

This Calendar Item No. 79
 was submitted for information
 only, no action thereon
 being necessary.

INFORMATIONAL
 CALENDAR ITEM

79

A)
)Statewide
 S)

09/03/99

STAFF

REPORT TO THE STATE LANDS COMMISSION
 ON THE STATUS OF STATE
 OFFSHORE OIL AND GAS LEASES

At the State Lands Commission's June 14, 1999 meeting the staff presented to the Commission the *California Offshore Leasing and Development Status Report* dated May 25, 1999 which had been prepared by the staffs of the Coastal Commission and State Lands Commission for the California Secretary of Resources. Although this report focused primarily on 40 undeveloped federal OCS leases, it also contained information on the 42 offshore oil and gas leases that are still active, to one degree or another, in state waters. At the Commission's June hearing representatives of Santa Barbara County and the Santa Barbara County Environmental Defense Center requested more information about the status of non-producing leases in state waters most of which were offshore Santa Barbara County. In addition, a letter from State Senator Jack O'Connell was presented asking for similar information. This report will focus in greater detail on the status of each state lease, whether still producing, or non-producing and concludes, in exhibit B, with a description of each lease and its status.

OVERVIEW

Offshore oil and gas development on state tide and submerged lands is an industry in decline. At its zenith, in 1968, the state had leased 153,597 acres comprising fifty-eight individual oil and gas leases. Then, in January of 1969, a well located on a federal lease in the Santa Barbara Channel blew out spilling 80,000 barrels of oil into the water. In the three decades following this disaster the State of California has not conducted a single new offshore oil and gas lease sale.

The State Lands Commission presently has forty-two offshore oil and gas leases. These leases are depicted on exhibit A. Of the forty-two, only seventeen are still producing oil and gas. One, although not producing, is being used for water injection in association with producing leases. The remaining twenty-four leases have no production. Of these twenty-four non-producing leases five have never had production on them while the remaining nineteen have had their production terminated by the lessee.

Each of the forty-two remaining leases, none less than thirty years old, has a unique history depending on a variety of factors. These factors include the type of lease agreement used, the law in effect at the time the lease was issued, whether the lease

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has been developed or not, whether it is still producing, the effect of the Commission's 1969 drilling moratorium and differing circumstances relating to abandonment.

PRODUCING LEASES

There are ten producing leases offshore Orange County, one offshore Los Angeles County, five offshore Ventura County and two offshore Santa Barbara County. These leases are produced from four platforms, one artificial island and several large onshore drill sites. In addition there are four artificial drilling and production islands with over 1,300 wells that develop the state's Long Beach Unit interests. Over the years these and other offshore oil developments in state waters have produced more than \$6 billion in non-tax revenue. Most of the State Water Project and a good portion of the University of California system have been built with these funds.

The lessees of the producing leases are: Aera Energy LLC, a limited liability company, owned by Mobil and Shell (six leases); Nuevo, a large, publicly held independent oil company (two leases); Breitburn, a small independent oil company (one lease); ARCO Long Beach Inc., a wholly owned subsidiary of ARCO (one lease); Berry, a large independent (two leases); Venoco, a new independent oil company with substantial holdings in federal waters in the Santa Barbara Channel (two leases) and Rincon Island Limited Partnership (RLIP), a small independent oil company (three leases). Rincon Island limited Partnership is in Chapter 11 Bankruptcy reorganization. The Commission's staff, with the assistance of the Attorney General's office, is monitoring this lessee closely to ensure that continued operations are conducted in an environmentally safe manner.

NON-PRODUCING LEASES

Of the twenty-five non-producing leases, three leases have quitclaims before the Commission for acceptance at the September 3, 1999 meeting. The quitclaim leases are:

LEASE NO.	LESSEE	COUNTY
2725	Texaco	Santa Barbara
2726	Texaco	Santa Barbara
3499	Exxon	Santa Barbara

While lease No.2725 had production on it, Lease No.'s 2726 and 3499 have never been productive.

There are two non-producing leases offshore the cities of Huntington Beach and Seal Beach.

LEASE NO.	LESSEE	COUNTY
186	Exxon	Orange
3413	Nuevo	Orange

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Lease No. 186 is in the midst of the abandonment process, which involves removal of the drilling and production facility known as Belmont Island. Lease No. 3413 has been, and will continue to be, used for water injection in the Huntington Beach offshore field pursuant to State Lands Commission approval of Nuevo's waterflood project.

Two leases are completing a well abandonment and pier removal project.

LEASE NO.	LESSEE	COUNTY
427	Mobil	Ventura
429	RILP	Ventura

The wells have been abandoned and the majority of the pier removal work has been done.

Three leases have completed well abandonment and the removal of four drilling and production platforms offshore Carpinteria, Santa Barbara County.

LEASE NO.	LESSEE	COUNTY
3133	Exxon	Santa Barbara
3150	Chevron	Santa Barbara
1824	Chevron	Santa Barbara

The Exxon lease is ready to be returned to the state and a letter has been sent to Exxon requesting a quitclaim. The two Chevron leases are awaiting resolution of the controversy surrounding whether or not large mounds of drilling mud and cuttings encased in shells, should be removed or allowed to remain in place.

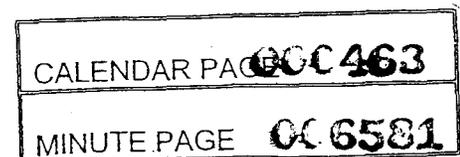
Two non-producing leases that were once developed from two of the four Carpinteria platforms, have drilling deferments until November 1, 1999.

LEASE NO.	LESSEE	COUNTY
4000	Carone	Santa Barbara
7911	Carone	Santa Barbara

Any development will require the approval of several federal, state and local agencies including the State Lands Commission and the Coastal Commission and would take place from an existing federal platform.

Venoco has three non-producing leases in close proximity to its platform Holly.

LEASE NO.	LESSEE	COUNTY
129	Venoco	Santa Barbara
208	Venoco	Santa Barbara
421	Venoco	Santa Barbara



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Lease 421 is the site of "Bird Island" a remnant of an abandoned oil pier. In addition, lease 421 has two wells in the near shore area on concrete and steel caissons which are connected to shore by a small wooden structure. Venoco has applied to the County for permission to activate the wells. Lease 208 has just completed debris removal. Lease 129 has completed the well abandonment process. A letter requesting a quitclaim has been sent.

Unocal has three leases in close proximity to one another which have not been developed and from which the Commission's drilling moratorium has never been lifted.

LEASE NO.	LESSEE	COUNTY
2991	Unocal	Santa Barbara
3004	Unocal	Santa Barbara
3503	Unocal	Santa Barbara

None of these leases have ever had production on them and are still subject to the Commission's drilling moratorium. Each lease has had exploratory wells drilled and abandoned on it. Two of the leases have just completed a debris removal program. A letter has been sent to Unocal requesting a quitclaim of lease 2991. In theory, leases 3004 and 3503 could be developed from an adjacent federal lease. The federal lessee, Samaden, has requested approval from the Minerals Management Service to place a platform in federal waters and intends to request assignment of the state leases.

Three non-producing leases are part of a natural gas development project approved by the State lands Commission, the County of Santa Barbara and the Coastal Commission. They are being developed from a Santa Barbara County approved consolidated onshore drill site adjacent to the County approved consolidated onshore oil and gas processing site at Gaviota.

LEASE NO.	LESSEE	COUNTY
2199	Benton	Santa Barbara
2894	Benton	Santa Barbara
2920	Benton	Santa Barbara

There has been one well drilled in 1998. It was unsuccessful. Benton has a drilling deferment, which expires in September 1999. Benton has requested an extension of the deferment which will be heard at the Commission's September 3, 1999 meeting. The County of Santa Barbara has already granted an extension.

There are four remaining non-producing leases.

LEASE NO.	LESSEE	COUNTY
2206	Texaco	Santa Barbara
2793	ARCO	Santa Barbara
2879	Unocal	Santa Barbara
2933	Phillips	Santa Barbara

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Texaco has indicated that it intends to return lease No. 2206 to the state and a quitclaim has been requested. ARCO, Unocal and Phillips have just completed an offshore well abandonment and debris removal program. Unocal is also in the process of abandoning four remaining onshore wells. ARCO intends to return its lease to the state and a quitclaim has been requested. Benton is negotiating with Phillips to include lease 2933, by way of assignment, in Benton's natural gas development project.

LEASE DEVELOPMENT OBLIGATIONS

Existing State Lands Commission offshore leases were issued over a 30-year period from 1938 to 1968. (Lease No. 7911 is a 1996 partial assignment of sub-surface zones in Chevron's Lease No. 3150; while Aera's lease No. 4736 is the result of a 1973 boundary settlement agreement.) Although seven different lease forms are represented, they can basically be divided into two main types; those that were issued prior to January 1, 1956 and those that were issued after that date.

All of the state leases written after January 1, 1956 reflect the last major update of the state's oil and gas leasing statutes which were contained in the Cunningham-Shell Act (Chapter 1724, Statutes of 1955). Of the forty-two leases presently in state waters, twenty-six leases are Cunningham-Shell leases while sixteen are pre Cunningham-Shell leases. Although ten of the pre Cunningham-Shell leases are producing oil and gas, only seven Cunningham-Shell leases have production leaving the remaining nineteen such leases idle.

One of the most significant differences between these two types of leases are the provisions regarding development obligations and how they relate to lease termination. The pre Cunningham-Shell leases were relatively simple. Primary terms were generally for five, ten or twenty years and could be extended by agreement of the lessee and the state. All of these leases were eventually extended. The lessee had forty-five days to begin drilling the first well and was required to diligently pursue the drilling program, which was incorporated into the lease, until the lease was fully developed. If, after thirty days written notice, a default remained uncured, the state could seek to cancel the lease and retake possession of it. During the term of the lease, the lessee could quitclaim all or any portion of the lease back to the state.

The Cunningham-Shell lease has more expansive provisions. The primary term is for twenty years, and for so long thereafter as gas or oil is produced in paying quantities, or the lessee is diligently conducting producing, drilling, deepening, repairing, re-drilling or other necessary lease or well maintenance operations. The drilling of the first well must be initiated within a three year drilling term. Other lease provisions require the lessee to continue drilling until the lease is fully developed. If the lessee fails to begin drilling a well during the three year drilling term or to continue developing the lease, the lease could come to an end. If at any time after production has been established, whether before or after the primary term, the leased lands cease to produce oil or gas, the lease remains in full force and effect if within six months after the cessation of production, or such longer period as the Commission might authorize, the lessee

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commences and diligently pursues lease operations to return the lease to production. Lease defaults can be cured on ninety days written notice. During the term of the lease, the lessee can quitclaim all or any portion of the lease back to the state subject to acceptance of the quitclaim by the state. All of these diligence requirements are designed to ensure that each lease is fully developed.

THE DRILLING MORATORIUM

On January 28, 1969, a Union Oil Company well, offshore Santa Barbara County, in federal waters, blew out of control releasing an estimated 80,000 barrels of oil (42 gallons per barrel) into the ocean environment. It was an environmental disaster, which caused severe pollution and a public outcry for more stringent controls on offshore oil and gas development.

On February 1, 1969, in response to this event, the Chairman of the State Lands Commission, in order to prevent a similar disaster on state leases, announced the establishment of a drilling moratorium. The basis of the moratorium was the Commission's inherent authority and responsibility to guard against pollution of the ocean waters and protect the marine environment.

Through additional Commission actions the scope of the moratorium soon became (1) a directive to the staff to conduct a technical review of the spill and to review all controls for operations on state lands; (2) a cancellation of all existing geological survey (exploratory drilling) permits; and (3) an institution of a moratorium on all new well drilling on state offshore lands.

During Commission meetings In April of 1971, the Commission provided that the running of the initial three-year drilling term on those leases where drilling had not begun at the time the moratorium was imposed, would be suspended for the period of the moratorium, so that a lessee would have a full three years to meet the initial drilling obligation once the moratorium was lifted. For those leases on which drilling had begun when the moratorium was imposed, the Commission provided that the lessees shall have six months after the end of the moratorium in which to meet the drilling requirements.

At its meeting in December 1973, the Commission decided upon a method for lifting the moratorium. The Commission determined to lift the moratorium and permit the resumption of drilling operations on a lease by lease basis predicated upon a review by the Staff of the lessee's compliance with the Commission's drilling and operating procedures, a review under the newly enacted California Environmental Quality Act and final approval by the Commission. Under the method established by the Commission for lifting the drilling moratorium, the moratorium continues until a lessee comes to the Commission with a request to begin drilling operations and the Commission approves the request.

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Over the ensuing years most lessees have applied to the Commission to have the moratorium lifted. Presently only seven leases subject to the moratorium are still in existence, two of which, PRC's 2725 and 2726, are being quitclaimed to the state at the Commission's September 3, 1999 meeting. Two more leases, Arco's 2793 and Unocal's 2991, both in Santa Barbara County, are expected to be returned to the state shortly. Nuevo's Orange County Lease No. 3413 is being utilized for water injection in support of production. The remaining two leases are Unocal's Lease Nos. 3004 and 3503 offshore Santa Barbara County.

THE SUBSEA WELL ABANDONMENT AND DEBRIS REMOVAL PROGRAM

The Subsea Well Abandonment and Rig Sharing Program (SWARS) was initiated in 1988, following a request by Unocal to abandon certain subsea wells on two of its leases. Following this request, other companies submitted proposals to abandon subsea wells and associated production flowlines on their leases. In an effort to minimize environmental impacts, the Commission suggested the companies work together and utilize a single mobile jack-up drilling platform that could sequentially complete abandonment of all of the subsea wells. The companies agreed. The program included a group of six oil and gas lessees including ARCO, Cal Resources (formerly Shell), Chevron, Phillips, Texaco and Union covering leases: PRC's 1824, 2199, 2726, 2793, 2879, 2894, 2920 and 2933. All of the leases involved in the SWARS are located offshore Santa Barbara County.

