

MINUTE ITEM

This Calendar Item No. 35
was approved as Minute Item
No. 35 by the State Lands
Commission by a vote of 3
to 0 at its 1/31/85
meeting.

CALENDAR ITEM

A 35

35

01/31/85
W 40442
PRC 2920
Livenick

S 18

APPROVAL OF INSTALLATION OF
FLOWLINE BUNDLES FROM SUBSEA COMPLETIONS
ON PRC 2920 TO SHORE FACILITIES AT
MOLINO, SANTA BARBARA COUNTY

OPERATOR: Shell California Production, Inc.
P.O. Box 11164
Bakersfield, California 93389-1164
Attention: J. H. Ragland

AREA, TYPE LAND AND LOCATION:
The activity involves laying flowline bundles
in two existing rights-of-way, PRC 3014 and
PRC 3015, from subsea wells located on tide and
submerged lands under State Oil and Gas Lease
PRC 2920 to the onshore Molino Gas Processing
Plant in Canada
de la Huerta, Santa Barbara County.

ACTIVITY: Two flowline bundles will be installed between
the 2920-8 and 2920-9 subsea wells and an
onshore gas processing plant (the Molino Gas
Processing Plant) located in Canada de la
Huerta in order to transport gas from the two
wells located on PRC 2920 (see Exhibit B).

BACKGROUND: Lease PRC 2920.1 was issued to Shell Oil
Company and Standard of California in 1962.
Shell (operator) drilled on the lease and has
continued to produce from the lease. Shell
California Production, Inc. (SCPI) has
submitted a request to the California State
Lands Commission which proposes to complete two
previously approved wells and to produce and
transport sweet gas from those wells to the
existing Molino gas processing plant. This new

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gas discovery is the result of approved drilling activities authorized under a resumption of drilling. Under the terms of the State Oil and Gas Lease Shell has a right to produce these new discovery wells.

SCPI anticipates production of 20 to 30 million cubic feet (MMCF) of sweet gas and 500 to 750 barrels of condensate per day. The plant was permitted by the Santa Barbara County Planning Commission in 1963, and was built the same year with a design capacity of 43 MMCF. Only minor remedial work on the plant is planned prior to processing the sweet gas.

SCPI has successfully drilled and tested the first of two previously authorized wells. The timing for drilling and completion of the second well is now being evaluated. After receiving permits, SCPI intends to complete the well, perform minor remedial work on the onshore processing plant, install the flowlines in previously authorized rights-of-way adjacent to existing pipelines and produce the wells. SCPI has agreed to amend Lease PRC 3014 and Lease PRC 3015 to provide for these additional lines and is working with Land Management staff to finalize the amendments. To avoid the bird nesting season in the Arroyo Hondo Creek riparian corridor, SCPI plans to conduct the two month long flowline construction phase of the project during the late winter months of 1984-1985.

Most phases of the projects have already received necessary permits. The gas plant received a Conditional Use Permit (CUP) from the County of Santa Barbara in 1963, rights-of-way for the flowlines were issued by both the State Lands Commission and upland owners in 1963. In 1980, an EIR (SCH 79101011) was certified by the State Lands Commission in which resumption of drilling operations on State Oil and Gas Lease PRC 2920.1 was discussed as well as production and processing of sweet gas from the lease. In 1984, an EIR (SCH 8311091) certified by the State Lands Commission addressed drilling three exploratory wells, including the two deep wells which presently are proposed for production and

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subsequent processing at the Molino Plant. Besides the authorization from the State Lands Commission, SCPI has identified the remaining permits to be obtained: a Final Development Plan Approval, a Conditional Use Permit and a Coastal Development Permit from the County of Santa Barbara for the onshore pipelines, an Encroachment Permit from the California Department of Transportation, a Stream Alteration Agreement with California Department of Fish and Game, a Coastal Development Permit (offshore) from the California Coastal Commission, and a permit from United States Army Corps of Engineers, and amendments to Lease PRC 3014 and Lease PRC 3015.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has prepared and circulated for public review a Proposed Negative Declaration identified as EIR ND 378, State Clearinghouse 84101008 pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment (14 Cal. Adm. Code 15074(b)).

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. Section 6370 et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.
3. In accordance with P.R.C. Section 6818, the Initial Study and Negative Declaration were submitted to the Director of Parks and Recreation who has determined that the project will not interfere with

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recreational use of the littoral lands.
Also in accordance with P.R.C.
Section 6818, the Initial Study and
Negative Declaration were submitted to the
Attorney General who has determined that
the project complies with the applicable
provisions of law and the rules and
regulations of the Commission.

AB 884: N/A.

EXHIBITS: A. Project Vicinity.
B. Pipeline Route.
C. Negative Declaration, EIR ND 378.

IS RECOMMENDED THAT THE COMMISSION:

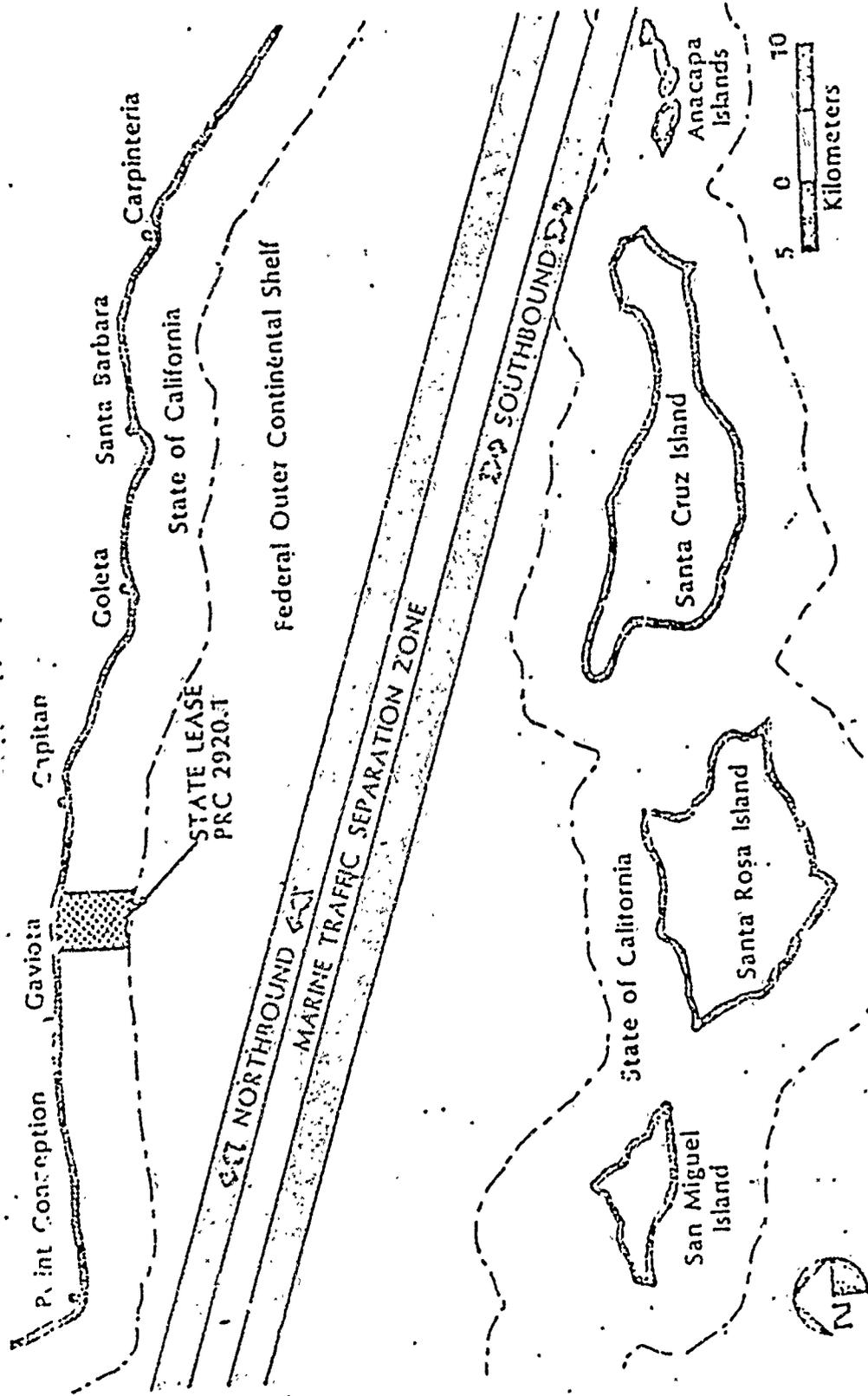
1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 378, STATE CLEARINGHOUSE 84101008 ATTACHED AS EXHIBIT "C" AND INCORPORATED BY REFERENCE WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. DETERMINE THAT THE PROJECT, AS PROPOSED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. FIND THAT THIS ACTIVITY, AS PROPOSED, IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370 ET SEQ.
4. AUTHORIZE SHELL CALIFORNIA PRODUCTION, INC. TO INSTALL TWO FLOWLINE BUNDLES FOR THE PURPOSE OF TRANSPORTING GAS PRODUCED UNDER PRC 2920.1 FROM SUBSEA COMPLETIONS TO ONSHORE PROCESSING FACILITIES AT MOLINO SUBJECT TO ENGINEERING APPROVAL BY THE CHIEF OR ASSISTANT CHIEF, EXTRACTIVE DEVELOPMENT PROGRAM, STATE LANDS COMMISSION.

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Exhibit "A"



Regional Vicinity

FIGURE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STATE OF CALIFORNIA
REPRESENTED BY THE
DIRECTOR OF PUBLIC WORKS

GAVIOTA-GUARRANDE
CALIFORNIA STATE DEPARTMENT OF
7.5 MINUTE SEALSHEET GRAPHIC

Exhibit "B"



SCPI
-MOLINO
-GAS
-PLANT

Flowlines from SCPI's
PRC 2920-8 and 2920-9
Subsea wells to SCPI's
Molino Gas Processing Plant

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C H A N N E L

PROPOSED NEGATIVE DECLARATION

ND 378
File Ref.: W 40442
SCH #: 84101008

Project Title: Well Completion and Construction of Flowlines
to Gas Plant

Project Proponent: Shell California Production, Inc. (SCPI).

Project Location: Molino Area, Santa Barbara County

Project Description:

The project involves the consideration of a well completion and flowline installation program proposed by the applicant on State Oil and Gas Lease PRC 2920 and adjacent privately owned lands.

Contact Person: Dwight E. Sanders
Chief, Division of Research and
Planning
Telephone: (916) 322-7827

This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), and the CEQA Guidelines (Section 15000 et seq., Title 14, California Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2 California Administrative Code).

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Admn. Code 15025), the staff has prepared a Proposed Negative Declaration identified as EIR 378, State Clearinghouse No. 84101008. Such Proposed Declaration was prepared and is circulated for public review pursuant to the provisions of the California Environmental Quality Act (CEQA).

