

MINUTE ITEM

This Calendar Item No. 37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 3
to 0 at its 8/25/83
meeting.

MINUTE ITEM

37

8/25/83
W 40185
Staff

CONSIDERATION OF PROPOSED LEASING
FOR OIL AND GAS, PT. CONCEPTION/PT. ARGUELLO,
SANTA BARBARA COUNTY

During consideration of Calendar Item 37 attached, Assistant Executive Officer Trout acknowledged for the record two communications received relative to this matter. The first communication was a telephone telegram received August 24, 1983, from the County of Santa Barbara asking that no action be taken by the Commission until the County's concerns are addressed. The second communication was a letter from the California Coastal Commission indicating their approval of the project with an amendment to the Interagency Agreement. That amendment is incorporated in the Interagency Agreement attached to this Calendar Item as Exhibit 2. As amendment was also suggested to Special Operating Requirement 4(a) to add the language, "exploratory wells,". This amendment was unanimously approved.

Dr. Ruth Ann Corwin, Oceanic Society, and the OCS Coalition, appeared asking if the Commission anticipated any changes in the lease language between now and September 30, 1983. Executive Officer Dedrick indicated that staff contemplated no further changes in the lease language.

There being no further discussion and upon motion duly made and carried, Calendar Item 37 was approved, as amended, by a vote of 3-0.

Attachment: Calendar Item 37

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CALENDAR ITEM

37.

8/25/83
W 40185
Staff

CONSIDERATION OF PROPOSED LEASING
FOR OIL AND GAS, PT. CONCEPTION/PT. ARGUELLO,
SANTA BARBARA COUNTY

On August 12, 1983, the Commission approved a revised lease sale package for exploration and development of oil and gas resources offshore between Pt. Conception and Pt. Arguello. This package, including the lease document, Special Operating Requirements, Accounting Procedures, Biologically Sensitive Area Map and Interagency Agreement, was sent to the Coastal Commission for review. The Coastal Commission staff reviewed the package and prepared a staff report for consideration by that body on August 23, 1983. After more than five hours of public comment and deliberation, the Coastal Commission approved the lease package recommending a minor amendment to the Interagency Agreement.

The lease package approved by the Lands Commission on August 12 will be formally offered to the oil and gas industry for receipt of bids on September 30. The amendment to the Interagency Agreement recommended by the Coastal Commission would provide that a member of the Scientific Advisory Committee should be a scientist with expertise in the field of commercial fisheries. Pursuant to Public Resources Code Section 30404, if recommendations from the Coastal Commission are not adopted, the State Lands Commission must report its reasons to the Governor and Legislature within six months. Staff believes that this minor change presents no problems to effective management of the leasing program.

Two other amendments to the Interagency Agreement were agreed to by staff of the two Commissions prior to the August 23, 1983 Coastal Commission meeting. One provides for annual reports and timetable to be reviewed each January. The other indicates that the results of the various studies and reports will be reviewed and integrated, and used together in decisions regarding exploration and development and the resulting impacts on coastal zone resources.

AB 884: NA

- EXHIBITS: 1. Lease Sale Parcels
2. Interagency Agreement with the California Coastal Commission

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IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE EXECUTION OF THE INTERAGENCY AGREEMENT WITH THE CALIFORNIA COASTAL COMMISSION AS AMENDED AND INCLUDED AS EXHIBIT 2 TO THIS ITEM.

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EXHIBIT 2

INTERAGENCY AGREEMENT

This agreement, dated August 12, 1983, is entered into between the State Lands Commission (SLC) and the California Coastal Commission (CCC) concerning the leasing of approximately 40,000 acres of State sovereign lands between Pt. Conception and Pt. Arguello for oil and gas development.

The parties agree as follows:

1. Marine Resource Studies

In consideration of specific mandates of the Coastal Act regarding marine resources and the findings required of the Coastal Commission in permitting subsequent exploratory and development activities in the proposed lease sale area, the SLC will consult with the CCC regarding the design and implementation of the marine resource studies required by SLC Special Operating Requirement #4 of the lease. Such consultation will occur prior to the issuance by SLC of a request for proposal (RFP) for such studies and after a draft report is received by SLC as a result of said studies.

2. Lease Amendments

The SLC will notify the CCC prior to its consideration of all amendments to leases let within the Pt. Conception - Pt. Arguello area. ~~Amendments which require~~

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findings under the Coastal Act shall be submitted to the Coastal Commission for concurrence. Lease provisions which may be subject to such notification include the Special Operating Requirements;

3. Comprehensive Planning and Mapping

A. Planning

i. Purpose and Objectives

The parties shall work with other governmental bodies such as Santa Barbara County in a comprehensive planning process which can be used by them to make regulatory decisions concerning the exploration and development of the lease area. The objectives of this program are to:

- a. Provide direction and guidance for future biological, geological, and environmental studies;
- b. Maximize reasonable consolidation of various support, production, and transportation facilities;
- c. Identify areas where unitization or pooling of State, Federal, or private lease interests should be required;
- d. Obtain the information necessary to evaluate competing offshore uses of the marine environment;
- e. Make all possible information and analyses available

to the respective decision makers in a timely fashion;

