

MINUTE ITEM

This Calendar Item No. 38  
was approved as Minute Item  
No. 38 by the State Lands  
Commission by a vote of 3  
to 0 at its 5/27/82  
meeting.

CALENDAR ITEM

38

5/27/82  
W 40244  
Graber  
PRC 6156

AWARD OF A NEGOTIATED OIL AND GAS LEASE

APPLICANT: Lowell E. Garrison  
4252 Mason Lane  
Sacramento, California 95821

AREA, TYPE LAND AND LOCATION:  
234<sup>±</sup> acres of State uplands at the intersection  
of U.S. Highways 205 and 580, California  
Aqueduct and Mendota Canal.

AB 884: 5/13/82.

PERTINENT INFORMATION:

1. P.R.C. Section 6815 provides that the Commission may negotiate and enter into leases for compensation to the State for the development of State lands through drilling from adjoining lands where the competitive bid provisions of P.R.C. Section 6827 are impracticable by reason of the small size or irregular configuration of the property.

The staff believes that a negotiated lease is appropriate here because of the small size and irregular configuration of the parcels.

The applicant will not be permitted to drill in the right of way of the California Aqueduct.

2. Under the proposed negotiated Oil and Gas Lease, Mr. Garrison agrees to pay in money to the State annually: a) the sum of \$10 per acre; b) 30 percent flat rate royalty on all oil and gas produced from State-owned lands; and c) five percent pass-through royalty on gas produced on non State-owned lands, as specified in the lease on file in the office of State Lands Commission.

A 26

S 13

(Added 5/26/82)

-1-

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The area is considered a natural gas prospect with little likelihood of encountering oil. The lease also provides for a primary drilling term of one year.

3. Pursuant to P.R.C. 6854, the Commission is authorized to lease lands under the jurisdiction of other State agencies. The agencies' consent is not required where the drill sites are not on the surface of the agencies' property. Formal consent of the Department of Water Resources is not required because drillsites will not be located on its lands. Nevertheless, the Department is aware of the leasing operations and approves of them.

ENVIRONMENTAL IMPACT:

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.

EXHIBITS:

- A. Site Map.
- B. Land Description.
- C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

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

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3. FIND THAT IN ACCORDANCE WITH SECTION 6815 OF THE P.R.C., AS TO THE 234<sup>±</sup> ACRES OF UPLAND, ALAMEDA AND SAN JOAQUIN COUNTIES, THE PROVISIONS OF SECTION 6827 ARE IMPRACTICAL BY REASON OF THE SMALL AND IRREGULAR SHAPE OF THE PARCELS.
  
4. AUTHORIZE PURSUANT TO DIV. 6 OF THE P.R.C. THE ISSUANCE OF AN OIL AND GAS LEASE TO LOWELL E. GARRISON OVER 234<sup>±</sup> ACRES OF STATE-OWNED LANDS DESCRIBED IN EXHIBIT "B", ATTACHED AND BY REFERENCE MADE A PART HEREOF. SUCH LEASE IS TO BE ISSUED ON THE TERMS AND CONDITIONS DESCRIBED IN A LEASE FOUND IN FILE W 40244 LOCATED IN THE OFFICES OF THE COMMISSION INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING TERMS: AN ANNUAL RENTAL RATE OF \$10 PER ACRE, A 30 PERCENT FLAT ROYALTY RATE ON ALL OIL AND GAS PRODUCED FROM STATE LANDS; AND A FIVE PERCENT ROYALTY RATE ON ALL OIL AND GAS PRODUCED BY WELLS DRILLING THROUGH STATE LANDS INTO ADJACENT PRIVATE LANDS WHICH HAVE NOT BEEN INCLUDED IN A POOLING OR UNITIZATION AGREEMENT APPROVED BY THE STATE.

