MINUTE ITEM
This Calendar Item No. C90
was approved as Minute Item
No. 90 by the State Lands
Commission by a vote of 3
to 0 at its 10-17-95
meeting.

CALENDAR ITEM
C90

A 58, 69

S 37

	10/17/95
PRC 91	PRC 989
PRC 163	PRC 997
E-392	PRC 999
E-400	PRC 1329
E-401	PRC 1331
PRC 425	PRC 1332
PRC 426	PRC 1333
PRC 919	PRC 1334
PRC 920	PRC 1336
PRC 977	PRC 1337
PRC 980	PRC 1340
PRC 983	PRC 1345
PRC 985	PRC 4736
PRC 986	PRC 4887
	Tanner

APPROVE ASSIGNMENTS OF STATE OIL AND GAS
LEASES AND DRILL SITE AGREEMENT,
HUNTINGTON BEACH FIELD,
ORANGE COUNTY

ASSIGNOR:

Shell Onshore Ventures Inc.
Attn: J. C. Boyd, Attorney-In-Fact
5060 California Avenue
Bakersfield, California 93309

ASSIGNEE:

CalResources LLC
Attn: J. C. Boyd, Attorney-In-Fact
5060 California Avenue
Bakersfield, California 93309

AREA, TYPE LAND AND LOCATION:

Twenty-seven (27) State oil and gas leases and one (1) drill site agreement, Huntington Beach Field, Orange County.

LAND USE:

Oil and gas development and production.

CURRENT LEASE TERMS:

Lease Term:

20 years and so long thereafter as producing in paying quantities.

Rent:

$1.00/per acres per annum.

Royalty:

Price sensitive sliding scale.

BACKGROUND:

The twenty-seven (27) State oil and gas leases and one (1) drill site agreement that Shell Onshore Ventures Inc. (Shell Onshore) is requesting to assign to CalResources LLC are all located within the Huntington Beach Offshore Field, Orange County. The leases were issued between the dates of September 26, 1938 and August 17, 1973, and have been assigned a number of times since their issuance.

Shell Onshore has requested Commission approval of the assignment of these leases to CalResources LLC, an affiliate of Shell Oil Company. CalResources LLC was formed in order to provide the autonomy and flexibility necessary to be competitive in the California business environment.

CalResources LLC has succeeded to substantially all of Shell's California exploration and production and associated properties. CalResources LLC is California's largest oil producer, accounting for approximately 17 percent of the State's production. The company will continue to be headquartered in Bakersfield, operating as an independent business through its own Board of Directors. CalResources LLC will remain an affiliate of Shell Oil Company.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

A. Cal. Code Regs.: Article 3.5.
B. Cal Code Regs.: Section 2163.
C. Section 4 of Lease.
D. Public Resources Code Section 6804.

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: Public Resources Code Section 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT:

A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

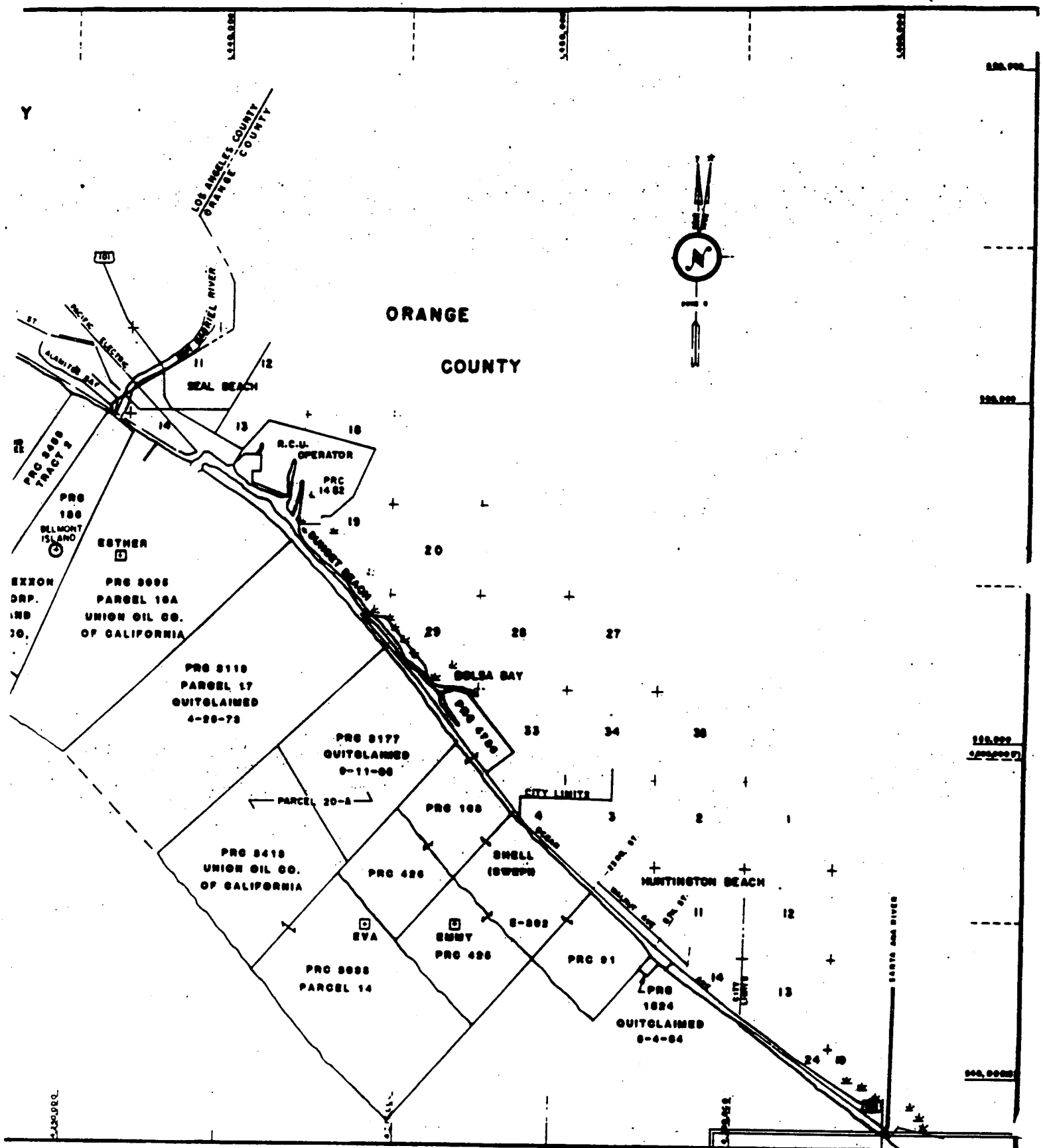
1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.

2. APPROVE THE ASSIGNMENT OF TWENTY-SEVEN (27) STATE OIL AND GAS LEASES AND ONE (1) DRILL SITE AGREEMENT AS LISTED IN THIS CALENDAR ITEM FROM SHELL ONSHORE VENTURES INC., TO CALRESOURCES LLC, IN THE HUNTINGTON BEACH FIELD, ORANGE COUNTY.

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

4. THESE ASSIGNMENTS WILL BE EFFECTIVE ON NOVEMBER 1, 1995.

EXHIBIT "A"
LOCATION MAP



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