

MINUTE ITEM

This Calendar Item No. C23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 2
to 0 at its 11-5-91
meeting.

CALENDAR ITEM

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C 2 3

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PRC 2920
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DEFERMENT OF DRILLING OBLIGATION
STATE OIL AND GAS LEASE PRC 2920
SANTA BARBARA COUNTY

LESSEE:

Shell Western E&P Inc. (SWEPI)
P.O. Box 11164
Bakersfield, California 93389-1164

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 2920 contains approximately
4,250.14 acres of submerged lands located in the Molino
area, Santa Barbara County.

LEASE INFORMATION:

The lease was issued on August 28, 1962 to Standard Oil Company
of California, (now Chevron U.S.A., Inc.), and Shell Oil Company,
(now SWEPI), for a cash bid bonus bid of \$14,080,713.82. SWEPI
is the operator of this lease.

By letter dated August 12, 1991, SWEPI Inc. is requesting a two-
year deferment of drilling obligations through September 30,
1993. This drilling deferment would allow SWEPI to evaluate the
future development potential of this lease, including well
abandonment.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

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

Authority: P.R.C. 21065, 14 Cal. Code Regs. 15378.

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CALENDAR ITEM NO. C 2 3 (CONT'D)

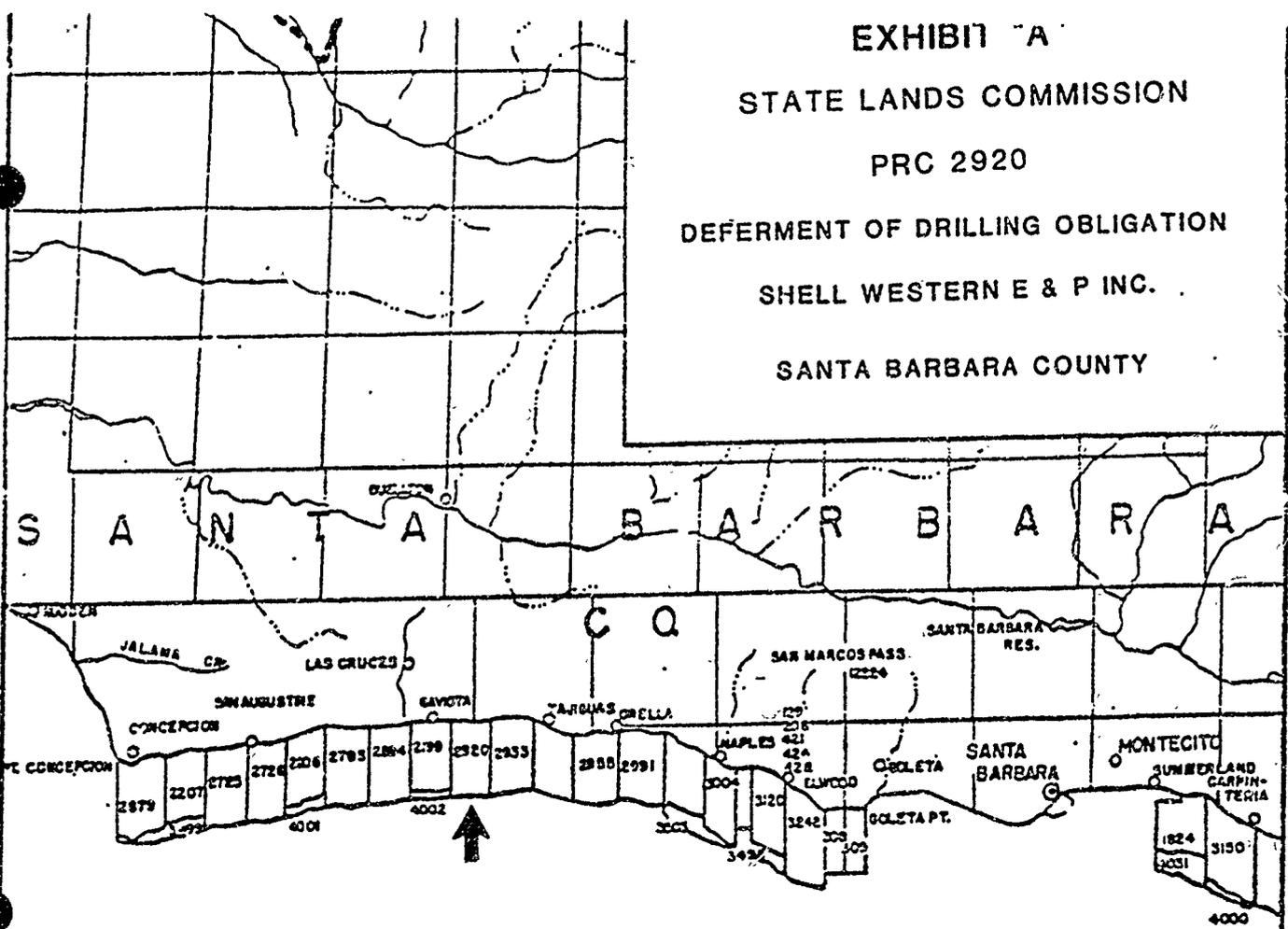
EXHIBIT:

A. 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. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE A DEFERMENT OF THE DRILLING OBLIGATION UNDER STATE OIL AND GAS LEASE PRC 2920, COMMENCING OCTOBER 1, 1991 THROUGH SEPTEMBER 30, 1993.

EXHIBIT "A"
 STATE LANDS COMMISSION
 PRC 2920
 DEFERMENT OF DRILLING OBLIGATION
 SHELL WESTERN E & P INC.
 SANTA BARBARA COUNTY



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