

MINUTE ITEM

This Calendar Item No. 22
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 0 at its 4/27/82
meeting.

CALENDAR ITEM

22

4/22/82
W 40168.1
Hamilton

EXPLORATORY DRILLING,
STATE OIL AND GAS LEASE PRC 3314,
SHELL OIL COMPANY, VENTURA COUNTY

LESSEE: Shell Oil Company
196 South Fir Street
Ventura, California 93001
Attention: Joan Buckbee

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 3314 was issued
to Shell Oil Company by the State Lands
Commission on July 2, 1965 and contains
approximately 5,430 acres of tide and submerged
lands lying offshore the West Montalvo
Oil Field, Ventura County (see Location
Map attached).

SUMMARY: Shell Oil Company proposes to drill one
to four exploratory (no development) wells
from an onshore site located within Chevron's
existing West Montalvo Oil Field development.
The purpose of this project is to investigate
the oil and gas resources lying offshore,
within State Lease PRC 3314, in water depths
too shallow to permit drilling from an
offshore location. Currently, there is
no production from State Lease PRC 3314.

PERTINENT INFORMATION:

On April 29, 1981, Shell received authorization
from the Commission to resume exploratory
drilling operations on State Lease PRC
3314. As a condition of this approval,
a Final EIR (EIR No. 281) was prepared
that addressed the environmental effects
and consideration of offshore exploratory
drilling operations from a drilling vessel.
Shell is currently obtaining the other
required permits to commence this project.

Shell now requests permission to drill
up to four exploratory wells into Lease
PRC 3314 from a five-acre parcel of land
located onshore and within Chevron's existing
oil field development.

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The exploratory drilling operations proposed by Shell are compatible with existing zoning laws and ordinances. Chevron has consented, with approval of the County of Ventura, to allow Shell to use its Conditional Use Permit No. CUP-477.

AB 884: 5/7/82.

OTHER PERTINENT INFORMATION:

1. A negative declaration was prepared by the Commission staff pursuant to CEQA and other implementing regulations.
2. This project is situated on lands not identified as possessing significant environmental values. A staff review of available environmental information indicates no reason to identify the subject lands as having such values at this time.
3. Approval of Shell Oil Company's exploratory program is contingent upon Shell obtaining from the Division of Oil and Gas, California Coastal Commission, Regional Water Quality Control Board, Ventura County APCD and Fire Protection District, and other State, County and/or City agencies, the necessary permits prior to the drilling of any proposed wells.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

EXHIBITS:

- A. Location Map.
- B. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION STAFF PURSUANT TO THE PROVISIONS OF CEQA AND SUCH DOCUMENT WAS REVIEWED AND CONSIDERED.

CALENDAR ITEM NO. 22 (CONTD)

2. FIND THAT CHANGES ON ALTERATIONS HAVE BEEN REQUIRED IN OR INCORPORATED INTO, THE PROPOSED PROJECT WHICH MITIGATE THE SIGNIFICANT ENVIRONMENTAL EFFECTS THEREOF AS IDENTIFIED IN THE COMPLETED NEGATIVE DECLARATION.
3. APPROVE SHELL OIL COMPANY'S EXPLORATORY DRILLING PROGRAM FROM AN ONSHORE SITE LOCATED WITHIN THE EXISTING WEST MONTALVO OIL FIELD, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE OIL AND GAS LEASE PRC 3314, THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION, THE CONDITIONS OF APPROVAL FOR THE RESUMPTION OF EXPLORATORY DRILLING AUTHORIZED BY THE COMMISSION ON APRIL 29, 1981 AND FURTHER SUBJECT TO SHELL OBTAINING ALL OTHER REQUIRED PERMITS PRIOR TO THE COMMENCEMENT OF DRILLING OPERATIONS.

