MINUTE ITEM
This Calendar Item No. C71
was approved as Minute Item
No. 71 by the State Lands
Commission by a vote of 3
to Ø at its 3/8/94
meeting.

CALENDAR ITEM

C71

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03/08/94
PRC 7714
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CONSENT TO THE POOLING OF 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714 SACRAMENTO COUNTY

LESSEE/OPERATOR:

Nahama & Weagant Energy Company
Attn: Michael Kerns
4700 Stockdale Highway, Suite 110
Bakersfield, California 93309

BACKGROUND:

Negotiated subsurface (no surface use) State oil and gas lease PRC 7714 was entered into with Nahama & Weagant Energy Company (Nahama & Weagant) on September 9, 1993. This lease contains approximately 93 acres in the bed of the Snodgrass Slough located within Sections 2, 3, 10 and 11, T5N, R4E, MDM, Sacramento County, California.

Paragraph 22(b) of the lease allows the Lessee, with the consent of the State and under terms and conditions approved by the State, to pool or unitize all or part of the leased lands with lands held by the Lessee or others.

Nahama & Weagant proposes to form an operating unit that contains a total of 640 acres of State and private leased lands (described in Exhibit "A"). Nahama & Weagant's unit is called the "Herzog 2-1 Unit" and is created for the development and production of natural gas. Nahama and Weagant has requested that the Commission consent to the pooling of 60.10 acres of leased lands under State oil and gas lease PRC 7714 by approving Nahama & Weagant's Declaration of Pooling dated March 23, 1991, which created the "Herzog 2-1 Unit" and the revised pooling map dated April 12, 1993 which includes the State's 60.10 acres representing 9.3906 percent of the pool. The Commission staff has evaluated the geologic and reservoir data and has determined that this unit will be economically advantageous to the State to share in the production from the proposed unit.

BASIS FOR CONSIDERATION:

P.R.C. 6829.2,. P.R.C. 6832 and Paragraph 22(b) of the State Oil and Gas Lease PRC 7714.

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, consent to the pooling of a portion of leased lands under State oil and gas lease PRC 7714, 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. Declaration of Pooling dated March 23, 1991
B. Pooling Map, Herzog 2-1 Unit (Rev. 4/12/93)
C. Land Description of Negotiated Subsurface Oil and Gas Lease PRC 7714

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY, CONSENT TO THE POOLING OF A PORTION OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714, 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. CONSENT TO THE POOLING OF 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714 WITH OTHER PRIVATE LANDS HELD BY NAHAMA & WEAGANT ENERGY COMPANY. CONSENT IS GIVEN BY APPROVING NAHAMA & WEAGANT'S DECLARATION OF POOLING DATED MARCH 23, 1992 AND THE REVISED POOLING MAP DATED APRIL 12, 1993, WHICH CREATES THE HERZOG 2-1 UNIT DESCRIBED IN EXHIBIT "A" (APPROXIMATELY 640 TOTAL ACRES INCLUDING 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714) AND IN EXHIBIT "B". THE UNITIZED LEASED LANDS SHALL BE SUBJECT TO THE PROVISIONS OF STATE OIL AND GAS LEASE PRC 7714, ANY CONDITIONS IN THE DECLARATION OF POOLING TO THE CONTRARY NOTWITHSTANDING.

RECORDING REQUESTED BY
AND RETURN TO:

BENTON OIL AND GAS COMPANY
2151 ALESSANDRO DRIVE, SUITE 120
VENTURA, CA 93001

PRC 7714

OFFICIAL RECORD
[illegible] COUNTY

'91 OCT 21 PM 2:11

Documentary Transfer Tax $ None
Signature of Declarant or Agent: [illegible]
Recording Fee $ 36.00

DECLARATION OF POOLING
HERZOG 2-1 POOL

STATE OF CALIFORNIA)
) SS
COUNTY OF SACRAMENTO)

WHEREAS, BENTON OIL AND GAS COMPANY, ARKOMA PRODUCTION COMPANY OF CALIFORNIA AND ATLANTIC RICHFIELD COMPANY, hereinafter jointly referred to as the "Declaring Parties", are the present owners and holders of the Lessee's right, title and interest in those certain Oil, Gas and Mineral Leases (hereinafter referred to as "said leases") particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the Declaring Parties desire to pool, combine and unitize lands covered by said leases (including all formations of sand, siltstone and shales underlying said lands), for the purpose of exploration, development and production of (hereinafter referred to as "pooled substances"), in accordance with the provisions of said leases and other agreements in connection therewith.

