

23. APPROVAL OF RESUMPTION OF DRILLING OPERATIONS ON STATE OIL AND GAS LEASE PRC 427.1, RINCON FIELD, VENTURA COUNTY; MOBIL OIL CORPORATION - W 9735, PRC 427.1.

During consideration of Calendar Item 21 attached, Messrs. E. N. Gladish, Executive Officer, State Lands Commission, and Donald J. Everitts, Manager, Energy and Mineral Resources Development, summarized the history of the lease under consideration, including the present negative declaration; the 1969 blowout on the Federal lease in the Santa Barbara Channel; and the moratorium on State leases which immediately followed. As a result of the moratorium, new drilling and production procedures were adopted by the Commission. After review of the new procedures, the Commission decided to lift the moratorium on December 1973. The application before the Commission has met the new requirements and Mobil is requesting approval to resume drilling operations from existing facilities. Mr. Gladish stated that successful development of State leases has been underway for many years, making the State's track record good. He added that over 1,400 wells have been drilled without serious incident. The new procedures have evolved from many years' experience, and it is felt that the clean up and containment equipment is the best available. He indicated it is the staff's recommendation that the application be approved, and that the Executive Officer be authorized to issue the necessary permits to complete development of the subject lease.

At this time, Mr. Gladish submitted the following pieces of correspondence for the record which were received in the office of the State Lands Commission. These pieces of correspondence are on file in the office of the Commission and by reference made a part hereof:

1. Letter from Francis Sarguis, President, Get Oil Out!, Inc., to E. N. Gladish, Executive Officer, State Lands Commission, dated October 2, 1974.
2. Letter from Mrs. George M. Sidenberg, Jr., President, Carpinteria Valley Association, to State Lands Commission, dated November 14, 1974.
3. Letter from H. Edwin Lyon, President, Allied Construction and Engineering Company, to Mr. E. N. Gladish, Executive Officer, State Lands Division, dated November 7, 1974.
4. Letter from William P. Gawzner, President, Miramar on the Beach, to State Lands Commission, State Lands Division, dated October 26, 1974.
5. Telegram from Honorable Gary K. Hart, 35th Assemblyman-Elect, received by telephone on November 20, 1974.
6. Letter from Kenneth G. Hahn, Executive Secretary, Ventura County Building and Construction Trades Council, to State Lands Commission, Attn.: E. N. Gladish, dated November 15, 1974.

MINUTE ITEM 23. (CONTD)

7. Letter from Paul D. Nefstead, Environmental Hearing Officer and Staff Assistant to the Environmental Quality Advisory Board, to E. N. Gladish, Executive Officer, State Lands Commission, dated November 20, 1974.

Appearances in Opposition:

Ms. Prem L. Hunji, Field Representative, representing the Office of Senator Omer L. Rains, 18th Senatorial District, California State Legislature. Ms. Hunji read into the record Senator Rains' statement to the State Lands Commission dated November 21, 1974.

William Gesner, representing Get Oil Out!, Inc. Mr. Gesner read into the record his statement dated November 21, 1974.

The above-referred-to documents are on file in the office of the State Lands Commission and by reference made a part hereof.

Appearances in Favor:

R. W. Mansfield, Legislative Advocate, representing the State Building Trades Council.

Robert L. Kubik, Attorney, representing Mobil Oil Corporation, Denver, Colorado.

While considering the calendar items, the Commissioners had the following-listed reports and documents before them for their information:

1. "PICE CO-OP Oil Spill Contingency Plan" by Petroleum Industry Coastal Emergency Cooperative, dated July, 1973.
2. "Oil Spill Cleanup Manual" by Clean Seas, Inc., dated May 22, 1974.
3. "Oil Spill Contingency Plan Rincon-Ferguson Piers, State Lease No. PRC 427" by Mobil Oil Corporation, dated July 2, 1974.
4. "Environmental Contingency Plan" by Standard Oil Company of California, Western Operations Producing Department, dated October 1974.
5. State Lands Division File W 9741, "Standard Oil Company of California, Resumption Drilling Operations P 3095, Orange County, for Public Inspection".
6. State Lands Division File W 9735, "Mobil Oil Corporation, Resume Drilling P 1824, 3150 and 4000, Santa Barbara County, for Public Inspection".
7. State Lands Division File W 9732, "Standard Oil Company of California, Resume Drilling PRC 427, Ventura County, for Public Inspection".

MINUTE ITEM 23. (CONTD)

8. "SOCAL Offshore Drilling Platforms Earthquake Design Criteria for Existing Santa Barbara Channel Facilities" by G. F. Borrmann, dated November 20, 1974.
9. Final Environmental Impact Report (EIR 169), "Resumption of Drilling Operations in the South Ellwood Offshore Oil Field from Platform Holly", Volumes I, II and III, prepared for the State Lands Commission by Dames and Moore, November 1974.
10. "Supplemental Plan of Operations, Santa Inez Unit, Humble Oil and Refining Company" dated August 10, 1972.
11. "Design Construction and Installation of the Initial Platform Proposed for Installation in 850 feet of Water on the OCS P-0188".

The above-listed reports and documents are on file in the office of the State Lands Commission and by reference made a part hereof.

A transcript of the proceedings is on file in the office of the State Lands Commission and by reference made a part hereof.

After all the testimony had been received, the Commission adopted the calendar item.

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

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.
2. CERTIFIES THAT THE NEGATIVE DECLARATION (ND EIR 163) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINES THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZES THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASE PRC 427, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

Attachment:

Calendar Item 21 (2 pages)

CALENDAR ITEM

11/74  
GWG  
W 7735

21.

APPROVAL OF RESUMPTION OF DRILLING OPERATIONS  
ON STATE OIL AND GAS LEASE PRC 427.1  
RINCON FIELD, VENTURA COUNTY

LEASE: PRC 427.1.  
LESSEE: Mobil Oil Corporation.  
COUNTY: Ventura.  
AREA: Rincon Field.

PERTINENT INFORMATION:

The purpose of the project is to complete the development of the oil and gas reserves in the reservoirs underlying the developed portions of the subject lease by continued waterflooding of the currently productive zones. The plan of development includes the redrilling of four "injector" wells which have become severely plugged resulting in low injection rates and poor injection profiles. The productive limits of the reservoirs and the geology of the lands underlying the developed portion of the lease are fully known as a result of prior drilling operations.

Redrilling the injectors as proposed will not involve any new environmental commitments. No new surface (ocean floor) holes will be created, with the redrilled portions of the wells to be commenced at considerable depth below the ocean floor, and completed in the presently developed zones. The redrilling program will require no additional production facilities on the pier, no additional pipelines and no additional onshore facilities.

The project will be conducted in accordance with the procedures for drilling and production operations, and rules and regulations of the State Lands Commission and the State Division of Oil and Gas.

ENVIRONMENTAL IMPACT:

In accordance with the State Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended, a negative declaration has been prepared and circulated to concerned agencies and to the public.

EXHIBIT: A. Location Map.

CALENDAR ITEM NO. 21. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.
2. CERTIFY THAT THE NEGATIVE DECLARATION (ND EIR 163) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASE PRC 427.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.