

APPLICATION GUIDELINES

FOR RESOURCE LEASE, PERMIT OR OTHER ENTITLEMENT FOR USE (GEOTHERMAL, MINERAL, OR OIL & GAS)

Resource and Land Ownership Determination

The State Lands Commission (Commission) has jurisdiction and management control over public lands of the State. Generally, these State lands include all ungranted "sovereign lands" (lands lying below tidal and navigable waters), "school lands" (lands granted by congress for the purpose of funding a public school system), "swamp and overflowed lands" and some proprietary lands. The Commission's Mineral Resources Management Division in Long Beach is responsible for the management and administration of oil & gas, geothermal and other mineral resources contained on these State lands.

The Commission manages the resources of its lands for the benefit of all people of the State. In this regard, the Commission has a multiple use management policy. Should the Commission determine that a particular resource should not be developed, the applicant will be informed of such determination.

Upon receipt of an application or inquiry regarding the use of public lands, the Commission's Title Unit in Sacramento reviews information in its files and that submitted by the applicant to determine the extent of the Commission's interest. In cases of complex land and mineral ownership, the Title Unit may require a title report, chain of title or title guarantee as part of the application process. After it has been determined that State lands or resources are involved, the applicant will be requested to complete an application form and return it with the material requested to the staff of the Commission for review and processing.

Unless otherwise provided, the applicant will be responsible for paying the actual cost of processing the application. The actual cost includes: a non-refundable filing fee of \$25, an approximate expense deposit (AED) for the document requested and funds to cover other reimbursable services. The fee and AED applies to routine or uncomplicated applications and includes services such as: the initial title determination, preparing and circulating environmental document, coordination with appropriate public agencies, field inspection, preparing document requested and land description, and office technical support. Any unused portion of the deposit will be refunded and any additional expense will be billed. A reimbursement agreement will be used to formalize this transaction.

California Environmental Quality Act (CEQA) Review

Activities involving State lands or resources are subject to the requirements of the California Environmental Quality Act (CEQA). No activity will be approved until the requirements of the CEQA (Public Resources Code (P.R.C.) Sections 21000, et seq.) and the CEQA Guidelines (14 Cal. Code Regs. 15000, et seq.) have been met.

In addition, if the activity involves State lands that have been identified as possessing "significant environmental values" pursuant to P.R.C. Sections 6370, et seq., consistency with the use classification designated for the lands also must be determined through the CEQA review process. Pursuant to its regulations, the Commission may not issue a lease, permit or other entitlement for use of "significant lands" if such use is inconsistent with the identified values.

As part of the application process, the staff of the Commission will determine whether the particular activity is exempt from the requirements of the CEQA. Exemptions from CEQA are either statutory or categorical. A listing of some exemptions may be found in the Commission's administrative regulations (2 Cal. Code Regs. 2901, et seq.) and in the CEQA Guidelines.

If the activity is not exempt from CEQA and State lands or resources are involved, the Commission may be the lead agency (the public agency with the principal responsibility for carrying out or approving a project) and may conduct an Initial Study to determine whether the project may have a significant effect on the environment, and to determine if a Negative Declaration or Environmental Impact Report (EIR) is required.

Preparation and Public Review of Environmental Document

If the Initial Study shows that there is no substantial evidence that the project may have a significant effect on the environment, **or** the Initial Study identified potentially significant effects but the project was revised by the applicant to avoid the effects or mitigate the effects to a point where clearly no significant effects would occur **and** there is no substantial evidence that the project as revised may have a significant effect on the environment, then a Negative Declaration will be prepared for the project. If there is substantial evidence that the project may have a significant effect on the environment, then an EIR is required.

Negative Declarations usually are prepared by the staff of the Commission and take from two (2) to eight (8) weeks to complete, depending on the scope of the project. The public review period for a Negative Declaration is not less than thirty (30) days. Draft EIRs take from three (3) to nine (9) months to complete and are prepared either by the staff of the Commission or a third party consultant. Draft EIRs require a public review period of not less than forty-five (45) days during which public hearings may be held. All comments and recommendations received and significant environmental points raised in the review and consultation process are responded to in the final EIR. The final EIR is circulated for an additional fifteen (15) days to those agencies and persons who commented on the draft EIR.