NOW THEREFORE, the Declaring Parties do hereby declare, effective as of the 23rd day of March, 1991, the formation of the gas production pool designated the "Herzog 2-1 Pool" (hereinafter referred to as "said Pool") the exterior boundaries of which are shown on the plat designated Exhibit "B" attached hereto and made a part hereof.

Royalties payable from the pooled substances allocated to the individual leases comprising said Pool shall be determined and paid on a basis prescribed in each of the individual leases. Said Pool shall be developed and operated as a single entity and all pooled substances produced therefrom shall be allocated to each lease comprising said Pool in the proportion that the pooled acreage committed from such lease bears to the total Pool acreage.

While said Pool created hereby is in full force and effect, the Declaring Parties hereby pool, combine and unitize said leases and all gas condensate and other gaseous substances in and under any parcel or parcels within the Pool which are not presently under lease to the Declaring Parties but which any Declaring Party may hereafter lease or which may be included in one or more leases pursuant to Section 3608 of the Public Resource Code of the State of California.

This instrument may be executed in counterparts. Each executed counterpart shall be binding upon the executory party thereto as fully as if all Declaring Parties had executed one instrument, and said Declaring Parties may combine said counterparts to form one single instrument for recording purposes.

IN WITNESS WHEREOF, the Declaring Parties have caused this Declaration to be duly executed as of the 12th day of September, 1991.

EXHIBIT A

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MINUTE PAGE	613

BENTON OIL AND GAS COMPANY

By: _____
Clarence Cottman
Vice President

ATLANTIC RICHFIELD COMPANY

By: _____

ARKOMA PRODUCTION COMPANY OF CALIFORNIA

By: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

On this 12TH day of SEPTEMBER in the year of 1991, before me, the undersigned Notary Public in and for said County and State, personally appeared Clarence Cottman, known to me to be the Vice President of Benton Oil and Gas Company, who executed the within instrument on behalf of the corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal:

OFFICIAL SEAL
VERLA BOLDING
Notary Public-California
VENTURA COUNTY
My Commission Expires
February 21, 1995

_____
NOTARY PUBLIC

My commission expires:

February 21, 1995

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS)
) SS:
COUNTY OF DALLAS)

BEFORE ME, the undersigned authority, on this day personally appeared Mike McCoy, known to me to be the person whose name is subscribed to the foregoing instrument, in his capacity as President of Arkoma Production Company of California, and acknowledged to me that he executed the instrument for the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 26th day of September, 1991.

CALENDAR PAGE 471
BOOK 614

MARILYN SUE LOVE
NOTARY PUBLIC
MY COMMISSION EXPIRES
JULY 19, 1995

_____
Notary Public

BENTON OIL AND GAS COMPANY

By: _____
Clarence Cottman
Vice President

ATLANTIC RICHFIELD COMPANY

By: Frank E. Holmes

ARKOMA PRODUCTION COMPANY OF CALIFORNIA

By: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

On this 12TH day of SEPTEMBER in the year of 1991, before me, the undersigned Notary Public in and for said County and State, personally appeared Clarence Cottman, known to me to be the Vice President of Benton Oil and Gas Company, who executed the within instrument on behalf of the corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal:

OFFICIAL SEAL
VERLA BOLDING
Notary Public-California
VENTURA COUNTY
My Commission Expires
February 21, 1995

Verla Bolding
NOTARY PUBLIC

My commission expires:

February 21, 1995

STATE OF CALIFORNIA)
) ss
COUNTY OF KERN)

On this 18th day of September, in the year 19 91, before me, Debra R. Knight, the undersigned Notary Public, personally appeared Frank E. Holmes, personally known to me to be the person whose name is subscribed to this instrument as the Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, and acknowledged to me that he subscribed the name of ATLANTIC RICHFIELD COMPANY thereto as principal, and his own name as Attorney-in-Fact.

WITNESS my hand and official seal.

