

18. PROPOSED EXTENSION OF GEOPHYSICAL SURVEY PERMITS - PRC 3804.1, PRC 3092.1, PRC 3182.1, PRC 3741.1, PRC 4105.1, PRC 4107.1, PRC 3960.1, PRC 3985.1, AND PRC 3986.1.

During consideration of Calendar Item 24 attached, appearances were made by the following:

Senator Peter H. Behr, who first read the following three communications into the record:

- (1) Telegram of April 29, 1971, from Dr. William Kortum, President, and Janet Adams, Coordinator, of the California Coastal Alliance, requesting denial of the applications for renewal of permits to conduct seismic exploration off the California coast, stating that such explorations are incompatible with present efforts to preserve the coastline and are a dangerous precedent in light of the existing oil sanctuary.
- (2) Letter of April 29, 1971, from Mrs. George M. Sidenberg, Jr., President of Get Oil Out! Inc. (GOO), stating that the Board of Directors of Get Oil Out! Inc. had unanimously agreed that seismic explorations in the coastal waters of California are undesirable, but that their main objection to the granting of any new permits or the extension of time for present permits is that seismic exploration is but the first step toward drilling and production.
- (3) Letter of April 25, 1971, from Charlene Corcoran, President of "Stop The Oil Pollution" (STOP), opposing issuance of Geophysical exploration survey permits, claiming that it would be only a matter of time until discovery of oil resulted in considerable pressure to open up unprotected areas of the coastline for oil drilling; and urging the Commission to deny the permits.

Senator Behr indicated that the future need for more oil and gas should not cause the State to lose sight of the obvious and certain fact that the major requirements of California can be met only by imported oil and gas, regardless of the most optimistic predictions. Therefore, he asked that the Commission deny these applications, without prejudice, until such time as it has determined that there are safe drilling methods and that the permits might be renewed.

Senator George Moscone, opposed issuance of the permits because there is no assurance at this time that future oil tragedies, such as occurred in San Francisco Bay recently, can be prevented. He pointed out that Senator Behr had introduced Senate Bill 198 in connection with this problem, and hoped that action on exploration and drilling could wait at least until the Legislature had acted on this bill.

Assemblyman Bob Wood, agreed with Senator Moscone's claim that seismic exploration would be only a beginning, and that later on it could lead

to core drilling and possibly oil-well drilling itself. He called attention to the tremendous change in the appearance of the coastline in Santa Barbara and Ventura Counties since oil drilling started there and additional that in his opinion the need for oil is not as great as the need to protect the esthetic value of California's remaining unspoiled coastline.

Senator Arlen Gregorio, stated his opinion that the purpose of the people is not served by the conduct of seismic surveys in sanctuary areas where the results of such surveys ostensibly never can be used. He advised against the extension of any survey permits until a coastline protection agency is formed to consider the long-term conservation and development of the coastal zone.

Eugene Marshall, who presented a statement on behalf of Dr. Kalon Kelley, Chairman of the Oil Subcommittee of the Los Padres Chapter of the Sierra Club, asking that no geophysical survey permits be extended or authorized at this time.

James Aiello, Deputy District Attorney for the County of San Mateo, representing the Board of Supervisors of the County of San Mateo, who on April 27 of this year instructed him to testify at this hearing in opposition to the granting of any permits, and also to request that San Mateo County's offshore lands be excluded by any permits.

Douglas Maloney, County Counsel of Marin County, who stated that Marin County is now and always has been inalterably opposed to any kind of oil drilling offshore or in San Francisco Bay.

The Executive Officer then read the following communications, in opposition to issuing the permits, into the records:

Letter from Mrs. George M. Sidenberg, Jr., President of GOO (Get Oil Out! Inc.), dated April 27, 1971, stating that the Board of Directors agreed unanimously that seismic explorations in the coastal waters of California are undesirable.

Letter from Louis H. "Bud" Baar, Chairman of the Board of Supervisors of Marin County, dated April 7, 1971, stating that the Board had determined by unanimous vote to urgently request the Commission not to extend the California Coast Seismic Exploration Permits, and also had endorsed Senate Bill 198.

