

MINUTE ITEM

This Calendar Item No. C63 was approved as
Minute Item No. 63 by the California State Lands
Commission by a vote of 3 to 0 at its
6-14-99 meeting.

**CALENDAR ITEM
C63**

A 30, 32, 33, 34, 35, 38

S 14, 16, 17, 18, 19

06/14/99
W 40157.3
A. Willard
R. Nobles

**CONSIDER RATIFICATION OF A MEMORANDUM OF AGREEMENT
WITH THE BUREAU OF LAND MANAGEMENT TO EXCHANGE
STATE SCHOOL LANDS PURSUANT TO THE CALIFORNIA DESERT PROTECTION
ACT FOR CERTAIN BUREAU OF LAND MANAGEMENT OWNED LANDS
CURRENTLY UNDER LEASE FOR OIL AND GAS DEVELOPMENT,
KINGS, SAN LUIS OBISPO, KERN, VENTURA
AND SANTA BARBARA COUNTIES**

PARTIES:

California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, California 95825

Bureau of Land Management
2800 Cottage Way
Sacramento, California 95825

AREA, TYPE LAND AND LOCATION:

School land parcels as described pursuant to provisions of Section 707 of the
California Desert Protection Act (PL 103-433) October 31, 1994.

LAND USE:

Exchange.

BACKGROUND:

On November 15, 1994, the California State Lands Commission (CSLC) authorized Commission staff to negotiate Exchange Agreements with the Department of the Interior (DOI) and to take all other actions necessary to implement expeditiously the provisions of the California Desert Protection Act (CDPA). The Memorandum of Agreement (MOA), attached hereto as Exhibit A, is the result of the negotiations and agreement regarding the exchange of certain lands of the BLM, primarily located in the San Joaquin Valley, for State-owned lands within the CDPA boundaries. The subject MOA facilitates a land exchange

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which will involve the conveyance to the CSLC of 44 parcels of BLM lands, currently subject to oil and gas leases, in exchange for an equal value of CSLC's inholdings within the CDPA boundaries. Upon ratification by the Commission, additional measures will be taken, including appraisal of the surface estate of BLM parcels, prior to completion of the acquisition, which is estimated to occur on or before April 4, 2000.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code sections: 6442, 6444, 6445, 7303, and 7305.5
- B. California Code of Regulations, section: Title 14, Division 6.

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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: Public Resources Code Section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Location Map
- B. Memorandum of Agreement to Exchange Lands

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION

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21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS,
SECTION 15378.

AUTHORIZATION:

1. RATIFY THE MEMORANDUM OF AGREEMENT BETWEEN THE CALIFORNIA STATE LANDS COMMISSION AND BUREAU OF LAND MANAGEMENT (DEPARTMENT OF THE INTERIOR), AS ATTACHED HERETO AS EXHIBIT B.
2. AUTHORIZE AND DIRECT THE STAFF OF THE CALIFORNIA STATE LANDS COMMISSION TO TAKE ALL NECESSARY OR APPROPRIATE ACTION ON BEHALF OF THE CALIFORNIA STATE LANDS COMMISSION, INCLUDING THE EXECUTION, ACKNOWLEDGMENT, ACCEPTANCE, AND RECORDING OF ALL DOCUMENTS AS MAY BE NECESSARY OR CONVENIENT TO CARRY OUT THE TERMS OF THE ATTACHED MEMORANDUM OF AGREEMENT.

LOCATION MAP
MEMORANDUM OF Agreement between Bureau of Land Management
and California State Lands Commission

W 40157.3

STATE LANDS COMMISSION EXCHANGE - CACA 36218 F6

(BLM parcels arranged by legal description numerically)

BLM Parcel #	Legal Description	Acres		
		Surface & All Minerals	All Minerals only	Oil & Gas only
98-9	T24S, R19E, MDM Kings County Sec. 1 W $\frac{1}{2}$ E $\frac{1}{2}$ Sec. 13 SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 15 E $\frac{1}{2}$ W $\frac{1}{2}$ Sec. 23 N $\frac{1}{2}$		160.10	160 160 320
98-10	T24S, R19E, MDM Kings County Sec. 21 NW $\frac{1}{4}$ Sec. 21 SE $\frac{1}{4}$ Sec. 27 All Sec. 35 S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$		160	160 640 360
98-11	T24S, R19E, MDM Kings County Sec. 29 SW $\frac{1}{4}$ Sec. 31 E $\frac{1}{2}$ E $\frac{1}{2}$ Sec. 33 NE $\frac{1}{4}$ NE $\frac{1}{4}$	160		160 40
98-5	T25S, R10E, MDM San Luis Obispo County Sec. 2 NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 10 N $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 11 SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$		80 160 320	
97-20	T25S, R19E, MDM Kern County Sec. 3 W $\frac{1}{2}$ Lot 1 of NE $\frac{1}{4}$, E $\frac{1}{2}$ of Lot 1 of NW $\frac{1}{4}$, E $\frac{1}{2}$ of Lot 2 of NW $\frac{1}{4}$ Sec. 3 W $\frac{1}{2}$ Lot 1 of NW $\frac{1}{4}$, W $\frac{1}{2}$ of Lot 2 of NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 11 NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$		239.63	119.82 200
97-22	T25S, R19E, MDM Kern County Sec. 11 E $\frac{1}{2}$			320
97-25	T25S, R19E, MDM Kern County Sec. 33 E $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 35 N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$	80	120	
98-12	T25S, R19E, MDM Kern County Sec. 1 S $\frac{1}{2}$			320
98-13	T25S, R19E, MDM Kern County Sec. 3 W $\frac{1}{2}$ of Lot 2 of NE $\frac{1}{4}$ Sec. 3 E $\frac{1}{2}$ of Lot 2 of NE $\frac{1}{4}$ Sec. 11 W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$		40.19	40 120
98-14	T25S, R19E, MDM Kern County Sec. 29 NE $\frac{1}{4}$ NW $\frac{1}{4}$			40
97-26	T25S, R20E, MDM Kern County Sec. 3 E $\frac{1}{2}$ Sec. 9 N $\frac{1}{2}$ N $\frac{1}{2}$ Sec. 15 NE $\frac{1}{4}$ NE $\frac{1}{4}$		324.09 40	160
97-27	T25S, R20E, MDM Kern County Sec. 19 All			

648.80
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EXHIBIT "A"

