

MINUTE ITEM

39. CONSIDERATION OF OIL AND GAS LEASE OFFER, SECTION 6871.3, PUBLIC RESOURCES CODE - W.O. 4290.

After consideration of Calendar Item 31 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO PROCEED WITH THE PUBLICATION OF THE NOTICE REQUIRED BY SECTION 6873.2 OF THE PUBLIC RESOURCES CODE THAT THE COMMISSION INTENDS TO CONSIDER OFFERING LEASES FOR THE EXTRACTION OF OIL AND GAS FROM THE AREA OF TIDE AND SUBMERGED LANDS NOT INCLUDED IN EXISTING STATE OIL AND GAS LEASES, LYING BETWEEN THE NORTHERLY CITY LIMITS OF THE CITY OF NEWPORT BEACH AND THE EASTERLY BOUNDARY OF THE CITY OF LONG BEACH, ORANGE COUNTY, AND EXTENDING SEAWARD THREE NAUTICAL MILES, CONTAINING APPROXIMATELY 21,500 ACRES.

Attachment

Calendar Item 31 (2 pages)

CALENDAR ITEM

31.

CONSIDERATION OF OIL AND GAS LEASE OFFER, SECTION 6871.3, PUBLIC RESOURCES CODE - W.O. 4290.

Section 6871.3, Public Resources Code, provides, in part: "Whenever it appears to the commission that it is for the best interest of the State to lease lands subject to the provisions of Section 6871.1 of this code for the production of oil or gas therefrom, or whenever a person who possesses the qualifications provided in this chapter makes written request therefor, the commission may, subject to the provisions of Section 6871.4, offer the same for bidding at such times and in such parcels as the commission shall determine to be in the best interests of the State."

On January 19, 1956 (Minute Item 3, pages 2533-34), the Commission authorized the Executive Officer to proceed with the publication of a notice in accordance with Section 6873.2 of the Public Resources Code, that the Commission intended to consider offering for the extraction of oil and gas approximately 7,200 acres of tide and submerged lands in Orange County. Pursuant to this authorization, the notice was published and copies were transmitted to affected public agencies, including the Board of Supervisors.

On March 7, 1956, the County Counsel for the County of Orange reported as follows: "Pursuant to your notice of consideration of an oil and gas lease being offered by the Commission, referring to your Work Order 2242, I am directed by the Board of Supervisors of this County to advise you that the County of Orange contends ownership of the tidelands proposed to be leased."

On May 18, 1956 (Minute Item 18, pages 2686-88), the Commission deferred action in connection with the offer of tide and submerged lands under consideration in Orange County until such time as the office of the Attorney General and the staff of the State Lands Commission had an opportunity to explore further the problems involved.

The contention of County ownership was pursued by the filing of an action, County of Orange vs. State of California, et al., on December 4, 1956. However, the action was dismissed finally on January 13, 1961, without having been brought to trial.

It is the opinion of the staff that lands adjacent to existing State leases off Huntington Beach are being drained by existing walls, and that there may be drainage of the unleased area adjacent to the State lease at Seal Beach. The remaining intervening area contains lands not within the known geologic structure of a producing oil or gas field.

Section 6873.2 of the Public Resources Code provides in part: "Before offering any tide or submerged land area for an oil and gas lease, the Commission shall publish notice thereof, and any affected City or County

CALENDAR ITEM 31. (CONTD.)

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 request may hold such hearing as it shall determine . . ."

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO PROCEED WITH THE PUBLICATION OF THE NOTICE REQUIRED BY SECTION 6873.2 OF THE PUBLIC RESOURCES CODE THAT THE COMMISSION INTENDS TO CONSIDER OFFERING LEASES FOR THE EXTRACTION OF OIL AND GAS FROM THE AREA OF TIDE AND SUBMERGED LANDS NOT INCLUDED IN EXISTING STATE OIL AND GAS LEASES, LYING BETWEEN THE NORTHERLY CITY LIMITS OF THE CITY OF NEWPORT BEACH AND THE EASTERLY BOUNDARY OF THE CITY OF LONG BEACH, ORANGE COUNTY, AND EXTENDING SEAWARD THREE NAUTICAL MILES, CONTAINING APPROXIMATELY 21,500 ACRES.