

CALENDAR ITEM  
C52

MINUTE ITEM  
This Calendar Item No. C52  
was approved as Minute Item  
No. 52 by the State Lands  
Commission by a vote of 3  
to 0 at its 4/6/94  
meeting.

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APPROVE ASSIGNMENT OF MINORITY INTEREST  
IN STATE OIL AND GAS LEASE PRC 91,  
HUNTINGTON BEACH,  
ORANGE COUNTY

04/06/94  
PRC 91  
Tanner

ASSIGNOR:

Exxon Corporation  
Production Department  
Southwestern Division  
L. Bruce Bowen  
P. O. Box 1600  
Midland, Texas 79702-1600

ASSIGNEE:

SABA Petroleum, Inc.  
William L. Wineland, President  
17512 Von Karman Avenue  
Irvine, California 92714

AREA, TYPE LAND AND LOCATION:

589 acres of offshore tide and submerged lands located  
within the Huntington Beach Offshore Field, Orange  
County.

LAND USE:

Oil and gas production.

CURRENT LEASE TERMS:

Lease period: 20 plus CEQ years beginning  
May 21, 1943.

Surety bond: \$250,000.

Consideration: \$500 per annum.

Royalty: Crude Oil: 12 1/2 percent - 30 percent of  
monthly production.

15 percent of gross market value of all dry gas,  
natural gasoline, and other products produced from  
lease.

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**BACKGROUND:**

State oil and gas lease PRC 91, Huntington Beach Field, Orange County, was issued to H. R. Hamilton Operator and other minority interest holders, including Humble Oil and Refining Company, predecessor-in-interest, to Exxon Corporation (Exxon) on May 31, 1943. Through a series of assignments and corporate name changes, Shell Western E&P, Inc. (Shell) is the present majority interest holder and operator for this lease.

On December 7, 1993, Exxon contacted Commission staff and requested Commission approval of the assignment of their minority interest (23.33%) in this lease to SABA Petroleum, Inc. Since it is only a minority interest, Shell will remain as the majority interest holder in this lease and will continue as lease operator.

**BASIS FOR CONSIDERATION:**

Pursuant to 2 Cal. Code Regs. 2003.

**APPLICANT STATUS:**

Applicant is lessee of upland.

**PREREQUISITE CONDITIONS, FEES AND EXPENSES:**

Filing fee and processing costs have been received.

**STATUTORY AND OTHER REFERENCES:**

A. P.R.C. Section 6804.

B. Provision 4 of lease.

**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.

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2. Since Exxon Corporation is only a minority interest holder in this lease, there will not be a change in the lease operator. Shell Western E&P, Inc. will continue to operate and maintain the lease.

**EXHIBIT:**

A. 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 OF EXXON CORPORATION'S MINORITY INTEREST IN STATE OIL AND GAS LEASE PRC 91, HUNTINGTON BEACH FIELD, ORANGE COUNTY, TO SABA PETROLEUM, INC.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE, TO EXECUTE ANY DOCUMENT TO EFFECT THIS ASSIGNMENT.
4. THIS ASSIGNMENT WILL BE EFFECTIVE ON MAY 1, 1994.

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EXHIBIT "A"

ORANGE COUNTY