Based on the attached Initial Study and the Proposed Negative Declaration, the staff of the Commission has developed the following proposed finding:

*It is recommended that the Commission:

1. Certify that a Negative Declaration, EIR ND 378, State Clearinghouse No. 84101008, was prepared for this

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project pursuant to the provisions of the California Environmental Quality Act (CEQA) and that the Commission has reviewed and considered the information contained therein.

2. Determine that the project, as revised and approved, will not have a significant effect on the environment."

This proposed negative declaration references: 1) in terms of the Initial Study, only those potential environmental impacts which may occur as a result of or during the conduct of the well completion or flowline installation activities as proposed by the applicant; and 2) mitigation measures incorporated into the proposed project to avoid potentially significant effects.

The Initial Study (see Part I) discussed several potential environmental impacts. These impact areas are listed below with their page listings for reference from the Initial Study.

<u>Impact Area</u>	<u>Page</u>
Geotechnical Air Quality	17
Oceanography	18
Marine and Terrestrial Biology	20
Cultural Resources	23
Socioeconomics	25
Land Use and Coastal Policies	26
Visual Resources	27

Mitigation measures designed to address the potential impacts listed in the Initial Study and developed from comments by other responsible agencies have been included in the proposed project as indicated and discussed below with the associated impact

Impact Area

Marine Biology-Kelp

Mitigation

The applicant will perform a post-construction survey of the pipeline corridor through the kelp beds to determine the magnitude of the kelp loss, if any. If there is no kelp loss or if it is insignificant as determined in a review of the survey results by Department of Fish and Game personnel, then no additional surveys will be required. Based on such review, it will be determined that a survey of the area must be conducted two years after project completion to determine if the kelp has returned to pre-project densities. If the kelp

has not returned to pre-project densities, then SCPI shall revegetate the impact areas.

Discussion

Although the staff of the Commission believes there will be no significant damage to the kelp as a result of the project as proposed, this survey will enable the Department of Fish and Game to evaluate the effect of the project on the kelp and, if necessary, to recolonize disturbed kelp. Because SCPI has recently surveyed the kelp zone, it will not be necessary to perform a pre-project survey of the kelp beds.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the project, as revised, avoids or mitigates the effects to a point where clearly no significant effects would occur.

Mitigation

Prior to construction, SCPI shall map the rocky intertidal areas which lie west of and adjacent to the flowline landfall. Copies of the completed map of such areas shall be furnished to the County of Santa Barbara, the State Department of Fish & Game, the Coastal Commission and the State Lands Commission.

Discussion

This condition will cause the project to be in compliance with Santa Barbara County Coastal Plan policy 9-1, page 120.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the project, as revised, avoids or mitigates the effects to a point where clearly no significant effects would occur.

Impact Area

Terrestrial Biology

Mitigation Measure

Mechanized equipment and storage shall be excluded from the Arroyo Hondo riparian habitat.

Discussion:

According to the project description, SCPI will not be using mechanized equipment or storing in the riparian habitat. An existing graded road and graded parking area will provide access to the culverts which lead under Highway 101 and into

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areas which are not riparian in nature and area not identified as environmentally sensitive (areas which have been permanently altered by fill and the emplacement of cement slabs). Where SCPI has to move the flowline bundle over the Arroyo Hondo creek bed, rollers will be used so that the activity does not impact the creek bed. Nonetheless SCPI will be restricted from using mechanized equipment, or placing storage, in the riparian habitat. Such restriction will ensure that the habitat is protected.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the project as revised avoids or mitigates the effects to a point where clearly no significant effects would occur.

Mitigation

SCPI shall replace with native species any riparian or non-agricultural vegetation lost or destroyed as a result of the pipeline construction activities.

Discussion:

SCPI proposes to: 1) reseed the pipeline corridor; 2) cut the one mature willow tree which will be affected by the project in such a way as to encourage resprouting, i.e., at or near ground level; 3) and re-emburse the land owner for his expenses replanting his avocado trees. By the incorporation of such condition into the project, Commission staff believes that all impacts related to removal or disturbance of non-cultivated terrestrial vegetation can be eliminated.

The staff of the Commission adopts these recommendations, revises the project accordingly, and finds that the project as revised avoids or mitigates the effects to a point where clearly no significant effects would occur.

Mitigation:

No construction activities shall be undertaken within the Arroyo Hondo creek bed during the avian nesting season as defined by the Department of Fish & Game.

Discussion:

By seasonally restricting activity within the Arroyo Hondo creek bed, impacts to birds during nesting season can be entirely eliminated.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the

project as revised avoids or mitigates the effects to a point where clearly no significant effects would occur.

Mitigation:

SCPI shall submit a notification, pursuant to Fish and Game Code section 1603, to the Department of Fish and Game prior to the initiation of construction activities within Arroyo Hondo.

Discussion:

This notification procedure will ensure that the Department of Fish and Game is advised of the actual dates of the project and can work with the applicant to ensure that Departmental concerns are adequately met.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the project as revised avoids or mitigates the effects to a point where clearly no significant effects would occur.

Impact Area

Socioeconomics

Mitigation:

SCPI shall use the same procedure for notifying commercial fishermen of its activities relative to the proposed project as is required in the SLC's "General Permit to Conduct Geophysical Surveys".

Discussion:

This procedure will assure that commercial fishermen are adequately notified of SCPI's activities, and will better allow fishermen and SCPI to avoid conflicts during the well completion and the flowline installation activities on the affected tide and submerged lands.

The staff of the Commission adopts these recommendations, revises the project accordingly, and finds that the project, as revised, avoids or mitigates the effects to a point where clearly no significant effects would occur.

Mitigation:

SCPI will minimize any anchor scarring from construction vessels by limiting the number of vessel movements to three.

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Construction vessels will not anchor in the kelp beds and pipelines will be consolidated when pulled through the kelp beds to minimize impact. SCPI will place and retrieve anchors in a vertical motion in order to minimize disturbance of the ocean floor. SCPI will remove all debris from the project area. Where scarring is evident and could create a problem for the fishing industry, SCPI will recontour the particular area.

Discussion:

These requirements ensure that minimal anchor scarring will occur and that no scars which could adversely affect fishermen will remain after the construction project has been completed.

The staff of the Commission adopts these recommendations, revises the proposed project accordingly, and finds that the project, as revised, avoids or mitigates the effects to a point where clearly no significant effects would occur.

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STATE LANDS COMMISSION
245 WEST BROADWAY, SUITE 425
LONG BEACH, CALIFORNIA 90802
TELEPHONE: (213) 590-5201

Exhibit "C"



File Ref: W 40442
SCH #: 84101008

November 2, 1984

SUBJECT: Notice of Consultation/Preparation Pursuant to Sections 21080.3 and 21088.4 of the Public Resources Code

The State Lands Commission is the lead agency for the purposes of the California Environmental Quality Act with regard to the proposed project described in the attached material, and by this letter requests, pursuant to Public Resources Code Sections 21080.1, 21080.2 and 21080.3, the position of your agency as to the analysis of this project.

The Commission certified an EIR (SCH 79101011) in 1980 which analyzed the impacts of exploratory and production activities on the affected lands and also certified a supplemental EIR (SCH 83110901) in 1984 which addressed additional exploratory activities in the same area. The attached project description provides specific references to all appropriate sections of these documents relevant to this project. Mitigation measures identified in the earlier review processes have been incorporated into the proposed project. Because these extensive revisions have been incorporated into the proposed project, the staff of the Commission believes that the project will not have a significant effect on the environment and thus, that a Negative Declaration is the appropriate environmental document for the project.

Although the law allows 30 days to respond, we ask you to respond as quickly as possible so that we can proceed in the preparation of the necessary environmental document. Please send your comments to Susan Livenick at the above address.

Thank you for your cooperation.

Sincerely,

Donald J. Everitts, Assistant Chief
Extractive Development Program

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INITIAL STUDY
WELL COMPLETION, INSTALLATION OF FLOWLINES
AND PRODUCTION OF GAS
MOLINO FIELD, SANTA BARBARA COUNTY

Introduction

Shell California Production Inc. (SCPI) has submitted application to the California State Lands Commission and to the County of Santa Barbara in which a proposal to complete two previously approved wells and to produce and process sweet gas from those wells at the existing Molino gas plant is described.

SCPI anticipates production of 20 to 30 million cubic feet (MMCF) of sweet gas and 500 to 750 barrels of condensate per day. The plant was permitted by the Santa Barbara County Planning Commission in 1963, was built the same year with a design capacity of 50 MMCF and has processed as much as 48 MMCF of gas and 1,110 barrels of condensate per day. Only minor remedial work of the plant is planned prior to processing the deep sweet gas.

SCPI is presently (10/84) drilling the first of these two previously authorized deep wells, and plans to suspend that well and drill the second well immediately thereafter. As soon as permits have been issued, SCPI intends to complete the wells, perform minor remedial work to the onshore processing plant, install the flowlines in previously issued right-of-ways adjacent to existing pipelines and produce the wells. To avoid the bird nesting season in the Arroyo Hondo Creek riparian corridor, SCPI hopes to conduct the two month long flowline construction phase of the project during the late winter months of 1984-1985.

Most phases of the projects have already received necessary permits. The gas plant received a Conditional Use Permit (CUP) from the County of Santa Barbara in 1963, rights of way for the flowlines were issued by both the State Lands Commission and upland owners in 1963. In 1980, an EIR (SCH# 79101011) was certified by the State Lands Commission in which resumption of drilling operations on State Oil and Gas Lease PRC 2920.1 was discussed as well as production and processing of sweet gas from the lease. In 1984, an EIR (SCH# 83110901) certified by the State Lands Commission addressed drilling three exploratory wells, including the two deep wells which presently are proposed for production and subsequent processing at the Molino Plant. SCPI has identified remaining permits to be obtained: a Final Development Plan Approval, a Conditional Use Permit and a Coastal Development Permit from the County of Santa Barbara for

