

MINUTE ITEM

This Calendar Item No. 37  
approved as Minute Item  
37 by the State Lands  
Commission by a vote of 3  
to 0 at its 5-29-80  
meeting.

MINUTE ITEM

5/29/80  
W 40184  
Schaefer

37. APPROVAL FOR THE INITIATION OF A STEAM DRIVE PILOT PROJECT, PLATFORM EMMY ON STATE OIL AND GAS LEASE PRC 425.1, HUNTINGTON BEACH OFFSHORE FIELD, ORANGE COUNTY.

During consideration of Calendar Item 37 attached, Mr. Spencer Sheldon, representing Aminoil U.S.A., Inc., appeared and urged the Commission's approval of this item. He commended Don Everitts, Al Willard and Gene Schaefer of the Commission's staff for the professionalism displayed by them in negotiating this item.

Upon motion duly made and carried, the resolution as presented in Calendar Item 37 was approved by a vote of 3-0.

Attachment: Calendar Item 37

A 73

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CALENDAR ITEM

37.

5/80  
W 40184  
Schaefer

APPROVAL FOR THE INITIATION OF A  
STEAM DRIVE PILOT PROJECT, PLATFORM EMMY  
ON STATE OIL AND GAS LEASE PRC. 425.1  
HUNTINGTON BEACH OFFSHORE FIELD  
ORANGE COUNTY

LEASE: PRC 425.1  
LESSEE: Aminoil U.S.A., INC  
P.O. Box 88  
Huntington Beach, California 92648  
COUNTY: Orange  
AREA: Huntington Beach Offshore Field

PERTINENT INFORMATION:

Aminoil U.S.A., Inc. has submitted a request to initiate a Pilot Steam Drive Project on State Oil and Gas Lease PRC 425.1 to determine the technical and economic feasibility of a development program for the Shallow AA Zone in the Huntington Beach Offshore Field. As a result of the AA Zone's location and depth, which is too shallow for onshore wells, the Pilot Project must be conducted from Platform Emmy.

The area under study lies seaward from the City of Huntington Beach in Orange County, California. The project would be conducted on the Lease PRC 425.1 which is one of five adjacent State tidelands leases operated by Aminoil U.S.A., Inc.

Aminoil U.S.A., Inc. (and its predecessor companies) has been successfully conducting cyclical steam operations in the onshore TM Zone wells bottomed in State Lease E. 392.1 and PRC 91.1 for approximately fifteen (15) years. The company now proposes to initiate a pilot steam drive project on PRC 425.1 to determine the technical and economic feasibility of a development program for the shallow AA Zone in the Huntington Beach Offshore Field.

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S 36

CALENDAR ITEM NO. 37. (CONT'D)

The proposed pilot project involves redrilling five wells from Platform Emmy to form an inverted five-spot pattern that would be cyclically steamed and pumped prior to initiating a test of the steam drive process. As in the case of the TM Zone oil, the 14° API oil in the AA Zone requires thermal stimulation for economic production.

The present configuration of Platform Emmy does not have the space to accommodate a large drilling rig and a steam generator concurrently, therefore, it will be necessary to add an extension on the lower deck of the platform to accommodate a single 18.5mm BTU/hr gas-fired steam generator. Studies indicate that a minimum of approximately six years of performance data will be required to confirm the technical and economic feasibility of the steam drive.

While future wells, steam generator, and platform requirements are contingent on actual pilot test performance, a successful pilot test could lead to the full development of the oil reservoir within the AA Zone. Ultimate recovery from such a development project is estimated at twenty-five million barrels of oil, with a peak production rate of some 8,000 barrels of oil per day.

**ENVIRONMENTAL IMPACT CONSIDERATION:**

The Commission staff in accordance with Article 10, Section 2905(b) of the Cal. Adm. Code, has conducted an initial study and has determined that the project will not have a significant effect on the environment. Therefore, in compliance with Section 2905(c) of the Cal. Adm. Code, a Negative Declaration was prepared and filed with the State Clearinghouse.

The Negative Declaration was circulated to responsible agencies and agencies having jurisdiction by law. No adverse comments were received during the circulation period.

CALENDAR ITEM NO. 37 (CONTD)