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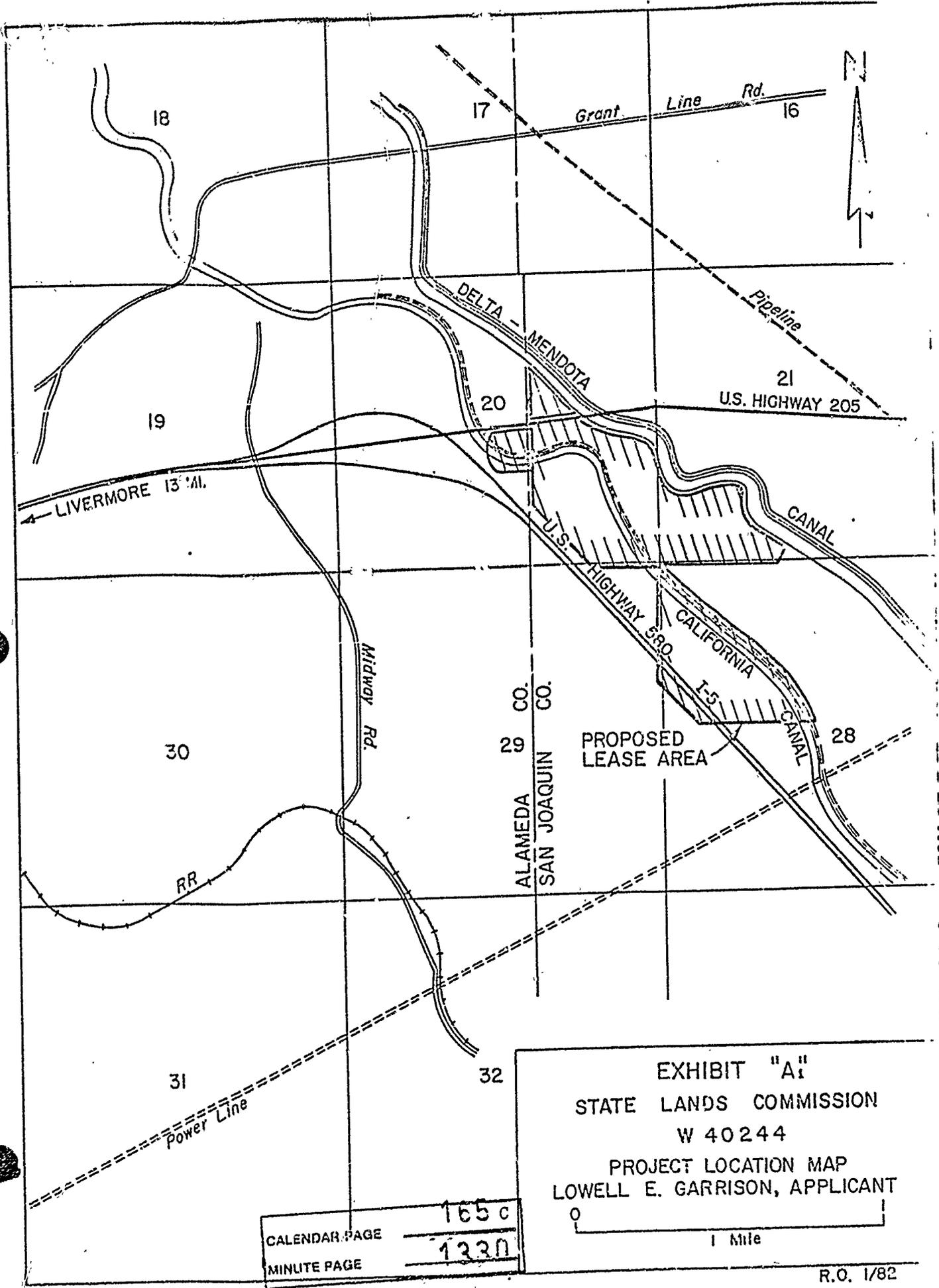
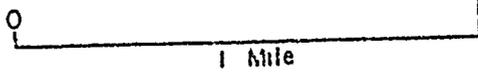


EXHIBIT "A"  
 STATE LANDS COMMISSION  
 W 40244  
 PROJECT LOCATION MAP  
 LOWELL E. GARRISON, APPLICANT



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R.O. 1/82

## EXHIBIT "B"

## LAND DESCRIPTION

W 40244

All those California State-owned mineral interests contained within the following four parcels of land lying within Sections 20, 21, 28 and 29, T2S, R4E, MDM, Alameda and San Joaquin Counties, California, described as follows:

PARCEL 1

BEGINNING at a 6" x 6" fence post marking the corner common to said Sections 20, 21, 28 and 29, having California Coordinate System Zone 3 coordinates of  $x = 1,696,751.08$  and  $y = 451,960.34$ ; thence along the south line of said Section 20 N 87° 46' 43" W 1140.77 feet to an intersection with the northeasterly right of way line of Interstate 580 Freeway, thence along said right of way the following four courses:

1. N 40° 13' 34" W 189.21 feet;
2. N 32° 14' 09" W 160.44 feet;
3. N 45° 29' 01" W 401.36 feet, and
4. N 41° 44' 34" W 457.87 feet, thence leaving said

right of way line N 00° 08' 37" E 396.92 feet, thence N 89° 12' 01" W 294.90 feet to an intersection with said right of way line, thence along said right of way line the following two courses:

1. N 40° 57' 23" W 126.57 feet;
2. N 38° 45' 31" W 301.49 feet, thence leaving said right of way line and continuing N 38° 45' 31" W 112.30 feet, thence the following four courses:

1. N 14° 23' 06" W 108.32 feet;
2. N 27° 32' 44" E 329.46 feet;
3. N 63° 29' 02" E 176.82 feet, and
4. N 80° 50' 58" E 458.79 feet to an intersection

with the southerly right of way line of Interstate 205 Freeway, then along said right of way line N 85° 55' 06" E 312.61 feet and N 85° 11' 25" E 208.99 feet to an intersection with the southwesterly right of way line of the Delta Mendota Canal, thence along said right of way line the following four courses:

1. S 55° 15' 05" E 315.33 feet;
2. S 66° 51' 05" E 493.70 feet;
3. S 80° 52' 05" E 389.20 feet, and
4. S 38° 36' 13" E 377.79 feet to an intersection with

the east line of said Section 20, thence along said east line S 00° 31' 54" W 1624.79 feet to the point of beginning.

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PARCEL 2

BEGINNING at a point on the northerly right of way line of the Interstate 205 Freeway which bears N 01° 19' 59" E 2367.93 feet from a 2" x 2" pine hub and tack marking the 1/4 corner between Sections 20 and 29 of said T2S, R4E, MDM; thence along said northerly right of way line N 85° 48' 06" E 680.00 feet; thence leaving said northerly right of way line N 29° 24' 30" W 1367.83 feet and S 00° 18' 05" W 1241.37 feet to the point of beginning.

PARCEL 3

BEGINNING at the corner common to Sections 20, 21, 28 and 29 referred to in Parcel 1 above; thence S 88° 59' 31" E 117.04 feet to an intersection with the northwesterly right of way line of the California Aqueduct; thence along said northwesterly right of way line the following four courses:

1. S 45° 38' 49" E 698.01 feet;
2. S 51° 47' 35" E 1196.73 feet;
3. S 39° 11' 52" E 1103.26 feet, and
4. S 30° 46' 00" E 705.58 feet to the center of

said Section 28; thence along the south line of the northwest quarter of said Section 28 N 88° 52' 24" W 1799.65 feet to an intersection with the southwesterly right of way line of Interstate 580 Freeway; thence along said right of way line N 48° 10' 22" W 504.21 feet; thence N 37° 42' 22" W 656.71 feet to an intersection with the line common to said Sections 28 and 29; thence along said common line N 01° 12' 36" W 1800.67 feet to the point of beginning.

