

MINUTE ITEM

This Calendar Item No. C41 was approved as
Minute Item No. 41 by the California State Lands
Commission by a vote of 3 to 0 at its
1-29-99 meeting.

CALENDAR ITEM

C41

A 4, 10, 11

01/29/99

S 2, 5, 7

PRC 3743.1

A. Nitsche

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN OIL AND GAS LEASE NO. PRC 3743.1,
SOLANO COUNTY**

ASSIGNOR:

Chevron U.S.A., Inc.
Attn.: Mr. V. L. Byers, III
P. O. Box 1392
Bakersfield, California 93302

ASSIGNEE:

Venoco, Inc. (formerly Venoco, LLC)
Attn.: Mr. Timothy Marquez
217 State Street, Suite 300
Santa Barbara, California 93101

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 3743.1 contains 2,241 acres of tide and submerged
lands around Ryer Island in Suisun Bay, Solano County.

BACKGROUND:

Oil and Gas Lease No. PRC 3743.1 was awarded by competitive bid to Standard
Oil Company of California (now Chevron U.S.A., Inc) on April 10, 1967. Chevron
U.S.A., Inc., (Chevron) is the operator for the lease. Chevron is now requesting
that the California State Lands Commission approve assignment of 100 percent
interest in this lease to Venoco, Inc. Oil and Gas Lease Nos. PRC 3743.1 and
PRC 3896 are unitized. Originally, there was production from Platform "A",
Platform "B", and the Upland Drill site. Platform "A" and Platform "B" were
abandoned in 1992. The Upland Drill Site has three wells, one is shut-in, one is
dually completed making 1,202 mcf/day and the other is making 28 mcf/day for a
total of 1,230 mcf/day.

STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the Lease.
- B. Public Resources Code section: 6804

CALENDAR ITEM NO. C41 (CONT'D)

OTHER PERTINENT INFORMATION

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

2. Assignment forms and prerequisite filing fees have been paid by Venoco, Inc.

EXHIBITS:

- A. Ryer Island Unit Agreement
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN OIL AND GAS LEASE NO. PRC 3743.1 FROM CHEVRON U.S.A., INC., TO VENOCO, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO EFFECT THIS ASSIGNMENT.