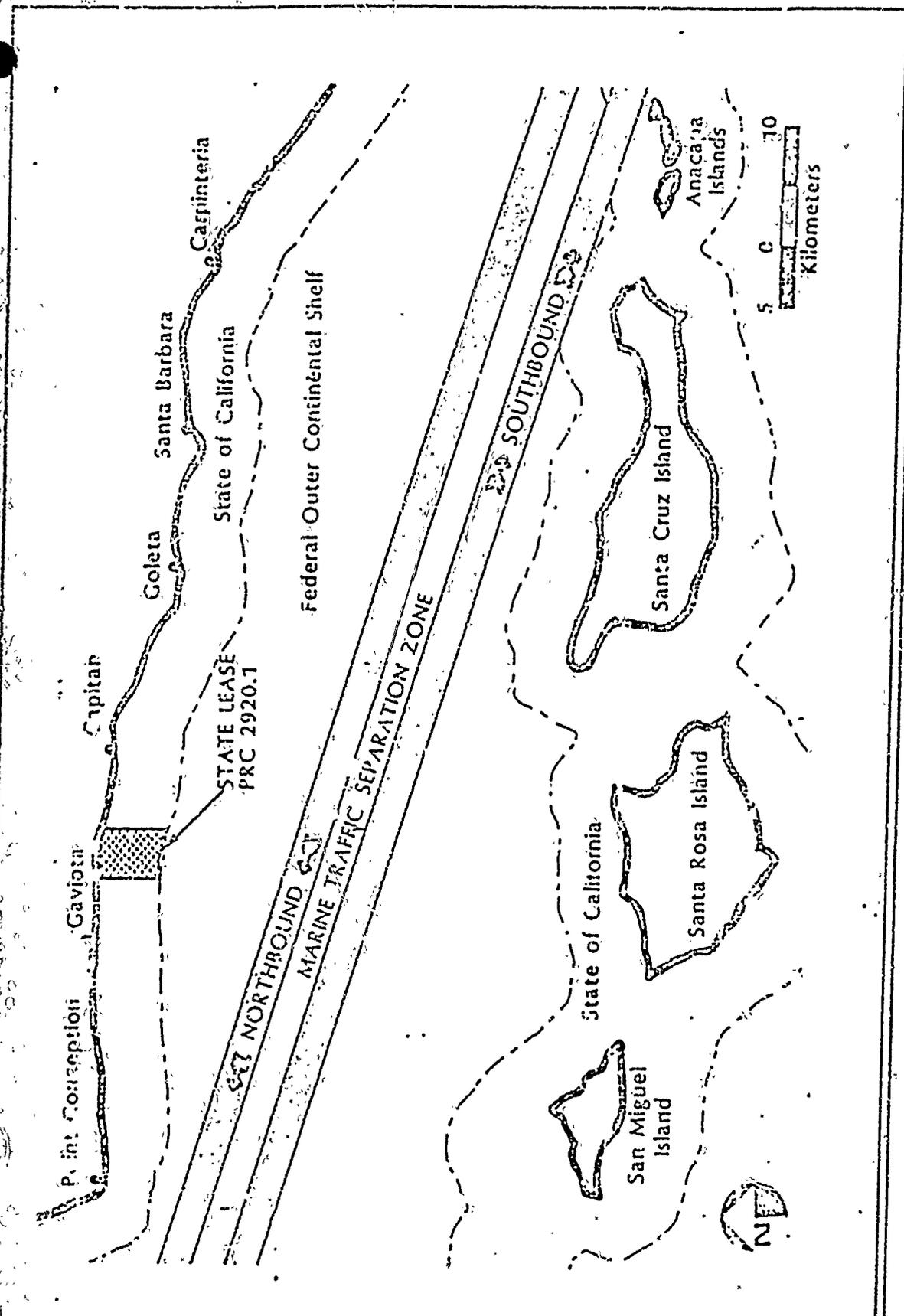
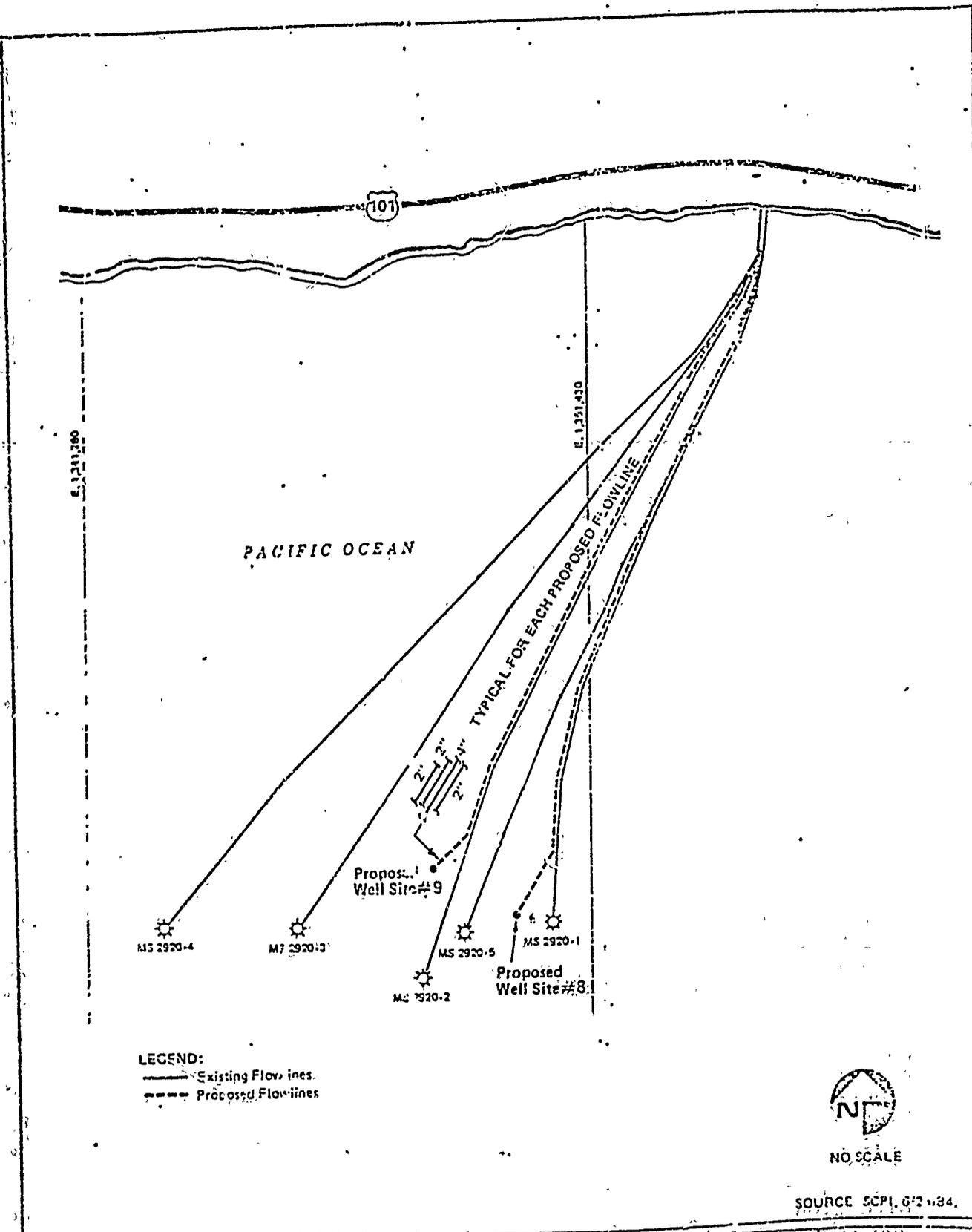


FIGURE 7

Regional Vicinity

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the onshore pipelines, an Encroachment Permit from the California Department of Transportation, a Stream Alteration Agreement with California Department of Fish and Game, a Coastal Development Permit (offshore) from the California Coastal Commission and a permit from the U.S. Corps of Engineers. The SLC will review the development for environmental and engineering concerns and for consistency with the lease obligations and will consider authorizing construction of the offshore pipelines.



Proposed Offshore Well Site and Flowline Bundle Locations

FIGURE
2

Detailed Project Description

Shell California Production Inc. (SCPI) is presently drilling the first of two previously approved exploratory gas wells on State Oil and Gas Lease PRC 2920.1 offshore Molino, Santa Barbara County. A major gas discovery has been made on the adjacent leasehold, producing from the target zone in the same gas field ("Molino") and SCPI is requesting authorization to produce and process the gas which the two exploratory wells are expected to find.

SCPI proposes to complete each of the two wells, install subsea wellheads, install a combination of offshore and onshore pipelines ("flowline bundles") and process the produced gas and condensate at the existing Molino gas plant.

Subsea Wellhead Locations

The subsea wellhead locations will be positioned as shown in Figure 2 (in relation to existing subsea structures) and Table 1. The wellheads are to be located at existing permitted well locations.

Table 1

PROPOSED SUBSEA WELLHEAD LOCATIONS

Well No.	Location (Lambert Grids)		Approximate Water Depth (feet)	Approximate Distance from Shore (miles)
	X	Y		
8	1,349,915	347,000	237	2.7
9	1,348,180	347,890	230	2.4

Flowline Alignments

To connect the permanent subsea wellheads to the onshore Molino Gas Processing Plant, a combination of offshore and onshore pipelines must be installed. Figure 2 depicts these flowline alignments. From the subsea wellhead #8, the flowline bundle will lie completely within the existing pipeline corridor from well MS 2920-1 except for a short distance from well #8 to ROW 2920-1. From wellhead #9, the flowline bundle will be contained completely within the existing corridor from well MS 2920-2 except for a short distance from well #9 to ROW 2920-2.

Onshore, the proposed flowline bundles will parallel the existing bundles, within SCPI's existing right-of-way. The right-of-way (Figure 3) enters the Arroyo Hondo Creek channel bed, passing beneath the Southern Pacific Railroad bridge. The existing flowlines, buried to a depth of approximately 30 inches, are located immediately east of a concrete box culvert. The right-of-way continues in a northerly and northeasterly direction beneath the abandoned Highway 101 concrete arch bridge and then beneath the recently reconstructed northbound and southbound lands of Highway 101 through an existing 36 inch box culvert. Past the highway, the alignments continue in a northerly direction to a point about 200 feet north of the northbound land of Highway 101.

At this point, the right-of-way veers easterly at the base of a 130 foot high slope, then continues up the slope for approximately 300 feet. After reaching a level, graded area constructed during the installation of the existing flowline bundles (1963), the right-of-way continues easterly for about 1300 feet, and then veers northerly 660 feet to the site of the existing Molino Gas Processing Plant.

