

MINUTE ITEM
This Calendar Item No. C55
was approved as Minute Item
No. 55 by the State Lands
Commission by a vote of 3
to 0 at its 10/28/96
meeting.

CALENDAR ITEM
C55

A 35

S 18

10/28/96
PRC7911 W 40741
PRC 3150
PRC 4000
A. Willard

**AUTHORIZE ASSIGNMENT OF 100 PERCENT INTEREST
IN OIL AND GAS LEASE NO. PRC 4000
AND A PORTION OF OIL AND GAS LEASE NO. PRC 3150,
CARPINTERIA OFFSHORE OIL FIELD,
SANTA BARBARA COUNTY**

ASSIGNORS:

Atlantic Richfield Company
515 S. Flower Street, Room 4127
Los Angeles, California 90071

Chevron U.S.A. Inc.
Attn: Mr. Lee Bafalon
Post Office Box 6917
Ventura, California 93006

ASSIGNEE:

Carone Petroleum Corporation
c/o Pacific Operators Offshore
205 E Carrillo Street, Suite 200
Santa Barbara, California 93101

AREA, TYPE AND LOCATION:

Oil and Gas Lease Nos. PRC 3150 and PRC 4000 are located offshore and south of the City of Carpinteria, Santa Barbara County. All of Lease No. PRC 4000 and the southern portion of Lease No. 3150 will be assigned to Carone Petroleum Corporation. The remaining unassigned northern portion of Lease No. PRC 3150 will be retained by the lessees, Atlantic Richfield Company and Chevron U.S.A. Inc.

AUTHORIZED USE:

All of the assigned portions of the leased lands will be restricted to subsurface

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use only with no right of surface occupancy to a depth of 500 feet below the ocean floor.

PROPOSED ASSIGNMENT:

These assignments will take effect on the first day of the month following the Commission's approval.

STATUTORY AND OTHER REFERENCES:

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

EXHIBITS:

- A. Land Description for Assigned Portion of Lease No. PRC 3150
- 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 THE PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE AN ASSIGNMENT OF 100 PERCENT OF ATLANTIC RICHFIELD COMPANY AND CHEVRON U.S.A. INC. INTEREST IN OIL AND GAS LEASE

CALENDAR ITEM NO. C55 (CONT'D)

NO. PRC 4000 AND A PORTION OF OIL AND GAS LEASE NO. PRC 3150 (DESCRIBED IN THE ATTACHED EXHIBIT "A") TO CARONE PETROLEUM CORPORATION, CARPINTERIA OFFSHORE OIL FIELD, SANTA BARBARA COUNTY, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- A. THE ASSIGNED LEASE NO. PRC 4000 AND PORTION OF LEASE NO. PRC 3150 WILL BE RESTRICTED TO SUBSURFACE USE ONLY WITH NO RIGHT OF SURFACE OCCUPANCY TO A DEPTH OF 500 FEET BELOW THE OCEAN FLOOR.
- B. EXCEPT AS HEREIN PROVIDED, ALL OF THE PROVISIONS OF LEASE NO. PRC 3150 WILL APPLY SEPARATELY TO THE ASSIGNED AND RETAINED PORTION OF THE LEASE.
- C. THE RENTAL WILL BE APPORTIONED BETWEEN THE ASSIGNED AND RETAINED LANDS OF LEASE NO. PRC 3150 IN PROPORTION TO THE RESPECTIVE ACREAGE OF THE TWO PARCELS.
- D. THE ASSIGNOR WILL MAINTAIN A BOND OR OTHER ACCEPTABLE SECURITY IN THE AMOUNT OF \$50,000 TO COVER THE UNASSIGNED PORTION OF LEASE NO. PRC 3150 AS PROVIDED IN SECTION 14 OF THE LEASE.
- E. THE ASSIGNEE WILL PROVIDE AND MAINTAIN A BOND OR OTHER ACCEPTABLE SECURITY IN THE AMOUNT OF \$50,000 TO COVER THE ASSIGNED PORTION OF LEASE NO. PRC 3150 AS PROVIDED IN SECTION 14 OF LEASE NO. PRC. 3150. IN ADDITION, THE ASSIGNEE WILL PROVIDE AND MAINTAIN A BOND OR OTHER ACCEPTABLE SECURITY IN THE AMOUNT OF \$50,000 TO COVER LEASE NO. PRC 4000 AS PROVIDED IN SECTION 14 OF LEASE NO. PRC 4000. HOWEVER, THE BOND OR OTHER ACCEPTABLE SECURITY MAY BE IN THE FORM OF A BLANKET BOND IN THE AMOUNT OF \$100,000 TO COVER BOTH LEASE NO. PRC 4000 AND THE ASSIGNED PORTION OF LEASE NO. PRC 3150.