(Revised 4/15/82)

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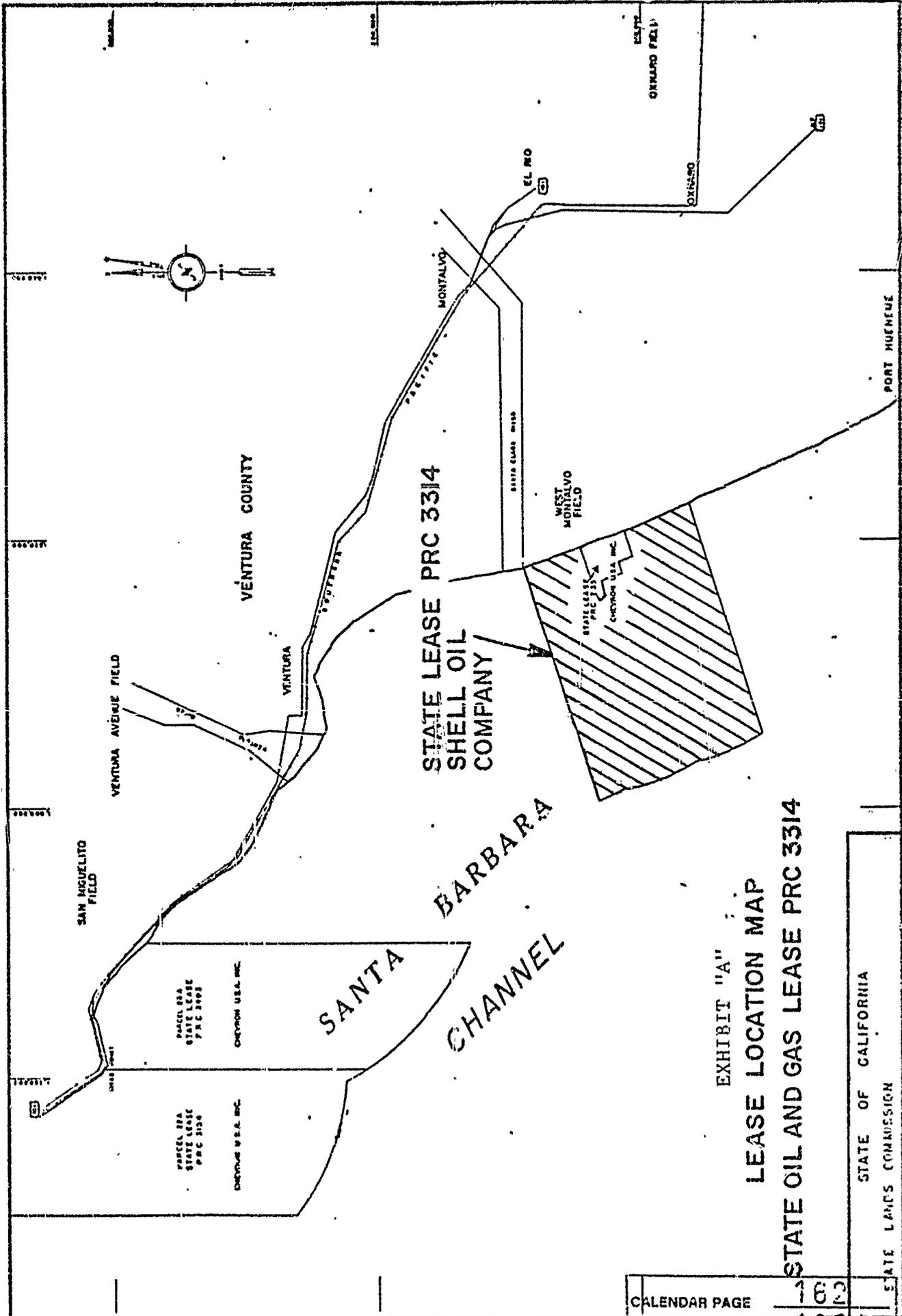


EXHIBIT "A"
 LEASE LOCATION MAP
 STATE OIL AND GAS LEASE PRC 3314

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STATE OF CALIFORNIA
 STATE LANDS COMMISSION

WEST

MONTALVO

GONZALES RD.

