

MINUTE ITEM

This Calendar Item No. C71 was approved as Minute Item No. 71 by the State Lands Commission by a vote of 3 to 0 at its 3/8/94 meeting.

CALENDAR ITEM

C71

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03/08/94  
PRC 7714  
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CONSENT TO THE POOLING OF 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714 SACRAMENTO COUNTY

LESSEE/OPERATOR:

Nahama & Weagant Energy Company  
Attn: Michael Kerns  
4700 Stockdale Highway, Suite 110  
Bakersfield, California 93309

BACKGROUND:

Negotiated subsurface (no surface use) State oil and gas lease PRC 7714 was entered into with Nahama & Weagant Energy Company (Nahama & Weagant) on September 9, 1993. This lease contains approximately 93 acres in the bed of the Snodgrass Slough located within Sections 2, 3, 10 and 11, T5N, R4E, MDM, Sacramento County, California.

Paragraph 22(b) of the lease allows the Lessee, with the consent of the State and under terms and conditions approved by the State, to pool or unitize all or part of the leased lands with lands held by the Lessee or others.

Nahama & Weagant proposes to form an operating unit that contains a total of 640 acres of State and private leased lands (described in Exhibit "A"). Nahama & Weagant's unit is called the "Herzog 2-1 Unit" and is created for the development and production of natural gas. Nahama and Weagant has requested that the Commission consent to the pooling of 60.10 acres of leased lands under State oil and gas lease PRC 7714 by approving Nahama & Weagant's Declaration of Pooling dated March 23, 1991, which created the "Herzog 2-1 Unit" and the revised pooling map dated April 12, 1993 which includes the State's 60.10 acres representing 9.3906 percent of the pool. The Commission staff has evaluated the geologic and reservoir data and has determined that this unit will be economically advantageous to the State to share in the production from the proposed unit.

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CALENDAR ITEM NO. C71 (CONT'D)

**BASIS FOR CONSIDERATION:**

P.R.C. 6829.2, P.R.C. 6832 and Paragraph 22(b) of the State Oil and Gas Lease PRC 7714.

**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, consent to the pooling of a portion of leased lands under State oil and gas lease PRC 7714, 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. Declaration of Pooling dated March 23, 1991
- B. Pooling Map, Herzog 2-1 Unit (Rev. 4/12/93)
- C. Land Description of Negotiated Subsurface Oil and Gas Lease PRC 7714

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THIS ACTIVITY, CONSENT TO THE POOLING OF A PORTION OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714, 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. CONSENT TO THE POOLING OF 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714 WITH OTHER PRIVATE LANDS HELD BY NAHAMA & WEAGANT ENERGY COMPANY. CONSENT IS GIVEN BY APPROVING NAHAMA & WEAGANT'S DECLARATION OF POOLING DATED MARCH 23, 1992 AND THE REVISED POOLING MAP DATED APRIL 12, 1993, WHICH CREATES THE HERZOG 2-1 UNIT DESCRIBED IN EXHIBIT "A" (APPROXIMATELY 640 TOTAL ACRES INCLUDING 60.10 ACRES OF LEASED LANDS UNDER STATE OIL AND GAS LEASE PRC 7714) AND IN EXHIBIT "B". THE UNITIZED LEASED LANDS SHALL BE SUBJECT TO THE PROVISIONS OF STATE OIL AND GAS LEASE PRC 7714, ANY CONDITIONS IN THE DECLARATION OF POOLING TO THE CONTRARY NOTWITHSTANDING.

0021

RECORDING REQUESTED BY  
AND RETURN TO:

PRC 7714

OFFICIAL RECORD  
COMMUNITY.