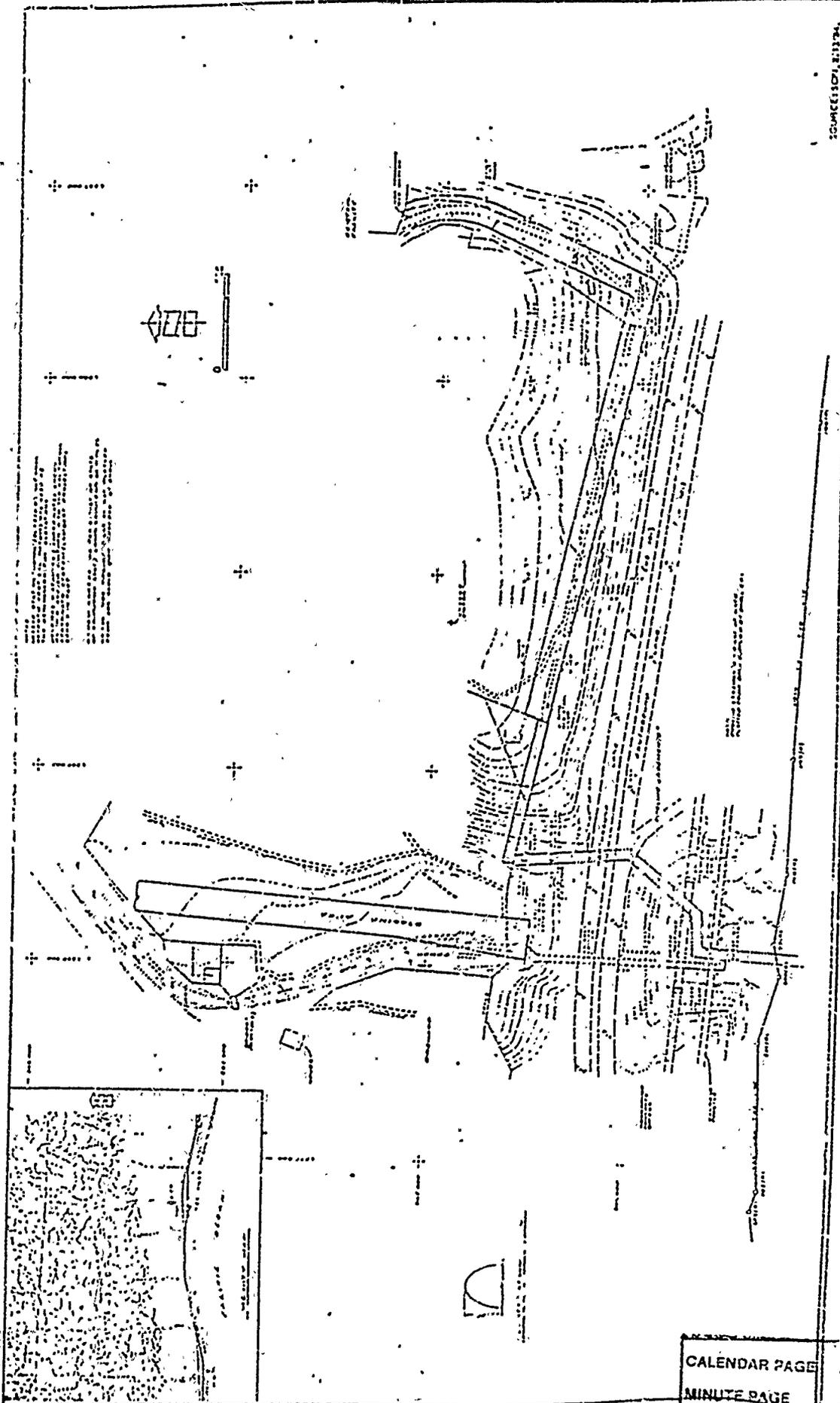
Molino Gas Processing Plant

The Molino gas plant is located approximately 1230 feet inland from the mouth of Canada de la Huerta or assessor's parcel no. 81-150-15. The facility was authorized by action of the Santa Barbara County Planning Commission on January 16, 1963, and was constructed in 1963 to process production from natural gas wells in PRC 2920.1. At maximum rate, the facility has processed approximately 48 MMCFD of gas and 1100 T/D of condensate. SCPI temporarily shut in the gas plant on May 1, 1984 subsequent to an agreement (MOA of March 7, 1984) with the Santa Barbara Air Pollution Control District (APCD) outlining emissions offsets from the facility.

The main portion of the Molino gas plant located in Canada de la Huerta is situated on the lowest terrace (220 feet elevation) of the three separate filled and graded terraces. The plant site is situated within the natural watercourse of the canyon and the terraces are underlain by a series of concrete drainage culverts that serve to handle the canyon runoff. Access to the plant is provided by a paved roadway connecting with Highway 101. Several booster compressors are located on Terrace 2 and Terrace 3 is vacant. The site (Terrace 1) is approximately 3.3 acres. Immediate surrounding land use consists primarily of agriculture with livestock grazing. The Canada de la Pila sanitary landfill lies in a canyon about 400 feet east of the existing gas plant. The area south of Highway 101 is designated rural residential (40-100 acres per dwelling unit minimum). The facility is shielded from Highway 101 by the canyon and vegetation.

On SCPI's behalf, Fluor Engineers Inc. have recently inspected the existing gas plant and found it to be in good mechanical condition. The plant can be prepared for startup with minor effort well within the constraints of the existing conditional use permit.

SCPI plans to replace in kind an existing recycling gas compressor (app. 50 hp), replace in kind an existing glycol regenerator (app. 1.0 mm Btu/hr.), and perform other minor miscellaneous maintenance associated with an orderly turnaround of the facility.



SOURCE: SDP, 2/11/94.

FIGURE
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Existing and Proposed Utility Path

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After start-up, the plant will operate in full compliance with the March 7, 1984 MOA between SCPI and the County APCD, which provides air emission offsets for SCPI's drilling activities on the lease. Operating the plant in this manner will also fully offset emissions associated with well completion and flowline installation. The plant will operate within the emission ceilings established in the November 4, 1981 permit recertification agreement between SCPI and the APCD.

Staging Area

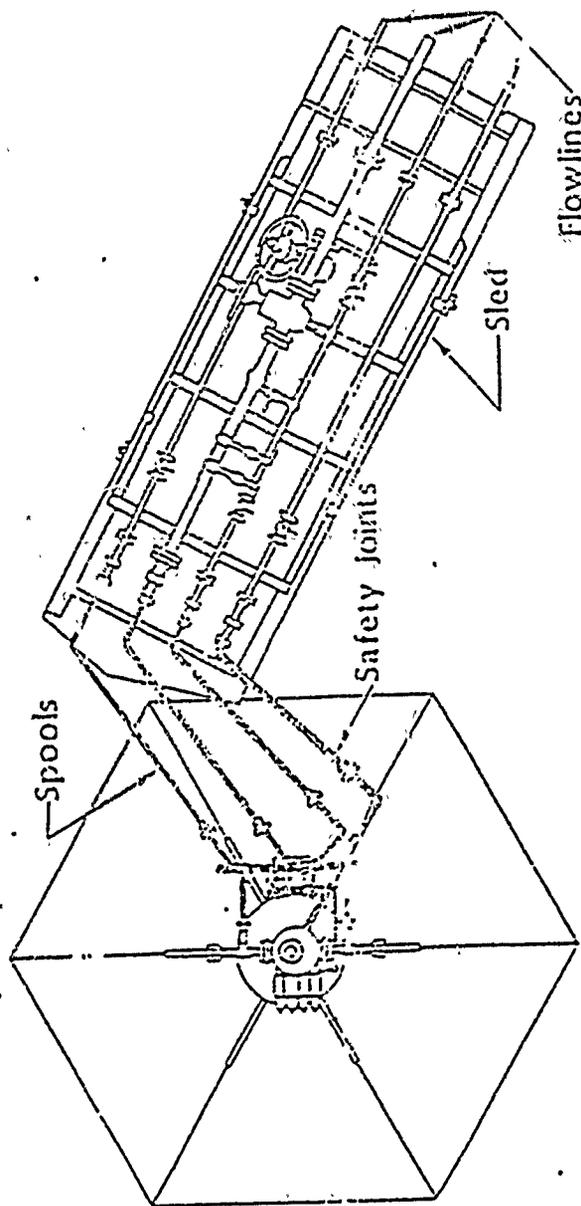
For flowline construction, SCPI will employ a staging area located in the same general area as that used in 1963 for installation of the original offshore flowlines. Approximately 1.75 acres in size, the staging area is located directly north of Highway 101 adjacent to Arroyo Hondo (Figure 3). The site is presently part of an avocado orchard, and is presently under an agricultural preserve contract. The land is a part of the 782 acre Euith C. Field agricultural preserve. Eighteen acres of the preserve is under avocado cultivation and 1.8 acres will be used for the staging area and its access easement.

MOLINO FIELD DEVELOPMENT HISTORY

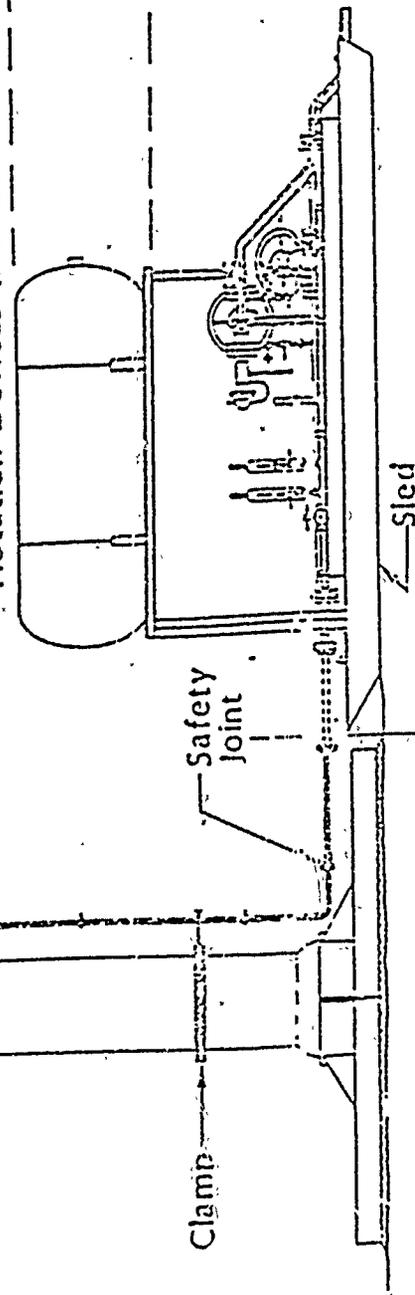
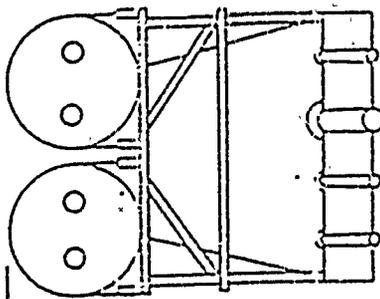
Resumption of drilling operations on Lease PRC 2920.1 was approved by the State Lands Commission (SLC) after environmental review (State Lands Commission, 1980, Final Environmental Impact Report, Resumption of Exploratory and Developmental Drilling Operations, Lease PRC 2920.1, prepared by WESTEC Services, Inc.; hereinafter referred to as SLC 1980). In addition to addressing drilling impacts, this EIR included completion impacts including installation of flowlines and gas plant operations. SCPI drilled one exploratory well on the Lease (MS 2920-6) but abandoned the well in its upper intervals prior to reaching its primary target (Eocene Matilija Sands) as a result of scheduling conflicts and APCD permit time constraints.

In March 1984, the SLC approved the drilling of three additional exploratory wells at three of six selected sites (State Lands Commission, 1984, Final Supplemental Environmental Impact Report, Resumption of Exploratory Drilling Operations by Shell California Production Inc. Lease PRC 2920.1, prepared by WESTEC Services, Inc., hereinafter referred to as SLC 1984). In addition to SLC approval SCPI obtained permits from the California Coastal Commission and APCD for exploratory drilling.

SCPI has drilled and tested one of these three wells (Molino No. 7, an exploratory well for the Monterey sands) to date.



