Mineral Resources Management Division

200 Oceangate, 12th Floor
Long Beach, CA 90802-4331

www.slc.ca.gov

Phone 562.590.5201
Fax 562.590.5295

The Commissioners
Gavin Newsom, Lieutenant Governor
Betty T. Yee, State Controller
Michael Cohen, Director of Finance
Jennifer Lucchesi, Executive Officer
Marina Voskanian, Division Chief

• History of the Commission
• Mission Statement
• Vision Statement
• Commission’s Mineral Leases Map
• Division Role
• Public Safety & Environmental Protection
• Oil & Gas
• Geothermal
• Solid Minerals
• Alternative Energy
History
The California State Lands Commission (CSLC) was created by the California Legislature in 1938 as an independent body, composed of three members—the Lieutenant Governor and State Controller, both statewide elected officials, and the Director of Finance, an appointee of the Governor. The CSLC was given the authority and responsibility to manage and protect the important natural and cultural resources on certain public lands within the state and the public’s rights to access these lands. The public lands under the Commission’s jurisdiction are of two distinct types—sovereign and school lands. Sovereign lands encompass approximately 4 million acres. These lands include the beds of California’s naturally navigable rivers, lakes and streams, as well as the state’s tide and submerged lands including those along the state’s more than 1,100 miles of coastline, extending from the shoreline out to three miles offshore. In short, the CSLC’s jurisdiction extends to more than 120 rivers and sloughs, 40 lakes and the state’s coastal waters.

School lands are what remain of the nearly 5.5 million acres throughout the state originally granted to California by the Congress in 1853 to benefit public education. The state retains surface and mineral ownership of approximately 462,830 acres of these school lands and retains the mineral rights to an additional 790,000 acres. Today, revenues generated from school lands benefit California’s retired teachers.

The Commission is supported by a staff of more than 200, including specialists in mineral resources, land management, boundary determination, petroleum engineering, structural engineering, natural sciences, safety management, marine terminal operations and oil spill prevention.

Mission Statement
The California State Lands Commission serves the people of California by providing stewardship of the lands, waterways, and resources entrusted to its care through economic development, protection, preservation, and restoration.

Vision Statement
The California State Lands Commission works as a team to set the standard for excellence in public land management and resource protection to ensure the future quality of the environment and balanced use of the lands and resources entrusted to its care.
Commission's Mineral Leases

- Gas
- Geothermal
- Oil & Gas
- Hard Rock Minerals

- The Geysers
- Sacramento-San Joaquin Delta
- San Joaquin Valley
- California Desert
- Santa Barbara Channel
- Los Angeles & Orange County
- Imperial County

PACIFIC OCEAN
Division Role
The Mineral Resources Management Division (MRMD) manages the development of energy and mineral resources on more than 130 oil, gas, geothermal and mineral leases covering more than 95,000 acres of state-owned lands. The Division’s goals are to ensure public safety, protect the environment, and maximize revenue. MRMD staff includes specialists in petroleum and structural engineering, geology, oil and gas and geothermal drilling and production operations, civil engineering, resource economics, mining and leasing.

Public Safety & Environmental Protection
MRMD is responsible for ensuring that mineral resources are developed in a way that protects public health and safety and the environment.

MRMD emphasizes the prevention of accidents and environmental damage and conducts frequent inspections of equipment and facilities to ensure safe and environmentally friendly operations. Best available protection standards are used in the inspections and a rigorous safety and environmental audit program is used for assessment of facilities to insure the use of best available technology and that best achievable protection is maintained. Analyses of facilities and operations involve review of documents prepared under the California Environmental Quality Act (CEQA), mitigation monitoring, engineering design review of structures, operations and procedures reviews, maintenance programs, and compliance with applicable standards and codes. The work of staff is often performed in coordination with other divisions within the agency and in conjunction with other responsible agencies such as the Department of Conservation, the Department of Fish and Game, the California Coastal Commission, and the federal Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement and Bureau of Land Management. MRMD’s inspection and safety/environmental review program is from inception to decommissioning for every facility or operation on State lands.
MRMD also provides technical support in identifying and analyzing other projects involving State Lands including removing beach and offshore hazards, such as improperly abandoned wharves, piers and wells, preparation of environmental documents for the removal of oil and gas-related debris, review and approval of operations manuals, and review of oil spill contingency plans submitted by marine facility operators.

**Oil & Gas**

Oil and gas production remains the single largest source of revenue from State sovereign lands. Its contribution to the State goes well beyond the generation of non-tax revenue. It also provides employment opportunities, benefits local economies, reduces the need to purchase foreign oil, and reduces the risk of an oil spill from tanker transportation of crude oil.

