

MINUTE ITEM  
This Calendar Item No. 39  
was approved as Minute Item  
No. 39 by the State Lands  
Commission by a vote of 2  
to 0 at its 9/14/88  
meeting.

A 35

S 18

CALENDAR ITEM

39

09/14/88  
PRC 3489  
PRC 3490  
W 40495  
Gonzalez

DEFERMENT OF DRILLING OBLIGATION  
STATE OIL AND GAS LEASES PRC 3489 AND PRC 3490  
VENTURA COUNTY

LESSEE/OPERATOR:

Mobil Exploration & Producing, U.S., Inc.  
Attn.: Mr. J. A. O'Donnell  
P. O. Box 9989  
Bakersfield, CA 93389-9989

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 3489 contains 4,570 acres of submerged lands in Ventura County approximately 8.5 miles west of Point Dume immediately adjacent to the Los Angeles County line. The lease was issued on May 26, 1966 to Mobil Oil Corporation and Union Oil Company of California. State Oil and Gas Lease PRC 3490 contains 5,305 acres of submerged lands and is adjacent and westerly of lease PRC 3489. The lease was issued on May 26, 1966 to Mobil and Union. Mobil is the operator for both leases.

LEASE BACKGROUND:

One exploratory well was drilled on lease PRC 3490. The well was abandoned in January 1967. No further exploratory work has been conducted on either of these two leases. Beginning April 2, 1969 several deferments of the drilling obligation of the subject leases were authorized by the Commission and a blanket deferment for both leases was authorized in April 1971.

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CALENDAR ITEM NO. 39 (CONT'D)

On November 3, 1984, the Executive Officer of the State Lands Commission informed Mobil, as operator, to submit an application for resumption of drilling on PRC 3489 and PRC 3490 by May 1, 1986. Mobil complied on April 29, 1986, and submitted a preliminary project description and lease environmental data for a proposed exploration project of five wells covering the two leases. Working with SLC staff and the environmental document preparation consultant, Chambers Group, Inc., a Draft EIR for the exploration project was prepared and released for public comment on July 20, 1988. On August 11, 1988, Mobil withdrew its application for resumption of drilling for the two State leases to permit to make the following evaluation:

1. Reconsideration of the proposed drilling vessels to achieve lower air emissions and potential consequent adverse onshore impacts. The Draft Environmental Impact Report (DEIR) indicates that the project could have significant air quality impacts. Possible revisions to the proposed project could diminish these impacts.
2. Investigation of lease economics if onshore disposal of drilling solids will be required. The DEIR points to adverse impacts resulting from ocean disposal of drilling fluids. Mobil has established a study group to investigate the offshore treatment of drilling fluids to minimize the quantity of discharged materials.
3. Redetermination of the minimum number of wells necessary to explore adequately the lease. The DEIR recommends that fewer wells be drilled to reduce adverse environmental consequences. In order to address this recommendation, Mobil and its partner must reevaluate the available information or, perhaps, obtain additional information.

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CALENDAR ITEM NO. 39 (CONT'D)

Mobil has requested a deferment of the drilling obligations of State Leases PRC 3489 and PRC 3490 while the exploratory drilling project is being reevaluated.

AB 884:

N/A.

ENVIRONMENTAL INFORMATION:

1. 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 CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C.: 21065 and 14 Cal. Adm. Code 15378.

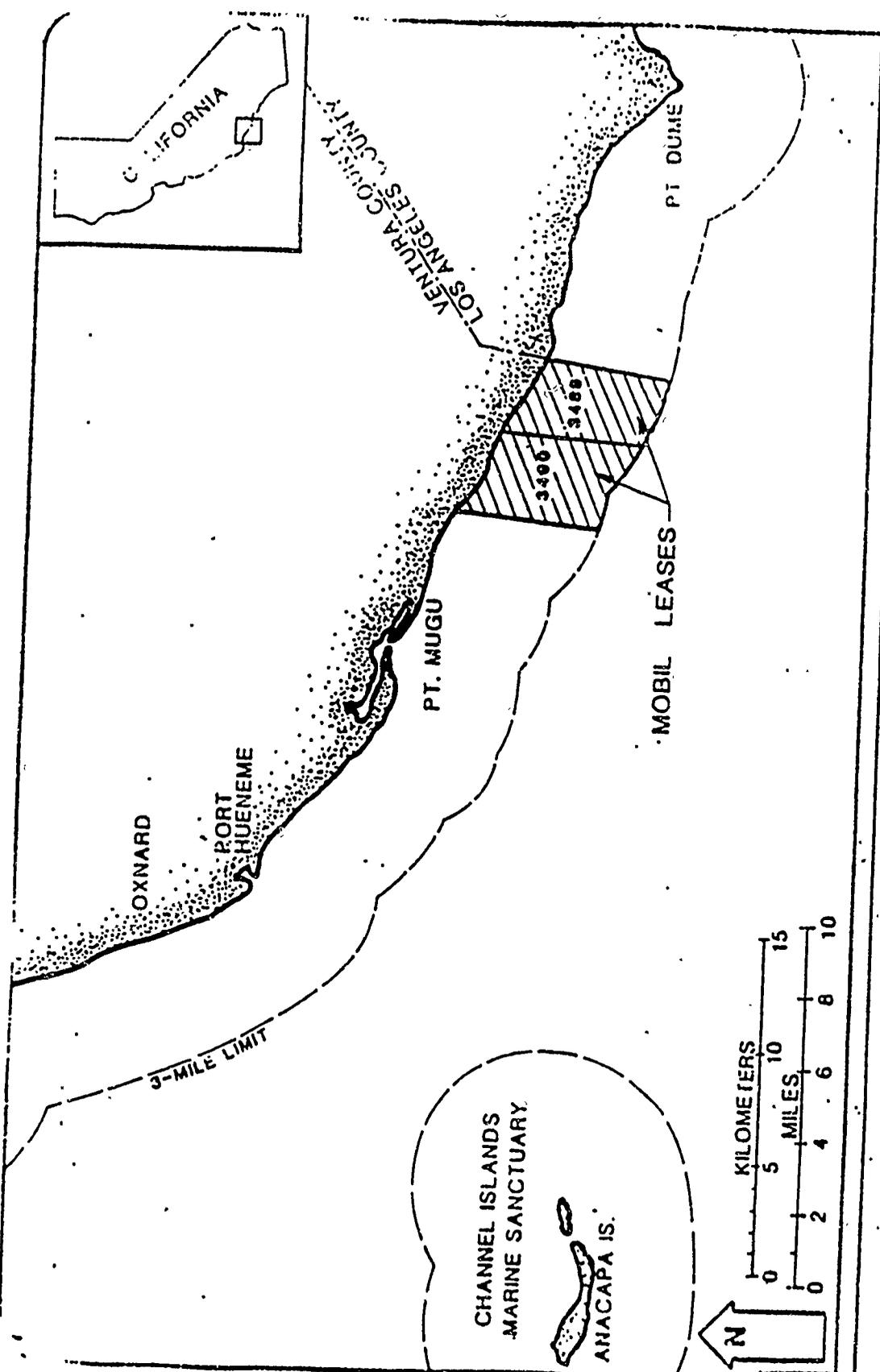
EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY 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 LEASES PRC 3489 AND PRC 3490 UNTIL SEPTEMBER 30, 1989.

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VICINITY MAP

**EXHIBIT "A" PRC 3489 & 3490**

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