Flotation Devices (Removed After Flowline Installation)



SOURCE Shell California Production, Inc.

FIGURE

Flowline/Wellhead Component Installation

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If economically recoverable gas reserves in the deep Eocene Matilija formation are found from Molino No. 8, which is presently being drilled, SCPI plans to complete it and drill and complete an additional well (Molino No. 9), both as Matilija gas producers. The two wells would be brought into production by installing subsea wellheads and offshore and onshore flowlines, through existing onshore and offshore rights-of-way, connecting to SCPI's Molino gas processing plant.

PRODUCTION PROGRAM

Construction and Installation

Completing and producing the wells will require:

1. Permanent wellhead installation
2. Offshore flowline installation
3. Onshore flowline installation

The following subsections discuss each of the activities. Table 2 shows the time allocated for specific development activities throughout the project.

Permanent Wellhead Installation

SCPI will install permanent subsea wellhead equipment on each well, utilizing the jackup drilling vessel JFP III or like vessel. The wellhead and associated flowlines are shown schematically on Figure 4.

Onshore Flowline Installation and Testing

The onshore portion of the flowline bundle will be installed utilizing standard construction techniques within the existing pipeline easement and right-of-way. The flowlines will exit the surf zone and parallel the present flowline bundles within the existing SCPI right-of-way previously described and shown on Figure 3. Installation of the flowlines between the landfall and the gas plant will require minimal clearing and grading for a construction corridor up to 30 feet wide. Debris will be disposed of at an approved site. Pipeline construction activities will include ditching, boring, stringing the pipe, bending pipe for changes in direction, cleaning, welding, coating, lowering the pipe into the ditch, hydrostatic testing, backfilling, and cleanup.

The line will be buried a minimum of 30 inches below the winter beach surface. The pipeline trench will be excavated approximately 3 feet wide and 3 feet deep. Excavated material will be stockpiled alongside the trench for backfill after pipeline installation.

Table 2

CONSTRUCTION TIME REQUIREMENTS FOR WELL COMPLETIONS
AND FLOWLINE INSTALLATIONS

<u>Activity (Offshore Lines)</u>		<u>Days/Well</u>
Complete well and install wellhead equipment		15
Weld (Offshore) 900 foot flowline segments		10
Survey flowline route		1
Pull flowline to wellhead		4
Position sled at wellhead ⁽¹⁾		2
Install flowline through surf zone		2
Test flowline		2
Connect to wellhead		2
Displace flowline		1
Total		20 ⁽²⁾
<u>Activity (Onshore Lines)</u>		<u>Days/Well</u>
Weld and install lines		7
Test lines		2
Total		9
<u>Activity (One time only)</u>		<u>Days</u>
Prepare onshore staging area for offshore lines		14
Trenching/boring onshore R.O.W.		7
Backfilling and cleanup onshore R.O.W.		5
Moving barge to Molino site and back again		2
TOTAL CONSTRUCTION TIME FOR <u>ALL</u> OPERATIONS - WELLS		66 days

(1) Actual time required is 1.5 days.

(2) Many construction operations are handled concurrently.

Before the welded pipeline is lowered into place, the trench will be cleared of any extraneous material that might damage the pipeline or its coating. Cathodic protection systems will be installed during pipeline installation. Following hydrostatic testing, the ground surface will be restored to a condition as near as practicable to that which existed prior to construction.

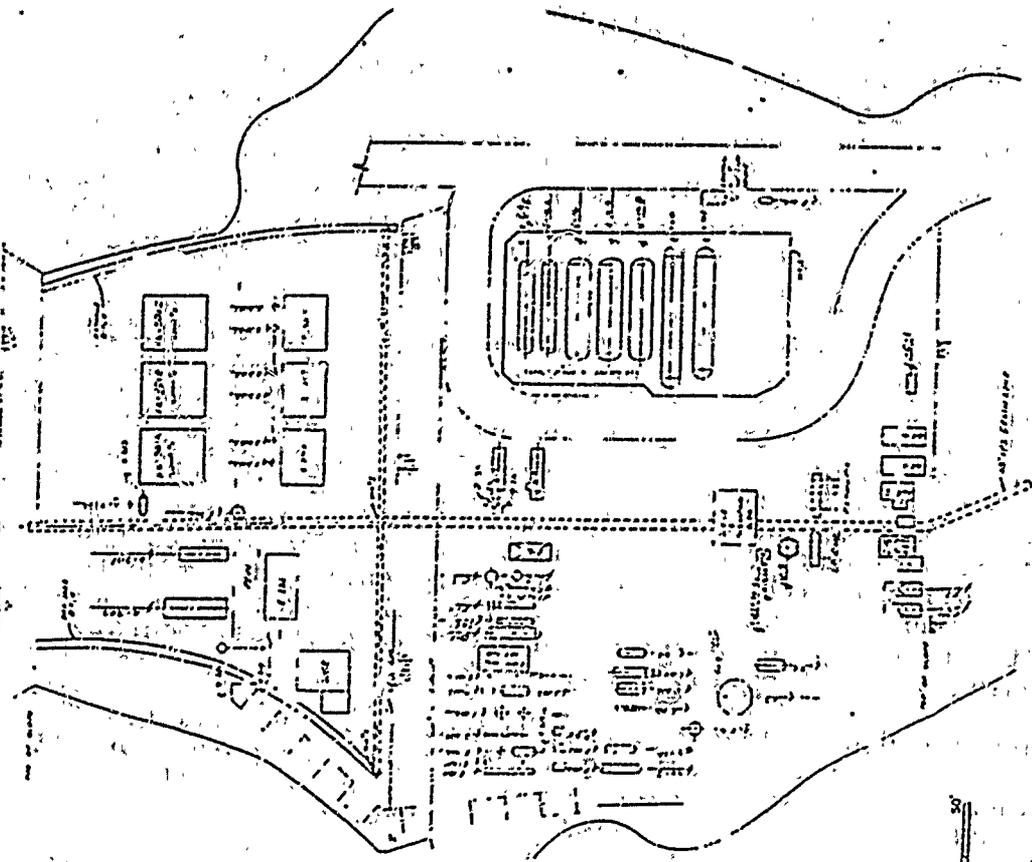
Hydrostatic testing, conducted in accordance with requirements of the U. S. Department of Transportation, Office of Pipeline Safety Regulations, will be performed after construction is completed and before the line is placed into service. Clean test water will be disposed of through the Molino plant water disposal system. Applicable state and local testing regulations will also be followed. Construction and testing of the 310 feet of onshore pipelines between the landfill and the gas plant is expected to take approximately two weeks. Work will be conducted during daylight hours. An average of 15-20 workers will be involved.

Offshore Flowline Installation and Testing

Coincidentally with the placement of the onshore flowlines, the subsea portions of the lines will be installed. Individual lengths of four inch and two inch pipe will be trucked to the staging area in Arroyo Hondo. In the staging area, individual lengths of pipe will be welded together into 900 foot sections. Each of the two subsea wells will be connected to four offshore pipelines, collectively called a flowline bundle. Approximately 2.9 miles of flowline bundle per well will be assembled.

Upon completion of the required number of sections, a "pull" barge assisted by a support boat will be navigated into position offshore of the staging area. A wire cable operated off a winch on the barge will be brought to shore and connected to the flowline bundle, which will be guided on rollers through the highway culverts to the beach. The barge winch will "pull" the flowline bundle offshore in sections. After each pull, additional sections of flowline bundle will be welded to the onshore end; this will continue until the entire distance to each wellhead is spanned. Periodically, the barge may be moved to different offshore locations in order to provide accurate positioning of the flowline bundle.

The flowline bundle launched from the beach area will be attached to a "sled", providing a common pulling point for all the lines. The sled also will serve as the base for the manifolding and valves necessary for operation of the subsea wellhead. A buoy system is attached to the sled in order to provide hydrodynamic stability underwater. Both the sled and flowlines are negatively buoyant, and additional floats will be



NO.	DESCRIPTION
1	EXISTING PLANT
2	EXISTING BUILDINGS
3	EXISTING ROADS
4	EXISTING FENCE
5	EXISTING UTILITIES
6	EXISTING EQUIPMENT
7	EXISTING STORAGE
8	EXISTING OFFICES
9	EXISTING WAREHOUSES
10	EXISTING TANKS
11	EXISTING PIPES
12	EXISTING DRAINAGE
13	EXISTING LANDSCAPE
14	EXISTING VEGETATION
15	EXISTING WATERWAYS
16	EXISTING POWER LINES
17	EXISTING TELEPHONE LINES
18	EXISTING GAS LINES
19	EXISTING SEWER LINES
20	EXISTING RAILROADS
21	EXISTING AIRWAYS
22	EXISTING CANALS
23	EXISTING DITCHES
24	EXISTING TUNNELS
25	EXISTING BRIDGES
26	EXISTING DAMS
27	EXISTING WEIERS
28	EXISTING PUMPS
29	EXISTING VALVES
30	EXISTING FITTINGS
31	EXISTING INSTRUMENTS
32	EXISTING CONTROLS
33	EXISTING SAFETY DEVICES
34	EXISTING WARNING SIGNS
35	EXISTING LIGHTING
36	EXISTING HEATING
37	EXISTING COOLING
38	EXISTING VENTILATION
39	EXISTING EXHAUST
40	EXISTING INTAKE
41	EXISTING DISCHARGE
42	EXISTING STORAGE TANKS
43	EXISTING PROCESSING TANKS
44	EXISTING REACTORS
45	EXISTING DISTILLERS
46	EXISTING CONDENSERS
47	EXISTING REFRIGERATORS
48	EXISTING HEAT EXCHANGERS
49	EXISTING PIPING
50	EXISTING VALVES
51	EXISTING FITTINGS
52	EXISTING INSTRUMENTS
53	EXISTING CONTROLS
54	EXISTING SAFETY DEVICES
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85	EXISTING PROCESSING TANKS
86	EXISTING REACTORS
87	EXISTING DISTILLERS
88	EXISTING CONDENSERS
89	EXISTING REFRIGERATORS
90	EXISTING HEAT EXCHANGERS
91	EXISTING PIPING
92	EXISTING VALVES
93	EXISTING FITTINGS
94	EXISTING INSTRUMENTS
95	EXISTING CONTROLS
96	EXISTING SAFETY DEVICES
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148	EXISTING PROCESSING TANKS
149	EXISTING REACTORS
150	EXISTING DISTILLERS
151	EXISTING CONDENSERS
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153	EXISTING HEAT EXCHANGERS
154	EXISTING PIPING
155	EXISTING VALVES
156	EXISTING FITTINGS
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159	EXISTING SAFETY DEVICES
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191	EXISTING REACTORS
192	EXISTING DISTILLERS
193	EXISTING CONDENSERS
194	EXISTING REFRIGERATORS
195	EXISTING HEAT EXCHANGERS
196	EXISTING PIPING
197	EXISTING VALVES
198	EXISTING FITTINGS
199	EXISTING INSTRUMENTS
200	EXISTING CONTROLS

EXISTING PLANT
 FIGURE 12

Existing Molokini Cask Processing Plant

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placed periodically along the flowline bundle as it is pulled offshore. The sled and flowline bundle thus will be supported slightly above the sea floor in order to facilitate accurate positioning of the system. Prior to the initial pulling operation, sighting ranges will be set up onshore, and offshore spar buoys placed to delineate the course of the flowline bundle.

