3
to 0 at its 4-7-81
meeting.

CALENDAR ITEM

3/81
W 40183
W 40220
R 8071
Fernino

29

AUTHORIZATION TO
CONTRACT FOR PREPARATION
OF AN EIR FOR PROPOSED
EXPLORATORY DRILLING OPERATIONS ON
STATE OIL AND GAS LEASES
P 208, P 3120 and P 3242
ELLWOOD AREA, SANTA BARBARA COUNTY

On February 1, 1969, in response to an oil and gas blowout on Federal OCS in the Santa Barbara Channel, the State Lands Commission declared a moratorium on further drilling on State offshore oil and gas leases.

On July 31, 1969, the Commission adopted a resolution that provides that: "Recommendation for drilling wells on existing leases may be brought to the Commission for consideration on a well-by-well basis if there are unique circumstances that justify and require such drilling."

The staff of the State Lands Commission has received two separate applications to conduct exploratory drilling operations on State Oil and Gas Leases in the Ellwood Area, Santa Barbara County.

The purpose of the exploratory drilling is to evaluate the hydrocarbon resource potential in the geologic formations that underlie the above leases.

An application was made by Aminoil USA, Inc. to conduct exploratory drilling on State Oil and Gas Lease P 208. Subsequently, Arco Oil and Gas Company applied for the same purpose on P 3120 and P 3242.

These Oil and Gas Leases (P 208, P 3120, P 3242) are contiguous and the proposed exploratory drilling operations are similar in nature. In an effort to clearly and efficiently delineate the total impacts of both projects, the staff of the Commission, after consultation with both Aminoil and Arco, recommends that the Commission address the environmental impacts of these projects in one comprehensive environmental impact report (EIR).

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S 18

The State Lands Commission is the Lead Agency for this project under the provisions of the California Environmental Quality Act (P.R.C. Section 21000 et seq.).

Assuming the proposed exploratory projects are successful in the location of commercial quantities of petroleum and natural gas, Aminoil's and Arco's ultimate objective would be to produce, process, refine and market the resource.

These projects are limited to the exploratory phase and any subsequent production, processing or shipment of oil and gas would be subject to further Commission approval and additional environmental analysis.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO:

1. ISSUE A REQUEST FOR PROPOSALS (RFP) FOR THE PREPARATION OF AN EIR FOR THE PROPOSED EXPLORATORY DRILLINGS ON STATE OIL AND GAS LEASES P 208, P 3120 AND P 3342;

2. CONTRACT WITH THE BEST QUALIFIED PROPOSER TO PREPARE THE REPORT;

3. CONTRACT WITH AMINOIL USA, INC. AND ARCO OIL AND GAS COMPANY TO REIMBURSE THE STATE FOR ALL STAFF AND CONSULTANT COSTS ASSOCIATED WITH THE PREPARATION OF THE EIR AS PROVIDED BY P.R.C. SECTION 21098.

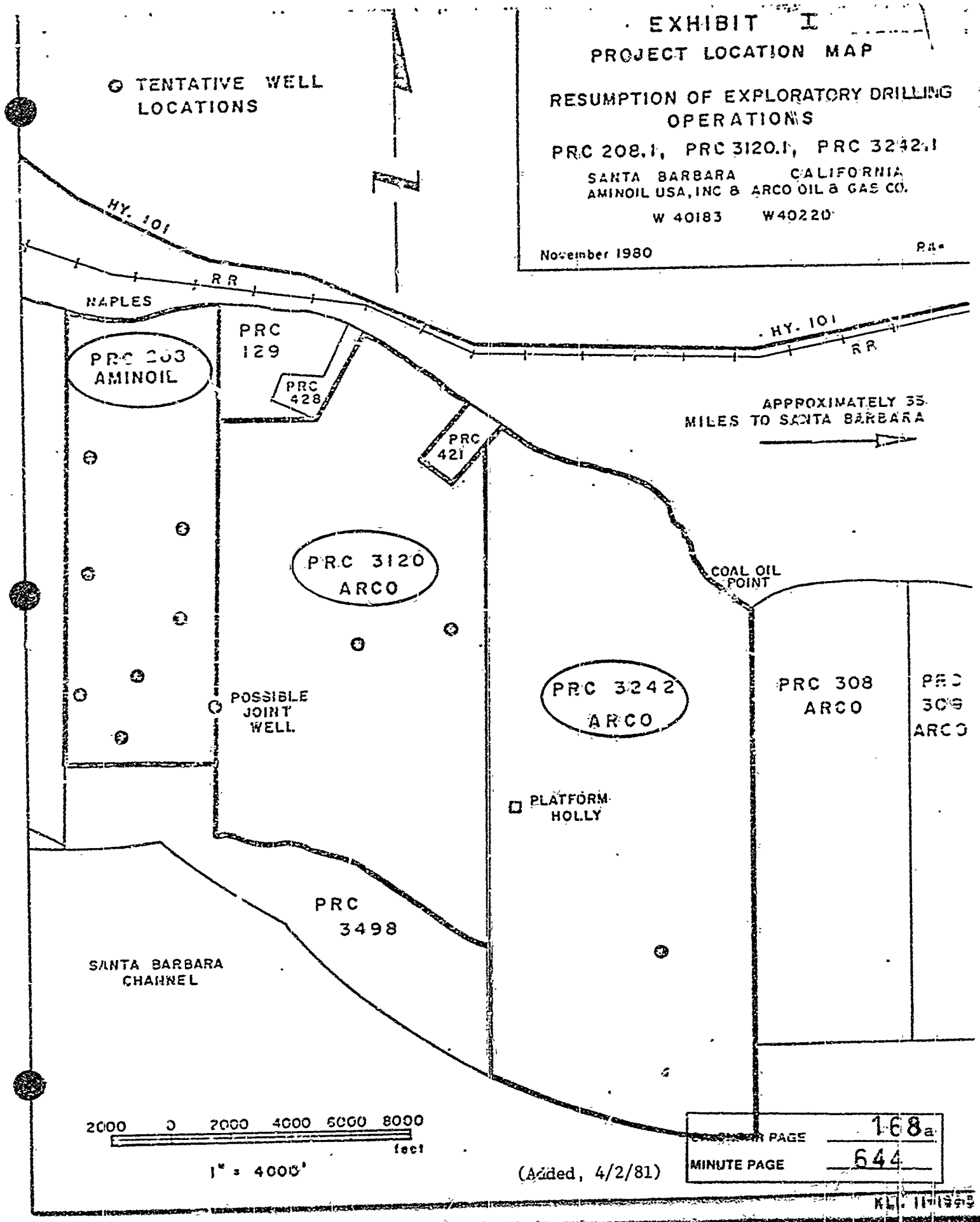
EXHIBIT I
PROJECT LOCATION MAP
RESUMPTION OF EXPLORATORY DRILLING OPERATIONS
PRC 208.1, PRC 3120.1, PRC 3242.1
SANTA BARBARA CALIFORNIA
AMINOIL USA, INC & ARCO OIL & GAS CO.
W 40183 W40220
November 1980
TENTATIVE WELL LOCATIONS
HY. 101
RR
NAPLES
PRC 203 AMINOIL
PRC 129
PRC 428
PRC 421
APPROXIMATELY 35 MILES TO SANTA BARBARA
PRC 3120 ARCO
COAL OIL POINT
POSSIBLE JOINT WELL
PRC 3242 ARCO
PRC 308 ARCO
PRC 309 ARCO
PLATFORM HOLLY
PRC 3498
SANTA BARBARA CHANNEL
2000 0 2000 4000 6000 8000
feet
1" = 4000'
(Added, 4/2/81)
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