

**INFORMATIONAL
CALENDAR ITEM
50**

A		08/20/10
	Statewide	G. Scott G. Gregory C. Oggins B. Bugsch
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**STAFF REPORT ON OIL PRODUCTION AND MARINE
TERMINAL OPERATIONS IN STATE WATERS,
AND THE CALIFORNIA STATE LANDS COMMISSION'S
REGULATIONS AND OIL POLLUTION PREVENTION
AND SYSTEM SAFETY PROGRAMS
FOR THESE OPERATIONS**

BACKGROUND:

At its June 28, 2010, California State Lands Commission (CSLC) meeting, the Chair of the Commission directed CSLC staff to review oil production operations in State waters, in light of the events occurring in the Gulf of Mexico relating to the British Petroleum (BP) Deepwater Horizon oil spill, by the August Commission meeting. The Chair also directed CSLC staff to report on the CSLC's oil spill prevention activities and programs for oil production operations and marine oil terminal operations in State waters. CSLC staff has prepared the report, attached as Exhibit A, to address the Commission Chair's directive.

The operating Divisions that oversee activities in State waters and their respective responsibilities are the following:

The Mineral Resources Management Division (MRMD) is responsible for carrying out the Commission's responsibilities for mineral leasing and oil drilling and production activities in, on, or through sovereign lands.

The Marine Facility Division (MFD) carries out the Commission's responsibilities for the operations of all existing and proposed State marine terminals, whether or not on lands leased from the Commission.

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The Land Management Division (LMD) is responsible for surface management of State lands including leasing of marine oil terminals, and right-of-way leases for oil and gas pipelines crossing State waters.

The Division of Environmental Planning and Management (DEPM) ensures the Commission's compliance with the provisions of the California Environmental Quality Act (CEQA).

The above Divisions, each with their unique abilities and expertise, jointly apply a coordinated, collaborative, and supportive effort toward CSLC management of activities in State waters. The report discusses CSLC's management and pollution prevention programs, and describes individual Division responsibilities to carry out and implement those programs.

The report concludes with a discussion of the current and future challenges to the program, and recommendations to amend current regulations, policies and practices regarding oil operations in order to further strengthen CSLC's ability to protect sovereign lands and its waters.

EXHIBIT:

- A. Report to Commissioners on the Oil Production and Marine Terminal Operations in State Waters and the California State Lands Commission's Oil Spill Prevention Programs Protecting State Waters