Bearings, distances, and coordinates in the above descriptions are based upon the California Coordinate System, Zone 3.

PARCEL 4

BEGINNING at the corner common to Sections 20, 21, 28 and 29 referred to in Parcel 1 above; thence along the west line of the southwest quarter of said Section 21, N 00° 07' W 1348.58 feet to a point on the southerly right of way line of the Delta Mendota Canal said point bears S 00° 07' E 3925.60 feet from the northwest corner of said Section 21; thence along the southerly right of way line of said Delta Mendota Canal the following eight courses:

1. N 80° 24' E 195.40 feet;
2. S 38° 33' E 307.50 feet;
3. S 89° 58' E 610.80 feet;

EXHIBIT "B"

W 40244

4. S 69° 34' E 333.60 feet;
5. S 31° 28' E 492.30 feet;
6. S 48° 15' E 324.40 feet;
7. S 56° 23' E 196.00 feet, and
8. S 13° 37' W 301.40 feet to a point on the  
southerly line of the southwest quarter of said Section 21;  
thence N 89° 36' W 1897.08 feet to the point of beginning.

END OF DESCRIPTION

PREPARED DECEMBER 14, 1981 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

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EXHIBIT "C"

PROPOSED NEGATIVE DECLARATION

EIR ND 310

File Ref.: W 40244

SCH#: 82032307

Project Title: Bethany Prospect

Project Location: Between the California Aqueduct and Mendota Canal,  
at the intersection of U.S. Highways 580 and 205,  
Alameda and San Joaquin Counties.

Project Description: To explore for and if commercial quantities are found,  
to develop natural gas reserves.

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 CEQA 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: Ted T. Fukushima  
1807 - 13th Street  
Sacramento, California 95814  
(916) 322-7813

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RESPONSE TO COMMENTS RECEIVED IN  
RESPONSE TO NEGATIVE DECLARATION

1. Bay Area Air Quality Management District

Comment: The potential for odors affecting any sensitive receptors near the proposed sites should be identified.

Response: Potential for odors affecting the surroundings has been identified in Item IIB-2 Standard permit/lease require the applicant to obtain all required governmental permits prior to drilling.

Comment: BAAQMD permits may be required for some equipment.

Response: The applicant has been notified that it will be his responsibility to contact the BAAQMD prior to drilling.

2. San Joaquin Local Health District

Comment: An Air Quality Emissions Analysis was requested based on possible worst case  $\text{NO}_x$  emission of  $11,045 \text{ ug/m}^3$ .

Response: State Lands Commission staff, in conjunction with Air Resources Board staff ran a modeling study in which worst case  $\text{NO}_x$  concentration at ground level were found to be  $231 \text{ ug/m}^3$ , less than one half the State standard of  $470 \text{ ug/m}^3$ .

3. Department of Fish and Game

Comment: The project area is located within the range of the kit fox, and mitigation measures must be incorporated into the project to protect this species.

Response: Any drillsites which the applicant intends to use must be inspected and approved by Department of Fish and Game. This condition has been made a drilling obligation in the lease form.

INITIAL STUDY CHECKLIST

Form 13 20 (7.80)

File Ref.: W 40244

SCH # 8203237C

I. BACKGROUND INFORMATION

A Applicant: Lowell E. Garrison
4252 Mason Ln.
Sacramento, CA 95821

B. Checklist Date: 12/18/81

C. Contact Person: Lowell Garrison
Telephone: 916 487-9177

D. Purpose: Oil and Gas Lease

E. Location: California Aqueduct, Mendota Canal at intersection of US Hwy 205
and 580 50 Ac. total, 235 Ac. STATE

F. Description: To explore for and develop natural gas reserves

G. Persons Contacted:

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

A. Earth. Will the proposal result in:

- 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, ground failure, or similar hazards?

Yes Maybe No

Grid of checkboxes for environmental impact questions.

1336
1336

		Yes	Maybe	No
<b>B. Air.</b> Will the proposal result in:				
1.	Substantial air emissions or deterioration of ambient air quality? <i>During, Drilling, Testing</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.	The creation of objectionable odors? <i>During, Drilling, Testing</i>	<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 type="checkbox"/>
<b>C. Water.</b> 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 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 type="checkbox"/>
3.	Alterations to the course or flow of flood waters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Change in the amount of surface water in any water body?	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>
6.	Alteration of the direction or rate of flow of ground waters?	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>
8.	Substantial reduction in the amount of water otherwise available for public water supplies?	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>
10.	Significant changes in the temperature, flow or chemical content of surface thermal springs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>D. Plant Life.</b> 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)? <i>Drains, Drilling, Production, PPA</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Reduction of the numbers of any unique, rare or endangered species of plants?	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>
4.	Reduction in acreage of any agricultural crop?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>E. Animal Life.</b> 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)? <i>Drains, Drilling</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Reduction of the numbers of any unique, rare or endangered species of animals?	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>
4.	Deterioration to existing fish or wildlife habitat?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Noise.</b> Will the proposal result in:				
1.	Increase in existing noise levels?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Exposure of people to severe noise levels? <i>During H<sub>2</sub>S Testing</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>G. Light and Glare.</b> Will the proposal result in:				
1.	The production of new light or glare? <i>Drains, Drilling</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>H. Land Use.</b> 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 type="checkbox"/>
<b>I. Natural Resources.</b> Will the proposal result in:				
1.	Increase in the rate of use of any natural resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Substantial depletion of any nonrenewable resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