Upon final positioning of the flowline bundle and sled, the buoys will be removed and divers will make the connection between the sled manifold and the wellhead via pipe spools. The flowlines then will be cleaned by pigging and hydrostatically tested, as described above for the onshore flowlines. The operation of pulling the lines offshore, positioning the sled, and pressure testing the lines requires about 8 days per well.

Following the successful completion of the above activities and procedures, operation of the system will commence. All activities associated with the operation of the flowline bundle and wellhead system will meet the requirements of the State of California, State Lands Commission "Regulations for Oil and Gas Production Operations on State Tide Submerged Lands (Article 3.4)."

Operations.

Solino Gas Processing Plant

The well production facilities consist of well manifolds, low temperature high pressure separators, glycol injection and recovery equipment, a hydraulic tree valve control system, a subsurface safety valve hydraulic control system and booster compressors for future use. The gas processing equipment includes gas drying facilities, a stabilizer, compressors, storage tanks, and truck loading equipment (Figure 5).

On May 1, 1984, SCPI temporarily shut-in the one productive gas well, the MS 2920-5. Only minor plant maintenance and repair will be required to resume operations to process the production expected from the two net wells. Anticipated production from the wells is expected to be 20 to 30 MMCFD of natural gas and 500 to 750 B/D of condensate.

Flowlines

Onshore processing facilities receive the gas at wellhead pressure from the subsea wells via the 4-inch flowline. The wellhead and subsurface safety valves are held open by applying hydraulic pressure via the control lines. Closure or failure of the system at the plant site, or the accidental severing of the gas flowline results in the automatic shutting-in of the affected well. Glycol is injected at the wellheads in order to prevent hydrate formation in the flowlines. When the pressure

Temperature and water content of natural gas fall within certain ranges, a water-hydrocarbon complex known as "methane snow" may be formed inside pipelines, interfering with efficient transmission. The injected glycol "captures" the water and acts as a hydrate inhibitor. The produced glycol/water mixture flows with the gas via the 4-inch line to the processing plant. It is removed from the production by water knockouts, with the glycol being regenerated and reused and the resultant water vapor vented to the atmosphere.

PERSONNEL TRANSPORTATION AND MATERIAL REQUIREMENTS

A construction work force of approximately 20 to 30 persons (including SCPI supervisors) will be involved in both onshore and offshore construction/installation activities. This work force, other than SCPI supervisors, will be contracted from the Santa Barbara-Ventura area. All construction is expected to be completed in approximately 60 days with construction personnel working up to 12 hours per day.

Pipe will be delivered to the onshore staging area at Arroyo Hondo by truck. It is estimated that approximately 26 truck trips will be required (2 truck trips per day for 13 days). Twenty (20) to 30 employee vehicle trips per day are expected throughout the total flowline installation period of approximately 60 days. An average of one light-duty truck trip per day also is anticipated throughout the installation period. On site construction equipment will be restricted to the pipeline corridor, the staging area and a parking area.

No new employment will be created at the Molino gas plant. It is anticipated that five personnel will be required which is the same number that previously operated the plant. The plant will operate 24 hours per day.

WASTE MATERIALS AND EMISSIONS

Waste materials generated during the construction phase (60 days) include cleared vegetation from the onshore flowline installation and offshore construction staging area; hydrostatic test water from testing the integrity of the flow lines, and solid waste materials. All materials will be generated in limited quantities and disposed of in an approved manner.

No additional operational waste materials will be generated at the existing gas plant over and above what has been generated by the plant in the past. Air emissions will occur over the construction period resulting from mobile source (i.e., construction equipment, vehicles, and a tug boat). Details on air emissions are available for review, and may be requested from the SLC. Copies have been mailed to the CARB and the APCD.

SAFETY AND POLLUTION CONTROL SYSTEMS

The permanent subsea production system will be operated remotely from the gas plant. Pressure on the control line from shore holds the downhole safety valve, master valve (used to shut in the well), and wing valve on tubing access line open for flow (see Figure 4). By applicable design, failure of any of the four lines (control, glycol or gas line) will cause the well to shut-in immediately.

SECURITY

Equipment will be kept on private lands with limited access. One pipeline section will be welded at the beach; all other sections will be welded in the staging area. The beach itself has very restricted access due to bluffs. The area will be patrolled during the night.

ENVIRONMENTAL SETTING, IMPACTS AND MITIGATION

INTRODUCTION

Individual environmental impacts of the proposed activities have been assessed in the previous two EIRs prepared by State Lands Commission on lease activities (SLC 1980 and 1984):

1. State Lands Commission, 1980, Draft Environmental Impact Report and Finalizing Addendum, Resumption of Exploratory and Developmental Drilling Operations by the Shell Oil Company, Lease PRC 2920.1 Molino Field, Santa Barbara County, SLC #273 (SCH #79101011).
2. State Lands Commission, 1984, Draft Supplemental Environmental Impact Report and Finalizing Addendum, Resumption of Exploratory Drilling Operations by Shell California Production Inc., Lease PRC 2920.1, Molino Field, Santa Barbara County, SLC #354 (SCH # 83110901).

SLC 1980 assessed environmental impacts of the project related to the aspects of subsea well completion, installation of flowline bundles offshore and onshore, and operation of the Molino gas plant to the level of anticipated production. SLC 1984 assessed environmental impacts from drilling three exploratory gas wells and included subsea geophysical and marine biological surveys in the area of the well sites. All environmental issues pertinent to the proposed activities have been assessed in these previous documents. It is the intent of this section to call out by reference from the previous documents the information on the environmental setting, impacts, and mitigation measures which is particularly pertinent to the

proposed activities. The environmental setting for each issue is essentially referenced from the previous documents; however, the impact analysis from the previous documents is summarized herein. In some cases, the impact information has been updated (for instance, the air quality analysis) to show that impacts assessed previously were at or above levels that are currently projected. All mitigation measures contained in the previous documents pertaining to subsea completions, flowline installation, or plant operation are repeated herein.

A major aspect of SLC 1980 and 1984 not a part of the proposed action is the exploratory drilling activities. Exploratory drilling operations are currently underway on lease PRC 2920.1.

GEOTECHNICAL

Setting

The geologic and geophysical setting of the project area, as contained in the EIR on exploration and development drilling (SLC, 1980), provides detailed description of the project area and site features (onshore and offshore) such as regional physiography and bathymetry, geologic history, geologic stratigraphy, earthquake history, and potential for geologic hazards including groundshaking, fault rupture, liquefaction, landsliding, tsunamis, hydrocarbon seeps, turbidity currents, erosion, uplifting and subsidence, and groundwater contamination. This data base was augmented by additional geophysical investigations of alternative drilling sites in the EIR on exploratory drilling (SLC, 1984). Detailed geological characteristics of the project vicinity are discussed on pages 29 to 86 of the SLC 1980 document and pages 3-1 to 3-35 in the SLC 1984 document. Much of this information is necessary to assess drilling impact and therefore is not entirely pertinent to the proposed activity. Most relevant, however, is the setting information on bathymetry, hydrocarbon seeps, groundshaking and slope stability.

Environmental Impacts

The most significant geologic and geophysical process of concern to the activity is seismic groundshaking (SLC, 1984, page 4-1). A 7.5 magnitude event on the Santa Ynez fault, located about 9.9 km (6.2 miles) from the site, and a 5.9 magnitude quake on the southern frontal fault of the Molino trend would be capable of producing ground accelerations at the site on the order of 0.4 to 0.7 g and would probably have the greatest potential impact on the subsea wellheads and flowline bundles. Such effects could include physical damage to facilities, i.e., flowline rupture, or well blowout. Other potential geologic hazards that were identified in SLC 1980 include construction of flowlines through the gas seep area on the northwest portion of the site, erosion and land sliding impacts during flowline construction.

onshore. While these are potential impacts, their significance is minimized through incorporating standard engineering safety precautions as addressed in SLC 1980, p 151-152. Also, flowline bundles will utilize an existing pipeline corridor and easement which will minimize disturbance to previously undisturbed areas. All other geotechnical parameters identified above were determined not to result in significant adverse impacts (SLC 1980, p 153; and 1984, p 4-1).

Mitigation Measures

1. Plans and equipment to contend with emergencies such as a well blowout, are already provided for SCPI operations and provide mitigation of the impacts of such occurrences (see Section 5 of SLC, 1980, p 207; and 1984, 5-1).
2. Proper engineering design, considering the maximum credible earthquake, provides sufficient mitigation to protect against adverse impacts from seismic-induced hazards.

Setting

A complete description of the existing meteorologic and climatologic setting of the Molino region and lease area is discussed in SLC 1980 pages 86 through 88, and SLC 1984 pages 3-35 through 3-38. Ambient air quality at the project site is most accurately portrayed in SLC 1980. Air quality in the coastal area near the project site is generally excellent. However, the federal ambient air quality standard for ozone has been exceeded on the South Coast, which has resulted in a non-attainment designation for that pollutant.

Environmental Impacts

Potential short-term impacts to air quality from offshore drilling and testing and completion activities (including flowline installation), and long term air quality impacts from gas production and processing were included in SLC 1980, pages 154 through 167, and updated in SLC 1984, pages 4-1 through 4-18. Offshore emissions associated with well completion of the present activities will not exceed those considered in 1980 and 1984 because no exploratory drilling with the associated heavy diesel engine loading will occur during these completion activities. In addition, gas plant emissions will not increase over those already permitted by the Santa Barbara County Air Pollution Control District. The calculated emissions associated with the well completion and flowline installation are 47,136 pounds of NO_x, 2829 pounds of VOC, 11,180 pounds of CO, 3903 pounds of SO₂ and 3256 pounds of TSP. These calculations are available for review from the SLC.

Throughout the exploratory drilling operation (previously approved) and the well completion operation (this request), the mitigation measures already in place for the exploratory drilling program, as covered by the March 7, 1984 APCD "Emissions Offset Agreement", will remain in effect.

Mitigation Measures

Mitigation measures for air quality impacts were discussed in detail in SLC 1980 Appendix B. Other specific measures identified in SLC 1984 and adopted as a conditional of approval by the Santa Barbara County APCD include the following:

1. A nitrogen oxide emission reduction program was implemented and has achieved a 713 lb/day reduction. The reduction program was accomplished through modifications to compressor gas engine drives and use of an electric driven booster compressor instead of gas engine driven units.
2. SCPI has provided intake air cooling and pre-injection chambers for primary power engines on the drilling rig as well as tuning of the engines to accomplish additional reductions in nitrogen oxides.
3. A monitoring program for nitrogen oxides was implemented by SCPI at a shore location representing a point of maximum impact.
4. Fuel usage records for drilling operations and support vessels was and will continue to be maintained to provide additional documentation for project nitrogen oxide emissions.

