

MINUTE ITEM
This Calendar Item No. 14
was approved as Minute Item
No. 14 by the State Lands
Commission by a vote of 2
to 0 on 11-19-87

CALENDAR ITEM

A 35
S 18

14

11/19/87
PRC 1961
PRC 5968
PRC 1466
PRC 429
PRC 410
Lipphardt

ASSIGNMENT OF FIFTY PERCENT INTEREST IN
LEASES PRC 1961 AND PRC 5968,
AND AMENDMENT TO LEASES PRC 1961, PRC 5968,
PRC 1466, PRC 429, PRC 410

ASSIGNOR: Bush Oil Company
P.O. Box 1538
Taft, California 93268

ASSIGNEE: Tenneco Oil Company
P.O. Box 9909
Bakersfield, California 93389

AREA, TYPE LAND AND LOCATION:
Parcel 1: An approximate .93-acre parcel of tide and
(PRC 1961) submerged land located in the Pacific Ocean
near Rincon Point, Ventura County.
Parcel 2: An approximate 1.2-acre parcel of tide and
(PRC 5968) submerged land located in the Rincon Field,
Ventura County.

LAND USE:
Parcel 1: Causeway which provides access to Rincon Island.
Parcel 2: An existing pier and appurtenant pipeline which
connects State oil and gas lease PRC 429 to
onshore facilities.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Processing costs have been received.

CALENDAR ITEM NO. 14 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
B. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

AB 884:

N/A.

ASSIGNMENT INFORMATION:

Bush Oil Company has requested approval for assignment of fifty percent (50%) of its interest in State leases PRC 1961 and PRC 5968 to Tenneco Oil Company. Tenneco Oil Company is a wholly owned subsidiary of Tenneco, Inc., and authorized to conduct business in California. Bush has advised that the assignments are being requested to provide additional capital for the continued development of its State oil and gas leases.

OTHER PERTINENT INFORMATION:

1. Lease PRC 1961 was issued on October 23, 1957 to Richfield Oil Corporation. Through various assignments, the lease was acquired in 1987 by Bush Oil Company, a wholly owned subsidiary of Berry Petroleum Company. Lease PRC 5968 was issued on May 25, 1981 to Bush Oil Company (formerly Norris Oil Company).
2. PRC 1961, is a Right-of-Way for a causeway that serves to access Rincon Island, a filled island on which lessee operates State oil and gas Lease PRC 1466. Previously, the bonding requirements for Lease PRC 1961 and PRC 1466 were combined and totalled \$2,000,000 for both leases. PRC 5968 is an industrial lease for a pier which connects State oil and gas lease PRC 429 to onshore facilities. The bonding requirement for PRC 5968 is \$50,000. On September 23, 1987, the State Lands Commission approved an amendment to Lease PRC 1466 which changed the security

CALENDAR ITEM NO. 14 (CONT'D)

requirement to \$4,000,000, to be evidenced by a Letter of Credit, and covered Leases PRC 1466, PRC 410 and PRC 429. Said Letter of Credit did not reference leases PRC 1961 or PRC 5968. In addition, the Commission approved an assignment to Tenneco of fifty percent (50%) of Bush's interest in State oil and gas Lease PRC 1466 as well as State oil and gas Leases PRC 410 and 429 on October 21, 1987.

3. Lessee has agreed to amend the Letter of Credit to include Lease PRC 1961 and PRC 5968.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

EXHIBITS:

- A. Land Description for PRC 1961.
- B. Location Map for PRC 1961.
- C. Land Description for PRC 5968.
- D. Location Map for PRC 5968.

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 THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

CALENDAR ITEM NO. 14 (CONT'D)

2. AUTHORIZE: 1) ISSUANCE TO TENNECO OIL COMPANY OF FIFTY PERCENT (50%) OF BUSH OIL COMPANY'S INTEREST IN LEASE PRC 1961; AND, 2) ISSUANCE TO TENNECO OIL COMPANY OF FIFTY PERCENT (50%) OF BUSH OIL COMPANY'S INTEREST IN LEASE PRC 5968; AND 3) ISSUANCE OF AN AMENDMENT TO LEASES PRC 1961 AND PRC 5968, PRC 1466, PRC 429, AND PRC 410, TO PROVIDE FOR THE USE OF A SINGLE BOND, LETTER OF CREDIT, OR OTHER SECURITY DEVICE FOR ALL THE LEASES; AND 4) AMENDMENT OF PRC 429 AND PRC 5968 AND PRC 1466 AND PRC 1961, TO PERMIT THE ASSIGNMENT OF THESE LEASES ONLY IN CONJUNCTION WITH ONE ANOTHER; AND 5) ALL OTHER TERMS AND CONDITIONS OF THE LEASES TO REMAIN THE SAME, UNCHANGED, AND IN FULL FORCE AND EFFECT.
3. SAID ASSIGNMENT AND AMENDMENT TO BE EFFECTIVE NOVEMBER 1, 1987.