Additionally, there were a number of leases that had debris identified on them which had been left from past operations. This debris could be easily retrieved with the support vessels associated with the SWARS program. The leases included in the debris removal involved PRC's 208, 2198, 2205, 2207, 2725, 2991, 3004, 3120, 3133, 3150, 3184, and 3499. Leases 2198, 2205, 2207, and 3184 have already been returned to the state. The remaining debris removal leases are located offshore Santa Barbara County. Together SWARS and the debris removal program account for 15 out of 25 non-producing state offshore oil and gas leases.

It took many years for the companies to organize the program and complete the required environmental work. Actual abandonment work did not begin until 1996 and was not completed until 1998. The final debris removal was completed in early 1999.

Now that the SWARS program and debris removal project have been completed, many of these leases will be returned to the state. All have been idle since the early 1990's while the abandonment and clean-up projects were undertaken. During this period there have been some discussions with the lessees about potential development. However, with the exception of the three Benton gas project leases, no development proposals have been forthcoming or approved. Although some of these leases may still have oil and gas reserves on them, the reserves, in many cases, will not support the costs of development.

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DEVELOPMENT APPROVALS NECESSARY FOR STATE LEASES.

In the event that the Commission were to consider development of the remaining non-producing state leases, or authorize new development drilling on existing developed leases, review under CEQA would be required. State Lands Commission, Coastal Commission and local Air Pollution Control District approval would also be necessary.

In addition, approvals may be required from other agencies such as the following:

- ◆ Department of Fish and Game
- ◆ Office of Oil Spill Prevention and Response
- ◆ Division of Oil, Gas and Geothermal Resources
- ◆ Regional Water Quality Control Board
- ◆ Local government
- ◆ US Army Corps of Engineers if a new platform is proposed in State waters
- ◆ Minerals Management Service if a federal platform is used as a drill site
- ◆ Coast Guard
- ◆ State Fire Marshall

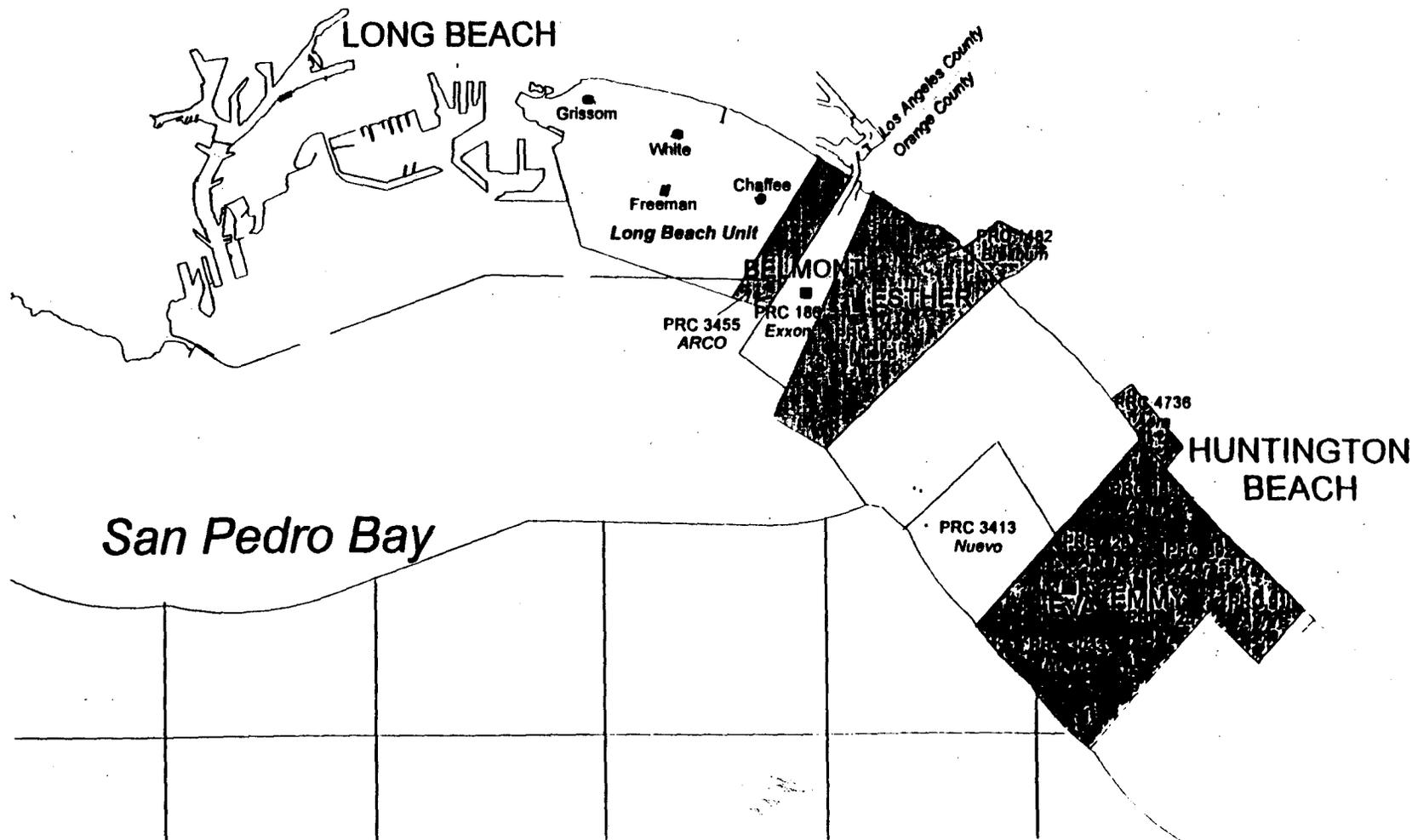
CEQA review and State lands Commission and other agency approvals, would be required even for development of the few remaining leases which are still subject to the Commission's drilling moratorium. Any new development proposal, as part of the CEQA process, may require an examination of changes to the environmental setting which have occurred since the last Commission action. Proposals for exploration or development projects are reviewed for compliance with the CEQA, the Public Trust Doctrine, the terms and conditions of the lease, good engineering practice and other applicable statutes, rules and regulations.

**REPORT ON THE STATUS OF STATE
OFFSHORE OIL AND GAS LEASES**

EXHIBIT A

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REPORT ON THE STATUS OF STATE OFFSHORE OIL AND GAS LEASES



MINUTE PAGE	CALENDAR PAGE
006508	006470

Shaded leases are currently producing

SUMMERLAND

CARPINTERIA

Santa Barbara County
Ventura County

PRC 1824
Chevron

PRC 3150
Chevron

PRC 3133
Exxon

PRC 429
RILP

PRC 410
RILP

PRC 7911
POOL



PRC 427
Mobil

HOUGHIN

HENRY

HOGAN

PRC 4000
POOL

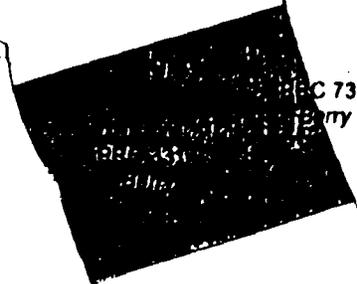
C B A

HILLHOUSE

SANTA BARBARA CHANNEL

VENTURA

PRC 735
Berry



CALENDAR PAGE
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0000477
0005589

Shaded leases are currently producing

SANTA BARBARA

Santa Barbara Oil Sanctuary

PRC 2991
Unocal

PRC 129
Venoco

PRC 421
Venoco

PRC 3004
Unocal

PRC 3503
Unocal

PRC 208
Venoco



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Shaded leases are currently producing

Pt. Conception

Gaviota

PRC 2879
Unocal

PRC 3499
Exxon

PRC 2725
Texaco

PRC 2726
Texaco

PRC 2208
Texaco

PRC 2793
ARCO

PRC 2894
Benton

PRC 2199
Benton

PRC 2920
Benton

PRC 2933
Phillips

Santa Barbara Channel

HONDO

HARMONY

HERITAGE

Shaded leases are currently producing

MINUTE PAGE

CALENDAR PAGE

006591

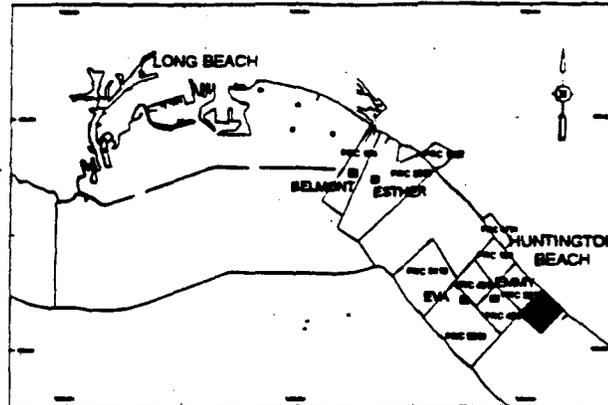
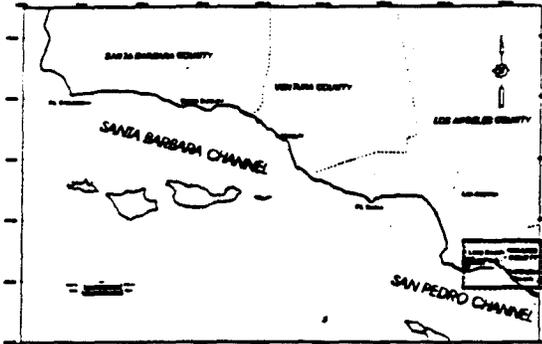
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**REPORT ON THE STATUS OF STATE
OFFSHORE OIL AND GAS LEASES**

EXHIBIT B

CALENDAR PAGE **000474**

MINUTE PAGE **006592**

STATE TIDELANDS OIL AND GAS LEASES**PRC** 91**COUNTY** Orange**LESSEE** Aera Energy LLC, et al.**OPERATOR** Aera**FIELD** Huntington Beach**LEASE ISSUE DATE** 05/21/1943**ROYALTY RATE** Price based sliding scale on oil**BONUS** Bid factor 1.63**MORATORIUM** Lifted January 1977**ACREAGE** 589**CLEANUP/SWAPS** Not part of project**TYPE LEASE** Pre Cunningham-Shell**QUITCLAIM REQUESTED** No**LEASE STATUS** Producing

Lease amended 11/57 for term of 5 years and for so long thereafter as producing in paying quantities. Price based sliding scale on oil royalty since 1995. The lease is fully developed and effective with production and well maintenance work. Lease 91 unitized with 37 single well leases into 91 Main Zone Unit 3/72 and Upper Main Zone Waterflood approved 6/95.

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STATE TIDELANDS OIL AND GAS LEASES

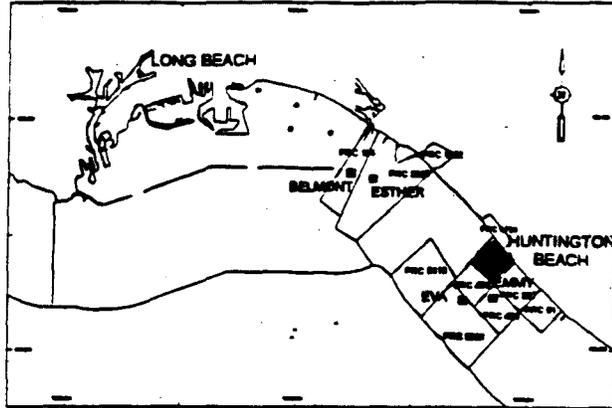
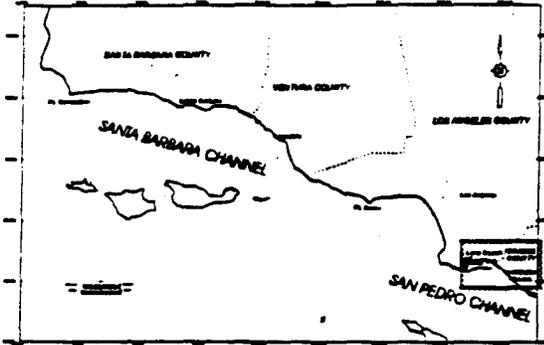
PRC 163

COUNTY Orange

LESSEE Aera Energy LLC, et al.

OPERATOR Aera

FIELD Huntington Beach



LEASE ISSUE DATE 11/15/1944

ROYALTY RATE Price based sliding scale on oil

BONUS Bid factor 1.1

MORATORIUM Lifted January 1977

ACREAGE 640

CLEANUP/SWAPS Not part of project

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease amended 5/64 for term of 5 years and for so long thereafter as producing in paying quantities. Price based sliding scale on oil royalty since 1995. The lease is fully developed and effective with production and well maintenance work. Upper Main Zone Waterflood approved 6/95.

STATE TIDELANDS OIL AND GAS LEASES

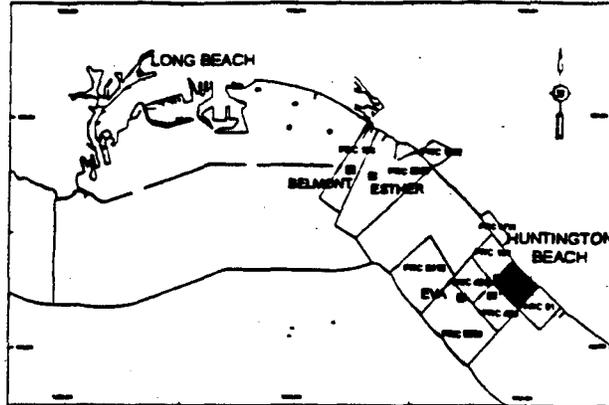
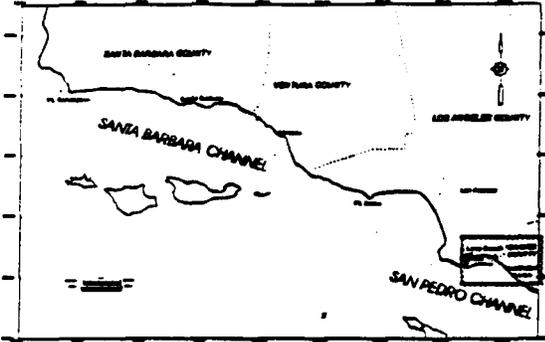
PRC 392

COUNTY Orange

LESSEE Aera Energy LLC, et al.