HARBOR BLVD.

CHEVRON
(STATE
LEASE
PRC 735)

COLONIA AREA

DRILLSITE

DRILLING
CORRIDOR

MADRID
BEACH
ROAD

EDISON

5th St.

TRAILER
PARK

TIN R23 W

CANAL

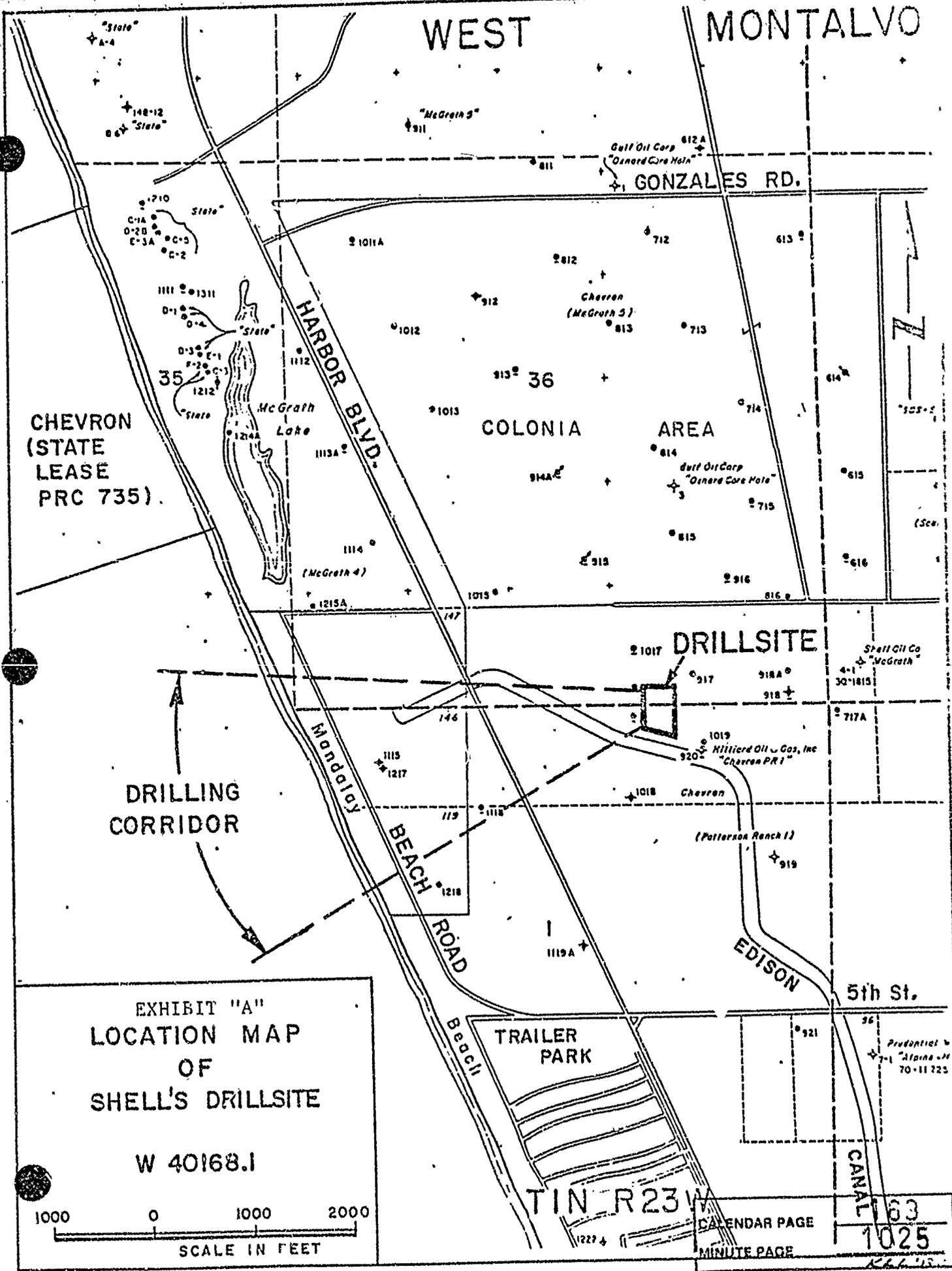
EXHIBIT "A"
LOCATION MAP
OF
SHELL'S DRILLSITE

