

MINUTE ITEM

This Calendar Item No. 32  
was approved as Minute Item  
No. 32 by the State Lands  
Commission by a vote of 3  
to 0 at its 7/15/91  
meeting.

CALENDAR ITEM

A 35

32

S 18

07/15/91  
PRC 208  
PRC 308  
PRC 309  
PRC 3120  
PRC 3242  
Gonzalez

DEFERMENT OF DRILLING OPERATIONS  
STATE OIL AND GAS LEASES  
PRCS 208, 308, 309, 3120, 3242

OPERATOR:

ARCO Oil and Gas Company  
Attn: Paul B. Norgaard  
P. O. Box 147  
Bakersfield, California 93302

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 208 was issued in January 1946 and PRC's 308 and 309 were issued on March 4, 1947. Each lease contains approximately 1,920 acres of tide and submerged lands. PRC's 308 and 309 are located south of Goleta, and PRC 208 is located west of Goleta. State oil and gas lease PRC 3120 was issued on April 29, 1964 and contains approximately 3,324 acres of tide and submerged lands west of Goleta. State oil and gas lease PRC 3242 was issued on April 8, 1965 and contains 4,290 acres of tide and submerged lands located west of Goleta.

BACKGROUND:

On March 27, 1986 the State Lands Commission granted a drilling deferment permitting ARCO to defer drilling until September 1, 1988, while an application for a proposed plan of development for the five subject leases was being reviewed. On May 27, 1987, the State Lands Commission denied approval of the development plan proposed by ARCO on its application and invited ARCO to reapply with suggestion for alternative development plans. ARCO subsequently brought suit against the State Lands Commission, maintaining that the Commission's action prevented ARCO from further development of the leases.

-1-

(ADDED pgs. 119-119.2)

CALENDAR PAGE	119
MINUTE PAGE	2146

On August 10, 1988 the State Lands Commission granted a three-year deferment through July 30, 1991 in order to allow ARCO time to study and propose alternative development plans that are economically and technologically feasible, are compatible with other public trust uses of these lands and will mitigate significant adverse environmental effects. ARCO has requested a further drilling deferment through September 1, 1992, to continue this study.

**OTHER PERTINENT INFORMATION:**

1. Pursuant to the Commission's delegation of authority, and the State CEQA Guidelines (14 Cal. Code Regs. 15061) staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

AB 884:

N/A.

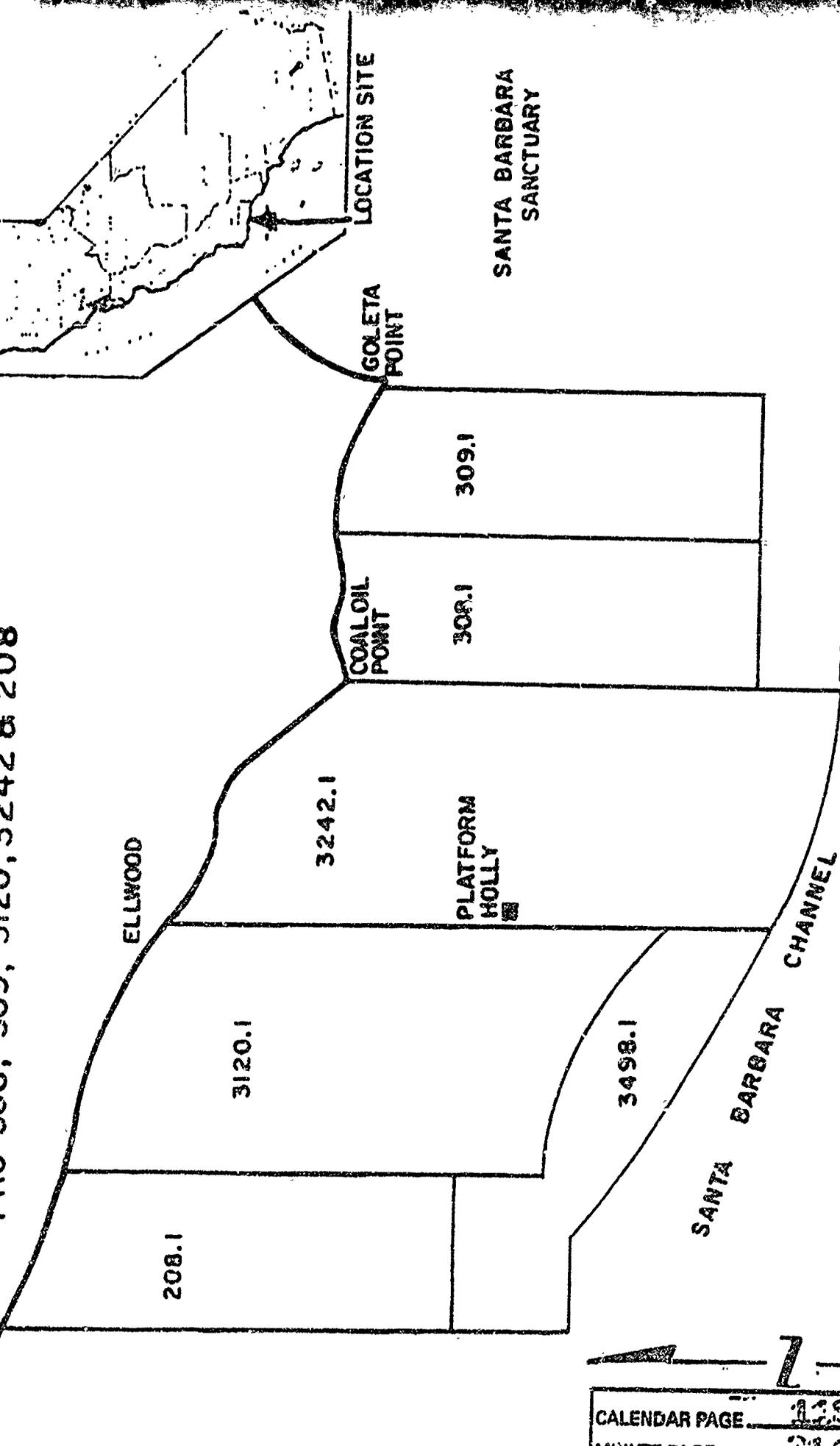
**EXHIBIT:**

- A. Location Map.

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE A DEFERMENT OF THE DRILLING OBLIGATIONS UNDER STATE OIL AND GAS LEASES PRC'S 208, 308, 309, 3120 AND 3242 THROUGH SEPTEMBER 1, 1992.

DEFERMENT OF DRILLING OBLIGATION  
PRC 308, 309, 3120, 3242 & 208



CALENDAR PAGE 139 2  
MINUTE PAGE 2149

EXHIBIT "A"