

MINUTE ITEM

This Calendar Item No. C42 was approved as
Minute Item No. 42 by the California State Lands
Commission by a vote of 3 to 0 at its
1-29-99 meeting.

CALENDAR ITEM

C42

A 4, 10, 11

S 2, 5, 7

01/29/99
PRC 3896.1
A. Nitsche

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN OIL AND GAS LEASE NO. PRC 3896.1,
SOLANO AND CONTRA COSTA COUNTIES**

ASSIGNOR:

Chevron U.S.A., Inc.
Attn: Mr. V. L. Byers, III
P. O. Box 1392
Bakersfield, California 93302

ASSIGNEE:

Venoco, Inc. (formerly Venoco, LLC)
Attn.: Mr. Timothy Marquez
217 State Street, Suite 300
Santa Barbara, California 93101

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 3896.1 contains 1,448 acres of tide and submerged
lands near Ryer Island in Suisun Bay, Contra Costa and Solano Counties.

BACKGROUND:

Oil and Gas Lease No. PRC 3896.1 was awarded by competitive bid to Standard
Company of California (now Chevron U.S.A., Inc.) on January 26, 1968.
Chevron is the operator for the lease. Chevron is now requesting that the
California State Lands Commission approve assignment of 100 percent interest
in this lease to Venoco, Inc. Oil and Gas Lease Nos. PRC 3896.1 and PRC
3743.1 are unitized. Originally, there was production from Platform "A", Platform
"B", and the Upland Drill site. Platform "A" and Platform "B" were abandoned in
1992. The Upland Drill Site has three wells, one is shut-in, one is dually
completed making 1,202 mcf/day and the other is making 28 mcf/day for a total
of 1,230 mcf/day.

STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the Lease.
- B. Public Resources Code section: 6804

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CALENDAR ITEM NO. C42 (CONT'D)

OTHER PERTINENT INFORMATION

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

2. Assignment forms and prerequisite filing fees have been paid by Venoco, Inc.

EXHIBITS:

- A. Ryer Island Unit Agreement.
- B. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

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

AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN OIL AND GAS LEASE NO. PRC 3896.1 FROM CHEVRON U.S.A., INC., TO VENOCO, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO EFFECT THIS ASSIGNMENT.

EXHIBIT "A"

STATE LANDS COMMISSION

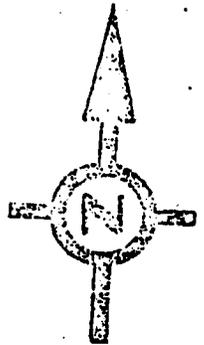
Ryer Island Unit Agreement
PRC 3743.1 and PRC 3896.1

Solano and Contra Costa Counties

Scale: 1" = 1000'

RYER
ISLAND

RYER ISLAND
UNIT
BOUNDARY



Platform
"A"

TRACT
1

Upland Drill
Site

TRACT 2

GILLESPIE PT.

P. R. C.

3 7 4 3

Platform
"B"