DATE: 1985  
 NUMBER: 4337

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

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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?              | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?              | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Will the proposal restrict existing religious or sacred uses within the potential impact area?                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. 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"/> |
| 3. Does the project have impacts which are individually limited, but cumulatively considerable?                                                                                                                                                                                                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. 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 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: 12, 15, 81

*[Signature]*  
For the State Lands Commission

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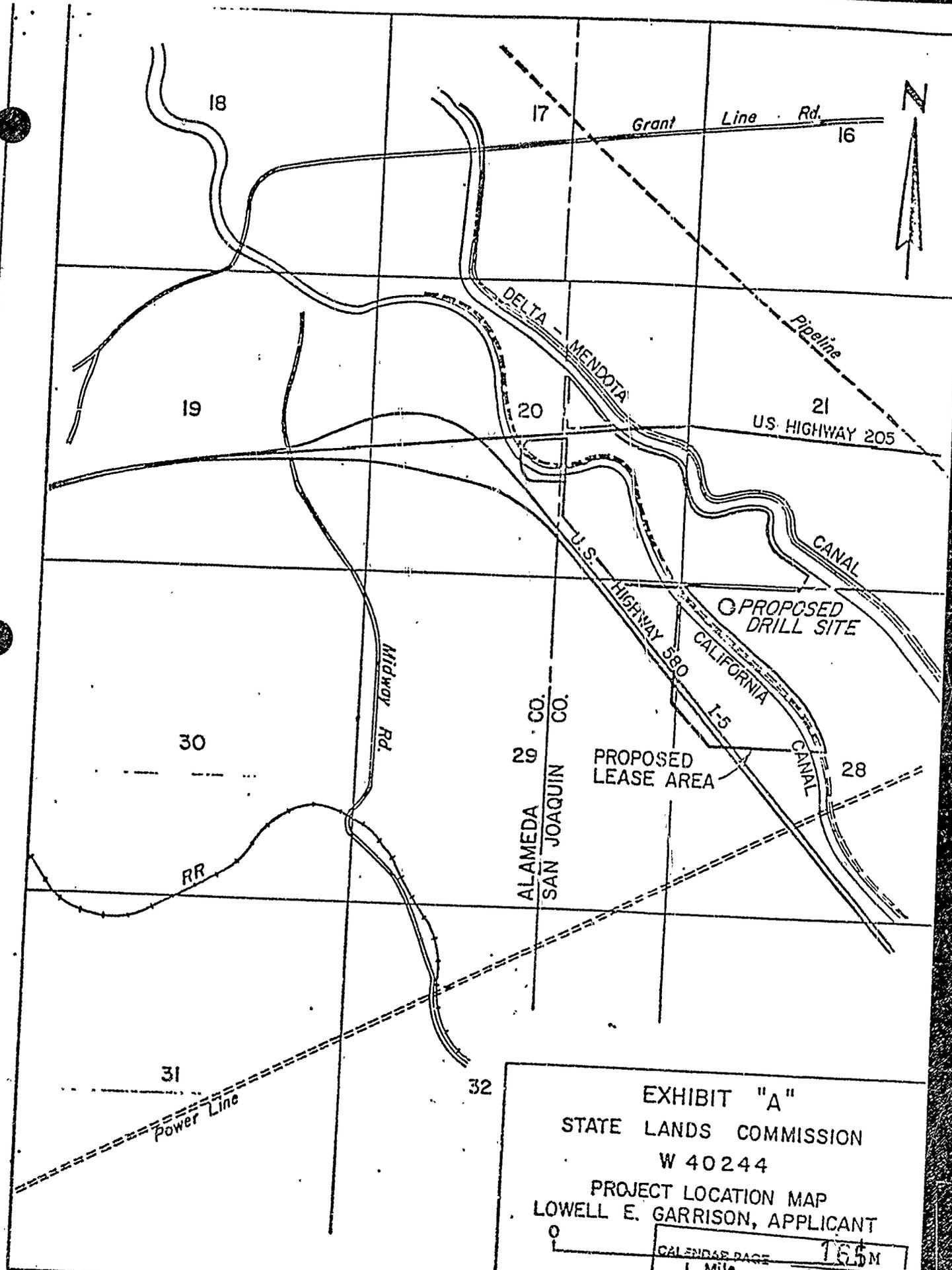


EXHIBIT "A"  
 STATE LANDS COMMISSION  
 W 40244  
 PROJECT LOCATION MAP  
 LOWELL E. GARRISON, APPLICANT

CALENDAR PAGE	165
1 Mile	
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## EXHIBIT "A"

## LAND DESCRIPTION

W 40244

All those California State-owned mineral interests contained within the following four parcels of land lying within Sections 20, 21, 28 and 29, T2S, R4E, M4M, Alameda and San Joaquin Counties, California, described as follows:

PARCEL 1

BEGINNING at a 6" x 6" fence post marking the corner common to said Sections 20, 21, 28 and 29, having California Coordinate System Zone 3 coordinates of  $x = 1,696,751.08$  and  $y = 451,960.34$ ; thence along the south line of said Section 20  $N 87^{\circ} 46' 43'' W$  1140.77 feet to an intersection with the northeasterly right of way line of Interstate 580 Freeway, thence along said right of way the following four courses:

