

MINUTE ITEM

28
28
12/19/85

CALENDAR ITEM

A 35
S 18

28

12/19/85
PRC 129
PRC 208
PRC 308
PRC 309
PRC 421
Gonzalez

CONFIRMATION OF AGREEMENT TO AMEND
SEEP CONTAINMENT MEMORANDUM OF AGREEMENT,
COAL OIL POINT, SANTA BARBARA COUNTY

ASSIGNEE: Atlantic Richfield Company
4201 Stien Road
Bakersfield, California 93302

BACKGROUND:

On October 24, 1985, the Commission approved the assignment of interests from Phillips Petroleum Company to Atlantic Richfield Company (ARCO), subject to the conditions that ARCO execute an agreement regarding the use of air emission offset benefits created by the Seep Containment device and an agreement clarifying procedures for oil royalty determination.

ARCO and the staff have agreed to an amendment to the Seep Containment MOA (previously approved Minute Item 30, February 9, 1982) which identifies the use of emission offset benefits as having first priority use on the Coal Oil Project, second priority use on other State oil and gas leases and lowest priority use on non-State projects. ARCO and the Executive Officer have executed the amendment. ARCO and the Executive Officer have also executed an agreement regarding the clarification of procedures for calculating royalty on oil produced from State leases. Staff believes that this amendment and agreement for royalty determination conforms to the Commission's conditions and staff requests the Commission's conformation and ratification of the amendment.

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3626

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PREREQUISITE ITEMS:

- A. Assignment forms have been executed by Assignor and Assignee and are on file in the Long Beach office of the Commission.
- B. Assignee is qualified to hold a State lease.
- C. Filing fee and processing costs have been received.
- D. ARCO has executed agreements which:
 1. require that certain air emission offset benefits provided by projects on or associated with oil and gas developments on state tide and submerged lands will be used for the benefit of exploration and development of State lands; and
 2. clarify procedures for calculation of royalty on oil produced under certain oil and gas leases operated by ARCO. These agreements are on file in the Long Beach office of the Commission.

STATUTORY AND OTHER REFERENCES:

- A. Assignment Section of the leases.
- B. P.R.C.: Section 6804.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff had 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.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT: A. Location Map.

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CALENDAR ITEM NO. 28 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

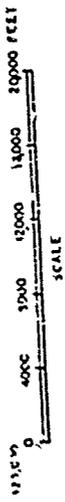
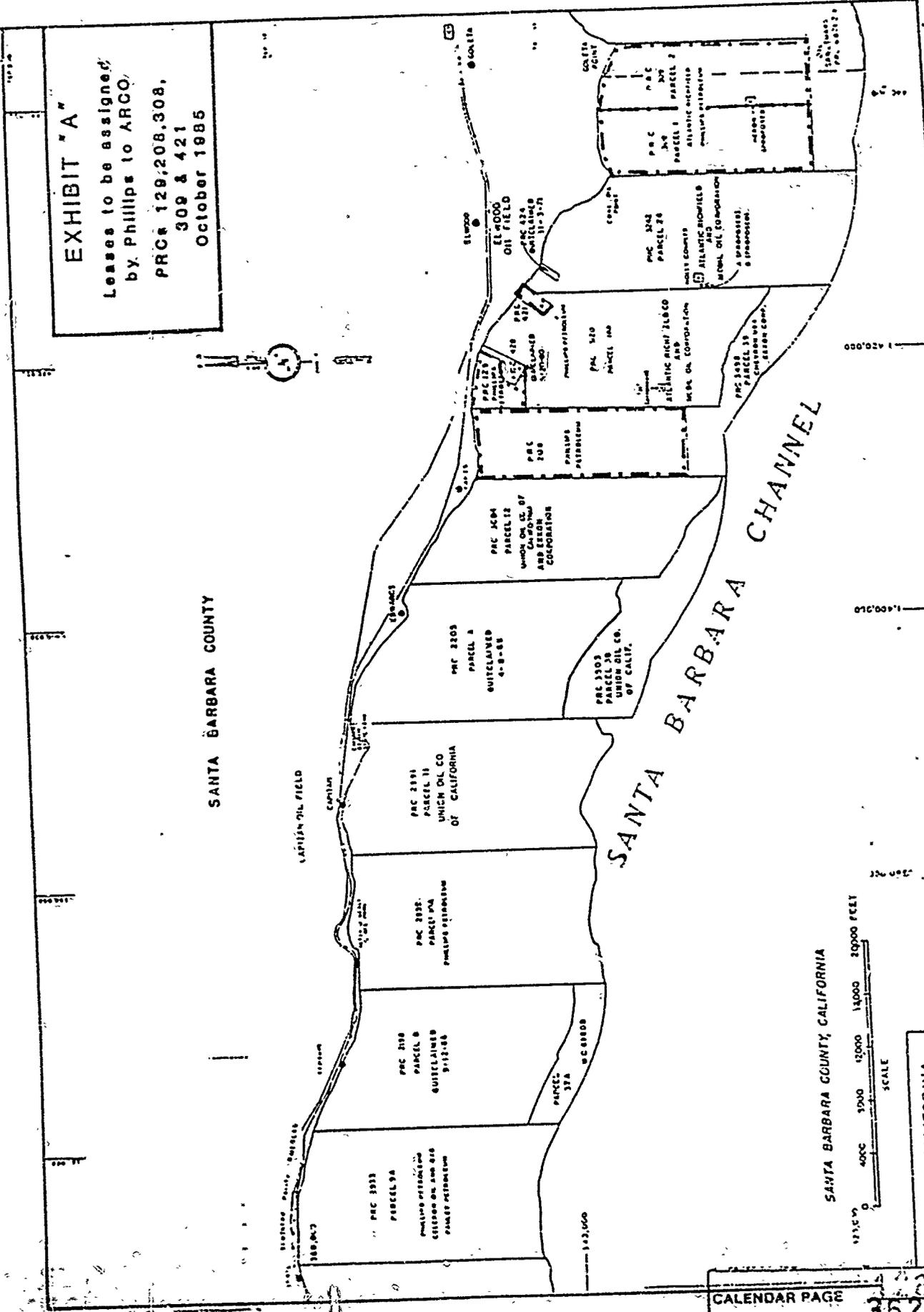
1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. CONFIRM AND RATIFY THE AGREEMENT FOR AMENDMENT OF THE SEEP CONTAINMENT MEMORANDUM OF UNDERSTANDING AND THE AGREEMENT FOR ROYALTY DETERMINATION TO IMPLEMENT THE CONDITIONS FOR CONSENT TO ASSIGNMENT IMPOSED BY THE COMMISSION'S OCTOBER 24, 1985 ACTION.

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EXHIBIT "A"

Leases to be assigned
by Phillips to ARCO,
PRCs 129,208,308,
309 & 421
October 1985

SANTA BARBARA COUNTY



SANTA BARBARA COUNTY, CALIFORNIA

STATE OF CALIFORNIA
STATE LANDS COMMISSION

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