MINUTE ITEM
This Calendar Item No. C09
was approved as Minute Item
No. 9 by the State Lands
Commission by a vote of 3
0 at its 2/5/92
meeting.

CALENDAR ITEM

C 09

A 37

S 33

02/05/92
PRC 3489
PRC 3490
Tanner

APPROVE THE ASSIGNMENT OF
UNION OIL COMPANY OF CALIFORNIA'S UNDIVIDED 50 PERCENT INTEREST
IN STATE OIL AND GAS LEASES PRC 3489 AND PRC 3490
TO MOBIL OIL CORPORATION, POINT MUGU OFFSHORE FIELD
VENTURA COUNTY

LESSEE/ASSIGNOR:
Union Oil Company of California
Attn: Kris R. Dunckel
Land Department
1800 30th Street, Suite 200
Bakerfield, California 93301

LESSEE/ASSIGNEE:
Mobil Oil Corporation
Attn: F. R. Pierson,
Senior Land Advisor
P.O. Box 9989
Bakersfield, California 93389-9989

BACKGROUND:
State oil and gas leases PRC 3489 and PRC 3490, Point Mugu Offshore Area, Ventura County, were issued on May 26, 1966 to Union Oil Company of California and Mobil Oil Corporation. Each Lessee holds a 50 percent interest in each of the leases. State oil and gas lease PRC 3489 consists of approximately 4,570 acres and State oil and gas lease PRC 3490 consists of approximately 5,305 acres of tide and submerged land, respectively, offshore of Ventura County. Union Oil Company of California proposes to assign its 50 percent interest in both leases to Mobil Oil Corporation, thereby making Mobil Oil Corporation the sole Lessee for these two leases. The leases have not been fully explored and there are no active wells or facilities located on the leases.

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 December 11, 1991, Union Oil Company of California requested Commission approval to assign its undivided 50 percent interest in State oil and gas leases PRC 3489 and PRC 3490, Point Mugu area, Ventura County, to its co-Lessee, Mobil Oil Corporation. Staff has reviewed the documents and lease files and has found that: (1) the Assignee is qualified under P.R.C. Section 6801 to hold the leases; (2) the Lessees have complied with all lease provisions and no default exists; and (3) all filing fees, processing costs, and required documentation are on file in the Commission's office in Long Beach.

STATUTORY AND OTHER REFERENCES:

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 Cal. Code Regs. 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. Code Regs. 15378.

EXHIBIT:

A. Lease Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENT 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 INTEREST IN STATE OIL AND GAS LEASES PRC 3489 AND PRC 3490, POINT MUGU OFFSHORE FIELD, VENTURA COUNTY, FROM UNION OIL COMPANY OF CALIFORNIA TO

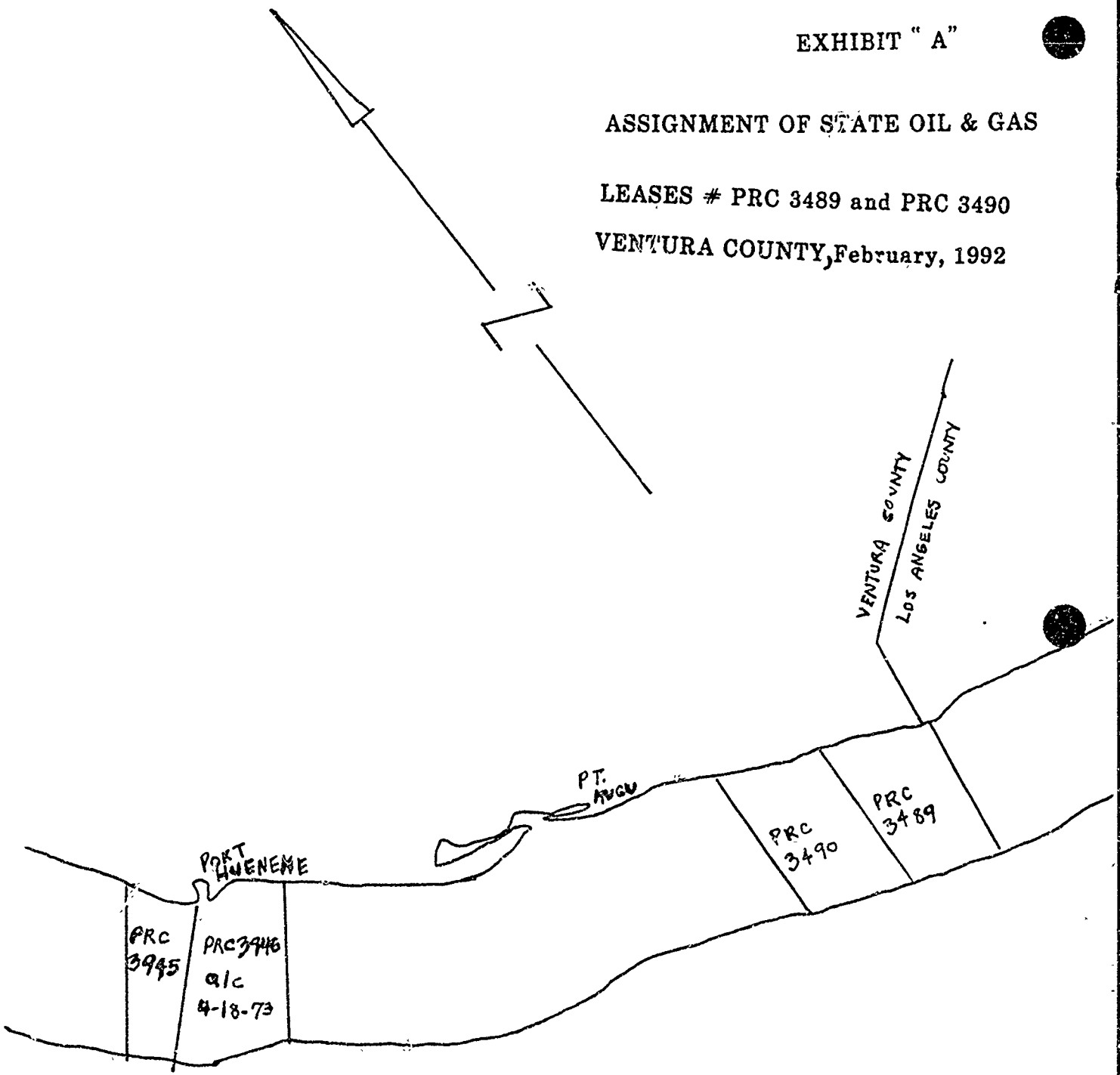
MOBIL OIL CORPORATION. COMMISSION APPROVAL OF THIS ASSIGNMENT IS GIVEN ON THE CONDITION THAT THE ASSIGNMENT WILL NOT RELEASE THE ASSIGNOR FROM ANY OBLIGATIONS UNDER THE LEASES, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO LEASE PARAGRAPH 4, THIS ASSIGNMENT WILL TAKE EFFECT ON MARCH 1, 1992.

EXHIBIT " A"

ASSIGNMENT OF STATE OIL & GAS

LEASES # PRC 3489 and PRC 3490

VENTURA COUNTY, February, 1992



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