1.  $N 40^{\circ} 13' 34'' W$  189.21 feet;
2.  $N 32^{\circ} 14' 09'' W$  160.44 feet;
3.  $N 45^{\circ} 29' 01'' W$  401.36 feet, and
4.  $N 41^{\circ} 44' 34'' W$  457.87 feet, thence leaving said

right of way line  $N 00^{\circ} 08' 37'' E$  396.92 feet, thence  $N 89^{\circ} 12' 01'' W$  294.90 feet to an intersection with said right of way line, thence along said right of way line the following two courses:

1.  $N 40^{\circ} 57' 23'' W$  126.57 feet;
2.  $N 38^{\circ} 45' 31'' W$  301.49 feet, thence leaving said right of way line and continuing  $N 38^{\circ} 45' 31'' W$  112.30 feet, thence the following four courses:

1.  $N 14^{\circ} 23' 06'' W$  108.32 feet;
2.  $N 27^{\circ} 32' 44'' E$  329.46 feet;
3.  $N 63^{\circ} 29' 02'' E$  176.82 feet, and
4.  $N 80^{\circ} 50' 58'' E$  458.79 feet to an intersection

with the southerly right of way line of Interstate 205 Freeway, thence along said right of way line  $N 85^{\circ} 55' 06'' E$  312.61 feet and  $N 85^{\circ} 11' 25'' E$  208.99 feet to an intersection with the southwesterly right of way line of the Delta Mendota Canal, thence along said right of way line the following four courses:

1.  $S 55^{\circ} 15' 05'' E$  315.33 feet;
2.  $S 66^{\circ} 51' 05'' E$  493.70 feet;
3.  $S 80^{\circ} 52' 05'' E$  389.20 feet, and
4.  $S 38^{\circ} 36' 13'' E$  377.79 feet to an intersection with the east line of said Section 20, thence along said east line  $S 00^{\circ} 31' 54'' W$  1624.79 feet to the point of beginning.

PARCEL 2

BEGINNING at a point on the northerly right of way line of the Interstate 205 Freeway which bears N 01° 19' 59" E 2361.93 feet from a 2" x 2" pine hub and tack marking the 1/4 corner between Sections 20 and 29 of said T2S, R4E, MDM; thence along said northerly right of way line N 85° 48' 06" E 680.00 feet; thence leaving said northerly right of way line N 29° 24' 30" W 1117.83 feet and S 00° 18' 05" W 1241.37 feet to the point of beginning.

PARCEL 3

BEGINNING at the corner common to Sections 20, 21, 28 and 29 referred to in Parcel 1 above; thence S 83° 59' 31" E 117.04 feet to an intersection with the northwesterly right of way line of the California Aqueduct; thence along said northwesterly right of way line the following four courses:

1. S 45° 38' 49" E 698.01 feet;
2. S 51° 47' 35" E 1196.73 feet;
3. S 39° 11' 52" E 1103.26 feet, and
4. S 30° 46' 00" E 705.58 feet to the center of

said Section 28; thence along the south line of the northwest quarter of said Section 28 N 88° 52' 24" W 1799.65 feet to an intersection with the southwesterly right of way line of Interstate 580 Freeway; thence along said right of way line N 48° 10' 22" W 504.21 feet; thence N 37° 42' 22" W 656.71 feet to an intersection with the line common to said Sections 28 and 29; thence along said common line N 01° 12' 36" E 1800.67 feet to the point of beginning.

Bearings, distances, and coordinates in the above descriptions are based upon the California Coordinate System, Zone 3.

PARCEL 4

BEGINNING at the corner common to Sections 20, 21, 28 and 29 referred to in Parcel 1 above; thence along the west line of the southwest quarter of said Section 21, N 00° 07' W 1348.68 feet to a point on the southerly right of way line of the Delta Mendota Canal said point bears S 00° 07' E 3925.60 feet from the northwest corner of said Section 21; thence along the southerly right of way line of said Delta Mendota Canal the following eight courses:

1. N 80° 24' E 195.40 feet;
2. S 38° 33' E 307.50 feet;
3. S 89° 58' E 610.80 feet;

EXHIBIT "A"

W 40244

4. S 69° 34' E 333.60 feet;
5. S 31° 28' E 492.30 feet;
6. S 48° 15' E 324.40 feet;
7. S 56° 23' E 196.00 feet, and
8. S 13° 37' W 301.40 feet to a point on the southerly line of the southwest quarter of said Section 21; thence N 89° 36' W 1897.08 feet to the point of beginning.

