

TRANSCRIPT

Dec 30, 1981

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MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

STATE CAPITOL
ROOM 4203
SACRAMENTO, CALIFORNIA

ORIGINAL

THURSDAY, DECEMBER 30, 1981

2:00 P.M.

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License No. 4691

PETERS SHORTHAND REPORTING CORPORATION

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APPEARANCES

Commission Members:

Kenneth Cory, Chairperson, Controller

David Ackerman, representing Mike Curb,
Lieutenant Governor

Susanne Morgan, representing Mary Ann Graves,
Director of Finance

Staff Present:

William F. Northrop, Executive Officer

Robert Collins

George Wakayama

Robert Hight, Esq., Chief Counsel

Bob Faber

Jane Smith

Also Present:

Allan Moore, Chevron, U.S.A.

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P R O C E E D I N G S

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CHAIRPERSON CORY: Call the meeting to order.

EXECUTIVE OFFICER NORTHROP: Mr. Chairman, the calendar item before us is a request from staff to participate in some joint --

COMMISSIONER MORGAN: What is a retired person doing here?

EXECUTIVE OFFICER NORTHROP: -- to participate in the preparation of --

CHAIRPERSON CORY: I don't believe you answered the question.

EXECUTIVE OFFICER NORTHROP: I lost my place.
(Laughter.)

CHAIRPERSON CORY: Did you hear her question?

EXECUTIVE OFFICER NORTHROP: What was that? No.

CHAIRPERSON CORY: The question is, she wants to know what a retired person is doing here.

EXECUTIVE OFFICER NORTHROP: George is here because of the Executive Session. We have asked him to come out of retirement to handle this particular problem that is before us, and he told me he had been washing dishes and doing a lot of things around the house and he was kind of glad to get out of Sacramento and let someone else take over. So he is going to come up here for the

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1 Executive Session.

2 CHAIRPERSON CORY: Go ahead and tell us what
3 you want to tell us now.

4 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, this
5 calendar item before us, we are requesting permission to
6 participate in joint hearings for joint regulations for
7 -- I lost my place again.

8 (Laughter.)

9 CHAIRPERSON CORY: You need longer arms.

10 EXECUTIVE OFFICER NORTHROP: We are attempting to
11 work with the Division of Oil and Gas to set up some
12 joint regulations as it regards the offshore in both of
13 our responsibilities. We are attempting to do this so that
14 we can set up a separate code section which will deal with
15 our responsibility in the offshore as well as their own.

16 CHAIRPERSON CORY: Is there anybody in the
17 audience on this item?

18 Any questions from Commissioners?

19 Yes. Come forward.

20 MR. MOORE: Mr. Chairman, my name is Allan Moore.
21 I'm with Chevron, U.S.A.

22 We received the Notice this morning in our office.
23 I have it here. It is dated December 23rd. It is the
24 Notice of this meeting.

25 I have been participating for Chevron in the

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1 regulations review under Assembly Bill AB 1111. When I
 2 saw this Notice, it occurred to me that these regulations
 3 had been reviewed, I believe, back in March of this year.
 4 I was concerned that regulations were going to be adopted
 5 at this time.

6 The Notice says here:

7 "Adoption of Administrative Regulations
 8 Concerning Oil and Gas Drilling, Production,
 9 and Pollution Control (Articles 3.2, 3.3
 10 and 3.4 of the California Administrative
 11 Code)."

12 Is it wrong to assume that any regulations are
 13 going to be adopted at this meeting today?

14 EXECUTIVE OFFICER NORTHROP: Mr. Chairman, no
 15 regulations will be adopted at this meeting.

16 MR. MOORE: Okay.

17 COMMISSIONER ACKERMAN: The calendar writing
 18 does indicate, though, that you are planning the adoption
 19 at the January, 1982 meeting; is that correct?

