

MINUTE ITEM

This Calendar Item No. 40  
was approved as Minute Item  
No. 22 by the State Lands  
Commission by a vote of 2  
to 0 at its 5/23/85  
meeting.

CALENDAR ITEM

A 35

40

05/23/85  
W 40458  
PRC 410  
PRC 429  
PRC 1466  
Hamilton

S 18

AMENDMENT OF ROYALTY ON GAS PAYMENT PROVISIONS OF  
STATE OIL AND GAS LEASES  
PRC 410, PRC 429 AND PRC 1466,  
VENTURA COUNTY

LESSEE:

Norris Oil Co.  
9454 Wilshire Blvd., Suite 314  
Beverly Hills, California 90212-2994

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Leases PRC 410, PRC 429 and  
PRC 1466 contain a total of 1,305 acres of tide  
and submerged lands located within the Rincon  
Oil Field of the Santa Barbara Channel in  
Ventura County.

APPROVAL REQUESTED:

Approval of lease amendment modifying payment  
clause of each lease to provide that, when paid  
in money, royalty on gas shall be due no later  
than the 15th day of the second calendar month  
following the calendar month in which the gas  
is produced.

SUMMARY:

Norris Oil Co. is the present lessee and  
operator of the above three State leases.  
Norris' share of the gas production is  
purchased by Santa Fe Energy Products Company  
(gas processing plant). This company provides  
Norris with accounting information about the  
25th day of the month following the production  
which is also the time when royalty payments  
are due the State. Norris maintains that it

CALENDAR ITEM NO. 40 (CONT'D)

takes several weeks to process this information, so they request that the date upon which monthly royalty payments are due be extended to 45 days following production rather than the 25 day period currently provided in the State leases.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

EXHIBIT: A. Lease Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

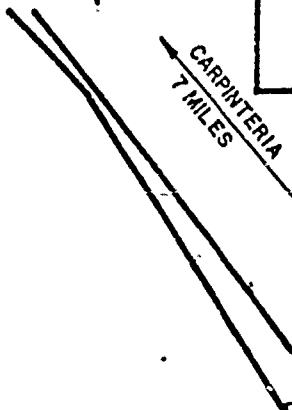
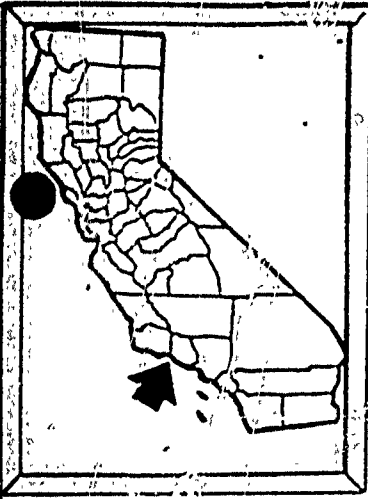
1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE AMENDMENTS OF STATE OIL AND GAS LEASES PRC 410, PRC 429 AND PRC 1466 TO PROVIDE THAT, WHEN PAID IN MONEY, THE ROYALTY ON GAS SHALL BE DUE AND PAYABLE NO LATER THAN THE 15TH DAY OF THE SECOND CALENDAR MONTH FOLLOWING THE CALENDAR MONTH IN WHICH THE GAS IS PRODUCED.

**EXHIBIT "A"**  
**LOCATION MAP**

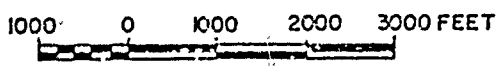
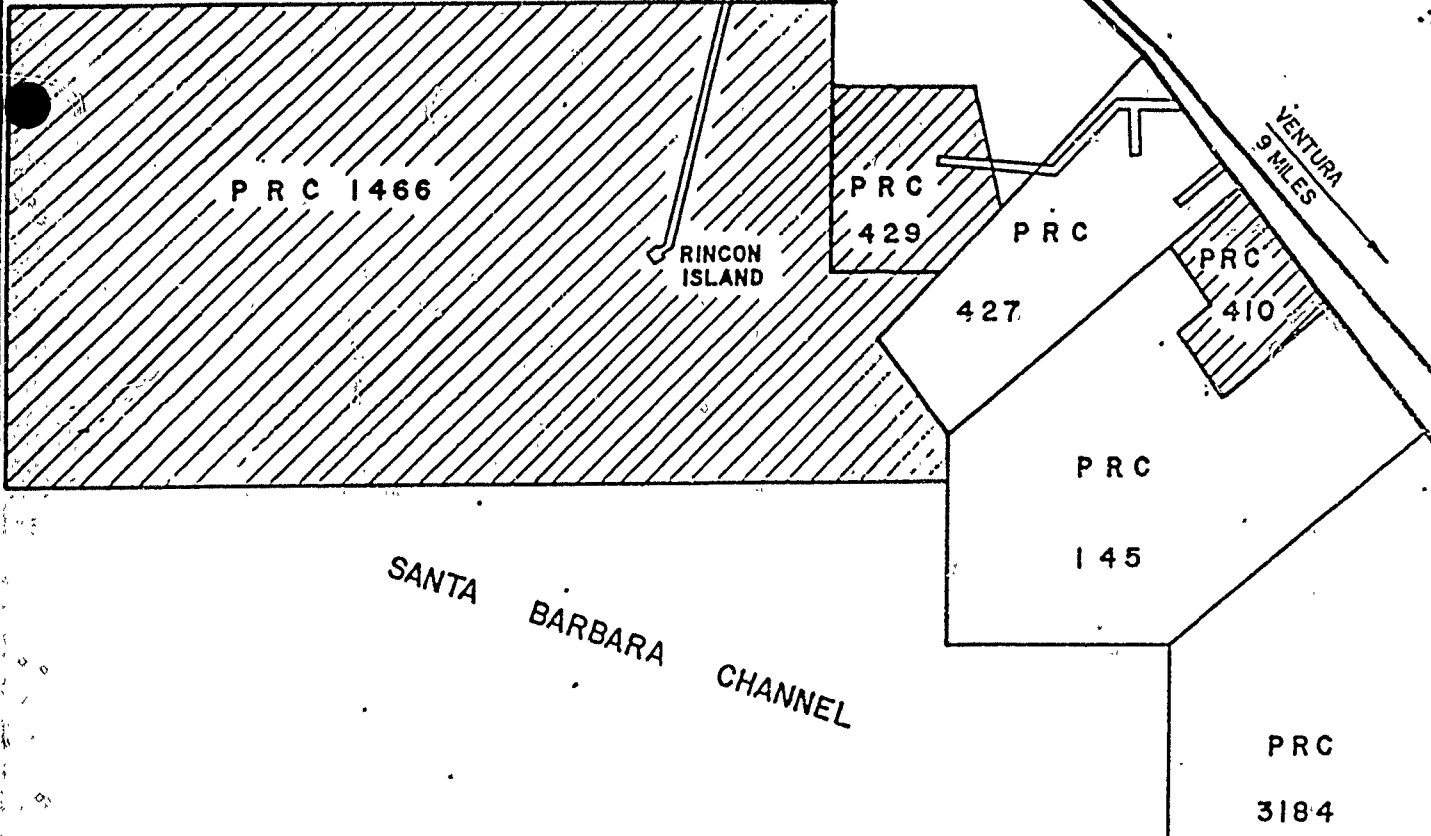
**AMENDMENT OF STATE OIL AND GAS  
LEASES PRC 410, PRC 429  
AND PRC 1466**

**NORRIS OIL CO. VENTURA COUNTY**

**(W 40458)**



VENTURA COUNTY



CALENDAR PAGE	145.2
MINUTE PAGE	170b