OCT 21 PH 2: 11

Documentary Transfer Tax: None  
Signature of Declarant: Agents  
Wanda B. Sullivan  
Recording Fee \$ 36.00

BENTON OIL AND GAS COMPANY  
2151 ALESSANDRO DRIVE, SUITE 120  
VENTURA, CA 93001

DECLARATION OF POOLING  
HERZOG 2-1 POOL

STATE OF CALIFORNIA )  
                          ) SS  
COUNTY OF SACRAMENTO )

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K-1-6

WHEREAS, BENTON OIL AND GAS COMPANY, ARKOMA PRODUCTION COMPANY OF CALIFORNIA AND ATLANTIC RICHFIELD COMPANY, hereinafter jointly referred to as the "Declaring Parties", are the present owners and holders of the Lessee's right, title and interest in those certain Oil, Gas and Mineral Leases (hereinafter referred to as "said leases") particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the Declaring Parties desire to pool, combine and unitize lands covered by said leases (including all formations of sand, siltstone and shales underlying said lands), for the purpose of exploration, development and production of (hereinafter referred to as "pooled substances"), in accordance with the provisions of said leases and other agreements in connection therewith.

NOW THEREFORE, the Declaring Parties do hereby declare, effective as of the 23rd day of March, 1991, the formation of the gas production pool designated the "Herzog 2-1 Pool" (hereinafter referred to as "said Pool") the exterior boundaries of which are shown on the plat designated Exhibit "B" attached hereto and made a part hereof.

Royalties payable from the pooled substances allocated to the individual leases comprising said Pool shall be determined and paid on a basis prescribed in each of the individual leases. Said Pool shall be developed and operated as a single entity and all pooled substances produced therefrom shall be allocated to each lease comprising said Pool in the proportion that the pooled acreage committed from such lease bears to the total Pool acreage.

While said Pool created hereby is in full force and effect, the Declaring Parties hereby pool, combine and unitize said leases and all gas condensate and other gaseous substances in and under any parcel or parcels within the Pool which are not presently under lease to the Declaring Parties but which any Declaring Party may hereafter lease or which may be included in one or more leases pursuant to Section 3608 of the Public Resource Code of the State of California.

This instrument may be executed in counterparts. Each executed counterpart shall be binding upon the executory party thereto as fully as if all Declaring Parties had executed one instrument, and said Declaring Parties may combine said counterparts to form one single instrument for recording purposes.

IN WITNESS WHEREOF, the Declaring Parties have caused this Declaration to be duly executed as of the 12th day of September, 1991.

# EXHIBIT A

CALENDAR PAGE	470
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BENTON OIL AND GAS COMPANY

ATLANTIC RICHFIELD COMPANY

By: Clarence Cottman  
Clarence Cottman  
Vice President

By: \_\_\_\_\_

ARKOMA PRODUCTION COMPANY OF CALIFORNIA

By: Mike McCoy

ACKNOWLEDGEMENT

STATE OF CALIFORNIA    )  
                                  ) ss.  
COUNTY OF VENTURA    )

On this 12TH day of SEPTEMBER in the year of 1991, before me, the undersigned Notary Public in and for said County and State, personally appeared Clarence Cottman, known to me to be the Vice President of Benton Oil and Gas Company, who executed the within instrument on behalf of the corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal:



Vera Bolding  
NOTARY PUBLIC

My commission expires:

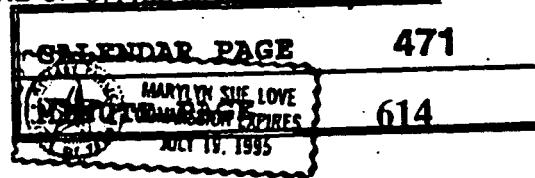
February 21, 1995

CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS        )  
                                  ) SS:  
COUNTY OF DALLAS    )

BEFORE ME, the undersigned authority, on this day personally appeared Mike McCoy, known to me to be the person whose name is subscribed to the foregoing instrument, in his capacity as President of Arkoma Production Company of California, and acknowledged to me that he executed the instrument for the purposes and consideration expressed therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 26th day of September, 1991.