DEBRA R. KNIGHT
NOTARY PUBLIC
Kern County, California
My Commission Exp. July 24, 1992

Debra R. Knight
Notary Public

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EXHIBIT "A"

Attached to and made a part of the Declaration of Pooling, Herzog 2-1 Pool, dated March 23, 1991

LESSOR:	The Herzog Company, a corporation
LESSEE:	Benton Oil and Gas Company
LEASE DATE:	August 15, 1990
RECORDING:	Book: 90 09 -4 Page: 0867 Date: September 4, 1990
LESSOR:	The Herzog Company
LESSEE:	United Western Exploration Company
LEASE DATE:	December 22, 1988
RECORDING:	Document #031295 Book: 89 02 14 Page: 1350 Date: February 14, 1989
LESSOR:	Jerald C. Waterworth, and Doris J. Waterworth, husband and wife
LESSEE:	Sun Operating Limited Partnership
LEASE DATE:	January 17, 1989
RECORDING:	Document #083932 Book: 89 04 21 Page: 2041 Date: April 21, 1989
LESSOR:	Jerome J. Lohr, Ronald B. Rankin
LESSEE:	Sun Operating Limited Partnership
LEASE DATE:	January 10, 1989
RECORDING:	Document #086491 Book: 89 04 25 Page: 1041 Date: April 25, 1989
LESSOR:	Ralph Edward Heringer and Linda Lee Heringer, Husband and Wife
LESSEE:	Sun Operating Limited Partnership
LEASE DATE:	January 12, 1989
RECORDING:	Document #083933 Book: 89 04 21 Page: 2044 Date: April 21, 1989
LESSOR:	Sadie Ehrhardt, a widow
LESSEE:	Benton Oil and Gas Company
LEASE DATE:	July 30, 1990
RECORDING:	Book: 90 08 -6 Page: 0712 Date: August 6, 1990
LESSOR:	Diana Durbin Field, an unmarried woman
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	March 17, 1987
RECORDING:	Document #148290 Book: 87 05 21 Page: 1502 Date: May 21, 1987
LESSOR:	Diana Durbin Field, an unmarried woman
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	December 2, 1986
RECORDING:	Document #071267 Book: 87 03 16 Page: 2347 Date: March 16, 1987
LESSOR:	James H. Zacharias and Marolyn J. Zacharias, husband and wife
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	March 16, 1987
RECORDING:	Document #148289 Book: 87 05 21 Page: 1499 Date: May 21, 1987

EXHIBIT "B"

Attached to and made a part of the Declaration of Pooling, Herzog 2-1 Pool, dated

