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Oil-lease roulette

CAN COASTAL Petroleum Co. convert its oil-and-gas leases on 3.7 million acres of Florida's coasts and beneath its rivers and lakes to drilling permits? State officials say "No." Courts appear to say "Yes." So once again the rush is on to strike a deal — as well it should be.

Arnold Exploration acquired the leases in 1941 amidst wartime fears of an oil shortage. Arnold assigned the leases to Coastal in 1947. Included are 425,000 acres beneath Lake Okeechobee, Tampa Bay, Charlotte Harbor, the Suwannee River, parts of the St. Johns River, and Lakes Apopka, George, Kissimmee, and six others. Today Coastal pays the state \$59,247 annually.

Twice the state sued to void the leases. Twice it lost. Its suit to prevent Coastal from mining limestone in Lake Okeechobee led in 1976 to renegotiation. During it, Coastal gave up about half its mineral rights but retained oil-and-gas rights.

Coastal now seeks Florida Cabinet permission for seismic tests of Lake Okeechobee, so the the extent of its rights and the state's power to regulate is once again an issue. By threatening a moratorium on all oil exploration, Attorney General Bob Butterworth derailed Coastal's application. The

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company now proposes to swap its leases for rights to drill or mine in areas acceptable to the state.

Because Coastal specializes in buying and selling drilling rights, its actions are prompting intense speculation that all of the company's moves are designed to pressure the state into repurchasing the leases.

Ultimately the state may have no other choice. Certainly it cannot allow Coastal to drill on state lands offshore while urging Congress to halt exploration and drilling on Federal lands. Appropriately, state Sen. Winston Gardner is readying legislation to raise the money needed to repurchase such leases. Before undertaking such costly buy-outs, however, state officials must finally determine what rights have been leased, what they may be worth, and what regulatory powers it can exert.

A decade of state legislation has been aimed at preventing the destruction of Florida's wetlands and the degradation of its waters. That commitment now must be reinvigorated to avert this potentially incalculable environmental threat.