

MINUTE ITEM

This Calendar Item No. 27  
was assigned to the item  
No. 27 on 10/24/85  
by 3  
to 0

CALENDAR ITEM

A 35

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27

10/24/85  
PRC 129  
PRC 208  
PRC 308  
PRC 309  
PRC 421  
Gonzalez

ASSIGNMENT OF STATE OIL AND GAS LEASES  
PRC 129, 208, 308, 309 AND 421  
LOCATED ON TIDE AND SUBMERGED LANDS  
IN SANTA BARBARA COUNTY

ASSIGNOR: Phillips Petroleum Company  
8055 East Tufts Avenue Parkway  
Denver, Colorado 80237

ASSIGNEE: Atlantic Richfield Company  
4201 Stien Road  
Bakersfield, California 93302

AREA, TYPE LAND AND LOCATION:  
A total of 6082.48 acres of tide and submerged  
lands in five (5) parcels in the Elwood - Coal  
Oil Point Area of Santa Barbara County, as  
shown on Exhibit "A".

LEASE SUMMARIES:

1. State Oil and Gas Lease PRC 129 contains  
254 acres of tide and submerged lands and  
was issued in January 1929 to Signal Oil  
and Gas Company. Through a series of  
purchases and assignments Phillips  
Petroleum Company (Phillips) is now owner  
of 100 percent of this lease and is  
assigning all of this interest to Atlantic  
Richfield Company (ARCO).

CALENDAR ITEM NO. <sup>r</sup> 27 (CONT'D)

2. State Oil and Gas Lease PRC 208 contains 1920 acres of tide and submerged lands and was issued to Signal Oil and Gas Company on January 18, 1946. Phillips has also acquired 100 percent of this lease and is assigning the full interest to ARCO.
3. State Oil and Gas Leases PRC 308 and 309 each contain 1920 acres of tide and submerged land and both leases were issued on March 4, 1947 to a successful joint bid group consisting of Honolulu Oil Company, Signal Oil and Gas and Macco. Through various assignments in the intervening years, ARCO acquired 75 percent interest in both leases. Phillips retained a 25 percent interest in PRC 308 and 309, which is being assigned by Phillips to ARCO.
4. State Oil and Gas Lease PRC 421 contains 68.48 acres of tide and submerged lands and was originally issued as Lease 89 in October, 1929 to Bankline Oil Company. Through various assignments, Phillips has acquired the lease, and it is proposing to assign it to ARCO.

Phillips and ARCO have reached agreement on the assignment of the above State Oil and Gas Leases and ARCO has requested that the State Lands Commission consent to the assignment of the leases.

PREREQUISITE ITEMS:

- A. Assignment forms have been executed by Assignor and Assignee and are on file in the Long Beach office of the Commission.
- B. Assignee is qualified to hold a State lease.
- C. Filing fee and processing costs have been received.
- D. ARCO has agreed to execute agreements which would: 1. require that certain air emission offset benefits provided by projects on or associated with oil and gas

CALENDAR ITEM NO.	104
MINUTE PAGE	3086

developments on state tide and submerged lands will be used for the benefit of exploration and development of State lands; and 2. clarify procedures for calculation of royalty on oil produced under certain oil and gas leases operated by ARCO. These agreements are on file in the Long Beach office of the Commission.

STATUTORY AND OTHER REFERENCES:

- A. Assignment Section of the leases.
- B. P.R.C.: Section 6804.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff had 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.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT: A. Location Map.

