

MINUTE ITEM
This Calendar Item No. C23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 3
to 0 at its 7/15/91
meeting.

CALENDAR ITEM

A 4

S 2

C 2 3

07/15/91
PRC 3743
Griggs
Gonzalez

APPROVE GAS WELL ABANDONMENT AND PLATFORM REMOVAL
STATE OIL AND GAS LEASE PRC 3743
RYER ISLAND, SUISUN BAY, SOLANO COUNTY

LESSEE:

Chevron U.S.A. Inc.
Attn: R. H. Elliot,
District Manager
Route 1, Box 25
Coalinga, California 93210

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 3743 contains 2,241 acres of
tide and submerged lands around Ryer Island in Suisun Bay,
Solano County. This lease was awarded by competitive bid on
April 10, 1967 to Standard Oil Company (now Chevron U.S.A.
Inc.) for a bonus bid of \$1,788,060.00.

LEASE INFORMATION:

Competitive bid State oil and gas lease PRC 3743 was awarded
to Standard Oil Company of California (now Chevron U.S.A.,
Inc) on April 10, 1967. The lease contains approximately
2,241 acres of tide and submerged lands surrounding Ryer
Island in Suisun Bay, Solano County. On May 25, 1967, the
Commission approved the assignment of an undivided 50
percent interest in the leased lands from Chevron to Shell
Oil Company (now Shell Western E&P Inc.), Chevron remained
the lease operator. On September 27, 1989, Shell reassigned
its interest in this lease back to Chevron.

Currently there are two platforms and three existing wells
on the leased lands.

PROPOSED PROJECT:

Chevron is proposing to abandon two natural gas production
wells, State Well #48-2 and Ryer #4 and to remove the
associated production platform, equipment and pilings. A

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third natural gas well, State Well #48-1, will be attempted to be brought back to production. If the production is uneconomical, this well and its production platform will also be removed. A working barge moored in various locations around the platforms will be used to rework the well, abandon all three wells, if necessary, and remove the platforms, production equipment and pilings.

Pursuant to the terms of the lease the lessee shall obtain Commission approval before abandoning any well or removing structures such as platforms on the leased lands.

AB 884:
N/A.

OTHER PERTINENT INFORMATION:

1. The San Francisco Bay Conservation and Development Commission (BCDC), has issued Administrative Permit M91-22(M) in its approval of this project. The approval by the BCDC is conditioned on Chevron performing all work in accordance with Division of Oil and Gas and State Lands Commission approvals. All operations will be performed with the review and guidance of Clean Bay, Inc. to prevent any spillage of fluids or drilling muds.
2. BCDC finds, declares, and certifies that the activity or activities authorized herein are consistent with the Commission's Amended Management Program for San Francisco Bay, and that the project authorized by the BCDC permit is categorically exempt from the requirement to prepare an environmental report.
3. Staff concurs with BCDC's determination; therefore, pursuant to the State Lands Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the State Lands Commission staff has determined that this activity is exempt from the requirements of the CEQA, as a categorically exempt project. The project is exempt under Class 1, 2 Cal. Code Regs. 2905(a)(1). Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905.
4. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. The project, as proposed, is consistent with its use classifications.

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EXHIBITS:

- A. Location Map.
- B. BCDC Administrative Permit M91-22(M).

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, 2 CAL. CODE REGS. 2905(a(1)).
2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
3. APPROVE THE PROPOSAL BY CHEVRON U.S.A. INC. TO REMOVE PRODUCTION PLATFORMS AND ABANDON WELLS ON STATE OIL AND GAS LEASE PRC 3743 IN THE MANNER DESCRIBED AND SPECIFIED IN THE BCDC ADMINISTRATIVE PERMIT APPROVED JUNE 14, 1991, ATTACHED HERETO AS EXHIBIT "B".

