

32. PROPOSED OIL AND GAS LEASES, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6125 (Parcel 41), W.O. 6145 (Parcel 45), AND W.O. 6150 (Parcel 46).

Calendar Items 30, 31 and 32 attached were reviewed as a group. The Executive Officer reported that, in accordance with an earlier directive from the Commission, the staff proceeded with the further evaluation of the full position of the interested agencies, and with the determination of the status of possible legislation leading to the establishment of a national park in the Santa Barbara Island Chain, which national park concept might also include a one-mile buffer zone of the surrounding tide and submerged lands. As a result, a letter was received from Stanley A. Cain, Assistant Secretary for Fish and Wildlife and Parks, suggesting that, if possible, oil drilling be kept a mile away from the shore. Similar comments were received from Mr. Thomas C. Poulter, Senior Scientific Adviser and Director of the Biological Sona Laboratory of Stanford Institute, and from Professor Carl L. Hubbs, Professor of Biology, Emeritus, Research Biologist, Scripps Institute of Oceanography. The State Department of Fish and Game reported that, although it would not oppose offshore facilities at least one thousand yards from the sea mammal rookeries, it would not agree to shore installations until satisfied that they were located and operated in such a manner that the sea mammal population would not be harmed. Additionally, a letter was received from R. B. Moore, Acting Regional Director of the National Park Service of the Department of the Interior, re-emphasizing the statements previously submitted by Director Hummel, and pointing out that five bills to establish the Channel Islands National Park in the State of California are now pending before Congress.

Based on these reports, the staff recommended that the Commission consider rejection of the bid offers received for Parcels 41, 45, and 46, and authorize the staff to proceed with a reoffering of all of the parcels outside the danger zone of San Miguel Island with a restriction that no surface operations would be conducted within one mile of the shore of San Miguel Island. This restriction would meet completely the criteria advocated by everyone who had appeared before the Commission in objection to the existent lease offers.

Pursuant to a question raised by Commissioner Anderson, the one-mile buffer-zone figure was reviewed, and the Executive Officer explained that this figure seemed desirable inasmuch as it was the one included in the legislation pending before Congress.

Mr. Henry W. Wright appeared for the Western Oil and Gas Association to review several points on behalf of the oil industry. He indicated that a representative of his organization had met the previous Friday with George Hartzog, Director of the National Park Service, and with Max Edwards, Legislative Counsel to Secretary Udall, and had been informed officially that the Department of the Interior has no position with respect to the Channel Islands, particularly San Miguel, in regard to harmful or completely-free-from-harm effects of oil and gas operations closer than one mile. Additionally, the California Department of Fish and Game had stated that whereas the sea mammal rookery's needs should be studied, there was no harmful effect to the marine habitat. Mr. Wright pointed out that the oil industry is concerned because a great deal of money has been spent in evaluating the project, and because secret information (the bid) has been disclosed.

Mr. Wright stated that a letter had been received from Congressman Charles Teague, indicating that, as there are many problems to be resolved in connection with the bills pending before Congress covering a proposed national park in the Channel Island area, he is maintaining an open mind on the proposal. Mr. Wright stated further that as the Federal Government has indicated that it will conduct oil exploration in the coming year, this might adversely affect future leasing of California-owned lands if the present practice of the State is continued. He reiterated the interest of the oil industry in exploring the area, and the willingness of the industry to cooperate with Fish and Game and with Wild Life to protect the sea-mammal rookeries.

The Commission, however, saw no alternative to rejecting the bids and referring the problem back to staff for further study, reluctantly and with regret, and upon motion duly made and unanimously carried, adopted the following resolution:

THE COMMISSION REJECTS THE BID OFFERS RECEIVED FOR OIL AND GAS LEASES ON PARCELS 41, 45, AND 46 ADJOINING SAN MIGUEL ISLAND, AND AUTHORIZES THE STAFF TO PROCEED WITH A REOFFERING OF ALL OF THE PARCELS OUTSIDE THE DANGER ZONE OF SAN MIGUEL ISLAND WITH POSSIBLY A RESTRICTION ON SURFACE OPERATIONS WITHIN ANY PROXIMITY CLOSER THAN ONE MILE OF THE SHORE OF SAN MIGUEL ISLAND, BUT RESERVING JUDGMENT ON THE ONE-MILE LIMIT UNTIL THE ACTUAL NEED FOR THIS RESTRICTION CAN BE EVALUATED FURTHER, AND WITH THE UNDERSTANDING THAT THE PROPOSED OIL AND GAS LEASES WOULD INCLUDE UNDERWATER COMPLETIONS IF MECHANICALLY FEASIBLE.

Attachments

- Calendar Item 30 (1 page)
- Calendar Item 31 (2 pages)
- Calendar Item 32 (1 page)

30.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6125 (PARCEL 41).