- f. Determine the optimum location for platforms, pipelines, and support facilities;
- g. Resolve conflicts concerning seismic survey activities in the lease area; and
- h. Evaluate the timing of all exploratory drilling activities to balance the number of drillships and wells with the potential impact on coastal resources and the petroleum reserves.
- i. Ensure that all studies carried out are reviewed and that information is integrated and used together in decisions regarding exploration and development and the resulting impacts on coastal zone resources.

ii. Advisory Committees

The SLC shall, as needed, establish Advisory Committees composed of knowledgeable scientists selected by SLC, CCC and County of Santa Barbara to review and comment on reports and changes proposed in the lease sale and thereafter in operations conducted under the lease. At least two of the scientists on each committee shall be selected from a pool supplied by the Coastal Commission and Santa Barbara County, if each supplies the names of three or more suitable scientists available and willing to serve on the committee when they are needed. When impacts on commercial fisheries

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are involved, one of the scientists on the Committee shall have expertise in the subject of commercial fisheries.

iii. Timing and Procedure

The staffs will hold regular meetings beginning October 15, 1983, to develop and implement this comprehensive planning process. Consultation will also occur with additional public and private entities such as: Santa Barbara County and City, other State agencies, oil and fishing industry representatives, and public interest organizations.

The process will:

- a. Identify policies which may be implemented through the process;
- b. Establish objectives and goals which will be necessary to carry out the policies;
- c. Acquire information and data from affected parties; and
- d. Evaluate actual lease facility proposals.
- e. Prepare a progress report, plan of action and timetable, to be considered by the State Lands Commission and the Coastal Commission, by January of each year; and
- f. Integrate the studies done within the lease sale area.

It is clearly understood and intended by both parties that the planning process shall periodically be reviewed and updated.

iv. Relation to Permit Process

It is intended that the comprehensive planning process will be an integral part of the agencies' permit review process. Much of the information needed for the process will be obtained from application materials required by public agencies as well as the studies mandated by the SLC lease package. Additional data will be solicited as needed for the comprehensive planning process. The SLC and the CCC will consider the information developed for the comprehensive plan as well as required material submitted with specific permit requests in arriving at development decisions.

B. Mapping

i. Purpose and Objectives

Prior to the receipt of bids, a sensitive biologic area map will be developed by the SLC using existing information. It will be accompanied by a narrative explanation which clearly defines the meaning of the map and provides for its implementation. The purpose of the map is twofold. First, it will indicate areas where oil and gas exploration and production activities (except pipelines) will

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not be permitted on the ocean bottom within the Pt. Conception - Pt. Arguello lease area. Second, it will show biologically sensitive zones within the lease area, where exploration and production activities may be allowed if detailed project specific studies indicate that there will not be significant environmental damage. The map will be revised by the SLC, based on the new biological surveys listed in Special Operating Requirement #4 of the leases and all other available biological work done in the lease area. In making these revisions, the SLC will work with the CCC and the DFG, in consultation with the scientific advisory panels. The sensitive biologic area map will be reviewed and approved by the State Lands Commission and the California Coastal Commission as a part of the EIR process and prior to the submittal of any permit application to the Coastal Commission for exploration or production activities. Through changes in the SLC lease stipulations, prospective lessees are on notice of this process and limitation.

ii. Specific Resources Areas to be Designated on Sensitive Biologic Area Map

No permanent platforms or exploration activities on the ocean bottom will be allowed inshore of the 15-fathom bathymetric curve or within 1/2 mile of the shoreline whichever results in the greater distance from shore.

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Exploration and production wells may be allowed within the lease area waterward of the 15 fathom/1/2 mile band where site specific geologic and biologic studies and a project specific EIR demonstrate that no significant environmental damage will occur. Prohibition of exploratory or development activities in the 15 fathom/1/2 mile shoreline band shall not preclude directional drilling from sites located outside the band.

It is agreed that the 15 fathom/1/2 mile wide drilling prohibition area and the mapping of other sensitive biologic areas is designed to protect environmentally significant areas such as kelp beds, rocky bottom strata, rubble/cobble sites and fishing resources.

iii. Areas of Special Biological Significance.

All areas of special biological significance as defined in Special Operating Requirement #4 shall be mapped.

v. Updating and Map Review.

The sensitive biologic area map will be updated on a regular basis. Any substantial changes will require approval by the SLC and the CCC.

4. Jurisdiction

The CCC asserts that it has permit authority over the SLC leasing program. The SLC disagrees, but, through a letter from its Executive Officer, dated January 24, 1983 has submitted its lease package for review and comment without

prejudice to its position. The CCC has reviewed and processed the letter as an application. By entering into this agreement and by submitting and reviewing this lease package, neither agency waives its rights to assert its jurisdictional position. Both parties expressly reserve their rights to pursue the jurisdictional issue.

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| NO. OF PAGES | 169.10 |
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