EXHIBIT "A"

LAND DESCRIPTION

PRC 1961

A strip of land 90 feet wide, lying between the ordinary high water mark of the Pacific Ocean and the north line of State Oil and Gas Lease P.R.C. 1466.1 lying 45 feet on each side of the following described centerline:

BEGINNING at a point which is located 127.73 West (astronomically) from the Division of State Lands Survey Station "Gorda 2" relocated; thence from said point S 11°15'34" W to the said north line of State Oil and Gas Lease P.R.C. 1466.1

END OF DESCRIPTION

REVIEWED NOVEMBER 4, 1987, BY BIU 1.

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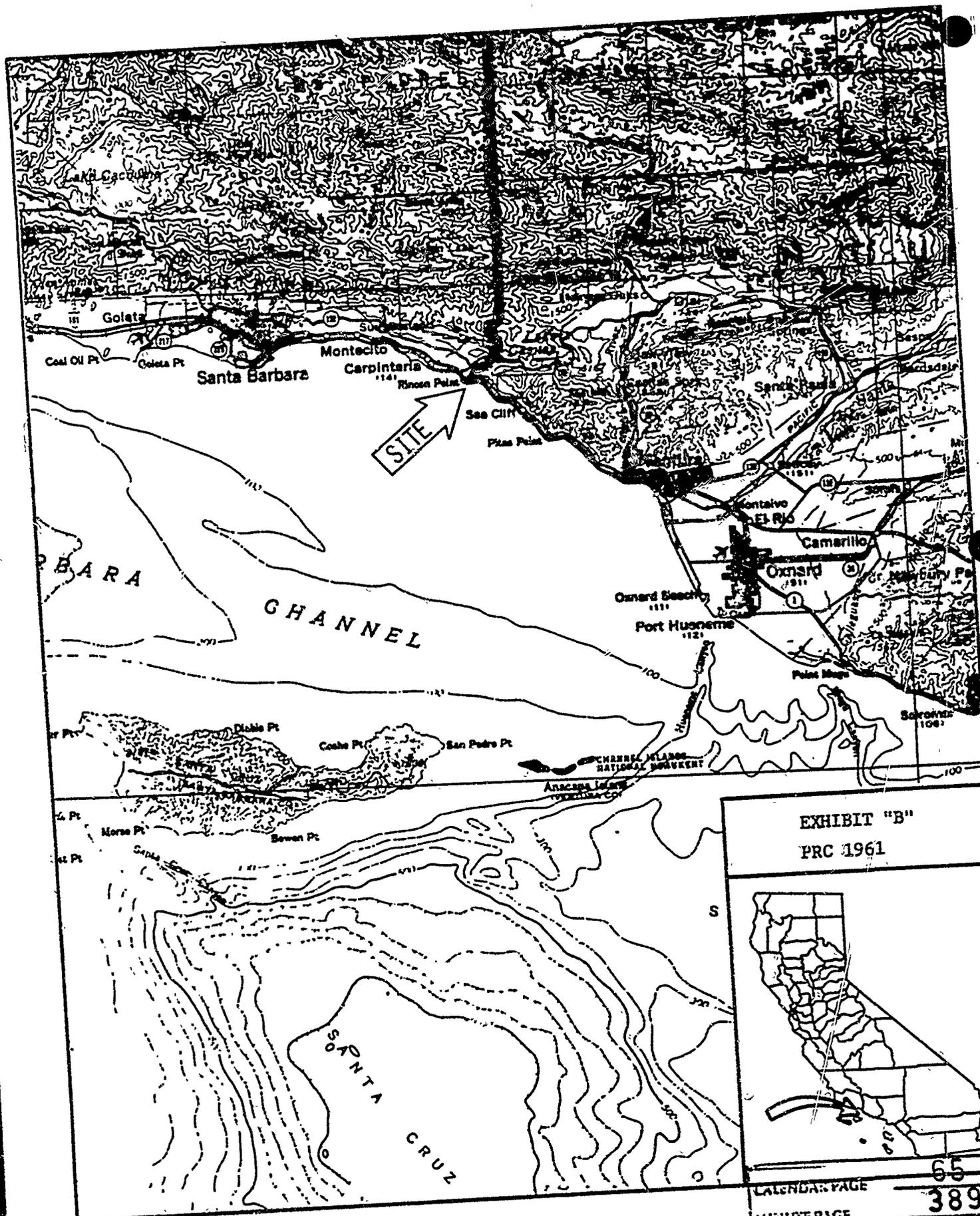


EXHIBIT "B"
 PRC 1961



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EXHIBIT "C"

LAND DESCRIPTION

PRC 5968

A strip of State-owned tide and submerged land situated in the Pacific Ocean, Ventura County, California, said strip lying 10 feet on each side of the following described centerline:

