

MINUTE ITEM

This Calendar Item No. C08
was approved as Minute Item
No. 8 by the State Lands
Commission by a vote of 3
0 at its 2/5/92
meeting.

CALENDAR ITEM

C 0 8

A 35

02/05/92

S 18

PRC 1824

Gonzalez

APPROVE ABANDONMENT OF 24 OIL AND GAS WELLS ON PLATFORM HAZEL
STATE OIL AND GAS LEASE PRC 1824
SUMMERLAND OFFSHORE FIELD, SANTA BARBARA COUNTY

LESSEES:

Chevron U.S.A. Inc.
Attn: D. A. Yunker, District Manager
P. O. Box 6917
Ventura, California 93006-6917

AREA, TYPE AND LOCATION:

State oil and gas lease PRC 1824 contains approximately
5,500 acres of tide and submerged lands offshore from the
Summerland area, Santa Barbara County.

LEASE INFORMATION:

State oil and gas leases PRC 1824 was issued by competitive bid
on January 10, 1957, to Chevron and Exxon, as joint lessees, for
a bonus bid of over \$7,250,000. The lease has been developed by
wells drilled from two production and drilling platforms:
Platform Hazel, constructed in 1957, and from Platform Hilda
installed in 1960. Production from Platform Hilda is sent ashore
via a pipeline which commingles production at Platform Hazel for
processing at an onshore facility at Carpinteria. Oil production
from the lease, to date, has been approximately eight million
barrels of oil and 44 billion cubic feet of natural gas. The
reservoir developed by wells from Platform Hazel has been
depleted and Chevron believes that the end of the economic life
of this reservoir has been reached.

PROPOSED PROJECT:

Chevron is proposing abandonment of all 24 wells on Platform
Hazel using routine equipment to be mounted on the platform.
This equipment to be installed will include a workover rig,
cementing unit and associated equipment. No structural changes
will be made to the platform and the well conductor casings will
be left intact. Platform Hazel will remain in a standby status,
serving as a transshipment point for the pipeline carrying Hilda
production. Abandonment operations will normally be performed

during daylight hours during weekdays. After rig-up, it will require six to ten working days to abandon each well. The project length may therefore exceed 144 days. Transportation by crew and work boat of equipment, supplies, and personnel will not exceed the current schedule of approximately five runs per day from the Carpinteria Pier. The vessels will follow the existing routes to avoid conflicts with fishermen and other ocean users.

Chevron has reviewed economic projections for further production from the lease and current plans are to abandon the wells from Platform Hazel during 1992 and abandon all wells on Platform Hilda in 1995. The abandonment of pipelines, both platform structures, well conductor casing removal and lease clean up will be proposed for 1996 as a separate project, subject to further Commission environmental review and approval.

AB 884:

06/30/92.

OTHER PERTINENT INFORMATION:

1. The abandonment of the 24 wells from Platform Hazel will consist of routine well operations and equipment which will be installed on the platform. The abandonment program for each well is subject to review and approval by the Mineral Resources Management Division (MRMD) of the State Lands Commission as well as the Division of Oil and Gas.
2. All abandonment activities and operations will be reviewed and approved by State Lands Commission staff, including the required oil spill contingency plans, including all preparations, availability stationing, and of spill clean-up equipment and personnel.

Any required Santa Barbara Air Pollution Control District permits for the various equipment engines will be detained by Chevron upon final determination of project starting dates.

3. Chevron has conducted a structural analysis of Platform Hazel by static loading to determine the ability of the platform to sustain the abandonment equipment and operational loading. The analysis indicates that the platform is structurally sound and can withstand the

loads associated with the abandonment operations and its continuing function as transshipment point for the pipeline carrying Hilda production. The structural analysis has been reviewed by MRMD Engineering staff and found to be satisfactory.

4. Chevron and MRMD staff will conduct regular system safety and equipment status inspections of the Platform while it is in a standby status. The inspections will include instrumentation, alarms, emergency shutdown activation, fire suppression and on board spill containment equipment.
5. 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 CEQA, as a categorically exempt project. The project is exempt under Class 1, 2 Cal. Code Regs. 2905(a)(1).

Authority: PRC 21084, 14 Cal Code Regs. 15300 and 2 Cal Code Regs. 2905.

6. This activity involves lands identified as possessing environmental values pursuant to P.R.C. 6370, et seq. This project, as proposed, is consistent with its use classifications.

