

MINUTE ITEM

9. (RENEWAL OF AGREEMENT FOR EASEMENT 410.1, RICHFIELD OIL CORPORATION, RINCON FIELD, VENTURA COUNTY - W. O. 3025.)

After presentation of Calendar Item 11 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE A NEW LEASE IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 410.1, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6827 OF THE PUBLIC RESOURCES CODE, AS REQUESTED BY THE RICHFIELD OIL CORPORATION. THE NEW LEASE IS TO BE FOR A TERM OF FIVE YEARS AND FOR SO LONG THEREAFTER AS OIL OR GAS IS PRODUCED IN PAYING QUANTITIES, OR LESSEE SHALL BE CONDUCTING PRODUCING, DRILLING, DEEPENING, REPAIRING, REDRILLING OR OTHER NECESSARY LEASE OR WELL MAINTENANCE OPERATIONS ON THE LEASED LAND. THE NEW LEASE IS TO BE ISSUED AT THE SAME ROYALTY AND UPON THE SAME TERMS AND CONDITIONS AS LEASE P.R.C. 410.1 FOR WHICH IT IS TO BE EXCHANGED.

Attachment

Calendar Item 11 (1 page)

CALENDAR ITEM

OIL & GAS

11.

(REQUEST FOR RENEWAL OF OIL AND GAS LEASE P.R.C. 410, RICHFIELD OIL CORPORATION, RINCON FIELD, VENTURA COUNTY - W. O. 3025.)

State Oil and Gas Lease No. 52 was issued, pursuant to the provisions of Chapter 303 of the Statutes of 1921, to the Pan-American Petroleum Company on April 17, 1929, for a period of 20 years, with the preferential right in the lessee to renew for successive periods of 10 years each unless otherwise provided by law at the time of the expiration of such periods. On March 12, 1937, Lease No. 52 was assigned by the Pan-American Petroleum Company and William C. McDuffie, Reorganization Trustee, to the Richfield Oil Corporation with the approval of the Chief of the Division of State Lands.

On April 17, 1949, pursuant to Division 6 of the Public Resources Code and the provisions of Chapter 303 of the Statutes of 1921, Oil and Gas Lease No. 52 was renewed, as Oil and Gas Lease Extension and Renewal P.R.C. 410, for a period of 10 years.

An application has been received from the Richfield Oil Corporation for the renewal of Lease P.R.C. 410 in accordance with the provisions of Section 6827 of the Public Resources Code, which states in part "...the commission may issue a new lease in exchange for any lease issued for a term of 20 years, or any renewal or extension thereof; such new lease shall be issued at the same royalty and upon the same terms and conditions as the lease for which it is exchanged, unless the commission and the lessee shall otherwise agree, except that the term of such exchange lease shall be for a term of five years and for so long thereafter as oil or gas is produced in paying quantities, or lessee shall be conducting producing, drilling, deepening, repairing, re-drilling or other necessary lease or well maintenance operations on the leased land."

Currently there are eleven wells producing on the area under lease. Application for renewal is requested at this time in order that these operations may be continued and additional development operations conducted.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A NEW LEASE IN EXCHANGE FOR OIL AND GAS LEASE EXTENSION AND RENEWAL P.R.C. 410, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6827 OF THE PUBLIC RESOURCES CODE, AS REQUESTED BY THE RICHFIELD OIL CORPORATION. THE NEW LEASE IS TO BE FOR A TERM OF FIVE YEARS AND FOR SO LONG THEREAFTER AS OIL OR GAS IS PRODUCED IN PAYING QUANTITIES, OR LESSEE SHALL BE CONDUCTING PRODUCING, DRILLING, DEEPENING, REPAIRING, REDRILLING OR OTHER NECESSARY LEASE OR WELL MAINTENANCE OPERATIONS ON THE LEASED LAND. THE NEW LEASE IS TO BE ISSUED AT THE SAME ROYALTY AND UPON THE SAME TERMS AND CONDITIONS AS LEASE NO. P.R.C. 410 FOR WHICH IT IS TO BE EXCHANGED.