BLM Parcel #	Legal Description	Acres		
		Surface & All Minerals	All Minerals only	Oil & Gas only
97-28	T25S, R20E, MDM Kern County Sec. 31 NW¼, E½NE¼			242.52
97-29	T25S, R20E, MDM Kern County Sec. 33 W½W½, SE¼SW¼, NE¼SE¼, S½SE¼ Sec. 33 NE¼, E½NW¼, NE¼SW¼, NW¼SE¼	320	320	
98-23	T25S, R20E, MDM Kern County Sec. 9 S½N½, S½ Sec. 23 W½			480 320
98-24	T25S, R20E, MDM Kern County Sec. 35 NW¼		160	
97-30	T26S, R21E, MDM Kern County Sec. 6 Lots 1 & 2 of NE¼ Sec. 8 W½NE¼, NW¼ Sec. 18 NW¼SE¼		158.49 240	40
98-15	T27S, R19E, MDM Kern County Sec. 6 Lots 1, 2, 9-13, 17, 18, S½NE¼ Sec. 6 Lots 14-16 Sec. 7 Lots 4-10, 13-17, 20 Sec. 7 Lots 1-3 Sec. 18 Lots 1, 2, 7-14, 16-20 Sec. 18 Lot 15 Sec. 19 Lots 1-7, E½		124.03 120.58 43.00	429.30 536.26 605.71 604.88
98-16	T27S, R19E, MDM Kern County Sec. 20 Lots 1-8, 11-14 Sec. 28 Lots 12, 13, 14 Sec. 29 S½NE¼ Sec. 29 N½N½ Sec. 30 Lots 9, 10 Sec. 33 Lots 1, 2, 3, 6, 7, 8, 11, 14	80 83.98	120.90 324.70	481.00 160
98-17	T28S, R19E, MDM Kern County Sec. 3 Lots 1, 2, 3, 6, 7, 8, 9, 12, 13, 14, S½NE¼ Sec. 3 Lot 4, 5, 10, 11 Sec. 4 Lot 1, SE¼NE¼, E½SE¼ Sec. 10 Lots 1, 2, 3 Sec. 10 Lots 5, 9, 10, 11, 12, 13, 14, 15, 16 Sec. 11 Lots 1, 2 Sec. 11 Lots 7, 8, 9, 10		451.30 104.61 75.41	142.73 154.84 348.15 139.86
98-20	T28S, R19E, MDM Kern County Sec. 13 Lots 1, 2, 6, 7, N½NE¼ Sec. 14 Lots 3, 4, 5, 16 Sec. 14 Lot 14 Sec. 23 S½SW¼ Sec. 23 W½NE¼, NW¼, NW¼SW¼ Sec. 23 E½NE¼, NE¼SW¼, SE¼ Sec. 24 Lot 5 Sec. 24 Lots 11, 12	80 71.54	229.06 39.42 280	147.45 280 35.80

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BLM Parcel #	Legal Description	Acres		
		Surface & All Minerals	All Minerals only	Oil & Gas only
98-26	T28S, R20E, MDM Kern County Sec. 33 Lots 2, 3, 4, 6, 7, 8 Sec. 33 Lots 9, 10, 14, 15, 16 Sec. 34 Lots 3, 4, 5, 6		188.87 156.25	240
97-34	T28S, R22E, MDM Kern County Sec. 18 Lots 1 & 2 of NW¼, NW¼NE¼, S¼NE¼ Sec. 18 Lots 1 & 2 of SW¼, SE¼, NE¼NE¼ Sec. 30 Lots 1 & 2 of NW¼		279.68	359.68 160.05
98-37	T28S, R22E, MDM Kern County Sec. 6 Lots 1 & 2 of SW¼, SE¼			320
98-39	T28S, R22E, MDM Kern County Sec. 30 Lots 1 & 2 of SW¼, SE¼			320.17
97-46	T28S, R23E, MDM Kern County Sec. 2 SE¼ Sec. 12 W¼, SE¼			160 480
97-47	T28S, R23E, MDM Kern County Sec. 4 S¼SW¼ Sec. 10 W¼SW¼, SE¼SW¼			80 120
97-52	T28S, R29E, MDM Kern County Sec. 18 S½ of Lot 4, NE¼NE¼		61.09	
97-53	T28S, R29E, MDM Kern County Sec. 20 E½NE¼, E½W¼NE¼, E½SE¼, E½NW¼SE¼ Sec. 28 NW¼NE¼, W½ Sec. 28 NE¼NE¼, S¼NE¼, SE¼ Sec. 34 S½N½, N½S½, SE¼SE¼ Sec. 34 N½N½	360 360	220 280 160	
98-34	T29S, R21E, MDM Kern County Sec. 29 W½NW¼, SE¼NW¼ Sec. 30 N¼NE¼ Sec. 30 S¼NE¼, SE¼	120 80		240
98-35	T29S, R21E, MDM Kern County Sec. 31 Lots 3, 4 Sec. 31 S¼SE¼ Sec. 32 S¼SW¼	73.29		80 80
97-41	T30S, R22E, MDM Kern County Sec. 33 Lots 5, 6, 7, 8	71.45		
98-43	T31S, R24E, MDM Kern County Sec. 22 All Sec. 26 NW¼			640 160
98-45	T32S, R24E, MDM Kern County Sec. 26 All			640

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BLM Parcel #	Legal Description	Acres		
		Surface & All Minerals	All Minerals only	Oil & Gas only
98-46	T32S, R25E., MDM Kern County Sec. 20 NE¼, NE¼SW¼, S¼SW¼, SE¼ Sec. 20 NW¼, NW¼SW¼ Sec. 30 W¼, SE¼ Sec. 32 W¼NW¼, SE¼NW¼, SW¼SE¼		200	440 495.60 160
98-47	T32S, R25E, MDM Kern County Sec. 22 W¼NW¼ Sec. 24 E½			80 320
98-50	T32S, R27E, MDM Kern County Sec. 20 Lot 2, SE¼SW¼ Sec. 28 Lots 3, 4, NW¼SE¼ Sec. 30 N½ Sec. 30 E½SE¼ Sec. 34 S½NE¼, W¼NW¼, SE¼		100.94 325.80	77.80 80 320
98-51	T32S, R27E, MDM Kern County Sec. 24 Lot 1	2.70		
97-65	T12N, R21W, SBM Kern County Sec. 26 All			148.44
98-52	T11N, R22W, SBM Kern County Sec. 6 Lots 1 & 2 of NE¼, Lot 1 of NW¼, E½ Lot 2 of NW¼, Lots 1 & 2 of SW¼ Sec. 18 Lots 1 & 2 of NW¼ T11N, R23W, SBM Kern County Sec. 2 Lots 1 & 2 of NE¼ Sec. 12 NE¼, S½ Sec. 14 NE¼			443.82 163.49 161.91 480 160
97-90	T10N, R27W, SBM Santa Barbara County Sec. 34 NE¼NE¼, S¼NE¼, W¼NW¼, SE¼NW¼, S½		560	
97-58	T4N, R18W, SBM Ventura County Sec. 22 NE¼NE¼ Sec. 23 Lots 1-4, N¼NW¼			40 164.04
97-59	T3N, R20W, SBM Ventura County Sec. 12 SE¼SW¼, SW¼SE¼ Sec. 13 N¼N¼NW¼		80 40	
97-60	T3N, R20W, SBM Ventura County Sec. 15 N¼SW¼, SW¼SW¼, NW¼SE¼			160
	TOTALS	Surface + All Minerals All Mineral only Oil & Gas only	1942.96	7088.14 17092.12

