

MINUTE ITEM
This Calendar Item No. C56
was approved as Minute Item
No. 56 by the State Lands
Commission by a vote of 3
to 0 at its 4-9-02
meeting.

**MINUTE ITEM
C56**

04/09/02
Bid Log 2001-20
W 40857; W30134
C. Oggins, D. Brown, A. Cueva

**CALIFORNIA STATE LANDS COMMISSION
(PARTY)**

Calendar Item 56: Item, authorizing contracts for CEQA review of project for new wells at Rincon, was moved from consent to regular and approved as presented. Commissioners asked that a full and complete environmental treatment be completed before the project was brought back before the Commission.

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**CALENDAR ITEM
C56**

A 35

04/09/02

S 18

Bid Log 2001-20

W 40857; W 30134

C. Oggins, D. Brown, A. Cueva

**REQUEST AUTHORITY FOR EXECUTIVE OFFICER
TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD
AND EXECUTE AGREEMENTS FOR PREPARATION OF ENVIRONMENTAL
DOCUMENTATION FOR THE DEVELOPMENT OF STATE OIL AND GAS LEASE
PRC 1466.1 FROM RINCON ISLAND, VENTURA COUNTY**

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 – South
Sacramento, CA 95825-8202

BACKGROUND:

Rincon Island Limited Partnership (RILP) is the lessee of State Oil and Gas Lease PRC 1466.1, which was originally issued in August 1955 and assigned to RILP in 1996. The lease term is 20 years and for so long thereafter as producing in paying quantities.

Rincon Island is an artificial island located in Ventura County on public land leased from the California State Lands Commission (CSLC) approximately 3,000 feet offshore in 55 feet of water. The Island was constructed in 1959 for the specific purpose of well drilling and oil and gas production. Approximately one acre of useable space lies within the depressed interior of the Island that is surrounded at its perimeter with scattered palm trees. A one-lane causeway connects the Island to shore at Punta Gorda. The local physical environment consists of the Pacific Ocean, local coastal mountains, U.S. Highway 101, several beach homes and a hotel located approximately 3,000 feet north near the Mussel Shoals exit along Highway 101, the nearby community of La Conchita, and other nearby petroleum production facilities.

PROPOSED ACTIVITY:

RILP proposes to deepen or redrill 15 existing wells and drill 21 new wells from among the 68 existing well slots on Rincon Island to accommodate the economic recovery of additional oil and gas reserves from lease PRC 1466.1.

Consideration of such an action will require environmental documentation in accordance with the California Environmental Quality Act. Staff proposes to engage a consultant for this purpose.

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Consultant selection will be conducted consistent with procedures as specified in CSLC Regulations and in the State Contracting Manual on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All costs will be recovered from the project applicant

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Section 6106 (Delegation to execute written instruments)
- B. State Contracts Manual Section 11.00 (A & E method)
- C. Public Contract Code Section 6106
- D. Government Code Section 4526
- E. California Administrative Code Title 2 Article 13 Section 2980.0 – 2990.0

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THESE ACTIVITIES ARE NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.
2. FIND THAT THE SELECTION OF CONSULTANT UNDER THIS PROCESS DOES NOT AFFECT SMALL BUSINESSES AS DEFINED IN GOVERNMENT CODE SECTION 11342, SUB. (H), BECAUSE THEY WILL BE ACCORDED EQUAL OPPORTUNITY TO SUBMIT STATEMENTS OF QUALIFICATIONS AND PERFORMANCE DATA.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE CONTRACT IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.
4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH PROJECT APPLICANT TO RECOVER COSTS INCURRED IN THE CONSIDERATION OF THIS PROJECT.