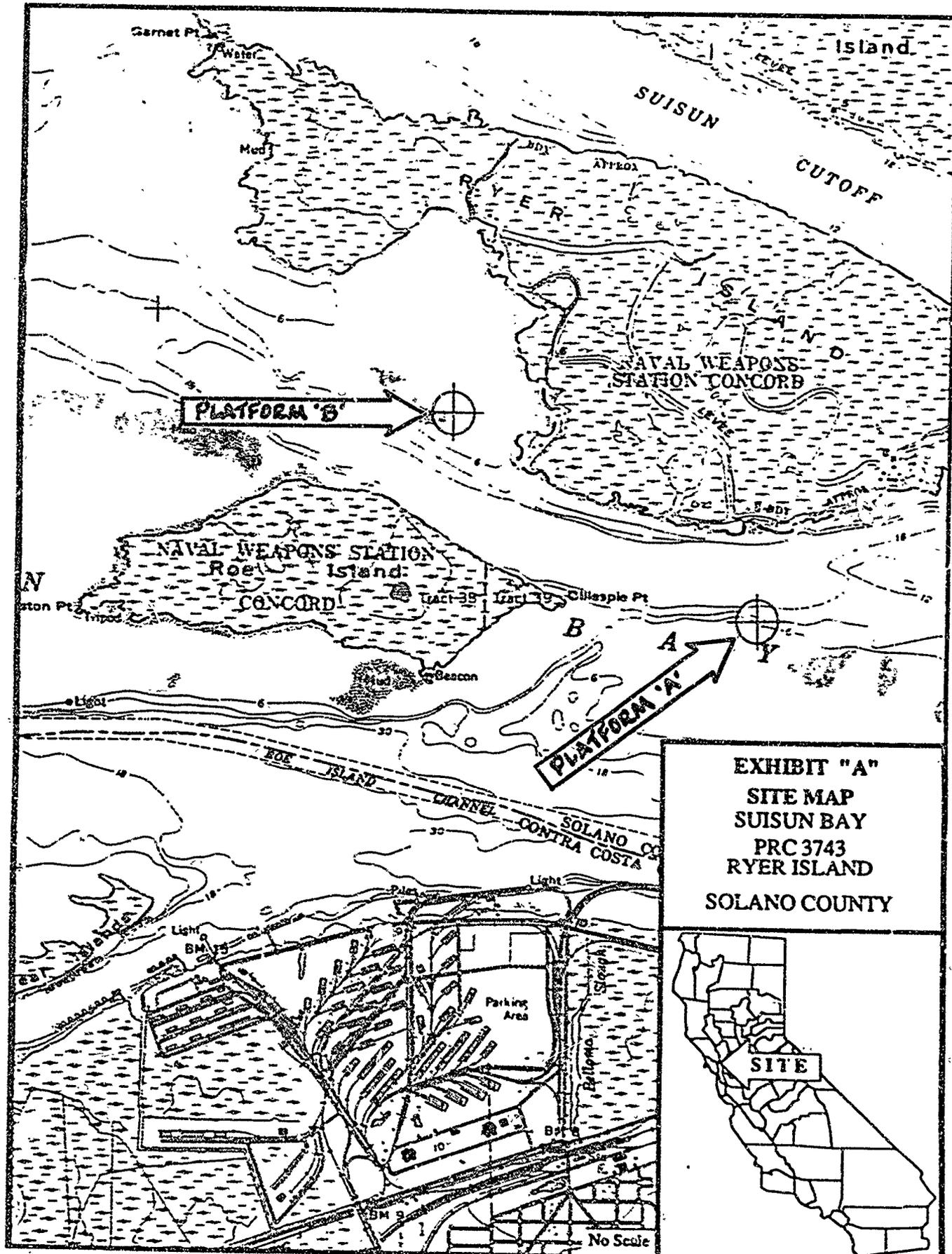


EXHIBIT "A"
SITE MAP
SUISUN BAY
PRC 3743
RYER ISLAND
SOLANO COUNTY



SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

THIRTY VAN NESS AVENUE, SUITE 2011

SAN FRANCISCO, CA 94102-6080

PHONE: (415) 557-3586



MARSH DEVELOPMENT PERMIT NO. M91-22(M)

June 14, 1991

Chevron U.S.A., Inc.
Route 1, Box 25
Coalinga, California 93210

ATTENTION: R.H. Elliott,
District Manager

Gentlemen:

I. Authorization

A. Subject to the conditions stated below, the permittee, Chevron U.S.A., Inc., is hereby authorized to do the following:

Location: Within the primary management area of the Suisun Marsh, between Roe and Ryer Islands, in Suisun Bay, Solano County.

Description: (1) Abandon two natural gas production wells, State Well #48-2 and Ryer #4, by removing platforms and pilings; (2) repair a third natural gas production well, State Well #48-1, and seal and remove, as in (1) above, if found to be uneconomical to continue production; and (3) temporarily moor, in a variety of locations near the three wells, a jack-up barge with a maximum size of 5,500 square feet.

B. This authority is generally pursuant to and limited by your application dated March 6, 1991 including its accompanying exhibits and all conditions of this permit.

