

CALENDAR ITEM

C51

A 33, 35

06/24/08
PRC 3004.1
J. Smith

S 19

**CONSIDER ACCEPTANCE OF FULL QUITCLAIM DEED OF
OIL AND GAS LEASE NO. PRC 3004.1 (A PARCEL OF TIDE AND
SUBMERGED LANDS IN THE SANTA BARBARA CHANNEL LYING
IN THE VICINITY OF EL CAPITAN BEACH STATE PARK),
SANTA BARBARA COUNTY**

LESSEES:

Chevron U.S.A. Inc.
Attn.: Mr. Mike Sarad, Agent
P.O. Box 1392
Bakersfield, CA 93302

Exxon Mobil Corporation
Attn.: Mr. Hank Alford, Agent
Corp-GP8-3772
P.O. Box 4778
Houston, TX 77210-4778

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 3004.1 contains approximately 3,150 acres of tide and submerged lands in the Santa Barbara Channel in the vicinity of El Capitan Beach State Park, Santa Barbara County.

BACKGROUND:

On April 25, 1963, the California State Lands Commission (Commission) awarded Oil and Gas Lease No. PRC 3004.1 to Union Oil Company of California (Unocal) (50%) and Humble Oil & Refining Company (Humble) (50%) for the cash bonus of \$612,840.00. In 2005, Unocal was acquired by the parent of Chevron U.S.A. Inc. (Chevron). Humble changed its name to Exxon Corporation which merged with Mobil Oil Corporation in 1999 to become Exxon Mobil

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Corporation (ExxonMobil) on November 30, 1999. Eight (8) exploratory wells have been drilled on this lease and all of these wells have been plugged and abandoned, and all debris was removed from the leased lands by 1998.

On April 14, 2008, staff received a quitclaim deed for Lease No. PRC 3004.1 signed by Chevron and ExxonMobil. Public Resources Code section 6804.1 and Lease Paragraph 5 permit the lessee to make and file at any time a written quitclaim of all rights under the lease. The quitclaim will be effective when it is filed with the State subject to the continued obligation of the lessee and its surety to pay all accrued rentals and royalties and to abandon all wells drilled on the leased lands.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6804.1 and Lease Paragraph 5.

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.

EXHIBITS:

- A. Location Map
- B. Executed Quitclaim Deed

PERMIT STREAMLINING ACT DEADLINE:

N/A (not a "development project" subject to the Act)

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.

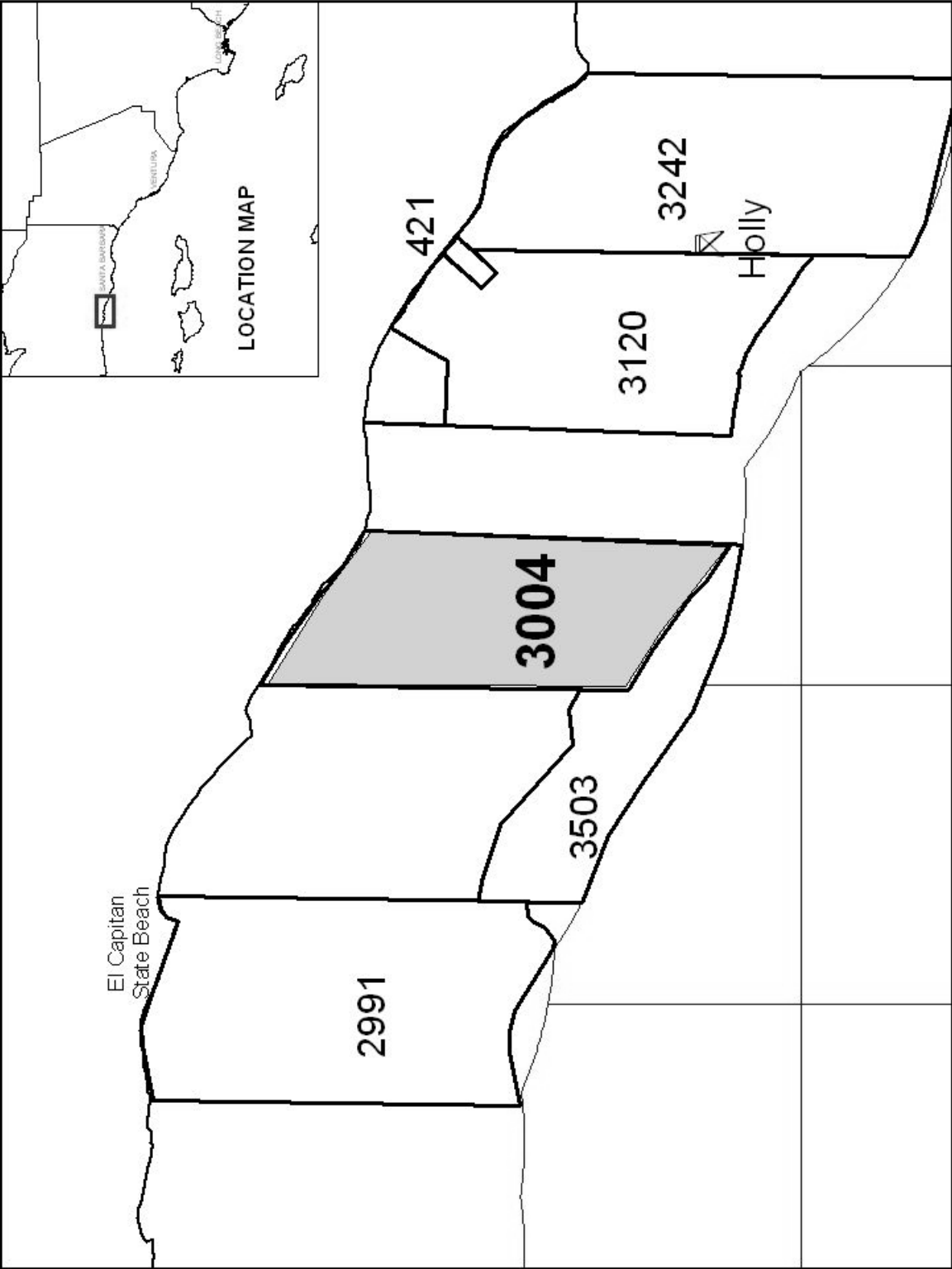
CALENDAR ITEM NO. **C51** (CONT'D)

