

MINUTE ITEM

This Calendar Item No. 26
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
0 at its 118192
meeting.

CALENDAR ITEM

A 35

26

01/08/92

S 18

PRC 410
PRC 429
PRC 1466
PRC 1961
PRC 5968
Willard

APPROVE THE ASSIGNMENTS OF
STATE OIL AND GAS LEASES PRC 410, PRC 429 AND PRC 1466
AND RIGHT-OF-WAY LEASES PRC 1961 AND PRC 5968
RINCON OIL FIELD, VENTURA COUNTY

ASSIGNOR:

Atlantic Richfield Company
Attn: Land Manager
P. O. Box 147
Bakersfield, California 93302

ASSIGNEE:

Berry Petroleum Company
Attn: Harvey L. Bryant
P. O. Bin X
Taft, California 93268

SUMMARY:

Atlantic Richfield Company (Atlantic) and Berry Petroleum Company are the current lessees of State oil and gas leases PRC 410, PRC 429 and PRC 1466 and right-of-way leases PRC 1961 (causeway) and PRC 5968 (pier). Both companies hold an undivided 50 percent interest in each lease. Berry Petroleum Company is the present operator of the leases. Atlantic proposes to assign all of its interest in the leases to Berry. The assignments will be conditional and will require Atlantic to remain jointly and severally liable for the abandonment and removal, if required, of the Rincon Island, the connecting causeway, and the pier. Berry currently maintains a \$4.6 million letter of credit as security for performance under the leases. This figure was based on an estimated cost for the abandonment of wells and associated facilities (it did not include removal of the island, causeway or pier).

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Assignment forms have been executed by Atlantic Richfield Company and Berry Petroleum Company and are on file in the Long Beach office of the Commission; Berry Petroleum Company is qualified to hold State leases; and filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C. 681 and P.R.C. 6804.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

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

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

EXHIBIT:

A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE PROPOSED ACTIVITY IS EXEMPT FROM THE REQUIREMENT OF CEQA, PURSUANT TO 14 CAL. CODE REGS. 15061, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE ASSIGNMENTS FROM ATLANTIC RICHFIELD COMPANY (LESSEE/ASSIGNOR) TO BERRY PETROLEUM COMPANY (ASSIGNEE) OF ALL OF ATLANTIC'S INTEREST (UNDIVIDED 50 PERCENT IN STATE OIL AND GAS LEASES PRC 410, PRC 429 AND PRC 1466 AND RIGHT-OF-WAY LEASES PRC 1961 AND PRC 5968, RINCON OIL FIELD, VENTURA COUNTY. COMMISSION APPROVAL OF THE ASSIGNMENTS IS GIVEN UPON THE CONDITIONS THAT THE ASSIGNOR WILL REMAIN JOINTLY AND SEVERALLY LIABLE FOR THE ABANDONMENT AND REMOVAL, IF NECESSARY, OF RINCON ISLAND, THE CONNECTING CAUSEWAY, AND THE PIER, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING, AND THAT THE ASSIGNEE WILL BE BOUND BY THE LEASES, INCLUDING ANY MODIFICATIONS AND COLLATERAL AGREEMENTS, TO THE SAME EXTENT AS THE ASSIGNOR, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT

TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO P.R.C. 6804
THE ASSIGNMENTS WILL TAKE EFFECT ON FEBRUARY 1, 1992.

3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT
THE COMMISSION'S ACTION.

EXHIBIT "A"
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ASSIGNMENT OF STATE OIL
AND GAS LEASES
 PRC 410.1, PRC 429.1 AND PRC 1466.1
VENTURA COUNTY

