

2/27/69

47. REVOCATION OF GEOLOGICAL SURVEY PERMITS - GEN. DATA - OIL & GAS.

During consideration of Supplemental Calendar Item 50 attached, the Honorable Clair W. Burgener, State Senator from the 38th Senatorial District, appeared and stated that he concurred in the staff recommendation.

Upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION (1) AUTHORIZES THE REVOCATION OF ALL CURRENT GEOLOGICAL SURVEY PERMITS; AND (2) AUTHORIZES THE EXECUTIVE OFFICER TO CONDUCT PUBLIC HEARINGS TO CONSIDER THE BASES FOR FUTURE AUTHORIZATION OF SUCH PERMITS.

Attachment

Calendar Item 50 (2 pages)

50.

SUSPENSION OF GEOLOGICAL SURVEY PERMITS - GEN. DATA - O&G.

Section 6826 of the Public Resources Code states in part that "the Commission may permit geological...surveys on State lands and may grant permits therefor ...but any such permit shall not give the permittee any preferential right to an oil and gas lease". Such a permit allows drilling for the purpose of obtaining geological samples, but does not allow exploring for oil and gas. The conduct of operations is authorized subject to the following specific conditions:

1. Holes may be drilled, punched, jetted or otherwise excavated under the permit only to a depth and at a location approved in advance in writing by the State Lands Division.

Without regard to the maximum depth specified for each core hole, all drilling operations must cease as soon as significant shows of oil or gas are encountered or if a potentially productive oil or gas sand is encountered.

2. The permittee agrees to indemnify the State against any and all losses, damages, claims, demands or actions caused by, arising out of, or connected with the operations of the permittee including but without thereby limiting the generality of the foregoing, any loss, damage, claim, demand, or action caused by, arising out of, or connected with any blowout, fire or explosion resulting from any operations conducted under this permit.
3. Operations shall be suspended on order of the State Lands Division Inspector whenever and for such time as may be required to establish that the conditions of the permit are being complied with, or upon violation of any of the provisions of the permit. Such violation may result in termination of the permit by the order of the Executive Officer, State Lands Commission.
4. The Commission reserves the right to inspect and, upon demand by the Commission, the permittee shall make available for such inspection, all factual and physical exploration results, logs, and records resulting from the operations under the permit, for the confidential information of the Commission for the sole purpose of its determining whether the areas or any portion thereof embraced within the permit lie within a known geologic structure of a producing oil or gas field.
5. The permit is revocable at any time by the State Lands Commission.

There are currently fifteen such permits in effect.

Recent core-drilling activities on State lands offshore southern California have caused official concern in the coastal areas, and requests have been received from the County of Orange and from the cities of San Clemente, Newport

SUPPLEMENTAL CALENDAR ITEM 50 (CONTD.)

Beach, and Carlsbad that the Commission suspend all existing permits and hold a public hearing for the purpose of considering permanent revocation of such permits.

IT IS RECOMMENDED THAT THE COMMISSION: (1) AUTHORIZE THE SUSPENSION OF ALL CURRENT GEOLOGICAL SURVEY PERMITS; AND (2) AUTHORIZE THE EXECUTIVE OFFICER TO CONDUCT PUBLIC HEARINGS TO CONSIDER THE BASIS FOR PERMANENT REVOCATION OF SUCH PERMITS.