Martin S. Love  
Notary Public

BENTON OIL AND GAS COMPANY

ATLANTIC RICHFIELD COMPANY

By: [Signature]  
 Clarence Cottman  
 Vice President

By: [Signature]  
 Frank E. Holmes  
 Attorney-in-Fact

ARKOMA PRODUCTION COMPANY OF CALIFORNIA

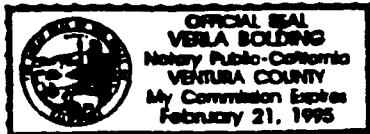
By: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF CALIFORNIA )  
 ) ss.  
 COUNTY OF VENTURA )

On this 12th day of September in the year of 1991, before me, the undersigned Notary Public in and for said County and State, personally appeared Clarence Cottman, known to me to be the Vice President of Benton Oil and Gas Company, who executed the within instrument on behalf of the corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal:



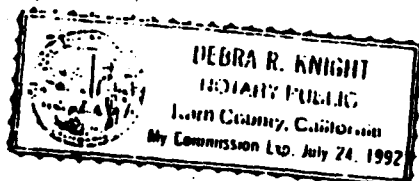
[Signature]  
 NOTARY PUBLIC

My commission expires:  
 February 21, 1995

STATE OF CALIFORNIA )  
 ) ss.  
 COUNTY OF KERN )

On this 18th day of September, in the year 1991, before me, Debra R. Knight, the undersigned Notary Public, personally appeared Frank E. Holmes, personally known to me to be the person whose name is subscribed to this Instrument as the Attorney-in-Fact of ATLANTIC RICHFIELD COMPANY, and acknowledged to me that he subscribed the name of ATLANTIC RICHFIELD COMPANY thereto as principal, and his own name as Attorney-in-Fact.

WITNESS my hand and official seal.



[Signature]  
 CALENDAR PAGE 472  
 NOTARY PUBLIC  
 MINUTE PAGE 615

EXHIBIT "A"  
Attached to and made a part of the Declaration of Pooling,  
Hersog 2-1 Pool, dated March 23, 1991

LESSOR: The Hersog Company, a corporation  
LESSEE: Benton Oil and Gas Company  
LEASE DATE: August 19, 1990  
RECORDING: Book: 90 09 -4 Page: 0867  
Date: September 4, 1990

LESSOR: The Hersog Company  
LESSEE: United Western Exploration Company  
LEASE DATE: December 22, 1988  
RECORDING: Document #031295  
Book: 89 02 14 Page: 1350  
Date: February 14, 1989

LESSOR: Jerald C. Waterworth, and Doris J. Waterworth,  
husband and wife  
LESSEE: Sun Operating Limited Partnership  
LEASE DATE: January 17, 1989  
RECORDING: Document #083932  
Book: 89 04 21 Page: 2041  
Date: April 21, 1989

LESSOR: Jerome J. Lohr, Ronald B. Rankin  
LESSEE: Sun Operating Limited Partnership  
LEASE DATE: January 10, 1989  
RECORDING: Document #086491  
Book: 89 04 25 Page: 1041  
Date: April 25, 1989

LESSOR: Ralph Edward Heringer and Linda Lee Heringer,  
Husband and Wife  
LESSEE: Sun Operating Limited Partnership  
LEASE DATE: January 12, 1989  
RECORDING: Document #083933  
Book: 89 04 21 Page: 2044  
Date: April 21, 1989

LESSOR: Sadie Ehrhardt, a widow  
LESSEE: Benton Oil and Gas Company  
LEASE DATE: July 30, 1990  
RECORDING: Book: 90 08 -6 Page: 0712  
Date: August 6, 1990

LESSOR: Diana Durbin Field, an unmarried woman  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: March 17, 1987  
RECORDING: Document #148290  
Book: 87 05 21 Page: 1502  
Date: May 21, 1987