At the present time, (10/84) the Molino gas plant is temporarily shut-in. The plant is expected to remain in this mode until the first well is completed and flowlines are installed, or until the existing shut-in remaining Molino No. 5 well is put back into service.

OCEANOGRAPHY/WATER QUALITY

Setting

Physical oceanographic parameters relevant to the project include prevailing currents, wave action, tides and temperature. Chemical water quality parameters of importance include salinity, dissolved oxygen, nutrients, and trace elements. These parameters could be affected by project-related discharges. SLC 1984 provides up-to-date information on these parameters. Overall ocean water quality at the site is presently affected to an insignificant degree by drilling operations on the lease and from naturally occurring phenomenon. SCPI is presently authorized to discharge (National Pollutant Discharge Elimination System (NPDES) permit #CA 60558, renewal approved November 18, 1983) up to 50,000 gallons/day of wastewater into Canada de la Huerta (SLC, 1984).

Environmental Impacts

Proposed activities will have no significant effect on oceanographic parameters of the Molino area. The physical behavior of currents, tides, and waves in the project area will not be affected, although the sea-state could cause suspension of construction activities offshore. Impacts on water quality have been determined to be minor in nature and in all cases will conform to NPDES permit requirements. Operational emergencies such as a pipeline break or mechanical failure will result in the implementation of emergency response procedures in effect for the SCPI operations.

Mitigation Measures

No additional mitigation measures are necessary.

MARINE AND TERRESTRIAL BIOLOGY

Marine Setting

The unique and varied elements of the marine setting in the project area were initially detailed in SLC 1980 on pages 100 to 122, and were updated with revised information in SLC (1984) pages 3-53 to 3-83. Information on intertidal communities, benthic communities, kelp beds, planktonic communities, and fishes is discussed. Also included is an identification of marine mammals and shore birds and a discussion of unique marine habitats including biologically sensitive areas and rare and endangered species. These aspects would be most affected by construction of flowline bundles offshore.

Terrestrial Setting

SLC 1980 characterizes the proposed onshore flowline corridor as highly disturbed and dominated by numerous invasive and weedy species (see pages 122 to 125). In the finalizing addendum to SLC 1980, the biological characteristics of the proposed pipeline staging area are identified as largely agricultural (including introduced grasses and an avocado orchard). The area was also disturbed during earlier flowline installation activities (1963). A significant riparian community is associated with the Arroyo Hondo drainage. Overall, the onshore areas serve as good open space habitat for a variety of wildlife. The riparian area adjacent to the staging area provides good bird habitat. No rare or endangered plant or animal species were found (SLC, 1980).

Subsequent to the biological studies done for SLC 980, the construction staging area has experienced expanded avocado production and Highway 101 has been realigned in the project vicinity. An on-foot survey of the flowline corridor in the area of the highway undercrossing and a brief visual inspection of the staging area was accomplished by WESTEC Services, Inc. biologists on July 27, 1984. The following conditions were noted.

The south side of the new highway contains a railroad trestle and the old highway bridge. The vegetation in this area reflects the high amount of past disturbance, being dominated by fennel and other federal forms. No biologically sensitive issues occur on the south side.

The north side of the highway consists of a mosaic of disturbed vegetation in the form of agricultural and federal elements contiguous to the Arroyo Hondo stream which contains a narrow band of riparian woodland along its length. This riparian woodland is designated as Environmentally Sensitive Habitat by the Santa Barbara County Local Coastal Program (County of Santa Barbara, 1982). Elements contributing to this designation include the existence of mature riparian woodland vegetation and a perennial source of water in the arroyo.

Environmental Impacts

Marine

The impacts of hydrocarbon production from the lease on the marine environment is detailed in SLC (1980), pages 183-193, and updated for the exploratory phase in SLC (1984), pages 4-29 to 4-36. Impacts from the construction of wellheads and flowline bundles include destruction of some benthos, and disturbance of the surf and shore zone including the intertidal area. The 1983 winter storm (El Nino) destroyed extensive areas of kelp beds and in the Molino area, the beds have not yet recovered. Little if any kelp is expected to be destroyed by the project. No unique marine environments or rare and endangered species would be affected by the project.

Impacts from operation of facilities are largely a function of the potential for a catastrophic event such as a well blowout resulting in gas discharge. The discharge of gas from a well blowout appears to exert the greatest impact on air quality. The severity of the impact is also dependent on the effectiveness of emergency response and cleanup measures. Emergency response is discussed in SLC 1980 pages 205 to 210, and in SLC 1984 pages 5-1 to 5-9.

Terrestrial

Construction of flowlines and the utilization of the staging area will result in the elimination of affected areas of vegetation. As discussed in SLC 1980, pages 193-194 and C-2, impacts include: 1) disturbance of insignificant vegetation along the majority of the flowline alignment, 2) elimination of some inland, sage scrub habitat which overall is considered insignificant, and 3) disturbance of some riparian habitat on the extreme southern portion of the staging area. The total vegetated area to be disturbed by the pipeline installation is expected 2500 feet long and 20-30 feet wide, principally covered with introduced grasses and low shrubs. One mature willow tree will be removed at the access to the staging area.

The staging activities proposed for the orchard will be of approximately two months duration. These activities will be scheduled outside the breeding season (spring months), therefore significant impacts to sensitive fauna associated with the riparian area will not occur. Nine-hundred foot pipeline sections are to be assembled and pulled through the concrete culvert which serves as outflow of the stream. There is a sufficient existing break in the riparian vegetation to allow this activity without the need for removal of mature trees. Exercising care in this process will eliminate a significant impact. One hundred avocado trees will be removed by cutting off at ground level; These trees will be replanted after the roots have decayed sufficiently to permit replanting.

Litigation Measures

Marine

1. During flowline installation, areas of kelp will be avoided wherever possible, and the area of disturbance will be minimized to the greatest extent practical.
2. Flowline construction will avoid rocky intertidal areas and hard bottom habitat to the maximum extent practical, and the installation through the shore zone will be confined to a localized area. SCPI will work with Keio to avoid disturbing any productive kelp areas.
3. Emergency response measures are discussed in SLC 1980 Section 5.

Terrestrial

1. Prior to construction, the specific flowline construction area near Arroyo Honda will be staked out to ensure that the activity will encroach as little as possible into the riparian habitat.

2. Construction workers will be restricted from entering the riparian habitat by the installation of a temporary fence or other barrier.
3. In order to minimize impact to breeding birds, construction will not be conducted during the spring months.
4. A construction corridor to allow pulling of the lines was selected to avoid any damage to mature riparian vegetation.
5. Replanting of the willow tree at joint removed will mitigate this impact.
6. SCPI will reimburse the landowner for costs of replanting avocado trees.
7. Heavy construction equipment will be restricted to the pipeline corridor, staging and parking areas.

CULTURAL RESOURCES

Marine Setting

Geophysical survey data and interpretation compiled in SLC 1980 were augmented by additional geophysical and subsea observations of exploratory well locations in SLC 1984. No objects of historical significance were documented through these investigations.

Terrestrial Setting

Literature searches were described and field surveys were detailed concerning the onshore flowline bundle alignment and staging area in SLC 1980, pages 141-147 and Final Addendum Section B. Other significant studies of cultural resources in the general area include surveys by WESTEC Services in conjunction with Chevron's Point Arguello project facilities (Chevron USA Inc., 1983; WESTEC Services, Inc., 1984). The general area was found to contain objects of cultural significance including prehistoric and historic sites and artifacts. These include the historic adobe house located across Arroyo Hondo creek west of the proposed staging area, a vacant field northwest of the proposed staging area which contained scattered historic debris and prehistoric site SBA-1151 located across U.S. 101, south of the proposed project. Major portions of SBA-1151 located in the center divide of U. S. 101 have recently been removed by Caltrans.

Portions of the proposed staging area were tested for cultural resources during the previous work for Chevron. The archaeological testing program was significantly limited due to insecticide spraying just prior to arrival at the project site. However, disturbed subsurface historic debris were noted. It appears that probable historic artifacts noted within the proposed staging area are related to historic sites within Arroyo Hondo to the west and north, and prehistoric artifacts are related to SBA-1151, located south of U. S. 101 and the proposed project site, and lie under about 3 meters of existing fill on which avocado orchards are located.

Environmental Impacts

Marine

No significant impacts to marine cultural resources have been identified in the previous surveys (SLC 1980, page 199; SEC 1984, page 4-44).

Terrestrial

Based on the on-foot surveys of the proposed project area, adverse impacts on terrestrial cultural resources located in the staging area may occur. Disturbed historic and prehistoric artifacts were recorded on the surface within the avocado orchard within Chevron USA's proposed corridor (Chevron USA, Inc., 1983). This area is contained within the southern half of the proposed staging area. As a means of assessing these materials within Chevron's corridor an archaeological test excavation program was implemented. However, just prior to commencement of field work, the orchard was sprayed with insecticide, and the excavation program was limited to shallow postholes (WESTEC, 1984). The postholes revealed scattered subsurface historic artifacts and no prehistoric materials. The historic artifacts may represent significant intact cultural resources; further testing would be required to determine the exact extent and importance of the resources. Nevertheless, artifacts were recorded on the surface in this orchard, and impacts to these and to possibly buried artifacts may occur as a result of tree removal, and subsequent movement of equipment in and out of the staging area.

Mitigation Measures

Marine

No mitigation is necessary.

Terrestrial

1. The northwest corner of the study area and the area immediately adjacent to the adobe will be avoided for the duration of the project. This avoidance will insure that no adverse impacts are brought upon the historic adobe structure or the historic debris in a vacant field northwest of the staging area. Prior to commencement of the project, these areas of interest will be defined and flagged.
2. Historic and prehistoric artifacts were noted on the surface of the southern half of the proposed staging area with the avocado orchard. Prior archaeological testing in this area indicated a possible subsurface historic deposit with no evidence of a prehistoric deposit. Approximately three meters of fill has been placed on the natural ground surface. Because this fill effectively protects the possible prehistoric site, SCEP proposes not to disturb the fill: avocado trees will be cut down rather than uprooted. The roots left in the ground are expected to decompose over a year so that new trees can be planted at the end of a year without disturbing any buried artifacts.

SOCIOECONOMICS

Setting

Regional characteristics on population, housing, and employment, as well as a description of other pertinent activities including petroleum activity and agriculture are presented in SLC 1980, pages 126 to 130, and updated briefly in SLC 1984, pages 3-87 to 3-90. The mining industry, to which petroleum development employment is related, is the smallest employment sector in the county. It is expected to increase, however, with increased exploration and development of resources located in state tidelands and federal OCS lands.