END OF DESCRIPTION

PREPARED DECEMBER 14, 1981 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

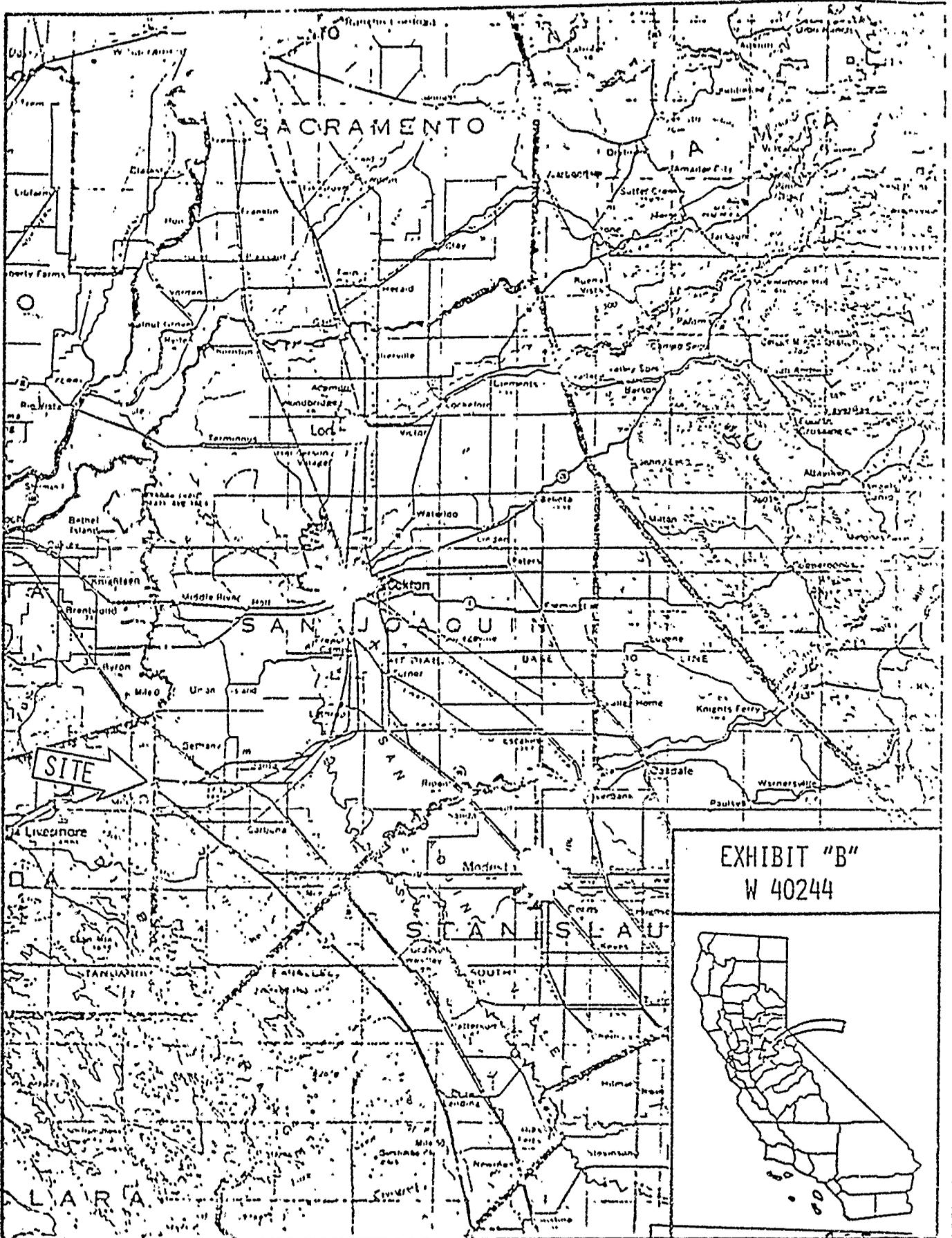


EXHIBIT "B"  
W 40244



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EXHIBIT "B"

LAND DESCRIPTION

DESCRIPTION OF PROJECT

The project to be identified as the Bethany Prospect is an effort by Lowell E. Garrison to explore for, develop, and if commercial quantities are found, produce new natural gas reserves in the vicinity of the California Aqueduct, Mendota Canal and their intersection with U.S. Highways 580 and 205, 15 miles west of the City of Stockton, San Joaquin County, California. The project is located in Sections 20, 21, 28 and 29, T2S, R4E, MDM, Alameda and San Joaquin Counties, California.

An Oil and Gas Lease is proposed for the subsurface area of State-owned lands as shown in Exhibit "A".

The issuance of the aforementioned lease would allow incorporation by the applicant into a more than 2,000-acre lease block to be explored. Upon selection of a drillsite to be situated on private lands, a drillsite pad, containment pit for the drilling muds and an access road to the drillsite would be constructed.

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In the event of discovery and assuming production is obtained, a wellhead will be installed along with protective equipment for the facilities.

There are presently five locations selected for possible drillsites, all on privately owned lands. The drillsites are located in the SE $\frac{1}{4}$  of NW $\frac{1}{4}$  of Section 20, the SW $\frac{1}{4}$  and SE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Section 20, the SW $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 20 and the NW $\frac{1}{4}$  and NE $\frac{1}{4}$  of Section 28, east side of U.S. Highway 205.

Each potential drillsite location will occupy approximately one acre during the exploratory phase. If commercial production is obtained, approximately one quarter acre will be required for the production pads. The proposed locations will be approved by the landowner. The pads will be so situated to minimize land use on the acreage including roads for drilling access. (See Exhibit "A" for proposed drillsites.)

In the event of discovery, the drillsites may be used for development. A single conventional drilling rig will be used for the project.

The wells would require approximately ten days each to drill.

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If commercially producible gas is discovered, the wells would be free-flowing, requiring no lifting equipment and only a limited amount of production equipment. A wellhead fitting will be installed and connection to existing gas pipelines will be made all in conformance with Division of Oil and Gas Regulations.

Following completion of development drilling, the drilling equipment will be removed, the sumps vacuumed out and cleaned up and all traces of the drilling phase removed. If a gas discovery is made, the reservoir should be depleted within ten to fifteen years at which time the wells would be abandoned in accordance with State Regulations, production equipment will be removed and sites will be restored to their original condition.

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PERSONS OR AGENCIES CONTACTED

MEMOS

California State Department of Fish and Game  
California State Department of Conservation  
Division of Oil and Gas  
State Water Resources Control Board  
Solid Waste Management Board  
O.P.R. Clearinghouse, Attention: Anna Polvos  
California Department of Parks and Recreation  
Office of Historic Preservation

LETTERS

San Joaquin County Planning Department  
San Joaquin County Air Pollution Control District  
Alameda County Planning Department  
Bay Area Air Quality Mangement District

## DISCUSSION OF ENVIRONMENTAL EVALUATION

### IIA.

2. Construction of each initial drilling pad will disrupt an area of approximately one acre for the drillsite. An access road would be constructed to each drillsite. If commercial production is obtained, each production site would require one-quarter acre to maintain the facilities. The produced gas would be transported from the sites via existing pipeline.
3. The possibility that subsidence could occur is discussed in Exhibit "D". Also, enclosed is a subsidence monitoring and control plan as required by Public Resources Code Section 6873.2, attached as Exhibit "E".

