

# MINUTE ITEM

This Calendar Item No. 43  
 was approved as Minute Item  
 No. 43 by the State Lands  
 Commission by a vote of 3  
 to 0 at its 6/21/84  
 meeting.

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## CALENDAR ITEM

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06/21/84  
 PRC 2725  
 PRC 2206  
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## DEFERMENT OF DRILLING OPERATIONS STATE OIL AND GAS LEASES PRC 2725 AND PRC 2206

LESSEE: Texaco, Inc.  
 3350 Wilshire Boulevard  
 Los Angeles, California 90010

AREA, TYPE LAND AND LOCATION: State Oil and Gas Lease PRC 2725.1 was issued to Texaco on May 4, 1961, and contains approximately 4,250 acres of tide and submerged lands west of Gaviota (see Exhibit "A").

SUMMARY: On April 27, 1982, the Commission authorized the resumption of drilling operations on State Lease PRC 2725, thereby terminating the drilling moratorium. Since that time, Texaco has drilled and abandoned one well and has been involved in a re-evaluation of the lease geology. A 3-D survey has been conducted and is in the process of being interpreted. Texaco presently has a drilling deferment which expires on July 4, but does not expect to have completed the geophysical interpretation in time to meet the July 4 obligation.

Recent amendments of the Santa Barbara Air Pollution Control District (S.B.A.P.C.D.) regulations require that as a condition of any drilling permit issued by that agency, the operator must monitor the area for nitrogen dioxide levels for one year in advance of the proposed drilling operations. Texaco and the A.P.C.D. have informally discussed the required monitoring program and Texaco has indicated its willingness to commence the program if it can

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be assured of a drilling window. The A.P.C.D. has advised that upon approval of the monitoring program drilling could be initiated in the fall of 1985 and into the spring of 1986. Further, drilling would be restricted to operation of one drill rig on the two leases operated by Texaco in this area (PRC 2725 and PRC 2206) at any time. Prior to these restrictions, a deferment was granted to Texaco on PRC 2206 through May 1, 1985.

In view of the now existing restrictions of the S.B.A.P.C.D. proposed permits it is necessary that the drilling requirements under both PRC 2206 and PRC 2725 be deferred until at least the fall of 1985. If the drilling permits issued by the A.P.C.D. provide terms other than that stated above, staff will report back to the Commission.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061, the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

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2. APPROVE A DEFERMENT OF THE DRILLING REQUIREMENTS ON STATE OIL AND GAS LEASE PRC 2725.1 FOR THE PERIOD FROM JULY 4, 1984 THROUGH DECEMBER 31, 1985, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.
3. APPROVE A DEFERMENT OF DRILLING REQUIREMENTS ON STATE OIL AND GAS LEASE PRC 2206 FOR THE PERIOD FROM MAY 1, 1985 THROUGH DECEMBER 31, 1985, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Added 6/18/84

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