EXHIBIT B

MEMORANDUM OF AGREEMENT

BETWEEN

THE BUREAU OF LAND MANAGEMENT, CALIFORNIA

AND

THE CALIFORNIA STATE LANDS COMMISSION

FOR

EXCHANGE OF LANDS PURSUANT TO

THE CALIFORNIA DESERT PROTECTION ACT

INTRODUCTION:

This Memorandum of Agreement (MOA) between the Bureau of Land Management ("BLM") and the California State Lands Commission ("CSLC") is intended to partially implement the requirements of Section 707 of the California Desert Protection Act of 1994, wherein it states in part:

Upon request of the California State Lands Commission..., the Secretary shall enter into negotiations for an agreement to exchange Federal Lands or interests therein...for California State School Lands or interests therein which are located within the boundaries of one or more of the wilderness areas or park system units. The Secretary shall negotiate in good faith to reach a land exchange agreement consistent with the requirements of section 206 of the Federal Land Policy and Management Act of 1979, as amended.

Under Section (b)(2) and (b)(2)(B), the Secretary of Interior is to determine what lands are suitable for disposal for exchange giving priority to "lands with mineral interests, including geothermal, which have the potential for commercial development but which are not currently under mineral lease or producing Federal mineral revenues."

The purpose of this MOA is to 1) delineate the terms and conditions under which the BLM will exchange certain of its lands which are presently subject to oil and gas leases for lands of the CSLC within the boundaries of the California Desert Protection Act; 2) to establish the timing and procedures for the exchange, and;

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3) to provide for establishment of an account to administer the BLM's overriding royalty proceeds for the purposes outlined in this agreement.

BACKGROUND:

Among the lands of the United States under the jurisdiction of the Secretary determined suitable for exchange are certain lands having potential for exploration and development of oil and gas. Pursuant to that Memorandum of Agreement executed by the BLM and the CSLC on February 26, 1997 and March 18, 1997 respectively, the BLM offered these lands for a competitive oil and gas lease sale. The sale was conducted on May 7, 1997. Thereafter, with the concurrence of the CSLC, a subsequent oil and gas lease sale was held by the BLM on March 12, 1998. As the result, the BLM issued oil and gas leases covering certain parcels of land determined by the Secretary to be suitable for exchange. Said parcels are identified in "Exhibit A", attached hereto and incorporated herein. For convenience, said parcels will hereinafter be referred to as the "BLM Parcels" and the foregoing oil and gas leases will be referred to as the "Existing Leases".

The BLM Parcels consist of forty-four (44) tracts of land. The BLM's ownership interest of the mineral and surface estate varies from tract to tract. Many of the parcels consist either of severed mineral estates or severed oil and gas estates only, the surface estate having previously been conveyed into private ownership. The ownership interest of the BLM in the various parcels is depicted in Exhibit A.

The "CSLC Parcels" consist of those lands designated by the CSLC for exchange and selected from among the State School Lands or interests therein which are located within the boundaries of the wilderness areas or park system designated by the California Desert Protection Act ("CSLC Inholdings").

THEREFORE, THE BLM AND THE CSLC HEREBY AGREE AS FOLLOWS:

I. LAND EXCHANGE:

a. Exchange of Interests: Subject to the reservations of overriding royalty interest hereinafter provided, the parties hereby agree that the BLM will exchange all of its right, title and interest in the BLM Parcels with the CSLC for all of CSLC's right, title and interest in CSLC Parcels of equivalent value. The BLM conveyance will include all of the Lessor's right, title and interest in the Existing Leases.

b. BLM Reservation of Overriding Royalty: The BLM will except and reserve an overriding royalty interest ("ORR") in the BLM Parcels consisting of a portion of the Lessor's royalty share of the proceeds of production as provided in the Existing Leases, and as may hereafter be provided for in any successor or

replacement lease(s) granted by CSLC. The ORR shall apply to all oil, gas and other leased resources produced from or attributable to the BLM Parcels by reason of pooling, unitization or communitization. The ORR shall be in the quantum and for the duration of time hereafter provided:

1. Fifty Percent (50%) of the Net Royalty Proceeds from and after the date of the exchange until such time as all of CSLC's Inholdings within the CDPA, designated for exchange by the CSLC, have been acquired by the Federal government. If, as and when all of the CSLC Inholdings have been so acquired, the ORR will thereupon be reduced to;
2. Twenty-five Percent (25%) of the Net Royalty Proceeds accruing thereafter.

"Net Royalty Proceeds" shall mean all royalty payable to the lessor under the Existing Leases or any successor or replacement lease(s) issued therefore (whichever is in effect at the time of production for which royalty is due), on account of the actual production of leased substances from or attributable to the exchanged parcels, less all allowable offsets, adjustments and deductions against royalty permitted under the applicable lease(s), and subject further to its proportionate share of CSLC lease administrative costs as hereafter provided.

c. CSLC Reservation of Overriding Royalty: CSLC will except and reserve from CSLC Parcels conveyed to the BLM an ORR in the amount of twenty-five percent (25%) of the lessor's royalty share generated under any lease, permit, agreement or other grant authorizing the development and exploitation of the mineral resources. The ORR shall be net of allowable offsets, adjustments and deductions against royalty and shall bear its proportionate share of BLM administrative costs as hereafter provided.

II. VALUATION:

- a. BLM Parcels: For purposes of this Agreement, the exchange value of the BLM Parcels shall be the combined value of the surface estate(s) and the mineral estate(s) of the parcels to be conveyed. The parties have agreed upon the value of the mineral estate of the BLM Parcels, excluding the ORR retained by the BLM, to be Fifteen Dollars (\$15.00) per net mineral acre. The contributory value of each surface estate to be conveyed hereunder will be determined in accordance with the fair market value appraisal procedures and guidelines for surface estates as agreed to between the parties in that certain Memorandum of Agreement, executed on October 26, 1995.
- b. CSLC Parcels: The exchange value of the CSLC Parcels will be determined by appraisal of the surface and mineral estates in accordance with the guidelines and procedures adopted in the Memoranda of Agreement between the BLM and the CSLC dated October 26, 1995. To facilitate the exchange

the BLM and the CSLC dated October 26, 1995. To facilitate the exchange contemplated in this MOA, the exchange parcels shall be selected first from the existing inventory of CSLC Inholdings for which an approved appraised value has been established.