### IIB.

1. A small amount of air pollution would be generated during operation of the diesel engines used in powering the drilling operations. Exhibit "C" provides data on operational emissions for diesel engines in a 750 H.P. rating. Duration of use of the drilling rig would be approximately ten days for each well drilled.

2. During the drilling phase, operation of the diesel engines would create some objectionable odor. This could partially be controlled by properly adjusted engines and adequate pollution control devices.

IID.

1. During the exploration phase, one acre of land would be occupied for each individual drillsite with up to five drillsites anticipated. The selected drillsites would be on agricultural and pasture lands used in cereal grain production; thereby prohibiting agricultural use in those one acre sites. If commercial quantities of gas are found at any of the sites, the pads used for the production equipment would be reduced to about one-quarter acre. The rest of the drillsite would be returned to agricultural use. If no gas is found, the exploratory sites would be returned to their original condition.
2. Initially, one acre of land or crop would be disturbed for each drillsite leading, possibly, to a one-quarter acre site if production is attained (refer to IID-1 above).

III.

1. Construction of the drillsites would cause a temporary disturbance to the area. Due to a repeated disturbance because of agricultural use, animal use of this habitat has fluctuated with the season and the state of the crops.

IIF.

1. There will be an increase in the noise level in the immediate vicinity of the drilling sites due to the construction equipment for building the drillsite pad and the drilling machinery. Noise levels may be around 70 decibels at 1,000 feet distance from the drillsites. The noise generated by this project would be of a minimal impact due to its remoteness from residential or commercial areas.

In relation to the northernmost drillsites the nearest residential area is approximately one mile east of the drillsites. This consists of a large farm. The nearest housing development is approximately three miles east of the project area on U.S. Highway 580. The distances to these residential areas are sufficient to attenuate noise produced by the project. The increased

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noise levels would last through the initial drilling period for each of the five wells, or ten days each. If production equipment is installed afterward, there would be no noise generated during its operation life.

2. There may be some periods of extreme noise generation, especially during periods of hydrogen sulphide testing. The distance between the project area and the nearest residential areas should aid in attenuating the noise.

#### IIG.

1. The drilling rig would be visible at night due to high intensity lighting needed for the round-the-clock operations of drilling. The effect would be temporary, occurring only during the drilling phase.

#### II-I.

2. If a commercially producible amount is discovered, natural gas is the only non-renewable resource that will be removed.

#### III.

1. In conducting drilling of a well, there is always a chance for blowout, fire or spills. The operator will

be required to conduct drilling operations in accordance with stringent regulations for critical well procedures as set forth by the State Lands Commission. The critical operations may occur during drilling, well completion, well maintenance and construction. All applicable standards and regulations will be followed in the design and construction of the surface facilities and the gathering lines. Routine inspections will be conducted and in the event of a leak, field personnel will be dispatched to locate and repair it.

IIM.

1. During the drilling phase, additional traffic will result while construction equipment, drill rigs and well service vehicles and equipment are introduced into the area during set-up of the wells. Private vehicles will be present as drilling crews arrive and leave on each shift during the drilling phase.

IIM.

6. With the presence of drilling operations within the area, the additional movement of employee vehicles and construction equipment will increase the potential of traffic hazard.

Proper caution in the operation of vehicles will help to avoid potential traffic hazards.

II.P.

1. If commercial quantities of natural gas are discovered, gas transmission line hookup will be required, necessitating construction of new gathering lines to already existing public utility systems nearby.

II.R.

1. Obstruction of vistas or views will be temporary during drilling operations. The drilling derrick will be removed when drilling operations are complete.

42a5, 42q3

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EXHIBIT "C"

DIESEL POWERED INDUSTRIAL ENGINE  
EMISSION FACTORS AND RATES

750 H.P.<sup>1</sup>

	<u>g/hp. hr<sup>2</sup></u>	<u>load factor</u>	<u>g/sec.</u>	<u>tons/mo.</u>
Carbon Monoxide (CO)	3,030	2.27	0.57	1.37
Exhaust Hydrocarbons (HC)	1.120	0.84	0.17	0.51
Evaporative Hydrocarbons	None			
Crankcase Hydrocarbons	None			
Nitrogen Oxides (NO <sub>x</sub> )	14.000	10.50	2.18	6.32
Aldehydes	0.210	0.16	0.03	0.12
Sulfur Oxides (SO <sub>x</sub> )	0.931	0.70	0.15	0.42
Particulate (Part)	1.000	0.75	0.16	0.45

at 75%<sup>3</sup>

1. Total H.P. - two engines of approximately 350 hp. and 400 hp. will be used.
2. Data obtained from EPA, AP-42 Supplement 5; December 1975, p. 3.3.3-1.

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3. Hoisting operations will require 675 H.P. for approximately six hours per day and drilling operations will require 525 H.P. 18 hours per day.

$$\text{Load factor 1} = 675/750 = 90\%$$

$$\text{Load factor 2} = 525/750 = 70\%$$

$$\text{Average load factor} = \frac{(0.90) (6) + (0.70) (18)}{24} = 75\%$$

24

42q3

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EXHIBIT "D"

COMMENT ON LAND LEVEL VARIATIONS

Considering subject IIA-3, land subsidence could occur. A discussion and analysis of subsidence in this area reads as follows.

