

MINUTE ITEM
This Calendar Item No. C43
was approved as Minute Item
No. 43 by the State Lands
Commission by a vote of 3
to 0 at its 8-3-94
meeting.

CALENDAR ITEM

C43

A 58

S 37

08/03/94
PRC 186
Willard

**APPROVE SUSPENSION OF CONTINUOUS PRODUCTION OPERATIONS,
STATE OIL AND GAS LEASE PRC 186,
BELMONT OFFSHORE FIELD,
ORANGE COUNTY**

APPLICANT:

Exxon Company, U.S.A.
Mr. Steven B. Dixon
P. O. Box 3116
Midland, Texas 79702-3116

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 186 contains approximately 1,225 acres of tide and submerged lands located within the Belmont Offshore Field, Orange County.

LAND USE:

Oil and gas exploration and development.

BACKGROUND:

State oil and gas lease PRC 186 was issued to Marine Exploration Company on September 24, 1945. Through a series of assignments and name changes, Exxon Company, U.S.A. (Exxon) and Texaco Exploration and Production, Inc., each own an undivided 50 percent interest in the lease.

Paragraph 11 of the lease provides that the lessee exercise reasonable diligence in the operation of its wells and shall not unreasonably suspend continuous operations except with the consent of the State. Exxon, operator of the lease, has requested approval of the suspension of operations pending its preparation of an application for the abandonment of wells and facilities and discussions for transfer of the leasehold interests with adjoining lessees. Exxon will also pursue alternative uses of Belmont Island with other private and public parties. It is estimated that the required analysis of the various lease and development options will take approximately two years.

CALENDAR ITEM NO. C43 (CONT'D)

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 2, Div. 3; Title 14, Div. 6.

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.

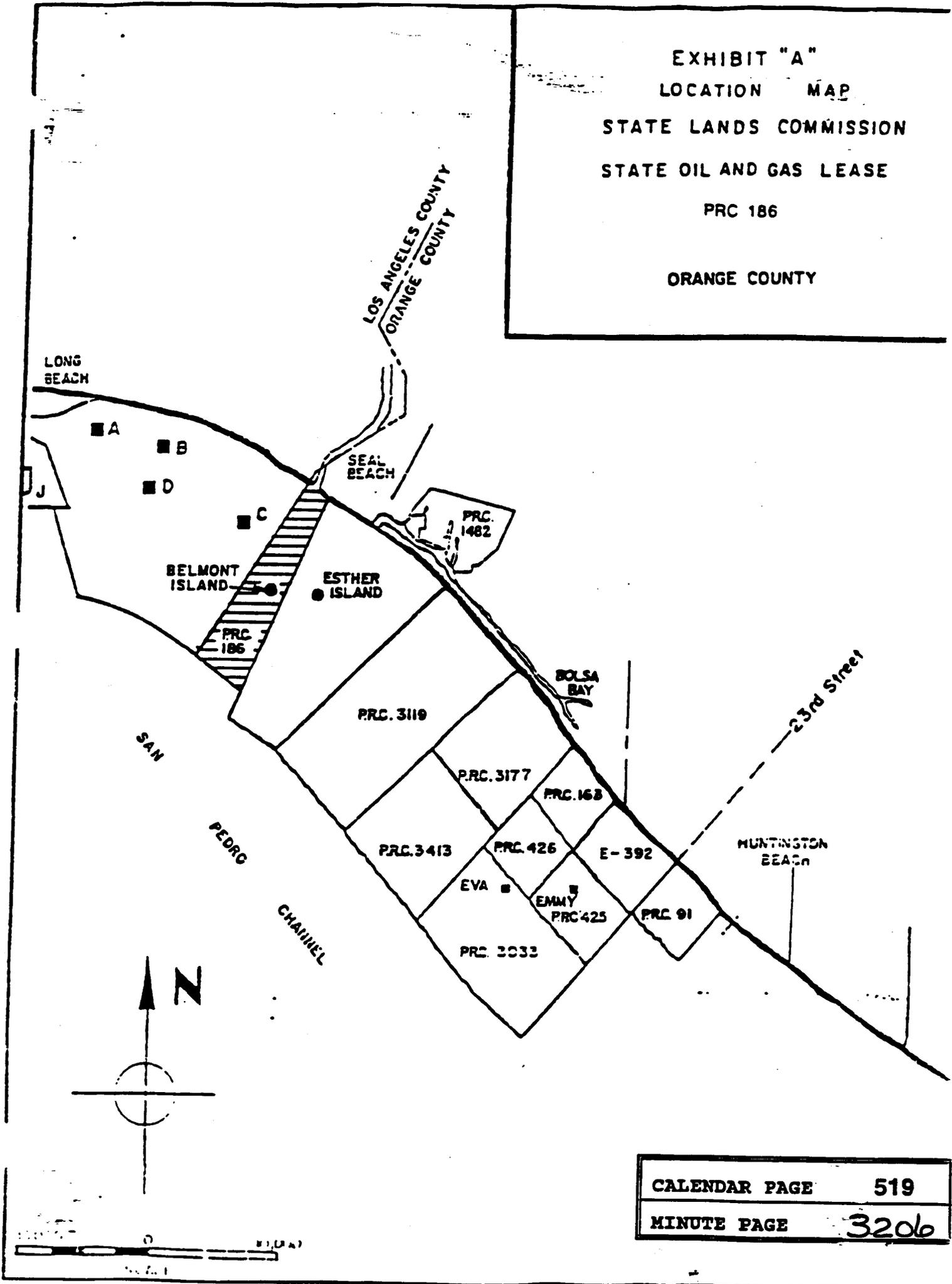
EXHIBIT:

- A. 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 SUSPENSION OF CONTINUOUS OPERATIONS UNDER STATE OIL AND GAS LEASE PRC 186, BELMONT OFFSHORE FIELD, ORANGE COUNTY, FOR A TWO YEAR PERIOD COMMENCING ON JULY 1, 1994 AND ENDING JULY 1, 1996. THE SUSPENSION AS SPECIFIED, SHALL REMAIN IN EFFECT SO LONG AS THE LESSEE PROVIDES THE STATE WITH QUARTERLY REVIEWS OF ITS PROGRESS IN ANALYSIS OF THE LEASE DEVELOPMENT OPTIONS. ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"
 LOCATION MAP
 STATE LANDS COMMISSION
 STATE OIL AND GAS LEASE
 PRC 186
 ORANGE COUNTY



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