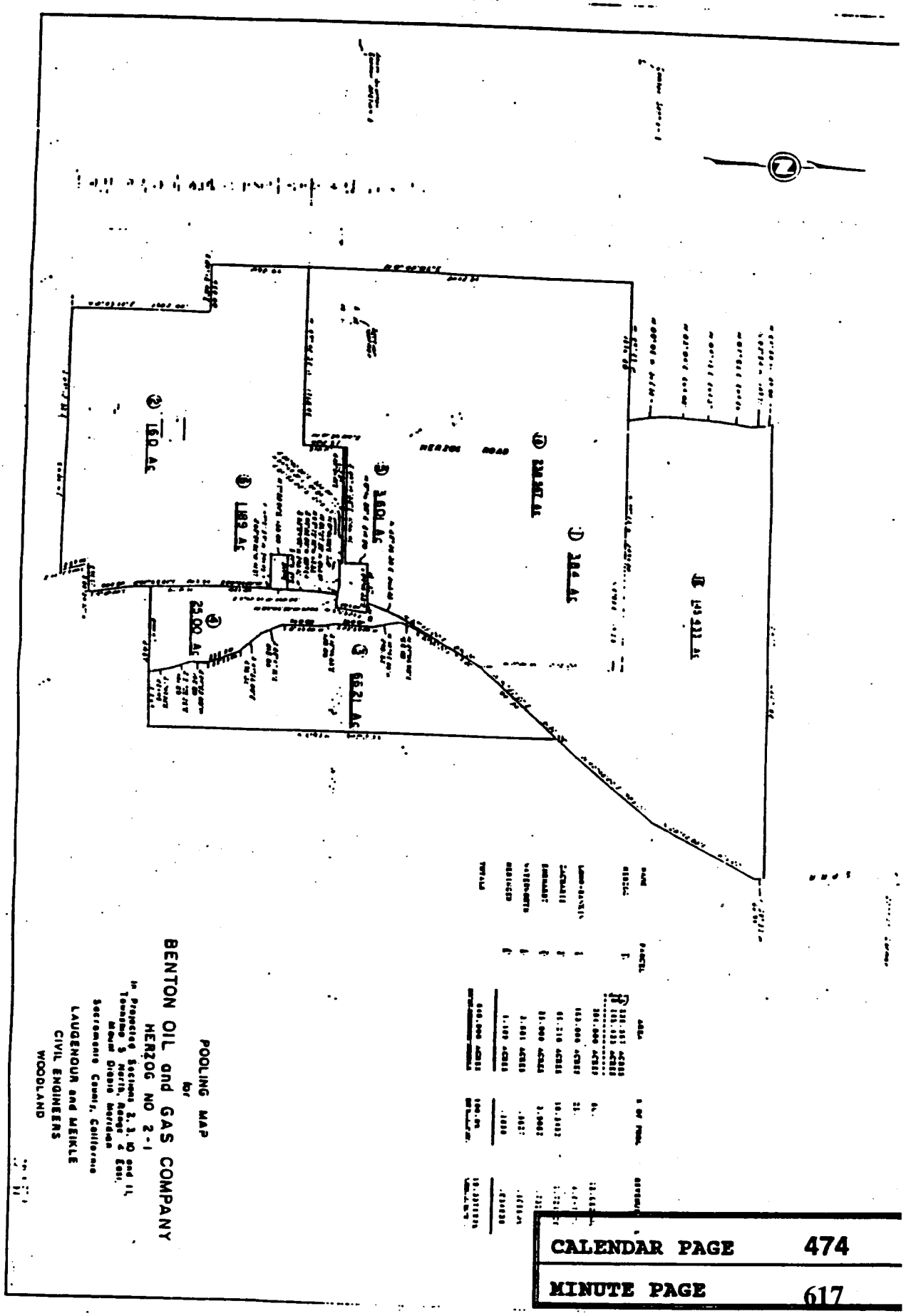

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EXHIBIT "A"
Attached to and made a part of the Declaration of Pooling, Herzog 2-1 Pool, dated March 23, 1991.

LESSOR:	James H. Zacharias and Marolyn J. Zacharias, husband and wife
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	February 20, 1987
RECORDING:	Document #107064 Book: 87 04 13 Page: 1364 Date: April 13, 1987
LESSOR:	J. Ellsworth Zacharias, a married man as his separate property
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	March 17, 1987
RECORDING:	Document #148287 Book: 87 05 21 Page: 1493 Date: May 21, 1987
LESSOR:	Ellsworth J. Zacharias who acquired title as J. Ellsworth Zacharias, a married man as his separate property
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	February 23, 1987
RECORDING:	Document #107062 Book: 87 04 13 Page: 1358 Date: April 13, 1987
LESSOR:	Evan M. Zacharias, an unmarried man
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	April 1, 1987
RECORDING:	Document #148280 Book: 87 05 21 Page: 1496 Date: May 21, 1987
LESSOR:	Evan M. Zacharias, an unmarried man
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	February 23, 1987
RECORDING:	Document #107063 Book: 87 04 13 Page: 1361 Date: April 13, 1987
LESSOR:	Lynn Zacharias, as Trustee of the Clara Fay Zacharias Trust dated February 25, 1985
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	August 6, 1987
RECORDING:	Document #031366 Book: 88 02 16 Page: 1714 Date: February 16, 1988
LESSOR:	Gean R. Zacharias and Mary Ellen Zacharias, husband and wife as tenants in common
LESSEE:	Maverick Petroleum, Inc.
LEASE DATE:	September 25, 1987
RECORDING:	Document #031367 Book: 88 02 16 Page: 1717 Date: February 16, 1988

All that tide and submerged land in the historic bed of Snodgress Slough Lying between Lambert Road and the westerly right of way line of the Southern Pacific Railroad, Sacramento County, California, and lying within the area marked by cross hatching on this exhibit.

POR. PROJ. T.5N., R.4&5E., M.D.B.&M.

