

MINUTE ITEM

3/28/68

39. PROPOSED SUBMERGED LAND OIL AND GAS LEASING; SANTA BARBARA COUNTY -
W.O. 6877.

The attached Calendar Item 39 was presented to the Commission for information only, no Commission action being required.

Attachment

Calendar Item 39 (2 pages)

PROPOSED SUBMERGED LAND OIL AND GAS LEASING

Appearing on today's (March 28, 1968) Commission agenda are staff recommendations to offer for oil and gas lease certain parcels of sovereign lands located in the vicinity of San Miguel Island in the Santa Barbara Channel, Santa Barbara County (refer to Exhibit "A").

These parcels are within the exterior limits of an area previously considered by the Commission for lease offer pursuant to statute. Section 6873.2 of the Public Resources Code requires that: "Before offering any tide or submerged land area or beds of navigable rivers or lakes in any area for an oil and gas lease, the Commission shall publish notice thereof, and any affected city or county may, within thirty (30) days after the publication of such notice request in writing to the Commission that a hearing be held with respect thereto.... The Commission, in its discretion, and irrespective of any such requests, may hold such hearings as it shall determine and..."

In conformance with this requirement, a notice of consideration was published on November 26, 1965, and on December 3, 1965, and was also transmitted to the Santa Barbara County Board of Supervisors on November 26, 1965. The Division was notified informally on behalf of the Board that no hearing would be requested because of the assurance by the Division that any lease issued would continue the control conditions which Santa Barbara County had found satisfactory for the conduct of State offshore oil and gas development.

Subsequently, a special public hearing (not required by statute) was held on March 4, 1966, which the Commission directed to be held on its own motion. A considerable amount of information, both pro and con, was received. The Commission thereupon found it to be in the best public interest to proceed with lease offerings.

Announcements that bids for oil and gas leases for certain parcels located offshore the western end of San Miguel Island would be accepted followed the Commission finding. Bids were received and considered by the Commission at its meeting of July 12, 1966. Opponents and proponents of the prospective lease awards once again stated their views at this meeting. Lease awards were not made pending further staff study and report on certain issues involved.

The selection of the optimum time for again reporting to the Commission on this matter and recommending consideration of lease offers has delayed any staff presentation until today. In summary, the two basic objections to additional State submerged land lease activity have been founded on the contentions that:

1. Offshore oil and gas development despoils any previously unbroken vistas of ocean surface.
2. Development offshore from the Santa Barbara Channel Islands would ruin the area for a National Park as suggested by some conservation organizations.

INFORMATIVE CALENDAR ITEM 39. (CONTD.)

As to the first contention, both the economics of offshore development and the rules and regulations of the Commission assure the limitation of offshore structures to the minimum number required for effective development.

Secondly, the same control conditions on State offshore operations which Santa Barbara County has found satisfactory heretofore would give maximum protection to any recreation potential of the islands. With respect to the ecology of the adjoining submerged lands, it is of significance that the State Department of Fish and Game, after evaluating State offshore oil development, reported in 1964:

"...the changes in habitat brought about by establishing offshore oil-drilling installations were generally beneficial to the flora and fauna."

Finally, as a practical administrative matter, the U. S. National Park Service has never completed even a preliminary feasibility study on the total suggested Channel Islands National Park.

Well over one-half billion dollars in revenue have been made available to a number of significant State programs from the offshore oil and gas development. This has been accomplished with little or no diminution in the public's enjoyment of the environment. This revenue has been used primarily for park development, for education, and for the State Water Program, each of which has been of paramount importance to the people of this State.

The maximum protection of all offshore amenities has also been considered completely by the California Legislature and by the U. S. Department of the Interior. These considerations resulted in the statutory establishment of a 3-mile-wide "sanctuary" approximately 16 miles in length along the shore (centered approximately on the City of Santa Barbara) and the administrative establishment by the Secretary of Interior of an additional 2-mile-wide Federal "buffer zone" along the seaward side of the "sanctuary". These reservations assure that no visible offshore structures can be located within 5 miles of the coastline. It must be recognized that these reservations for complete preservation of the offshore amenities have "locked up" resources belonging to all of the people of the State of California, with an estimated economic value in excess of \$300,000,000, and resources belonging to all of the people in the United States, with an estimated economic value in excess of \$350,000,000.