

**MINUTE ITEM**

This Calendar Item No. C76 was approved as  
Minute Item No. 76 by the California State Lands  
Commission by a vote of 3 to 0 at its  
4-26-05 meeting.

**CALENDAR ITEM  
C76**

A 35

04/26/05

PRC 145

M. Voskanian

S 19

M. LeClair

**CONSIDER APPROVAL OF AN ASSIGNMENT  
OF A PARTIAL INTEREST (AN UNDIVIDED 25 PERCENT LYING  
BELOW A DEPTH OF 5,500 FEET BELOW SEA LEVEL)  
IN OIL AND GAS LEASE NO. PRC 145,  
RINCON OIL FIELD (OFFSHORE AREA),  
VENTURA COUNTY**

**ASSIGNOR:**

Windsor Energy US Corporation  
Attn.: Ms. Susan M. Whalen  
6527 Dominion Road  
Santa Maria, CA 93454

**ASSIGNEE:**

Rincon Island Limited Partnership  
Attn.: Ms. Susan M. Whalen  
6527 Dominion Road  
Santa Maria, CA 93454

**AREA, LAND TYPE, AND LOCATION:**

Oil and Gas Lease No. PRC 145 contains approximately 326 acres of tide and submerged lands within the Rincon Oil Field (offshore area) in Ventura County. All development of the leased lands has been from wells directionally drilled from onshore sites located on private property landward of U.S. Highway 101.

**BACKGROUND:**

Oil and Gas Lease PRC 145 was entered into on July 3, 1944, with Beloil Corporation, Ltd., Lido Petroleum Company, and O.C. Field Gasoline Corporation pursuant to competitive bidding. On April 27, 1954, the California State Lands Commission (Commission) approved the division of the lease into a "deep zone" (below a depth of 5,500 feet below sea level) and "shallow zone" (above a depth of 5,500 feet below sea level).

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Commission records show that Rincon Island Limited Partnership (RILP) has a 75 percent (75%) and Windsor Energy US Corporation (Windsor) has a 25 percent (25%) interest in the deep zone, and Energy Development Corporation (EDC) has an 87½ percent (87 ½%) and Sexton Corporation (Sexton) has a 12½ percent (12 ½%) interest in the shallow zone. Currently, only the deep zone is producing and RILP is the lease operator. In addition, according to information provided by EDC, EDC has acquired Sexton's interest through a series of assignments that were not approved by the Commission. Sexton no longer exists and EDC is a wholly owned subsidiary of South Coast Oil Corporation.

On November 7, 2002, Greka Energy Corporation (Greka) acquired RILP and its general partner Windsor and assumed approximately \$1.7 million of Windsor's debt to acquire 12 MBOE of proven reserves, which constitutes in a purchase price of \$0.14 per barrel. In addition, on August 22, 2003, Windsor quitclaimed all of its right, title and interest in Lease No. PRC 145 to RILP. RILP is a limited partnership comprised of Greka Oil & Gas, Inc., as general partner and Greka Oil & Gas, Inc., and Greka Integrated, Inc., as limited partners.

RILP requests Commission approval for the assignment of Windsor's interest in PRC 145 to RILP, the current lease operator.

**STATUTORY AND OTHER REFERENCES:**

- A. Section 4 of the Lease.
- 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 submitted and prerequisite filing fees have been paid.

**EXHIBIT:**

- A. Location Map.

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**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:**