Letter from Doyle Miller, City Administrator of the City of Huntington Beach, dated April 20, 1971, enclosing a copy of Resolution No. 3308 adopted by the City Council on April 5, 1971, petitioning the Commission to hold a public hearing within the City of Huntington Beach prior to the issuance of any permits for geophysical or geological surveys, and stating that the City Council is opposed to the expansion of any further geophysical or geological surveys on tide and submerged lands for the purpose of exploring for or exploiting oil and gas.

Telegram from Morton A. Baum, Mayor of Seal Beach, stating: "Seal Beach concerned with potential problems of additional ocean area oil exploration and additional oil well drilling in offshore areas. Respectful,

request that no oil exploration permit or oil well drilling permit be issued at this time. Respectfully request that prior to considering issuing such permits that hearing be held in Orange County and other coastal areas."

Tom Hogart, Councilman for District One of the City of Seal Beach, then appeared and said that he represented the district where the oil well islands are located. He stated that the City Council had adopted two oil ordinances, Nos. 834 and 835, both as emergency ordinances, for the purpose of controlling the ocean area, but that in his opinion the oil islands offshore had never created a problem for the City of Seal Beach.

Fred Schultz, Geophysical Manager for the Humble Oil & Refining Company, then appeared in favor of granting the permits. He said that conducting a seismic survey in any given area does not always indicate that the area is one of interest, since the seismic method is widely used to obtain regional geologic information in order to delineate fully and to study basins to ascertain their importance in the search for hydrocarbons. Because of problems involved in contracting for survey crews, it is desirable, from an economic standpoint, to program sufficiently ahead so as to employ these crews during slack times in other areas, which makes it desirable to have a permit in effect at all times. Therefore, since the environmental impact report states that seismic operations will not have a significant detrimental effect on the environment, and inasmuch as Humble agrees to comply with statutory requirements in conducting geophysical survey operations, his company believes it would be unreasonable for the State to withhold its consent to the extension of permits.

In response to a question by the Commission, Deputy Attorney General Warren J. Abbott stated that the Commission has the right to revoke the permits at any time.

UPON MOTION DULY MADE AND CARRIED, A RESOLUTION WAS ADOPTED DENYING EXTENSION OF THE GEOPHYSICAL SURVEY PERMITS LISTED IN EXHIBIT "A" OF CALENDAR ITEM 24, ATTACHED, WITH CHAIRMAN FLOURNOY VOTING "NO".

The Chairman pointed out for the record that his "No" vote, fundamentally, rested on ascertaining that the knowledge of what is beneath the subsurface of State lands would not inescapably or inevitably lead to further action, and said that he found it difficult to vote against the accumulation of such knowledge.

Attachment:

Calendar Item 24 (3 pages)

EXTENSION OF GEOPHYSICAL SURVEY PERMITS - PRC 3804.1, PRC 3092.1, PRC 3182.1, PRC 3741.1, PRC 4105.1, PRC 4107.1, PRC 3960.1, PRC 3985.1, AND PRC 3986.1.

On January 28, 1971, and on March 1, 1971, the Commission authorized the temporary extension (through April 1971) of Geophysical Survey Permits PRC 3804.1, PRC 3092.1, PRC 3182.1, and PRC 3741.1 (Exhibit "A", Item 1), pending further consideration of the applications by the full Commission. Subsequently, Permits PRC 4105.1, PRC 4107.1, PRC 3960.1, PRC 3985.1, and PRC 3986.1 (Exhibit "A", Item 2) have come up for renewal.

State geophysical survey permits are issued pursuant to Section 6826 of the Public Resources Code and Article 3 of the California Administrative Code. Such permits are required for the conduct of geophysical surveys on all State-owned lands by any seismic method employing explosives. Therefore, under the law, permits are not required wherein the geophysical operations are performed without the use of explosive devices. There are many methods employing such techniques that are available to the industry and these are more fully discussed in the Environmental Impact Report approved by the Commission on January 28, 1971. It is significant to note, however, that regardless of the lack of statutory requirements, the oil and gas industry has cooperated with the Commission by keeping it informed of its nonexplosive exploratory activities.

