

MINUTE ITEM

19. APPLICATION FOR CONSTRUCTION OF A PRODUCTION PLATFORM, OIL AND GAS LEASE P.R.C. 2725.1, CONCEPTION FIELD, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 4777.

After consideration of Calendar Item 32 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE LOCATION OF, AND THE CONSTRUCTION BY TEXACO INC. OF A STATIONARY PILE-SUPPORTED STEEL PRODUCTION PLATFORM APPROXIMATELY $1\frac{1}{2}$ MILES FROM SHORE, WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 2725.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$125,000 IN FAVOR OF THE STATE OF CALIFORNIA SHALL BE FILED AND MAINTAINED WITH THE STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF THE TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO THE CONSTRUCTION AND MAINTENANCE OF THE PLATFORM, AND TO THE REMOVAL THEREOF AT THE REQUEST OF THE STATE UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

Attachment

Calendar Item 32 (2 pages)

CALENDAR ITEM

32.

APPLICATION FOR CONSTRUCTION OF A PRODUCTION PLATFORM, OIL AND GAS LEASE P.R.C. 2725.1, CONCEPTION FIELD, SANTA BARBARA COUNTY; TEXACO INC. - W.O. 4777.

State Oil and Gas Lease P.R.C. 2725.1, covering approximately 4,250.14 acres of tide and submerged lands lying west of Gaviota, Santa Barbara County, was issued to Texaco Inc. on May 4, 1962, pursuant to competitive public bidding.

An application has been received from Texaco Inc. for approval to construct and install a 40' x 60' pile-supported steel production platform on the subject lease, to be located approximately 1½ miles offshore near Gaviota (refer to Exhibit "A" attached). A platform design has been developed and analyzed by Moffatt & Nichols, Engineers. The design has also been analyzed by Holmes and Narver, Inc., and has been reviewed by the Division staff. The size and the location of the proposed production platform are in accordance with the terms of the lease and the rules and regulations of the State Lands Commission. The proposed platform will provide production facilities for 20 wells.

Currently, the lessee is producing from nine wells which have been drilled into the leased area and completed with well-head equipment located on the ocean floor. The proposed platform will provide more efficient production operations. Oil and gas produced from the ocean-floor completed wells will be transported through gathering lines to the platform for separation and for shipment to onshore facilities.

A report on the proposed offshore structure was referred to the Resources Agency, who reported that the installation of the platform will not interfere with the recreational use of lands littoral to the tide and submerged lands covered by the lease.

The office of the Attorney General has reviewed the application and has advised that there is no legal objection to the proposal, provided specific requirements of the Code are met. These requirements are included in the terms of the lease and in the rules and regulations of the Commission.

The Corps of Engineers has issued a Department of the Army permit authorizing the construction and maintenance of the production platform at the specified location.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE LOCATION OF, AND THE CONSTRUCTION BY TEXACO INC. OF A STATIONARY PILE-SUPPORTED STEEL PRODUCTION PLATFORM APPROXIMATELY 1½ MILES FROM SHORE, WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 2725.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$125,000 IN FAVOR OF THE STATE OF CALIFORNIA SHALL BE FILED AND MAINTAINED WITH THE

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STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF THE TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO THE CONSTRUCTION AND MAINTENANCE OF THE PLATFORM, AND TO THE REMOVAL THEREOF AT THE REQUEST OF THE STATE UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.