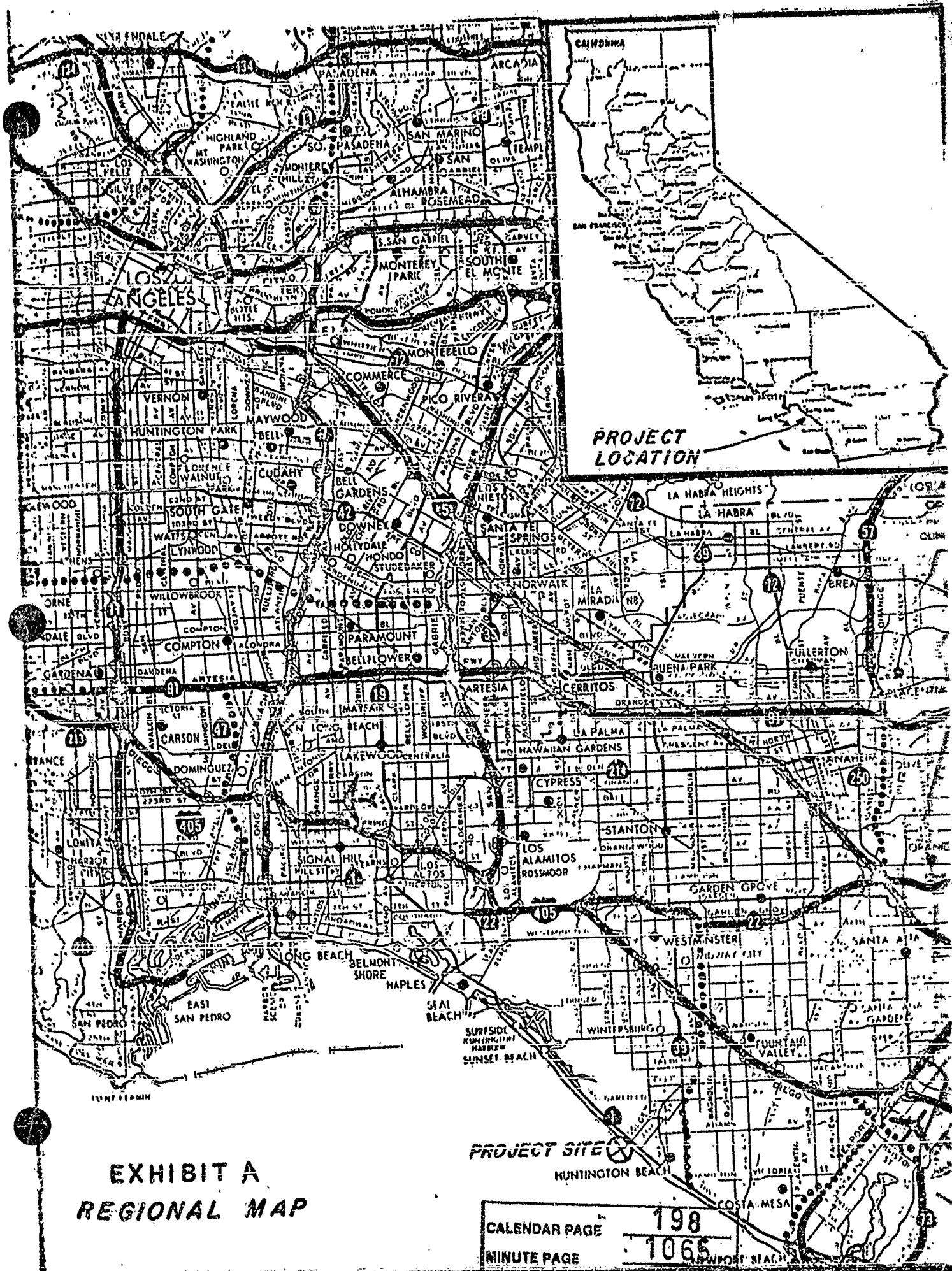
Project is situated on tidelands identified as possessing significant environmental values pursuant to PRC Section 6370.1 and is classified in a use category, Class C, which authorizes Multiple Use. Staff has coordinated this project with those agencies concerned with the use of this site and has determined that there will be no significant effect on the identified environmental values.

In accordance with Section 6818 of the P.R.C., the Director of Parks and Recreation was notified of this proposed project and has determined that the project will not interfere with recreational use of the littoral lands.

EXHIBITS:           A. Regional Map.    B. Location Map.  
                  C. Negative Declaration

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT, BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY COMMISSION STAFF.
2. CERTIFY THAT THE NEGATIVE DECLARATION (EIR NO. 260) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES; AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. DETERMINE PURSUANT TO SECTION 6818 OF THE PUBLIC RESOURCES CODE THAT THE ACTION AS PROPOSED WILL NOT UNREASONABLY INTERFERE WITH THE MAINTENANCE OR USE OF THE LANDS INVOLVED FOR RECREATIONAL PURPOSES OR PROTECTION OF SHORE PROPERTIES.
5. FIND THAT GRANTING THIS AUTHORIZATION WILL HAVE NO SIGNIFICANT EFFECT UPON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 OF THE PUBLIC RESOURCES CODE.
6. AUTHORIZE A PILOT STEAM DRIVE PROJECT TO BE PERFORMED ON MODIFIED EXISTING FACILITIES ON STATE OIL AND GAS LEASE PRC 425.1, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE LEASE AND THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION.