COMMENCING at a point on the northerly corner of lease P.R.C. 427 said center marked by a monument designated as Monument No. 9 on that certain map entitled "Map of Areas in the Vicinity of Seacliff, Ventura County, California, covered by permits and leases granted under Chapter 303, Statutes of California, 1921," approved September 1, 1930, which map was filed in the Office of the Recorder of Ventura County, State of California, on October 8, 1930, in file No. 19 (1930), said Monument No. 9 having California State Coordinate of 1927, Zone 6, Y = 313,609.44, X = 1,569,472.08; thence S⁴⁵057'51" E, 660.92 feet to the POINT OF BEGINNING, said point of beginning having California State Coordinate of 1927, Zone 6, Y = 313,150.03, X = 1,569,947.22, said point of beginning being the centerline of the existing pier, thence the following five courses:

1. S 47°27'20" W 100.00 feet
2. N 87°48'02" W 595.37 feet
3. N 87°47'56" W 128.62 feet
4. S 46°51'34" W 988.46 feet
5. N 89°31'45" W 1236.11 feet

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark, and any portion lying within State Lease No. P.R.C. 429.

END OF DESCRIPTION

REVIEWED NOVEMBER 4, 1987 BY BIU 1.

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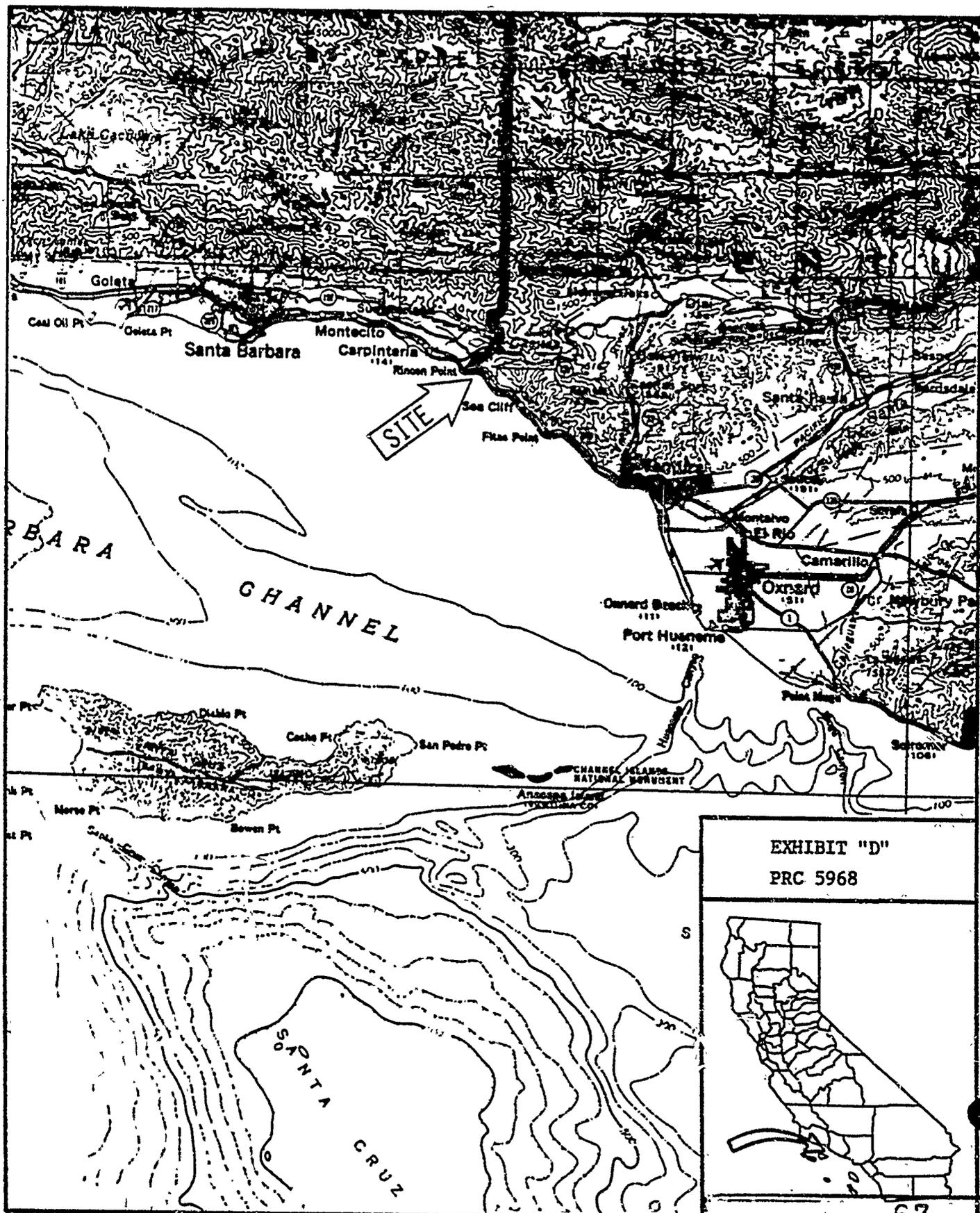


EXHIBIT "D"
 PRC 5968