All data obtained by a company conducting offshore exploration under permit from the Commission are made available, on a confidential basis, to the Commission. The geological information and knowledge thus gained have potential value to the State beyond that of determining whether oil or gas does or does not exist in a given offshore location. However, such exploratory work is essential if the domestic industry is to be prepared to meet ever-increasing California energy requirements. It has been estimated that oil provides 75% of the energy needs of the United States. It also has been estimated that by 1990 more than 400 billion barrels of new oil must be found to meet the nation's energy demands. Of that amount, 200 billion barrels will have to be supplied from offshore sources.

California is an oil-and-gas deficient state. There is insufficient current production of these commodities to meet current energy requirements. Consequently, the additional quantities needed must be imported. If the State offshore oil-and-gas development program were to be terminated, of necessity far greater quantities of oil and gas would have to be imported than is now the case, thus subjecting the State to greater hazards of oil-spill destruction from accidents involving the super oil tankers in which the imported oil would be carried.

The permits being considered herein do not involve exploratory drilling operations. All such permits (geological survey permits) were revoked by the Commission on February 27, 1969 (Minute Item 47, pages 211-213), pending full public review of the bases for future authorization of such permits. Further, the permits grant no rights for oil and gas leases, as the issuance of such leases is subject to the procedures established by law, including public hearings and the general offshore drilling policy established by the Commission as a result of the Santa Barbara Channel oil spill.

CALENDAR ITEM 24. (CONTD.)

Pursuant to Section 6371 of the Public Resources Code, an environmental impact report has been made and is on file in the office of the Commission and is available for public review. The report concludes that seismic operations will not have a significant detrimental environmental effect.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE AMENDMENT AND EXTENSION OF THE GEOPHYSICAL SURVEY PERMITS LISTED IN EXHIBIT "A", ITEMS 1 AND 2, WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT AS SUBSTANTIATED BY ENVIRONMENTAL IMPACT REPORT NO. 1 CONSIDERED BY THE COMMISSION ON JANUARY 28, 1971 (MINUTE ITEM 4).
2. AUTHORIZE THE AMENDMENT OF THE GEOPHYSICAL SURVEY PERMITS LISTED IN EXHIBIT "A", ITEM 2, TO PROVIDE THAT THE COMMISSION MAY AT ITS DISCRETION EXTEND THE PRIMARY TERM OF THE PERMITS AND MAY EXEMPT THEREFROM, IN ADDITION TO THE EXCLUSIONS OUTLINED IN THE FORM OF PERMIT, ALL TIDE AND SUBMERGED LANDS IN MONTEREY COUNTY INCLUDING MONTEREY BAY;
3. AUTHORIZE THE EXTENSION OF THE GEOPHYSICAL SURVEY PERMITS LISTED IN EXHIBIT "A", ITEMS 1 AND 2, THROUGH JANUARY 31, 1972; ALL OTHER TERMS AND CONDITIONS OF THE PERMITS TO REMAIN IN FULL FORCE AND EFFECT.

Attachment: Exhibit "A"

EXHIBIT "A"

ITEM 1

<u>PRC</u>	<u>PERMITTEE</u>	<u>EXPIRATION DATE</u>
3804.1	Phillips Petroleum Company	April 30, 1971
3092.1	Humble Oil & Refining Company	April 30, 1971
3182.1	Texaco Inc.	April 30, 1971
3741.1	Union Oil Company of California	April 30, 1971

ITEM 2

4105.1	Continental Oil Company	May 20, 1971
4107.1	Exploration Services, Inc.	May 20, 1971
3960.1	Marathon Oil Company	May 22, 1971
3985.1	Atlantic Richfield Company	June 18, 1971
3986.1	Shell Oil Company	June 18, 1971