MINUTE ITEM
This Calendar Item No. C67
was approved as Minute Item
No. 67 by the State Lands
Commission by a vote of 3
to 0 at its 9/23/92
meeting.

CALENDAR ITEM

A 37

S 33

C 67

09/23/92
PRC 3314
Tanner

APPROVE THE ASSIGNMENT OF 100 PERCENT INTEREST
IN STATE OIL AND GAS LEASE PRC 3314
WEST MONTALVO OFFSHORE FIELD, VENTURA COUNTY

ASSIGNOR:

Shell Western E&P Inc.
Attn: J. C. Boyd,
Attorney-In-Fact
P. O. Box 11164
Bakersfield, California 93389

ASSIGNEE:

Berry Petroleum Company
Attn: Jerry V. Hoffman,
President
P. O. Bin X
Taft, California 93268

BACKGROUND:

State oil and gas lease PRC 3314, West Montalvo Offshore Field, Ventura County, was issued on July 2, 1965 to Shell Oil Company by competitive bid. The oil and gas lease contains approximately 5,430 acres of tide and submerged lands. On December 22, 1983, Shell Oil Company assigned its entire interest in the lease to Shell Western E&P, Inc. (SWEPI). SWEPI now proposes to assign its entire interest to Berry Petroleum Company (Berry). Berry is currently the operator of the lease.

Only one well has been drilled on the lease since resumption of drilling was authorized on April 29, 1981. The 3314-No. 1 well was drilled for SWEPI by Chevron, as operator, from an onshore location which is referred to as the Patterson Ranch drillsite. This well continues to produce oil and gas.

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 June 2, 1992, SWEPI requested Commission approval to assign its 100 percent interest in State oil and gas lease PRC 3314, West Montalvo Offshore Field, Ventura County, to Berry. Staff has reviewed the documents and lease files and has found that: (1) Berry is qualified, under P.R.C. 6801, to hold the lease; (2) SWEPI has 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 No. 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.

EXHIBITS:

A. Land Description.
B. 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. 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 FROM SHELL WESTERN E&P, INC. OF ITS 100 PERCENT INTEREST IN STATE OFFSHORE OIL AND GAS LEASE

PRC 3314, WEST MONTALVO OFFSHORE FIELD, VENTURA COUNTY, TO BERRY PETROLEUM COMPANY. COMMISSION APPROVAL OF THIS ASSIGNMENT IS GIVEN ON THE CONDITION THAT THE ASSIGNMENT WILL NOT RELEASE SWEPI FROM ANY OBLIGATIONS UNDER THE LEASE, ANY CONDITIONS IN THE ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO LEASE PARAGRAPH NO. 4, THIS ASSIGNMENT SHALL TAKE EFFECT ON OCTOBER 1, 1992.

3. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE ANY DOCUMENT NECESSARY TO EFFECT THIS ASSIGNMENT.

EXHIBIT "A"

PRC 3314.1

LAND DESCRIPTION

A parcel of tide and submerged land in the Santa Barbara Channel westerly of the City of Oxnard, Ventura County, California, more directly described as follows:

> BEGINNING at a point on the mean high tide line of the Santa Barbara Channel which is distant southeasterly at right angles 78.92 from a line having a bearing of S 72° 43' 00" W, said line intersects the center point of California State Lands Commission Triangulation Station, "TEAL 2 1954", said triangulation station is shown on a map filed as Number 6138 in Book 18 at Page 22, Record of Surveys, Ventura County, California, and has California Zone 5 coordinates of X=1,622,896.07, and Y=256,577.48; thence from said point of beginning leaving the mean high tide line, S 72°`43' 00" W, to the intersection with an envelope line every point of which is at a distance of 3 geographical miles from the nearest point on the mean high tide line of the Santa Barbara Channel; thence northwesterly along said envelope line to its intersection with a line parallel with and 13,500 feet distant northwesterly at right angles from the southeasterly boundary of this parcel; thence N 72° 43' 00" E, along said parallel line to the intersection with the above mentioned mean high tide line; thence southeasterly along the mean high tide line to the point of beginning.

