

MINUTE ITEM
This Calendar Item No. C49 was approved as
Minute Item No. 49 by the California State Lands
Commission by a vote of 3 to 0 at its
2-21-03 meeting.

CALENDAR ITEM
C49

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02/21/03

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PRC 8348

A. Nitsche

**CONSIDER APPROVAL OF A PARTIAL ASSIGNMENT OF INTEREST
IN OIL AND GAS LEASE NO. PRC 8348,
SAN JOAQUIN COUNTY**

ASSIGNOR:

Oxy Resources California, LLC
Attn.: Mr. Michael D. Gooding
P. O. Box 1002
Tupman, CA 93276-1002

ASSIGNEE:

Rising Star Energy, LLC
Attn.: Mr. Mike K. Grimm
3141 Hood Street, Suite 350
Dallas, Texas 75219

AREA, LAND TYPE, AND LOCATION:

Negotiated subsurface Oil and Gas Lease and Right-of-Way Agreement PRC 8348 covers approximately 44.1 acres in Fourteen Mile Slough, San Joaquin County, California.

BACKGROUND:

Oil and Gas Lease No. PRC 8348 was issued to OXY Resources California, LLC (OXY) on August 29, 2001. OXY is the current operator for the lease and will remain so. OXY requests that the California State Lands Commission approve a partial assignment, 33 1/3 percent, of their interest in this lease to Rising Star Energy, LLC. Rising Star Energy, LLC is a privately owned exploration and production company organized under the laws of Texas in 1995 by former officers and managers of Placid Oil Company. Oxy Resources California, LLC and Rising Star Energy, LLC have a business agreement to share interests in California oil and gas leases. To date, no wells have been drilled into or under

CALENDAR ITEM NO. **C49** (CONT'D)

PRC 8348, the drilling term is three (3) years and expires on August 29, 2004.

STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the PRC 8348.
- B. Public Resources Code section 6804

OTHER PERTINENT INFORMATION

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060 (c)(3) and 15378.

- 2. Assignment forms have been completed and prerequisite filing fees have been paid by Rising Star Energy, LLC.

EXHIBITS:

- A. Location Map.
- B. Assignment Form

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) 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 33 1/3 PERCENT INTEREST IN

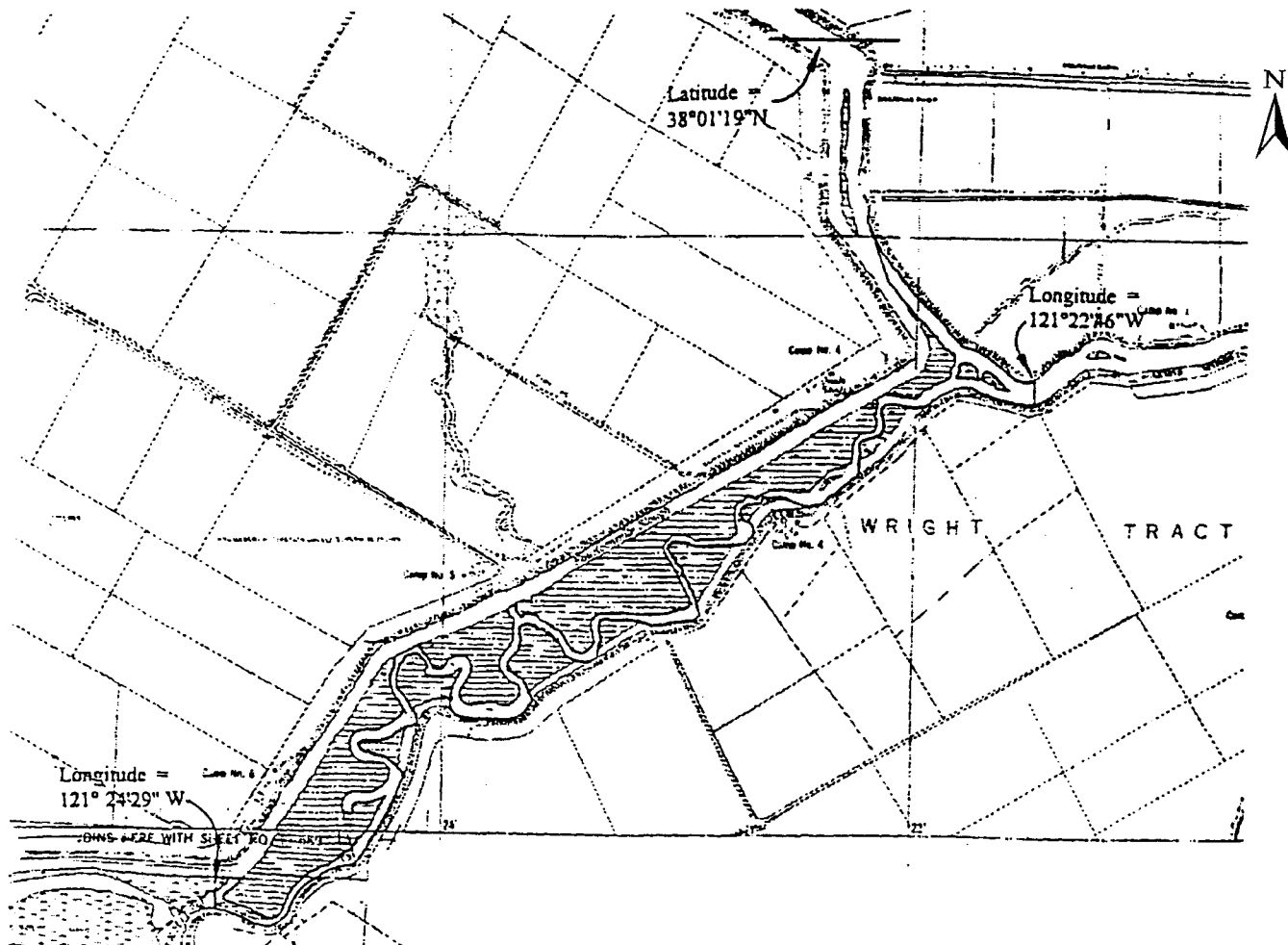
CALENDAR ITEM NO. **C49** (CONT'D)