OPERATOR Aera

FIELD Huntington Beach



LEASE ISSUE DATE 09/20/1938

ROYALTY RATE Price based sliding scale on oil

BONUS Bid factor 1.1

MORATORIUM Lifted January 1977

ACREAGE 835

CLEANUP/SWARS Not part of project

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease amended 9/58 for term of 5 years and for so long thereafter as producing in paying quantities. Price based sliding scale on oil royalty since 1995. The lease is fully developed and effective with production and well maintenance work. Upper Main Zone Waterflood approved 6/95.

STATE TIDELANDS OIL AND GAS LEASES

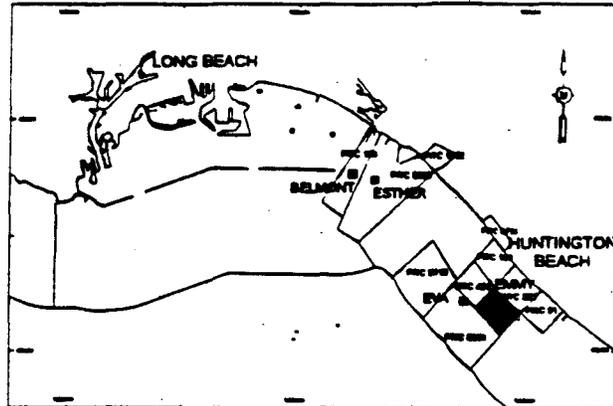
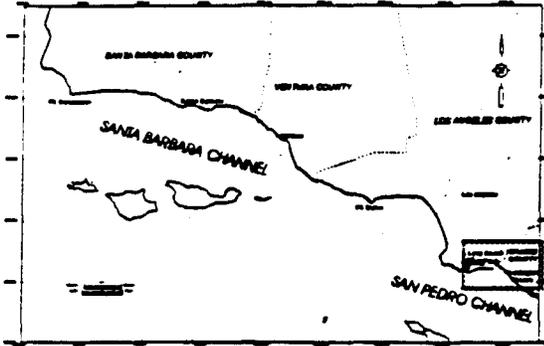
PRC 425

COUNTY Orange

LESSEE Aera Energy LLC, et al.

OPERATOR Aera

FIELD Huntington Beach



LEASE ISSUE DATE 02/10/1950

ROYALTY RATE Price based sliding scale

BONUS Bid factor 1.1

MORATORIUM Lifted January 1977

ACREAGE 835

CLEANUP/SWAPS Not part of project

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease amended 8/64 for term of 5 years and for so long thereafter as producing in paying quantities. Price based sliding scale on oil royalty since 1995. The lease is fully developed and effective with production and well maintenance work. Upper Main Zone Waterflood approved 6/95.

STATE TIDELANDS OIL AND GAS LEASES

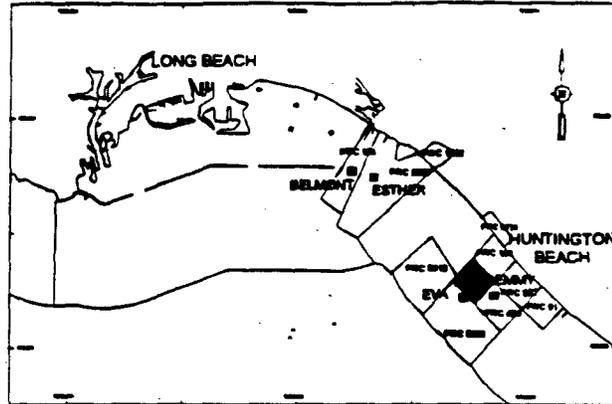
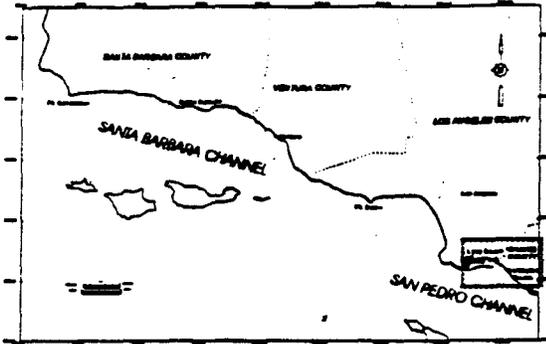
PRC 426

COUNTY Orange

LESSEE Aera Energy LLC, et al.

OPERATOR Aera

FIELD Huntington Beach



LEASE ISSUE DATE 02/10/1950

ROYALTY RATE Price based sliding scale on oil

BONUS Bid factor 1.1

MORATORIUM Lifted January 1977

ACREAGE 640

CLEANUP/SWAPS Not part of project

TYPE LEASE Pre Cunningham-Shell

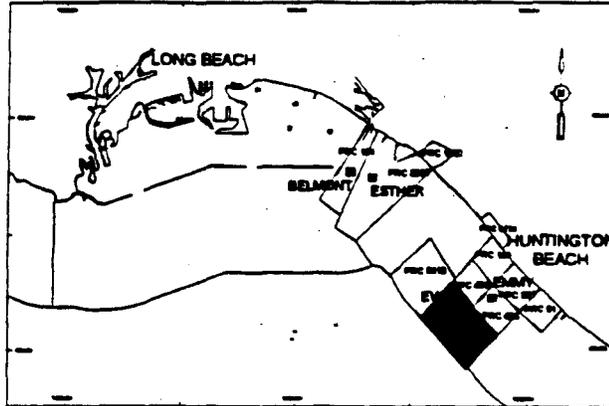
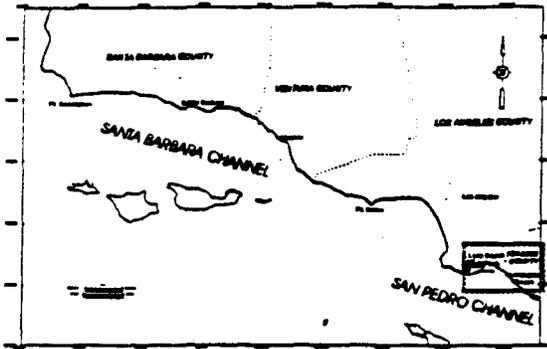
QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease amended 8/64 for term of 5 years and for so long thereafter as producing in paying quantities. Price based sliding scale on oil royalty since 1995. The lease is fully developed and effective with production and well maintenance work. Upper Main Zone Waterflood approved 6/95.

STATE TIDELANDS OIL AND GAS LEASES

PRC 3033 **COUNTY** Orange
LESSEE Nuevo Energy Company
OPERATOR Torch **FIELD** Huntington Beach



LEASE ISSUE DATE 07/25/1963

ROYALTY RATE Fixed 17.26%

MORATORIUM Lifted December 1985

CLEANUP/SWAPS Not part of project

BONUS \$6,110,000.00

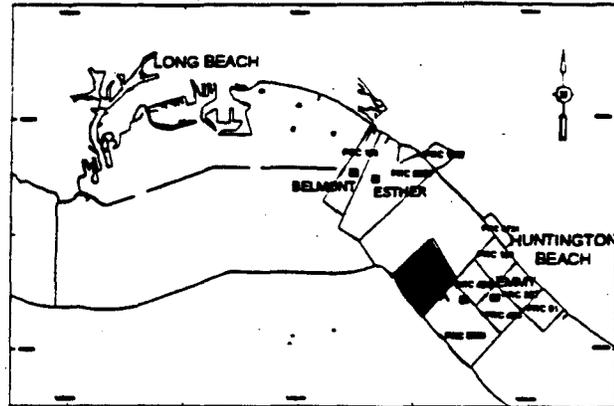
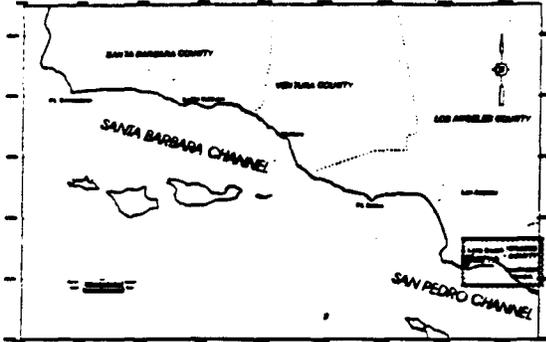
ACREAGE 2113

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Upper Main Zone Waterflood approved 6/95 with royalty fixed at 17.26% upon injection of 7500 barrels water per day on 1/98. The lease is fully developed and effective with production and well maintenance work.

STATE TIDELANDS OIL AND GAS LEASES**PRC** 3413**COUNTY** Orange**LESSEE** Nuevo Energy Company**OPERATOR** Torch**FIELD** Huntington Beach**LEASE ISSUE DATE** 12/01/1965**ROYALTY RATE** Fixed 17.26%**MORATORIUM** Still in effect**CLEANUP/SWAPS** Not part of project**BONUS** None**ACREAGE** 1871**TYPE LEASE** Cunningham-Shell**QUITCLAIM REQUESTED** No**LEASE STATUS** Water Injection

Lease term 20 years and for so long thereafter as producing in paying quantities. Assigned and severed from PRC 3177 11/65. Upper Main Zone Waterflood approved 6/95 with royalty fixed at 17.26% upon injection of 7500 barrels water per day on 1/98. The lease is fully developed and effective with waterflood injection operations approved on the lease.

STATE TIDELANDS OIL AND GAS LEASES

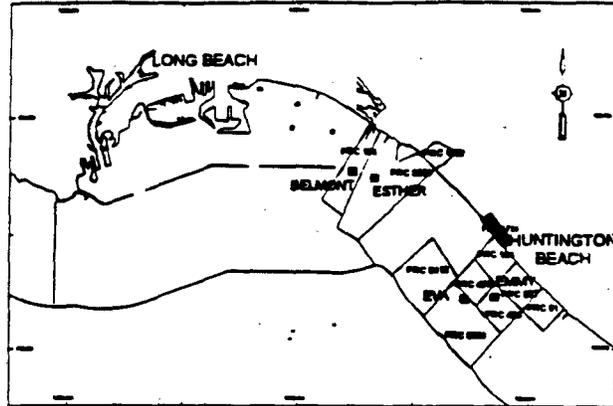
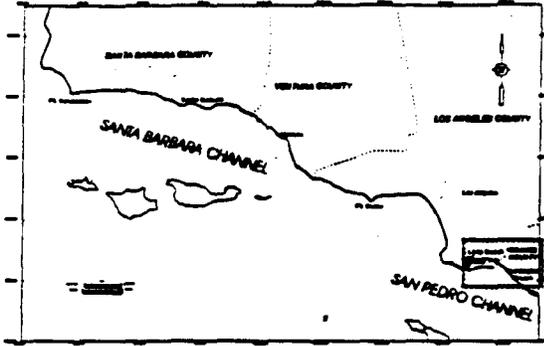
PRC 4736

COUNTY Orange

LESSEE Aera Energy LLC

OPERATOR Aera

FIELD Huntington Beach



LEASE ISSUE DATE 01/25/1973

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Not subject to moratorium

CLEANUP/SWAPS Not part of project

BONUS None

ACREAGE 70

TYPE LEASE See Lease Status

QUITCLAIM REQUESTED No

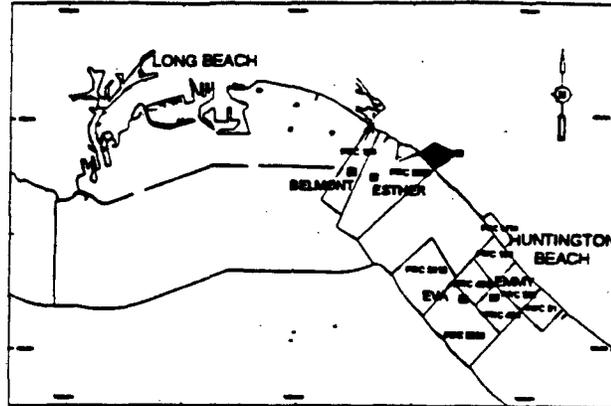
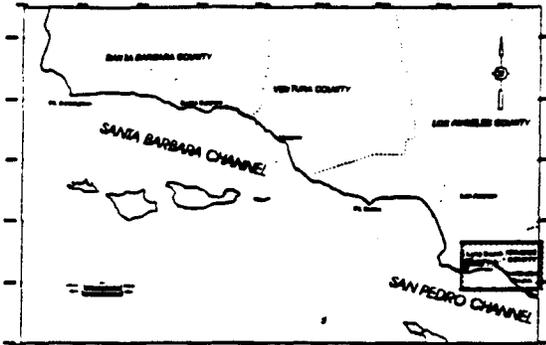
LEASE STATUS Producing

Lease issued as part of Bolsa Chica boundary settlement 1/73. SLC interest in North Bolsa is 0.3177%, South Bolsa is 6.2376% (equity interests). The lease is fully developed and effective with production and well maintenance work.