C. Work authorized herein must commence prior to July 31, 1991, or this permit will lapse and become null and void. Such work must also be diligently pursued to completion, subject to the scheduling limitations set forth in Special Condition IX-D, and must be completed within one year of commencement, or by July 31, 1992, whichever is earlier, unless an extension of time is granted by amendment of the permit.

Dedicated to making San Francisco Bay better.

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II. Special Conditions

The authorization made herein shall be subject to the following special conditions, in addition to the standard conditions in Part IV:

A. Fill Removal. Fill materials removed shall be deposited at an upland location outside the primary management area of the Suisun Marsh and San Francisco Bay and disposed of in such a manner that would not adversely affect the Suisun Marsh or San Francisco Bay.

B. Abandonment. If, at any time, the Commission determines that the improvements in the Bay authorized herein, have been abandoned for a period of two years or more, or have deteriorated to the point that public health, safety or welfare is adversely affected, the Commission may require that the improvements be removed by the permittee, its assigns or successors in interest, or by the owner of the improvements, within 60 days or such other reasonable time as the Commission may direct.

C. Well Abandonment. The abandoned gas wells shall be sealed in accordance with the California Division of Oil and Gas regulations.

D. Scheduling of Work. All removal activities shall be confined to the period between June 1 and October 31 to minimize disturbance to migratory fish and waterfowl.

E. Clean-Up. All drilling muds, wastewater and other fluids shall be removed entirely from the Suisun Marsh and disposed of in a Class II-I or Class I dumpsite as a non-hazardous waste in a manner that will not adversely affect the Suisun Marsh or San Francisco Bay.

III. Findings and Declarations

On behalf of the Commission, I find and declare that:

A. The project authorized by this marsh development permit involves (1) the removal of fill material from Suisun Bay that was placed before the Commission assumed jurisdiction over the primary management area of the Suisun Marsh, (2) the repair of an existing natural gas production facility, and (3) the placement and use of a temporary barge to perform repair and removal activities, similar activities having no greater impact on the Marsh and Bay, as defined in Regulation Section 10601(d) as routine repairs, reconstruction, replacement, removal, and maintenance that do not involve any substantial enlargement or change in use, as defined in Regulation Section 10601(a)(9),

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Chevron U.S.A., Inc.

June 14, 1991

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and the placement of a temporary structure, provided that the structure is removed within 180 days after its placement and the area is returned to its pre-existing condition, as defined in Regulation Section 10601(e)(1), and thus is a "minor repair or improvement" for which the Executive Director may issue a permit, pursuant to Government Code Section 66632(f) and Regulation Section 10622(a).

B. The project authorized by this permit is consistent with the McAteer-Petris Act, the San Francisco Bay Plan and the Solano County Local Protection Plan in that it will result in a net decrease in Bay fill and will not adversely affect the Bay and Marsh nor public access to and enjoyment of the Bay and Marsh.

C. The project authorized by this permit is within the primary management area of the Suisun Marsh Preservation Act of 1977, as defined in Section 29102 of Chapter 2, Division 19 of the Public Resources Code. This project is consistent with the findings and declarations of Public Resources Code Sections 29001 and 29004, and the Suisun Marsh Protection Plan with particular reference to Natural Gas Resources on pages 16 and 17 of the Plan.

D. The Commission further finds, declares, and certifies that the activity or activities authorized herein are consistent with the Commission's Amended Management Program for San Francisco Bay, as approved by the Department of Commerce under the Federal Coastal Zone Management Act of 1972, as amended.

E. Pursuant to Regulation Section 11501, the project authorized by this permit is categorically exempt from the requirement to prepare an environmental impact report.

F. Pursuant to Regulation Section 10620, this project was listed with the Commission on June 6, 1991.

G. The project authorized by this permit provides for the sealing and abandonment of two existing wells and removal from the Bay of all pilings and platforms, as well as the repair of a third existing well with no net new fill. The project therefore, will result in the removal of navigational hazards and the repair and continued use, or removal, of an existing well. The Commission, therefore, finds that the project will improve navigational uses and will not interfere with other trust uses and thus is consistent with the public trust.

