

MINUTE ITEM

3. (AMENDMENT OF OIL AND GAS LEASE P.R.C. 427.1, GENERAL PETROLEUM CORPORATION, RINCON FIELD, VENTURA COUNTY - P.R.C. 427.1, W. O. 2753.)

Following presentation of Calendar Item 22 attached, Mr. Kirkwood inquired whether the proposed amendment could give the lessee any rights beyond those included in lease issued pursuant to the Cunningham-Shell Tidelands Act, and was informed that such would not be the case.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES THE MODIFICATION OF THE TERMS OF OIL AND GAS LEASE P.R.C. 427.1, AS REQUESTED BY THE GENERAL PETROLEUM CORPORATION AND IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 104 OF THE STATUTES OF 1957 TO PERMIT ALL TYPES OF OPERATIONS AUTHORIZED UNDER SECTION 6873, SUBDIVISION (a), OF THE PUBLIC RESOURCES CODE, ALL OTHER TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.

Attachment

Calendar Item 22 (2 pages)

CALENDAR ITEM

OIL & GAS

22.

(AMENDMENT OF OIL AND GAS LEASE P.R.C. 427.1, GENERAL PETROLEUM CORPORATION, RINCON FIELD, VENTURA COUNTY - P.R.C. 427.1, W. O. 2753.)

Oil and Gas Lease No. 48, Rincon Field, Ventura County, was issued pursuant to Chapter 303 of the Statutes of 1921 to the General Petroleum Corporation on May 19, 1930 for a term of 20 years. On May 19, 1950, pursuant to Division 6 of the Public Resources Code and the provisions of Chapter 303 of the Statutes of 1921, the lease was extended and renewed for a period of 10 years as P.R.C. 427.1 and may be thereafter extended for such periods of time as and if the Legislature provides.

Section 6873 of the Public Resources Code, as amended by the Statutes of 1941, provides, in part: "Each well drilled pursuant to the terms of the lease shall be drilled...from a drill site located upon any pier heretofore constructed for drilling purposes and available for such drilling upon any tide or submerged lands described in any valid existing lease heretofore issued pursuant to the provisions of Chapter 303, Statutes of 1921, as amended, if in the judgment of the commission such drilling will be in the public interest."

An application has been received from the General Petroleum Corporation requesting the amendment of Oil and Gas Lease P.R.C. 427.1, pursuant to the provisions of Chapter 104, Statutes of 1957, to permit all types of operations authorized under Section 6873, subdivision (a), of the Public Resources Code, as amended by Statutes of 1955, in order to provide drill sites for offset wells and additional development wells. The existing pier is not adequate for this purpose and, in order to accomplish these objectives, it will have to be supplemented by additional construction.

Chapter 104 of the Statutes of 1957 provides for amendment of any existing lease of tide and submerged lands, in part, as follows:

"In the case of any existing lease of tide and submerged lands, the commission may, with the consent of the other party thereto, amend the same so as to contain and conform with subdivisions (a)...

- "(a) Each well drilled pursuant to the terms of the lease may be drilled or slant-drilled to and into the subsurface of the tide or submerged lands covered by the lease from upland or littoral drill sites owned or controlled by the State or owned by or available to the lessee, or from drill sites located upon any filled lands heretofore or hereafter filled, whether contiguous or noncontiguous to the littoral lands or uplands or from any pier heretofore or hereafter constructed owned by or available to the lessee and available for such purpose or from platforms or other fixed or floating structures in, on or over the tide and submerged lands covered by the lease or otherwise available to the lessee."

OIL & GAS 22. (CONTD.)

It is the opinion of the office of the Attorney General that Oil and Gas Lease P.R.C. 427.1 may be amended pursuant to the amendatory provisions of Section 6873 of the Public Resources Code, as amended by Chapter 104 of the Statutes of 1957.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE MODIFICATION OF THE TERMS OF OIL AND GAS LEASE P.R.C. 427.1, AS REQUESTED BY THE GENERAL PETROLEUM CORPORATION AND IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 104 OF THE ~~STATUTES OF 1957 TO PERMIT ALL TYPES OF OPERATIONS AUTHORIZED UNDER SECTION~~ 6873, SUBDIVISION (a), OF THE PUBLIC RESOURCES CODE, ALL OTHER TERMS, CONDITIONS, AND PERFORMANCE REQUIREMENTS UNDER THE SUBJECT LEASE TO REMAIN UNCHANGED.