Variations in land level in a region can be affected by these causes:

1. Ground water withdrawal.
2. Oxidation and compaction of peat and related organic sediments.
3. Tidal fluctuations.
4. Crustal adjustments.

Extraction of natural gas in this area is not considered a significant cause of subsidence because:

1. The gas bearing sands are generally quite thin, ranging from 10 to 50 feet in thickness and can only compact a small amount.

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2. The sands are relatively competent and resist compaction.
3. The waterdrive commonly fills the interstices as the gas is withdrawn, thus reducing the compacting tendencies of the sands.

#### SITE SPECIFIC OBSERVATIONS

With respect to the location of the proposed project, compaction of peat soils can be discounted as the particular project site is situated in the foothills of the Diablo Mountain Range, on stable basement. The delta and associated peat sediments lay 10 to 20 miles to the northeast and east.

Tidal fluctuations (Item 3) result in very small elevation changes, which measure in tenths of a foot or less, and are cyclical in nature. Local groundwater withdrawal is the probable cause of the small elevation changes in the area, however, tectonic and isostatic crustal adjustments (Item 4) should not be ruled out.

#### MITIGATING MEASURES PROPOSED TO MINIMIZE IMPACTS

Drilling and completion operations will be conducted to conform to regulations of the State Lands Commission and

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the Division of Oil and Gas. Surface casing will be set as prescribed by regulations to provide anchorage for blowout prevention equipment and to protect groundwater. Approved blowout prevention equipment will be used during drilling operations.

Freshwater aquifers that may extend to 2,000 feet will be cased and/or protected with cement at the time of completion or abandonment. If toxic materials are used in the drilling fluids, the sump will be lined with impervious material and the spent mud will be disposed of at a site approved by the Regional Water Quality Board. The applicant will also contact the Board to determine if adherence to waste discharge requirements will be necessary. Subsequently, the sites will be cleaned up and restored as nearly as practicable to their original condition.

If a producible gas accumulation is discovered, the gas will be moved from the drillsite(s) by pipeline and there will be minimal venting or release of gas to the atmosphere during the production phase.

The lessee will be required to suspend all drilling and production operations, except those which are corrective, protective, or mitigative, immediately in the event of any disaster or contamination or pollution resulting from operations under its lease. Such drilling or production

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operations shall not be resumed until adequate measures have been taken and authorization for resumption of operations has been made by the 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 the adjacent drainages or any slough or marsh lands connected therewith. The lessee will be required to comply with the Commission's Rules and Regulations for Drilling and Production Operations on State upland areas.

The drilling regulations include requirements for well casing, cementing of well casing, blowout prevention equipment, supervision and training of drilling personnel, drilling mud system and control, safe drilling practices, and drilling inspection. The production regulations include well completion and safety equipment, remedial and well maintenance work, subsurface injection projects, waste disposal, safety equipment and procedures relating 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 a system of inspections and reports are required to insure that this is being done.

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Though the chance of discovering oil is slight, the lessee 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 drilling operations.

42rf

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## EXHIBIT "E"

SUBSIDENCE MONITORING AND CONTROL PLAN

The lessee, upon the discovery of natural gas and/or oil, will be required to determine a subsidence rate as of the current USGS, USC and GS Data before large volumes of gas are produced from the subject lease. This will be accomplished by precision leveling surveys of bench marks (USGS, USC and GS and others) in the area. The lessee will also be required to establish bench marks (preferably one on each side of the lease area) which will be tied by precise leveling into the control network. Such bench marks set by the lessee will be surveyed each year and the control network surveyed every two years.

Since it has been established by USGS that during subsidence (due to removal of subsurface elements) bench marks will move toward the center or toward the area of deepest subsidence, detailed horizontal surveys 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 casing. Lengths of casing can be accurately determined by such technique and comparisons with later surveys or "runs" may indicate casing deformation, a sign of possible 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 be run about every two years as part of the subsidence monitoring procedure.

Many gas sands in the delta region are partially repressured or repressured with a partial or full waterdrive mechanism. If the reservoir has a natural water-drive, then a withdrawal rate could be determined which would allow the formation pressures to remain stable and constant. This condition could negate any subsidence attributed to gas production.

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MENOS

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

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

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

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

James Trynee  
Department of Parks and Recreation  
1200 "K" Street Mall  
Sacramento, California 95814

Knox Mellon  
Office of Historic Preservation  
1200 "K" Street, 3rd Floor  
Sacramento, California 95814

William Lockett  
Air Resources Board  
1800 - 15th Street  
Sacramento, California 95814

Department of Fish and Game  
Region 2  
1701 Nimbus Road  
Rancho Cordova, California 95670

John Huddleson  
Region 5  
State Water Resources Control Board  
2125 - 19th Street  
Sacramento, California 95814

Kenneth Buehl  
Department of Health  
714 "P" Street, Room 430  
Sacramento, California 95814

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Office of Planning and Research  
Projects Coordinator Unit, Room 121  
1400 - 10th Street  
Sacramento, California 95814

State Lands Commission  
Ted Fukushima  
1807 - 13th Street  
Sacramento, California 95814

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

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LETTERS

Mr. Harry Riddle  
San Joaquin County Planning Dept.  
1810 East Hazleton  
Stockton, California 95205

San Joaquin Co. A.P.C.D.  
P. O. Box 2009  
Stockton, California 95201

Alameda County Planning Dept.  
399 Elmhurst  
Hayward, California 94544

S.F. Bay Area Air Quality  
Management District  
939 Ellis Street  
San Francisco, California 94109