W 40168.1



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STATE LANDS COMMISSION

KENNETH CORY, Controller

JOSE CURB, Lieutenant Governor

MARY ANN GRAVES, Director of Finance



EXECUTIVE OFFICE

1007 - 13th Street

Sacramento, California 95814

WILLIAM F. NORTHROP

Executive Officer

EIR ND: _____

File Ref.: W 40162.1

SCH No.: S2032200

MITIGATIVE DraftNEGATIVE DECLARATION Final

Project Title: Shell's Exploratory Drilling into Offshore State Lease PRC 3314
from an Onshore Site

Project Location: The drillsite will be located onshore and within Chevron's West Montalvo Oil Field development, will occupy a parcel of land less than 5.5 acres west of the City of Oxnard in Ventura County.

Project Description: Shell Oil Company intends to drill one to four exploratory wells from an onshore site located within Chevron's existing West Montalvo Oil Field development. This exploratory project will investigate oil and gas resources lying offshore and within State Oil and Gas Lease PRC 3314. This project involves exploratory drilling only and does not treat any future development.

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., Title 2, of the 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: Mike Hamilton
SLC Long Beach Office
100 OceanGate, Suite 300
Long Beach, CA 90802-4355
(213) 590-5214

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FORM 15-17 (6/80)

COMMENTS RECEIVED IN RESPONSE TO
NEGATIVE DECLARATION

1. City of Oxnard - Planning Department

Comment:

There is a possibility that oil may spill into the Edison Canal from the proposed drillsite. We request that a thorough investigation be made of the natural surface gradient in the area to determine if there is any possibility that a minor or major spill might enter the Edison Canal.

Response:

As a condition of Shell's exploratory permit, Shell Oil Company shall construct a berm around the proposed drillsite in accordance with their "Containment Plan" (on file in the Long Beach Office of the State Lands Commission) and Chevron's Conditional Use Permit CUP-477, to adequately contain any oil or other fluid spillage within the drillsite location.

Comment:

The City of Oxnard does not have the capability of fighting a major petroleum fire, that this project lies within the jurisdiction of the Ventura County Fire Department, and that fire permits must be obtained from the Ventura County Fire Department prior to drilling.

Response:

Shell Oil Company shall obtain a fire permit from the Ventura County Fire Department prior to the exploratory drilling.

2. California Regional Water Quality Control Board -
Los Angeles Region

Comment:

Waste disposal from drilling operations at the project site, other than that described in this Board's resolution No. 56-45, will be subject to waste discharge requirements to be prescribed by this Board. Discharge of liquid wastes other than to a community sewer system would also be generated from drilling operations.

(Added 4/26/82)

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Response:

Shell Oil Company shall obtain all applicable permits from the various State, County and/or City permitting agencies prior to the exploratory drilling.

3. County of Ventura - Resource Management Agency, Air Pollution Control District (APCD)

Comment:

Air quality forecasts indicate Ventura County will not attain the National Ambient Air Quality Standard for ozone in the Oxnard Plain Airshed. Any additional emissions may deteriorate the air quality further so mitigation measures should be prepared.

Response:

Shell Oil Company shall offset project oxides of nitrogen emissions and these offsets shall be reviewed and approved by the Ventura County APCD prior to drilling.

4. California Coastal Commission - San Francisco

Comment:

The project raises several issues under the Coastal Act which must be addressed by the applicant in its coastal development permit application.

Response:

Shell Oil Company shall obtain all applicable permits from the various State, County and/or City permitting agencies prior to the exploratory drilling.

