

MINUTE ITEM

2/27/69

46. DEFERRAL OF PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS OFFSHORE SANTA BARBARA COUNTY - W.O. 7170 (PARCEL 62).

After consideration of Supplemental Calendar Item 49 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DEFERS THE DATE FOR RECEIVING BIDS FOR OIL AND GAS LEASE OF THE PARCEL OF TIDE AND SUBMERGED LAND IN SANTA BARBARA COUNTY, DESIGNATED AS W.O. 7170 (PARCEL 62).

Attachment

Calendar Item 49 (1 page)

49.

DEFERRAL OF PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS OFFSHORE SANTA BARBARA COUNTY - W.O. 7170 (PARCEL 62).

On February 29, 1968, the State Lands Commission authorized the publication of a Notice of Consideration to offer for oil and gas lease certain State-owned lands lying offshore Santa Barbara County and not currently under lease or excluded under Section 6871.2 of the Public Resources Code (Santa Barbara Sanctuary). The notice was published on March 15, 1968, and on March 22, 1968, in the Santa Barbara News Press and in the Los Angeles Daily Journal. No request for a public hearing was received.

On December 19, 1968, the Commission authorized the offering of a portion of those lands designated as W.O. 7170 (Parcel 62) for oil and gas lease. A notice of intention to offer for bid for the purpose of extraction of oil and gas was published on January 8, 1969, and January 15, 1969, in the same newspapers. Bids were to be received and opened publicly at 11:00 a.m., March 5, 1969.

On January 28, 1969, while drilling well A21 from Platform A on Federal Outer Continental Shelf Tract 402 in the Santa Barbara Channel, Union Oil Company suffered a well blowout, which subsequently resulted in spilling oil over an estimated 200 square miles before the well was brought under control. As a result of this accident, the United States Department of Interior has suspended all drilling and producing activity on Federal lands lying in the channel (with the exception of certain remedial attempts being conducted on Platform A), and has declared a general moratorium on offshore lease sales, including a planned sale off the Louisiana coast, until the department strengthens its antipollution safeguards.

On February 4, 1969, the Chairman of the State Lands Commission announced that although over 925 wells have been drilled on State land from offshore platforms and islands under completely controlled conditions and without any disaster, an immediate intensive and stringent review of existing and future leases would be undertaken to make certain that such leakages cannot happen within the Commission's jurisdiction.

Development operations on Federal outer continental shelf lands and State tide and submerged lands require mutually satisfactory solutions to problems as they occur. Since the total technological problems encountered on the Federal outer continental shelf lands will probably not be known for some time, it now appears that it would be in the best interest of the State to defer the date of receipt of bids for its current oil and gas lease offer in the Santa Barbara Channel.

IT IS RECOMMENDED THAT THE COMMISSION DEFER THE DATE FOR RECEIVING BIDS FOR OIL AND GAS LEASE OF THE PARCEL OF TIDE AND SUBMERGED LAND IN SANTA BARBARA COUNTY, DESIGNATED AS W.O. 7170 (PARCEL 62).