OIL AND GAS LEASE NO. PRC 8348 FROM OXY RESOURCES CALIFORNIA, LLC TO RISING STAR ENERGY, LLC, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THIS ASSIGNMENT.

NO SCALE

SITE MAP



OIL & GAS LEASE IN 14 MILE SLOUGH

LOCATION MAP NO SCALE

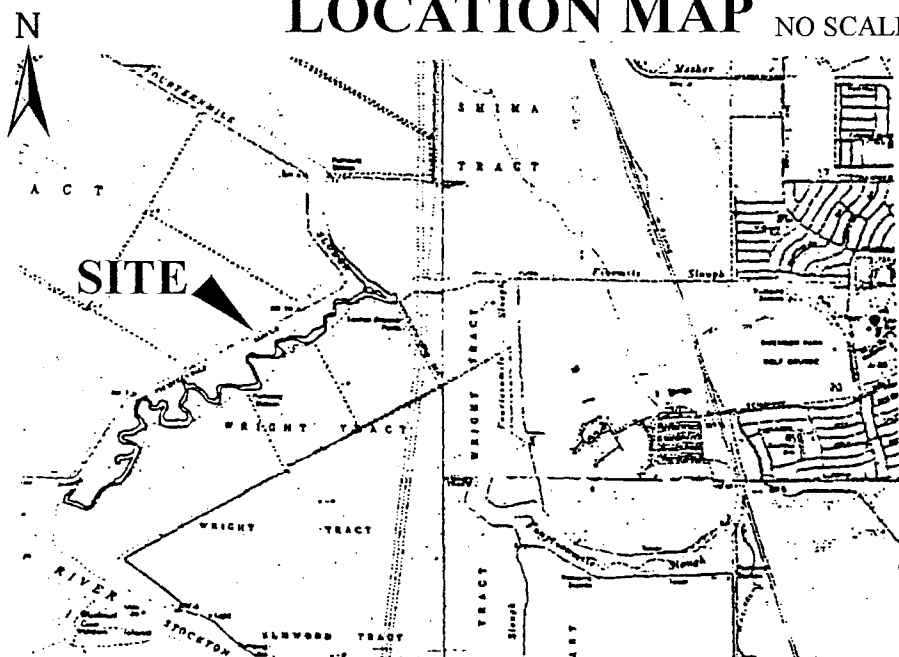


EXHIBIT A
PRC 8348
OXY
 14 MILE SLOUGH
 IN T2N, R5E MDM
 SAN JOAQUIN COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the lessee or other parties and is not intended to be, or shall it be construed as, a waiver or limitation of any state interest in the subject or any other property.

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STATE OF CALIFORNIA
STATE LANDS COMMISSION

STATE OIL AND GAS LEASE
-ASSIGNMENT FORM-

OXY Resources California, LLC (Assignor), as the holder of a 100.00 percent interest in State Oil and Gas Lease PRC 8348, issued on 9/17/2001, assigns 33.3333 percent of its undivided right, title and interest under this lease to Rising Star Energy, L.L.C. (Assignee).

Assignee accepts the assignment of this lease and agrees to perform in the manner provided in the lease the conditions, covenants and agreements to be kept and performed by the Assignor and to be bound by the terms of the lease, including any modifications and collateral agreements, to the same extent as the Assignor.

ASSIGNOR:

ASSIGNEE:

OXY Resources California, LLC
Name of Assignor

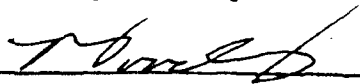
Rising Star Energy, L.L.C.
Name of Assignee

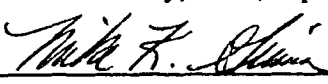
P. O. Box 1002
Address

3141 Hood Street, Suite 350
Address

Tupman, California 93276-1002
City, State, Zip Code

Dallas, Texas 75219
City, State, Zip Code

By: 
Signature

By: 
Signature Mike K. Grimm

Michael D. Gooding
Name of Officer

Mike K. Grimm
Name of Officer

Attorney in Fact
Title

President
Title

October 22, 2002
Date

September 20, 2002
Date

All signatures must be acknowledged.

