

MINUTE ITEM

This Calendar Item No. 40  
was approved as Minute Item  
02 Nbr. 40 by the State Lands  
Commission by a vote of 3  
to 0 at its 9/25/84  
meeting:

CALENDAR ITEM

A 35

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S 18

09/25/84  
PRC 3499.1  
Hamilton

DEFERMENT OF DRILLING OPERATIONS  
STATE OIL AND GAS LEASE  
PRC 3499

LESSEE/OPERATOR:

Phillips Oil Company  
1306 Santa Barbara St.  
Santa Barbara, California 93101  
Attn: Kyle H. Pickford

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 3499.1 contains approximately 1,340 acres of submerged lands located immediately south of State Oil and Gas Leases PRC 2879.1 and PRC 2207.1 (quitclaimed July 25, 1975) and three miles south of Government Point, at the western end of the Santa Barbara Channel, Santa Barbara County, California (see Exhibit "A").

LEASE INFORMATION:

State Oil and Gas Lease PRC 3499.1 was originally issued to Phillips Petroleum Company (50%) and Pan Petroleum Company Inc. (now Amoco Production Company) (50%) on June 15, 1966, contains a continuous drilling provision of 120 days.

On February 23, 1984, the State Lands Commission authorized the resumption of offshore exploratory drilling operations on State Oil and Gas Lease PRC 3499.1.

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SUMMARY:

In late April 1984, the Santa Barbara County Board of Supervisors adopted County APCD Rule 205.C - New Source Review (NSR)/Prevention of Significant Deterioration (PSD). This rule requires that before an application for an Authority to Construct or Permit to Operate is accepted as complete, the applicant shall conduct an ambient air quality monitoring study of not less than one year's duration to study the effects emissions may have on air quality in the area. To comply with this Rule, Phillips must conduct an air quality study prior to commencing drilling operations on the lease. Phillips has been negotiating with the SBCAPCD since January 1984 regarding the pollutants to be monitored and expects to receive an approval to start its monitoring program by October 1, 1984. Phillips therefore requests that the Commission grant a deferment of the continuous drilling obligation until January 1, 1986 when Santa Barbara County APCD Rule 205.C will have been satisfied and a Coastal Development Permit obtained.

AB 884: N/A.

ENVIRONMENTAL INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15373.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

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CALENDAR ITEM NO. ... - (CONT'D)

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE A DEFERMENT OF THE DRILLING OBLIGATION OF STATE OIL AND GAS LEASE PRC 3499.1 UNTIL JANUARY 1, 1986; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