(Added 4/26/82)

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INITIAL STUDY OF SHELL OIL COMPANY'S
 PROPOSAL TO DRILL EXPLORATORY WELL(S) INTO
 OFFSHORE STATE OIL AND GAS LEASE PRC 3314
 FROM WITHIN CHEVRON'S WEST
 MONTALVO OIL FIELD ONSHORE DEVELOPMENT,
 VENTURA COUNTY

INTRODUCTION AND PURPOSE

Shell Oil Company (Shell) proposes to drill one to four exploratory wells from an onshore site located within Chevron's existing West Montalvo Oil Field development. The purpose of this project is to investigate the oil and gas resources lying offshore, within State Oil and Gas Lease PRC 3314. Currently, there is no production from Lease PRC 3314. This Initial Study addresses only the proposed exploratory phase and does not evaluate the impacts of any possible subsequent oil and gas production, transportation, or other operations. Should such development be considered at a later time, additional environmental analysis would be prepared pursuant to the State CEQA Guidelines.

All operations connected with the exploratory drilling will be conducted in strict compliance with all applicable rules, regulations and requirements of the State Lands Commission, Division of Oil and Gas, and other Local or State regulatory/permitting agencies. Shell will obtain all necessary permits prior to the actual drilling of the exploratory well(s).

The following documents have been filed by Shell and may be examined at the office of the State Lands Commission in Long Beach:

1. Oil Spill Contingency Plan.
2. County of Ventura letter of February 11, 1981 pertaining to utilization of Conditional Use Permit No. CUP-477.
3. Memorandum of Drillsite Lease dated October 22, 1980 covering drillsite parcel.
4. Subsurface Pass-Through Easement dated October 22, 1980 covering drillsite subsurface areas.
5. Memorandum of Consent and Agreement dated November 13, 1980 between Chevron U.S.A. Inc. and Shell Oil Company.
6. Agreement in Principle between Southern California Edison Company and Shell Oil Company for Proposed Grant of Subsurface Easement - Mandalay Steam Generating Plant.
7. City of Oxnard: City Zoning Code; Article V, Oil Drilling Districts, Sections 34-159 to 34-178.

8. City of Oxnard: Ordinance No. 530 (adopted April 24, 1956).
9. City of Oxnard: Ordinance No. 730 (effective November 21, 1961).

DESCRIPTION OF PROJECT INCLUDING ITS LOCATION

State Oil and Gas Lease PRC 3314 was issued to Shell Oil Company by the State Lands Commission on July 2, 1965, and contains approximately 5,430 acres of tide and submerged lands lying offshore the West Montalvo Oil Field and City of Oxnard in Ventura County (see Location Map attached).

In August 1965, one offshore exploratory well was drilled onto Lease PRC 3314; however, it was subsequently plugged and abandoned. Shell now proposes to drill one to four exploratory wells into Lease PRC 3314 from an onshore site lying within Chevron's West Montalvo Oil Field development. The proposed drillsite of the exploratory well(s) will be a 5.46 - acre parcel of land located at the site of an abandoned gas plant. As part of an agreement with Chevron, Shell will clean up the site by removing the old concrete piles, abandoned pipelines, valves and other discarded or abandoned material present on the parcel. All unwanted material will be disposed of in a manner prescribed by law.

The drilling rig expected to be used for the exploratory operations will be similar to Monterey Rig Type B which may be described as follows: A diesel electric rig powered by two Caterpillar D-399TA engines driving four GE-752 generators and capable of developing 2200 continuous HP at sea level, with a 1,090,000# capacity mast, and a drawworks rated to 16,000' with 4½" drill pipe.

It is estimated that the average horsepower (HP) usage will be approximately 800 and peak usage of 1500. Based upon U.S. Environmental Protection Agency "Compilation of Air Pollutant Emission Factors", AP 42 Second Edition, Section 3.3.3, Page 3.3.3.-1, the following emissions would be expected:

Type of Emission	Amount* (g/HP-HR)	HP (Avg)	Total Emission (g/HR)
CO	3.03	X 800 =	2,424
Hydrocarbons	1.12	X 800 =	896
NO	14.00	X 800 =	11,200
SO ₂	.931	X 800 =	745
Particulates	1.00	X 800 =	800

* These values are given a confidence rate of C.

