

MINUTE FROM
The Calendar Item No. 01
was approved as Minute Item
No. 1 by the State Lands
Commission by a vote of 2
to 0 at its 12/6/89
meeting.

CALENDAR ITEM

01

A 29, 35, 36, 37,
44, 49, 50, 51,
57, 58, 69, 70

12/06/89
W 24448

S 18, 22, 28, 29, 37

CONSIDER ESTABLISHMENT OF AN OIL AND GAS LEASING
SANCTUARY ZONE COVERING ALL STATE-OWNED TIDE AND
SUBMERGED LANDS WHICH ARE NOT CURRENTLY LEASED
OR ALREADY WITHIN SANCTUARY ZONES IN ORANGE,
LOS ANGELES, VENTURA AND SANTA BARBARA COUNTIES

APPLICANT: State Lands Commission
1807 - 13th Street
Sacramento, California 95814

PROPOSAL:

Leo McCarthy, Lieutenant Governor and Chairman of the State Lands Commission, and Gray Davis, Controller and Member of the State Lands Commission, have asked that a special meeting of the Commission be held in order to consider whether the State Lands Commission should establish an oil and gas leasing Sanctuary Zone in State waters within Orange, Los Angeles, Ventura and Santa Barbara counties. This action, if adopted, would constitute a declaration by the Commission that no new oil and gas leasing and development will take place in the designated area. The Sanctuary Zone would cover all remaining unleased State tide and submerged lands which are not currently part of sanctuaries established either by the Legislature or by the Commission.

BACKGROUND:

Pursuant to P.R.C. Section 6301 the State Lands Commission has exclusive jurisdiction over all ungranted tide and submerged lands owned by the State. P.R.C. Sections 6871 and 6871.3 give the Commission broad discretion over whether or not to lease tide or submerged lands for oil and gas development. Leasing of State land can only occur when the Commission finds that it is in the best interest of the State. The Commission also has the authority to control the nature and extent of oil and gas activities on existing leases as evidenced by its action in 1969 following the oil spill in federal waters offshore Santa Barbara.

Under Sections 6871.1 and 6871.2 of the P.R.C., the Legislature has prohibited the Commission from issuing oil and gas leases in certain areas along the coast. Section 6871.2 states, "[T]he commission shall not enter into any lease for the extraction of oil and gas from State-owned tide and submerged lands within the areas to which this section is applicable." The areas covered by this prohibition have informally been called "sanctuaries." This prohibition effectively prevents any oil and gas leasing and development in the sanctuary areas. Among the areas included in the existing legislatively defined sanctuary are all tide and submerged lands south of the northern city limits of Newport Beach in Orange County, those areas in Los Angeles County northerly of Point Fermin, areas directly off shore of the City of Santa Barbara, and all areas north of Santa Barbara County, except for parts of Mendocino and Humboldt counties.

On October 26, 1988, the Commission established a sanctuary zone comparable to the above which includes all tide and submerged lands in Mendocino and Humboldt counties not covered by legislative sanctuaries under P.R.C. Section 6871.2.

In the aftermath of the significant environmental tragedy within Prince William Sound which was the result of the March 24, 1989 grounding of the Exxon supertanker Valdez on Bligh Reef, the Commission monitored the oil spill activities of the State of Alaska, the Coast Guard, and Exxon, and began its own investigation of California's ability to respond to major oil spills whether from platforms or tankers. This investigation included public hearings in San Francisco on May 25, 1989 and in Santa Monica on June 7, 1989. It has become clear to the Commission that the present state of

preparedness and equipment available to respond to offshore spills are inadequate to deal with the potential for such spills. Any additional oil and gas leases on the State's tide and submerged lands would only exacerbate the present deficiencies and exposure of California's sensitive coastal resources.

In addition, The National Academy of Science has recently issued a report which finds, at this time, there is inadequate data about the physical oceanography of the California coast.

