MINUTE ITEM
This Calendar Item No. 82
was approved as Minute Item
No. 82 by the State Lands
Commission by a vote of 3
to Ø at its 9/3/99
meeting.

CALENDAR ITEM
82

A 35

09/03/99
PRC 2725.1
PRC 2726.1
A. Nitsche
M. Voskanian

S 18

CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF OIL AND GAS LEASE NOS. PRC 2725.1 AND PRC 2726.1 (4,250 ACRES EACH, LOCATED OFFSHORE GAVIOTA AND POINT CONCEPTION), SANTA BARBARA COUNTY

LESSEE:

Texaco Exploration and Production, Inc.
Attn.: John C. Gilbert
P. O. Box 5197
Bakersfield, CA 93308

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease Nos. PRC 2725.1 and PRC 2726.1 (lease) each contain 4,250 acres of tide and submerged lands located offshore Gaviota and Point Conception, Santa Barbara County, California.

BACKGROUND:

Oil and Gas Lease No. PRC 2725.1 was issued to Texaco Exploration & Production, Inc. (Texaco) on May 4, 1961. Platform Herman was installed on Lease PRC 2725 in 1964 as a satellite production platform serving as a separation and testing facility for 20 subsea wells which were drilled and completed on the lease. The 20 subsea wells were abandoned from 1982 to 1983 and Platform Herman was removed in July 1988. Oil and Gas Lease PRC 2726.1 was issued to Atlantic Richfield Company (25 percent), Mobil Oil Corporation (25 percent), Getty Oil Company (25 percent) and Marathon Oil Company (25 percent) on May 4, 1961. PRC 2726.1 had four exploratory wells drilled into it which were abandoned without completion. Lease PRC 2726.1 was never developed. Through a series of assignments, Texaco gained a 100 percent interest in PRC 2726.1 and is the lessee of record of both leases.

Peripheral debris was removed last year by the lessee as part of the Commission's seafloor debris removal project.

Public Resources Code section 6804.1 and Lease paragraph 5 permit the lessee to make a written quitclaim at any time of all rights under the lease or of any portion of the leased lands. The quitclaim will be effective when it is filed with the State subject to acceptance by the Commission.

On April 22, 1999, the Commission's Long Beach office staff received the documents "(Full) Quitclaim Deed for State Oil and Gas Lease." The documents are dated April 20, 1999, for Lease No. PRC 2725.1, and April 21, 1999, for Lease No. PRC 2726.1, and quitclaims back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit A of Oil and Gas Lease No. PRC 2725.1, and Exhibit A of Oil and Gas lease No. PRC 2726.1. Both leases are dated May 4, 1961.

A review of the Commission's files reveals that no default exists on the Lease, that the lessee has complied with all applicable laws and Lease provisions and has paid all rentals.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code section 6804.1 and Lease Paragraph 5.

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.

EXHIBIT:

A. Land Descriptions PRC 2725.1 and PRC 2726.1

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:

1. ACCEPT FROM TEXACO EXPLORATION AND PRODUCTION, INC. (LESSEE), THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE NO. PRC 2725.1 DATED APRIL 20, 1999, AND OIL AND GAS LEASE NO. PRC 2726.1 DATED APRIL 21, 1999, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT A OF OIL AND GAS LEASE NO. PRC 2725.1, AND EXHIBIT A OF OIL AND GAS LEASE NO. PRC 2726.1, BOTH DATED MAY 4, 1961.

2. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO AFFECT THE COMMISSION'S ACTION.

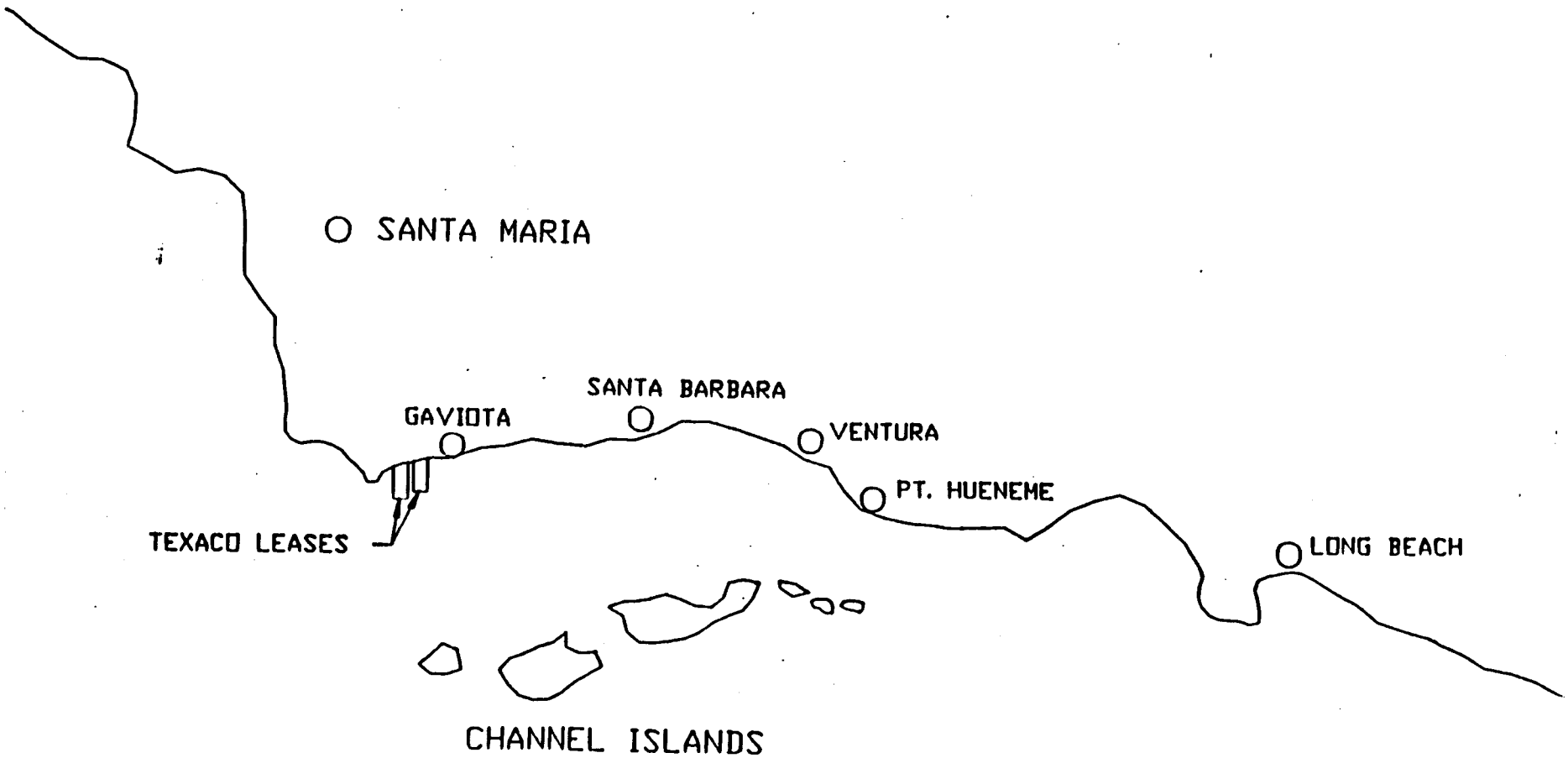
EXHIBIT A

GEOGRAPHIC LOCATION MAP
OFFSHORE SOUTHERN CALIFORNIA

TEXACO

PRC 2725

PRC 2726



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