The drilling, testing and completion of each exploratory well may be expected to last from 40 to 55 days. All equipment used in the preparation of the surface location and in the drilling of the exploratory well(s) will be transported along existing roads.

ENVIRONMENTAL SETTING

The area surrounding the proposed drillsite can be described as an old oil field (Colonia area of the West Montalvo Field) containing oil production facilities, occupying hundreds of acres of rolling sandy hills that are covered in part with asphalt, wild grasses, brushes and shrubs. Within this area are storage tanks, pipelines, wellheads, pumping units and other oil field equipment which are serviced by partially paved and graded roads.

Approximately 700 feet north of the drillsite are powerlines, leading from Edison's Mandalay Steam Generating Plant which is located 3,000 feet to the west. Fields of row crops, where several oil wells and underground pipelines are located, lie 500 feet to the east beyond a small hill. A canal used by Edison lies 200 feet to the south, beyond a road and a small hill. Further south of this canal and about 2,500 feet from the drillsite is located a Class II disposal site. Shell's proposed exploratory drilling project should not interfere with the local use of this land (see Location Map attached).

COMPABILITY WITH EXISTING ZONING AND PLANS

The exploratory drilling operations proposed by Shell are compatible with existing zoning laws and ordinances. No additional permits should be required as Chevron has consented, with approval of the County of Ventura, to allow Shell to use its Conditional Use Permit No. CUP-477 which covers the proposed drilling activity.

INITIAL STUDY CHECKLIST

Form 13.20 (7/80)

File Ref.: W 40168.1

I. BACKGROUND INFORMATION

A. Applicant: Shell Oil Company
196 South Fir Street
Ventura, CA 93001
Attention: Joan Buckbee

B. Checklist Date: 3 / 11 / 82

C. Contact Person: Mike Hamilton
Telephone: (213) 590-5214 or 590-5201

D. Purpose: See attachment

E. Location: See attachment

F. Description: See attachment

G. Persons Contacted in the preparation of this Initial Study:

Ventura County-Resources Management Agent-Mr. Bruce Smith and Mr. Steve Wood
Ventura County-Fire Protection District-Fire Marshal Robert F. Holaway
California Coastal Commission-Ms. Mari Gottdiener
Division of Oil and Gas-Mr. Robert Hauser and Mr. Murray W. Dosch
City of Oxnard-Planning Department

II. ENVIRONMENTAL IMPACTS. (Explain all "yes" and "maybe" answers)

A. Earth. Will the proposal result in: Yes Maybe No

- 1. Unstable earth conditions or changes in geologic substructures?
- 2. Disruptions, displacements, compaction, or overcovering of the soil?
- 3. Change in topography or ground surface relief features?
- 4. The destruction, covering, or modification of any unique geologic or physical features?
- 5. Any increase in wind or water erosion of soils, either on or off the site?
- 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?
- 7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?

