MINUTE ITEM
This Calendar Item No. C94 was approved as Minute Item No. 94 by the California State Lands Commission by a vote of 3 to 0 at its 6-27-00 meeting.

CALENDAR ITEM
C94

A 69, 70, 71

S 35

06/27/00
PRC 91.1
A. Nitsche

CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE NO. PRC 91.1, OFFSHORE HUNTINGTON BEACH, MAIN ZONE UNIT, ORANGE COUNTY

ASSIGNOR:

HEP Oil Company, LTD.
Attn.: Mr. John D. Schmitz
P. O. Box 1499
Gainesville, TX 76241

ASSIGNEE:

Aera Energy, LLC
Attn.: Mr. T. E. Enders
P. O. Box 11164
Bakersfield, CA 93389-1164

AREA, LAND TYPE, AND LOCATION:

Offshore Huntington Beach, Main Zone Unit, Orange County.

BACKGROUND:

Oil and Gas Lease No. PRC 91.1, Main Zone Unit, was issued to H. R. Hamilton on May 1, 1943. Through a series of assignments, the present majority lessee is Aera Energy, LLC (Aera Energy), with eight other minority working interest owners. Aera Enegy is the operator for the lease. Aera Energy is now requesting that the California State Lands Commission approve assignment of 100 percent of HEP Oil Company's partial interest (0.3215%) in this lease to Aera Energy.

STATUTORY AND OTHER REFERENCES:

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

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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 Aera Energy, LLC.

EXHIBITS:

A. Aera Energy LLC's Letter of Request for Assignment
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 OF HEP OIL COMPANY, LTD'S INTEREST IN OIL AND GAS LEASE NO. PRC 91.1 FROM TO AERA ENERGY, LLC, 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.

AERA

May 16, 2000

EXHIBIT A

Mr. Paul B. Mount II, P.E.
Chief, Mineral Resources Management Division
State Lands Commission
200 Oceangate, 12th Floor
Long Beach, CA 90802-4331

Dear Mr. Mount:

Subject: OS-07007.1 (PRC 91.1)
Huntington Beach Field
Orange County, CA
Request For Minority Interest
Assignment Approval

Aera Energy LLC (Aera) and HEP Oil Company, LTD. (HEP), hereby request State Lands Commission approval to assign HEP's minority interest to Aera in Lease PRC 91 which was issued May 21, 1943.

HEP is a minority interest holder of 0.3215 % per cent in the PRC 91 Lease. Aera is the Operator.

Enclosed is a fully executed copy of the State Oil and Gas Lease Assignment Form.

If you have any questions regarding the request for approval of assignment, please call me at (661) 665-5350.

Very truly yours,

Randy Ponder
Business Affairs Representative

Enclosure

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Aera Energy LLC • 10000 Ming Avenue • P.O. Box 11164 • Bakersfield, CA 93389-1164 • (661) 665-5000 • Fax (661) 665-5065

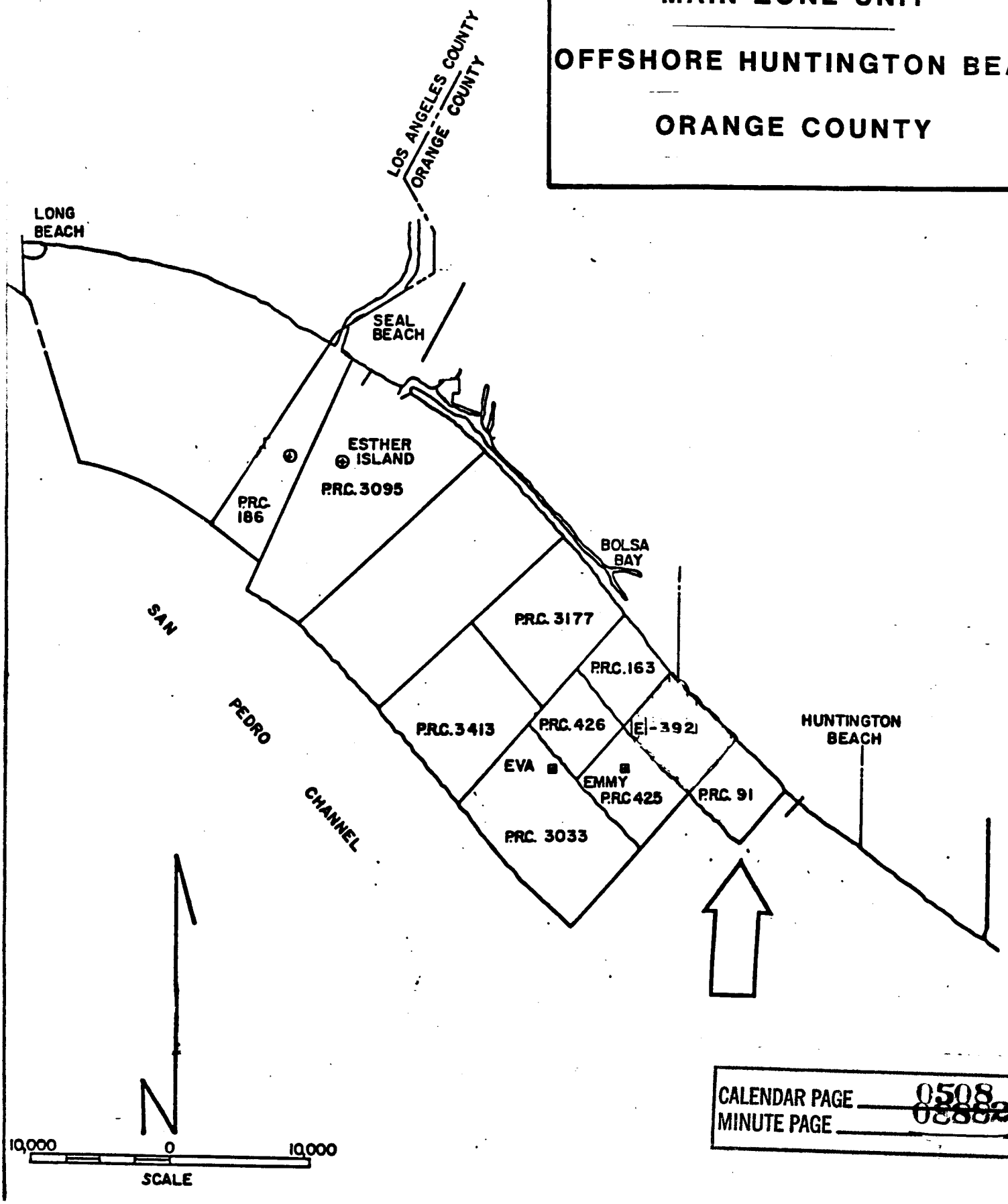
EXHIBIT B

PRC 91.1

MAIN ZONE UNIT

OFFSHORE HUNTINGTON BEACH

ORANGE COUNTY



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