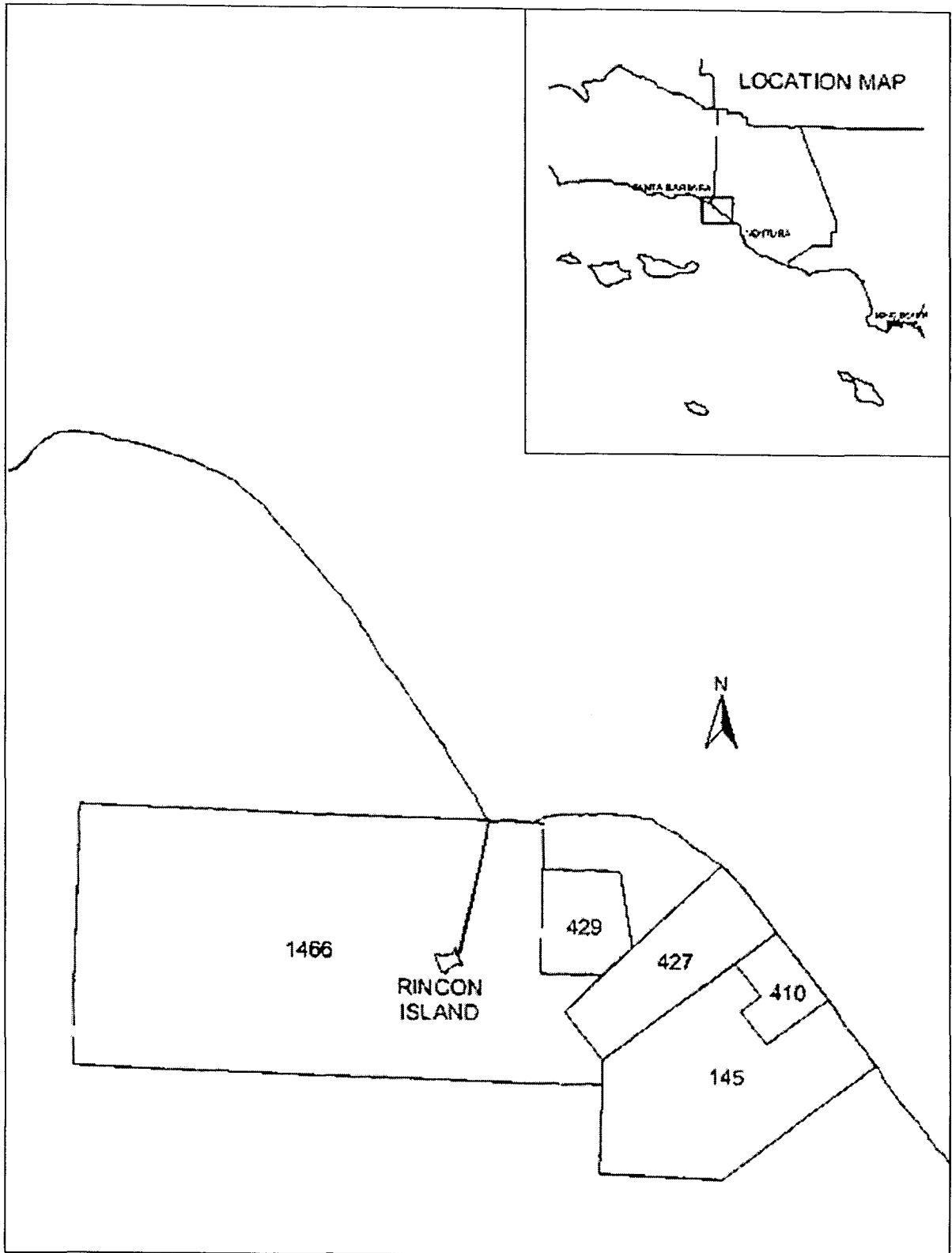
CONSENT TO THE ASSIGNMENT OF 100 PERCENT (100%) OF AN UNDIVIDED 25 PERCENT (25%) INTEREST LYING BELOW A DEPTH OF 5,500 FEET BELOW SEA LEVEL IN OIL AND GAS LEASE NO. PRC 145 FROM WINDSOR ENERGY US CORPORATION TO RINCON ISLAND LIMITED PARTNERSHIP, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

PURSUANT TO PUBLIC RESOURCES CODE SECTION 6804, THE ASSIGNMENT SHALL TAKE EFFECT ON MAY 1, 2005, THE FIRST DAY OF THE MONTH FOLLOWING THE APPROVAL BY THE COMMISSION.

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

EXHIBIT A

PRC 145



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