**EXHIBIT A**  
**REGIONAL MAP**

EXHIBIT "B"

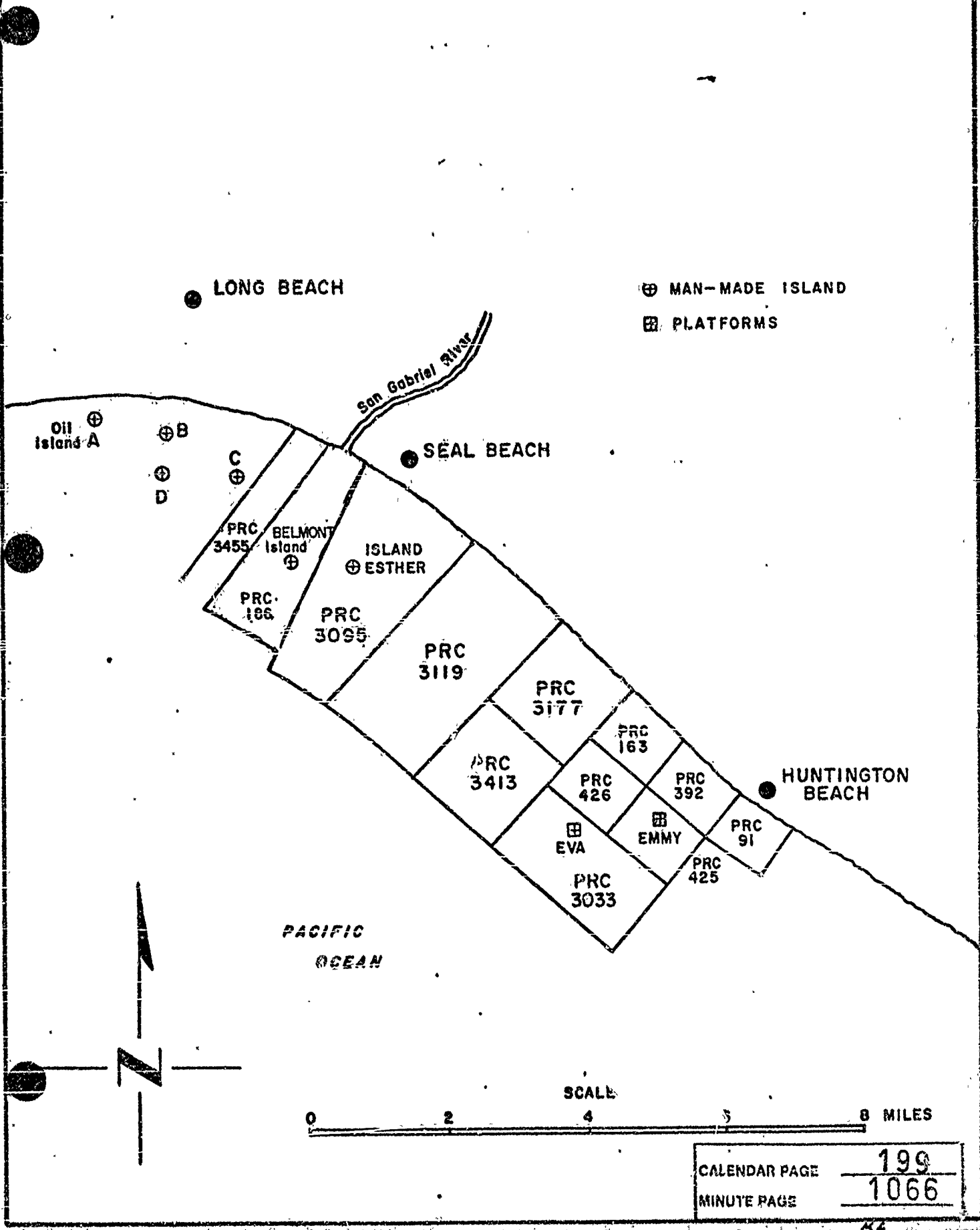


EXHIBIT "C"

STATE OF CALIFORNIA

EDMUND G. BROWN JR., Governor

STATE LANDS COMMISSION

KENNETH CORY, Controller  
MIKE CURB, Lieutenant Governor  
RICHARD T. SILBERMAN, Director of Finance

EXECUTIVE OFFICE  
1807 - 13th Street  
Sacramento, California 95814

WILLIAM F. NORTHROP  
Executive Officer



EIR ND \_\_\_\_\_

File Ref.: W 40184

NEGATIVE DECLARATION

Project Applicant: Aminoil U.S.A., Inc.

Project Location: Huntington Beach Offshore Field

Project Description: The proposed pilot project involves redrilling five wells from Platform Emmy to form an inverted five-spot pattern that would be cyclically steamed and pumped prior to initiating a test of the steam drive process. The 14° API gravity oil in the AA Zone requires thermal stimulation for economic production.

This NEGATIVE DECLARATION is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et. seq. of the Public Resources Code), the State EIR Guidelines (Title 14, Section 15000 et. seq. of California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq. of California Administrative Code).

Based upon the attached Initial Study, it has been found that:

- the project will not have a significant effect on the environment.
- the mitigation measures included in the project will avoid potentially significant effects.

Contact Person: Gene Schaefer  
Associate Mineral Resources Engineer

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