CALENDAR PAGE	000482
MINUTE PAGE	006600

STATE TIDELANDS OIL AND GAS LEASES

PRC 1482 **COUNTY** Orange
LESSEE Breitburn Energy Corp.
OPERATOR Breitburn **FIELD** Seal Beach

**LEASE ISSUE DATE** 01/21/1955**ROYALTY RATE** Fixed 16 2/3%**MORATORIUM** Not subject to moratorium**CLEANUP/SWAPS** Not part of project**BONUS** None**ACREAGE** 54**TYPE LEASE** See Lease Status**QUITCLAIM REQUESTED** No**LEASE STATUS** Producing

Compensatory Royalty Agreement 1/55 (compensation for drainage of State-owned lands from wells drilled on private lands). SLC interest is 8.6862% (equity interest in field). The agreement is effective for so long as drainage occurs from adjacent private lands.

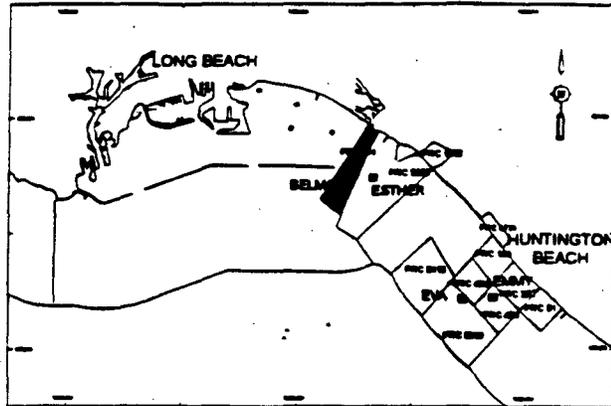
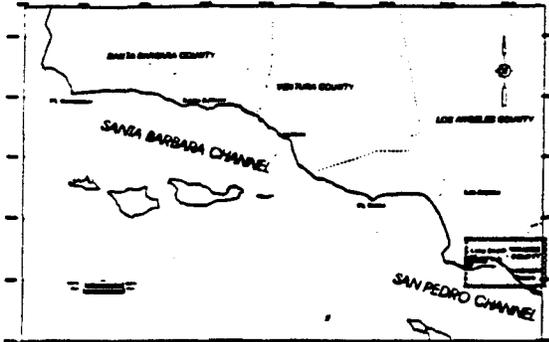
CALENDAR PAGE **000483**

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MINUTE PAGE **006601**

STATE TIDELANDS OIL AND GAS LEASES

PRC 186 **COUNTY** Orange
LESSEE Exxon Company, Texaco Exploration and Producing
OPERATOR Exxon **FIELD** Belmont Offshore



LEASE ISSUE DATE 09/24/1945

ROYALTY RATE Fixed 17.88%

MORATORIUM Lifted April 1976

CLEANUP/SWAPS Not part of project

BONUS Bid factor 1.1

ACREAGE 1255

TYPE LEASE Pre Cunningham-Shell

OUTCLAIM REQUESTED No

LEASE STATUS Not Producing

Lease amended 2/50 for term of 20 years and for so long thereafter as producing in paying quantities. Belmont Island installed 1952. Initiated abandonment 8/94, with all wells abandoned and island removal currently under consideration.

STATE TIDELANDS OIL AND GAS LEASES

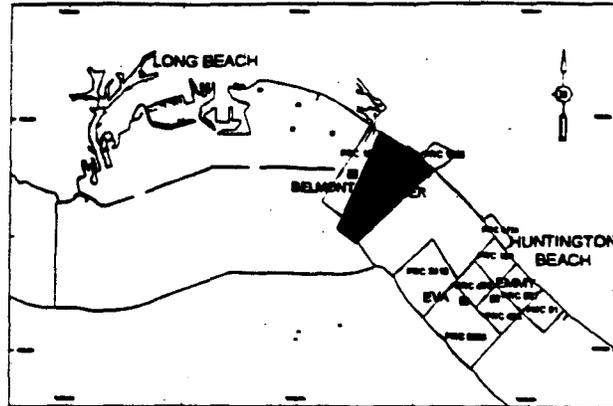
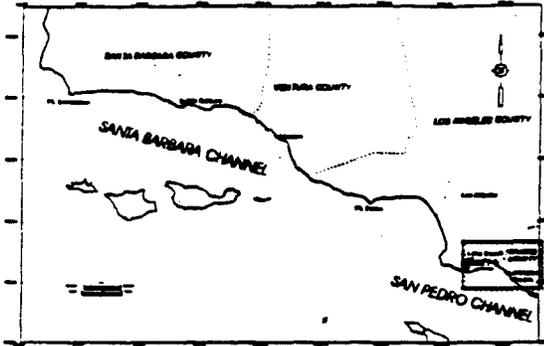
PRC 3095

COUNTY Orange

LESSEE Nuevo Energy Company

OPERATOR Torch

FIELD Belmont Offshore



LEASE ISSUE DATE 01/30/1964

ROYALTY RATE Fixed 16.88%

BONUS \$4,066,676.00

MORATORIUM Lifted November 1974

ACREAGE 3360

CLEANUP/SWAPS Not part of project

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Island destroyed by storm 2/83. Platform Esther authorized 3/84. Production started on Platform Esther May 1991. Lease development continues with well workovers, injection conversions, and well maintenance work.

STATE TIDELANDS OIL AND GAS LEASES

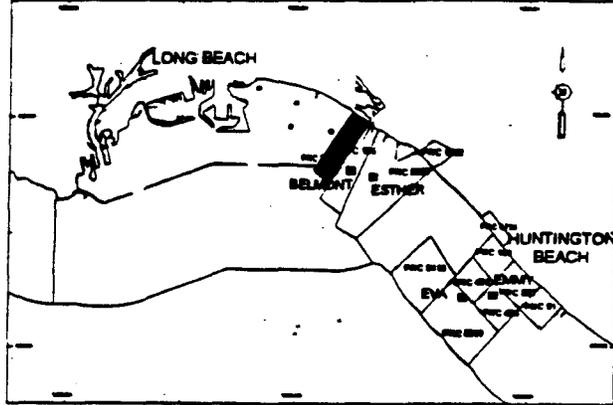
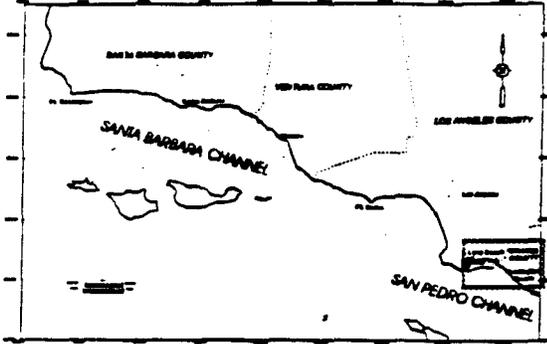
PRC 3455

COUNTY Los Angeles

LESSEE ARCO Long Beach

OPERATOR ARCO Long Beach

FIELD Wilmington



LEASE ISSUE DATE 03/11/1966

ROYALTY RATE Net profits share

MORATORIUM Not subject to moratorium

CLEANUP/SWAPS Not part of project

BONUS 23.667% overriding royalty for limited term

ACREAGE 592

TYPE LEASE See Lease Status

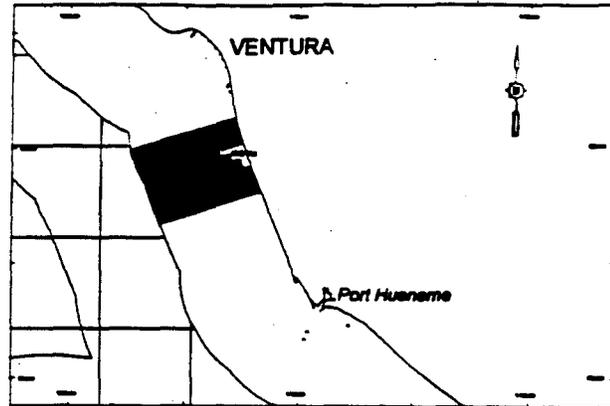
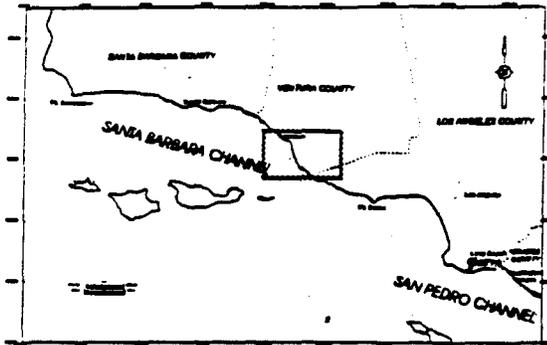
QUITCLAIM REQUESTED No

LEASE STATUS Producing

The lease is Tract 2 of the Long Beach Unit with terms and conditions conforming to Long Beach Unit operations and will remain in effect for the term of the Unit.

STATE TIDELANDS OIL AND GAS LEASES

PRC 3314 **COUNTY** Ventura
LESSEE Berry Petroleum Company
OPERATOR Berry **FIELD** West Montalvo



LEASE ISSUE DATE 07/02/1965

ROYALTY RATE Sliding scale 16 2/3% - 50%

MORATORIUM Lifted April 1981

CLEANUP/SWAPS Not part of project

BONUS \$3,299,685.00

ACREAGE 5430

TYPE LEASE Cunningham-Shell

OUTCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Initial production 6/85. Assignment from Chevron & Shell 9/92. Production from onshore well locations.

CALENDAR PAGE 000487

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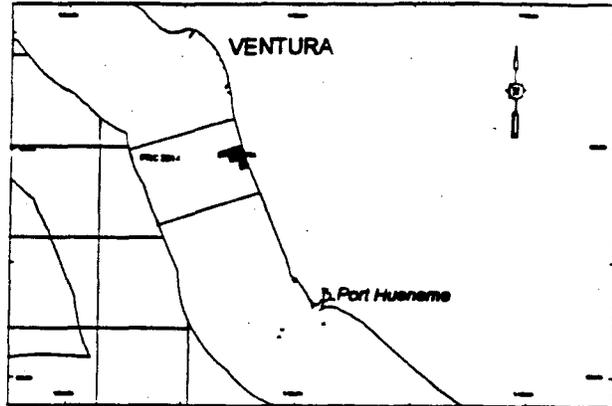
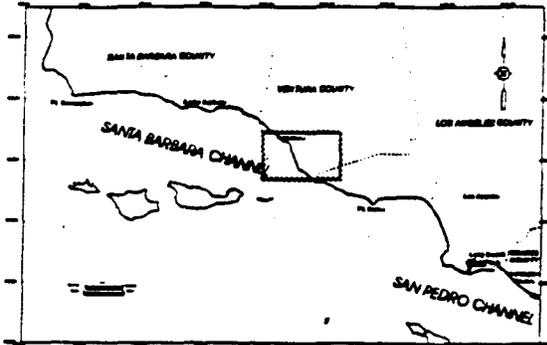
MINUTE PAGE 006605

STATE TIDELANDS OIL AND GAS LEASES

PRC 735 **COUNTY** Ventura

LESSEE Berry Petroleum Company

OPERATOR Berry **FIELD** West Montalvo



LEASE ISSUE DATE 06/30/1952

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Lifted April 1981

CLEANUP/SWAPS Not part of project

BONUS Bid factor 1.251

ACREAGE 220

TYPE LEASE Pre Cunningham-Shell

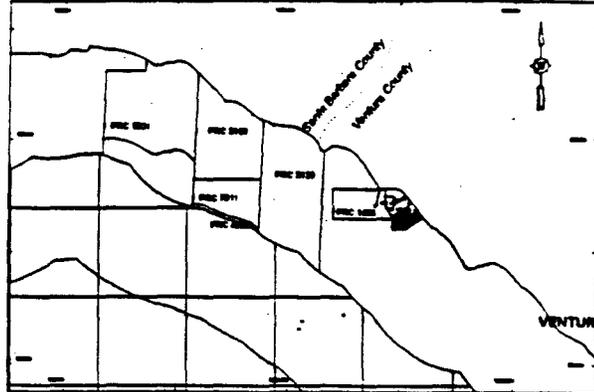
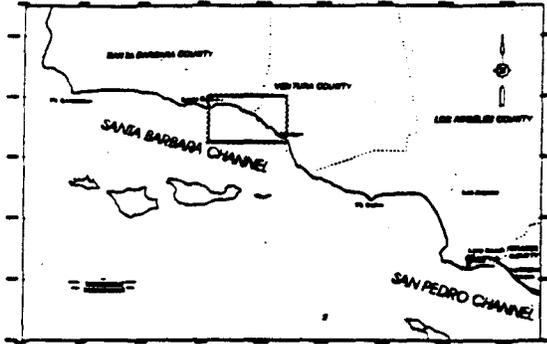
QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Assigned from Chevron 9/1/92. The lease is fully developed from onshore well locations and effective with production and well maintenance work.