Those areas affected by this proposed action include all offshore lands between the northern city limits of Newport Beach in Orange County and Point Fermin in Los Angeles County, and all offshore lands in Ventura and Santa Barbara counties, except for the area directly off the City of Santa Barbara. Substantial portions remain unleased or are within former leases which have been quitclaimed to the State.

The action proposed here would have the same result as the action taken with regard to Mendocino and Humboldt counties. If the Commission establishes the recommended sanctuary, it will have placed all unleased tide and submerged lands within its jurisdiction off limits to offshore oil and gas leasing and development. In the implementation of this action, the Commission's staff would be directed not to accept applications for oil and gas leasing. Any activities on existing leases would not be affected by this action.

RELATED FEDERAL ACTIVITIES

On February 9, 1989, the President announced his decision to postpone leasing for OCS areas in northern California (Lease Sale 91) and southern California (Lease Sale 95). Lease Sale 119 (central California) has been similarly affected by congressional action. The resulting delay in federal leasing activities may be further extended if the conclusions of the National Research Council (National Academy of Sciences) are heeded. In its recent report, "The Adequacy of Environmental Information for Outer Continental Shelf Oil and Gas Decisions: Florida and California", the council, for Lease Sale 95 (southern California) states:

"Ecological information is adequate for a leasing decision, but physical oceanographic and socioeconomic aspects of the

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scientific and technical information now being used or available for the southern California area inadequate or not sufficiently reliable for a leasing decision. More information in all three scientific disciplines would be needed for development and production decisions."

Of the three, physical oceanographic information is the most critical in oil spill and clean up analyses and preparedness.

Congress will also be considering a proposal by United States Representatives Boxer, Levine, et al, introduced on November 20, 1989, which provides that "The Secretary shall not issue a lease, permit, or license for the exploration for or extraction of oil or gas on or from submerged lands...." on either the east or west coast. The area offshore California is described as:

"All submerged lands seaward from the landward boundary of the Outer Continental Shelf that lie within 145 miles of any point of the coast line of the State of California, including areas with respect to which a moratorium on oil and gas leasing activities existed before the date of enactment of this Act."

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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 21080 and 14 Cal. Code Regs. 15378.]

STATUTORY REFERENCES:

- A. Public Resources Code Section 6301
- B. Public Resources Code Section 6371
- C. Public Resources Code Section 6871.1
- D. Public Resources Code Section 6871.2
- E. Public Resources Code Section 6871.3

AB 884: N/A

EXHIBIT: A. Plat of Proposed Sanctuary Zone

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IN THE EVENT THAT THE COMMISSION DECIDES TO APPROVE THE PROPOSAL, STAFF RECOMMENDS THAT THE COMMISSION MAKE THE FOLLOWING FINDINGS:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. DETERMINE THAT, FOR THE REASONS STATED HEREIN, ANY POTENTIAL LEASING AND SUBSEQUENT OIL AND GAS DEVELOPMENT OF THE DESCRIBED STATE LANDS IS NOT NOW IN THE BEST INTEREST OF THE STATE.
3. DECLARE THAT ALL UNLEASED STATE-OWNED TIDE AND SUBMERGED LANDS WITHIN ORANGE, LOS ANGELES, VENTURA AND SANTA BARBARA COUNTIES, WHICH ARE NOT PRESENTLY DESCRIBED IN P.R.C. SECTION 6871.2, ARE TO BE DESIGNATED A "SANCTUARY ZONE";
4. DECLARE THAT NO OIL AND GAS LEASING OR DEVELOPMENT SHALL BE ALLOWED WITHIN THE DESIGNATED SANCTUARY ZONE.
5. DECLARE THAT THE COMMISSION WILL NOT ENTERTAIN APPLICATIONS FOR OIL AND GAS LEASING WITHIN THE SANCTUARY ZONE.

