

MINUTE ITEM

7. APPLICATION TO LEASE TIDE AND SUBMERGED LANDS, RINCON FIELD, VENTURA COUNTY; SOCONY MOBIL OIL COMPANY, INC. - W.O. 5045, P.R.C. 3125.1.

After consideration of Calendar Item 31 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO SOCONY MOBIL OIL COMPANY, INC., A 15-YEAR LEASE COMMENCING MAY 15, 1964, COVERING AN AREA OF TIDE AND SUBMERGED LANDS IN THE RINCON FIELD, VENTURA COUNTY, TO PERMIT THE MAINTENANCE AND USE FOR OIL OPERATIONS OF AN EXISTING PIER, AND TO ALLOW SUBSURFACE DRILL-THROUGH RIGHTS TO ACCOMMODATE EXISTING OR ADDITIONAL WELLS DIRECTIONALLY DRILLED INTO STATE OIL AND GAS LEASE P.R.C. 427.1, THE ANNUAL RENTAL TO BE \$154.68, WITH THE FIRST AND LAST YEARS' RENTALS PAYABLE IN ADVANCE, AND WITH THE PROVISION FOR THREE RENEWAL OPTIONS OF 10 YEARS EACH SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$50,000 IN FAVOR OF THE STATE OF CALIFORNIA SHALL BE FILED AND MAINTAINED WITH THE STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO MAINTENANCE OF THE PIER AND THE REMOVAL THEREOF AT THE REQUEST OF THE STATE UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

THE AREA INCLUDED IN THE LEASE IS DESCRIBED AS FOLLOWS:

THAT CERTAIN TRACT OF TIDE AND SUBMERGED LAND IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, LOCATED WITHIN ZONE 5 OF THE CALIFORNIA STATE COORDINATE SYSTEM, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CALIFORNIA STATE COORDINATES NORTH 312,460.38 AND EAST 1,568,297.76; THENCE N. 89° 31' 45" W. 690.67 FEET TO COORDINATES NORTH 312,466.06 AND EAST 1,567,607.12; THENCE S. 8° 58' 37" E. 597.55 FEET TO COORDINATES NORTH 311,875.83 AND EAST 1,567,700.35; THENCE N. 45° 37' 23" E. 835.82 FEET TO THE POINT OF BEGINNING, CONTAINING 4.673 ACRES.

THE BEARINGS USED IN THIS DESCRIPTION ARE GRID BEARINGS IN ZONE 5 OF THE CALIFORNIA COORDINATE SYSTEM.

Attachment
Calendar Item 31 (2 pages)

CALENDAR ITEM

31.

APPLICATION TO LEASE TIDE AND SUBMERGED LANDS, RINCON FIELD, VENTURA COUNTY; SOCONY MOBIL OIL COMPANY, INC. - W.O. 5045.

Socony Mobil Oil Company, Inc., has applied for a lease of a 4.673-acre parcel of tide and submerged lands in Rincon Field, Ventura County (see Exhibits "A" and "B").

The applicant has maintained and used a pier located on tide and submerged lands near Rincon, Ventura County, which has been used exclusively for well surface locations and transportation of oil and gas from State Leases P.R.C. 430.1 and P.R.C. 427.1.

There are no longer any wells producing from the area described in Lease P.R.C. 430.1; therefore, in accordance with its terms, the lease will terminate. However, one arm or extension of the aforementioned pier crosses a portion of said lease, and, additionally, there are six wells whose surface locations are on the pier although bottomed under Lease P.R.C. 427.1.

In view of these circumstances, Socony Mobil Oil Company, Inc., has submitted an application for permission to continue to maintain and use the portion of said pier that is located on lands included within the terminated lease area (see Exhibit "A")

Based upon a staff appraisal, the annual rental for a 15-year lease has been computed at \$154.68, with the first and last years' rentals payable in advance. The lease is to provide for three renewal options of ten years each "upon such reasonable terms and conditions as the State might then impose".

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO SOCONY MOBIL OIL COMPANY, INC., A 15-YEAR LEASE COMMENCING MAY 15, 1964, COVERING AN AREA OF TIDE AND SUBMERGED LANDS IN THE RINCON FIELD, VENTURA COUNTY, TO PERMIT THE MAINTENANCE AND USE FOR OIL OPERATIONS OF AN EXISTING PIER, AND TO ALLOW SUBSURFACE DRILL-THROUGH RIGHTS TO ACCOMMODATE EXISTING OR ADDITIONAL WELLS DIRECTIONALLY DRILLED INTO STATE OIL AND GAS LEASE P.R.C. 427.1, THE ANNUAL RENTAL TO BE \$154.68, WITH THE FIRST AND LAST YEARS' RENTALS PAYABLE IN ADVANCE, AND WITH THE PROVISION FOR THREE RENEWAL OPTIONS OF 10 YEARS EACH SUBJECT TO THE CONDITION THAT A GOOD AND SUFFICIENT BOND IN THE AMOUNT OF \$50,000 IN FAVOR OF THE STATE OF CALIFORNIA, SHALL BE FILED AND MAINTAINED WITH THE STATE TO GUARANTEE THE FAITHFUL PERFORMANCE BY THE LESSEE OF TERMS AND CONDITIONS CONTAINED IN THE LEASE RELATING TO MAINTENANCE OF THE PIER AND THE REMOVAL THEREOF AT THE REQUEST OF THE STATE UPON EXPIRATION OR SOONER TERMINATION OF THE LEASE.

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CALENDAR ITEM 31. (CONTD.)

BEGINNING AT CALIFORNIA STATE COORDINATES NORTH 312,460.38 AND EAST 1,568,297.76; THENCE N. $89^{\circ} 31' 45''$ W. 690.67 FEET TO COORDINATES NORTH 312,466.06 AND EAST 1,567,607.12; THENCE S. $8^{\circ} 58' 37''$ E. 597.55 FEET TO COORDINATES NORTH 311,875.83 AND EAST 1,567,700.35; THENCE N. $45^{\circ} 37' 23''$ E. 835.82 FEET TO THE POINT OF BEGINNING, CONTAINING 4.673 ACRES.

THE BEARINGS USED IN THIS DESCRIPTION ARE GRID BEARINGS IN ZONE 5 OF THE CALIFORNIA COORDINATE SYSTEM.