Since 1956, over $7 billion in State revenue has been generated from the production of oil and gas from the tideland portion of the Wilmington Oil Field in Long Beach. Oil and gas production from offshore leases in Santa Barbara, Ventura and Orange Counties, and from natural gas leases beneath tidal and navigable rivers in Northern California, has generated more than $2 billion in royalty revenue for the State since 1930. Oil and gas revenues presently contributes nearly half a billion dollars annually to the State’s general fund.

MRMD monitors and verifies oil and gas production and royalty from Commission leases to ensure the State is fully compensated for its resources. Opportunities for new sources of revenue are pursued, including the identification of subsurface geologic structures with potential for oil, gas and geothermal development.

MRMD also identifies areas where State oil and gas resources are being drained from adjacent lands and takes action to obtain compensation for the State. Detailed review and approval of the Long
Beach Unit’s annual development plan, optimized waterflood programs, and annual tax assessments ensure that the State’s net profit share of revenue is maximized.

MRMD meets with lessees periodically to discuss their current operations and future development plans to ensure that they have experienced management in place, will continue environmental compliance and adhere to good oilfield and engineering practices with their oil and gas operations in California. MRMD when presented with an opportunity to update and amend current leases, reviews and improves protections for the State, such as increases to bond amounts to ensure all abandonment liability is covered.

**Geothermal**
California leads the nation in the use of geothermal energy to generate electricity and is home to The Geysers, the world’s largest geothermal field, about 75 miles north of San Francisco. MRMD manages leases on nearly 7,250 acres of school lands at The Geysers. The leases currently generate nearly $4.5 million per year in royalty revenue for California’s retired teachers. Since 1972, State lands at The Geysers have yielded more than $190 million in royalty.

MRMD currently manages geothermal leases on 655 acres of State land on the southeast shore of the Salton Sea in Imperial County. Those leases have yielded $1 million in royalty since 1992. New leasing has been proposed on school lands on the west side of the Salton Sea, near Truckhaven. In addition to development leases, MRMD issues permits to prospect for geothermal resources. Such permits were recently issued on 640 acres of school lands in Inyo County, 520 acres of school lands in Siskiyou County, and 1,383 acres of school lands in Lake and Mendocino Counties, north of The Geysers.

MRMD’s geothermal program involves negotiation of lease terms, verification of production and royalty, review of exploration and development plans, review of individual well drilling programs, and onsite inspection of daily lease operations. MRMD also supports efforts to improve reservoir management, particularly sustain productivity at The Geysers through injection of reclaimed
wastewater. Two pipelines now transport 20 million gallons of water per day from surrounding counties for injection at The Geysers, and operators have seen measurable increases in steam flow rate and generation, as well as improvements in steam chemistry due to the injection.

Solid Minerals
Development of solid mineral resources on State lands, particularly precious metals and industrial minerals, generates revenue in the form of royalty and rent. At present, about $1,000,000 is collected annually. MRMD routinely reviews CEQA documents, mineral exploration and development plans, and mine reclamation plans in cooperation with the Commission’s Environmental Planning and Management Division. Since 2003, MRMD had worked cooperatively with the Department of Conservation to identify and reduce hazards to the public and wildlife associated with old abandoned mines. Individual closures are performed only after extensive consideration of cultural and biological resources. Bat gates, cupolas, foam plugs, backfills and signage are installed on a case by case basis following evaluation of biologic and historic attributes and the mines unique physical features.

Alternative Energy
In 2008, Governor Schwarzenegger issued an Executive Order establishing a State policy goal of producing 33% of California’s electrical needs with renewable energy by 2020. In 2011, AB 982 (Skinner) directed the Commission to engage in a cooperative effort with the Department of the Interior through the Bureau of Land Management (BLM) to exchange fragmented School land parcels into consolidating land holdings suitable for the development of alternative energy projects. The Commission joined the Renewable Energy Action Team with other federal and state agencies and is cooperatively working on the Desert Renewable Energy Conservation Plan (DRECP EIR/EIS) which will guide renewable energy project citing in the California Desert Conservation Area. Alternative energy projects will consist of a combination of solar, wind and geothermal energy. Commission staff is working with BLM on land exchanges so that alternative energy projects can be developed on State lands while the BLM acquires State school land inholdings within National Parks and Wilderness Areas. MRMD works cooperatively with the Commission’s Land Management Division to appraise and exchange State school lands including mineral interests to ensure proper valuation is achieved for the State Teachers Retirement System. MRMD oversees the siting and construction of alternative energy projects on State lands to ensure their proper engineering while minimizing environmental impacts. These efforts should make a significant contribution toward meeting the State’s alternative energy goals.