MINUTE ITEM
This Calendar Item No. 83
was approved as Minute Item
No. 83 by the State Lands
Commission by a vote of 3
to Ø at its 09/03/99
meeting.

# CALENDAR ITEM
# 83

A 35

S 18

09/03/99
PRC 3499.1
A. Nitsche
M. Voskanian

## CONSIDER ACCEPTANCE OF THE RELEASE OF OIL AND GAS LEASE NO. PRC 3499.1 (1,340 ACRES OFFSHORE POINT CONCEPTION), SANTA BARBARA COUNTY

**LESSEES:**

Exxon Corporation
Attn.: Mr. John W. Hanes
P. O. Box 4778
Houston, TX 77210-4778

BP Amoco
Attn.: Mr. Gary Chipman
P. O. Box 3092
Houston, TX 77253-3092

**AREA, LAND TYPE, AND LOCATION:**

Oil and Gas Lease No. PRC 3499.1 contains 1,340 acres offshore Point Conception, Santa Barbara County, California.

**BACKGROUND:**

Oil and Gas Lease No. PRC 3499.1 (Lease) was issued to Phillips Petroleum Company and Pan Petroleum Company (currently BP Amoco) on July 15, 1966. The Commission accepted Phillips Petroleum Company's assignment of its 50 percent interest in PRC 3499.1 to Exxon Corporation on September 23, 1987. BP Amoco now has a 50 percent interest, and Exxon Corporation has a 50 percent interest and is the current operator of record of PRC 3499.1. Under the terms of the Lease, the lessee is required to pay an annual rental of $1.00 per acre ($1,340 for 1,340 acres) and commence drilling operations on the leased lands within three years. In 1967, one well was drilled on the lease and abandoned. No production was established.

On July 22, 1999, the Commission's Long Beach office received a copy of the document "Release of Oil and Gas Lease" originally executed and dated December 12, 1991, which 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 3499.1 dated June 15, 1966. The original filing was not accepted because of oil field operations' debris on the Lease. The debris has been removed and Exxon has resubmitted its request.

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 (no royalty is due as the leased lands were not developed).

**STATUTORY AND OTHER REFERENCES:**

A. Public Resources Code section 6804.1 and Lease Paragraph 4.

**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.

**EXHIBITS:**

A. Land Description
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:**

1. ACCEPT FROM EXXON CORPORATION AND BP AMOCO (LESSEES), THE SUBMITTED RELEASE 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 3499.1, DATED JUNE 15, 1966, EFFECTIVE JULY 22, 1999, THE FILING DATE OF THE RELEASE.

2. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE ANY DOCUMENT NECESSARY TO AFFECT THE COMMISSION'S ACTION.

EXHIBIT A

# PRC 3499.1

A PARCEL OF SUBMERGED LAND IN THE SANTA BARBARA CHANNEL NEAR POINT CONCEPTION, SANTA BARBARA COUNTY, CALIFORNIA, AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH-SOUTH CALIFORNIA ZONE 5 GRID LINE HAVING AN "X" COORDINATE OF 1,279,560 WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 STATUTE MILES (SAID GRID LINE BEING THE EASTERLY BOUNDARY OF P.R.C. 2207); THENCE SOUTH ALONG SAID NORTH-SOUTH GRID LINE TO THE INTERSECTION WITH AN ENVELOPE LINE EVERY POINT WHICH IS AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE NEAREST POINT ON THE LINE OF ORDINARY LOW WATER OF THE SANTA BARBARA CHANNEL OR AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE PRESENTLY EXISTING OUTERMOST PERMANENT HARBOUR WORKS IF ANY WITHIN OR IN THE VICINITY OF THE LEASEHOLD AREA, WHICHEVER SHALL BE FURTHER SEAWARD; THENCE WESTERLY ALONG SAID ENVELOPE LINE TO THE INTERSECTION WITH A NORTH-SOUTH CALIFORNIA ZONE 5 GRID LINE HAVING AN "X" COORDINATE OF 1,255,500 (SAID GRID LINE IS THE SOUTHERLY EXTENSION OF THE WESTERLY BOUNDARY OF P.R.C. 2879); THENCE NORTH ALONG SAID GRID LINE TO THE INTERSECTION WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 NAUTICAL MILES (SAID LINE BEING THE SOUTHERLY BOUNDARY LINE OF STATE OIL AND GAS LEASE P.R.C. 2879); THENCE EASTERLY ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LEASE TO THE INTERSECTION WITH A NORTH-SOUTH CALIFORNIA ZONE 5 GRID LINE HAVING AN "X" COORDINATE OF 1,269,000; THENCE NORTH ALONG SAID NORTH-SOUTH GRID LINE TO THE INTERSECTION WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 STATUTE MILES (SAID LINE BEING THE SOUTHERLY BOUNDARY LINE OF STATE OIL AND GAS LEASE P.R.C. 2207); THENCE EASTERLY ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LEASE TO THE POINT OF BEGINNING; CONTAINING 1,340 ACRES MORE OR LESS.

