

13. APPROVAL OF RESUMPTION OF DRILLING OPERATIONS FROM EXISTING FACILITIES ON STATE OIL AND GAS LEASES PRC 3120 AND PRC 3242, SOUTH ELLWOOD OFFSHORE FIELD, SANTA BARBARA COUNTY; ATLANTIC RICHFIELD COMPANY - W 9723, PRC 3120, PRC 3242.

During consideration of Calendar Item 11 attached, Messrs. E. N. Gladish, Executive Officer, State Lands Commission, and D. J. Everitts, Manager, Energy and Mineral Resources Development, summarized 1) the history of the leases under consideration (PRC 3120 and PRC 3242); 2) the purpose of the proposed project; 3) the environmental impact report (EIR #169); and 4) the plans for oil spill prevention and control. Mr. Gladish informed the Commission that the Office of the Attorney General had reviewed the application, the applicable statutes, and the rules and regulations of the Commission, concluding that the application is in compliance with law.

Mr. Gladish submitted for the record the following pieces of correspondence, said correspondence being on file in the office of the State Lands Commission and by reference made a part hereof:

1. Letter from W. R. (Doc) Romines, President, Port Hueneme Chamber of Commerce, to State of California, State Lands Commissioners, dated December 10, 1974.
2. Letter from A. Howard Hogue, Vice President, Tidewater Marine Service, Inc., to Mr. Ed Gladish, State Lands Commission, dated December 19, 1974.
3. Telegram from Firman F. Feuerborn, Secretary, Santa Barbara Building and Construction Trade Council, to the State Lands Commission, Attn: Houston Flournoy, dated December 18, 1974.
4. Telegram from V. L. McKendree, Acting Director, OCAW, District 1, Oil Chemical and Atomic Workers International Union, AFL-CIO, to E. N. Gladish, Executive Officer, State Lands Commission, dated December 17, 1974.

Appearances in Opposition:

Honorable Gary Hart, Assemblyman, 35th District, California State Legislature

Assemblyman Hart read into the record his statement dated December 19, 1974. The context of his statement included a letter from Mr. Robert A. Paul, General Manager and Chief Engineer of the Goleta County Water District, addressed to Mr. E. N. Gladish. In addition, Assemblyman Hart quoted briefly from a letter from the Northwest Goleta Homeowners Association and submitted said letter to the Commission for the record.

MINUTE ITEM NO. 13. (CONTD)

A. Barry Cappello, City Attorney, representing the City of Santa Barbara

Mr. Cappello first presented a brief rebuttal to Messrs. Hogue's and Cole's statements after which he read into the record his statement dated December 19, 1974. In addition, Mr. Cappello read into the record a statement by Donald L. McFarland on "Application of Atlantic Richfield Company for the Resumption of Drilling Operations in the South Ellwood Offshore Oil Field from Platform 'Holly'", dated December 19, 1974.

Alvin Weingand, representing Get Oil Out!, Inc.

Mr. Weingand read into the record his statement dated December 19, 1974.

Kenneth Cory, in pro per

Honorable Omer L. Rains, Senator, 18th District, California State Legislature

Senator Rains submitted for the record his statement entitled "Statement of Senator Omer L. Rains Before the Hearing of the State Lands Commission on Request to Resume Off-shore Drilling Operations on State Leases in the Santa Barbara Channel" which had previously been submitted at the September 21, 1974, State Lands Commission hearing held in Santa Barbara. In addition, Senator Rains read into the record his statement dated December 19, 1974.

Appearances in Favor:

William L. Cole, Vice President-Gas Supply, representing the Southern California Gas Company

Mr. Cole read into the record his statement dated December 19, 1974.

A. Howard Hogue, Vice President, representing Tidewater Marine Service, Inc.

Mr. Hogue's statement is on file in the office of the State Lands Commission and by reference made a part hereof.

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

George D. Keilty, Representative, representing the Oil, Chemical, and Atomic Workers Union

Jeff Pendergraft, Attorney, representing Atlantic Richfield Company

MINUTE ITEM NO. 13. (CONTD)

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

After all the testimony was presented, the Commissioners moved and seconded the adoption of the item as submitted by the staff.

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

THE COMMISSION:

1. DETERMINES THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFIES THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR NO. 169) 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 LEASES PRC 3120 AND PRC 3242, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASES AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.

Attachment:

Calendar Item 11 (2 pages)

MINUTE ITEM 13, MEETING OF DECEMBER 19, 1974 - SUSPENDED

BY MINUTE ITEM 9, MEETING OF JANUARY 14, 1975

*Rj*

CALENDAR ITEM

12/74  
ADW  
W 9723

11.

APPROVAL OF RESUMPTION OF DRILLING OPERATIONS  
FROM EXISTING FACILITIES ON  
STATE OIL AND GAS LEASES PRC 3120.1 AND PRC 3242.1,  
SOUTH ELLWOOD OFFSHORE FIELD, SANTA BARBARA COUNTY

LEASES: PRC 3120.1 and PRC 3242.1.  
LESSEE: Atlantic Richfield Company.  
COUNTY: Santa Barbara.  
AREA: South Ellwood Offshore Field.

PERTINENT INFORMATION:

The purpose of the project is the extraction of recoverable oil and gas from the Monterey reservoir underlying the subject leases from the existing Platform "Holly". It is anticipated that a total of 30 Monterey wells (Platform "Holly" capacity) is possible by recompletion, re-drilling and drilling of 17 new wells.

The proposed project will depend upon the lessee obtaining approvals for necessary modifications to onshore oil and gas processing facilities. However, in the event these approvals cannot be obtained, or are delayed, the lessee is prepared to implement a partial interim development program. This partial program would involve the initial drilling of 8 to 10 new wells, a reduced rate of Monterey oil production (12,000 B/D rather than 20,000 B/D), reinjection of Monterey gas at Platform Holly, and use of existing onshore facilities.

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

The lessee was granted an exemption from the permit requirements of the California Coastal Zone Conservation Act by the South Central Coast Regional Commission on March 29, 1974, and, upon appeal, the exemption was upheld by the State Commission on June 5, 1974. A lawsuit, filed by Get Oil Out!, Inc. challenging the exemption, is currently pending in the State Superior Court.

CALENDAR ITEM NO. 11. (CONTD)

The Office of the Attorney General has advised that the application by Atlantic Richfield Company for the resumption of drilling operations in the South Ellwood Offshore Field from the existing drilling structure is in compliance with law.

**ENVIRONMENTAL IMPACT:**

In accordance with the State Guidelines for Implementation of the California Environmental Quality Act of 1970, as amended, a draft environmental impact report was prepared and circulated for comment. On September 21, 1974, a public hearing was held for the purpose of receiving comments on the draft environmental report. The comments made at the hearing and all other written comments have been reviewed by the staff; those comments and the Division's responses have been incorporated into the final EIR No. 169.

The Division finds that the project will not have a significant effect on the environment.

**EXHIBIT:** A. Location Map.

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. DETERMINE THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFY THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR NO. 169) 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 LEASES PRC 3120.1 AND PRC 3242.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASES AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.