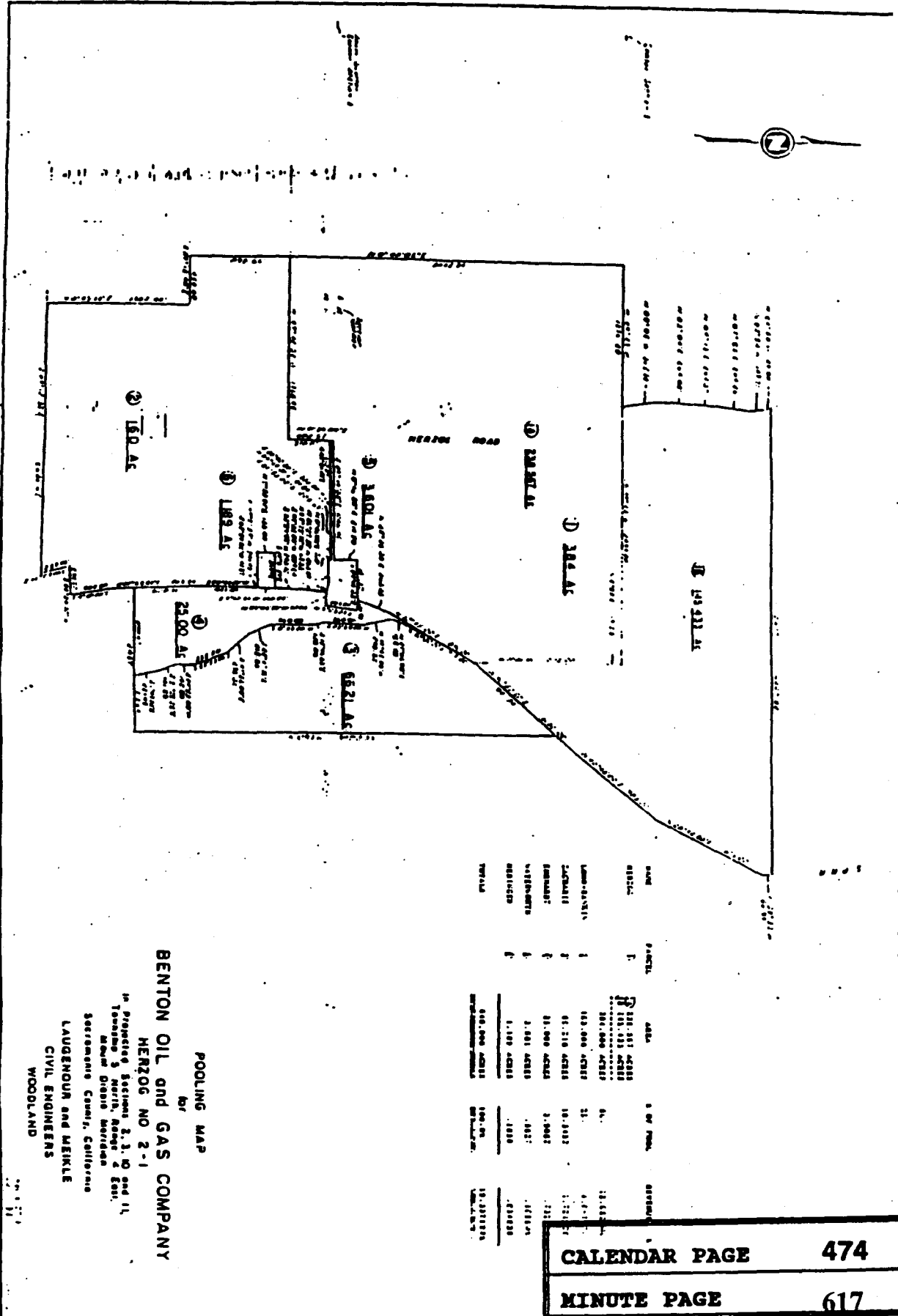
LESSOR: Diana Durbin Field, an unmarried woman  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: December 2, 1986  
RECORDING: Document #071267  
Book: 87 03 16 Page: 2347  
Date: March 16, 1987

