

**CALENDAR ITEM**

**C52**

A 33, 35

06/24/08  
PRC 3503.1  
J. Smith

S 19

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM DEED OF  
OIL AND GAS LEASE NO. PRC 3503.1 (A PARCEL OF SUBMERGED  
LANDS IN THE SANTA BARBARA CHANNEL LYING  
SOUTH OF EL CAPITAN BEACH STATE PARK),  
SANTA BARBARA COUNTY**

**LESSEE:**

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

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

Oil and Gas Lease No. PRC 3503.1 contains approximately 1,660 acres of submerged land in the Santa Barbara Channel in the vicinity of El Capitan Beach State Park, Santa Barbara County.

**BACKGROUND:**

On June 28, 1966, the California State Lands Commission (Commission) awarded Oil and Gas Lease No. PRC 3503.1 to Union Oil Company of California (Unocal) for the cash bonus of \$1,320,760.00. In 2005, Unocal was acquired by the parent of Chevron U.S.A. Inc. (Chevron). In 1967, one exploratory well was drilled on Lease No. PRC 3503.1. This well found no hydrocarbons and was abandoned to State standards and the site cleared.

On April 14, 2008, staff received a quitclaim deed for Lease No. PRC 3503.1 from Chevron. 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.

CALENDAR ITEM NO. **C52** (CONT'D)

**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.

**AUTHORIZATION:**

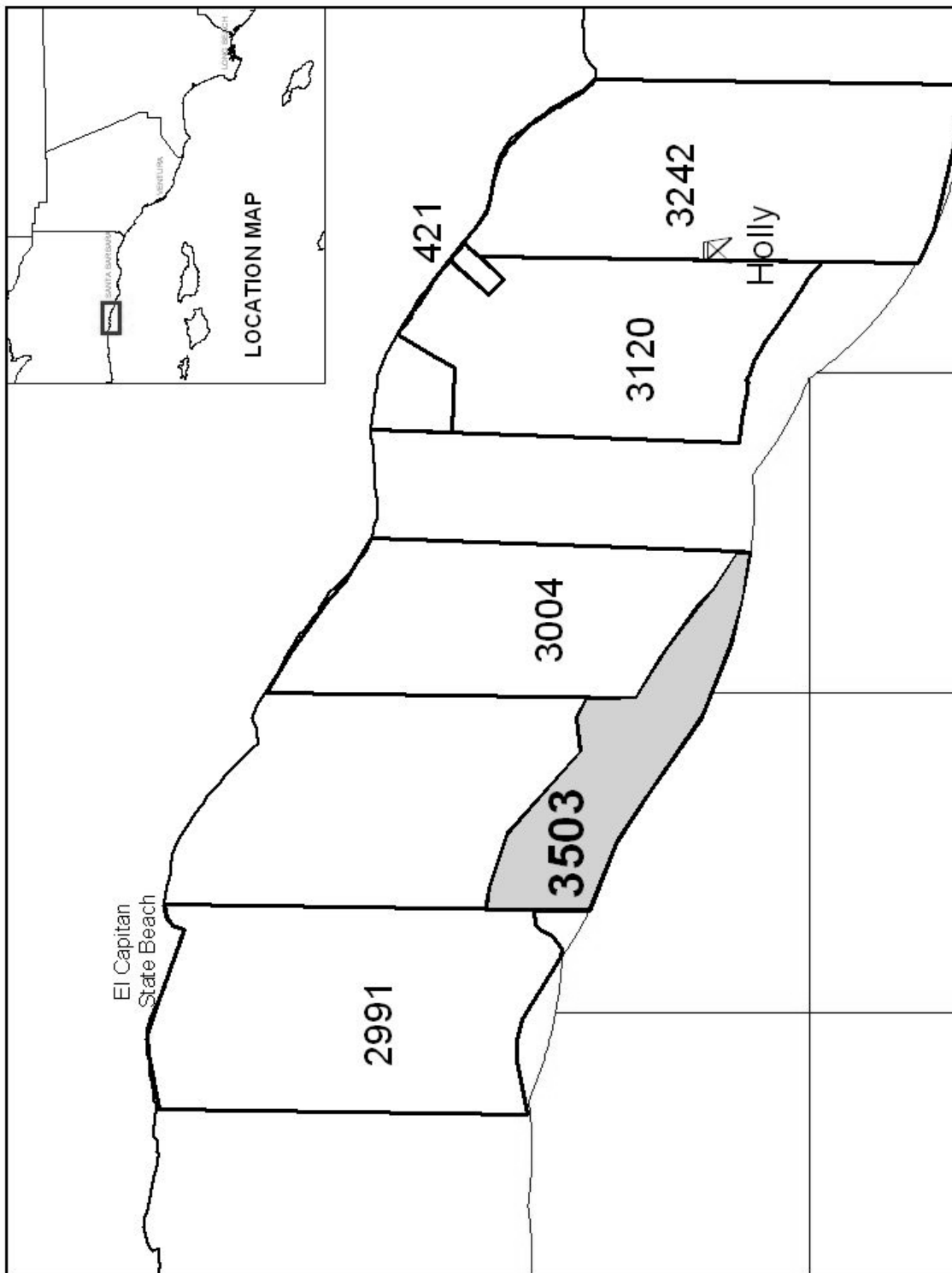
- 1. ACCEPT FROM CHEVRON U.S.A. INC. THE FULL QUITCLAIM DEED OF OIL AND GAS LEASE DATED APRIL 10, 2008, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN OIL AND GAS LEASE NO. PRC 3503.1, ORIGINALLY DATED JUNE 28, 1966, AND ANY SUBSEQUENT AMENDMENT THERETO.
- 2. RELEASE CHEVRON U.S.A. INC. FROM ALL OBLIGATIONS UNDER OIL AND GAS LEASE NO. PRC 3503.1 ACCRUING AFTER APRIL 14, 2008.