On June 28, 1966, the Commission deferred action on a proposed oil and gas lease designated as W.O. 6125 (Parcel 41), and directed the staff to request from the high bidders on Parcels 41, 45, and 46 their position relative to the suggested placement of operational facilities in the event of a lease award. On July 12, 1966, the Commission again deferred action on proposed oil and gas lease W.O. 6125 (Parcel 41) in order to find out whether the Department of Fish and Game in its letter dated July 7, 1966, was considering only commercial fish or whether sea lions, mammals, and anything else were considered.

The bid submitted was reviewed by the staff as to technical sufficiency and economic factors. The Office of the Attorney General reviewed the bid submitted by Standard Oil Company of California, Humble Oil & Refining Company, and Atlantic Richfield Company, and determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 1. The bid requirements as specified in the proposals of the Commission;
 2. The applicable provisions of law; and
 3. The rules and regulations of the Commission.

The Department of Fish and Game has been requested to submit a report on the effect of the proposed operations on the sea lion and elephant seal rookeries in the southwest portion of the Island. The National Park Service has been informed by the staff of the provisions for the protection of recreational, residential, and esthetic values that are required by statute, Rules and Regulations of the State Lands Commission, and the oil and gas lease issued by the Commission, with a request that National Park Service notify the Commission of any additional features that would be desirable.

The Commission may now wish to consider the acceptance of the bid made by Standard Oil Company of California, Humble Oil & Refining Company, and Atlantic Richfield Company on June 14, 1966, and authorize the Executive Officer to issue an oil and gas lease to the aforesaid bidders for approximately 5,646 acres of tide and submerged lands designated as W. O. 6125 (Parcel 41) in Santa Barbara County as detailed in the Notice of Intention, W.O. 6125, published April 19, 1966, and April 26, 1966. The cash bonus payment in consideration of the issuance of the lease is to be \$101,214 as offered in the bid.

31.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6145 (PARCEL 45).

On June 24, 1966, two bids were received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from approximately 5,213 acres of tide and submerged lands designated as W.O. 6145 (Parcel 45), Santa Barbara County. This offer was authorized by the Commission on April 18, 1966 (Minute Item 2, page 12,481).

The bids submitted were reviewed by the staff as to technical sufficiency and economic factors. The office of the Attorney General reviewed the highest bid submitted by Union Oil Company of California and Mobil Oil Corporation, and determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 - 1. The bid requirements as specified in the proposals of the Commission;
 - 2. The applicable provisions of law; and
 - 3. The rules and regulations of the Commission.

A summary tabulation of the bonus-payment offers received pursuant to the lease proposal is attached as Exhibit "A".

The Commission may now wish to consider the acceptance of the bid made by Union Oil Company of California and Mobil Oil Corporation on June 24, 1966, and authorize the Executive Officer to issue an oil and gas lease to the aforesaid bidders for approximately 5,213 acres of tide and submerged lands designated as W.O. 6145 (Parcel 45) in Santa Barbara County as detailed in the Notice of Intention, W.O. 6145, published April 19, 1966, and April 26, 1966. The cash-bonus payment in consideration of the issuance of the lease is to be \$167,685, as offered in the bid.

Attachment
Exhibit "A"

W.O. 6145
(Parcel 45)

EXHIBIT "A"

Summary

Parcel 45

Bidder

Cash-Bonus Offer

Union Oil Company of California and
Mobil Oil Corporation

\$167,685.00

Humble Oil & Refining Company,
Standard Oil Company of California, and
Atlantic Richfield Company

\$101,652.00

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6150 (PARCEL 46).

On June 28, 1966, one bid was received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from approximately 5,300 acres of tide and submerged lands designated as W.O. 6150 (Parcel 46), Santa Barbara County. This offer was authorized by the Commission on April 18, 1966 (Minute Item 2, page 12,481).

The bid submitted was reviewed by the staff as to technical sufficiency and economic factors. The office of the Attorney General reviewed the bid submitted by Humble Oil & Refining Company, Standard Oil Company of California, and Atlantic Richfield Company, and determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 - 1. The bid requirements as specified in the proposals of the Commission;
 - 2. The applicable provisions of law; and
 - 3. The Rules and Regulations of the Commission.

The cash-bonus payment received pursuant to the lease proposal was \$121,652.

The Commission may now wish to consider the acceptance of the bid made by Humble Oil & Refining Company, Standard Oil Company of California, and Atlantic Richfield Company on June 28, 1966, and authorize the Executive Officer to issue an oil and gas lease to the aforesaid bidders for approximately 5,300 acres of tide and submerged lands designated as W.O. 6150 (Parcel 46) in Santa Barbara County, as detailed in the Notice of Intention, W.O. 6150, published April 19, 1966, and April 26, 1966. The cash-bonus payment in consideration of the issuance of the lease is to be \$121,652, as offered in the bid.