

MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 27 by the State Lands
Commission by a vote of 3
to 0 at its 4/25/85
meeting.

CALENDAR ITEM

A 35
S 18

27

04/25/85
W 40441
PRC 2879
Gonzalez

DEFERMENT OF DRILLING OPERATIONS
STATE OIL AND GAS LEASE
PRC 2879

LESSEE/OPERATOR:

Union Oil Company of California
Attn: J. S. Attebery
District Land Manager
P. O. Box 6176
Ventura, California 93006

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 2879 contains approximately 5,653 acres of tide and submerged land, located south and offshore Pt. Conception and Government Pt., at the western end of the Santa Barbara Channel, Santa Barbara County. (See Exhibit "A").

LEASE SUMMARY:

State Oil and Gas Lease PRC 2879 was issued to Union Oil Company of California (100 percent) on April 26, 1962, and contains a continuous drilling provision of not more than 120 days between wells.

On May 29, 1980, the State Lands Commission approved Union's application to resume drilling operations on State Oil and Gas Lease PRC 2879. On March 23, 1983, after obtaining approvals from other agencies, Union commenced its exploratory drilling and drilled exploratory well 18-6.

CALENDAR ITEM NO. 27 (CONT'D)

In a letter dated March 9, 1984, Union stated that the data obtained from well 18-6 had been evaluated and a decision made to proceed with the preparation of a plan of development for the Cojo offshore field State Lease PRC 2879; however additional time was needed to prepare the plan. On May 7, 1984, the Commission granted Union a deferment of further drilling until October 25, 1984, to submit a development plan.

On October 24, 1984, Union submitted a Development Plan to the staff. Pending staff review of the plan, the Commission, on October 25, 1984 granted a deferment of the drilling obligation of the subject lease until December 31, 1984. After preliminary review of the plan and discussion with Union the application was withdrawn to revise the scope of the project. The Commission, consequently on December 20, 1984, granted a three-month deferment until March 31, 1985 to enable Union to continue work on the Development Plan.

Union has been diligently pursuing the scoping and issue identification of the Development Plan in conjunction with the Commission staff, Santa Barbara County and other responsible agencies. Union has requested a further deferment to allow sufficient time to evaluate and address the identified issues. The staff recommends that the Commission grant an additional deferment of the lease drilling obligation through June 30, 1985.

AB 884:

N/A.

ENVIRONMENTAL 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.

CALENDAR ITEM NO. 27 (CONT'D)

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF 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.

2. APPROVE A DEFERMENT OF THE DRILLING OBLIGATION OF STATE OIL AND GAS LEASE PRC 2879 THROUGH JUNE 30, 1985; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

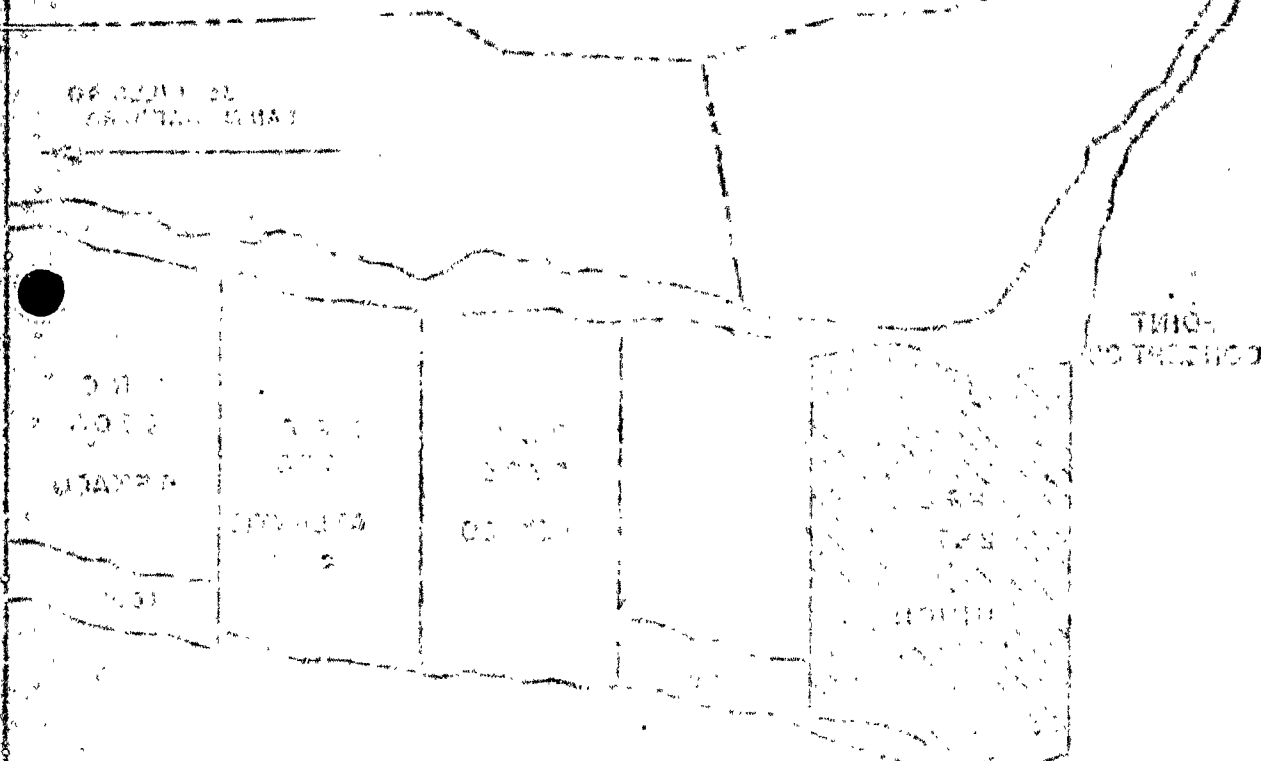


EXHIBIT "A"
LOCATION MAP
STATE OIL & GAS LEASE

PRC 2879

UNION OIL COMPANY OF CALIFORNIA
SANTA BARBARA COUNTY

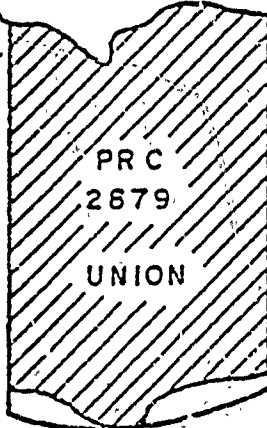
MGH

T. 5 N., R. 34 W.

T. 5 N., R. 33 W.

35 MILES TO
SANTA BARBARA

POINT
CONCEPTION



PRC
2725
TEXACO

PRC
2726
ATLANTIC
et al

PRC
2206
TEXACO

4001

3499

SANTA BARBARA CHANNEL



0 10,000' 20,000'

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97

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