

MINUTE ITEM

8. QUITCLAIM OF OIL AND GAS LEASE ISSUED IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 430.1, RINCON OIL FIELD, VENTURA COUNTY; BERTHA T. NEEDHAM - W.O. 5046.

After consideration of Calendar Item 21 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE ISSUED IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 430.1, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE, AS REQUESTED BY THE LESSEE, BERTHA T. NEEDHAM, AND THE OPERATOR, SOCONY MOBIL OIL COMPANY, INC.

Attachment  
Calendar Item 21 (1 page)

CALENDAR ITEM

21.

QUITCLAIM OF OIL AND GAS LEASE ISSUED IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 430.1, RINCON OIL FIELD, VENTURA COUNTY; BERTHA T. NEEDHAM - W.O. 5046.

State Oil and Gas Lease No. 55 (Ch. 303, Stats. of 1921), covering approximately 64.15 acres of tide and submerged lands, was issued to Neil C. Needham on May 15, 1931, for a period of 20 years, with the preferential right in the lessee to renew the lease for successive periods of 10 years each upon such reasonable terms and conditions as might be prescribed by the State. The lease has been operated by Socony Mobil Oil Company, Inc., under an agreement with the lessee.

On March 26, 1942, the State Lands Commission approved the acceptance of a quitclaim deed to 54.15 acres in said lease, leaving a remainder of 10 acres in the leased area.

On May 15, 1951, pursuant to Division 6 of the Public Resources Code and the provisions of Ch. 303, Stats. of 1921, Oil and Gas Lease No. 55 was renewed as Oil and Gas Lease Extension and Renewal P.R.C. 430.1 for a period of 10 years.

An oil and gas lease was issued in exchange for Oil and Gas Lease Extension and Renewal P.R.C. 430.1 on May 15, 1959, to Neil C. Needham. In accordance with the provisions of Section 6827 of the Public Resources Code, said lease was issued for a period of 5 years and for so long thereafter as oil or gas is produced in paying quantities, or lessee shall conduct producing, drilling, deepening, repairing, re-drilling or other necessary lease or well-maintenance operations on the leased land.

Paragraph 27 of the lease provides that the lease may be terminated upon the mutual consent in writing of the parties thereto. Three wells have been drilled on the leased area; one was completed as a producing well; the others were abandoned. Production has declined, and the lessee and the operator have determined that it is no longer economical to operate the lease; consequently, on May 21, 1963, the only producing well on the lease was plugged and abandoned. All rent and royalty have been paid, and the lessee has fully complied with the terms and conditions of the lease. Authorization for continued maintenance of an existing pier extending across the proposed quit-claimed lease area, necessary for operations on an adjoining lease, was granted to Socony Mobil Oil Company by the Commission on April 29, 1964.

The lessee has submitted a quitclaim dated June 1, 1964, to surrender and terminate the lease pursuant to the provisions of Paragraph 27 thereof.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE OIL AND GAS LEASE ISSUED IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 430.1, IN ACCORDANCE WITH PARAGRAPH 27 OF THE LEASE, AS REQUESTED BY THE LESSEE, BERTHA T. NEEDHAM, AND THE OPERATOR, SOCONY MOBIL OIL COMPANY, INC.