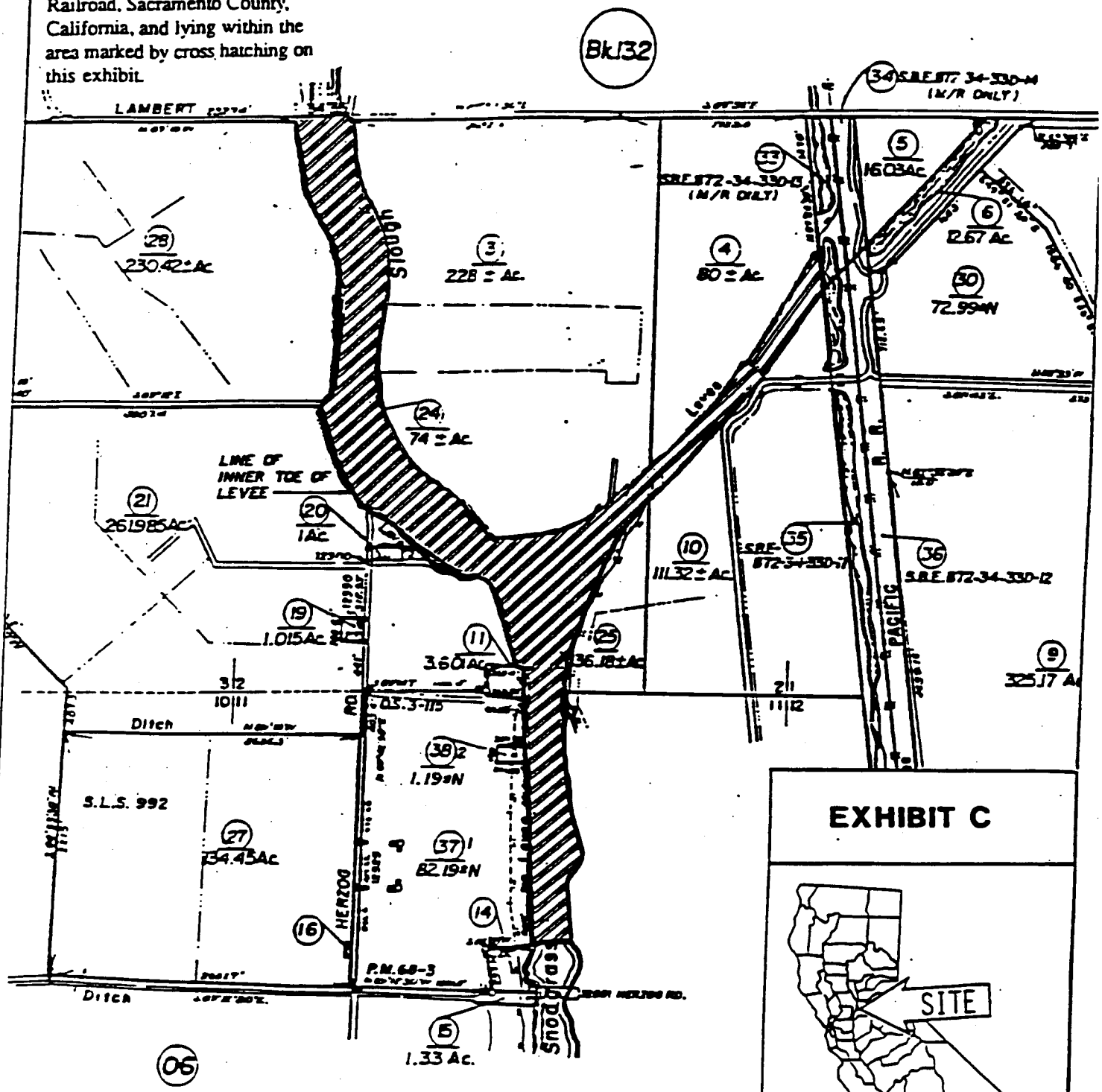
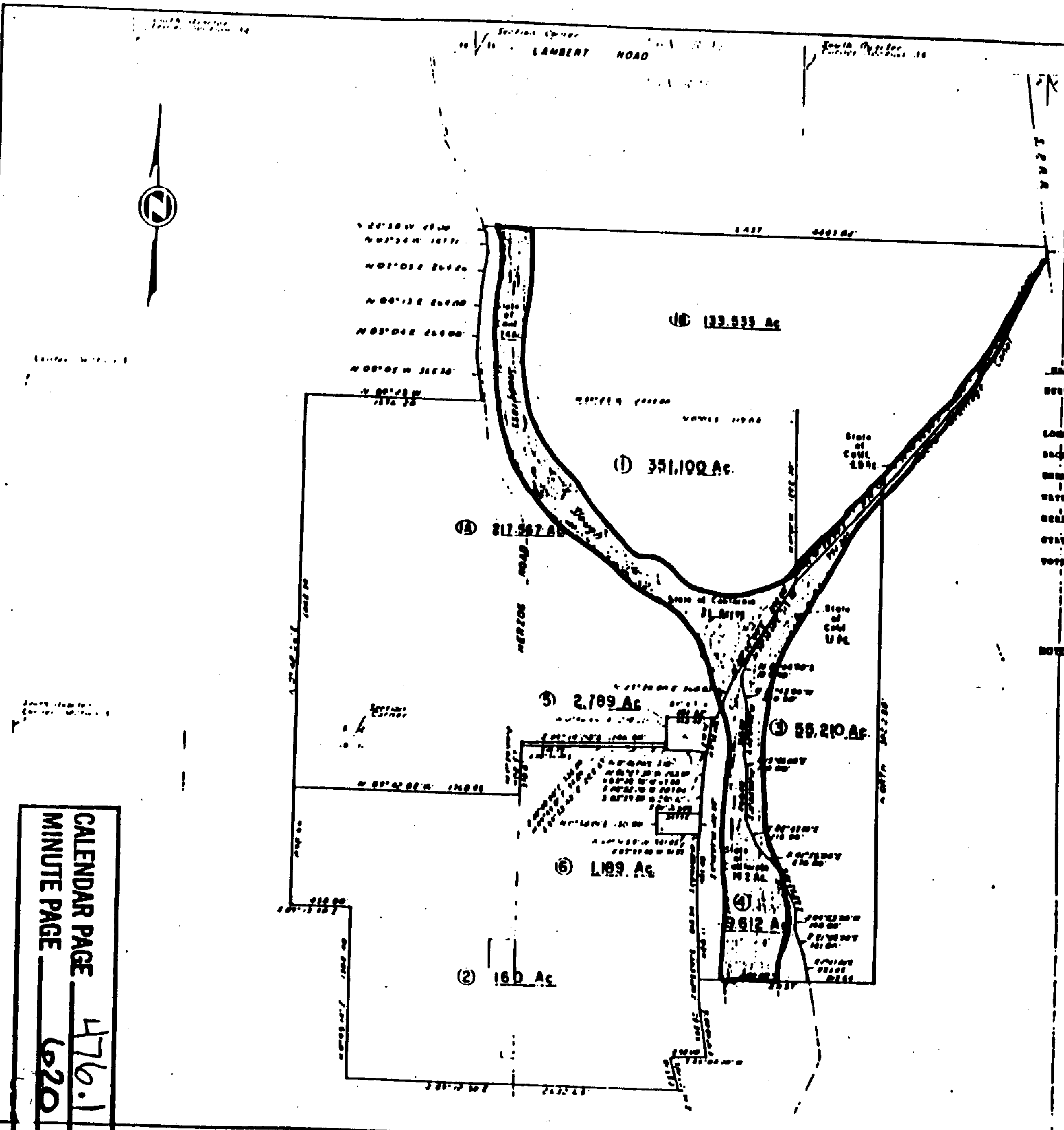