20 EXECUTIVE OFFICER NORTHROP: That is correct.

21 COMMISSIONER ACKERMAN: That is scheduled for
 22 January 28th?

23 EXECUTIVE OFFICER NORTHROP: Right.

24 COMMISSIONER ACKERMAN: Does that mean that
 25 those regulations will be run by OAL?

1 EXECUTIVE OFFICER NORTHROP: These regulations
2 will be joint regulations dealing with the Division of Oil
3 and Gas (and State Lands on the operation, without regard
4 to OAL. This is with regard to operations.

5 MR. MOORE: Will the regulations be a part of
6 the California Administrative Code?

7 EXECUTIVE OFFICER NORTHROP: That is correct, yes.

8 MR. MOORE: Then will not the Procedures Act
9 be followed, public hearings, and a 45-day comment period,
10 for the public to look at regulations?

11 EXECUTIVE OFFICER NORTHROP: I believe the
12 hearings were held.

13 Bob, do you want to address that, please. This
14 is Bob Faber, Mr. Chairman, who has been working directly
15 with the Division of Oil and Gas on this matter.

16 MR. FABER: Mr. Chairman, there were hearings
17 on the State Lands Commission regulations in March, as he
18 indicated. There were also hearings yesterday at the
19 Division of Oil and Gas, also held on their regulations.
20 It is pursuant to the comments in both of those forums
21 that we are suggesting this particular approach. We believe
22 that the regulations that we are suggesting be worked out
23 between now and the January meeting will be responsive to
24 those hearings and those comments.

25 So in that sense, we believe that the staff of

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1 both have complied with AB 1111 requirements.

2 If, after they (are adopted by the Commission, we
3 take them to OAL, and they want further hearings, I don't
4 see any reason why we couldn't go ahead and do that.

5 MR. MOORE: Mr. Chairman, it would seem to me
6 that not only Chevron, but all public entities and private
7 individuals that would be concerned with these regulations,
8 would want to see at least a rough draft of these regulations
9 before they are adopted. That is the spirit of public
10 hearings. And a time limit within which to adopt the
11 regulations. All we would ask is a time limit after seeing
12 a draft of the regulations that are going to be adopted,
13 which are going to become law, seeing a draft of those
14 beforehand so that we can express any problems we might
15 have with the regulations. It would be best to see them
16 before the adoption rather than have them adopted and
17 then have a public hearing after with OAL review. It
18 seems to me that the most effective manner would be to
19 publish a draft for the public, and let us give our
20 comments and have a certain time limit, and then we can
21 adopt them in the ordinary procedure.

22 CHAIRPERSON CORY: I think Bob's position is that
23 there have been two hearings already and some proposed
24 regulations. The new regulations will be taking into
25 effect those suggestions that came out of those two hearings.

1 MR. MOORE: Yes, I understand that. However,
2 if I understand it right, the new regulations that are
3 proposed will be a new draft of new regulations. We have
4 not seen those yet. We have not seen a draft of what is
5 going to be adopted.

6 CHAIRPERSON CORY: Bob?

7 MR. FABER: Yes. We are going to, hopefully,
8 have those drafted by mid-January, and, of course, we will
9 send out copies with the calendar notice so that prior to
10 the 28th, when you meet next time, these folks should have
11 an opportunity to look at what is proposed. We don't think
12 they are going to be substantially different or not take
13 into account the comments they have made. So I don't think
14 there's going to be a problem. But they will have time to
15 look at them and address them before the next Commission
16 meeting.

17 MR. MOORE: That is acceptable. Thank you.

18 We can look at the draft, and then we will have
19 an opportunity for public comment at the adoptive hearing?

20 CHAIRPERSON CORY: Yes.

21 MR. FABER: Yes.

22 COMMISSIONER MORGAN: So, from your point of view,
23 this isn't the beginning of a new process? You are toward
24 the end of what was started last spring. They have
25 received comments, and as a part of the comments that were

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1 received, they are now talking about issuing joint regu-
2 lations with another agency.