LESSOR: James H. Zacharias and Marolyn J. Zacharias,  
husband and wife  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: March 16, 1987  
RECORDING: Document #148289  
Book: 87 05 21 Page: 1499  
Date: May 21, 1987

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Attached to and made a part of the Declaration of Pooling, Herzog 2-1 Pool, dated



POOLING MAP  
for  
**BENTON OIL and GAS COMPANY**  
HERZOG NO 2-1  
in Prorating Section 2, 3, 9 and 11,  
Township 3 North, Range 2 East,  
Meramec Globe Meridian  
Serrano's Condit., California  
**LAUGENDOR and MENKE**  
CIVIL ENGINEERS  
WOODLAND

EXHIBIT "A"

Attached to and made a part of the Declaration  
of Pooling, Herzog 2-1 Pool, dated March 23, 1991.

LESSOR: James H. Zacharias and Marolyn J. Zacharias,  
husband and wife  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: February 20, 1987  
RECORDING: Document #107064  
Book: 87 04 13 Page: 1364  
Date: April 13, 1987

LESSOR: J. Ellsworth Zacharias, a married man as his  
separate property  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: March 17, 1987  
RECORDING: Document #148287  
Book: 87 05 21 Page: 1493  
Date: May 21, 1987

LESSOR: Ellsworth J. Zacharias who acquired title as  
J. Ellsworth Zacharias, a married man as his  
separate property  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: February 23, 1987  
RECORDING: Document #107062  
Book: 87 04 13 Page: 1358  
Date: April 13, 1987

LESSOR: Evan H. Zacharias, an unmarried man  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: April 1, 1987  
RECORDING: Document #148288  
Book: 87 05 21 Page: 1496  
Date: May 21, 1987

LESSOR: Evan H. Zacharias, an unmarried man  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: February 23, 1987  
RECORDING: Document #107063  
Book: 87 04 13 Page: 1361  
Date: April 13, 1987

LESSOR: Lynn Zacharias, as Trustee of the Clara Fay  
Zacharias Trust dated February 25, 1985  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: August 6, 1987  
RECORDING: Document #031366  
Book: 88 02 16 Page: 1714  
Date: February 16, 1988

LESSOR: Gean R. Zacharias and Mary Ellen Zacharias,  
husband and wife as tenants in common  
LESSEE: Maverick Petroleum, Inc.  
LEASE DATE: September 25, 1987  
RECORDING: Document #031367  
Book: 88 02 16 Page: 1717  
Date: February 16, 1988



All that up and submerged land in the historic bed of Snodgrass Slough Lying between Lambert Road and the westerly right of way line of the Southern Pacific Railroad, Sacramento County, California, and lying within the area marked by cross hatching on this exhibit.

POR. PROJ. T.5N., R.4&5E., M.D.B.&M.

