

MINUTE ITEM

This Calendar Item No. C51 was approved as Minute Item No. 51 by the State Lands Commission by a vote of 3 to 0 at its 7-19-93 meeting.

CALENDAR ITEM

C51

A 4, 36

S 2, 18

07/19/93  
PRC 3314  
Tanner

APPROVE A DRILLING DEFERMENT  
STATE OFFSHORE OIL AND GAS LEASE PRC 3314,  
MONTALVO OFFSHORE FIELD, VENTURA COUNTY

APPLICANT:

Berry Petroleum Company  
Attn: Ralph E. McPhetridge, Land Manager  
Post Office Bin X  
Taft, California 93268

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 3314 was issued on July 1, 1965 and contains approximately 5,430 acres of tide and submerged lands located west of Oxnard in Ventura County. Through a series of assignments, Berry Petroleum Company is the present lessee/operator.

CURRENT LEASE TERMS:

Issued: July 2, 1965

Lease period:

20 years and for so long thereafter as oil and/or gas is produced in paying quantities. The lease is currently productive.

Surety bond:

\$50,000.

Royalty:

Sliding scale: 16 2/3 percent - 50 percent based on production rate.

BACKGROUND:

State oil and gas lease PRC 3314 was issued on July 1, 1965 to Shell Oil Company (Shell Oil). Shell Oil assigned its interest in this lease to Shell Western E&P Inc. (SWEPI) effective January 1, 1984. SWEPI subsequently assigned 100 percent of its interest in this lease to Berry Petroleum Company (Berry).

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CALENDAR ITEM NO. C51 (CONT'D)

At its meeting on September 23, 1991, the Commission granted SWEPI, a drilling deferment until August 9, 1993. The purpose of the deferment was to allow Berry (operator for SWEPI) to evaluate the complex geologic structure and the anticipated time for improvement in the economics necessary for additional development on this lease.

On June 11, 1993, Berry Petroleum Company requested an extension of the drilling deferment until August 8, 1994. Berry requested the additional time to evaluate further the complex geologic reservoir productive on the lease and complete a program for future development.

**BASIS FOR CONSIDERATION:**

Division 6 of P.R.C. and Paragraph 1 of Lease.

**APPLICANT STATUS:**

Applicant is lessee of upland.

**STATUTORY AND OTHER REFERENCES:**

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

**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 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.

**EXHIBITS:**

- A. Land Description
- B. Location Map

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**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 A ONE YEAR DRILLING DEFERMENT (TO AUGUST 8, 1994) FOR STATE OIL AND GAS LEASE PRC 3314, MONTALVO OFFSHORE FIELD, VENTURA COUNTY AS REQUESTED BY BERRY PETROLEUM COMPANY; ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

**EXHIBIT "A"**

PRC 3314.1

**LAND DESCRIPTION**

A parcel of tide and submerged land in the Santa Barbara Channel westerly of the City of Oxnard, Ventura County, California, more directly described as follows:

BEGINNING at a point on the mean high tide line of the Santa Barbara Channel which is distant southeasterly at right angles 78.92 from a line having a bearing of S 72° 43' 00" W, said line intersects the center point of California State Lands Commission Triangulation Station, "TEAL 2 1954", said triangulation station is shown on a map filed as Number 6138 in Book 18 at Page 22, Record of Surveys, Ventura County, California, and has California Zone 5 coordinates of X=1,622,896.07, and Y=256,577.48; thence from said point of beginning leaving the mean high tide line, S 72° 43' 00" W, to the intersection with an envelope line every point of which is at a distance of 3 geographical miles from the nearest point on the mean high tide line of the Santa Barbara Channel; thence northwesterly along said envelope line to its intersection with a line parallel with and 13,500 feet distant northwesterly at right angles from the southeasterly boundary of this parcel; thence N 72° 43' 00" E, along said parallel line to the intersection with the above mentioned mean high tide line; thence southeasterly along the mean high tide line to the point of beginning.

EXCEPTING from the above-described parcel, State Oil & Gas Lease P.R.C. 735.1, resulting in a net acreage included in Parcel 25 of approximately 5430 acres.

The bearings and distances used in the above description are based on the California Coordinate System Zone 5.