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- B. Air.** Will the proposal result in:
- | | Yes | Maybe | No |
|---|--------------------------|-------------------------------------|-------------------------------------|
| 1. Substantial air emissions or deterioration of ambient air quality? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. The creation of objectionable odors? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- C. Water.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Alterations to the course or flow of flood waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Change in the amount of surface water in any water body? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Alteration of the direction or rate of flow of ground waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Substantial reduction in the amount of water otherwise available for public water supplies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Exposure of people or property to water-related hazards such as flooding or tidal waves? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Significant changes in the temperature, flow or chemical content of surface thermal springs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- D. Plant Life.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of plants? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Reduction in acreage of any agricultural crop? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- E. Animal Life.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. 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)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Deterioration to existing fish or wildlife habitat? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- F. Noise.** Will the proposal result in:
- | | | | |
|---|--------------------------|-------------------------------------|-------------------------------------|
| 1. Increase in existing noise levels? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Exposure of people to severe noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- G. Light and Glare.** Will the proposal result in:
- | | | | |
|--|--------------------------|-------------------------------------|--------------------------|
| 1. The production of new light or glare? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|-------------------------------------|--------------------------|
- H. Land Use.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. A substantial alteration of the present or planned land use of an area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|
- I. Natural Resources.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Increase in the rate of use of any natural resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial depletion of any nonrenewable resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- J. *Risk of Upset.* Does the proposal result in:
- | | Yes | Maybe | No |
|--|--------------------------|-------------------------------------|-------------------------------------|
| 1. A risk of 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Possible interference with emergency response plan or an emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- K. *Population.* Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. The alteration, distribution, density, or growth rate of the human population of the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- L. *Housing.* Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Affecting existing housing, or create a demand for additional housing? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- M. *Transportation/Circulation.* Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Generation of substantial additional vehicular movement? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Affecting existing parking facilities, or create a demand for new parking? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Substantial impact upon existing transportation systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Alterations to present patterns of circulation or movement of people and/or goods? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Alterations to waterborne, rail, or air traffic? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- 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:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Parks and other recreational facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Maintenance of public facilities, including roads? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Other governmental services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- O. *Energy.* Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Use of substantial amounts of fuel or energy? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial increase in demand upon existing sources of energy, or require the development of new sources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- P. *Utilities.* Will the proposal result in a need for new systems, or substantial alterations to the following utilities:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Power or natural gas? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Communication systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Sewer or septic tanks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Storm water drainage? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Solid waste and disposal? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- Q. *Human Health.* Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Creation of any health hazard or potential health hazard (excluding mental health)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to potential health hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- R. *Aesthetics.* Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. 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:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. An impact upon the quality or quantity of existing recreational opportunities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|

T. Cultural Resources.

Yes Maybe No

- 1. Will the proposal result in the alteration of or the destruction of a prehistoric or historic archeological site?
- 2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object?
- 3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?
- 4. Will the proposal restrict existing religious or sacred uses within the potential impact area?

U. Mandatory Findings of Significance.

- 1. 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?
- 2. Does the project have the potential to achieve short term, to the disadvantage of long term, environmental goals?
- 3. Does the project have impacts which are individually limited, but cumulatively considerable?
- 4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

III. DISCUSSION OF ENVIRONMENTAL EVALUATION (See Comments Attached)

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: 3 / 11 / 82

Michael Hamilton
For the State Lands Commission

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Discussion of Environmental Impacts

- II A.2. A drill pad of not more than 5.5 acres will be graded, with some associated soil compaction. This site has been disturbed and graded by previous drilling activities and this renovation is not expected to have additional adverse impact.
- II B.1. Diesel engines used during drilling will emit NO_x and CO. These emissions will be short term. During flaring, hydrocarbons, oxides of sulfur and other pollutants may be emitted, but the duration will be short term. THC and SO_x are not expected to exceed ambient air quality standards.
- II B.2. As above (See #8).
- II F.1. Noise levels will be increased during drilling and certain testing operations. The area is presently zoned for oil production and noise levels will not be in conflict with the nearby residential, commercial or residential use of the land. As a safety measure and to minimize the noise that may be created by trucks transporting equipment to and from the drillsite near a local trailer park about 3,000 feet south of the drillsite. Shell has agreed to enter into the project area from Gonzales Road, to the north, and to limit, where possible, the transportation of all heavy equipment to this and other secondary roads.
- II G.1. Drill rigs are lit at night; the amount of intensity of the lighting will not be in conflict with existing industrial lighting in the area.
- II J.1. The applicant will adhere to all State and local regulations pertaining to oil and gas production, including those of the Division of Oil and Gas and of the State Lands Commission. An Oil Spill Contingency Plan has been developed by the applicant.