Bk132

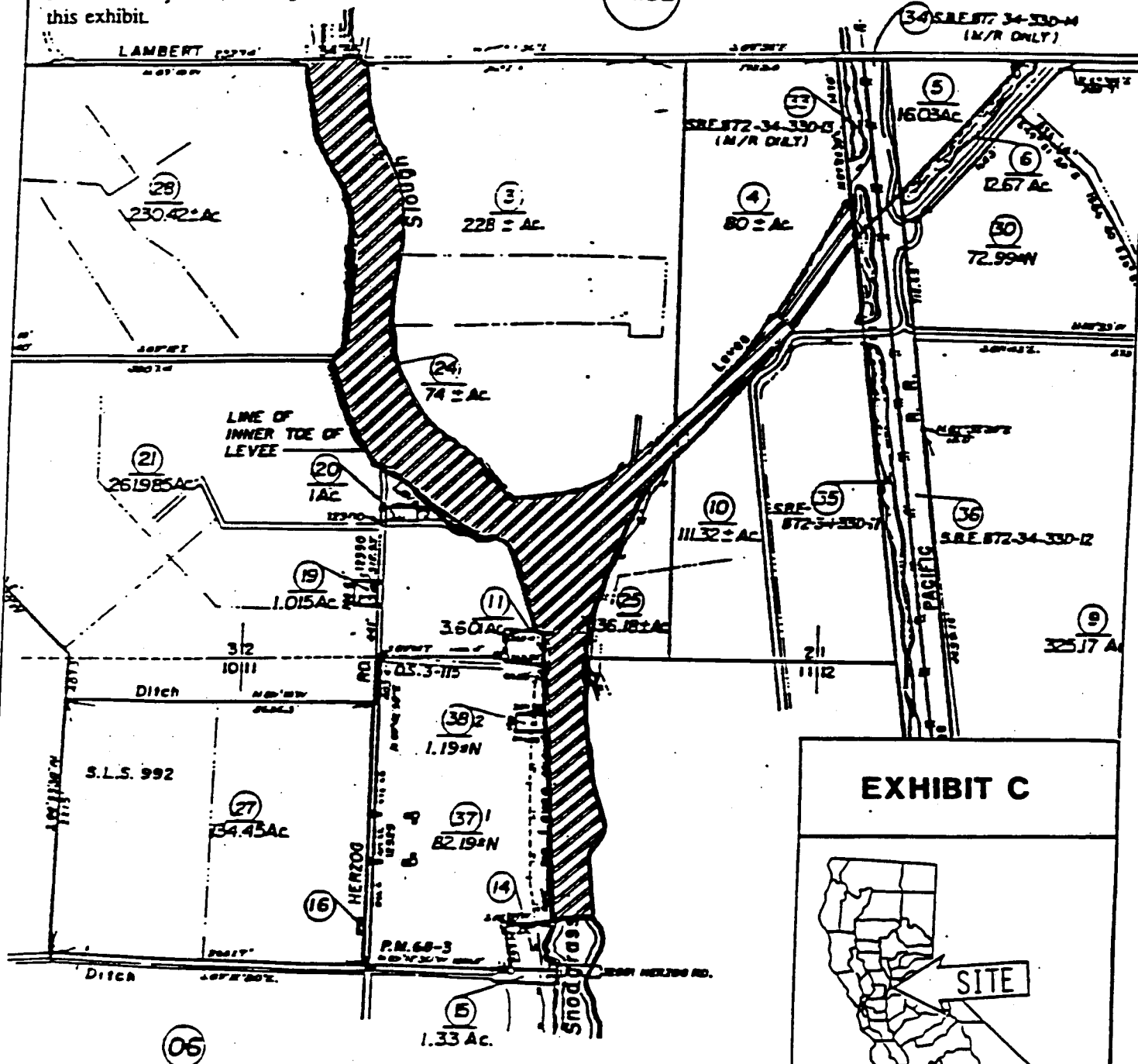


EXHIBIT C



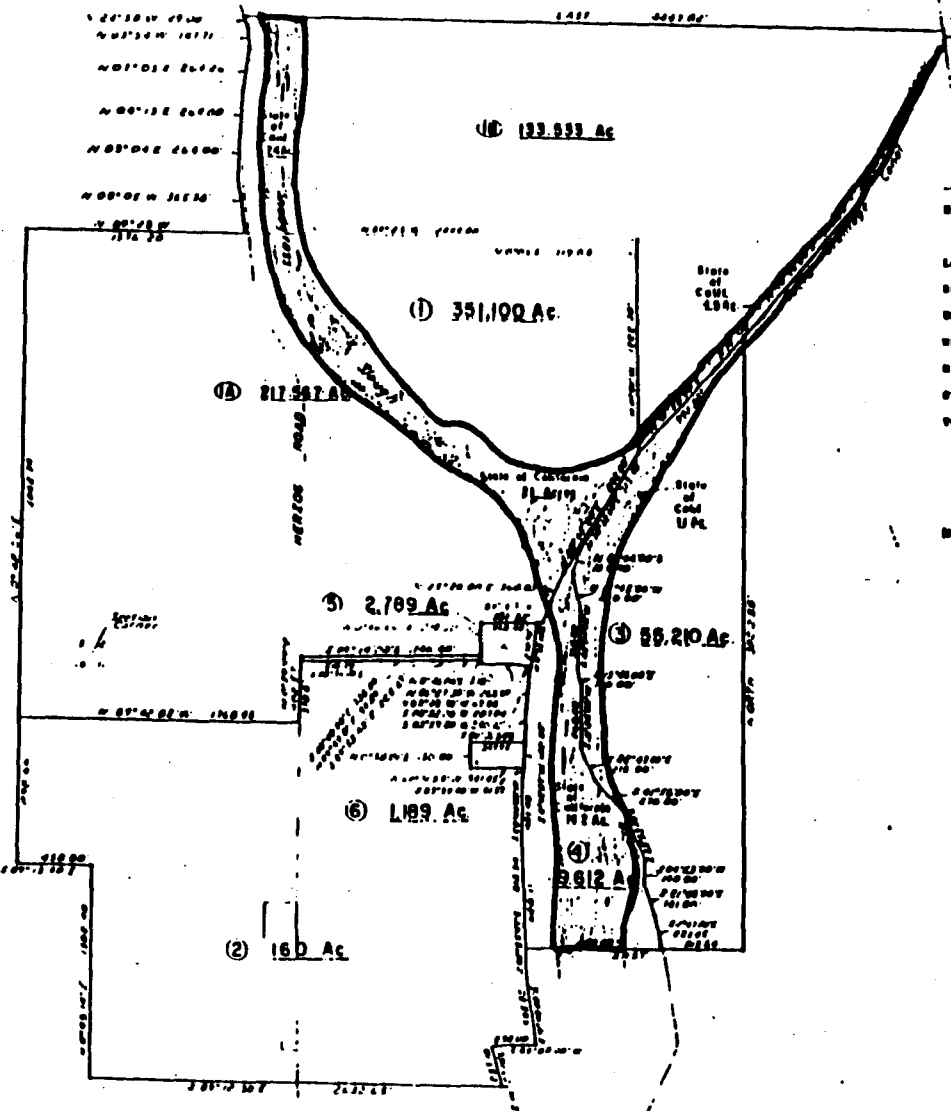
This Land description is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

CALENDAR PAGE 476

MINUTE PAGE 619  
 PRE 7714



# EXHIBIT B PRC 7714



NAME	PARCELS	ACRES	1.00 PER
SECTION	1	133.933 ACRES	00.0000
LOW-DAMNED	2	150.000 ACRES	00.
DRILLING	3	2.789 ACRES	0.0000
ROADWAY	4	0.000 ACRES	0.0000
WATERWAYS	5	2.789 ACRES	.0000
RESERVED	6	1.000 ACRES	.0000
STATE OF CALIFORNIA		133.933 ACRES	00.0000
TOTALS		520.444 ACRES	00.0000

NOTE  
THE SHADDED AREA INDICATES THE LANDS OF THE STATE OF CALIFORNIA COVERED BY WATER IN SACRAMENTO DRAINAGE CANAL AND THE SACRAMENTO DRAINAGE CANAL. THE LOCATION OF THIS AREA WAS DETERMINED FROM AERIAL PHOTO. THE AREAS OF THE PARCELS DESIGNATED "STATE OF CALIFORNIA" WERE DETERMINED BY USING A PLANIMETER.

POOLING MAP  
for  
**BENTON OIL and GAS COMPANY**  
HERZOG NO 2-1  
In Projected Sections 2, 3, 10 and 11,  
Township 5 North, Range 4 East,  
Mount Diablo Meridian  
Sacramento County, California  
**LAUGENOUR and MEIKLE**  
CIVIL ENGINEERS  
WOODLAND

Scale: 1" = 500'

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MINUTE PAGE 6920