MINUTE ITEM

CALENDAR ITEM

This Calendar Item No. <u>35</u> was approved as Minute Item No. <u>35</u> by the State Lands Commission by a vote of <u>35</u> to <u>0</u> at its <u>37,057,057</u> meeting.

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2/25/82 PRC 2725 Willard

APPROVAL OF WELL ABANDONMENTS STATE OIL AND GAS LEASE PRC 2725 POINT CONCEPTION AREA, SANTA BARBARA COUNTY

LESSEE:

Texaco U.S.A. P. O. Box 3758 Los Angeles, California 90051 Attention: Mr. Leo McCann

AREA, TYPE LAND AND LOCATION: Offshore tide and submerged lands, covering 4250 acres, Conception Offshore Field, Santa Barbara County.

PROPOSED ACTION:

Texaco proposes to abandon 20 wells presently shut in on lease PRC 2725. The wells were drilled and completed on the ocean floor during the period 1961 through 1967.

The lease was shut in March 1973, due to termination of the water disposal system at Gaviota, the declining oil and gas production and the increase in operating costs.

The wells, located in water depths of 62 feet to 142 feet, will be reentered using a bottom supported self elevating (jackup) drilling platform. All perforated intervals in these 20 wells will be plugged by placing cement inside the casing, opposite the perforated intervals, and extending at least 100 feet above the top of all perforations. The annular space between all casing strings will be filled with cement to assure that no drilled hole will be left open to the ocean floor. A cement plug will be placed in the inner casing string, extending from 50 feet to 150 feet below the ocean floor. After all cement plugs are in place, the wellhead and control valves will be recovered, leaving the ocean floor clean and unobstructed. Possible methods of abandonment include both mechanical cutting and explosive charges.

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AB 884: N/A.

PERTINENT INFORMATION:

Texaco has applied to the Commission for resumption of exploratory drilling operations on lease PRC 2725. The objective of this exploratory program is the determination of the existence of commercially recoverable hydrocarbons from specific geologic formations which underlie the lease and have not been fully evaluated. Texaco's application for resumption of exploratory drilling is currently under environmental review and will be presented to the Commission for consideration in March 1982.

This project, the abandonment of 20 wells located on lease PRC 2725 is exempt from CEQA because it is within the purview of 2 Cal. Adm. Code 2907, Class 1, which exempts abandonment work on oil and gas wells.

This activity is situated on lands identified as possessing significant environmental values, purusant to P.R.C. 6370.1, and is classified in a use category "B" which authorizes limited use. This activity will not have a significant effect on identified environmental values.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14. CAL. ADM. CODE 15100 ET. SEQ., AND 2 CAL. ADM. CODE 2905 AND FIND THAT THE ACTIVITY IS CONSISTENT WITH ITS USE CLASSIFICATION.
- 2. AUTHORIZE APPROVAL OF THE ABANDONMENT OF 20 WELLS LOCATED ON STATE OIL AND GAS LEASE PRC 2725.1, CONCEPTION OFFSHORE FIELD, SANTA BARBARA COUNTY. ANY ABANDONMENT SHALL BE UNDERTAKING ONLY WITH APPROPRIATE PERMITS FROM OTHER PUBLIC AGENCIES.

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