EXHIBIT "A"

LAND DESCRIPTION

W 40741

PRC 3150

A 1,541 ACRE, MORE OR LESS, PARCEL OF SUBMERGED LAND IN THE SANTA BARBARA CHANNEL SITUATE NEAR THE TOWN OF CARPINTERIA, SANTA BARBARA COUNTY; BEING ADJACENT TO, AND EASTERLY OF, STATE OIL AND GAS LEASE P.R.C. 1824.1; SAID PARCEL BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY BOUNDARY LINE OF THE AFOREMENTIONED STATE OIL AND GAS LEASE P.R.C. 1824.1 AND THE MEAN HIGH TIDE LINE; THENCE FROM SAID POINT OF BEGINNING ALONG THE EASTERLY BOUNDARY LINE OF P.R.C. 1824.1 AND ITS SOUTHERLY PROLONGATION S. 0° 54' 54" W. 22,536 FEET MORE OR LESS TO A POINT WHICH IS AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE NEAREST POINT ON THE MEAN HIGH TIDE LINE; THENCE SOUTHEASTERLY ALONG A LINE EVERY POINT OF WHICH IS AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE NEAREST POINT ON THE MEAN HIGH TIDE LINE TO AN INTERSECTION WITH A LINE BEARING S. 0° 51' 18" W., WHICH LINE PASSES THROUGH A POINT HAVING CALIFORNIA ZONE 5 COORDINATES OF X = 1,543,160 Y = 306,620; THENCE ALONG SAID LINE N. 0° 51' 18" E. TO AN INTERSECTION WITH THE MEAN HIGH TIDE LINE; THENCE NORTHWESTERLY ALONG THE MEAN HIGH TIDE LINE TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 5,553 ACRES MORE OR LESS.

EXCEPTING THEREFROM ALL THAT PORTION OF THE ABOVE DESCRIBED PARCEL LYING NORTHERLY OF A LINE WITH CALIFORNIA ZONE 5 COORDINATE Y = 315,000.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASE ON NAD1927 CALIFORNIA COORDINATE SYSTEM ZONE 5.

SUBJECT TO A 49-YEAR PIPELINE EASEMENT 100 FEET WIDE ISSUED TO STANDARD OIL COMPANY OF CALIFORNIA AND HUMBLE OIL & REFINING COMPANY ON JULY 30, 1959 UNDER P.R.C. 2448.1.

SUBJECT TO THE PROVISIONS OF CHAPTER 846, CALIFORNIA STATUTES OF 1931, AN ACT GRANTING CERTAIN TIDELANDS AND SUBMERGED LANDS OF THE STATE OF CALIFORNIA TO THE COUNTY OF SANTA BARBARA IN SAID STATE UPON CERTAIN TRUSTS AND CONDITIONS.