III. BLM OVERRIDING ROYALTY ACCOUNT AND APPLICATION OF PROCEEDS:

- a. Until such time as the Federal government has acquired all of CSLC's Inholdings, CSLC shall collect and retain all proceeds attributable to the BLM's ORR in an ORR Account for the future acquisition by the BLM of CSLC Inholdings. The funds will be held in an interest bearing account. CSLC shall furnish the BLM with annual statements reflecting the account balance. From time to time, as sufficient funds accumulate in the ORR Account, including interest accruing thereon, the BLM shall select for acquisition from among the remaining CSLC Inholdings, additional exchange parcels of a value not greater than the outstanding credit balance in the ORR Account. CSLC shall complete the exchange by conveying to the BLM the selected parcel(s) and disbursing from the ORR Account into the California School Land Bank, as proceeds of the exchange, an amount equal in value to the parcel(s) conveyed.
- b. Following acquisition by the BLM of all of CSLC's Inholdings, or notification from CSLC that it elects not to exchange the remaining parcels, whichever first occurs, the proceeds attributable to the BLM's reserved ORR may, with the mutual consent of the parties, be applied to reduce the outstanding indemnity selection debt owed to the CSLC in accordance with the terms and conditions of the Memorandum of Understanding between the parties dated April 29, 1981.
- c. At such time as the purposes set forth in Paragraphs III.a and III.b above have been satisfied, the ORR Account will be closed and any undistributed funds together with the BLM's share of future ORR proceeds will be transferred to the BLM for deposit into the public lands account (14 X 5881) of the U.S. Treasury. CSLC shall transfer ORR proceeds to the BLM within ten working days of receipt from the lessee(s).

MISCELLANEOUS:

- a. Administrative Costs: Administrative costs shall be the costs incurred by the CSLC or the BLM, whichever is the owner of the mineral estate, in leasing the parcels for mineral exploitation and administration of the lease(s). Such costs shall be computed on a lease by lease basis according to the customary accounting procedures of CSLC or BLM, as applicable. Either party shall have the right to audit the other with respect to the administrative costs

imposed against the ORR. The reasonable costs of conducting such an audit shall be reimbursed to the auditing party and treated as an administration charge.

- b. Administration and Modification of the Existing Leases: Following the exchange, CSLC will administer the Existing Leases pursuant to the terms thereof, including the Federal rules and regulations governing the leases in effect at the time of transfer. It shall be in the sole discretion of the CSLC whether to implement any changes in the Federal rules and regulations promulgated after the effective date of the exchange. CSLC shall be free at any time following the exchange to modify the terms and conditions of the Existing Lease(s), provided the lessee thereunder consents to and joins in the modification.
- c. Ownership of Bonus and Rentals: Bonus and rentals under the Existing Leases and any successor or replacement leases issued therefore shall be owned by and allocated to the parties in accordance with the following provisions. The BLM shall retain and not be required to account to the CSLC for any bonus and rental accruing under the Existing Leases prior to January 1, 1999. CSLC shall own all bonus and rental accruing to the BLM Parcels from and after January 1, 1999.
- d. Appraisal of BLM Parcels: The parties, will cooperate in securing the prompt appraisal of the surface value of those BLM Parcels in which the BLM owns the surface estate. The purpose of the appraisal shall be limited to determining the value of the surface estate, the value of the mineral estate having previously been agreed to by the parties. The parties will each bear one-half of the costs of securing the appraisal. CSLC reserves the right to decline to acquire any BLM Parcel, the appraised surface value of which in CSLC's sole discretion, exceeds its actual value. The parties will endeavor to complete the appraisal by November 1, 1999.
- e. Transfer of Files; Notice to Lessees: Upon the closing, BLM shall promptly deliver to CLSC all original lease files and records pertaining thereto. The BLM will promptly notify its lessees under the Existing Leases of the assignment of the lessor's interest therein to CSLC and otherwise cooperate with the CSLC in securing the attornment of the lessees.

f. Closing: The parties shall undertake reasonable efforts to complete the transaction and consummate the exchange of the BLM Parcels on or before April 4, 2000.

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Ed Hastey

Ed Hastey
California State Director

Date: 3/31/99

STATE OF CALIFORNIA
STATE LANDS COMMISSION

Paul Thayer

PAUL THAYER
Assistant Executive Officer

Date: 4/15/99

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Comments and Responses

Commentor: California Regional Water Quality Control Board – Scott Dawson.

Date: May 4, 1999

Response:

Board letter outlines their understanding of the project and the associated permitting requirements. Exxon is working with the RWQCB and other agencies to acquire the necessary permits to conduct the proposed operations.

Comments and Responses

Commentor: Department of Conservation – Jason Marshall

Date: April 30, 1999

Response:

Thank you for your comments, no response required.

Comments and Responses

Commentor: Department of Transportation – Robert F. Joseph

Date: April 23, 1999

Response:

Thank you for your comments, no response required.

Comments and Responses

Commentor: American Sportfishing Association – Daniel Frumkes

Date: May 1, 1999

Response:

Thank you for your comments. Please see response to the California Department of Fish and Game letter.

Comments and Responses

Commentor: Rimmon C. Fay, Ph.D.

Date: April 21, 1999

Response:

Thank you for your comments. Please see response to the California Department of Fish and Game letter.

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD: (415) 904-5200
FAX: (415) 904-5400



April 23, 1999

Mr. Goodyear K. Walker
California State Lands Commission
100 Howe Ave., Suite 100 South
Sacramento, CA 95825

Dear Kirk:

Thank you for sending the *Initial Study and Proposed Negative Declaration* (ND) for the proposed Exxon Belmont Island Decommission Project to Coastal Commission staff for review. Enclosed are our comments. The decommissioning of Belmont Island will require a Coastal Development Permit. The Coastal Commission will thus be reviewing the project for its consistency with the Coastal Act's resource protection and use policies. The additional information we request below is needed for our evaluation.

PROJECT DESCRIPTION*Removal of the Caisson Core and Other Island Components*

1. Please explain in detail the plans for the removal, containment, transportation, treatment, and disposal of contaminated core materials, including Cellar No. 2 and its contents (mentioned on p. 3-40 of the *Initial Study and Proposed Negative Declaration*).
2. What is the rationale for cutting off the sheet piles at or below natural bottom when the well conductors will be 5 feet below natural bottom? If "below natural bottom," how many feet below will the well conductors be cut off? Will there be a depression in the center of the caisson core after work is completed, since all fill is proposed for removal?
3. Have the pilings been treated with, or do they contain, creosote?
4. For pilings that cannot be extracted and will be cut off, does the State Lands Commission have a standard policy—cutting them off even with the bottom, or some depth (quantify) below the bottom?

Offshore Pipeline Termination

5. If the pipeline bundle does not terminate at a pipe sled offshore, where will it terminate? How will the ends be plugged?

