

MINUTE ITEM

This Calendar Item No. 1
was approved as Minute Item
No. 1 by the State Lands
Commission by a vote of 2
to 0 at its 10/29/84
meeting.

CALENDAR ITEM

A 35
S 18

01

10/29/84
PRC 2933
Livenick

APPROVAL OF AMENDMENT TO
STATE OIL AND GAS LEASE PRC 2933,
SANTA BARBARA COUNTY

LESSEES:

Phillips Petroleum Company
8055 E. Tufts Avenue Parkway
Denver, Colorado 80238
Attn: Rich Hillburn

Pauley Petroleum
10,000 Santa Monica Boulevard
Los Angeles, California 90067
Attn: Jim David

Celeron Oil and Gas
111 W. Micheltorena
Santa Barbara, California 93101
Attn: Tom Ingwers

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 2933 contains
approximately 4,250 acres of tide and submerged
lands located offshore Tajiguas in Santa
Barbara County, California.

PERTINENT INFORMATION:

Resumption of drilling operations on the
subject lease was authorized by the Commission
on 1982, and since that time two wells have
been drilled and a significant new gas
discovery made. Phillips has received
permission from the County to process the gas
at the existing Tajiguas gas processing plant.

The lease currently has one producing well and
the lessees desire to have the flexibility to
shut in the well for various technical reasons,

CALENDAR ITEM NO. 01 (CONT'D)

primary of which is the necessity of renovating the current gas processing plant at Tajiguas in order to process gas produced by recently drilled wells.

In consideration for the suspended gas production, the lessee will pay monthly, \$25,000 to the State, as compensatory royalty, until (1) production is reestablished from the single well; (2) oil and/or gas is being produced from other wells on the lease; (3) the lessees exercise their rights to quitclaim the lease or (4) October 28, 1985, whichever is sooner. The payment of compensatory royalty for the suspended gas production together with compliance with all other terms and conditions of the lease, including the drilling obligations of Exhibit "A" of the lease, will maintain the lease in full force and effect. The amendment has been executed by the lessees. The amendment does not grant the lessees any rights or interests not otherwise granted by the lease.

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061) the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT: A. Site Map.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTION IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE, SECTION 15061, BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. SECTION 21065 AND 14 CAL. ADM. CODE 15378.

CALENDAR ITEM NO. 01 (CONT'D)

- 2. AUTHORIZE EXECUTION OF THE AMENDMENT TO STATE OIL AND GAS LEASE PRC 2933 WHICH IS ON FILE IN THE OFFICE OF THE COMMISSION AND MADE A PART HEREOF, TO PROVIDE FOR THE TEMPORARY SUSPENSION OF GAS PRODUCTION FROM THE LEASE, AND FOR THE PAYMENT OF COMPENSATORY ROYALTY AT THE RATE OF \$25,000 PER MONTH, UNTIL GAS PRODUCTION IS COMMENCED FROM THE EXISTING PRODUCING WELL OR OTHER WELLS DRILLED ON THE LEASE, UNTIL THE LEASE IS PROPERLY QUITCLAIMED OR UNTIL OCTOBER 28, 1985, WHICHEVER IS SOONER.

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EXHIBIT "A"

POINT
CONCEPTION

PROJECT AREA

GOLETA
POINT

CITY OF
SANTA BARBARA

SANTA BARBARA CHANNEL

SAN MIGUEL
ISLAND

SANTA CRUZ ISLAND

ANACAPA
ISLAND

SANTA ROSA
ISLAND

9 Miles

Figure 2-2. MAP OF SANTA BARBARA CHANNEL AREA

Environmental
resources
group

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