STATE TIDELANDS OIL AND GAS LEASES

PRC 145 **COUNTY** Ventura
LESSEE Rincon Island Limited Partnership, et al.
OPERATOR RILP **FIELD** Rincon Oil



LEASE ISSUE DATE 07/03/1944

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Lifted September 1980

CLEANUP/SWARS Not part of project

BONUS Bid factor 1.21

ACREAGE 326

TYPE LEASE Pre Cunningham-Shell

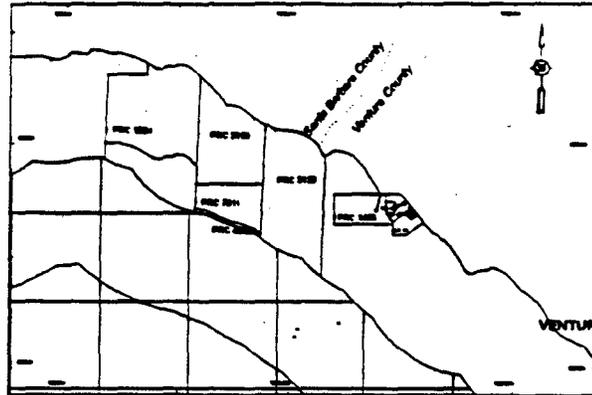
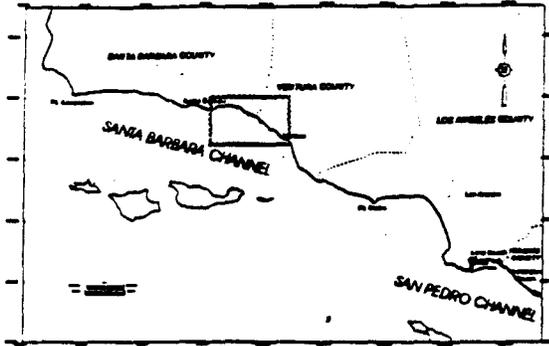
OUTCLAIM REQUESTED No

LEASE STATUS Producing

Lease amended 2/64 for term of 5 years and for so long thereafter as producing in paying quantities. Producing from onshore well locations. The lease is fully developed and is effective with production and well maintenance work.

STATE TIDELANDS OIL AND GAS LEASES

PRC 410 **COUNTY** Ventura
LESSEE Rincon Island Limited Partnership
OPERATOR RILP **FIELD** Rincon Oil



LEASE ISSUE DATE 04/17/1949

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Lifted March 1977

CLEANUP/SWAPS Not part of project

BONUS None

ACREAGE 50

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

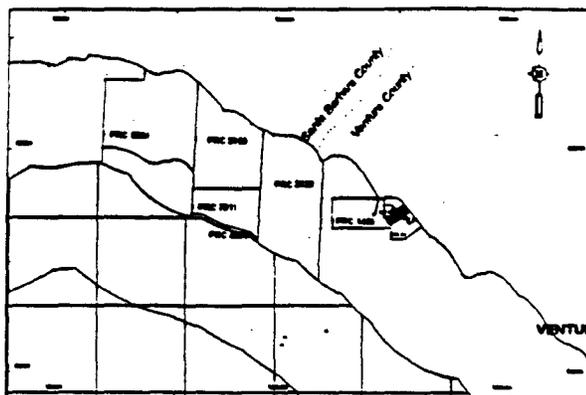
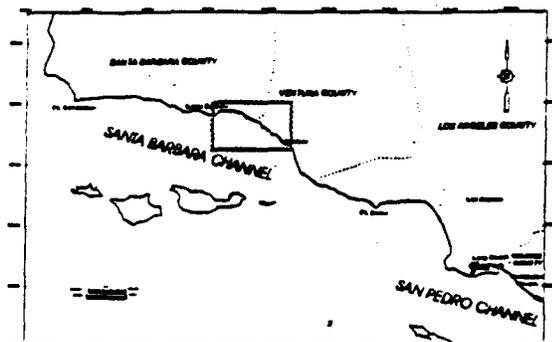
LEASE STATUS Producing

Lease renewal 10/58 for term of 10 years and for so long thereafter as producing in paying quantities. The lease is fully developed from onshore well locations and effective with production and well maintenance work.

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 MINUTE PAGE 006608

STATE TIDELANDS OIL AND GAS LEASES

PRC 427 **COUNTY** Ventura
LESSEE Mobil Exploration & Producing U.S. Inc.
OPERATOR Mobil **FIELD** Rincon Oil



LEASE ISSUE DATE 05/19/1950

ROYALTY RATE Sliding scale - minimum 12 1/2%

BONUS None

MORATORIUM Lifted November 1974

ACREAGE 148

CLEANUP/SWAPS Not part of project

TYPE LEASE Pre Cunningham-Shell

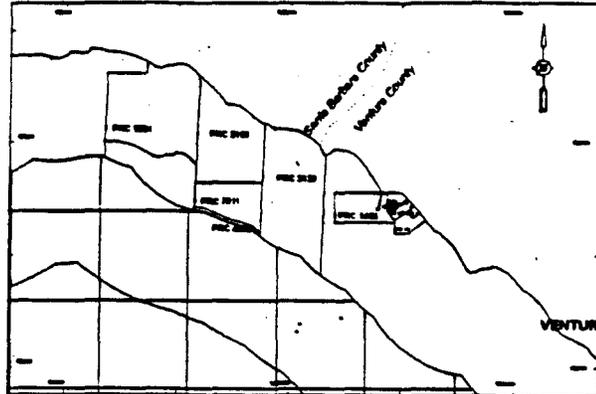
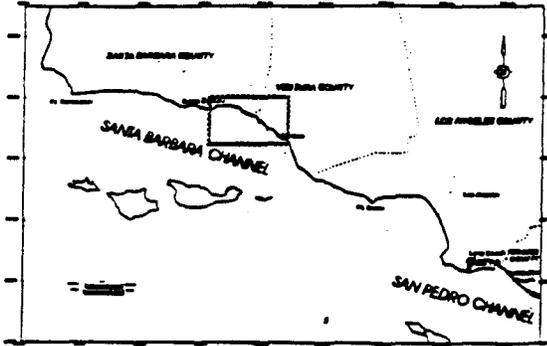
QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease renewal 11/57 for term of 10 years and for so long thereafter as producing in paying quantities. Last produced 10/93 from oil piers. Abandonment of oil piers in progress.

STATE TIDELANDS OIL AND GAS LEASES

PRC 429 **COUNTY** Ventura
LESSEE Rincon Island Limited Partnership
OPERATOR RILP **FIELD** Rincon Oil



LEASE ISSUE DATE 04/21/1951

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Lifted October 1980

CLEANUP/SWAPS Not part of project

BONUS None

ACREAGE 80

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

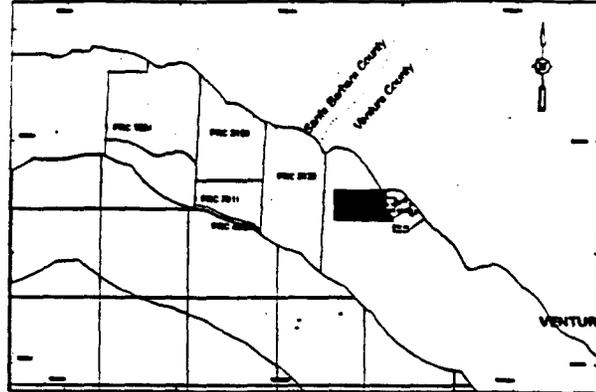
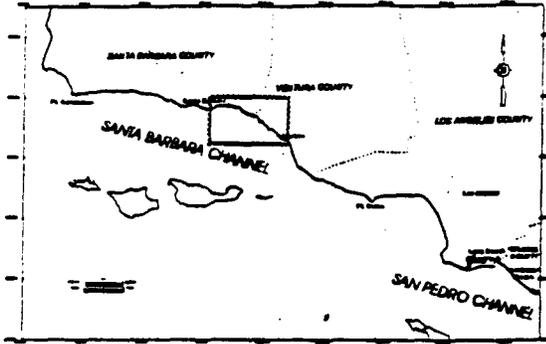
LEASE STATUS Not producing

Lease renewal 3/53 for term of 10 years and for so long thereafter as producing in paying quantities. Last produced 11/87 from oil piers. Wells abandoned 11/97 and pier removal in progress.

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STATE TIDELANDS OIL AND GAS LEASES

PRC 1466 **COUNTY** Ventura
LESSEE Rincon Island Limited Partnership
OPERATOR RILP **FIELD** Rincon Oil



LEASE ISSUE DATE 08/29/1955

ROYALTY RATE Fixed 16 2/3%

MORATORIUM Lifted October 1980

CLEANUP/SWAPS Not part of project

BONUS Bid factor 5.2375

ACREAGE 1175

TYPE LEASE Pre Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. The lease is fully developed from Rincon Island and effective with production and well maintenance work.

September 3, 1999

STATE TIDELANDS OIL AND GAS LEASES

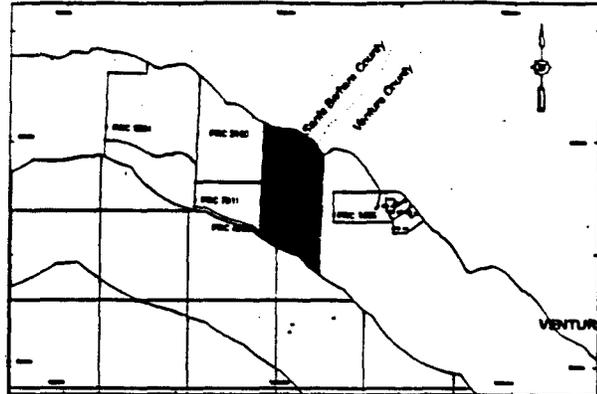
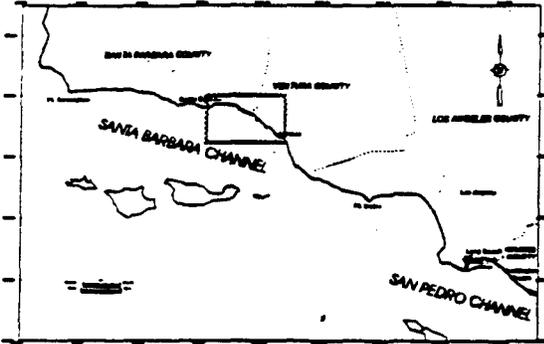
PRC 3133

COUNTY Santa Barbara

LESSEE Exxon Company, U.S.A.

OPERATOR Exxon

FIELD Carpinteria



LEASE ISSUE DATE 05/28/1964

ROYALTY RATE Sliding scale 16 2/3% - 50%

MORATORIUM Lifted December 1981

CLEANUP/SWAPS Debris removal

BONUS \$22,002,500.00

ACREAGE 5535

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED August 16, 1999

LEASE STATUS Not producing

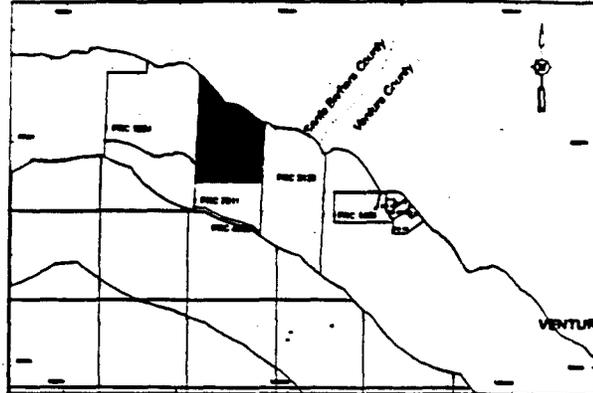
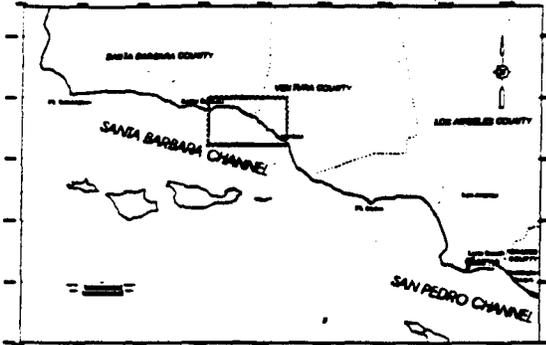
Lease term 20 years and for as long thereafter as producing in paying quantities.
Last produced 9/92. Wells abandoned and debris removal completed 1998.

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STATE TIDELANDS OIL AND GAS LEASES

PRC 3150 **COUNTY** Santa Barbara
LESSEE Chevron U.S.A Inc., Atlantic Richfield Company
OPERATOR Chevron **FIELD** Carpinteria



LEASE ISSUE DATE 07/28/1964

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$18,666,555.66

MORATORIUM Lifted October 1976

ACREAGE 4012

CLEANUP/SWABS Not part of project

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for as long thereafter as producing in paying quantities. Last produced 9/92, abandon wells on Hope & Heidi 1993, platforms abandoned 8/96. Partial subsurface rights assigned to Carone (PRC 7911). Shell mound issue remains to be resolved.

STATE TIDELANDS OIL AND GAS LEASES

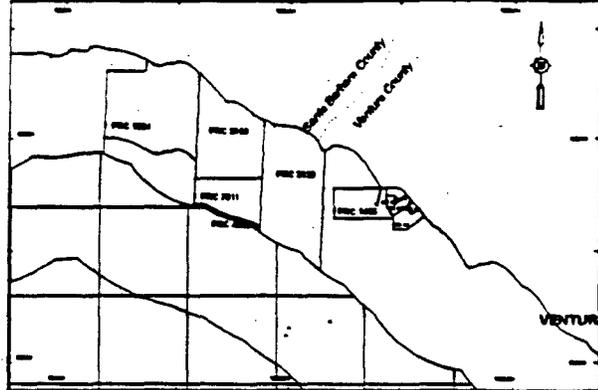
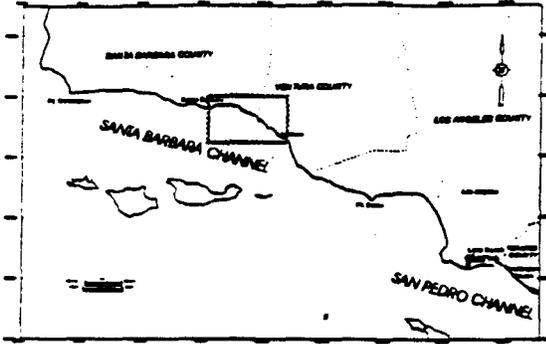
PRC 4000

COUNTY Santa Barbara

LESSEE Carone Petroleum Corporation

OPERATOR POOI

FIELD Carpinteria



LEASE ISSUE DATE 08/28/1968

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$361,408.00

MORATORIUM Lifted October 1976

ACREAGE 204

CLEANUP/SWAPS Not part of project

TYPE LEASE Cunningham-Shell

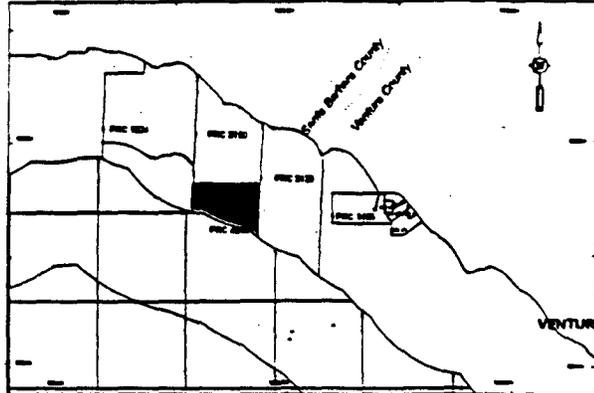
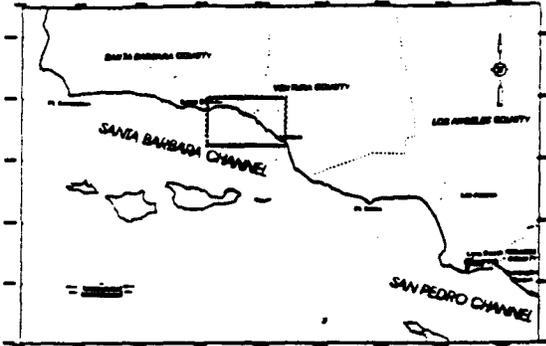
OUTCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Assignment of subsurface rights from Chevron and ARCO to Carone 10/96. Drilling deferred to 11/99; any development would be from OCS Platform Hogan.

