MINUTE ITEM
This Calendar Item No. 2.
was approved as Minute Item
No. 2. by the State Lands
Commission by a vote of 3
to 0 at its 11-17-80
meeting.

CALENDAR ITEM

11/80
W 40214
Willard

2.

LESSEE: ARCO Oil and Gas Company
P. O. Box 147
Bakersfield, California 93302

LAND TYPE, AREA AND LOCATION:
State Oil and Gas Lease PRC 1466.1 is located on offshore tide and submerged lands near Rincon Point in Ventura County. The lease includes 1175 acres on which the lessee has constructed a drilling and producing island approximately 3,000 feet from shore.

PERTINENT INFORMATION:
On October 30, 1980, the State Lands Commission approved ARCO's application to resume exploratory drilling operations on lease PRC 1466.1 in accordance with the rules and regulations of the Commission in effect on October 30, 1980, (Calendar and Minute Item No. 21). Subsequently, ARCO and the Commission staff have agreed that the Commission's action of October 30, 1980, instead should have conditioned Commission approval on ARCO's agreement to amend the lease to make the rules and regulations of the Commission now or hereafter promulgated applicable to the lease. Such an Amendment document is on file in the office of the Commission and has been duly executed by ARCO.

The staff believes that Commission approval of such a condition would be in the best interests of the State.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AMEND ITS ACTION OF OCTOBER 30, 1980, (CALENDAR AND MINUTE ITEM NO. 21) TO CONDITION APPROVAL OF ARCO'S APPLICATION ON ARCO'S AGREEMENT TO MAKE COMMISSION RULES AND REGULATIONS NOW OR HEREAFTER PROMULGATED APPLICABLE TO THE LEASE.

2. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE LEASE AMENDMENT TO THAT EFFECT WHICH IS ON FILE IN THE OFFICE OF THE COMMISSION.

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CALENDAR PAGE 013
MINUTE PAGE 2640

(ADDED, 11/14/80)