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IV. Standard Conditions

- A. All required permissions from governmental bodies must be obtained before the commencement of work; these bodies include, but are not limited to, the U. S. Army Corps of Engineers, the State Lands Commission, the Regional Water Quality Control Board, and the city and/or county in which the work is to be performed, whenever any of these may be required. This permit does not relieve the permittee of any obligations imposed by State or Federal law, either statutory or otherwise.
- B. The attached Notice of Completion and Declaration of Compliance form shall be returned to the Commission within 30 days following completion of the work.
- C. Work must be performed in the precise manner and at the precise locations indicated in your application, as such may have been modified by the terms of the permit and any plans approved in writing by or on behalf of the Commission.
- D. Work must be performed in a manner so as to minimize muddying of waters, and if diking is involved, dikes shall be waterproof. If any seepage returns to the Bay, the permittee will be subject to the regulations of the Regional Water Quality Control Board in that region.
- E. The rights derived from this permit are assignable as provided herein. An assignment shall not be effective until the assignee shall have executed and the Commission shall have received an acknowledgment that the assignee has read and understood the application for this permit and the permit itself and agrees to be bound by the terms and conditions of the permit, and the assignee is accepted by the Executive Director as being reasonably capable of complying with the terms of the permit.
- F. Unless otherwise provided in this permit, all the terms and conditions of this permit shall remain effective for so long as the permit remains in effect or for so long as any use or construction authorized by this permit exists, whichever is longer.
- G. Unless otherwise provided in this permit, the terms and conditions of this permit shall bind all future owners and future possessors of any legal interest in the land and shall run with the land.
- H. Unless otherwise provided in this permit, any work authorized herein shall be completed within the time limits specified in this permit.

MARSH DEVELOPMENT PERMIT NO. M91-22(M)

Chevron U.S.A., Inc.

June 14, 1991

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or, if no time limits are specified in the permit, within three years. If the work is not completed by the date specified in the permit, or, if no date is specified, within three years from the date of the permit, the permit shall become null and void. If a permit becomes null and void for a failure to comply with these time limitations, any fill placed in reliance on this permit shall be removed by the permittee or its assignee upon receiving written notification by or on behalf of the Commission to remove the fill.

I. Except as otherwise noted, violation of any of the terms of this permit shall be grounds for revocation. The Commission may revoke any permit for such violation after a public hearing held on reasonable notice to the permittee or its assignee if the permit has been effectively assigned. If the permit is revoked, the Commission may determine, if it deems appropriate, that all or part of any fill or structure placed pursuant to this permit shall be removed by the permittee or its assignee if the permit has been assigned.

J. This permit shall not take effect unless the permittee executes the original of this permit and returns it to the Commission within ten days after the date of the issuance of the permit. No work shall be done until the acknowledgment is duly executed and returned to the Commission.

K. Any area subject to the jurisdiction of the San Francisco Bay Conservation and Development Commission under either the McAtteer-Petris Act or the Suisun Marsh Preservation Act at the time the permit is granted or thereafter shall remain subject to that jurisdiction notwithstanding the placement of any fill or the implementation of any substantial change in use authorized by this permit.

L. Any area not subject to the jurisdiction of the San Francisco Bay Conservation and Development Commission that becomes, as a result of any work or project authorized in this permit, subject to tidal action shall become subject to the Commission's "bay" jurisdiction up to the line of highest tidal action.

M. Unless the Commission directs otherwise, this permit shall become null and void if any term, standard condition, or special condition of this permit shall be found illegal or unenforceable through the application of statute, administrative ruling, or court determination. If this permit becomes null and void, any fill or structures placed in reliance on this permit shall be subject to removal by the permittee or its assignee if the permit has been assigned to the extent that the Commission determines that such removal is appropriate. Any uses authorized shall be terminated to the extent that the Commission determines that such uses should be terminated.

MARSH DEVELOPMENT PERMIT NO. M91-22(M)
Chevron U.S.A., Inc.
June 14, 1991
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Executed at San Francisco, California, on behalf of the San Francisco Bay Conservation and Development Commission on the date first above written.

Original signed by
Alan R. Pendleton

ALAN R. PENDLETON
Executive Director

Enc. 0299r--06/14/91
ARP/RLC/rr

cc: U. S. Army Corps of Engineers, Attn: Regulatory Functions Branch
San Francisco Bay Regional Water Quality Control Board,
Attn: Certification Section
Environmental Protection Agency, Attn: Clyde Morris, W-7-2
Baykeeper, Attn: Mike Herz
State Lands Commission, Attn: Mary Griggs, Al Willard

* * * * *
Receipt acknowledged, contents understood and agreed to:

Executed at _____ Applicant
On _____ By: _____
Title

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