

APPROVED BY THE BOARD OF SUPERVISORS OF SANTA BARBARA COUNTY
ON MAY 27, 1992 BY THE STATE LANDS
COMMISSION BY A VOTE OF 3
TO 0 AT ITS 5/5/92
MEETING

CALENDAR ITEM

A 36
S 31

C 27

05/05/92
PRC 2726
Tanner

APPROVE AN ASSIGNMENT OF INTERESTS IN
STATE OIL AND GAS LEASE PRC 2726,
SANTA BARBARA COUNTY

ASSIGNOR:

Marathon Oil Company
Attn: T. D. Lindsey,
Attorney-In-Fact
P. O. Box 3128
Houston, Texas 77243

Mobil Oil Corporation
Attn: M. J. Ring
C. G. Mees
Attorneys-In-Fact
12450 Greenspoint Drive
Houston, Texas 77060-1991

Atlantic Richfield Corporation
Attn: David G. Peterson,
Attorney-In-Fact
P.O. Box 147
Bakersfield, California 93302

ASSIGNEE:

Texaco Exploration and Production, Inc.
Attn: R. R. O'Dwyer,
Attorney-In-Fact
P.O. Box 2100
Denver, Colorado 80201

BACKGROUND:

State oil and gas lease PRC 2726, Santa Barbara County was issued on May 4, 1961 to Richfield Oil Corporation, the Ohio Oil Company, Socony Mobil Oil Company, and Tidewater Oil Company, as co-lessees, having submitted the highest bid in a competitively

CALENDAR ITEM NO. 27 (CONT'D)

bid oil and gas lease sale. The parcel consists of 4,250.14 acres of tide and submerged lands located in Santa Barbara County.

As a result of a series of name changes and mergers, the present lessees and their respective interests in the lease are as follows: Atlantic Richfield Company, 41.2125 percent; Mobil Oil Corporation, 41.2125 percent; Marathon Oil Company, 14.8000 percent; and Texaco Exploration and Production, Inc., 2.775 percent. This lease has never been developed, hence no wells were ever drilled.

On March 6, 1992, Texaco Exploration and Production, Inc., submitted a request for approval for assignment of the interests of ARCO, Mobil, and Marathon in State oil and gas lease PRC 2726, Santa Barbara County, to Texaco.

Lease Paragraph No. 4 provides that the lessee, with Commission approval, may assign any portion of the lease to a corporation that possesses the qualifications described within P.R.C. 6801. The lease also specifies that the assignment will take effect on the first day of the month following Commission approval.

Staff has reviewed the documents and lease files and has found that: (1) the Assignee will be a responsible and financially sound operator, (2) the Assignee is qualified under P.R.C. Section 6801 to hold the lease; (3) the lessees have complied with all lease provisions and no default exists; and (4) all filing fees, processing costs, and required documentation are on file in the Commission's office in Long Beach.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C. 6801 and P.R.C. 6804.
- B. Lease Paragraph 4.

AB 884:
N/A.

CALENDAR ITEM NO. C 27 (CONT'D)

OTHER PERTINENT INFORMATION:

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

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

EXHIBIT:

- A. Land Description.
- B. Lease Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE 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 ASSIGNMENT OF THOSE INTERESTS IN STATE OIL AND GAS LEASE PRC 2726, SANTA BARBARA COUNTY FROM MARATHON OIL COMPANY, MOBIL OIL CORPORATION, AND ATLANTIC RICHFIELD COMPANY TO TEXACO EXPLORATION AND PRODUCTION, INC. COMMISSION APPROVAL OF THIS ASSIGNMENT IS GIVEN ON THE CONDITIONS THAT THIS ASSIGNMENT SHALL NOT RELEASE THE ASSIGNORS FROM ANY OBLIGATIONS TO THE STATE UNDER THE LEASE, ANY CONDITIONS IN THE ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING AND THAT THE ASSIGNEE WILL BE BOUND BY THE LEASE, INCLUDING ANY MODIFICATIONS AND COLLATERAL AGREEMENTS, TO THE SAME EXTENT AS THE ASSIGNORS, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO PARAGRAPH 4 OF THE LEASE, THIS ASSIGNMENT WILL TAKE EFFECT ON JUNE 1, 1992.