CALENDAR ITEM NO. **C52** (CONT'D)

3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.

EXHIBIT A

PRC 3503.1



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 3503.1 (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 June 28<sup>th</sup>, 1966.

CHEVRON U.S.A. INC, (Lessee) is the present holder 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 10<sup>th</sup> day of April, 2008.

LESSEE: CHEVRON U.S.A. INC

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

**EXHIBIT B-2**

PRC 3503.1

**EXHIBIT "A"**

**ATTACHED TO AND MADE A PART OF THAT CERTAIN LEASE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE DATED APRIL 10, 2008.**

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

A PARCEL OF SUBMERGED LAND IN THE SANTA BARBARA CHANNEL IN THE VICINITY OF EL CAPITAN BEACH STATE PARK, SANTA BARBARA COUNTY, CALIFORNIA, AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SEAWARD PROLONGATION OF THE WESTERLY BOUNDARY OF STATE OIL AND GAS LEASE P.R.C. 208 WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 NAUTICAL MILES; THENCE SOUTHERLY ALONG SAID SEAWARD PROLONGATION 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 LINE OF ORDINARY LOW WATER OF THE SANTA BARBARA CHANNEL, OR AT A DISTANCE OF 3 GEOGRAPHICAL MILES FROM THE PRESENTLY EXISTING OUTERMOST PERMANENT HARBOR WORKS IF ANY WITHIN OR IN THE VICINITY OF THE LEASEHOLD AREA, WHICHEVER SHALL BE FURTHER SEAWARD; THENCE NORTHWESTERLY ALONG SAID ENVELOPE LINE TO THE INTERSECTION WITH A NORTH-SOUTH CALIFORNIA ZONE 5 GRID LINE HAVING AN 'X' COORDINATE OF 1,392,440 (SAID GRID LINE IS THE SOUTHERLY EXTENSION OF THE WESTERLY BOUNDARY OF P.R.C. 2205); THENCE NORTH ALONG SAID GRID LINE TO THE INTERSECTION WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 STATUTE MILES (SAID LINE BEING THE SOUTHERLY BOUNDARY LINE OF STATE OIL AND GAS LEASE P.R.C. 2205); THENCE SOUTHEASTERLY ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LEASE TO THE INTERSECTION WITH A NORTH-SOUTH CALIFORNIA ZONE 5 GRID LINE HAVING AN 'X' COORDINATE OF 1,403,000; SAID GRID LINE BEING THE WESTERLY BOUNDARY OF P.R.C. 3004; THENCE SOUTH ALONG SAID NORTH-SOUTH GRID LINE TO THE INTERSECTION WITH A LINE PARALLEL TO THE ORDINARY HIGH WATER MARK OF THE SANTA BARBARA CHANNEL AND SEAWARD THEREFROM 3 NAUTICAL MILES (SAID LINE BEING THE SOUTHERLY BOUNDARY LINE OF THE STATE OIL AND GAS LEASE P.R.C. 3004); THENCE SOUTHEASTERLY ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LEASE TO THE POINT OF BEGINNING; CONTAINING 1,660 ACRES MORE OR LESS.

FOR THE PURPOSES OF THIS DESCRIPTION THE TERMS "LINE OF ORDINARY LOW WATER" AND "GEOGRAPHICAL MILES" SHALL HAVE THE SAME MEANING AS SAID TERMS HAVE AS USED IN THE SUBMERGED LANDS ACT OF 1953 (67 STAT. 29), AND THE TERM "OUTERMOST PERMANENT HARBOUR WORKS" SHALL MEAN THE OUTERMOST PERMANENT HARBOUR WORKS WHICH ARE REGARDED AS FORMING A PART OF THE COAST WITHIN THE MEANING OF ARTICLE 8 ON THE CONVENTION OF THE TERRITORIAL SEA AND THE CONTIGUOUS ZONE ADOPTED APRIL 27, 1958 (U.N. DOC A/CONF. 13/L.52).

(PRC-3503.1)

**EXHIBIT B-3**

PRC 3503.1

**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 Yancy 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)



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**ACKNOWLEDGMENT**

State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_ 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 \_\_\_\_\_ (Seal)