Environmental Impacts

Because of the relatively small workforce required to construct proposed facilities (20 to 25 persons for a 60-day period) and the even smaller workforce required to operate and maintain the wellheads, flowlines, and gas plant (5 persons), the proposed project will have no significant impact on the socioeconomic factors of population growth, housing availability, employment or income in the local area of Santa Barbara County.

Placement of wellheads and flowlines will temporarily restrict commercial and sport fishing activities in the immediate vicinity of the well sites, but will not represent a significant adverse impact because trawling and other bottom fishing activities are already limited in the area due to existing wellheads and pipelines (SLC 1984; pages 4-48).

Significant impacts on fishing and kelp harvesting activities will occur as a result of an accident or malfunction which results in discharge of gas to the marine environment. The probability of these impacts occurring is greater during well drilling, which is already permitted, than the proposed completion and production activity. The potential for adverse input to occur is significantly lessened through implementation of emergency response measures.

Mitigation Measures

1. Measures to contend with operational emergencies are contained in the SCPI Oil Spill Contingency Plan described in SLC 1984, Section 5.
2. SCPI will cooperate with commercial fishermen to the greatest extent practicable, and welcomes suggestions from representatives of the fishing industry on ways in which SCPI may further minimize any potentially adverse project impacts.

LAND USE AND COASTAL POLICIES

Setting

SLC 1980, pages 130 to 138, described the existing land use setting in the region and project locale. The Santa Barbara County Coastal Plan regulations applicable to the project are also described specifically as they relate to construction of pipelines and construction staging areas. Recreational uses of the coastal zone are identified, as are the existing recreational use areas in close proximity to the project.

The beach area traversed by the flowline alignment is small to non-existent depending upon tide and is not an important use area.

The Arroyo Hondo drainage is designated as an Environmentally Sensitive Habitat area pursuant to the coastal plan. According to Section 30240 of the plan, "Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such responses shall be allowed within such areas". The plan also states that such designations are based on available information and the appropriateness of the designation in any particular area can be reviewed on a case-by-case basis.

Policy 9-32 of the coastal plan relates to rocky intertidal areas. The policy states in part that shore structures, such as pipelines, should be sited or controlled to avoid significant rocky points and rocky intertidal areas. Generally, rocky intertidal areas between Point Conception and Ellwood have been designated for preserve status although no specific areas have been identified.

The coastal plan contains a general statement about kelp beds, indicating that the County of Santa Barbara has no jurisdiction over kelp beds. It recommends state monitoring of kelp harvesting and other activities such as petroleum development which can impact kelp.

Environmental Impacts

The proposed placement of wellheads and construction of flowlines is generally consistent with policies of the Santa Barbara County LCP as discussed in SLC 1980. A temporary disruption of existing agricultural activities may result from construction relating to flowline assembly in the staging area and flowline installation operations along the proposed right-of-way. Temporary disruption of existing beach use at the mouth of Arroyo Hondo will occur during flowline installation. However, the work is proposed for a season with low recreational usage.

The proposed pipeline and staging areas have appropriate zoning and land use designations, although the use of the Arroyo Hondo construction staging site may require the issuance of a Conditional Use Permit from the County of Santa Barbara. The proposed flowline bundle right-of-way may cross a rocky intertidal area, although this area was disturbed by the 1963 flowline installation activities.

Mitigation Measures

Construction activities in the shore zone will be confined to existing flowline rights-of-way and previously disturbed areas so as to minimize the possibility of impact to rocky intertidal areas. Because of SCPI's proposal to cut the trees off, rather than uproot them and risk disturbing cultural resources, it will be necessary to wait until the root systems have decayed enough to replant. However, SCPI has agreed to reimburse the land owner for replanting costs.

VISUAL RESOURCES

Setting

Views of the offshore lease area and onshore proposed facility areas are described in SLC 1980, pages 138-141. The offshore lease area can be seen readily from Highway 101 between El Capitan and Gaviota State Beaches and from most shore areas between those two locations. The pipeline right-of-way is visible from Highway 101 briefly at freeway speed and has limited visibility from beach areas below. The flowline easement between Highway 101 and the beaches lies within a View Corridor Overlay District as designated by the Santa Barbara County Coastal Plan.

Environmental Impacts

The visual impact of project construction is transient; after the 60-day construction period, no long-term significant impacts are expected either onshore or offshore. However, the west-facing ridge at the 60 m elevation would be scarred and would take a longer period of time to revegetate than surrounding areas due to the steepness of the slope.

The proposed project is consistent with the Santa Barbara County Coastal Plan policies related to visual resources. Therefore, no impact to the plan is anticipated from project implementation.

Mitigation Measures

No significant visual impacts are anticipated. However, SCPI will institute revegetation of the west facing ridge with "like" vegetation which will diminish grading impacts more quickly.

CONTINGENCY PLANNING AND EMERGENCY RESPONSE

SCPI's emergency response procedures pertinent to the proposed activity are detailed in SEC 1980 and 1984, Section 5. The organization and equipment for emergency response is maintained in a state of readiness for an emergency event throughout the project life including the complete production phase. In addition to the equipment aboard the drilling vessel, which would be used during installation activities, SCPI is a member of Clean Seas Inc. This allows them access to the complete response capability of Clean Seas including the Mr. Clean. Clean Seas has equipment based on the Getty property approximately 4 miles to the west. The response time of Mr. Clean to the project site is two hours.

EFFECTS JUDGED NOT TO BE SIGNIFICANT

The content of the previous EIRs pertaining to drilling and production activities on PRC 2920.1 (SLC: 1980, 1984), was focused on the issues of significance as determined by the California State Lands Commission. All other environmental issues were determined to be insignificant.

One issue discussed in SLC (1980 and 1984) but not discussed herein is the issue of Marine Traffic and Navigation. This section focuses on marine hazards imposed by location off the drilling rig on the leasehold and as such is not applicable to the proposed action.

Additionally, the issue of traffic and circulation impacts have been evaluated for possible significance and inclusion in this environmental study. Project-related traffic will be heaviest during the approximate 60-day construction period. Traffic will consist of two heavy-duty truck trips to the site per day for 15 days, one light-duty truck trip to the site per day for 60 days, and up to 30 employee light-duty vehicle trips per day for 60 days.

After construction, traffic will consist of up to five employee light duty vehicle trips per day and five to six truck trips per day to remove condensate products (i.e., propane, butane and natural gasoline). This level of traffic will decline over time.

Historically, Molino plant truck traffic has varied from a high of six to seven trips per day between 1964 and 1981, to eight trucks per month between 1981 and 1984.

The Caltrans Santa Barbara District Office was contacted to obtain the most recent traffic volume information for Highway 101 in the project area. At the El Capitan State Beach interchange, 1982 traffic volumes averaged 17,000 ADT (Averaged Daily Traffic). Peak day traffic was estimated at 25,500 ADT. No breakdown of truck traffic percentage was available.

The addition of 66 ADT during construction and 23 ADT during operations is considered an insignificant increase and results in no adverse impact.

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

Form 13-29 (1-83)

File Ref.: W-40-42

I. BACKGROUND INFORMATION

A. Applicant: Shell California Production, Inc.
P.O. Box 11164
Bakersfield, CA 93389

B. Checklist Date: 10/24/84

C. Contact Person: Susan Livenick
Telephone: (213) 390-5201 (RTSS: 635-5201)

D. Purpose: Development of natural gas field

E. Location: Molino area, Santa Barbara County

F. Description: Completion of previously approved exploratory wells and installation of flowlines from subseawellheads to onshore gas processing facility.

G. Persons Contacted: Jim Ragland, Shell California Production, Inc.
Mike Wright, WESTEC services, Inc.
Sharon Maves, County of Santa Barbara
Mary Ann Scott, County of Santa Barbara

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

A. List. 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?
- 2. The creation of objectionable odors?
- 3. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally?

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?
- 2. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff?
- 3. Alterations to the course or flow of flood waters?
- 4. Change in the amount of surface water in any water body?
- 5. Discharge into surface waters or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity?
- 6. Alteration of the direction or rate of flow of ground waters?
- 7. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?
- 8. Substantial reduction in the amount of water otherwise available for public water supplies?
- 9. Exposure of people or property to water-related hazards such as flooding or tidal waves?
- 10. Significant changes in the temperature, flow or chemical content of surface thermal springs?

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)?
- 2. Reduction of the numbers of any unique, rare or endangered species of plants?
- 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?
- 4. Reduction in acreage of any agricultural crop?

E. *Animal Life.* Will the proposal result in:

- 1. Change in the diversity of species, or numbers of any species of animal: (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)?
- 2. Reduction of the numbers of any unique, rare or endangered species of animals?
- 3. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals?
- 4. Deterioration to existing fish or wildlife habitat?

F. *Noise.* Will the proposal result in:

- 1. Increase in existing noise levels?
- 2. Exposure of people to severe noise levels?

G. *Light and Glare.* Will the proposal result in:

- 1. The production of new light or glare?

H. *Land Use.* Will the proposal result in:

- 1. A substantial alteration of the present or planned land use of an area?

I. *Natural Resources.* Will the proposal result in:

- 1. Increase in the rate of use of any natural resources?
- 2. Substantial depletion of any nonrenewable resources?

J. Risk of Upset. Does the proposal result in:

Yes Maybe No

- 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?
- 2. Possible interference with emergency response plan or an emergency evacuation plan?

K. Population. Will the proposal result in:

- 1. The alteration, distribution, density, or growth rate of the human population of the area?

L. Housing. Will the proposal result in:

- 1. Affecting existing housing, or create a demand for additional housing?

M. Transportation/Circulation. Will the proposal result in:

- 1. Generation of substantial additional vehicular movement?
- 2. Affecting existing parking facilities, or create a demand for new parking?
- 3. Substantial impact upon existing transportation systems?
- 4. Alterations to present patterns of circulation or movement of people and/or goods?
- 5. Alterations to waterborne, rail, or air traffic?
- 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians?

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?
- 2. Police protection?
- 3. Schools?
- 4. Parks and other recreational facilities?
- 5. Maintenance of public facilities, including roads?
- 6. Other governmental services?

O. Energy. Will the proposal result in:

- 1. Use of substantial amounts of fuel or energy?
- 2. Substantial increase in demand upon existing sources of energy, or require the development of new sources?

P. Utilities. Will the proposal result in a need for new systems, or substantial alterations to the following utilities:

- 1. Power or natural gas?
- 2. Communication systems?
- 3. Water?
- 4. Sewer or septic tanks?
- 5. Storm water drainage?
- 6. Solid waste and disposal?

Q. Human Health. Will the proposal result in:

- 1. Creation of any health hazard or potential health hazard (excluding mental health)?
- 2. Exposure of people to potential health hazards?

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?

S. Recreation. Will the proposal result in:

- 1. An impact upon the quality or quantity of existing recreational opportunities?

Yes Maybe No

T. Cultural Resources.

- 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)

See following discussion

IV. PRELIMINARY 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: 1/1/71

For the State Lands Commission

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