

MINUTE ITEM

This Calendar Item No. 50 was approved as
Minute Item No. 50 by the California State Lands
Commission by a vote of 3 to 0 at its
2/8/00 meeting.

**CALENDAR ITEM
C50**

A 35

02/08/00

PRC 3150.1

S 18

A. Nitsche

**CONSIDER APPROVAL OF A SUBSURFACE ONLY
ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE
NO. PRC 3150.1, CARPINTERIA AREA,
OFFSHORE SANTA BARBARA COUNTY**

ASSIGNOR:

Chevron U.S.A., Inc.
c/o Ralph E. Mayo
P. O. Box 1392
Bakersfield, CA 93302

ASSIGNEE:

Venoco, Inc.
Attn.: Mr. Timothy Marquez
217 State Street
Santa Barbara, CA 93101

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 3150.1 contains 4,012 acres and is situated in the
Carpinteria area, offshore Santa Barbara County.

BACKGROUND:

Oil and Gas Lease No. PRC 3150.1 was issued to Standard Oil Company of
California and Richfield Oil Corporation on July 28, 1964. Through a series of
corporate mergers and name changes, the present lessee is Chevron U.S.A.,
Inc. (Chevron) and Arco Oil and Gas Company (Arco). Chevron is the operator
for the lease. A portion of this lease was assigned by Arco and Chevron to
Carone Petroleum Corporation in 1996 (that part now designated as Lease No.
PRC 7911.1). Chevron is now requesting that the California State Lands
Commission approve subsurface only assignment of 100 percent interest of its
50 percent interest in this lease to Venoco, Inc. Chevron has assigned

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contiguous onshore property and facilities to Venoco. As a condition of the assignment, Venoco will submit to the Commission within one year from the effective date of the assignment, a plan of exploration/development for the lease with the drilling obligation deferred through that period.

STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the Lease.
- B. Public Resources Code section: 6804

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 Venoco, Inc.
- 3. A financial review of Venoco, 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

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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 SUBSURFACE ONLY ASSIGNMENT OF 100 PERCENT INTEREST OF ITS 50 PERCENT INTEREST IN OIL AND GAS LEASE NO. PRC 3150.1 FROM CHEVRON U.S.A., INC. TO VENOCO, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE INCLUDING AN OBLIGATION OF VENOCO TO SUBMIT A PLAN OF EXPLORATION/DEVELOPMENT WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THE ASSIGNMENT WITH DRILLING OBLIGATIONS DEFERRED THROUGH THAT PERIOD.

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

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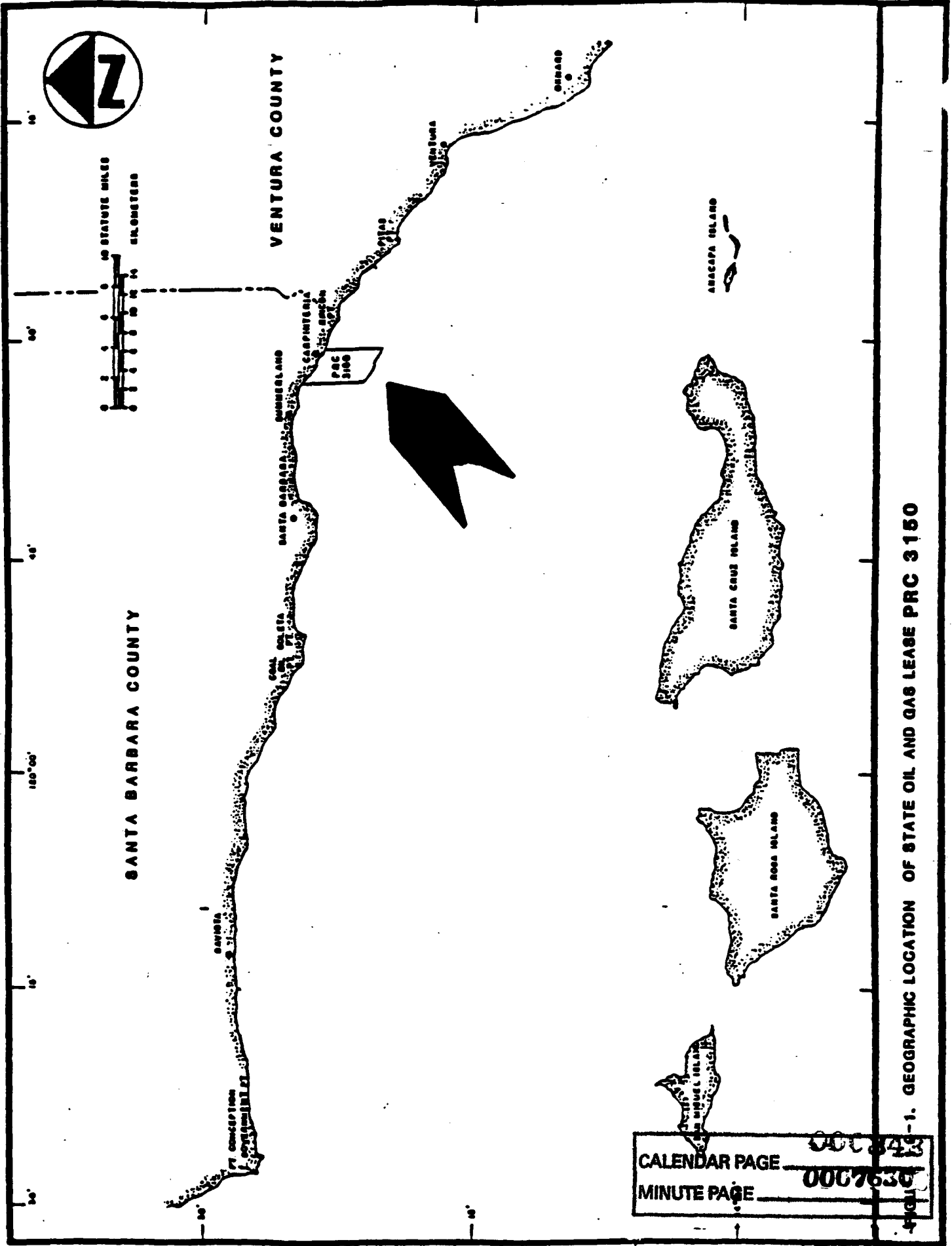


FIGURE 1. GEOGRAPHIC LOCATION OF STATE OIL AND GAS LEASE PRC 3150