

26. PROCEDURES USED BY CITY OF LONG BEACH IN MAINTAINING CONTINUED OIL OPERATIONS UNDER THE CALIFORNIA COASTAL ZONE CONSERVATION ACT.

During consideration of Calendar Item 24 attached (which was submitted to the Commission for information only, no action thereon being necessary), Deputy Attorney General Warren J. Abbott informed the Commission that the procedures on environmental impact statements will become applicable in April 1973, at which time the State Lands Commission will be required to have an environmental impact report, the item before the Commission being the basis therefor for future use wherever required, and recommended that this be used.

The Chairman inquired as to the responsibility of the Lands Commission under the Coastal Zone Act. Mr. Abbott stated that he would not be one of the attorneys representing either the State or the Coastal Commissions, but that he had discussed the matter at length with the attorneys who are going to represent the Coastal Commissions and there appears to be a general consensus as to procedures on the Long Beach oil operations; however, he stated that anything he said at this time might be subject to modification.

Mr. Abbott then responded to numerous questions from the Commission. After February 1, 1973, any development to define any action in the seaward area of Long Beach cannot be carried out without first obtaining a permit from the appropriate Coastal Commission. The procedure for the permits has not yet been adopted by the State Coastal Commission, and until that is done there can be no permits issued. However, any oil fields within the area on February 1 may continue oil and gas production and water and gas injection through facilities existing on that date without obtaining a permit. It is also the view of the concerned attorneys that any substantial change in the use of either the oil reservoir or the surface area will require a permit, examples of this being drilling of new wells, redrilling of wells although they have the same surface location, changing of a well from producing to injection or vice versa, and any substantial change in the injection methods.

Surface facilities also will require a permit; i.e., any type of development, construction, reconstruction, or demolition, and buildings and pipelines, etc.

A permit will not be required for maintenance, although there is a problem with repairs. While a permit is not required, the word "repairs" is mentioned twice, and it was Mr. Abbott's conclusion that repairs which are in the nature of an improvement will require a permit, and for repairs in the nature of maintenance no permit will be necessary; but if whole buildings are torn down and rebuilt, a permit would be required.

Further, it is Mr. Abbott's thought that any work done within an existing well that does not change the use of that well will not require a permit, such as changing a pump, changing the tube, or running survey equipment.

Changing the interval of injection, etc. will require a permit.

The Chairman asked whether, if penalties are imposed, these will be charged against the Tidelands Fund, to which Mr. Abbott replied that if they are

imposed against the tideland trustee, they would be a cost of administering oil and gas operations on the tidelands and, therefore, would be deductible from oil revenue prior to the City-State split.

In response to a question by Commissioner Reinecke, Mr. Abbott stated that Assistant Attorney General Carl Boronkay in the Resources Section of the Attorney General's Office would be handling these matters.

Attachment:

Calendar Item 24 (1 page)

SUPPLEMENTAL
INFORMATIVE CALENDAR ITEM

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24.

PROCEDURES USED BY CITY OF LONG BEACH
IN MAINTAINING CONTINUED OIL OPERATIONS UNDER
THE CALIFORNIA COASTAL ZONE CONSERVATION ACT

The Division has reviewed the procedures currently used by the City of Long Beach in maintaining continued oil operations under the California Coastal Zone Conservation Act. Instructions have been issued by the City of Long Beach to the Long Beach Unit and to the other units and contractors operating in the Long Beach tidelands, to provide for the continuance of all operations with existing facilities. An Environmental Impact Statement has been prepared by the City of Long Beach, and approved by the City Council. The City intends to apply to the South Coast Regional Coastal Zone Conservation Commission (SCRC) for permit to continue orderly oil development of the Long Beach tideland properties. The City also notes that the ultimate cost or expense to the City, as tideland trustee, for any actions will be a charge against the tideland trust oil income.