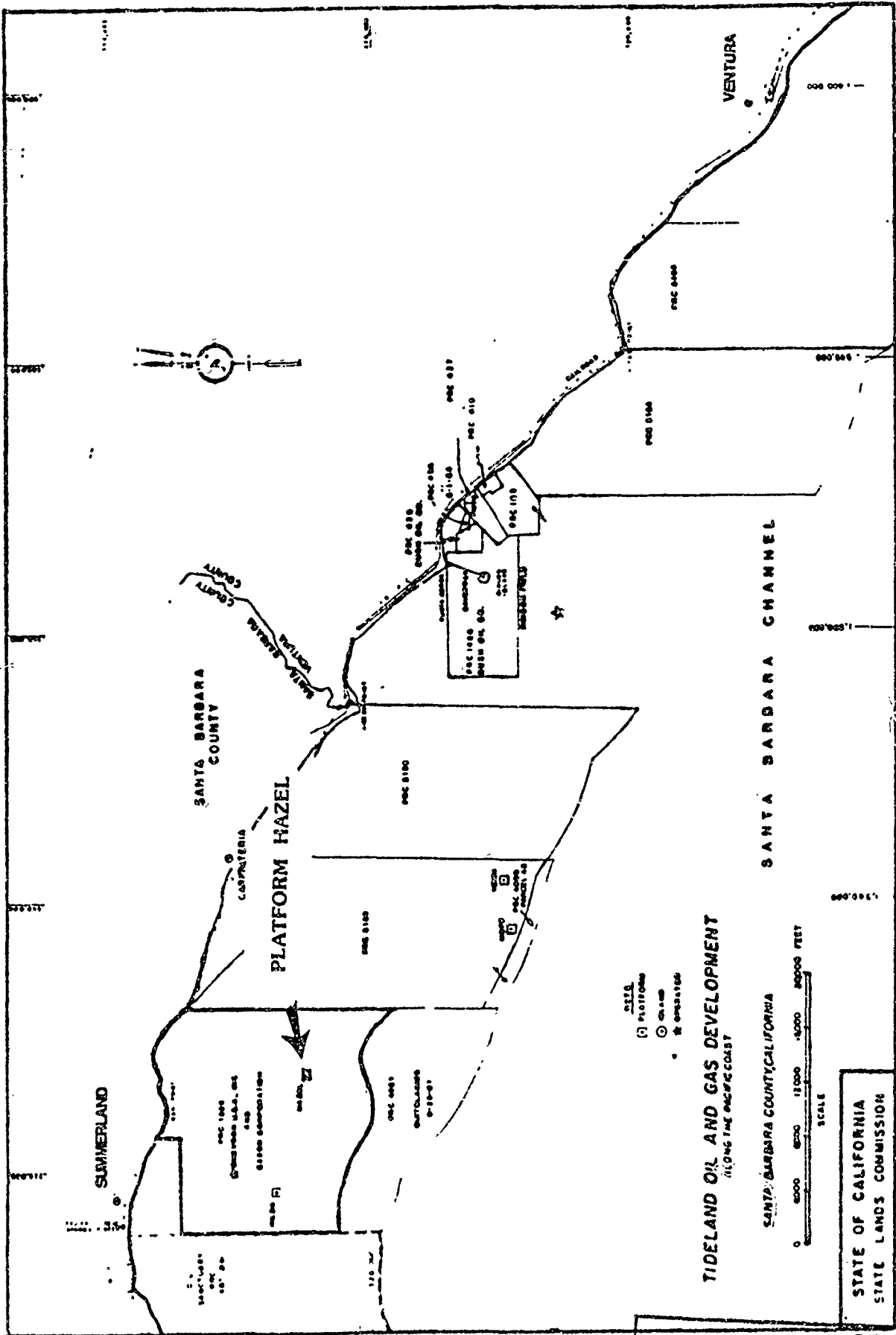
EXHIBIT:

- 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. 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. AUTHORIZE APPROVAL OF THE PROPOSAL BY CHEVRON U.S.A. INC. TO ABANDON WELLS ON PLATFORM HAZEL, STATE OIL AND GAS LEASE 1824 IN THE SUMMERLAND OFFSHORE AREA, SANTA BARBARA COUNTY.

EXHIBIT "A" PRC 1824



TIDELAND OIL AND GAS DEVELOPMENT
ALONG THE PACIFIC COAST

SANTA BARBARA COUNTY, CALIFORNIA



STATE OF CALIFORNIA
STATE LANDS COMMISSION