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Onshore Pipeline Termination

6. How the onshore ends of the pipelines will be terminated onshore should be described.
7. The ND states, in regards to the pipelines, "The proposed decommissioning procedures will be typical of procedures used to decommission pipelines offshore California...All the lines will be disconnected from the offshore caisson and buried" (pp. A-4-A-5). Does the SLC have a standard policy for how deeply the pipeline ends should be buried, to eliminate snagging and other hazards?

Project Related Discharges to Marine Waters

8. How much wastewater is expected to be generated during removal of the concrete? Will it be discharged into the ocean, or contained?
9. The maximum amounts of paint, concrete, and steel cuttings that may enter marine waters should be estimated. What are the procedures that will be used to reduce potential discharges, to the maximum extent feasible?

Project Activities Requiring Artificial Light

10. What project activities will occur after dark, requiring artificial light (p. 3-47)?

Decommissioning of Onshore Facility

11. The ND states that the decommissioning of the onshore facility "...is a separate project being conducted in parallel with this proposed offshore decommissioning project" (p. A-6). We believe that the current status of the onshore facilities and their relationship to this proposed project should be described in this document. A detailed description and site plan showing all onshore facilities associated with Belmont Island, including a complete inventory of all past and present facilities and operations at the site should be included. What is the current disposition of these facilities, and what plans, if any, exist for future demolition/abandonment? Will remedial action be required? A summary of the hazardous substance assessments undertaken at the site should also be provided.

ANALYSIS OF ALTERNATIVES

12. Please assess the impacts of alternatives to leaving grouting the 8-inch pipeline and leaving all pipelines in place. Why is pipeline diameter a factor in grouting the lines? The alternatives of grouting all lines, not filling the lines and perforating them so they continue flush gradually over time, and removal of the pipelines through the surf zone should be assessed also. Similarly, removal of the power cable through the surf zone and associated impacts should be considered.
13. To support the analysis, current and historical pipeline and electrical cable burial status should be assessed for the entire length of the lines, supported with a recent sidescan sonar or

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diver survey and any other available surveys or observations. Have any of the pipelines or the cable been exposed due to beach erosion?

ENVIRONMENTAL IMPACT ANALYSIS

14. Please note that the California Coastal Commission is not the lead agency for this ND (p. 2-1).

Land Use Planning

15. The onshore facility should be described in detail in this section.

16. Please delete the "Coastal Act Policy Consistency section (pp. 3-3-3-6). The Coastal Commission has not yet reviewed the project and therefore there has been no finding yet of the project's consistency or inconsistency with Coastal Act policies.

Geology and Soils

17. Please analyze if there will be changes in sediment transport resulting from project activities.

18. Please include information, both in this section and in the "Biological Resources" section, about the substrate where work vessel anchoring will occur. Associated impacts and proposed mitigation should be presented.

Water

19. Note that the discussion of water contamination should state which tests will be used to determine contamination. We recommend that water associated with the core material should be tested by the GC/MS method. The Coast Guard standard for an oil spill is the presence of hydrocarbons greater than or equal to 15 ppm; if the tests show the level exceeds this standard, then all core water should be removed and treated. The document should describe how it will be handled and disposed of.

20. Did either the Preliminary Environmental Assessment or the Additional Environmental Assessment, undertaken to determine the extent of contamination of caisson core material, analyze the core material for PCBs?

21. If any rock and or other materials are proposed for aquatic disposal, then the method of judging them free of hydrocarbons and other hazardous materials should be provided in the ND.

22. If not already completed, a site assessment should be conducted by a certified laboratory to determine whether sediments that will be disturbed by piling removal and other project activities may be contaminated with petroleum hydrocarbons, metals or other hazardous materials.

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23. The document should assess the potential for water quality or sediment quality impacts from abandoning the electrical cable in place (i.e., could the corroding cable be toxic?).

Air Quality

24. Will the SCAQMD require Exxon to provide mitigation offsets for air quality impacts associated with the project? If yes, this please include under "Mitigation Measures."

25. The statement that this project is for the removal of an operational stationary emission source is not correct, as this facility is no longer operating. The statement should be removed.

Transportation/Circulation

26. The number of vessel trips is not given, nor is the number of days the vessels will be at the work site or traveling to or from it, provided (p. 3-26). Because the project will intensify the number of vessels in the area during the work period, an appropriate mitigation measure would be issuance of Notices to Mariners.

27. In addition, since Belmont Island is currently found on the NOAA nautical charts, once it is removed, this will constitute a change in the navigational conditions in the area. As mitigation, please consider requiring Exxon to follow up with NOAA as soon as the project is completed to ensure new nautical charts are prepared that accurately reflect the change.

Biological Resources

28. The information presented in Section 3.7 regarding marine biology from 1995. It has been the Coastal Commission's practice that analysis of the biological impacts of marine projects be based on a marine biological survey completed within the last twelve months. Recruitment of marine organisms and numbers of resident and marine species and birds vary with the variances in ocean and other environmental conditions. Therefore, we suggest that all areas potentially disturbed by removal of island components should be surveyed, including the areas around submerged debris, areas that may be affected by the discharge or disturbance of hazardous substances, areas of work vessel anchoring. Accepted study methods, such as sidescan sonar surveys, diver surveys, and laboratory testing should be utilized. Comprehensive surveys will show substrate type and relief, species of commercial importance, kelp and other vegetation, sand dollar beds, dense beds of tube worms, sea pens, sea pansies, and other benthic biota. This information is necessary to assess baseline conditions and potential impacts of the proposed project.

29. What impacts, if any could project work done after dark have on biological resources and how might they be mitigated?

30. How many California brown pelicans and California least terns are estimated to be impacted by project activities, both for foraging and resting? What is the distance to the nearest alternative

roosting and foraging site for brown pelicans, least terns and other bird species that currently use Belmont Island that is comparable in terms of disturbance from human activities, predation, and size?

31. Migrating whales are known to pass by the Belmont Island area (p. 3-32). Can project work be scheduled to avoid the whale migration seasons? Will project noise and other activities affect whales or other marine mammal species? If yes, then noise levels during the project should be monitored so appropriate mitigation measures may be taken.

Hazards

32. We are concerned that the impact analysis (p. 3-40) omits other components of this project that have the potential to result in the release of pollutants (including, but not limited to: abandonment of the electrical cable, long term impacts from leaving the pipelines in place, removal of core materials, removal of core fill, removal of Cellar #2 and its contents, potential water contamination in the core, potential contamination of sediments, removal of pier pilings, and wastewater generation from concrete cutting). Please include analysis of all potential hazards and effects in the "Hazards," "Biological Resources," and "Water" sections of the ND.

