MINUTE ITEM

17. APPLICATION FOR CONSTRUCTION OF A DRILLING AND PRODUCTION ISLAND, ORANGE COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 5119, P.R.C. 3095.1.

Following presentation of Calendar Item 9 attached, Commissioner Anderson discussed the need for orderly and planned development of offshore structures before any additional requests are presented to the Commission for drilling and production islands and platforms. A report is to be made by the staff on the over-all planning, with particular reference to esthetic factors, and to include estimated quantity of structures.

Commissioner Cranston stated that he shared the concern of Commissioner Anderson, and that he concurred in the request for early completion of the report.

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE LOCATION AND CONSTRUCTION BY STANDARD OIL COMPANY OF CALIFORNIA OF A RUBBLE-MOUND DRILLING AND PRODUCTION ISLAND APPROXIMATELY 1.2 MILES FROM SHORE WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 3095.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$500,000 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 ISLAND AND TO THE REMOVAL THEREOF, AT THE REQUEST OF THE STATE, UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

Attachment Calendar Item 9 (2 pages)

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CALENDAR ITEM

9.

APPLICATION FOR CONSTRUCTION OF A DRILLING AND PRODUCTION ISLAND, ORANGE COUNTY; STANDARD OIL COMPANY OF CALIFORNIA - W.O. 5119.

Oil and Gas Lease P.R.C. 3095.1, covering approximately 3,360 acres of tide and submerged lands in Orange County was issued to Standard Oil Company of California on January 30, 1964.

An application has been received from Standard Gil Company of California, Western Operations, Inc., for the approval of the location and construction of a rock-filled drilling and production island approximately 1.2 miles from shore and within the leased area, near Seal Beach, Orange County (see Exhibit "A").

The proposed island, to be known by the code name "Esther", will be located in a water depth of 35 feet below mean over low water. The ocean-floor island-base will be approximately 360 feet square, and at the top elevation of 24 feet above mean lower low tide the island will be approximately 182 feet square. A wharf 40' x 60' will be constructed on the shoreward side. The island will provide drillsites from which 40 wells may be drilled into the leased lands (see Exhibit. "B").

The fundamental design of the core stone and cap stone material in the island is based upon current U.S. Army Corps of Engineers practice for rubble-mound structures in the Southern California area. In addition, certain research data of the Standard Oil Company of California, of the Beach Erosion Board, and of the Corps of Engineers have been applied to meet oceanographic conditions at the location.

The designed wave height in a water depth of 35 feet is considerably greater than the maximum wave recorded over a period of 64 years, and greater than the maximum stable wave height of around 23 feet possible in this water depth. The wharf and other minor structures are designed in accordance with current structural engineering practices. A registered structural engineer has reviewed the design of the island and has advised that it is based upon sound engineering principles, and that the resulting structure will be entirely adequate to meet the conditions at the site and to withstand safely the loads that can be expected to come upon it.

The application for the proposed offshore structure was referred to the Department of Natural Resources and to the office of the Attorney General for review, as required by the Public Resources Code. After examination and review, the Department of Natural Resources reported that the construction of the platform will not interfere with the recreational use of lands littoral to the tide and submerged lands covered in the lease. The office of the Attorney General advised that there is no legal objection provided specified requirements of the Code are met. These requirements are included in the terms of the lease, in the rules and regulations of the Commission, and in Section 3606 of the Public Resources Code. The Corps of Engineers has issued a Department of the Army Permit authorizing

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CALENDAR TIEM 9 (CONTD.)

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the construction and maintenance of the drilling and production island at the specified location.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE LOCATION AND CONSTRUCTION BY STANDARD OIL COMPANY OF CALIFORNIA OF A RUBBLE-MOUND DRILLING AND PRODUCTION ISLAND APPROXIMATELY 1.2 MILES FROM SHORE WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 3095.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$500,000 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 ISLAND AND TO THE RELOVAL THEREOF, AT THE REQUEST OF THE STATE, UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

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