FOR PURPOSES OF THIS DESCRIPTION THE TERMS "LINE OF ORDINARY LOW WATER" AND "GEOGRAPHICAL MILES" SHALL HAVE THE SAME MEANING AS SAID TERMS HAVE AS USED IN THE SUBMERGED LANDS ACT OF 1953 (67 STAT. 29), AND THE TERM "OUTERMOST PERMANENT HARBOUR WORKS" SHALL MEAN THE OUTERMOST PERMANENT HARBOUR WORKS WHICH ARE REGARDED AS FORMING A PART OF THE COAST WITHIN THE MEANING OF ARTICLE 8 ON THE CONVENTION OF THE TERRITORIAL SEA AND THE CONTIGUOUS ZONE ADOPTED APRIL 27, 1958 (U.N. DOC. A/CONF. 13/L.52).

# EXHIBIT B

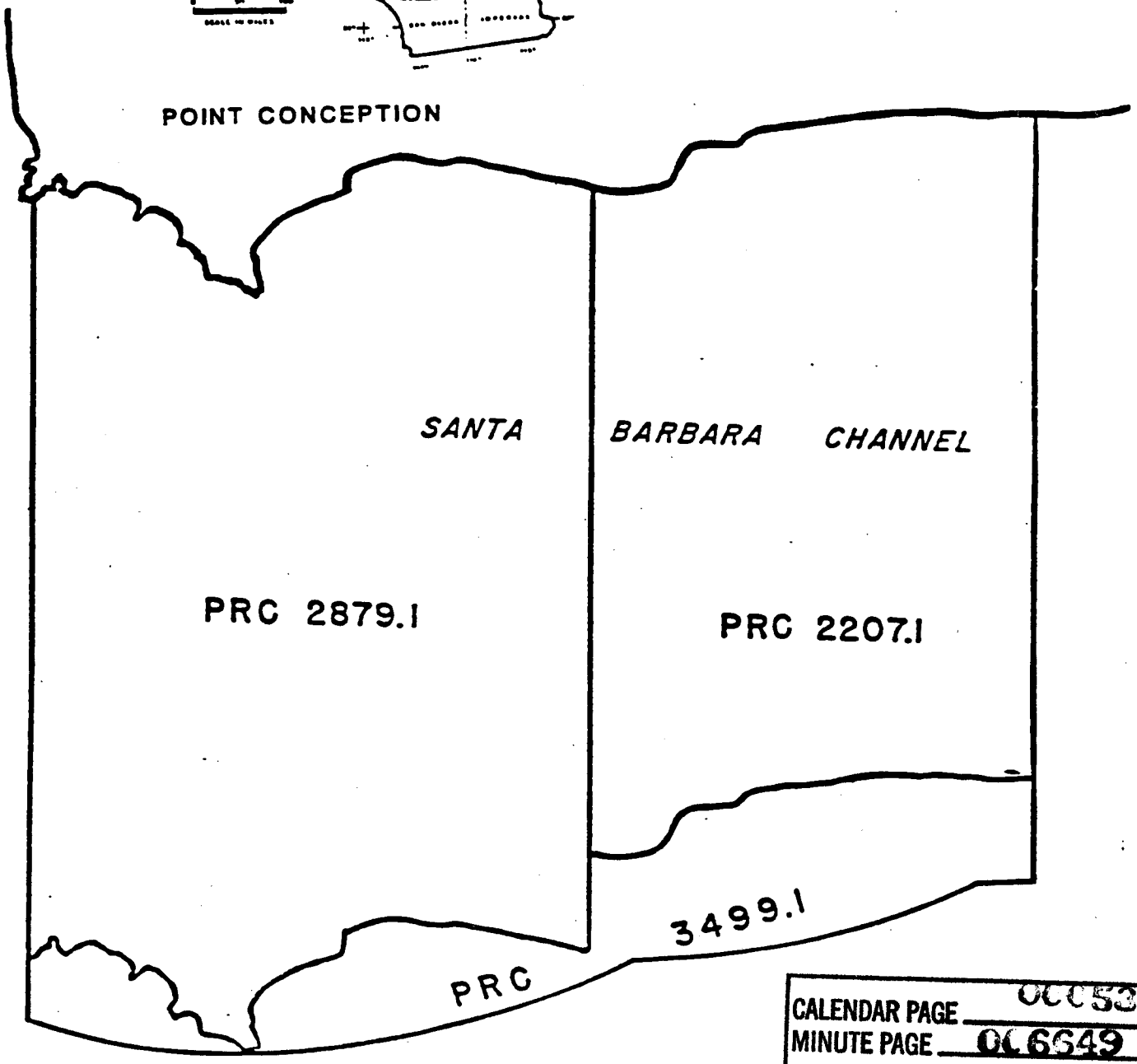
STATE LANDS COMMSSION

LOCATION MAP

STATE OIL & GAS LEASE

PRC 3499.1

SANTA BARBARA COUNTY

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