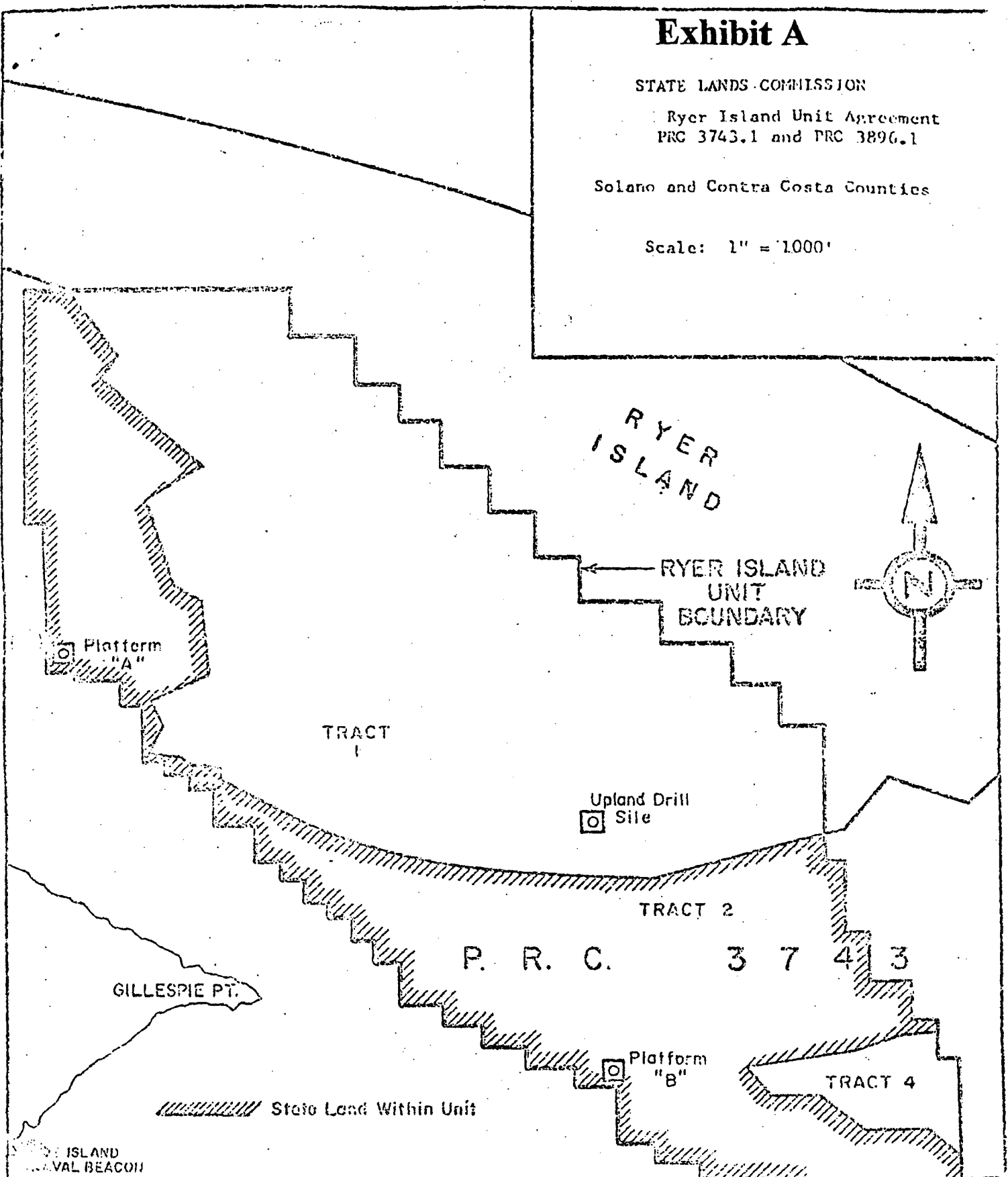
Exhibit A

STATE LANDS COMMISSION

Ryer Island Unit Agreement
PRC 3743.1 and PRC 3896.1

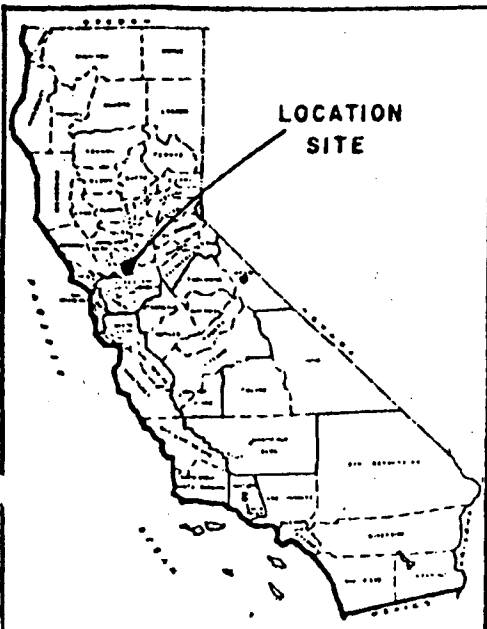
Solano and Contra Costa Counties

Scale: 1" = 1000'



PRC 3895

CALENDAR PAGE **000217**
 MINUTE PAGE **004998**



LOCATION SITE

EXHIBIT "B"
STATE LANDS COMMISSION

LOCATION MAP

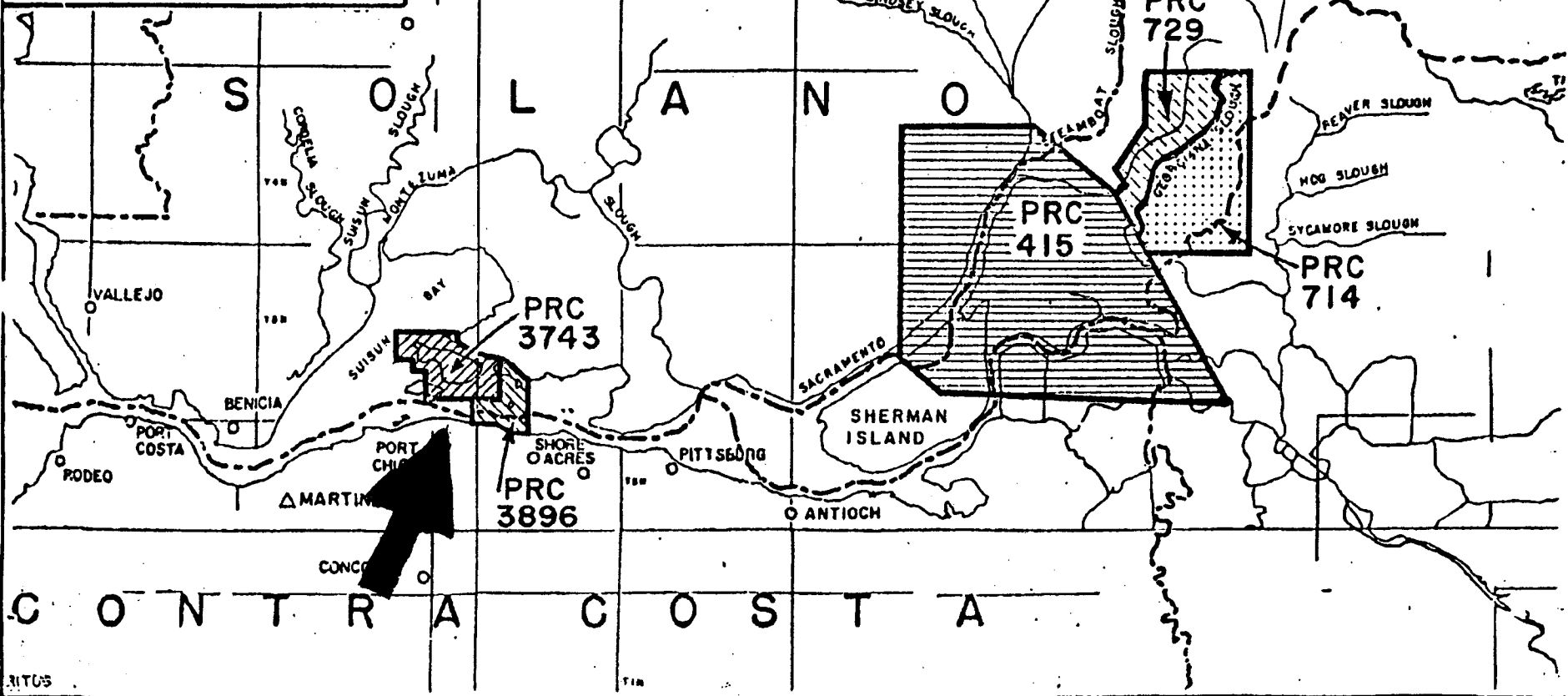
PRC 3743

PRC 3896

SOLANO, CONTRA COSTA
COUNTIES

CALENDAR PAGE 00218

MINUTE PAGE 004959



RTUS