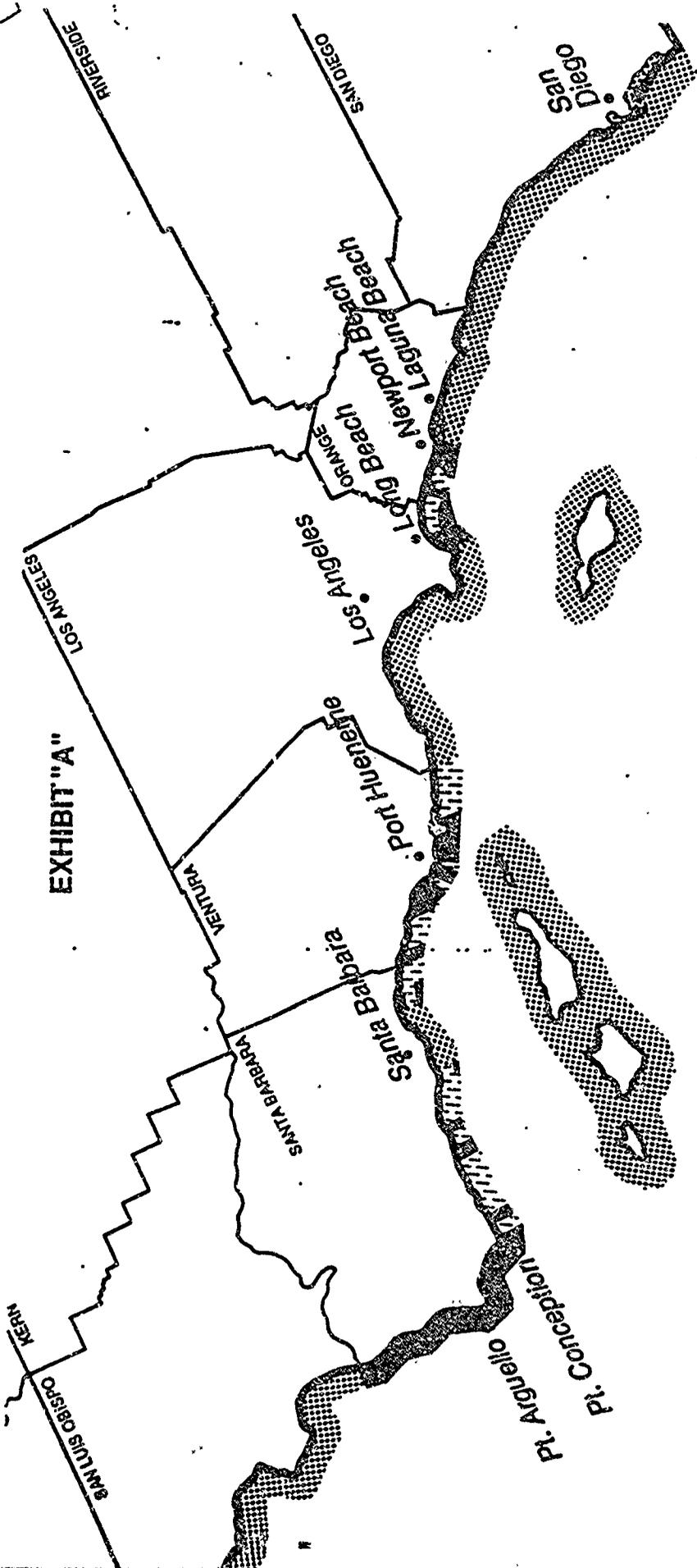
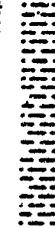
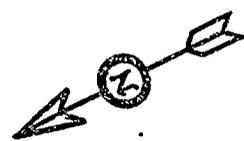


EXHIBIT "A"

STATE OF CALIFORNIA STATE LANDS COMMISSION

-  Existing Oil and Gas Sanctuary Areas
-  Existing Oil and Gas Leases
-  Proposed State Sanctuary Zone
-  Unleased Lands Under Local Jurisdiction

CALENDAR PAGE	06
MINUTE PAGE	3274



Not to Scale

REVISED.