EXHIBIT C

This Land description is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

EXHIBIT B

PRC 7714



NAME	PARCEL	AREA	% OF POOL
[illegible]	[illegible]	[illegible] ACRES [illegible] ACRES [illegible] ACRES	[illegible]
[illegible]	[illegible]	[illegible] ACRES	[illegible]
[illegible]	[illegible]	[illegible] ACRES	[illegible]
[illegible]	[illegible]	[illegible] ACRES	[illegible]
[illegible]	[illegible]	[illegible] ACRES	[illegible]
[illegible]	[illegible]	[illegible] ACRES	[illegible]
STATE OF CALIFORNIA		[illegible] ACRES	[illegible]
TOTALS		[illegible] ACRES	[illegible]

NOTE: THE SHADED AREA INDICATES THE LANDS OF THE STATE OF CALIFORNIA COVERED BY WATER IN SNODGRASS SLOUGH AND THE SACRAMENTO DRAINAGE CANAL. THE LOCATION OF THIS AREA WAS SCALED FROM AN AERIAL PHOTO. THE AREAS OF THE PARCELS DESIGNATED "STATE OF CALIFORNIA" WERE DETERMINED BY USING A PLANIMETER.

POOLING MAP
for
BENTON OIL and GAS COMPANY
HERZOG NO 2-1
In Projected Sections 2, 3, 10 and 11,
Township 5 North, Range 4 East,
Mount Diablo Meridian
Sacramento County, California

LAUGENOUR and MEIKLE
CIVIL ENGINEERS
WOODLAND

Scale: 1" = 500'

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