STATE TIDELANDS OIL AND GAS LEASES

PRC 7911 **COUNTY** Santa Barbara
LESSEE Carone Petroleum Corporation
OPERATOR POOI **FIELD** Carpinteria



LEASE ISSUE DATE See Lease Status

ROYALTY RATE Sliding scale 16 2/3% - 50%

MORATORIUM Lifted October 1976

CLEANUP/SWAPS Not part of project

BONUS None

ACREAGE 1541

TYPE LEASE Cunningham-Shell

OUTCLAIM REQUESTED No

LEASE STATUS Not producing

Lease originally issued on 7/28/64 to Chevron and ARCO as PRC 3150 and partially assigned subsurface rights to Carone on 11/1/96 and new lease number issued as PRC 7911. Lease term 20 years and for so long thereafter as producing in paying quantities. Drilling deferred to 11/99; any development would be conducted from OCS Platform Hogan.

September 3, 1999

STATE TIDELANDS OIL AND GAS LEASES

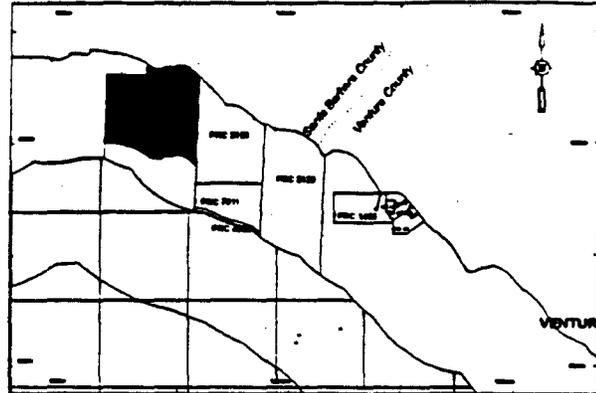
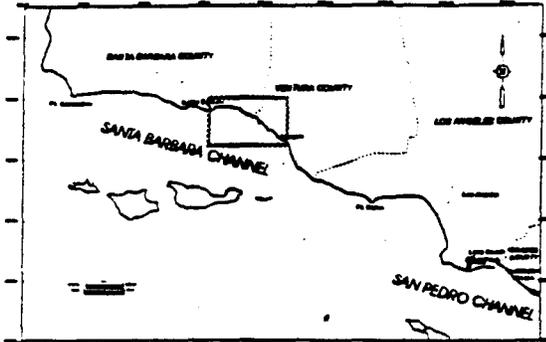
PRC 1824

COUNTY Santa Barbara

LESSEE Chevron U.S.A Inc.

OPERATOR Chevron

FIELD Summerland



LEASE ISSUE DATE 01/10/1957

ROYALTY RATE Fixed 12 1/2%

BONUS \$7,250,606.95

MORATORIUM Lifted October 1976

ACREAGE 5500

CLEANUP/SWAPS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Last produced 10/92; abandon wells on Hilda and Hazel 1993, platforms abandoned 8/96. Shell mound issue remains to be resolved.

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MINUTE PAGE	006616

STATE TIDELANDS OIL AND GAS LEASES

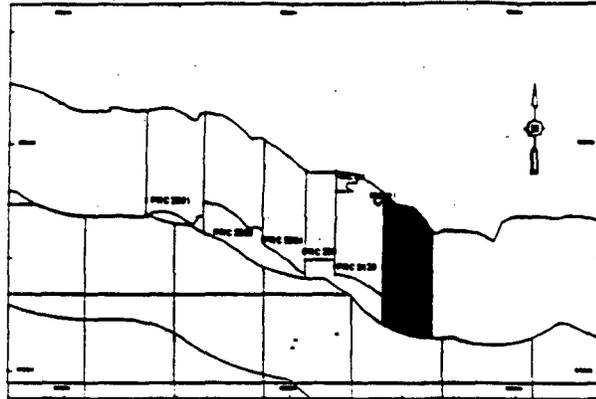
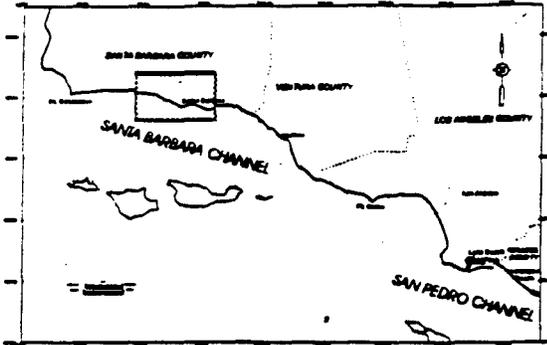
PRC 3242

COUNTY Santa Barbara

LESSEE Venoco, LLC

OPERATOR Venoco

FIELD South Ellwood



LEASE ISSUE DATE 04/08/1965

ROYALTY RATE Fixed 16 2/3%

BONUS \$3,667,111.00

MORATORIUM Lifted May 1975

ACREAGE 4290

CLEANUP/SWAPS Not part of project

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities.
 Assignment from ARCO to Mobil 2/93; assignment from Mobil to Venoco 8/97.
 Development from Platform Holly. Lease effective with production and well
 maintenance work.

STATE TIDELANDS OIL AND GAS LEASES

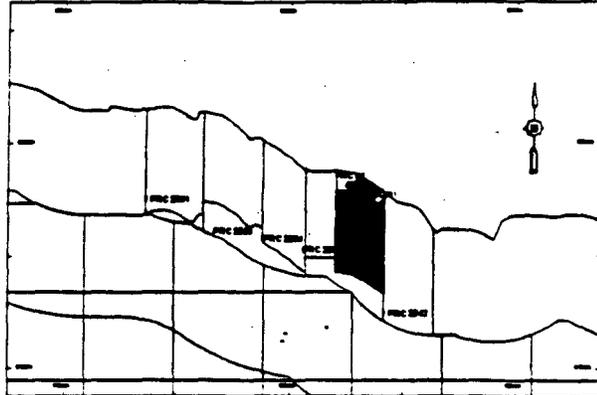
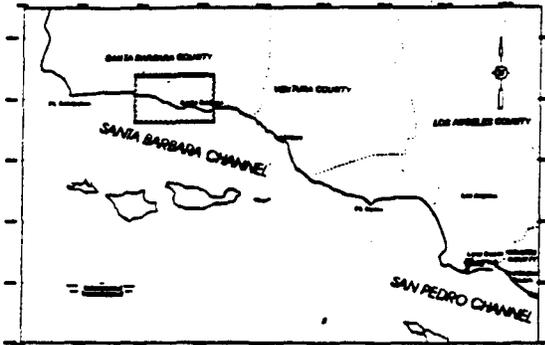
PRC 3120

COUNTY Santa Barbara

LESSEE Venoco, LLC

OPERATOR Venoco

FIELD South Ellwood



LEASE ISSUE DATE 04/29/1964

ROYALTY RATE Fixed 16 2/3%

BONUS \$352,111.15

MORATORIUM Lifted May 1975

ACREAGE 3324

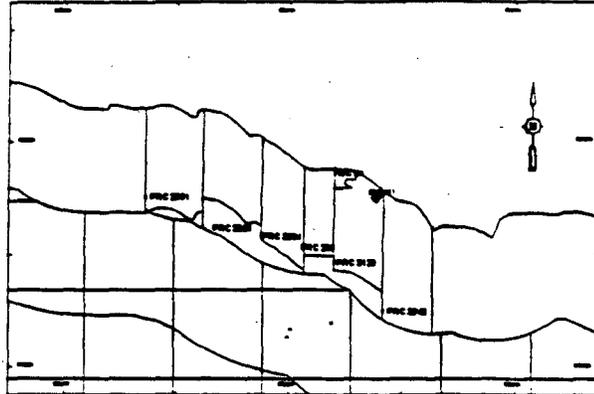
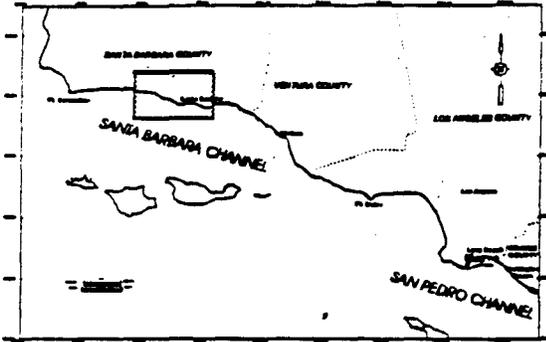
CLEANUP/SWAPS Not part of project

TYPE LEASE Cunningham-Shell

OUTCLAIM REQUESTED No

LEASE STATUS Producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Assignment from ARCO to Mobil 2/93; assignment from Mobil to Venoco 8/97. Development from Platform Holly. Lease effective with production and well maintenance work.

STATE TIDELANDS OIL AND GAS LEASES**PRC** 421**COUNTY** Santa Barbara**LESSEE** Venoco, LLC**OPERATOR** Venoco**FIELD** Ellwood Oil**LEASE ISSUE DATE** 10/22/1949**ROYALTY RATE** Fixed 16 2/3%**BONUS** None**MORATORIUM** Lifted May 1975**ACREAGE** 68**CLEANUP/SWAPS** Not part of project**TYPE LEASE** Pre Cunningham-Shell**QUITCLAIM REQUESTED** No**LEASE STATUS** Not producing

Lease renewal 10/59 for term of 5 years and for so long thereafter as producing in paying quantities. Assignment from ARCO to Mobil 2/93; assignment from Mobil to Venoco 7/97. The lease has two idle wells from a small pier for which permits are being pursued to return to production. Status of remnants of oil pier (Bird Island) is currently being reviewed regarding its disposition.

STATE TIDELANDS OIL AND GAS LEASES

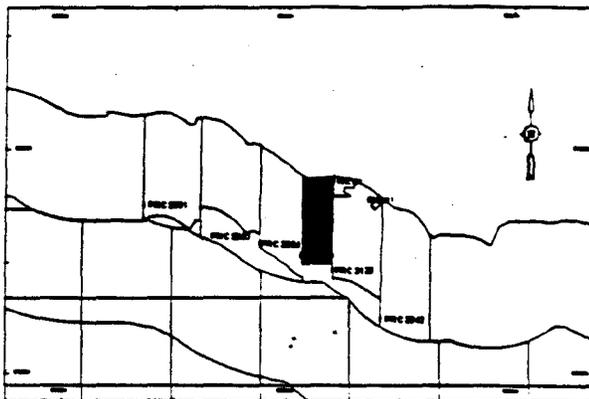
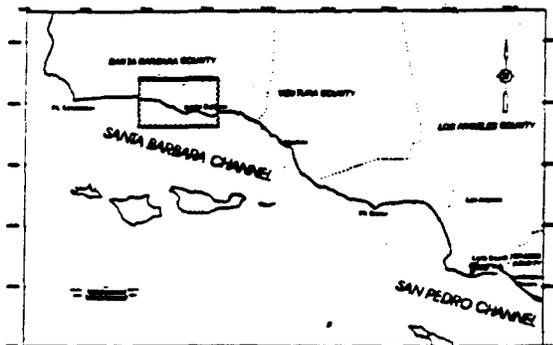
PRC 208

COUNTY Santa Barbara

LESSEE Venoco, LLC

OPERATOR Venoco

FIELD Ellwood



LEASE ISSUE DATE 01/18/1946

ROYALTY RATE Sliding scale - minimum 16 2/3%

BONDS None

MORATORIUM Lifted February 1982

ACREAGE 1920

CLEANUP/SWAPS Debris removal

TYPE LEASE Pre Cunningham-Shell

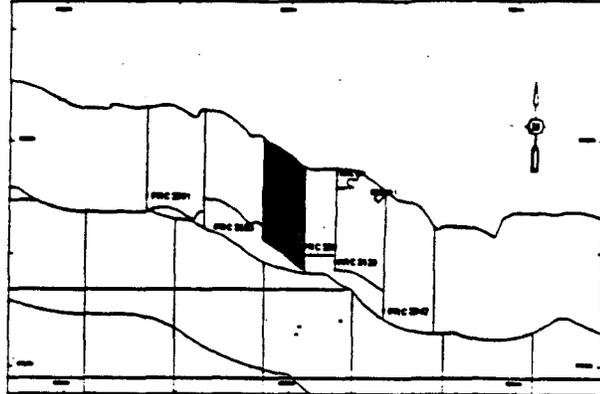
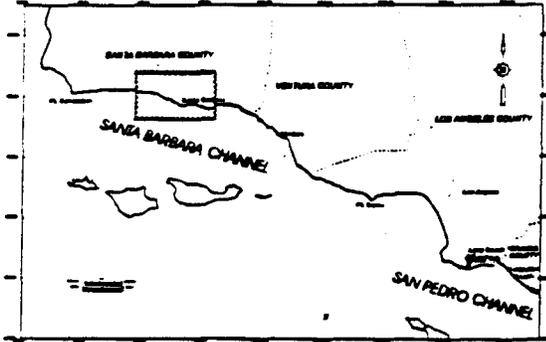
QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease amended 8/64 for term of 5 years and for so long thereafter as producing in paying quantities. Last produced 9/93. Debris removed 1998. Venoco is currently preparing a development plan for the lease.