The lease will be SUBJECT TO a pipeline easement issued to Southern California Edison Company on July 1, 1958, under P.R.C. 2180.1, said instrument being on file with the State Lands Commission.

**END OF DESCRIPTION**

REVISED JUNE, 1992 BY LLB.

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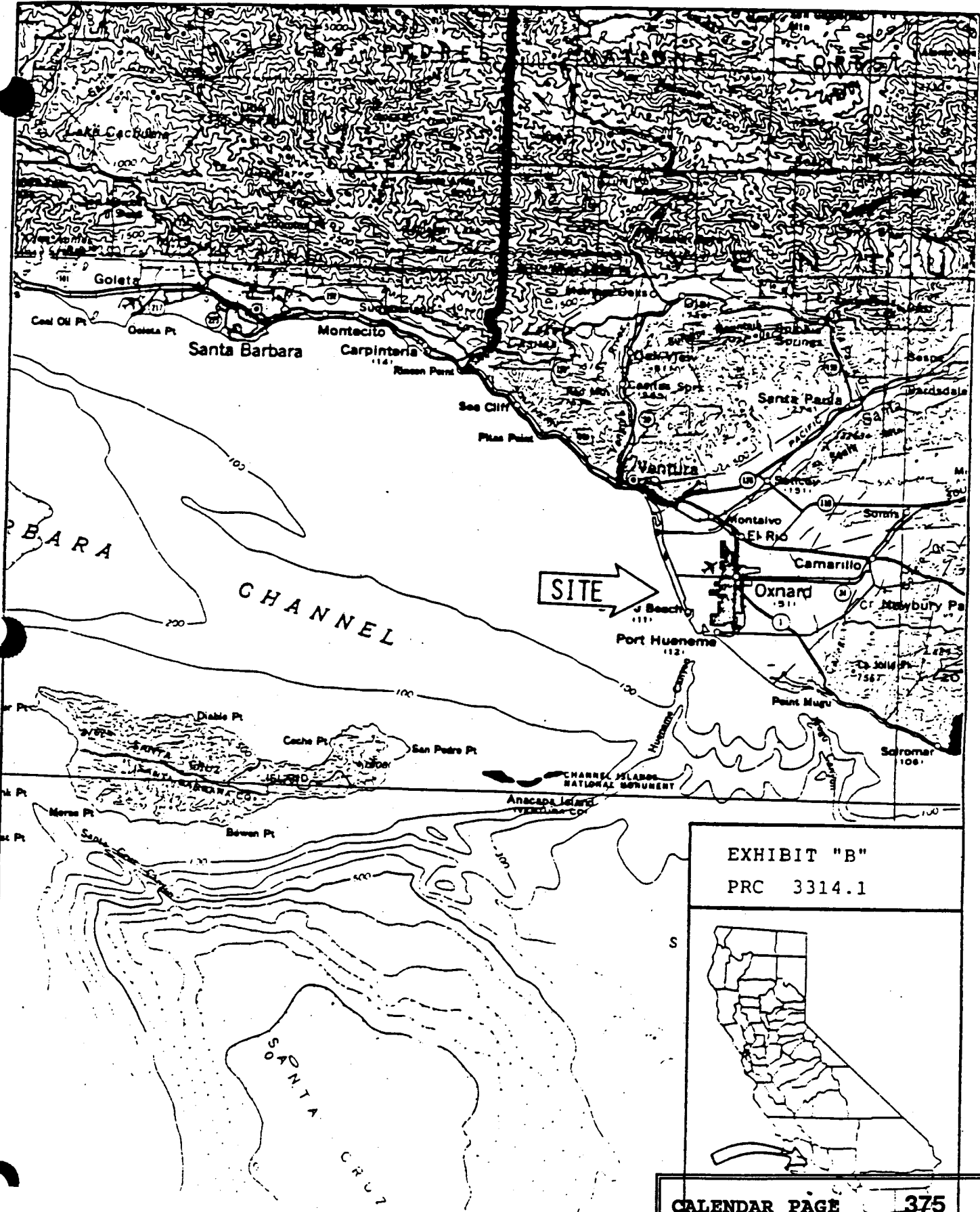


EXHIBIT "B"  
 PRC 3314.1



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