3 MR. FABER: Yes.

4 COMMISSIONER MORGAN: And that is just a technique.
5 The regulations themselves are ready to come to the
6 Commission?

7 MR. FABER: I don't think they are going to find
8 anything substantially new that they haven't seen before
9 in that sense.

10 COMMISSIONER ACKERMAN: Our next meeting is
11 scheduled for January 28th.

12 EXECUTIVE OFFICER NORTHROP: That is correct.

13 COMMISSIONER ACKERMAN: So would the regulations,
14 the draft, be available at least ten days before that?

15 EXECUTIVE OFFICER NORTHROP: We hope to have
16 them by the 15th.

17 MR. MOORE: Chevron did participate in the two
18 public hearings earlier. We are aware of those. We
19 were just concerned that there might be some changes in
20 the joint regulations as they are set together.

21 COMMISSIONER MORGAN: You have to keep your
22 eyes on these guys.

23 (Laughter.)

24 CHAIRPERSON CORY: You will have them done by
25 the 15th?

1 MR. FABER: We are going to make every effort to
2 have the first draft ready by then and --

3 EXECUTIVE OFFICER NORTHROP: He wants a yes
4 answer, Bob.

5 (Laughter.)

6 CHAIRPERSON CORY: What I'm saying is --

7 MR. FABER: Yes, they will be done by then.

8 CHAIRPERSON CORY: -- why don't you get them done.

9 (Laughter.)

10 EXECUTIVE OFFICER NORTHROP: They will be done,
11 Mr. Chairman.

12 CHAIRPERSON CORY: Mails being what they are,
13 that way they have got --

14 EXECUTIVE OFFICER NORTHROP: Right.

15 If Mr. Moore will leave his address, if he is
16 local, we will see that he gets them immediately.

17 CHAIRPERSON CORY: Okay. Any further questions
18 from anybody in the audience?

19 Questions from Commissioners?

20 COMMISSIONER ACKERMAN: None.

21 CHAIRPERSON CORY: So you want us to direct you
22 to draft --

23 EXECUTIVE OFFICER NORTHROP: Right.

24 CHAIRPERSON CORY: We want you to draft, and we
25 would like to add "timely" --

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(Laughter.)

EXECUTIVE OFFICER NORTHROP: Duly noted, Mr. Chairman, on the timing.

CHAIRPERSON CORY: Okay. Without objection.

COMMISSIONER ACKERMAN: One question. Is there a key difference between the January date -- is there some problem with the draft, postponing adoption to February? Does that cause some timing problems with the regulations?

EXECUTIVE OFFICER NORTHROP: We have a problem timewise. We would like to get them done in January.

COMMISSIONER ACKERMAN: Because I think it is important, like if the gentleman from Chevron has any problems, or you anticipate there may be any, it would be incumbent then upon yourselves to get those regulations out as soon as possible.

EXECUTIVE OFFICER NORTHROP: If the gentleman is familiar with WOGA and has conversations with them, it would be well to advise them that we have a time problem.

MR. MOORE: Yes, I will.

Thank you.

CHAIRPERSON CORY: Anything else?

EXECUTIVE OFFICER NORTHROP: That concludes the regular meeting. We do have an Executive Session we would like to go into.

CHAIRPERSON CORY: Could we clear the room for

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the Executive Session.

(Thereupon the regular meeting for the
State Lands Commission was concluded
at 2:15 p.m.)

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CERTIFICATE OF SHORTHAND REPORTER

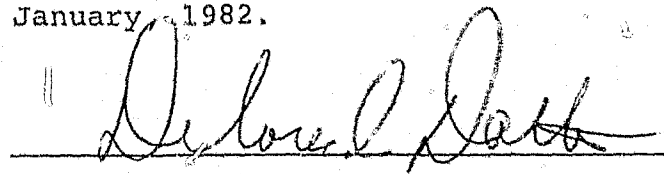
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I, DELORES I. DALTON, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission Meeting was reported in shorthand by me, DELORES I. DALTON, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunt set my hand this 21st day of January, 1982.



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