

MINUTE ITEM

13. APPLICATION FOR CONSTRUCTION OF A DRILLING AND PRODUCTION PLATFORM, ORANGE COUNTY; UNION OIL COMPANY OF CALIFORNIA - W.O. 3557; W.O. 4918; P.R.C. 3033.1.

During consideration of Calendar Item 8 attached, Commissioner Anderson raised a question about possibly affecting the beauty of the view of the offshore area with platform structures. Pursuant to this discussion, the Chairman suggested that the staff make an analysis of possible future esthetic problems from use of offshore platforms and derricks to determine whether the Commission should effect a stricter regulation on the use of platforms.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO APPROVE THE LOCATION AND CONSTRUCTION BY UNION OIL COMPANY OF CALIFORNIA OF A STATIONARY PILE-SUPPORTED DRILLING AND PRODUCTION PLATFORM, APPROXIMATELY 11,000 FEET FROM SHORE, WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 3033.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$500,000, IN FAVOR OF THE STATE OF CALIFORNIA, SHALL BE FILED AND MAINTAINED WITH THE STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF THE TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO THE CONSTRUCTION AND MAINTENANCE OF THE PLATFORM AND THE REMOVAL THEREOF, AT THE REQUEST OF THE STATE, UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

Attachment

Calendar Item 8 (1 page)

CALENDAR ITEM

8.

APPLICATION FOR CONSTRUCTION OF A DRILLING AND PRODUCTION PLATFORM, ORANGE COUNTY; UNION OIL COMPANY OF CALIFORNIA - W.O. 4918.

An application has been received from Union Oil Company, lessee under State Oil and Gas Lease P.R.C. 3033.1, for approval of the construction of a stationary pile-supported drilling and production platform, approximately 11,000 feet from shore within the leased area in the vicinity of Huntington Beach (refer to Exhibits "A" and "B" attached).

The platform design has been analyzed and approved by a registered structural engineer, and has been reviewed by the staff. The size and location of the proposed drilling and production platform are in accordance with the terms of the lease and the rules and regulations of the State Lands Commission. The proposed platform will provide drillsites for 30 wells. Under the code name and procedure adopted by the oil industry and the U. S. Coast Guard, it is proposed to name the offshore platform "Eva".

A report on the proposed offshore structure was referred to the Department of Parks and Recreation, and the application was referred to the office of the Attorney General for review, as required by the Public Resources Code. After examination and review, the Department of Parks and Recreation reported that erection of the platform will not interfere with the recreational use of lands littoral to the submerged lands covered in the lease. The office of the Attorney General advised that there is no legal objection, provided specified requirements of the Code are met. These requirements are included in the terms of the lease, in the rules and regulations of the Commission, and in Section 3606 of the Public Resources Code.

The Corps of Engineers has issued a Department of the Army permit authorizing construction and maintenance of the drilling and production platform at the specified location.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO APPROVE THE LOCATION AND CONSTRUCTION BY UNION OIL COMPANY OF CALIFORNIA OF A STATIONARY PILE-SUPPORTED DRILLING AND PRODUCTION PLATFORM, APPROXIMATELY 11,000 FEET FROM SHORE, WITHIN THE AREA OF OIL AND GAS LEASE P.R.C. 3033.1, SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$500,000, IN FAVOR OF THE STATE OF CALIFORNIA, SHALL BE FILED AND MAINTAINED WITH THE STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF THE TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO THE CONSTRUCTION AND MAINTENANCE OF THE PLATFORM AND THE REMOVAL THEREOF, AT THE REQUEST OF THE STATE, UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.