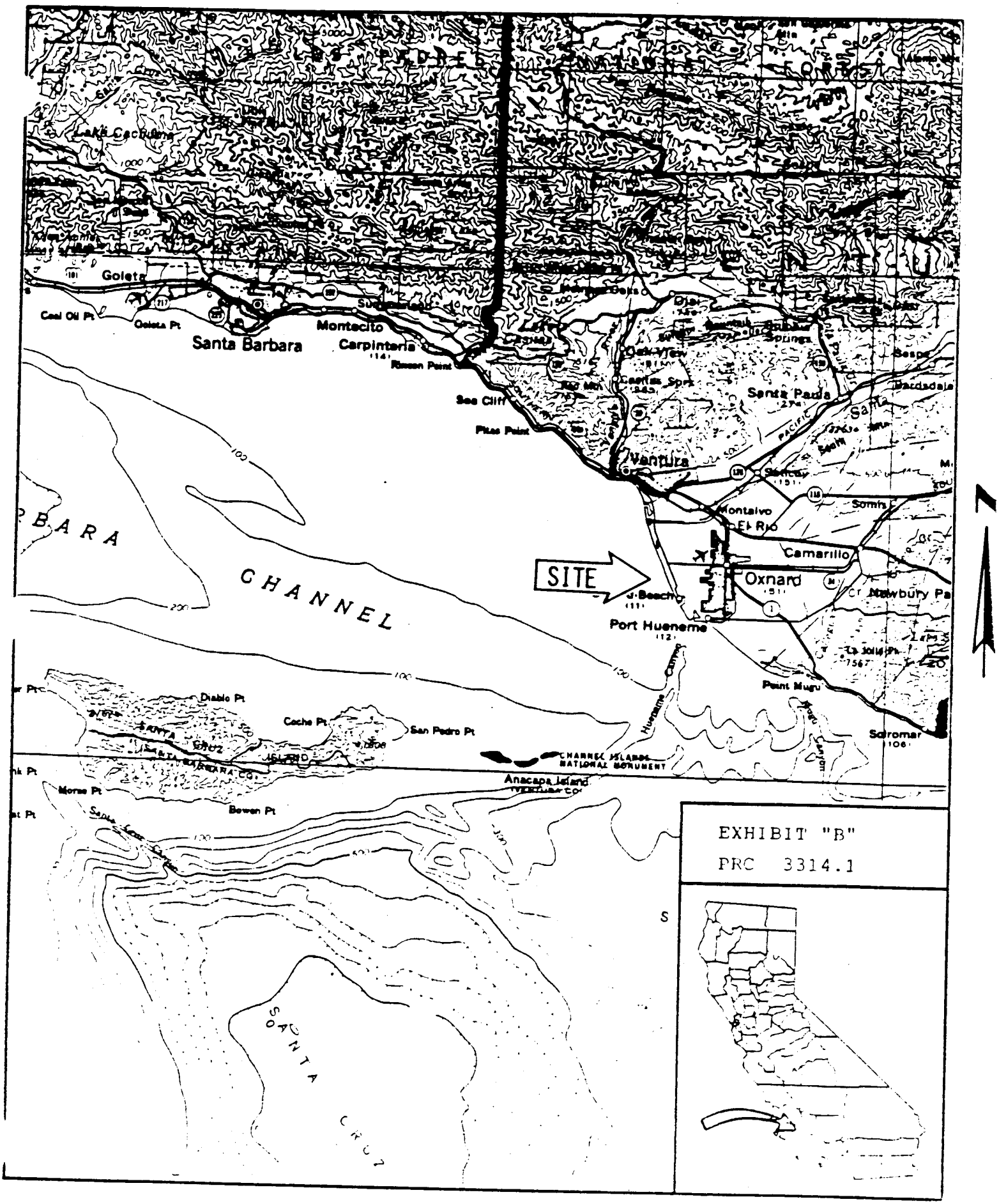
EXCEPTING from the above-described parcel, State Oil & Gas Lease P.R.C. 735.1, resulting in a net acreage included in Parcel 25 of approximately 5430 acres.

The bearings and distances used in the above description are based on the California Coordinate System Zone 5.

The lease will be SUBJECT TO a pipeline easement issued to Southern California Edison Company on July 1, 1958, under P.R.C. 2180.1, said instrument being on file with the State Lands Commission.

END OF DESCRIPTION

REVISED JUNE, 1992 BY LLB.



CALENDAR PAGE 791
MINUTE PAGE 3422