

MINUTE ITEM

This Calendar Item No. 38
was approved as Minute Item
No. 38 by the State Lands
Commission by a vote of 3
to 0 at its 1/31/85
meeting.

CALENDAR ITEM

A 29
S 14

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W 40446
Tanner
González

DENIAL OF EXEMPTION FROM COMPETITIVE
BID PROCEDURES FOR OIL AND GAS LEASING OF
COUNTY MINERAL INTEREST LANDS

APPLICANT: County of San Luis Obispo
County Government Center
San Luis Obispo, California 93408
Attn: Ms. Jean McMorrine

AREA AND TYPE LAND:
124 acres of county owned mineral interest land
in Section 33, T12N, R26W, SBM, (APN 096-161-05)
located in the Carrizo Plain Area of
southwestern San Luis Obispo County.

BACKGROUND INFORMATION:
The County of San Luis Obispo has received an
offer to lease 124 acres of county mineral
interest land located in the Carrizo Plain Area
in the southeastern part of the county. The
county parcel is rectangular in shape,
approximately 1,000 feet wide by 5,300 feet
long, with access via a county road along the
property on the north. The reserved mineral
interest owned by the county carries the
exclusive right to extract the minerals. The
county of San Luis Obispo has requested that
the Commission exempt the proposed lease from
the formal competitive bidding procedures
required under Public Resources Code
Sections 7052 and 7053 because of the size of
the property as compared to overall private
leaseholds in the area and the impracticality
of following the formal bid procedure.

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The staff recommends that this request for exemption be denied because the county parcel is large (120 acres), has ready access with relatively level sites for drilling locations and, therefore, is physically and economically suitable as an independently leasable unit, does not meet the statutory requirement for exemption.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Public Resources Code Section 7052 states in part:

"The State Lands Commission may in its discretion exempt particular leases or operating agreements from the procedure required by this section and Section 7053 where by reason of the small size of the property or drainage, actual or imminent, such procedure would in the judgment of the State Lands Commission in the particular case be impractical."

2. Pursuant to the Commission's Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. DENY THE REQUEST OF THE COUNTY OF SAN LUIS OBISPO FOR EXEMPTION FROM THE FORMAL BIDDING PROCEDURES AS OUTLINED IN P.R.C. SECTIONS 7052 and 7053, FOR OIL AND GAS LEASING OF THE COUNTY-OWNED PARCEL LOCATED IN SEC. 33, T12N, R26W, SBM, SAN LUIS OBISPO COUNTY.

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