

MINUTE ITEM

This Calendar Item No. 31
was approved as Minute Item
No. 31 by the State Lands
Commission by a vote of 3
to 0 at its 7/15/91
meeting.

CALENDAR ITEM

31

A 58

S 37

07/15/91
PRC 186
Tanner

APPROVE THE ASSIGNMENT OF
TEXACO, INC.'S UNDIVIDED 50 PERCENT INTEREST
IN STATE OIL & GAS LEASE PRC 186
BELMONT OFFSHORE FIELD, ORANGE COUNTY,
TO TEXACO EXPLORATION AND PRODUCTION, INC.

LESSEE/ASSIGNOR:

Texaco, Inc.
Attn: J. K. Henderson
P.O. Box 2100
Denver, Colorado 80201

ASSIGNEE:

Texaco Exploration and Production, Inc.
Attn: J. K. Henderson
Attorney-In-Fact
P. O. Box 2100
Denver, Colorado 80201

BACKGROUND:

State oil and gas lease PRC 186 was issued to Marine Exploration Company on September 24, 1945. It consists of approximately 1,225 acres of tide and submerged land located within the Belmont Offshore Field, Orange County. Through a series of assignments and name changes, Texaco, Inc. and Exxon Company, U.S.A., each own an undivided 50 percent interest in the lease. Now, Texaco, Inc. proposes to assign its undivided 50 percent interest in the lease to Texaco Exploration and Production, Inc.

Lease Paragraph No. 4 provides that the Lessee, with Commission approval, may assign any portion of the lease to a corporation that possesses the qualifications within P.R.C. 6801. The lease also specifies that the assignment will take effect on the first day of the month following Commission approval.

In documents filed on May 13, 1991 Texaco, Inc. has requested Commission approval to assign its undivided 50 percent interest in this lease to its successor-in-interest, Texaco Exploration and Production, Inc. Staff has reviewed the documents and lease

CALENDAR ITEM NO. 31 (CONT'D)

files and has found that: (1) the Assignee is qualified under P.R.C. 6801 to hold the lease, (2) the Lessee has complied with all lease provisions and no default exists, and (3) all filing fees, processing costs and required documentation have been received and are on file in the Commission's offices in Long Beach.

STATUTORY AND OTHER REFERENCE:

- A. P.R.C. 6801 and P.R.C. 6804.
- B. Lease Paragraph 4.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Code Regs. 15061), staff has determined this activity to be exempt from the requirements of CEQA because the activity is not a "project" as defined by the CEQA Statutes and Guidelines.

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

EXHIBIT:

- A. Lease Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THE ACTIVITY EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE ASSIGNMENT OF AN UNDIVIDED 50 PERCENT INTEREST IN STATE OIL AND GAS LEASE PRC 186 FROM TEXACO, INC. TO TEXACO EXPLORATION AND PRODUCTION, INC. COMMISSION APPROVAL OF THIS ASSIGNMENT IS GIVEN ON THE CONDITIONS THAT THE ASSIGNMENT WILL NOT RELEASE THE ASSIGNOR FROM ANY OBLIGATIONS UNDER THE LEASE, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING AND THAT THE ASSIGNEE WILL BE BOUND BY THE LEASE, INCLUDING ANY MODIFICATIONS AND COLLATERAL AGREEMENTS, TO THE SAME EXTENT AS THE ASSIGNOR, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO LEASE PARAGRAPH 4, THIS ASSIGNMENT WILL TAKE EFFECT ON AUGUST 1, 1991.

CALENDAR ITEM NO. 21 (CONT'D)

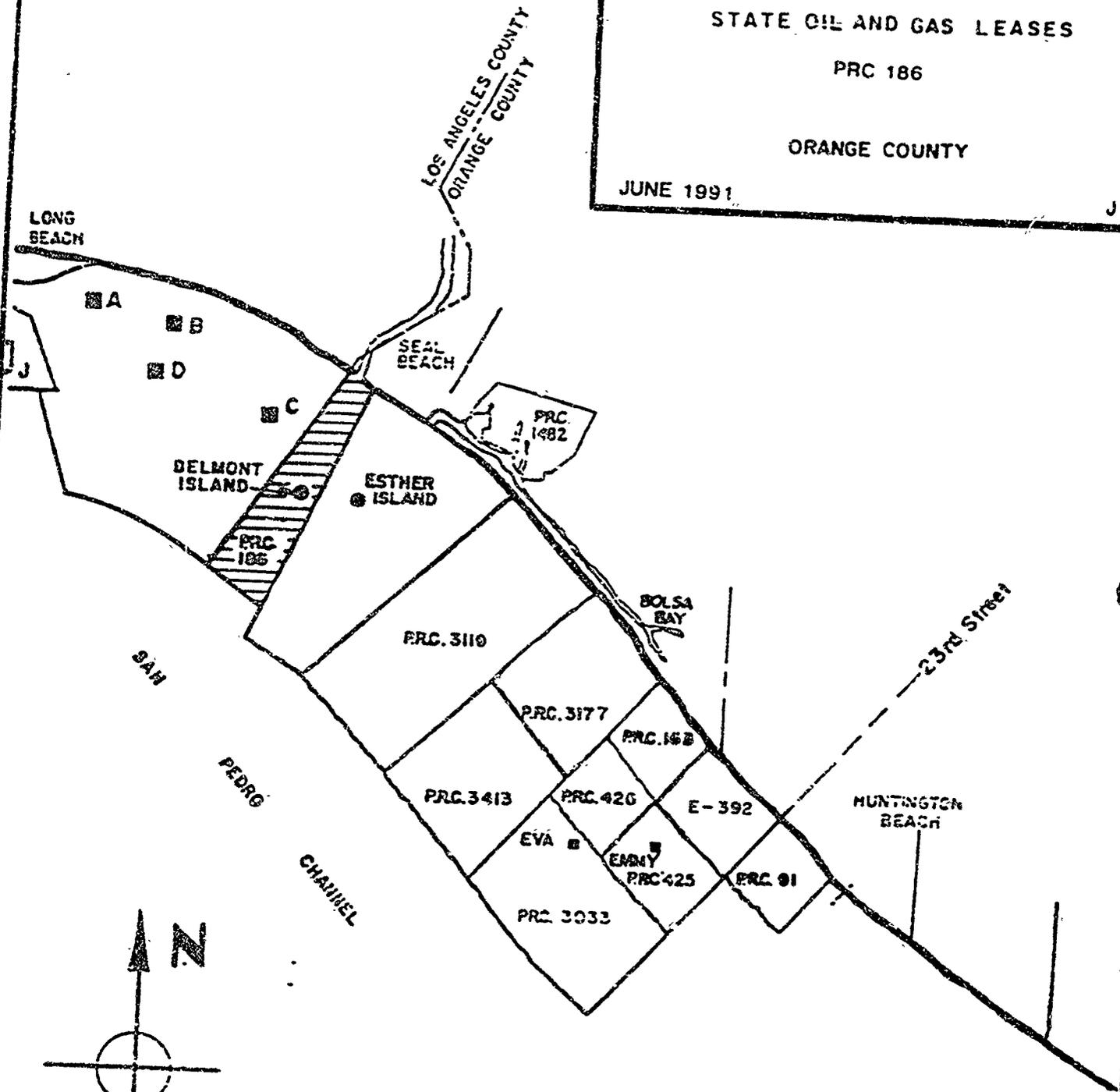
3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"
LOCATION MAP
STATE LANDS COMMISSION
STATE OIL AND GAS LEASES
PRC 186

ORANGE COUNTY

JUNE 1991

JJT



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