STATE TIDELANDS OIL AND GAS LEASES

PRC 3004 **COUNTY** Santa Barbara
LESSEE Union Oil Company of California, Exxon Company, U.S.A.
OPERATOR Unocal **FIELD** Gato Canyon



LEASE ISSUE DATE 04/25/1963

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$612,840.00

MORATORIUM Still in effect

ACREAGE 3150

CLEANUP/SWAPS Debris removal

TYPE LEASE Cunningham-Shell

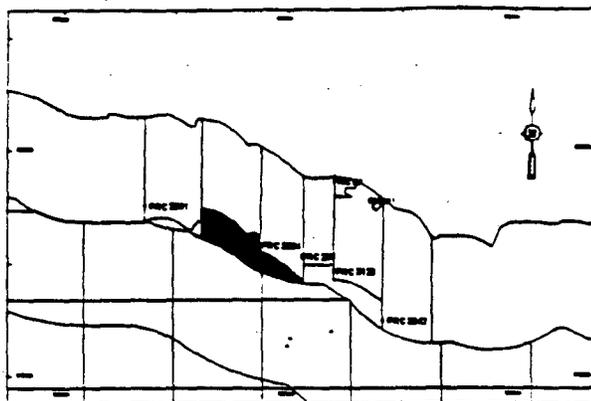
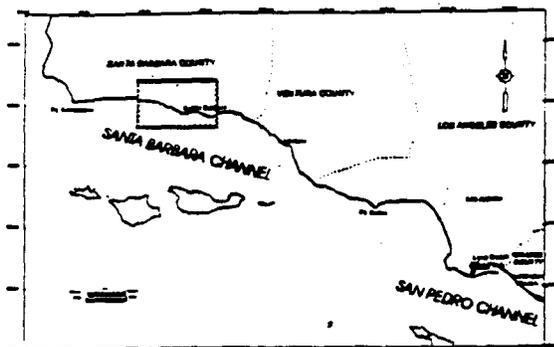
QUITCLAIM REQUESTED No

LEASE STATUS Not developed

Lease term 20 years and for so long thereafter as producing in paying quantities. Eight exploration wells drilled and abandoned. Debris removed 1998. The lease could be developed from an adjacent federal lease; Samedan, the federal lessee, has requested MMS for approval to locate a platform in federal waters and intends to request assignment of leases PRC 3503 and PRC 3004.

STATE TIDELANDS OIL AND GAS LEASES

PRC 3503 **COUNTY** Santa Barbara
LESSEE Union Oil Company of California
OPERATOR Unocal **FIELD** Gato Canyon



LEASE ISSUE DATE 06/28/1966

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$1,320,760.00

MORATORIUM Still in effect

ACREAGE 1660

CLEANUP/SWAPS Not part of project

TYPE LEASE Cunningham-Shell

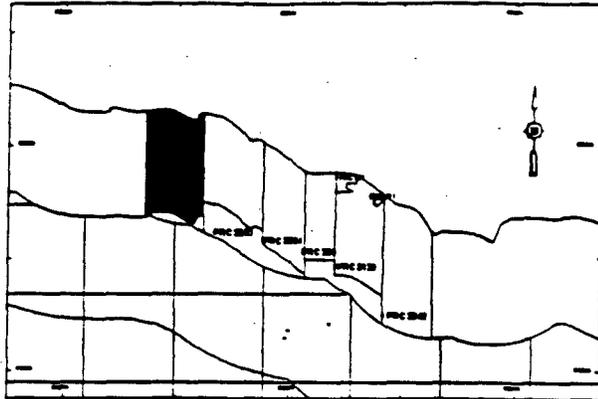
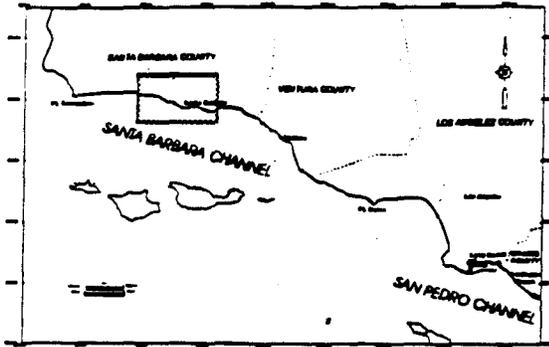
OUTCLAIM REQUESTED No

LEASE STATUS Not developed

Lease term 20 years and for so long thereafter as producing in paying quantities. One exploration well drilled and abandoned. The lease could be developed from an adjacent federal lease; Samedan, the federal lessee, has requested MMS for approval to locate a platform in federal waters and intends to request assignment of leases PRC 3503 and PRC 3004.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2991 **COUNTY** Santa Barbara
LESSEE Union Oil Company of California
OPERATOR Unocal **FIELD** Capitan



LEASE ISSUE DATE 02/28/1963

ROYALTY RATE Sliding scale 16 2/3% - 50%

MORATORIUM Still in effect

CLEANUP/SWARS Debris removal

BONUS \$267,000.00

ACREAGE 4250

TYPE LEASE Cunningham-Shell

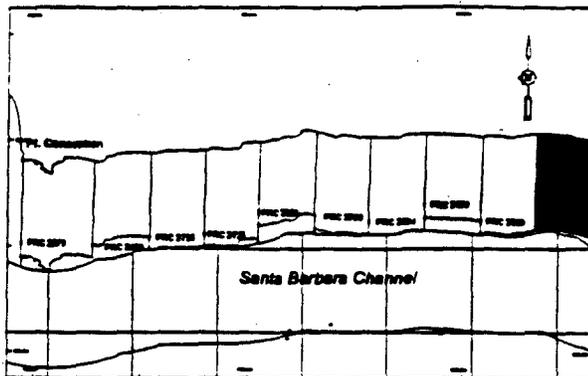
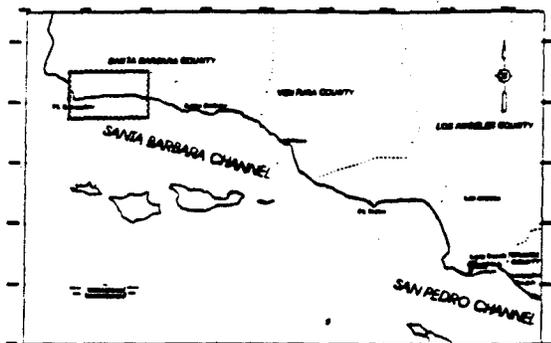
QUITCLAIM REQUESTED August 17, 1999

LEASE STATUS Not developed

Lease term 20 years and for so long thereafter as producing paying quantities.
 Three exploration wells drilled and abandoned. Debris removed 1998.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2933 **COUNTY** Santa Barbara
LESSEE Phillips Petroleum Company
OPERATOR Phillips **FIELD** Molino



LEASE ISSUE DATE 10/25/1962

ROYALTY RATE Oil - Sliding scale 16 2/3% - 50%;
 Gas 16 2/3%

BONUS \$6,100,000.00

MORATORIUM Lifted May 1982

ACREAGE 4250

CLEANUP/SWAPS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

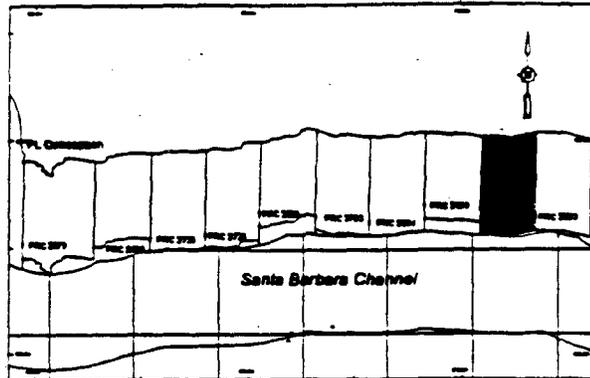
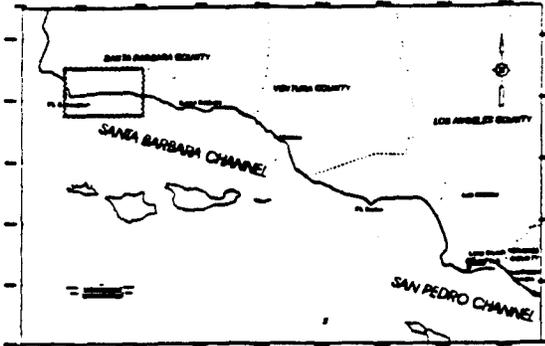
QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities.
 Last produced 12/90. Debris removed 1998. Benton is negotiating with Phillips for
 assignment of lease to be included as part of its natural gas development project.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2920 **COUNTY** Santa Barbara
LESSEE Molino Energy Company LLC, Benton Oil & Gas Company
OPERATOR Benton **FIELD** Molino



LEASE ISSUE DATE 08/28/1962

ROYALTY RATE Oil - Sliding scale 16 2/3% - 50% ;
Gas 16 2/3%

BONUS \$14,080,713.82

MORATORIUM Lifted December 1980

ACREAGE 4250

CLEANUP/SWAPS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

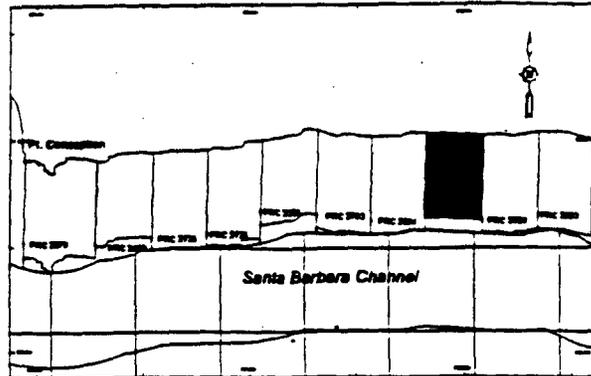
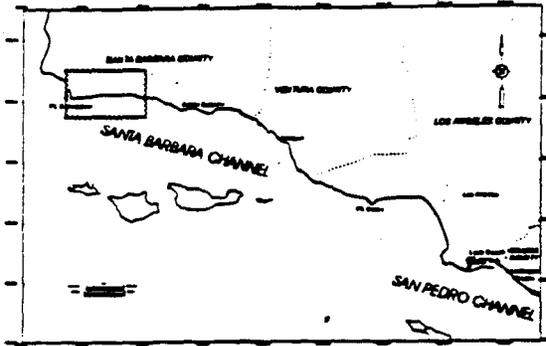
OUTCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Last produced 4/89. Previous lessee, Shell, is in negotiations over liability for removal of two well stubs. Lease development from a Santa Barbara County and Coastal Commission approved consolidated onshore site near Gaviota for a natural gas development project. Initial well approved 7/97 on PRC 2199 is currently suspended and being evaluated. Further drilling operations have been deferred by Santa Barbara County to 11/2001 and SLC considering deferment at its September meeting. Debris removed 1998.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2199 **COUNTY** Santa Barbara
LESSEE Molino Energy Company LLC, Benton Oil & Gas Company
OPERATOR Benton **FIELD** various gas



LEASE ISSUE DATE 07/25/1958

ROYALTY RATE Oil - Sliding scale 16 2/3% - 50% ;
 Gas 16 2/3%

BONUS \$12,423,598.05

MORATORIUM Lifted August 1985

ACREAGE 3840

CLEANUP/SWAPS Debris

TYPE LEASE Cunningham-Shell

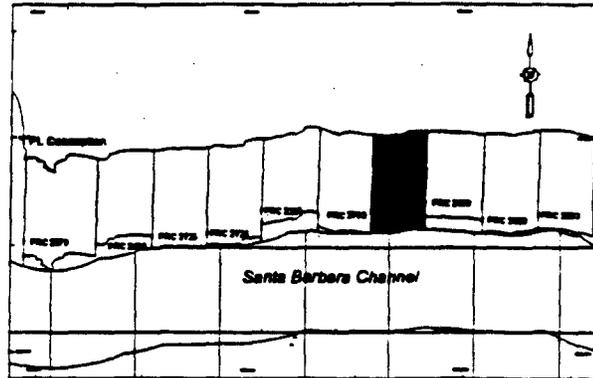
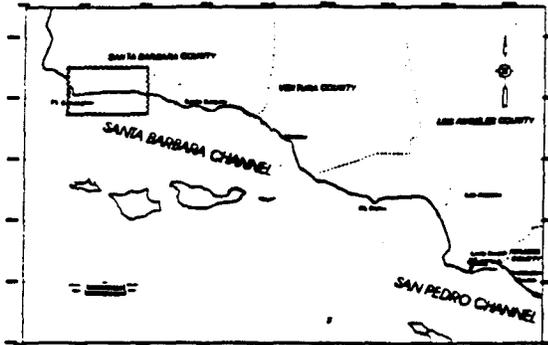
QUITCLAIM REQUESTED No

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Development from a Santa Barbara County and Coastal Commission approved consolidated onshore site near Gaviota for a natural gas development project. Initial well approved 7/97 is currently suspended and being evaluated. Further drilling operations have been deferred by Santa Barbara County to 11/2001 and SLC considering deferment at its September meeting. Debris removed 1998.

