

MINUTE ITEM

THE

29

INFORMATIVE
CALENDAR ITEM

DATE RECEIVED

29

7/21/83
W 40185
Todhunter

QUARTERLY REPORT TO LEGISLATURE
OIL AND GAS DEVELOPMENT PROGRAM
PT. CONCEPTION/PT. ARGUELLO,
SANTA BARBARA COUNTY

Budget language directs the State Lands Commission to report quarterly on the Point Conception Oil and Gas Program. This report covers the fourth quarter of the 1982-83 fiscal year.

EXPENDITURE OF FUNDS FOR PREEASING ACTIVITIES:
None.

CURRENT STATUS OF PROGRAM:

On December 23, 1982 the State Lands Commission after consideration of the information contained in the Final EIR, certified on September 23, 1982, approved the solicitation of bids on eight parcels within the Point Conception Project Area. "Bid Packages" have been sent to prospective bidders.

FUTURE ACTION:

Bids are to be received and opened on August 15, 1983. The staff will have a maximum of 90 days to evaluate and submit recommendations for consideration by the Commission for approval of the award of leases on the eight parcels.

A 29 35

S 17 18

131
1620

CALENDAR ITEM NO. (CONTD)

STAFFING CHANGES OR REORGANIZATIONS RELATED TO PROJECT:

The staffing organization of the Commission's Extractive Development Program was detailed in the first quarterly report. No changes have been made.

LITIGATION: COUNTY OF SANTA BARBARA V. STATE LANDS COMMISSION (W503.1294) AND SOUTH CENTRAL COASTWATCH V. STATE LANDS COMMISSION (W503.1295):

These lawsuits have been consolidated by the Santa Barbara Superior Court. In addition, several commercial fishermen's organizations have been allowed to intervene in the consolidated suit as additional plaintiffs. Currently, trial is scheduled for July 29, 1983. Judge McMahon has indicated he will decide the case from the bench that day.

PACIFIC COAST FEDERATION OF FISHERMEN'S ASSOCIATIONS, ET AL., V. STATE LANDS COMMISSION (W503.1332):

This suit was filed June 21, 1983 by several of the same parties to the above consolidated lawsuit. It alleges that the State Lands Commission has violated the Coastal Act by continuing with the lease program without a coastal development permit. It is currently scheduled to be heard by Judge McMahon on July 22, 1983 and will also be decided from the bench.

FEDERAL ACTIVITY:

Activity in the federal offshore Pt. Conception-Santa Maria Basin area includes continued geophysical activity and 12 exploration/delineation wells. Five wells were drilled, evaluated and abandoned, and seven wells are currently drilling and testing.

Federal Lease Sale OCS No. 73 is scheduled for October, 1983, and will include 277 unleased tracts from Pt. Conception to Morro Bay. Except for 17 tracts between OCS Sale No. 53 leases and the State offshore boundary, the tracts offered in Sale No. 73 are seaward from the leases issued under the OCS Sale No. 53.

Federal Lease Sale OCS No. 80 is tentatively scheduled for February 1984. The area thus far includes 11.6 million acres from the United States - Mexico border to Pt. Conception and extending seaward from the State-Federal three mile boundary to as far as 130 miles offshore. Scheduling for

