

MINUTE ITEM

This Calendar Item No. 52
was approved as Minute Item
No. 52 by the State Lands
Commission by a vote of 2
to 0 at its 6/26/85
meeting.

CALENDAR ITEM

A 35

S 18

52

06/26/85
C 8552
W 40185.1
Fernino

REQUEST FOR AUTHORIZATION TO EXECUTE AGREEMENTS
FOR PRELEASING STUDIES - PARCEL 1,
POINT CONCEPTION LEASE SALE

Staff proposes to hire a private consultant(s) to prepare preleasings studies on Parcel One in the Commission's proposed Point Conception lease sale.

Union Oil of California has proposed a major development on current State Lease PRC 2879. Information from exploratory drilling on that parcel and geoseismic evaluation on Tract 1 indicated a common structure crossing between PRC 2879 and into the unleased State parcel. Without concurrent development, drainage will occur resulting in less than optimum development of the reservoir and ultimately a loss in revenue. Union is about one year from starting platform development.

By preparing these preleasings studies now, the development of Parcel One can at least be kept on a close timetable with development of PRC 2879 and would protect the State's economic interest.

In fiscal year 1985-86, \$824,000 has been budgeted to prepare an air-monitoring study (required by Santa Barbara Air Pollution Control District), a Biological Survey (a full year (4) season) and an environmental impact report. A geological hazards and cultural resources survey will also be run.

AS 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER, OR HER DESIGNEE, TO EXECUTE THE NECESSARY AGREEMENT(S) FOR THE REQUIRED STUDIES FOR A NOT TO EXCEED COST OF \$824,000. THIS AUTHORIZATION SHALL ONLY APPLY IF FUNDS ARE APPROPRIATED IN THE BUDGET ACT OF 1985.

(REVISED 06/24/85)

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