Oil Spill Prevention and Response for Offshore Project Work

33. The discussion of the potential for minor and major offshore oil spills resulting from the project, found throughout the body of the ND (and Appendix C), is incomplete. To enable the Coastal Commission to analyze the oil spill potential and adequacy of proposed prevention and cleanup measures, please include all potential offshore spill sources in the ND. Besides a potential work vessel oil spill, which was identified in the ND, the potential for offshore oil spills exists for: flushing and capping of the pipelines; discharge of hydrocarbon-containing water or materials from removal of the various components of the island; and from a work vessel anchor rupturing oil pipelines in the vicinity of Belmont Island.

34. We understand there is a 16-inch Shell Oil Company pipeline near Belmont Island. Please provide information about the location and current operating status of this line.

35. Please identify in the ND all applicable prevention measures to prevent offshore spills from occurring due to project activities.

36. Once all spill sources have been identified, please identify in the ND the source and volume of the reasonable offshore worst case spill resulting from project operations.

37. Please analyze the adequacy of spill response equipment and services to clean up the reasonable worst case offshore spill.

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Oil Spill Prevention and Response for Onshore Project Work

38. Please include all potential onshore spill sources in the ND that may result from project work, including flushing and capping of the pipelines.
39. Please identify in the ND all applicable prevention measures to prevent onshore spills from occurring due to project activities.
40. Once all onshore spill sources have been identified, please identify in the ND the source and volume of the reasonable worst case spill resulting from project operations.
41. Please analyze the adequacy of spill response equipment and services to clean up the reasonable worst case onshore spill.

Recreation

42. Is any surfing done in the close vicinity of the island? If so, will project operations affect surfing?
43. Will staging or stockpiling of materials or equipment interfere with beach access or public parking? This should be quantified—length of time disrupted, number of parking spaces occupied, etc.
44. The ND notes that recreational boating will be affected by the removal of the island (p. 3-48). Again, we suggest that Notices to Mariners and updating the NOAA nautical charts will help to mitigate the recreational boating impacts from this project.

CUMULATIVE IMPACTS

45. Under the cumulative impacts analysis, please consider the impacts of oil spills, water and sediment contamination, abandonment of the pipelines in place and the disposition of the onshore facility, taking into account our questions and comments as presented in this letter.

Thank you for the opportunity to comment on the draft ND. Please feel free to contact me at (415) 904-5295; however, please note that I will be out of the office from April 26-May 9, 1999.

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Exxon Belmont Island Decommissioning
April 23, 1999
Page 7

In my absence, you may contact Alison Dettmer, Manager of the Energy and Ocean Resources Division, at (415) 904-5246.

Sincerely,



Lilli Ferguson
Coastal Program Analyst
Energy and Ocean Resources Division

cc: Karl Schwing, California Coastal Commission, South Coast Area Office
Simon Poulter, Padre Associates

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Memorandum

EXHIBIT B

To : Mr. Goodyear K. Walker
State Lands Commission
Division of Environmental Planning and Management
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

Date : April 22, 1999

From : Department of Fish and Game

Subject : Proposed Mitigated Negative Declaration for the Belmont Island Decommissioning Project

Department of Fish and Game (Department) personnel have reviewed the proposed Mitigated Negative Declaration (MND) for the Belmont Island Decommissioning Project applicant, Exxon Company, U.S.A., (SCH No. 99031117). Belmont Island is a oil exploration and production facility located in approximately 42 feet of water, 8,100 feet offshore from the City of Seal Beach, Orange County, California. The project would remove all structural components which comprise Belmont Island and transport them to shore for appropriate disposal. Island components include the caisson core, north wharf, east wharf, south tower and south span, boat landing, strut supports, pipelines and power cables. The components are constructed from steel, concrete, wood, native sand, and quarry rock.

The Island's well conductors have been plugged as part of the well plug and abandonment program. As part of this proposal, the well plugs will be cut off 5 feet below the sea floor and removed. Associated pipelines, buried 6 feet under the sea floor throughout the route, were pigged and flushed at the end of the production operations. All pipelines will be re-flushed with seawater until the hydrocarbon content is within acceptable limits (15 parts per million or less). Wastewater will be transported to onshore facilities for proper disposal. Pipelines will be decommissioned in place as their removal would result in adverse impacts to the beach and near shore environment. Electrical cable will be disconnected and trenched 5 feet into the sea floor. The south span and tower will be removed with lifts. Deck sections from the east and north wharfs will be cut and removed, and support pilings from both wharfs will be extracted and cut off below or even with the sea floor. Boat landings piles will also be cut off and removed. The caisson deck and walls will be cut into sections, then removed along with sand and rock which fills the caisson; the caisson core contains 392 cubic yards of hydrocarbon impacted fill.

Exxon will develop a plan for the removal and disposal of project materials that will include prevention of and response to hazardous spills. When the plan is complete and approved, the caisson structure will be removed along with the rock rip-rap (approximately 15,724 cubic yards) that surrounds its exterior. The rip-rap will be placed on a barge and shipped to a suitable location for reuse. To offset impacts to water quality and marine organisms, Exxon will implement a containment system and utilize best management practices to minimize the introduction of demolished materials into the water.

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Mr. Goodyear K Walker

April 22, 1999

Page Two

Construction of Belmont Island began in 1953. Thus, the structure has provided habitat for marine organisms for more than 45 years. Removal of the Belmont Island facility will result in mortality of benthic invertebrates and a permanent loss of hard substrate habitat currently utilized by fish and invertebrates. The MND mentioned that Exxon is investigating the option of reusing the caisson's exterior rip-rap protection to augment an existing, approved artificial reef. The Department supports this option as it would help offset impacts to fish and invertebrates caused by removal of the island and, furthermore, we recommend that the rip-rap material be utilized to enhance the Department's Bolsa Chica Artificial Reef.

We thank you for the opportunity to review the proposed project. As always, Department personnel are available to discuss our comments, concerns, and recommendations in greater detail. To arrange for discussion, please contact Ms. Marilyn Fluharty, Environmental Specialist, California Department of Fish and Game, 4949 Viewridge Avenue, San Diego, CA 92123, telephone (619) 467-4231.

