

MINUTE ITEM

29. ADOPTION OF REGULATIONS AMENDING SECTION 2100 OF TITLE 2 OF THE CALIFORNIA ADMINISTRATIVE CODE PERTAINING TO GEOPHYSICAL AND GEOLOGICAL SURVEY PERMITS - W.O. 3949, GEN. DATA.

In presenting Calendar Item 36 attached, the staff recommendation was amended by the addition of the following sentence to No. 2 of the proposed resolution, after the words "non-productive formations": "THE STATE LANDS DIVISION INSPECTOR SHALL HAVE ACCESS TO THIS EQUIPMENT AT ALL TIMES." There were no objections from anyone present to the staff recommendations.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

IN ACCORDANCE WITH THE PROVISIONS OF THE ADMINISTRATIVE PROCEDURES ACT (GOVERNMENT CODE, TITLE 2, DIVISION 3, PART 1, CHAPTER 4), THE STATE LANDS COMMISSION:

1. HEREBY CERTIFIES THAT SAID AGENCY HAS, WITHIN 120 DAYS OF THE EFFECTIVE DATE OF THE EMERGENCY REGULATION FILED WITH THE SECRETARY OF STATE ON MAY 4, 1961, GIVEN NOTICE OF THE ADOPTION THEREOF AND AFFORDED INTERESTED PERSONS THE OPPORTUNITY TO PRESENT STATEMENTS, ARGUMENTS, OR CONTENTIONS IN A MANNER SUBSTANTIALLY SIMILAR TO THAT PROVIDED BY SECTIONS 11423, 11424, AND 11425, GOVERNMENT CODE;
2. PURSUANT TO THE AUTHORITY VESTED BY SECTION 6108 OF THE PUBLIC RESOURCES CODE, AND TO IMPLEMENT, INTERPRET OR MAKE SPECIFIC SECTION 6826 OF THE PUBLIC RESOURCES CODE, AMENDS AND ADOPTS REGULATIONS IN TITLE 2 OF THE CALIFORNIA ADMINISTRATIVE CODE AS FOLLOWS:

SECTION 2100(h)(2) IS AMENDED TO READ:

GAS-DETECTION AND MUD-LOGGING EQUIPMENT SHALL BE USED CONTINUOUSLY DURING DRILLING OPERATIONS FROM A DEPTH OR DEPTHS APPROVED BY THE STATE LANDS DIVISION FOR OPERATION OF SUCH EQUIPMENT IN EACH CORE HOLE. DRILLING MAY BE ALLOWED WITHOUT OPERATION OF GAS-DETECTION AND MUD-LOGGING EQUIPMENT IN KNOWN NON-PRODUCTIVE FORMATIONS. THE STATE LANDS DIVISION INSPECTOR SHALL HAVE ACCESS TO THIS EQUIPMENT AT ALL TIMES.

THE EXECUTIVE OFFICER IS AUTHORIZED TO FILE A COPY OF THIS CERTIFICATION AND OF THE AMENDMENTS TO REGULATIONS HEREFIN CONTAINED WITH THE DEPARTMENT OF PROFESSIONAL AND VOCATIONAL STANDARDS FOR FILING WITH THE SECRETARY OF STATE AND WITH THE RULES COMMITTEE OF EACH HOUSE OF THE LEGISLATURE.

Attachment
Calendar Item 36 (2 pages)

CALENDAR ITEM

36.

ADOPTION OF REGULATIONS AMENDING SECTION 2100 OF TITLE 2 OF THE CALIFORNIA ADMINISTRATIVE CODE PERTAINING TO GEOPHYSICAL AND GEOLOGICAL SURVEY PERMITS - W.O. 3949.

The Commission on May 4, 1961 (Minute Item 7, page 6915), adopted emergency regulations amending Section 2100 of Title 2 of the California Administrative Code pertaining to geophysical and geological survey permits. A copy of the regulations adopted is attached as Exhibit "C".

In accordance with the provisions of the Administrative Procedures Act, specifically Section 11422.1 Government Code, the regulations adopted were duly published on May 15, 1961. The published notice provided that, on or before July 6, 1961, interested persons might present statements or contentions in writing relating to the rules adopted. It also provided that, subsequent to review of any such submissions, the Commission might file a Certificate of Compliance respecting the regulations, as provided by the aforementioned code section.

As of July 6, 1961, two written statements were submitted regarding the regulations adopted. These submittals were on behalf of Richfield Oil Corporation and from Texaco Inc. The statements are appended to this calendar as Exhibits "A" and "B".

The staff has reviewed the proposed amendments and offers the following comments:

Richfield Oil Corporation:

Section 2100(f)(1) - The proposed amendment does not appear to be administratively practicable. In determining the depth to which a core hole may be drilled, stratigraphy is a governing factor and is given due consideration. However, approvals to drill to a uniform stratigraphic depth at all locations within an area might not be desirable. Because of extensive faulting or lensing of productive sand bodies, there could be a greater possibility of authorizing maximum drilling depths which might produce significant oil shows or cause the penetration of potentially productive oil or gas sands, either of which conditions should be held to an absolute minimum.

Texaco Inc.:

1. 2100(f)(1) - The amendment would relieve the operator from any responsibility of making any determination that significant oil shows or potentially productive sands have been encountered, and, therefore, is not recommended.
2. 2100(h)(2) - The proposed amendment is acceptable as an economy measure for a permittee. It would dispense with the cost of operating gas-detection and mud-logging equipment in formations that are known to be non-productive. However, the second word in line 1, "analysis", should be changed to "detection".

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3. 2100(h)(3) - The amendment would relieve the permittee of any responsibility in determining significant oil shows or potentially productive sands, and, therefore, is not recommended.
4. 2100(h)(4) - The inserted word "permanent" relative to the cement plug would require an operating rigidity that might not be desirable. The approval of the location of a cement plug is a function of the Division of Oil and Gas. Placement location and hardness of such plugs are not authorized to be approved by the State Lands inspector.
5. 2100(h)(6) - It would appear inadvisable to purport to prescribe rules for the conduct of another agency. (In the opinion of the office of the Attorney General, State Lands Commission rules in no way relieve personnel of another agency from adhering to duties and obligations prescribed by law.)
6. 2100(h)(3) - The proposed requirement is an obligation of the permittee under permits as issued currently.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION RESOLVE AS FOLLOWS:

IN ACCORDANCE WITH THE PROVISIONS OF THE ADMINISTRATIVE PROCEDURES ACT (GOVERNMENT CODE, TITLE 2, DIVISION 3, PART 1, CHAPTER 4), THE STATE LANDS COMMISSION:

1. HEREBY CERTIFIES THAT SAID AGENCY HAS, WITHIN 120 DAYS OF THE EFFECTIVE DATE OF THE EMERGENCY REGULATION FILED WITH THE SECRETARY OF STATE ON MAY 4, 1961, GIVEN NOTICE OF THE ADOPTION THEREOF AND AFFORDED INTERESTED PERSONS THE OPPORTUNITY TO PRESENT STATEMENTS, ARGUMENTS, OR CONTENTIONS IN A MANNER SUBSTANTIALLY SIMILAR TO THAT PROVIDED BY SECTIONS 11423, 11424, AND 11425, GOVERNMENT CODE;
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