MINUTE ITEM

This Calendar Item No. 32 was approved as Minute Item No. 32 by the State Lands Commission by a vote of 3 at its 9/23/82 meeting.

CALENDAR ITEM

32

9/23/82
PRC 2879
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DEFERMENT OF DRILLING REQUIREMENTS,
STATE OIL AND GAS LEASE PRC 2879

LESSEE: Union Oil Company of California
P. O. Box 6176
Ventura, California 93003
Attention: R. M. Barnds

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 2879 was issued on April 26, 1962, and contains approximately 5,653 acres of tide lands lying south and offshore Pt. Conception in Santa Barbara County. It is the westernmost offshore State oil and gas lease in the Santa Barbara Channel, lying adjacent to the Pt. Conception - Pt. Arguello area currently under consideration for lease by the Commission. Current lessee is Union Oil Company of California.

SUMMARY: Resumption of exploratory drilling operations on State Lease PRC 2879 was authorized by the Commission on May 29, 1980. Since that time Union has diligently pursued applications for other agency permits and approvals including:

1. Authorization to construct vapor recovery systems (equipment required to meet air quality tradeoff standards) at Pt. Conception and to operate drillship equipment was granted by the Santa Barbara County APCD on January 15, 1982. Installation of the vapor recovery system is presently in progress and expected to be operational by September 15, 1982;

2. An agreement with Vandenberg Air Force Base coordinating Union's proposed exploratory drilling with military uses was issued on January 20, 1982;

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3. A Coastal Development Permit issued by the California Coastal Commission and covering the proposed exploratory drilling activity was granted on November 17, 1981; and

4. An NPDES Permit issued by the California Regional Water Quality Control Board on November 14, 1980, and subsequently modified on November 13, 1981.

The conditions set forth in the NPDES Permit require an extensive water quality monitoring program by Union. A plan to comply with these conditions is presently being developed in cooperation with the Regional Water Quality Control Board. This plan is the last remaining obstacle prior to commencing operations in accordance with the permits and approvals described above. Due to the unanticipated delays in obtaining the permits and approvals which are prerequisites to conducting operations pursuant to the Commission's approval of resumption of exploratory drilling and applicable law, Union was unable to commence operations within the six (6) month period following the resumption of drilling authorization. After giving consideration to the uncertainty of timing for drilling vessel availability, Union expects to be able to commence exploratory drilling operations by June 1, 1983.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. This activity is exempt from CEQA because it does not consitute a project pursuant to P.R.C. 21080, 14. Cal. Adm. Code 15060.

EXHIBIT: A. Location Map.

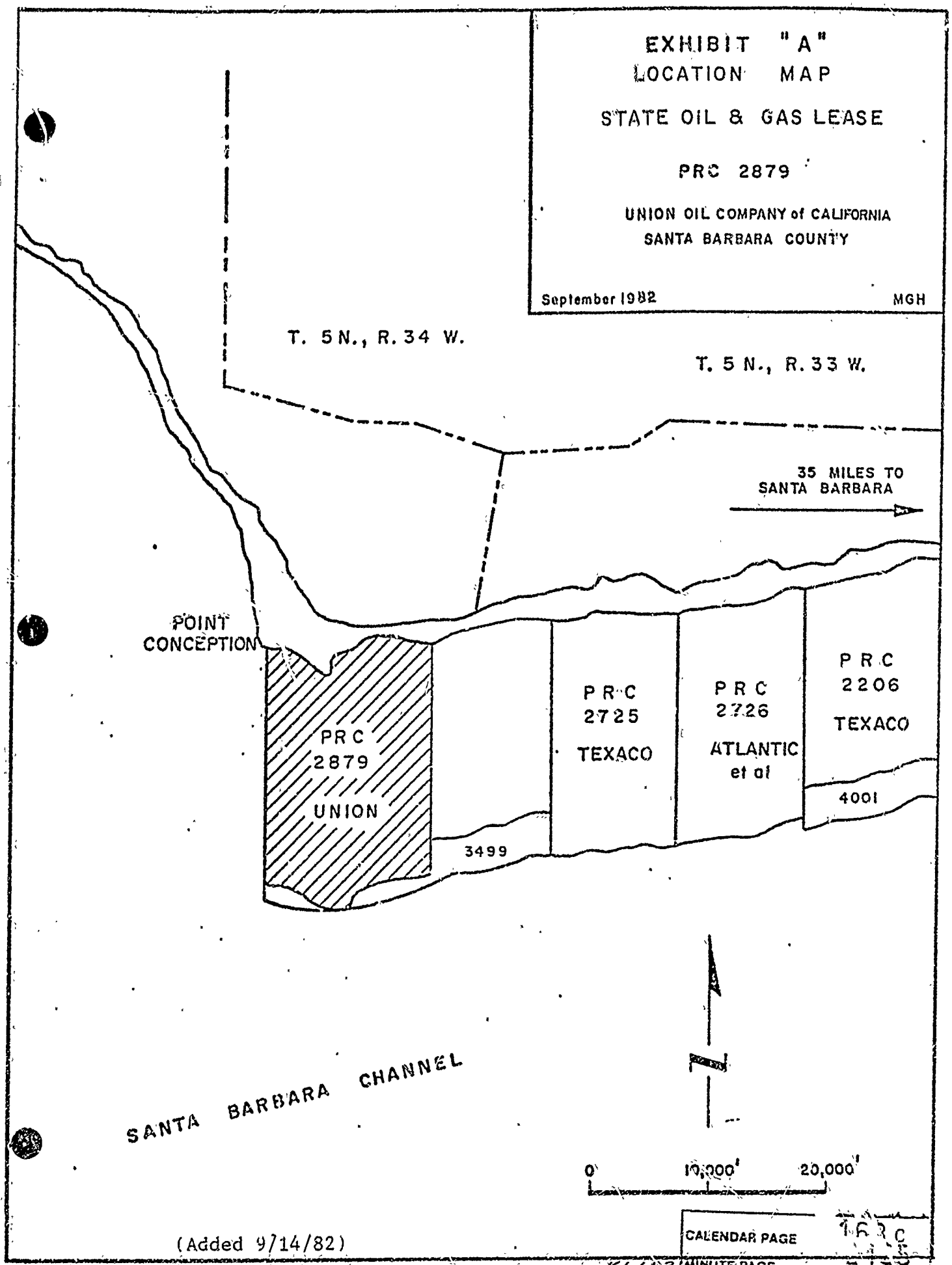
IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT CEQA IS NOT APPLICABLE TO THIS ACTION AS IT IS NOT A "PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT", AS DEFINED IN THE CALIFORNIA ENVIRONMENTAL QUALITY AND ITS IMPLEMENTING GUIDELINES.

(Revised 9/16/82)

2. GRANT TO UNION OIL COMPANY A DEFERMENT OF THE DRILLING REQUIREMENTS OF STATE OIL AND GAS LEASE PRC 2879 FOR THE PERIOD COMMENCING NOVEMBER 29, 1980 TO JUNE 1, 1983. THE COMMISSION RESERVES THE RIGHT TO TERMINATE THIS DEFERMENT OF DRILLING REQUIREMENT UPON 30 DAYS WRITTEN NOTICE; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

(Revised 9/16/82)



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