

PART II: SPECIAL REQUIREMENTS

For Oil and Gas Lease

All leases issued by the State Lands Commission for oil and gas development are subject to the provisions of the Public Resources Code (P.R.C.) sections 6801 to 6879 (enclosed). These statutes require that all leases for oil and gas development be issued by competitive bidding unless the criteria of P.R.C. section 6815 are met. The information provided by the applicant in this application for an oil and gas lease will be used to determine whether such lease is in the public interest and whether the lands sought for development are suitable for competitive bid or negotiated leasing. Should it be determined that the lands are available for competitive bid leasing, the staff will request that the applicant nominate the lands for competitive leasing. However, if the applicant does not nominate the lands, then the staff will recommend to the Commission that the application be denied. A nomination of public lands for competitive bidding is not considered an "application" for the purposes of sections 65920 et seq. of the Government Code. A detailed description of the competitive bidding process will be sent to the nominator as soon as a determination has been made. The nominator (applicant) will be required to pay all environmental, special studies and other costs incurred before the lands will be placed for bidding. If the nominator is not the successful bidder, these costs will be reimbursed from the lease sale. Applications for oil and gas leases shall include the following:

1. Copies of all geological and geophysical data (e.g., well logs, histories, surveys, test data and other related data) covering the area. This information should be of sufficient detail to enable the staff to determine the extent of State ownership and/or participation and to support a recommendation to the Commission for such leasing.
2. On the Project Location maps (Part II, Section A of the Application Form) include:
 - a. Location(s) of drillsite(s) and proposed bottom hole location(s).
 - b. Size of drillsite(s).
 - c. Anticipated minimum and maximum development (if known).
 - d. Proposed access route(s) to the drillsite(s).
3. Statement of proposed drilling program including anticipated timetable or schedule.
4. Description of type (electric or diesel) of drilling rig(s) and structure(s) to be used. Include a discussion of types and amounts of air emissions expected to be produced (if known).
5. Method for obtaining utilities (e.g., fresh water, electricity, gas, fuel).
6. Discussion of associated development projects (e.g., storage and treating facilities, pipelines).
7. Contingency plan for controlling oil spills.
8. When specifically requested by the staff, data for the preparation of a plan for the control of subsidence and the prevention of pollution which might occur as a result of the proposed oil and gas operation.