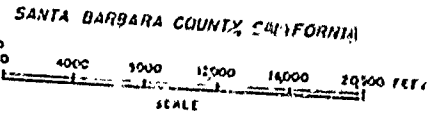
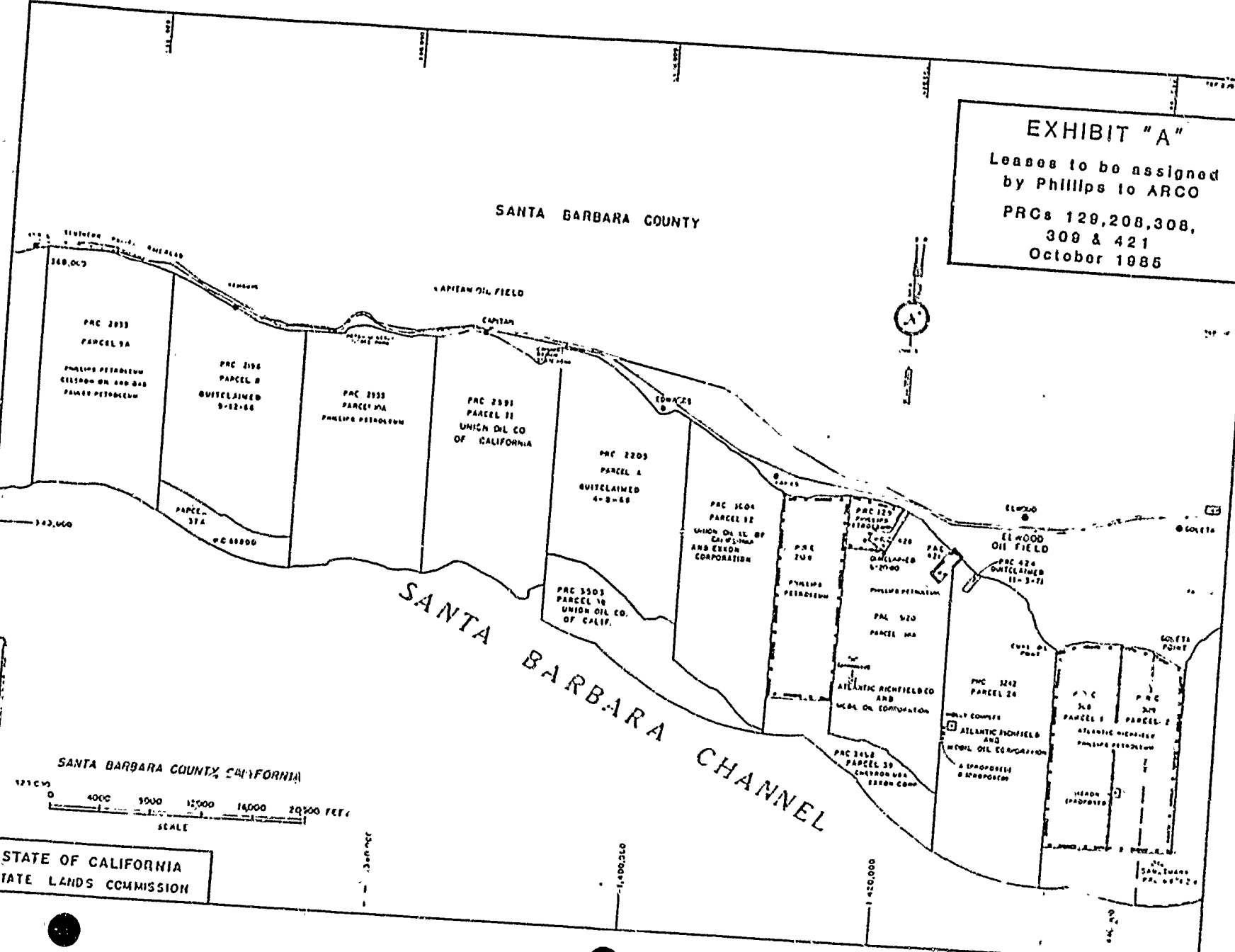
IT IS RECOMMENDED THAT THE COMMISSION

- 1. FIND THAT THIS 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. CONSENT TO THE ASSIGNMENT OF STATE OIL AND GAS LEASES PRC 129, PRC 208, PRC 308, PRC 309, AND PRC 421 FROM PHILLIPS PETROLEUM COMPANY TO ATLANTIC RICHFIELD COMPANY, WITH THE ASSIGNMENT TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASES INCLUDING ANY CLAIMS WHICH MAY BE MADE BY THE STATE FOR RENTALS, ROYALTIES OR OTHER PAYMENTS REQUIRED UNDER THE LEASES. THE CONSENT BEING FURTHER CONDITIONED ON ATLANTIC RICHFIELD COMPANY EXECUTING AGREEMENTS FOR USE OF EMISSION OFFSET BENEFITS AND AGREEMENTS CLARIFYING PROCEDURES FOR OIL ROYALTY RATE DETERMINATION.

EXHIBIT "A"

Leases to be assigned  
by Phillips to ARCO  
PRCs 129, 208, 308,  
309 & 421  
October 1985

SANTA BARBARA COUNTY



CALENDAR PAGE 107.3  
MINUTE PAGE 3088

STATE OF CALIFORNIA  
STATE LANDS COMMISSION