

MINUTE ITEM

This Calendar Item No. 40
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 2
to 0 at its 5/23/85
meeting.

CALENDAR ITEM

A 35

40

05/23/85
W 40458
PRC 410
PRC 429
PRC 1466
Hamilton

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AMENDMENT OF ROYALTY ON GAS PAYMENT PROVISIONS OF
STATE OIL AND GAS LEASES
PRC 410, PRC 429 AND PRC 1466,
VENTURA COUNTY

LESSEE:

Norris Oil Co.
9454 Wilshire Blvd., Suite 314
Beverly Hills, California 90212-2994

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Leases PRC 410, PRC 429 and
PRC 1466 contain a total of 1,305 acres of tide
and submerged lands located within the Rincon
Oil Field of the Santa Barbara Channel in
Ventura County.

APPROVAL REQUESTED:

Approval of lease amendment modifying payment
clause of each lease to provide that, when paid
in money, royalty on gas shall be due no later
than the 15th day of the second calendar month
following the calendar month in which the gas
is produced.

SUMMARY:

Norris Oil Co. is the present lessee and
operator of the above three State leases.
Norris' share of the gas production is
purchased by Santa Fe Energy Products Company
(gas processing plant). This company provides
Norris with accounting information about the
25th day of the month following the production
which is also the time when royalty payments
are due the State. Norris maintains that it

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takes several weeks to process this information, so they request that the date upon which monthly royalty payments are due be extended to 45 days following production rather than the 25 day period currently provided in the State leases.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

EXHIBIT: A. Lease Location Map.

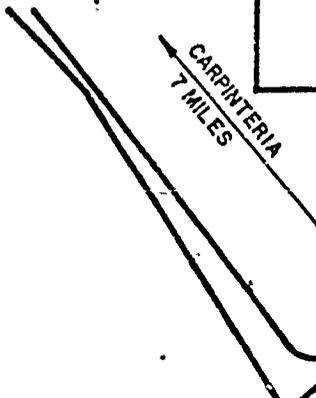
IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE AMENDMENTS OF STATE OIL AND GAS LEASES PRC 410, PRC 429 AND PRC 1466 TO PROVIDE THAT, WHEN PAID IN MONEY, THE ROYALTY ON GAS SHALL BE DUE AND PAYABLE NO LATER THAN THE 15TH DAY OF THE SECOND CALENDAR MONTH FOLLOWING THE CALENDAR MONTH IN WHICH THE GAS IS PRODUCED.

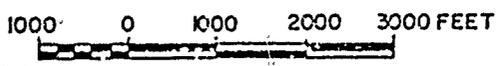
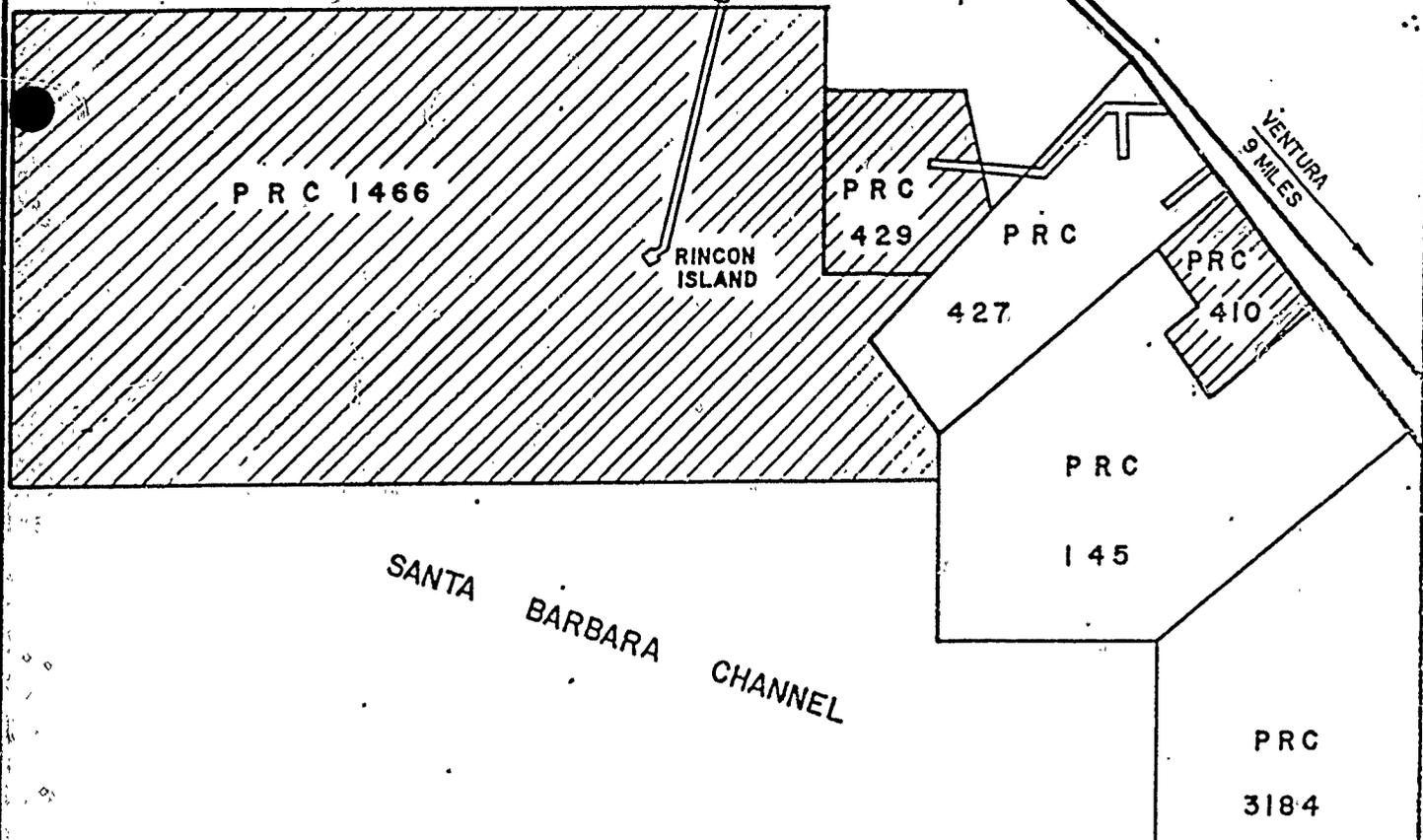
EXHIBIT "A"
LOCATION MAP

**AMENDMENT OF STATE OIL AND GAS
LEASES PRC 410, PRC 429
AND PRC 1466**

**NORRIS OIL CO. VENTURA COUNTY
(W 40458)**



VENTURA COUNTY



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