Sincerely,



DeWayne Johnston
Regional Manager
Marine Region

cc:: Ms. Marilyn Fluharty
Department of Fish and Game
San Diego, California 92123

State Clearinghouse
Sacramento, California

Mr. Robert Hoffman
National Marine Fisheries Service
Long Beach, CA 90802

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California Regional Water Quality Control Board

Santa Ana Region

Winston H. Hickox
Secretary for
Environmental
Protection

Internet Address: <http://www.swrcb.ca.gov>
3737 Main Street, Suite 500, Riverside, California 92501-3339
Phone (909) 782-4130 • FAX (909) 781-6288



Gray Davis
Governor

May 4, 1999

Goodyear Walker
California State Lands Commission
100 Howe Ave., Suite 100 South
Sacramento, CA 95825

NEGATIVE DECLARATION FOR THE PROPOSED BELMONT ISLAND DECOMMISSIONING, SEALBEACH, CA, SCH# 99031117

Dear Mr. Walker:

We have reviewed the Negative Declaration for this project. The following Best Management Practices have been proposed to protect water quality during the decommissioning project:

- Determination of contaminated core materials within the caisson will be based on visual inspection of the removed materials above the water line and by evidence of a sheen when the level of the materials have been removed to below the water line. Any contaminated water will be vacuumed, containerized and brought onshore for proper disposal. Contaminated fill will be transported to an approved waste handling facility for treatment and recycling or disposal.
- A containment system will be installed underneath the wharf decks to minimize the potential for introducing demolition materials into the water during deck removal operations. Also, basic oil spill equipment will be maintained on the site for the duration of the offshore activities. Exxon has prepared an Oil Spill Contingency Plan.

A plume of paint flakes and dust may be generated during cutting activities. Lead is present in the paint at concentrations greater than 1,000 ppm in some samples, and in one case, at 87,000 ppm. The staff of Longitude 1,2,3, with many years of experience performing underwater excavation work on the west coast, estimates that the plume should not extend further than 300 feet long by 100 feet wide and it should disperse within three hours after excavation ceases. During removal of the riprap associated with the caisson, the plume is estimated to be as large as 1,500 feet long and 750 feet wide, dispersing within three hours after the disturbance ceases. All work "will be conducted in accordance with the project 401 Certification issued by the Regional Water Quality Control Board."

California Environmental Protection Agency



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May 4, 1999

According to Public Notice No. 199915473-RLK, issued on March 29, 1999, by the U.S. Army Corps of Engineers, Los Angeles District, they are planning to issue a Letter of Permission under Section 10 of the Rivers and Harbors Act of 1899. If a Letter of Permission is issued, a water quality certification under Section 401 of the Clean Water Act is not necessary. Information submitted to our office related to obtaining 401 certification will be forwarded to our Regulations Section for their evaluation and an NPDES permit will be issued, if necessary. If you have any questions, please call me at (909) 782-4241.

Sincerely,



Scott A. Dawson
Planning Section

CC: Mosie Boyd, State Clearinghouse
Russ Kaiser (CESPL-CO-R), U.S. Army Corps of Engineers, L.A. District

MEMORANDUM



*Cleared
4-29-99
Date E*

Date: April 30, 1999

To: Project Manager
Resources Agency

Mr. Goodyear K. Walker
Division of Environmental Planning and Management
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

From: Department of Conservation
Office of Governmental and Environmental Relations

Subject: Negative Declaration for the Belmont Island Decommissioning, Orange
County SCH # 99031117

The Department of Conservation's Division of Oil, Gas, and Geothermal Resources (Division) has reviewed the above referenced project. The Division supervises the drilling, maintenance, and plugging and abandonment of oil, gas, and geothermal wells in California. We offer the following comment for your consideration.

In order to assure the protection of public safety and environmental quality, prior to commencing the removal of the conductor casings, the project applicant is required to consult with the Division's Cypress office. Written approval from the Division's district Supervisor must be secured prior to changing the physical condition of any well. Also, histories of the well conductor operations and pipeline abandonment must be filed with the Division.

Thank you for the opportunity to comment on the Negative Declaration. If you have any questions on the above comment, or require technical assistance or information, please contact Richard K. Baker or Robert Samuelian at the Cypress district office. The address is: 5816 Corporate Avenue, Suite 200, Cypress, California 90630-4731; phone (714) 816-6847.

Jason Marshall
Jason Marshall
Assistant Director

cc: Robert Samuelian
Division of Oil, Gas, and Geothermal Resources, Cypress
Linda Campion
Division of Oil, Gas, and Geothermal Resources, Sacramento

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DEPARTMENT OF TRANSPORTATION

DISTRICT 12
3347 MICHELSON DRIVE, SUITE 100
IRVINE, CA 92612-0661



April 23, 1999

Goodyear K. Walker
California State Lands Commission
100 Howe Street, Suite 100 South
Sacramento, CA

IGR/CEQA
SCH# 99031117
NOC/ND

Dear Mr. Walker:

Thank you for the opportunity to review and comment on the Notice of Completion/Negative Declaration (NOC/ND) for the Belmont Island Decommissioning project. The proposed project is located offshore of the City of Seal Beach in Orange County. Facilities on Belmont Island will be decommissioned and the island itself will be removed.

District 12 is a reviewing agency and has no comments at this time.

Please continue to keep us informed of future developments that could potentially impact our State Transportation Facilities. If you have any questions, or need to contact us, please call Lynne Gear at (949) 724-2241.

Sincerely,

A handwritten signature in cursive script that reads "Robert F. Joseph".

Robert F. Joseph, Chief
Advance Planning Branch

cc: Tom Loftus, OPR
Ron Helgeson, HDQTRS Planning

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California State Lands Commission
100 Howe Ave, Suite 100-South
Sacramento, CA 858825-8202

21 April 1999

Attn: Goodyear K. Walker

Re: SCH 9903117

Dear Mr. Walker:

Offshore oil and gas production platforms will be described in more or less detail as a part of the developing literature on artificial reefs. Because each platform will differ in design, materials, siting, oceanography, local conditions, history, and other details, each will amount to a more or less unique experiment. Thus each will provide unique information and an opportunity for appropriate mitigation.

The concept of "Rigs to Reefs" will be a subject discussed during a Symposium at the next meeting of the Southern California Academy of Sciences 1 May 1999 at the California State University Dominguez Hills.

Certain features of the Belmont Island site will determine the environmental impacts of the platform and the probable course of events following its removal and site restoration, if that should occur. This site is notable for turbid water to some extent resulting from run-off from the San Gabriel River, Red Tides, and local dredging projects. The irradiance conditions have not been measured but may be responsible for the depauperate variety of benthic flora on or about the platform. This point is important because many artificial reefs have been constructed nominally as sites for benthic algae (e.g., Pendleton Reef, Oceanside, Tremescal Canyon and others) but have failed to support large or diverse populations of benthic algae.

Some explanation of why benthic algae do not appear to have succeeded at Belmont Island should be provided. Siting of Artificial Reefs at locations where benthic algae will not prosper may be explained from a more detailed examination of this site. Some benthic algae, e.g., *Egregia*, are established at similar depths on the nearby Long Beach Breakwater.

Pages 3-3, 3-4, 3-29, 3-30, 3-31 report comments on marine invertebrates either observed or reported from the area that might be impacted by the project.

Because I questioned the brevity of the list of species cited and the following identifications of *Tealia* sp., *Adelogorgia phyllosclera*, and *Polyclinum planum*, I made two visits to the Belmont Island for brief efforts at characterizing the biotic composition of the site.