TRACT 4

State Land Within Unit

TRACT 3

PRC 3895

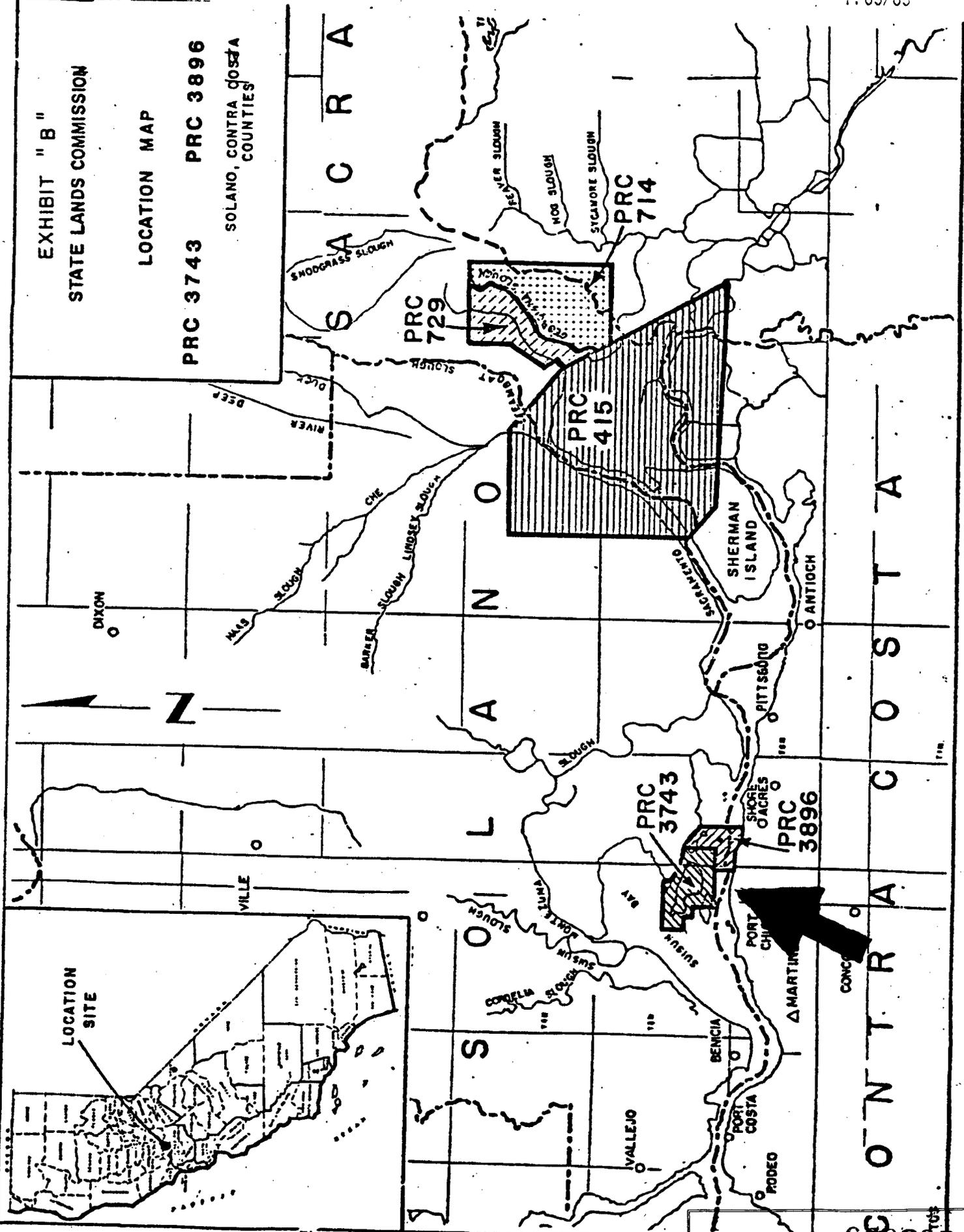
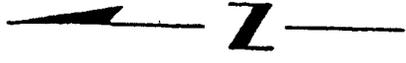
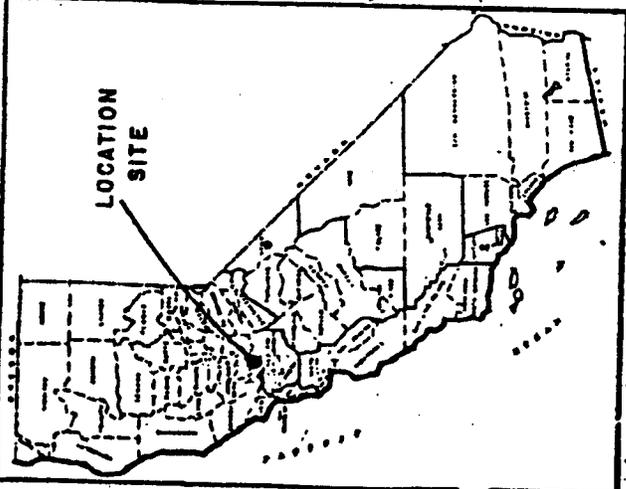
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EXHIBIT " B "
STATE LANDS COMMISSION

LOCATION MAP

PRC 3743 PRC 3896
PRC 3743 PRC 3896
SOLANO, CONTRA COSTA
COUNTIES



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