MINUTE ITEM

This Calendar Item No. 272 was approved as Minute Item No. 32 by the California State Lands Commission by a vote of 3 to 2 at its 6-27-00 meeting.

CALENDAR ITEM C92

A 35

06/27/00 PRC 3314.1

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A. Nitsche

CONSIDER APPROVAL DEFERMENT OF DRILLING OBLIGATION,
OIL AND GAS LEASE NO. PRC 3314.1,
MONTALVO OIL FIELD,
OFFSHORE VENTURA COUNTY

LESSEE/OPERATOR:

Berry Petroleum Company Attn.: Mr. Ralph E. McPhetridge Post Office Bin X Taft, CA 93268-0042

AREA, TYPE LAND AND LOCATION:

Oil and Gas Lease No. PRC 3314.1 (Lease) contains 5,340 acres of tide and submerged lands offshore Ventura County.

BACKGROUND:

Oil and Gas Lease No. PRC 3314.1 was issued on July 1, 1965, to Shell Oil Company (Shell), pursuant to competitive public bid. Chevron Oil Company (Chevron) drilled one well ("farm-in") and completed it in the late 1980's. The well, drilled from an onshore location, continues to produce today. The lease was assigned from Shell to Berry Petroleum Company (Berry) in September 1992. Berry had also taken assignment of adjacent Lease No. PRC 735.1 from Chevron and all of Chevron's economic interest in Lease No. PRC 3314.1.

The Commission granted Berry a two-year drilling deferment on June 19, 1998, which expires on July 31, 2000. Berry, by letter of May 24, 2000, has requested an additional one-year deferment of the drilling obligation. Berry has stated that it needs additional time to consider the sale and assignment of this lease, or finish its analysis of the complex geologic data in order to submit a development program for consideration by the Commission.

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CALENDAR ITEM NO. C92 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section: Division 6, Parts 1 and 2; Division 13.
- B. California Code of Regulations section: Title 3, Division 3; Title 14, Division 6.

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.

EXHIBITS:

A. Land Description

B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDINGS:

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:

APPROVE A DEFERMENT OF THE DRILLING OBLIGATION UNDER OIL AND GAS LEASE NO. PRC 3314.1 THROUGH JULY 31, 2001.

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EXHIBIT A

LAND DESCRIPTION

STATE OIL AND GAS LEASE

PRC 3314.1

A PARCEL OF TIDE AND SUBMERGED LAND IN THE SANTA BARBARA CHANNEL WESTERLY OF THE CITY OF OXNARD, VENTURA COUNTY, CALIFORNIA; BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MEAN HIGH TIDE LINE OF THE SANTA BARBARA CHANNEL WHICH IS DISTANT SOUTHEASTERLY AT RIGHT ANGLES 78.92 FEET FROM A LINE HAVING A BEARING OF S. 72° 43' 00" W., SAID LINE INTERSECTS THE CENTER POINT OF CALIFORNIA STATE LANDS COMMISSION TRIANGULATION STATION "TEAL 2 1954". THE TRIANGULA-TION STATION IS SHOWN ON A MAP FILED AS NUMBER 6138 IN BOOK 18 AT PAGE 22, RECORD OF SURVEYS, VENTURA COUNTY, CALIFORNIA, AND HAS CALIFORNIA ZONE 5 COORDINATES OF X = 1,622,896.07Y = 256,577.48; THENCE FROM THE POINT OF BEGINNING LEAVING THE MEAN HIGH TIDE LINE S. 72° 43' 00" W. TO THE INTERSECTION WITH AN ENVELOPE LINE EVERY POINT OF WHICH IS AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE NEAREST POINT ON THE MEAN HIGH TIDE LINE OF THE SANTA BARBARA CHANNEL; THENCE NORTHWESTERLY ALONG SAID ENVELOPE LINE TO ITS INTERSECTION WITH A LINE PARALLEL TO AND 13,500 FEET DISTANT NORTHWESTERLY AT RIGHT ANGLES FROM THE SOUTHEASTERLY BOUNDARY OF THIS PARCEL; THENCE N. 72° 43' 00" E. ALONG SAID PARALLEL LINE TO THE INTERSECTION WITH THE ABOVE MENTIONED MEAN HIGH TIDE LINE; THENCE SOUTHEASTERLY ALONG THE MEAN HIGH TIDE LINE TO THE POINT OF BEGINNING, AND EXCEPTING FROM THE ABOVE-DESCRIBED PARCEL STATE OIL AND GAS LEASE P.R.C. 735.1, RESULTING IN A NET ACREAGE INCLUDED IN PARCEL 25 OF APPROXIMATELY 5,430 ACRES.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM ZONE 5.

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