

MINUTE ITEM NO. 33

APPROVED 2/26/76

MINUTE ITEM

2/26/76
WBY

33. CONSTRUCTION OF DRILLING PLATFORM AND DOCKING FACILITIES, LOWER SHERMAN ISLAND, SACRAMENTO COUNTY; DOW CHEMICAL COMPANY - W 9845, PRC 4973.1.

During consideration of Calendar Item 33, Mr. Robert C. Hight, Staff Counsel, reported he had earlier received a telephone call from Mr. Willey Hymen, Sierra Club, who indicated concern that one of the proposed platforms would be located over what Mr. Hymen alleged to be a fault block. Mr. Hight stated it was his understanding this matter was taken into consideration in the Environmental Impact Report which was prepared (EIR 156) and found to be insignificant.

Mr. William F. Northrop, Executive Officer, noted for the record a telephone conversation with Mr. William Emmington from Birds Landing, Solano County. Mr. Northrop read into the record Mr. Emmington's statement in protest of the matter, said statement being on file in the office of the State Lands Commission and by reference made a part hereof.

Mr. Al Willard, Supervising Mineral Resources Engineer, appeared, and clarified questions raised by the Commission relating to the platforms proposed to be constructed.

Mr. N. Gregory Taylor, Assistant Attorney General, assured the Commission that the staff had taken every precautionary step to insure that proper safeguards had been met.

Based on these assurances, the Commission unanimously approved the resolution as presented on Calendar Item 33 attached.

Attachment:
Calendar Item 33 (4 pages)

A 5, 9
S 4, 6

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33,

CONSTRUCTION OF DRILLING PLATFORM
AND DOCKING FACILITIES

LESSEE: Dow Chemical Company
P. O. Box 22468
Houston, Texas 77027

LEASE: State Hydrocarbon Gas Lease PRC 4973.1

LOCATION: Within the leased area (3048 acres) at Lower
Sherman Island, Sacramento County.

DESIGN: Stationary pile-supported drilling platform and
boat dock of wood construction capable of serv-
ing 5 wells.

ENGINEERING REVIEW:

Review by staff indicates that the proposed structure is adequate for the service intended. The production equipment to be located on the proposed platform will be subject to staff review and approval.

OTHER PERTINENT INFORMATION:

State Hydrocarbon Gas Lease PRC 4973.1, was issued to Dow Chemical Company by the State Lands Commission on October 4, 1974, after the preparation and consideration of Environmental Impact Report No. 156 (Minute Item 24, Page 843) which described and analyzed the construction and use of up to three stationary platforms and dredging operations incidental thereto on the designated 5-acre drilling site.

The applicant now proposes to begin development on drilling Site No. 1 as shown on Exhibit "A". Subsequent development will depend upon the results of the drilling at Site No. 1. The development of each drilling site will basically consist of the construction of a pile and planked combination drilling platform and boatloading dock extending, at least in part, onto tidelands or submerged lands in the San Joaquin or Sacramento Rivers. Incidental to the construction will be the dredging of approximately 1,000 cubic yards of material to permit barges to dock at the platform. The spoils will be deposited landward of the old levee top.

California Administrative Code Section 2122(g) states:

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"No permanent filled lands, piers, platforms, or other fixed or floating structures in, on, or over the tide and submerged lands covered by the lease or otherwise available to the lessee shall be permitted to be constructed, used, maintained or operated where service of less than 20 wells is provided for, without specific authority by the Commission. Operating wells not meeting the foregoing requirement shall be completed below such elevation as may be required in each case by the United States, the State, or other competent authority, with the production piped along or below the floor of the ocean to such receiving points as the Commission may determine or approve. For non-operative wells the structures or facilities used for their drilling shall be removed to the satisfaction of the Commission within 90 days' time after such wells have been determined to be nonoperative unless a longer period is approved by the Commission."

It is the Attorney General's opinion that Section 2122 applies to the project and requires express Commission approval for the platform to be erected by Dow inasmuch as the proposal provides for a maximum of 5 wells per platform.

In order to insure adherence to the project as described in the EIR, the number of platforms that the lessee may maintain on the leased lands at any one time is three, with a limit of one platform on each drilling site.

The Attorney General's office in its review of the EIR and Dow's application for permit to construct the platform, concluded that the platforms as now proposed and as limited in number and location as described above had already been considered in the EIR with regard to 6 of the potential drilling sites. However, with regard to the 2 potential drilling sites nearest Kimball Island (see Exhibit "A"), it appears that construction and dredging would occupy tidelands and submerged lands, in the bed of the San Joaquin River, not included in Hydrocarbon Gas Lease 4973.1 and presumably not included in the area studied in the EIR. The Attorney General's office requests it be contacted concerning procedures to be followed before the lessee moves ahead with the development of either of these 2 drilling sites.

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This project is situated on State land identified as possessing significant environmental values, pursuant to Public Resources Code 6370.1, and is classified in a significant use category Class B: Limited Use. Staff review indicates that there will be no significant effect upon the identified environmental values. The staff of the Division has received no adverse comments on this project.

PREREQUISITE ITEMS:

- A. Pursuant to Section 6818 of the Public Resources Code, the application has been approved by the Attorney General's office, and a report by the Department of Parks and Recreation offers no comments on the proposed project.
- B. Permits have been issued by the Reclamation Board, Sacramento County and Department of the Army, Corps of Engineers.
- C. Bond in the amount of \$100,000 to be submitted by Lessee.

EXHIBITS: A. Location Map. B. Facility Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE PERMITTEE TO DREDGE APPROXIMATELY 1,000 CUBIC YARDS OF MATERIAL INCIDENTAL TO THE CONSTRUCTION OF EACH PLATFORM.
2. DETERMINE PURSUANT TO SECTION 6818 OF THE PUBLIC RESOURCES CODE THAT THE ACTION AS PROPOSED WILL NOT UNREASONABLY INTERFERE WITH THE MAINTENANCE OR USE OF THE LANDS INVOLVED FOR RECREATIONAL PURPOSES OR PROTECTION OF SHORE PROPERTIES.
3. FIND THAT THE GRANTING OF THE APPLICATION WILL HAVE NO SIGNIFICANT EFFECT UPON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 ET SEQ. OF THE PUBLIC RESOURCES CODE.
4. AUTHORIZE APPROVAL OF THE CONSTRUCTION BY DOW CHEMICAL COMPANY OF STATIONARY PILE-SUPPORTED DRILLING PLATFORMS AND ASSOCIATED BOAT DOCKING FACILITIES OF WOOD CONSTRUCTION TO SERVICE NOT MORE THAN 5 WELLS ON EACH PLATFORM, AT THE 6 DRILL SITES DESIGNATED IN HYDROCARBON GAS LEASE PRC 4973.1, FARTHEST FROM KIMBALL ISLAND. PROVIDED, HOWEVER, THAT NO MORE THAN 3 PLATFORMS MAY BE CONSTRUCTED, OPERATED OR MAINTAINED ON THE LEASE

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PREMISES AT ANY TIME; AND FURTHER, NO MORE THAN 1 PLATFORM MAY BE LOCATED AT ANY DESIGNATED DRILL SITE. THE LESSEE TO FURNISH A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$100,000 TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF THE CONSTRUCTION AND MAINTENANCE OF EACH PLATFORM AND THE REMOVAL THEREOF AT THE REQUEST OF THE STATE UPON THE EXPIRATION OR SOONER TERMINATION OF THE LEASE, AS REQUIRED BY SECTION 15 OF HYDROCARBON GAS LEASE PRC 4973.1.