STATE TIDELANDS OIL AND GAS LEASES

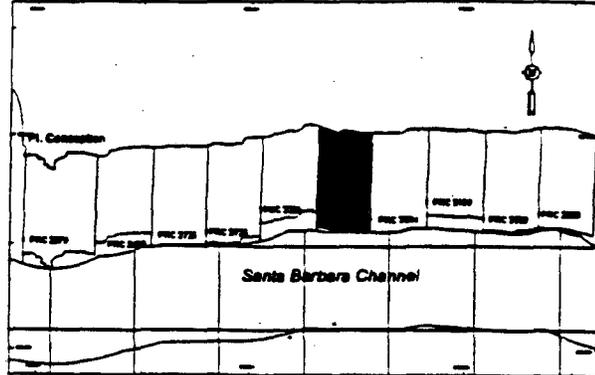
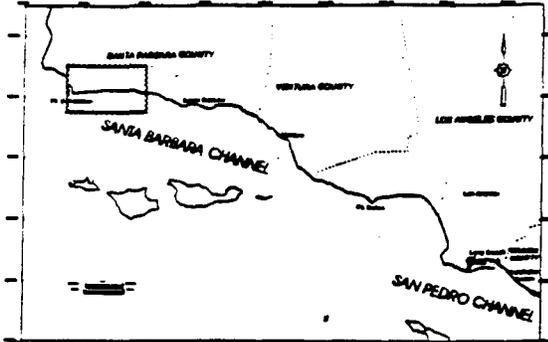
PRC 2894 **COUNTY** Santa Barbara
LESSEE Molino Energy Company LLC, Benton Oil & Gas Company
OPERATOR Benton **FIELD** Caliente

**LEASE ISSUE DATE** 06/28/1962**ROYALTY RATE** Sliding scale 16 2/3% - 50%**BONUS** \$1,502,020.00**MORATORIUM** Lifted August 1985**ACREAGE** 4250**CLEANUP/SWAPS** Well abandonment and debris removal**TYPE LEASE** Cunningham-Shell**QUITCLAIM REQUESTED** No**LEASE STATUS** Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Last produced 8/84. Lease development from a Santa Barbara aCounty and Coastal Commission approved consolidated onshore site near Gaviota for a natural gas development project. Initial well approved 7/97 is currently suspended and being evaluated. Further drilling operations have been deferred by Santa Barbara County to 11/2001 and SLC considering deferment at its September meeting. Debris removed 1998.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2793 **COUNTY** Santa Barbara
LESSEE ARCO Environmental Remediation LLC, Phillips Petroleum
OPERATOR ARCO **FIELD** Alegria



LEASE ISSUE DATE 10/26/1961

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$2,101,875.00

MORATORIUM Still in effect

ACREAGE 4250

CLEANUP/SWARS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

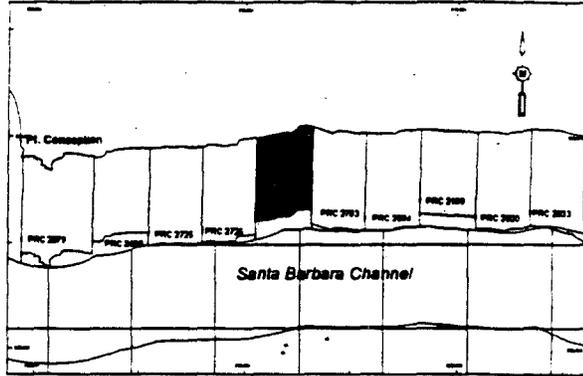
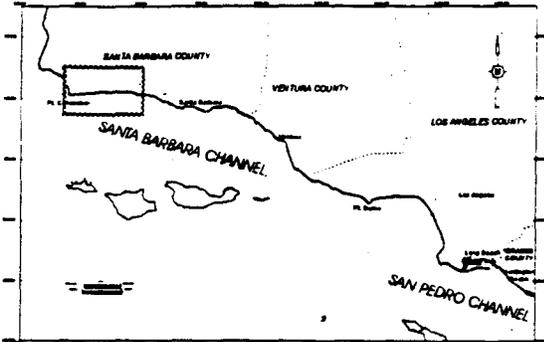
QUITCLAIM REQUESTED August 11, 1999

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities.
 Last produced 11/91. Subsea well abandoned 12/97 (SWARS). Debris removed 1998.

STATE TIDELANDS OIL AND GAS LEASES

PRC 2206 **COUNTY** Santa Barbara
LESSEE Texaco Exploration and Production Inc.
OPERATOR Texaco **FIELD** Cuarta Oil



LEASE ISSUE DATE 07/25/1958

ROYALTY RATE Sliding scale 16 2/3% - 50%

MORATORIUM Lifted April 1982

CLEANUP/SWARS Not part of project

BONUS \$23,711,538.24

ACREAGE 3840

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED August 11, 1999

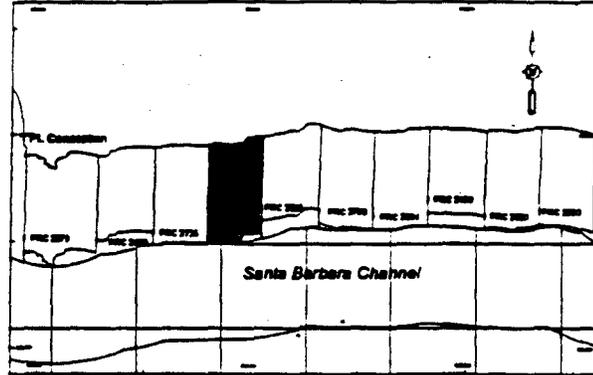
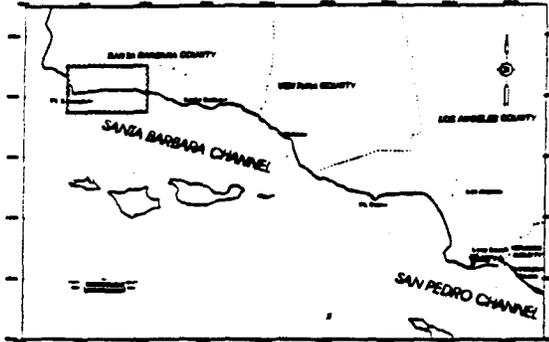
LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Last produced 1972, Platform Heien removed 10/87; associated onshore oil and gas processing facilities removed 11/97.

September 3, 1999

STATE TIDELANDS OIL AND GAS LEASES

PRC 2726 **COUNTY** Santa Barbara
LESSEE Texaco Exploration and Production Inc.
OPERATOR Texaco **FIELD** Santa Anita



LEASE ISSUE DATE 05/04/1961

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$1,355,111.00

MORATORIUM Still in effect

ACREAGE 4250

CLEANUP/SWAPS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED Set for 9/99
SLC action

LEASE STATUS Not developed

Lease term 20 years and for so long thereafter as producing in paying quantities. Four exploration wells drilled and abandoned. Debris removed 1998. Quitclaim received from Texaco.

STATE TIDELANDS OIL AND GAS LEASES

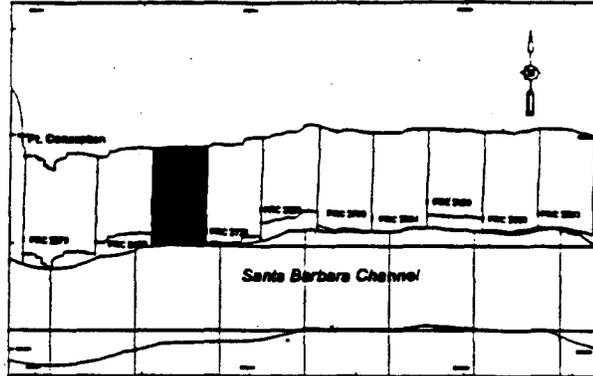
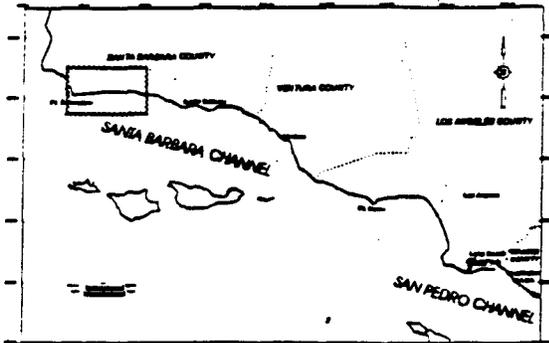
PRC 2725

COUNTY Santa Barbara

LESSEE Texaco Exploration and Production Inc.

OPERATOR Texaco

FIELD Conception Oil



LEASE ISSUE DATE 05/04/1961

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$9,550,000.00

MORATORIUM Still in effect

ACREAGE 4250

CLEANUP/SWAPS Well abandonment and debris removal

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED Set for 9/99
SLC action

LEASE STATUS Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities.
Last produced 1972, Platform Herman removed 10/87. Debris removed 1998.
Quitclaim received from Texaco.

STATE TIDELANDS OIL AND GAS LEASES

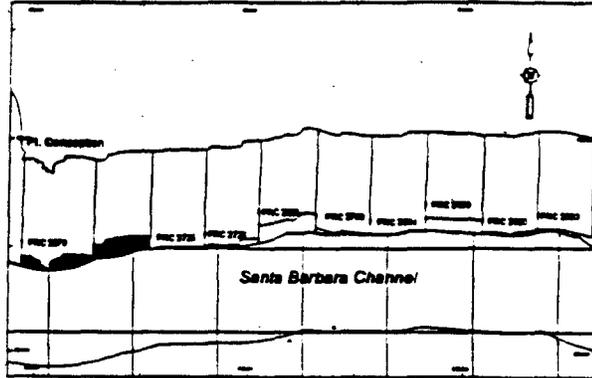
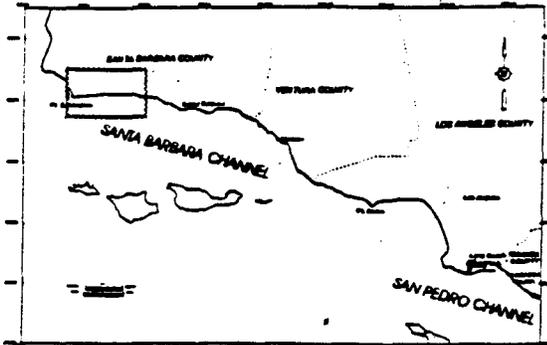
PRC 3499

COUNTY Santa Barbara

LESSEE Exxon Company U.S.A., Amoco Production Company

OPERATOR Exxon

FIELD Point Conception



LEASE ISSUE DATE 06/15/1966

ROYALTY RATE Sliding scale 16 2/3% - 50%

BONUS \$335,000.00

MORATORIUM Lifted February 1984

ACREAGE 1340

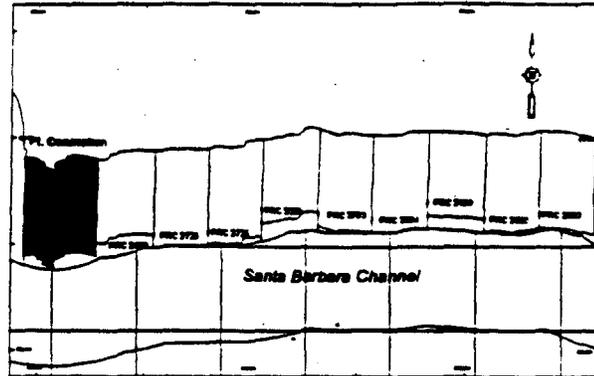
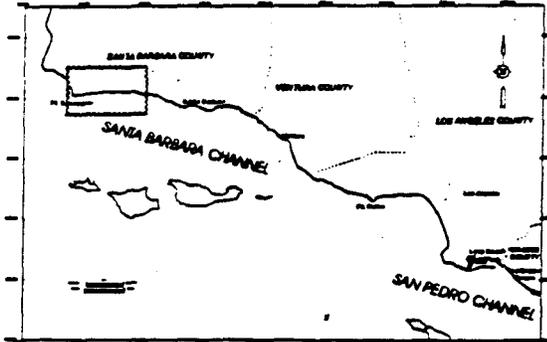
CLEANUP/SWAPS Debris removal

TYPE LEASE Cunningham-Shell

QUITCLAIM REQUESTED Set for 9/99
SLC action

LEASE STATUS Not developed

Lease term 20 years and for so long thereafter as producing in paying quantities.
One exploration well drilled and abandoned. Debris removed 1998. Quitclaim received from Exxon.

STATE TIDELANDS OIL AND GAS LEASES**PRC** 2879**COUNTY** Santa Barbara**LESSEE** Union Oil Company of California**OPERATOR** Unocal**FIELD** Point Conception**LEASE ISSUE DATE** 04/26/1962**ROYALTY RATE** Sliding scale 16 2/3% - 50%**BONUS** \$3,047,740.00**MORATORIUM** Lifted May 1980**ACREAGE** 5653**CLEANUP/SWARS** Well abandonment and debris removal**TYPE LEASE** Cunningham-Shell**QUITCLAIM REQUESTED** No**LEASE STATUS** Not producing

Lease term 20 years and for so long thereafter as producing in paying quantities. Last produced 4/92. Six offshore wells have been abandoned and debris removed (SWARS) and four wells drilled from an onshore location into the nearshore Pt. Conception field being prepared for abandonment.

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