Time Constraints for Determining Completeness of Application and Approving or Disapproving Projects

Government Code Section 65943 requires public agencies (such as the Commission) to determine in writing if an application for a development project (an activity that requires a lease, permit or other entitlement for use) is complete. If a written determination is not made within thirty (30) calendar days after receiving the application, the application will be deemed complete.

If a determination is made that the application is incomplete, the agency must specify what materials are required to complete the application. Upon receipt of the materials, the agency must confirm within thirty (30) days whether or not the application is complete. Should the applicant fail to provide a complete application within a reasonable period of time, the file may be closed and all or any part of the fees retained by the Commission.

Where the public agency is a lead agency, Government Code Section 65950 provides certain time limits that the agency has to approve or disapprove a development project. If the project requires an EIR, then the agency has one (1) year from the date the application was accepted as complete to approve or disapprove the project. If the project requires a Negative Declaration or if the project is exempt from CEQA, the agency has six (6) months from the date the application was accepted as complete to approve or disapprove the project. However, these time limits may be extended up to ninety (90) days if both parties mutually agree.

If the public agency is a responsible agency (a public agency other than a lead agency which has discretionary approval power over a project), Government Code Section 65952 requires the responsible agency to approve or disapprove the development project within 180 days from the date the lead agency approved the project, or within 180 days from the date the application was accepted as complete by the responsible agency, whichever is longer.

Criteria for Determining Completeness of Application

The application will be deemed complete if all Parts of the attached Application Form are adequately filled out and returned with the fees and materials requested. If the applicant fails to provide a complete application within a reasonable time, the file may be closed and all or any part of the fees retained. There is an appeal process where an applicant may appeal the determination that the application is incomplete.

As soon as the application has been accepted as complete, the staff of the Commission will take all steps necessary to prepare the document requested. This includes preparing the land description, appraising the resource, negotiating any terms or conditions and writing the document. After the environmental review period has ended, the applicant has executed the document and all considerations (rental, fees, bonds, etc.) have been received, staff will schedule (calendar) the item for consideration by the Commission. The Commission normally meets once a month and items to be considered must be finalized at least one month prior to the scheduled meeting in order to meet applicable legal notice requirements.

The following are some of the circumstances that may cause the Commission to deny a project:

1. Failure of an applicant to furnish requested additional information;
2. Environmental considerations;
3. Failure to meet any statutory requirements;
4. Failure to submit requested additional fees;
5. Failure to conclude negotiations or to execute document;

6. Inability of applicant to meet financial qualifications;
7. Misrepresentation by the applicant or agent; or
8. The Commission on its own motion may not desire to grant a lease, permit or other entitlement for use of the State lands or resources at the time of application.

Miscellaneous Information

The applicant acquires no property interest in and no right to use any of the State lands or resources until the Commission grants a lease, permit or other entitlement for use.

An application is not transferable; therefore, an agent should not submit an application without disclosing his agency status and the principal's identity, nor should an application be submitted with the later intention of attempting to transfer the application or an interest in an application.

The Commission does not discriminate against any person or entity, in regard to the administration or operation of any agreement made under this procedure, on the basis of race, color, creed, national origin, sex, martial status, religious or political affiliation, ancestry, disability, age or sexual orientation.

The preceding information outlines the general requirements and procedures for obtaining a resource lease, permit or other entitlement for use. Prospective applicants wishing to obtain a lease, permit or other entitlement for use should read and complete the attached Application Form and return it together with the material requested to the staff of the Commission for review and processing. The completed application form and any questions should be directed to:

California State Lands Commission
Mineral Resources Management Division
200 Oceangate, 12th Floor
Long Beach, California 90802-4331
Telephone: (562) 590-5201
Telefax: (562) 590-5295

In addition, the California Office of Permit Assistance (COPA) is available to all development project applicants who require further assistance or information relating to permit approval processes. You may contact COPA at:

California Office of Permit Assistance
801 "K" Street, Suite 1700
Sacramento, CA 95814
Telephone: (800) 353-2672