EXHIBIT "A"

PRC 2726.1

LAND DESCRIPTION

A parcel of tide and submerged land in the Pacific Ocean, situate in the County of Santa Barbara, State of California, more directly described as follows:

That area of tide and submerged land bounded on the West by California Coordinate System, Zone 5, grid line having an X value of 1289710; bounded on the East by California Coordinate System, Zone 5, grid line having an X value of 1299860; bounded on the North (landward) by the ordinary high water mark of the Pacific Ocean; and bounded on the South (seaward) by a line parallel with the ordinary high water mark and seaward therefrom three nautical miles.

END OF DESCRIPTION

PREPARED MARCH, 1992 BY LLB

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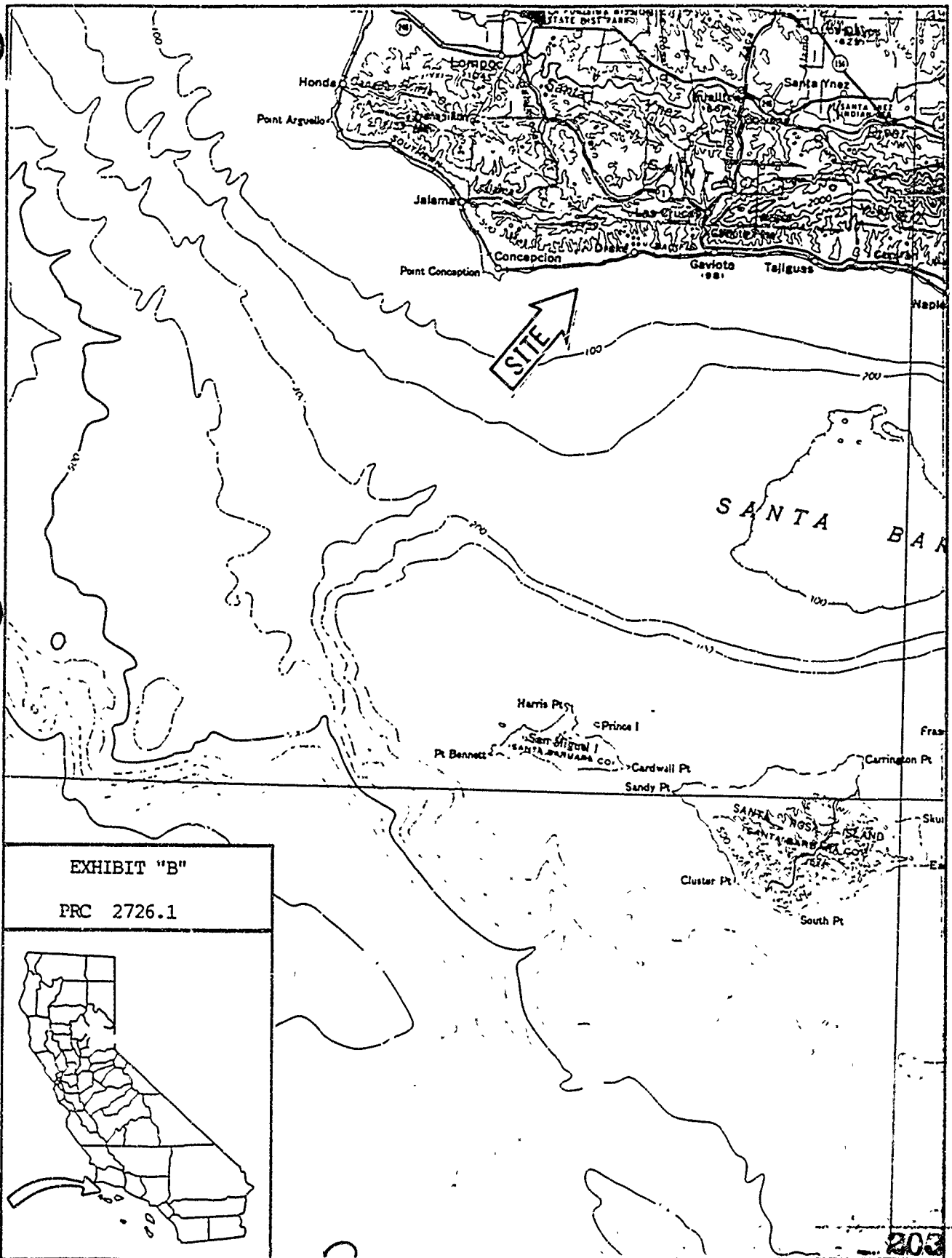


EXHIBIT "B"

PRC 2726.1



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