

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
to 0 at its 1-26-81
meeting.

CALENDAR ITEM

28

1/81
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Kuehn

ASSIGNMENT OF STATE OIL AND GAS LEASES

- LEASES: PRC 410 and PRC 429.
- LOCATION: Rincon Offshore Field, Ventura County.
(About 10 miles west of the City of Ventura.)
- ASSIGNOR: Cabot Corporation
One Houston Center, Suite 1000
Houston, Texas 77010
- ASSIGNEE: Norris Oil Company
P. O. Box A-1
Ventura, California 93001
- PREREQUISITES: 1. Assignment forms have been fully executed.
2. Assignee is fully qualified to hold a State lease.
3. The statutory filing fees have been submitted by the assignor.

OTHER PERTINENT INFORMATION:

Cabot Corporation, lessee of State Oil and Gas Leases PRC 410 and PRC 429, proposes to assign the leases to Norris Oil Company.

The Purchase and Sale Agreement dated December 5, 1980, between Cabot and Norris originally contemplated a closing date of December 30, 1980. That agreement has been amended by a letter dated December 29, 1980 (accepted by both parties December 30, 1980), and the applicants now propose to close the agreement on February 12, 1980. In that agreement, Norris agrees to purchase three specific private leases and the two State Oil and Gas Leases.

Lease PRC 410 contains ten wells (all producing) drilled offshore from an upland site. Daily production averaged 24.2 barrels per day per well for 5640 barrels of oil during the month of November, 1980 and has qualified

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as stripper production (28° API, \$27.45 per barrel). State royalty rate is a sliding scale, currently at the minimum of 12½ per cent.

Lease PRC 429 contains 15 wells (nine producing, six shut-in) drilled from a pier offshore. Daily production was ten barrels per day per well, for 1583 barrels of oil during November, 1980, and also qualifies as stripper production (28° API, \$27.45 per barrel). Royalty rate is a sliding scale, currently at the minimum of 12½ per cent.

Lease PRC 410.1 was previously assigned from ARCO Oil and Gas Company to Norris Oil Company on June 27, 1974, and subsequently assigned from Norris to Cabot Corporation on July 27, 1976.

Lease PRC 429.1 was previously assigned from Carr and Wrath, Inc. to Norris Oil Company on January 29, 1970, and subsequently assigned from Norris to Cabot on July 27, 1976.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21065, 14 CAL. ADM. CODE 15037 AND 15060, AND 2 CAL. ADM. CODE 2903(d).
2. APPROVE THE ASSIGNMENT OF STATE OIL AND GAS LEASES PRC 410 AND PRC 429 BY CABOT OIL CORPORATION, LESSEE, TO NORRIS OIL COMPANY, SUCH ASSIGNMENT BEING A TRANSFER OF 100% OF CABOT'S INTEREST IN THE LEASES TO NORRIS OIL COMPANY, ALL OTHER TERMS, REQUIREMENTS, AND LIMITATIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

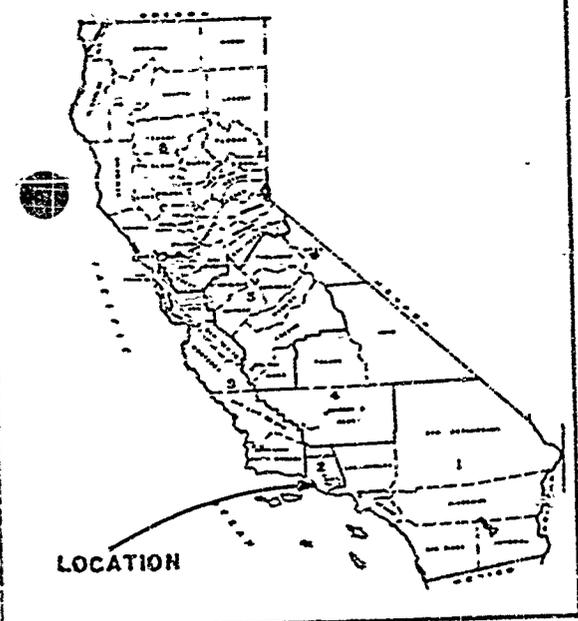
EXHIBIT "A"
STATE LANDS COMMISSION

Assignment of State Oil and Gas
Leases PRC 410 and PRC 429 by
Cabot Corporation to Narris Oil Co.

RINCON OFFSHORE FIELD
VENTURA COUNTY

JANUARY 1981

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CARPINTERIA
7 MILES

VENTURA COUNTY