AUTHORIZATION:

1. ACCEPT FROM CHEVRON U.S.A. INC. AND EXXON MOBIL CORPORATION THE FULL QUITCLAIM DEED OF OIL AND GAS LEASE DATED APRIL 2, 2008, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN OIL AND GAS LEASE NO. PRC 3004.1, ORIGINALLY DATED APRIL 25, 1963, AND ANY SUBSEQUEUNT AMENDMENTS THERETO.
2. RELEASE CHEVRON U.S.A. INC. AND EXXON MOBIL CORPORATION FROM ALL OBLIGATIONS UNDER OIL AND GAS LEASE NO. PRC 3004.1 ACCRUING AFTER APRIL 14, 2008.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.

EXHIBIT A

PRC 3004.1



RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Title Unit

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

No Tax Due

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**LEASE QUITCLAIM DEED
FOR STATE OIL AND GAS LEASE**

State Oil and Gas Lease No. PRC 3004.1 (Lease), covering certain State lands located in Santa Barbara County, State of California, was issued by the State of California, acting through the California State Lands Commission (State), on April 25, 1963, and was recorded in the Official Records of Santa Barbara County, in Book 1996, Page 933, on June 13, 1963. CHEVRON U.S.A. INC and EXXON MOBIL CORPORATION (Lessees) are the present holders of the Lease.

Pursuant to the terms of the Lease and Section 6804.1 of the Public Resources Code, the Lessee may at any time make and file with the State a written quitclaim or relinquishment of all rights under the Lease or of any portion of the Lease comprising a 10-acre parcel or multiple thereof in compact form, or of any separate or distinct zone or geological horizon thereof underlying such 10-acre parcel or multiple thereof.

Acting in accordance with such terms, the Lessee does hereby release, remise and forever quitclaim unto the State of California all of its right, title and interest in and to the State lands or that portion of the State lands held by virtue of the Lease, which lands are or portion is described in the attached Exhibit A.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this 2nd day of APRIL, 2008.

LESSEE: CHEVRON U.S.A. INC

By: Gary L. Richardson
(Signature)
Gary L. Richardson
(Name of Officer)
Assistant Secretary
(Title)

LESSEE: EXXON MOBIL CORPORATION

By: R.G. Charles
(Signature)
R.G. CHARLES
(Name of Officer)
ATTORNEY-IN-FACT
(Title)

EXHIBIT B-2

PRC 3004.1

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN **LEASE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE** DATED April 2, 2008.

That certain tract of tide and submerged lands, situate in the county of Santa Barbara, State of California, described as follows:

That area of tide and submerged lands bounded on the West by California Coordinate System, Zone 5, grid line having an X value of 1,403,000; on the East by the West boundary of State Oil and Gas Lease P.R.C. 208.1 and the seaward extension thereof; on the landward (northerly) boundary by the ordinary high water mark of the Santa Barbara Channel; on the seaward (southerly) boundary by a line parallel to the ordinary high water mark and seaward therefrom three nautical miles; containing 3,150 acres, more or less.

(PRC-3004.1)

EXHIBIT B-3

PRC 3004.1

ACKNOWLEDGMENT

State of California

County of Kern

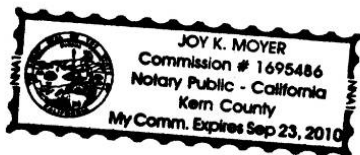
On April 10, 2008 before me, Joy K. Moyer Notary Public
(insert name and title of the officer)

personally appeared Gary L. Richardson who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Joy K. Moyer (Seal)



ACKNOWLEDGMENT

State of ^{Texas} California

County of Harris

On April 2, 2008 before me, Robyn Colliott - Notary Public
(insert name and title of the officer)

personally appeared R G Charles Attorney-in-fact who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Robyn Colliott (Seal)

