

MINUTE ITEM

20. QUITCLAIM OF OIL AND GAS LEASE P.R.C. 995.1, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY; SUNSET INTERNATIONAL PETROLEUM CORPORATION - W.O. 5464.

The Chairman requested the staff, in conjunction with the Office of the Attorney General, to look into what could be done in the way of amendment of present leases to ensure that, in the instance of slant drilling into submerged land from onshore private land sites, clearance of surface drilling structures upon well abandonment would be a legal obligation of the lessee.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM DEED AND TO TERMINATE OIL AND GAS LEASE P.R.C. 995.1, IN ACCORDANCE WITH PARAGRAPHS 5 AND 27, AS REQUESTED BY THE LESSEE, SUNSET INTERNATIONAL PETROLEUM CORPORATION, THE DATE OF ACCEPTANCE OF THE QUITCLAIM DEED TO BE JANUARY 28, 1965.

Attachment
Calendar Item 15 (1 page)

CALENDAR ITEM

15.

QUITCLAIM OF OIL AND GAS LEASE P.R.C. 995.1, HUNTINGTON BEACH OIL FIELD, ORANGE COUNTY; SUNSET INTERNATIONAL PETROLEUM CORPORATION - W.O. 5464.

Agreement for Easement No. 309, covering well Golden Eagle No. 3 drilled under the tide and submerged lands of the Huntington Beach Oil Field, was issued on March 1, 1934, for a period of twenty years, with a preferential right to renew the agreement for successive terms of ten years each upon such reasonable terms and conditions as might be prescribed by the State. On March 1, 1954, the lessee was granted Oil and Gas Lease Extension and Renewal P.R.C. 995.1, covering the course of well Golden Eagle No. 3, for a period of ten years and for so long thereafter as oil or gas is produced in paying quantities. The current lessee is Sunset International Petroleum Corporation.

Section 27 of the lease provides that the lease may be terminated upon the mutual consent in writing of the parties thereto. The lessee has concluded that it is no longer economic to operate the lease and, consequently, has abandoned the only well on the lease in compliance with all of the existing laws and rules and regulations relative to abandonment of oil and gas wells. All rent and royalty have been paid, and the lessee has fully performed and complied with all the terms of the lease. Pursuant to Paragraphs 5 and 27 of the lease, the lessee has submitted a lease quitclaim deed dated December 8, 1964.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM DEED AND TO TERMINATE OIL AND GAS LEASE P.R.C. 995.1, IN ACCORDANCE WITH PARAGRAPHS 5 AND 27, AS REQUESTED BY THE LESSEE, SUNSET INTERNATIONAL PETROLEUM CORPORATION, THE DATE OF ACCEPTANCE OF THE QUITCLAIM DEED TO BE JANUARY 28, 1965.