

MINUTE ITEM

This Calendar Item No. 66 was approved as
Minute Item No. 66 by the California State Lands
Commission by a vote of 3 to 0 at its
4/13/99 meeting.

**CALENDAR ITEM
C66**

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S 15

04/13/99
PRC 2850.1
A. Nitsche

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN COMPENSATORY GAS AGREEMENT NO. PRC 2850.1
MAINE PRAIRIE GAS FIELD,
SOLANO COUNTY**

ASSIGNOR:

Amerada Hess Corporation
Attn: D. G. Stevenson
P. O. Box 2040
Houston, TX 77352-2040

ASSIGNEE:

Sheridan California Energy, Inc.
Attn.: B. A. Berilgen
1000 Louisiana, Suite 800
Houston, TX 77002

AREA, LAND TYPE, AND LOCATION:

Compensatory Gas Agreement No. PRC 2850.1 contains 51 acres in Haas
Slough in the Maine Prairie Gas Field, Solano County.

BACKGROUND:

Compensatory Gas Agreement No. PRC 2850.1 was issued to Amerada
Petroleum Corporation on October 13, 1961. Through a name change, the
present lessee is Amerada Hess Corporation (Amerada Hess). Amerada Hess is
the operator for the agreement and is requesting that the California State Lands
Commission approve assignment of its 100 percent interest in this agreement to
Sheridan California Energy, Inc.

STATUTORY AND OTHER REFERENCES:

- A. Section 11 of the Agreement.
- B. Public Resources Code section: 6804

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OTHER PERTINENT INFORMATION

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

2. Assignment forms and prerequisite filing fees have been paid by Sheridan California Energy, Inc.
3. A financial review of Sheridan California Energy, Inc., indicates satisfactory financial responsibility to perform lease operations.

EXHIBIT:

- A. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN COMPENSATORY GAS AGREEMENT NO. PRC 2850.1 FROM AMERADA HESS CORPORATION TO SHERIDAN CALIFORNIA

CALENDAR ITEM NO. C66 (CONT'D)

ENERGY, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE
TERMS AND CONDITIONS OF THE LEASE.

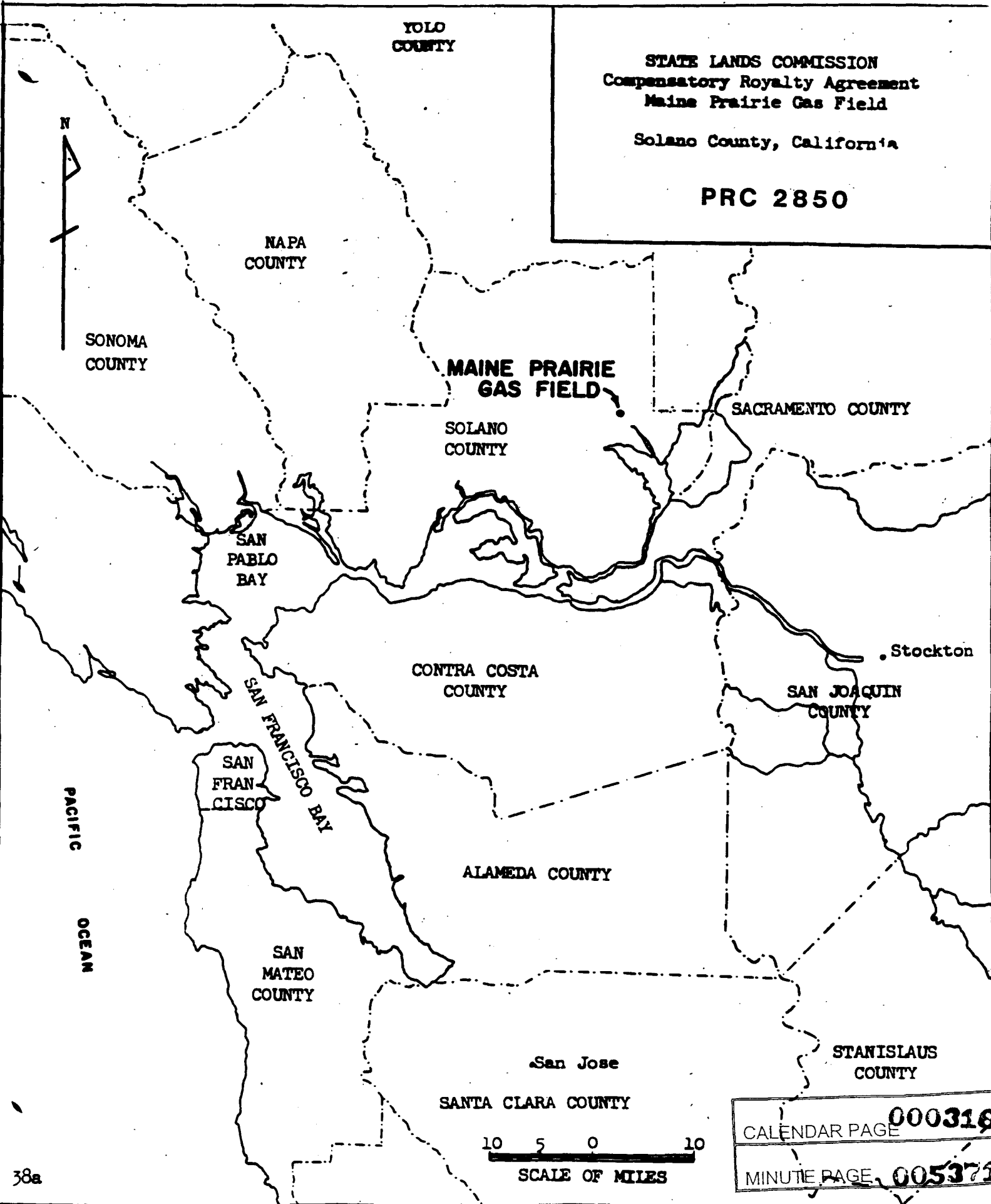
AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO
EXECUTE ALL DOCUMENTS NECESSARY TO AFFECT THIS
ASSIGNMENT.

EXHIBIT A

STATE LANDS COMMISSION
Compensatory Royalty Agreement
Maine Prairie Gas Field

Solano County, California

PRC 2850



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