

MINUTE ITEM

12. QUITCLAIM OF UNDEVELOPED AREA, OIL AND GAS LEASE P.R.C. 735.1, STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., MONTALVO FIELD, VENTURA COUNTY - W.O. 3149.

After consideration of Calendar Item 29 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH THE TERMS OF SECTION 5 OF LEASE P.R.C. 735.1, THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TERMINATION OF THE LEASE EFFECTIVE JANUARY 27, 1959, EXCEPT FOR THAT PORTION DESCRIBED IN EXHIBIT "A" ATTACHED. FOR THE RETAINED AREA OF LEASE P.R.C. 735.1, ALL TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Calendar Item 29 (4 pages)

CALENDAR ITEM

29.

QUITCLAIM OF UNDEVELOPED AREA, OIL AND GAS LEASE P.R.C. 735.1, STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC., MONTALVO FIELD, VENTURA COUNTY - W.O. 3149.

Oil and Gas Lease P.R.C. 735.1 was issued June 30, 1952, pursuant to competitive public bidding, to the Standard Oil Company of California, covering an area of approximately 960 acres of tide and submerged lands in Ventura County.

Since January 1, 1953, when drilling operations were commenced, thirteen wells have been drilled into the leased lands from upland drillsites. Two of the wells drilled were unproductive and have been abandoned. All wells were drilled to a depth greater than 6,000 feet.

On February 11, 1958 (Minute Item 8, page 3811), the Commission granted a deferment of drilling requirements under the lease until February 10, 1959. The grant of deferment was subject to the express condition that during the period of deferment the lessee would perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the undeveloped lease area;
3. Present new adequate bases for any further consideration of the deferment of drilling requirements under the lease.

The Standard Oil Company of California, as provided in Paragraph 5 of the lease, has submitted a quitclaim deed dated January 27, 1959, covering approximately 740 acres of the leased area, and propose to retain the area as described in Exhibit "A". The retained area of approximately 220 acres includes eleven wells producing from a greater depth than 6,000 feet. These conditions fulfill the drilling requirements of the lease, which states that at least one well for the production of oil shall be drilled for each twenty acres of area contained in the demised premises where the bottom of the productive interval of the well as completed for production is at a vertical depth in excess of 6,000 feet below mean sea level.

Section 5 of the lease provides in part that "This Lease may be surrendered and terminated, or any portion of the demised premises may be surrendered, as to any or all separate and distinct oil zones upon the payment of all royalties and other obligations due and payable to the State, but in no event shall termination be effective until the Lessee has complied with all of the then existing laws and rules and regulations relative to the abandonment of oil and gas wells." These conditions have been complied with by the lessee.

IT IS RECOMMENDED THAT, IN ACCORDANCE WITH THE TERMS OF SECTION 5 OF LEASE P.R.C. 735.1, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A

CALENDAR ITEM 29. (CONTD)

QUITCLAIM AND TERMINATION OF THE LEASE EFFECTIVE JANUARY 27, 1959, EXCEPT FOR THAT PORTION DESCRIBED IN EXHIBIT "A" ATTACHED. FOR THE RETAINED AREA OF LEASE P.R.C. 735.1, ALL TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment
Exhibit "A"

EXHIBIT "A"

Beginning at Rancho Corner Number Forty (40) situate in the northerly line of the Rancho El Rio de Santa Clara o' La Colonia, as per partition map filed in the office of the County Clerk of the County of Ventura in that certain action entitled "Thomas A. Scott, et al., Pliffs., vs. Rafael Gonzales, et al., Defts.," said Rancho Corner Number Forty having grid coordinates: X = 1,624,634.80 feet, Y = 270,466.00 feet, Zone 5, California State coordinate system; thence South (all bearings stated herein are based on grid meridians of said Zone 5 of said coordinate system) 4458.61 feet along that grid meridian line intersecting said Rancho Corner Number Forty to the true point of beginning; said true point of beginning having grid coordinates: X = 1,624,634.80 feet, Y = 266,007.40 feet, said Zone 5, thence from said true point of beginning,

- 1st: South 73° 00' 20" West 5455.36 feet, more or less, to a point on the ordinary high water mark, as per State of California, State Lands Commission Survey of the ordinary high water mark on the shore of the Pacific Ocean, prepared under W.O. 1615 and recorded in Book 18 of the Records of Surveys, Ventura County, California, at Page 23, et seq., said point having grid coordinates: X = 1,619,417.66 feet, Y = 264,412.90 feet, said Zone 5; thence,
- 2nd: South 73° 00' 20" West 4231.27 feet to a point having grid coordinates: X = 1,615,371.15 feet, Y = 263,176.19 feet, said Zone 5; thence,
- 3rd: South 20° 03' 20" East 550.96 feet to a point having grid coordinates: X = 1,615,560.09 feet, Y = 262,658.64 feet, said Zone 5; thence,
- 4th: North 73° 00' 20" East 1280.38 feet to a point having grid coordinates: X = 1,616,784.56 feet, Y = 263,032.87 feet, said Zone 5; thence,
- 5th: South 20° 03' 20" East 1732.99 feet to a point having grid coordinates: X = 1,617,378.86 feet, Y = 261,404.97 feet, said Zone 5; thence,
- 6th: North 73° 00' 20" East 992.87 feet to a point having grid coordinates: X = 1,618,328.37 feet, Y = 261,695.16 feet, said Zone 5; thence,
- 7th: South 20° 03' 20" East 1101.90 feet to a point having grid coordinates: X = 1,618,706.24 feet, Y = 260,660.08 feet, said Zone 5; thence,
- 8th: North 73° 00' 20" East 1958.02 feet, more or less, to a point on the ordinary high water mark, as per said Survey recorded in Book 18, of the Records of Surveys, Ventura County, California, at Page 23, et seq., said point having grid coordinates: X = 1,620,578.76 feet, Y = 261,232.37 feet, said Zone 5; thence,

9th: North $73^{\circ} 00' 20''$ East 4241.24 feet to a point having grid coordinates: X = 1,524,634.80 feet, Y = 262,471.99 feet, said Zone 5; thence,

10th: North 3535.40 feet, more or less, along that grid meridian line intersecting said Rancho Corner Number Forty, to the true point of beginning.

That portion of the parcel above described which is situate southwesterly of that portion of said ordinary high water mark, as per said Survey, which traverses said parcel, contains approximately two hundred twenty (220) acres.