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Nearly 100 species of invertebrates were observed and identified. Unusual high abundances of mussels and rock scallops were noted along with high abundances of sea stars and keyhole limpets. Additional sampling and identification may be expected to significantly expand a location-species check list.

Thirteen species of fishes were observed and six species of benthic algae. While sea urchins were present, they were not dominant as they are on other artificial structures, e.g., the nearby oil islands and the LA-LB Breakwater.

On P. 3-32 of the EIR mention of abalone is superfluous. No abalone have been observed anywhere near this site in the past thirty+ years.

More intensive examination of the biota of the island is justified to avoid loss and/or displacement of sensitive species in addition to those already identified.

Superfluous also is the projection (p 38) of the EIR that Least Terns will roost on the Long Beach Breakwater.

It is suggested that special attention be devoted to reuse of the rip rap rock. These rocks have been in place for over 40 years. They may have special value for the attachment of colonizing biota if they are used to add to an existant artificial reef, e.g., Bolsa Chica. This could be an uncommon opportunity to evaluate aged rock vs raw quarry rock in the construction of artificial reefs.

Consideration maybe given to addition of this quarry rock to the Oil Islands in Long Beach Harbor for enhacement of fising opportunity.

Removal of Oil Platforms Hilda and Hazel apparently occurred without specific evaluation of the ecological effect of the loss of the associated biota. Recent calls for conversion of "Rigs to Reefs" suggests that appropriate mitigation should include assurance that important species are not lost in the process. Of greater importance is site specific function of Artificial Reefs. Related to this is the evaluation of component materials.

This project offers opportunity for consideration of these points as a part of the requirements for mitigation. Since this structure provides significant intertidal habitat, it provides and opportunity to relate intertidal and subtidal habitat.

As proposed in the EIR, no provision is made for relocation of the thousands of pounds of mussels and rock scallops on this structure. These bivalves have ecologic and commercial importance which should not be wasted.

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Further, dumping of the high biomass of material will create a solid waste disposal problem not noted or discussed in the EIR.

COMMENTS

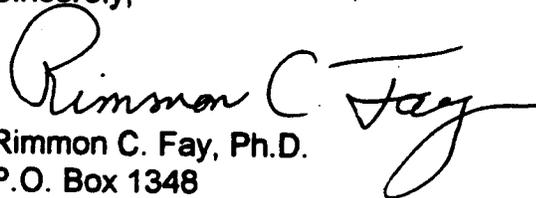
For its size, area, and structure, Belmont Island is the richest artificial reef with respect to its biota, both quantitatively and qualitatively, that I have visited. The EIR fails to even mention the possibility that the structure may provide resource value as habitat, for intrinsic information, as a part of the "rigs to reefs" question, and the mixed problem of solid waste disposal. The listing of species as present which could not be confirmed (see Appendix B) and the failure to note the presence of at least nearly 100 other species casts question on the accuracy and completeness of the EIR.

This EIR fails to consider alternatives to the proposed project and appears only to "justify" a negative declaration to the requirements of CEQA.

In dealing with offshore structures, there are three periods of disruption - 1) Construction, 2) Operation, and 3) Removal - why not design offshore structures to function as marine habitat during their lives and as augmented habitat once they are decommissioned? Would it be appropriate to modify Belmont Island and leave the majority of it as functional habitat? Is the site suitable for modification to function as enhanced habitat? These are the questions to answer to provide the information needed for management of coastal resources.

Removal of Belmont Island as proposed may not be an optimal solution to the problem. Unless there is urgency to complete this project, why not take a more detailed examination of the problem?

Sincerely,



Rimmon C. Fay, Ph.D.
P.O. Box 1348
Venice, CA 90294
Tel: (310) 677-1056
Fax: (310) 677-1207

cc: Bob Grove
Terry Tamminen

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APPENDICES

APPENDIX A

ARTIFICIAL REEFS OR STRUCTURES EXAMINED BY R.C.FAY

All harbors in southern California except Ventura Marina
Goleta Pier and Outfall Pipe
Santa Monica: Artificial Reefs, Breakwater, Pier
Marina del Rey/Venice: Artificial Reefs, Pier, Breakwaters, Hyperion Outfall Lines
LA City and SCE Risers
Redondo: Artificial Reefs, Piers, and Breakwater
Los Angeles-Long Beach Harbors and Breakwaters, Oil Islands Chaffey and
Freeman Grissom
Belmont Island
Newport Bay Entrance Channel
San Onofre Effluent Lines
Pendleton Artificial Reef

APPENDIX B

Species Listed in EIR not confirmed as present at Belmont Island
Tealia, *Metridium*, *Polyclinum planum*, "moon anemone", *Adelogorgia*
phyllosclera

APPENDIX C

Species present at or in the vicinity of Belmont Island subject to Regulatory
Control or Interest

Catergorically: All algae, invertebrates, fishes

Specifically: Red algae Garibaldi nests
Macrocystis

Lobster, Mussels, Rock Scallops, Feather duster worms,

Sculpin, Cabezon, Sheephead, Perches, Sand and Kelp Bass,
Sargo, Garibaldi

Sea Lions



AMERICAN SPORTFISHING ASSOCIATION

Conservation Network

24958 Malibu Road, Malibu, California 90265

310*456*9201 • FAX 310*456*9491

Via Fax

May 1, 1999

California State Lands Commission
100 Howe Avenue, Suite 100-south
Sacramento, CA 95825-8202

Attn: Goodyear K. Walker
Re: Belmont Island Decommissioning

The evaluation of the project's effect on reef dependent marine life is insufficient to justify the removal of this important habitat. Less than ten percent of the bottom of southern California open coastal waters are composed of hard substrate. Based on surveys of similar habitats, the island would be expected to have more than 5 times the habitat value of the surrounding muds. Similar structures are very important to anglers. Anglers would be negatively impacted if Belmont Island is removed. We understand that the California Department of Fish and Game considers the site to be appropriate for an artificial reef, and concrete and quarry rock are appropriate artificial reef materials.

Comparable reefs are important in the life cycle of several species of rockfish. Many species of rockfish have been over exploited in southern California. The bocaccio may be listed as threatened. The National Marine Fisheries Service is in the process of determining which of the oil drilling support structures are essential fish habitat. Such habitat is protected under the Magnuson Act. The California legislature has a bill pending (SB541, Alpert) to establish state policy guidelines for decommissioning oil drilling support structures.

Belmont Island should not be removed until a more thorough survey is completed on which to base an evaluation of the implications of removing such important habitat is completed. It would also be prudent to allow the National Marine Fisheries Service and the legislature to provide policy direction prior to approving a decommissioning plan.

Thank you for your attention to these serious environmental implications.

Dan Frumkes

Daniel Frumkes, Director

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