

MINUTE ITEM

11/17/66

16. QUITCLAIM, OIL AND GAS LEASE P.R.C. 2198.1, SANTA BARBARA COUNTY;
STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY - W.O. 6286.

After consideration of Calendar Item 4 attached, and upon motion duly made
and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT THE QUITCLAIM OF STATE OIL AND
GAS LEASE P.R.C. 2198.1 BY STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL
COMPANY, EFFECTIVE AS OF THE DATE OF FILING, SEPTEMBER 12, 1966.

Attachment

Calendar Item 4 (1 page)

4.

QUITCLAIM, OIL AND GAS LEASE P.R.C. 2198.1, SANTA BARBARA COUNTY; STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY - W.O. 6286.

State Oil and Gas Lease P.R.C. 2198.1, containing approximately 3,840 acres of offshore tide and submerged lands in Santa Barbara County, was issued on October 14, 1958, to Standard Oil Company of California and Humble Oil & Refining Company, pursuant to competitive bidding. The lease is now held by Standard Oil Company of California and Shell Oil Company, with Standard being designated as operator.

A total of four wells have been drilled on the lease. All four wells tested dry and were abandoned. According to Standard, more than \$1,500,000 was expended in drilling costs of this lease.

Drilling operations were last conducted on February 9, 1961, and the Commission has granted the lessees a total of 10 deferments of drilling requirements commencing on October 14, 1961. The current deferment extends through October 13, 1966.

Section 5 of State Oil and Gas Lease P.R.C. 2198.1 provides that the lessee may at any time file with the State a written quitclaim or relinquishment of all rights thereunder, and that such quitclaim or relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and of his surety to make payments of all rental and royalties theretofore accrued, and to place all wells on the land in condition for suspension or abandonment in accordance with the terms and conditions of the lease and the rules and regulations of the State Lands Commission.

A form for the quitclaim of State Oil and Gas Lease P.R.C. 2198 by Standard Oil Company of California and Shell Oil Company has been submitted by the lessee.

The four wells have been properly abandoned, the rent has been paid through October 13, 1966, and the lessee has fulfilled all obligation of the lease.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT THE QUITCLAIM OF STATE OIL GAS LEASE P.R.C. 2198.1 BY STANDARD OIL COMPANY OF CALIFORNIA AND SHELL OIL COMPANY, EFFECTIVE AS OF THE DATE OF FILING, SEPTEMBER 12, 1966.