END OF DESCRIPTION

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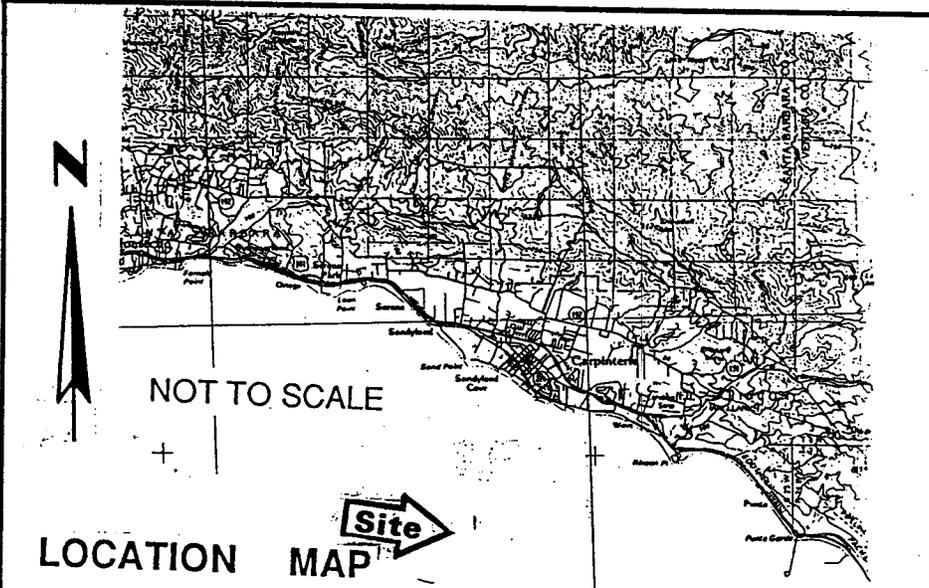
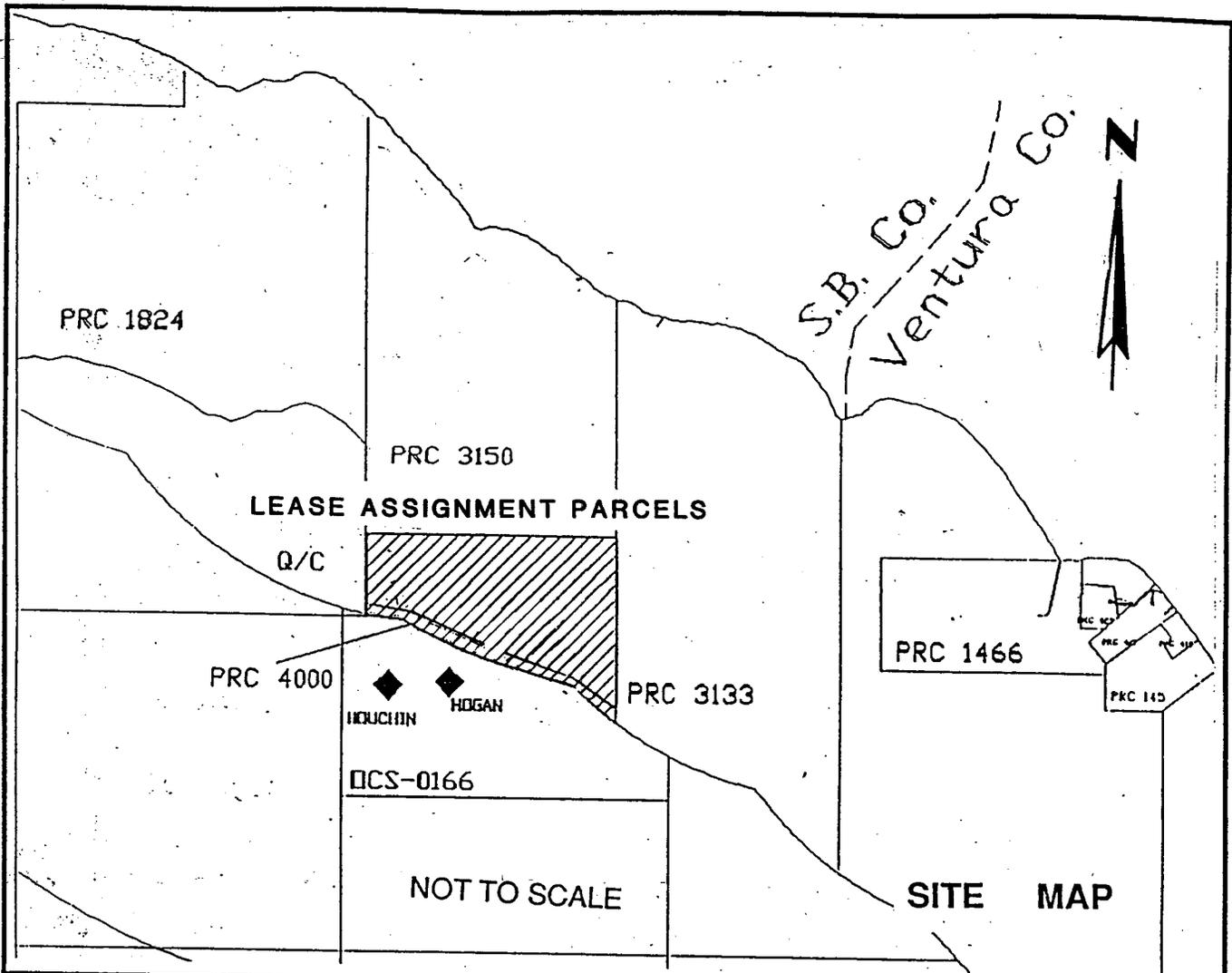


EXHIBIT "B"
W 40741
Oil & Gas Lease
Assignment
Offshore Carpinteria
SANTA BARBARA COUNTY



This Exhibit 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.

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