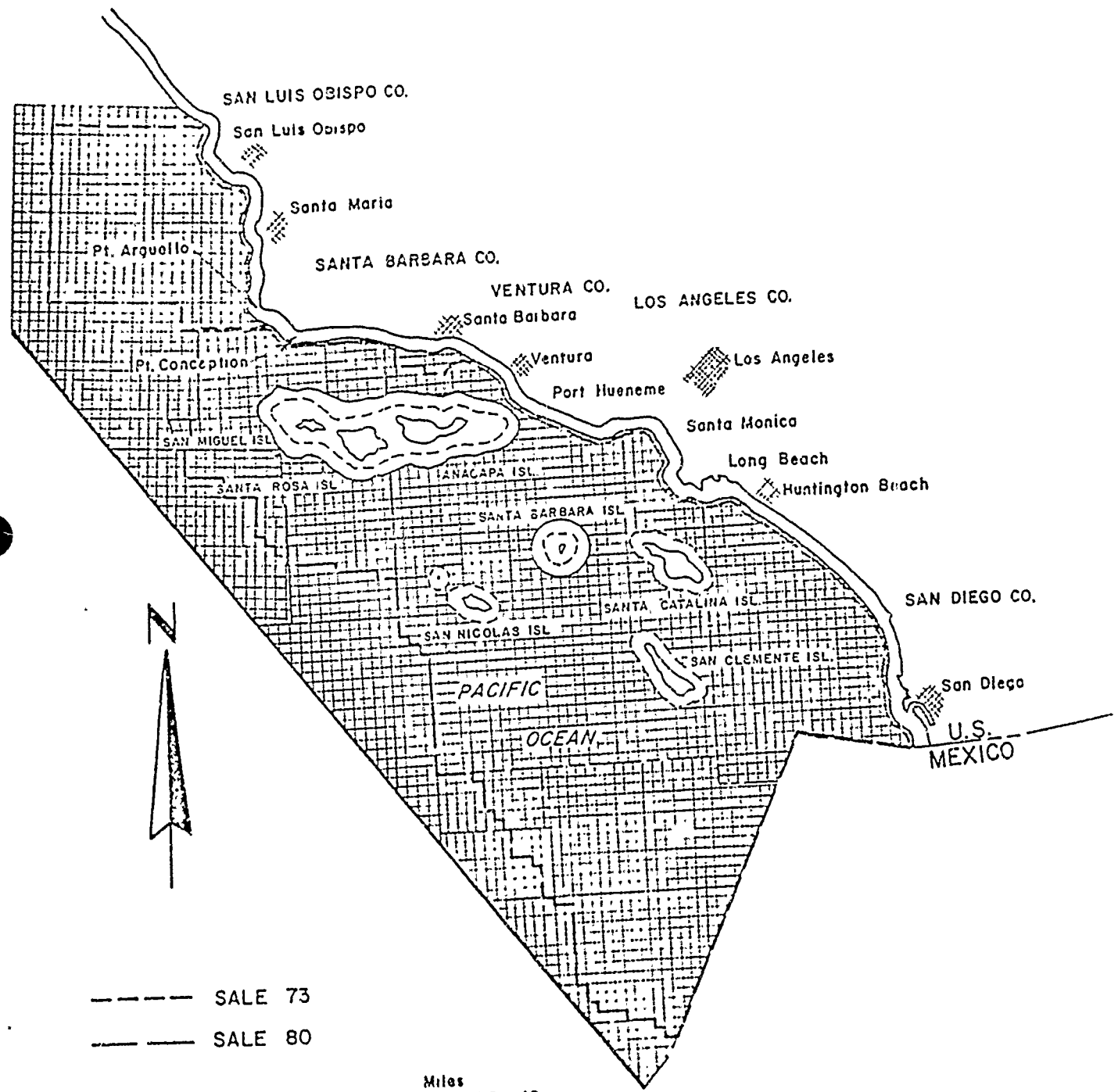
this sale is as follows: draft EIS in late June 1983; public hearings the following month; final EIS in late October 1983; and the sale in February 1984.

On Lease P-0452 adjacent to State lands, Chevron drilled two exploratory wells, one to 7,496 feet and the other to 7,425 feet. Both wells were abandoned in late May 1983, without the release of any information.

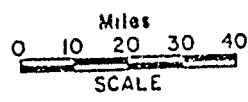
ARCO is presently drilling a well (spudded 5/24/83) on Lease P-0444 which is adjacent to State lands. The proposed depth for this well is reported as 9,600 feet. Penzoil is also drilling a well adjacent to State lands, located in Lease P-0427 and scheduled to a total depth of 6,500 feet.

Chevron has outlined plans for initial development of the giant Point Arguello field in the Santa Maria Basin. Development of the field by groups led by Chevron and Texaco could lead to production at about 100,000 B/D of oil and 160 MMcf/D of associated gas by the end of the century. Chevron's plans call for installation of the first Santa Maria platform, Hermosa, in 1985, with peak output of 27,000 B/D of oil expected by 1989. The three deck, eight leg, 48 slot platforms will be installed in 602 feet of water in Lease P-0316 to develop the southeastern portion of the field. The Texaco group has not yet submitted plans for development of their portion of the field.

STATE OF CALIFORNIA
STATE LANDS COMMISSION
OCS LEASE SALE 73 & 80



--- SALE 73
— SALE 80



134
1623