

MINUTE ITEM
This Calendar Item No. C122
was approved as Minute Item
No. 122 by the State Lands
Commission by a vote of 3
to 0 at its 11/15/94
meeting.

CALENDAR ITEM
C122

11/15/94
PRC 91
PRC 163
E-392
PRC 425
PRC 426
Tanner

S 34, 35

APPROVE ASSIGNMENT OF A MINORITY INTEREST IN
FIVE STATE OIL AND GAS LEASES IN THE
HUNTINGTON BEACH OFFSHORE FIELD,
ORANGE COUNTY

ASSIGNOR:

Hondo Oil and Gas Company
Attn: I. P. Brownlow, Vice President
P. O. Box 2208
Roswell, New Mexico 88202

ASSIGNEE:

Shell Onshore Ventures, Inc.
Attn: Allen Kennedy, California Division Land
P. O. Box 11164
Bakersfield, California 93389

AREA, TYPE LAND AND LOCATION:

Five State oil and gas leases located within the Huntington
Beach Offshore Field, Orange County.

LAND USE:

Oil and gas production.

LEASE TERMS:

Lease period:
20 years and so long thereafter as oil and gas are
produced in economic quantities.

BACKGROUND:

Hondo Oil and Gas Company (Hondo) is requesting approval to
assign its minority interest to Shell Onshore Ventures, Inc.
(Shell Onshore) in five (5) State oil and gas leases located
within the Huntington Beach Offshore Field in Orange County.
The minority interest is in leases PRC 91, PRC 163, E-392,
PRC 425 and PRC 426 which were issued between September 20,
1938 and February 10, 1950.

Hondo is a minority interest holder in these leases, holding
a working interest in each of these leases. Shell Onshore
is the operator of these leases.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee, processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. Article 3.5, Cal. Code Regs.
- B. Section 2163, Cal. Code Regs.
- C. Section 4 of Leases.
- D. P.R.C. Section 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 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.

2. Hondo Oil and Gas Company is only a minority interest holder in these leases.

EXHIBIT:

- A. 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 THE MINORITY INTEREST IN STATE OIL AND GAS LEASES PRC 91, PRC 163, E-392, PRC 425 AND PRC 426, IN THE HUNTINGTON BEACH OFFSHORE FIELD, ORANGE COUNTY, FROM HONDO OIL AND GAS COMPANY TO SHELL ONSHORE VENTURES, INC.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENT TO EFFECT THIS ASSIGNMENT
4. THIS ASSIGNMENT WILL BE EFFECTIVE ON DECEMBER 1, 1994.

LOCATION MAP

PRC 91

PRC 425

PRC 163

PRC 426

E-392

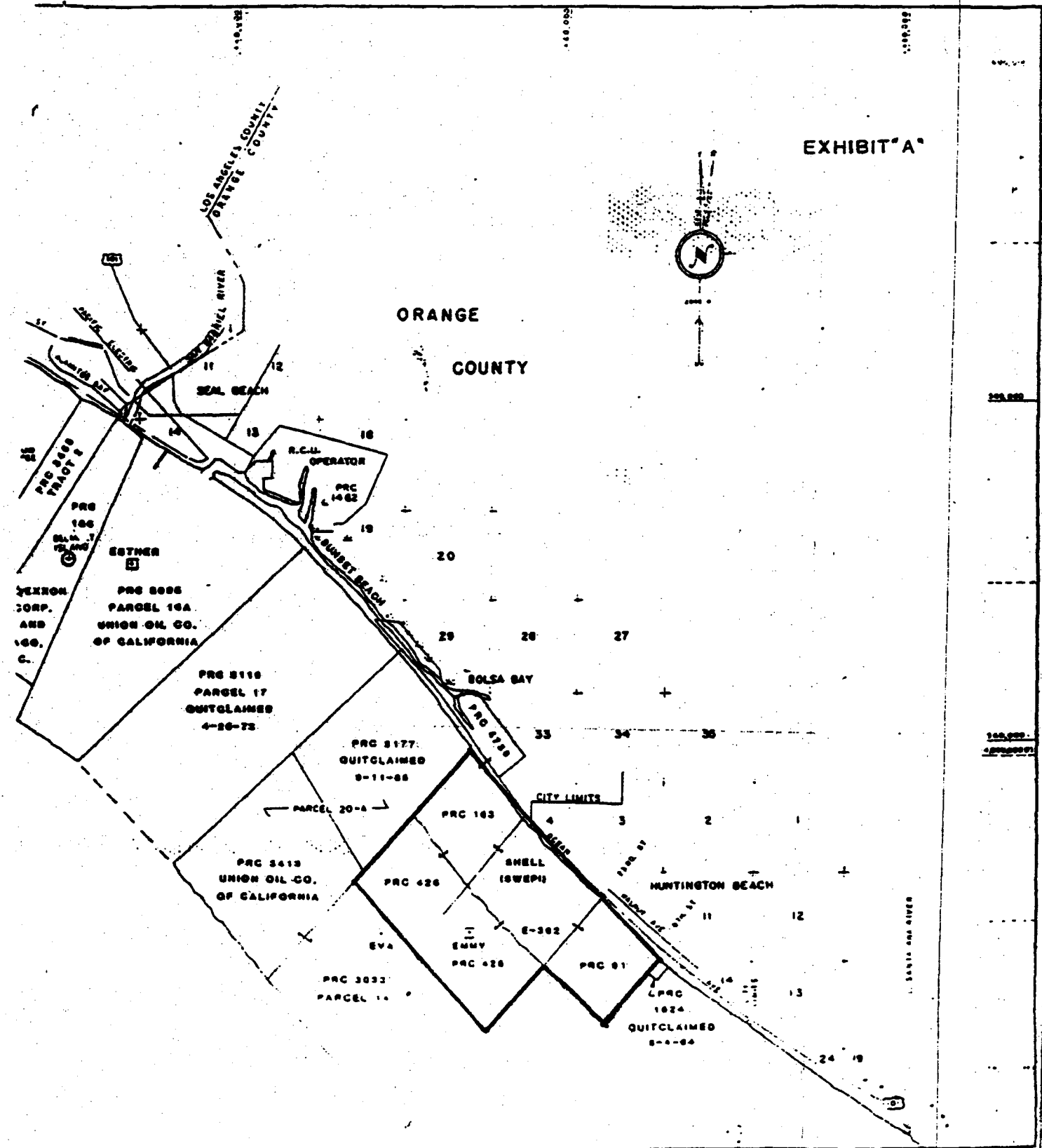


EXHIBIT "A"

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