

MINUTE ITEM

This Calendar Item No. 41
was approved as Minute Item
No. 41 by the State Lands
Commission by a vote of 3
to 0 at its 8.22.79
meeting.

CALENDAR ITEM

41.

8/79
W 40133
Kuehn

PRC 5715

COMPENSATORY GAS AGREEMENT

APPLICANT: Nahama & Weagant, Inc.
602 H Street
Bakersfield, California 93304

LOCATION: Mayberry Slough Area, Sacramento County.

TYPE OF LAND: Sovereign lands in the San Joaquin River,
Sacramento River and Mayberry Slough. Approximate 890 acres.

PERTINENT INFORMATION:

A compensatory gas agreement is proposed whereunder the State would be compensated for future drainage of gas from State sovereign lands by wells drilled by Nahama & Weagant, Inc. on uplands adjoining the State lands within the Mayberry Slough Area. The State lands include a portion of the beds of San Joaquin River, Sacramento River, and Mayberry Slough. Nahama & Weagant, Inc. has under lease those lands adjacent to and surrounding the State lands proposed to be included in the agreement area. Section 6815 of the P.R.C. provides: "Whenever it appears to the Commission that wells drilled upon private lands are draining or may drain oil or gas from lands owned by the State or where the provisions of Section 6827 are deemed by the Commission to be impractical in the particular case by reason of the small size or irregular configuration of the property, or its inaccessibility from surface drillsites reasonably available or obtainable, the Commission, in lieu of the following the provisions of Section 6827, may negotiate and enter into agreements with the owners or operators of such wells on private lands for the payment of compensation to the State for such drainage, or may negotiate and enter into leases for the development of the State lands through drilling from adjoining lands only..."

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CALENDAR ITEM NO. 41. (CONTD)

Under the proposed compensatory agreement, Nahama & Weagant, Inc. agrees to account for and to pay in money to the State on gas produced and saved from any well hereafter drilled within the Mayberry Slough Area that will drain gas from adjoining State land, in accordance with the following schedule:

1. 25% of sale value of all gas allocated to State lands.
2. 25% of the sale value of all gasoline and other products extracted from the quantity of gas allocated to State lands. The draft of the proposed compensatory agreement has been reviewed and approved by staff counsel.

EXHIBITS: A. Land Description. B-1. Location Map.
 B-2. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 6815 OF THE P.R.C., AUTHORIZE THE ISSUANCE OF A COMPENSATORY GAS AGREEMENT TO NAHAMA & WEAGANT, INC. COVERING THOSE STATE LANDS IN THE BED OF THE SAN JOAQUIN RIVER, SACRAMENTO RIVER AND MAYBERRY SLOUGH IN THE MAYBERRY SLOUGH AREA AS DESCRIBED IN EXHIBIT "A" ATTACHED HERETO, SACRAMENTO COUNTY, SO AS TO PROTECT THE STATE INTEREST IN SUCH LANDS.

EXHIBIT "A"

W 40133

LAND DESCRIPTION

Three parcels of tide and submerged land, lying in Sacramento County, State of California, and more particularly described as follows:

PARCEL 1

BEGINNING at the intersection of the centerline of the Sacramento River with the 121° 47' 30" line of longitude; thence northeasterly along the centerline of the Sacramento River, 11,500 feet more or less to a point lying north of the northeast corner of the land described in that document recorded as Instrument No. 183542, Nov. 13, 1978, in the Office of the County Recorder of Sacramento County, thence South 2,000 feet, more or less to said northeast corner of said parcel, said northeast corner having California Coordinate System Zone 2 values of X = 2,069,584.6, Y = 148,208.8 as scaled from USC & GS Air Photo Compilation No. T-5000; thence the following 22 courses:

1. S 64° 19' 50" W 1,089.22 feet;
2. N 86° 29' 19" W 439.90 feet;
3. S 46° 01' 55" W 2,157.96 feet;
4. S 57° 59' 33" W 909.26 feet;
5. S 60° 18' 40" W 3,926.95 feet;
6. S 01° 44' 07" E 3,766.05 feet to a point on the south bank of Mayberry Slough herein described as Point "A" in this description; thence
7. S 47° 20' 00" W 1,218.86 feet;
8. S 09° 01' 35" W 809.12 feet;
9. S 12° 40' 46" E 2,547.54 feet;
10. S 60° 34' 39" E 699.81 feet to a point on the north bank of Mayberry Slough herein described as Point "B" in this description; thence
11. S 00° 51' 03" W 3,451.34 feet;
12. S 25° 24' 39" W 609.34 feet;
13. S 19° 33' 10" E 269.76 feet;
14. N 79° 12' 37" E 3,211.55 feet;
15. N 61° 21' 18" E 1,401.07 feet;
16. N 73° 35' 48" E 640.37 feet;
17. S 87° 43' 40" E 1,250.31 feet to a point on the easterly bank of Mayberry Slough, at its intersection with the north bank of the San Joaquin River, herein described as Point "C" in this description; thence

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18. S 65° 18' 43" E 619.89 feet;
19. S 86° 03' 42" E 2,350.51 feet;
20. N 80° 21' 35" E 2,401.11 feet;
21. N 67° 14' 02" E 2,291.55 feet;
22. N 56° 33' 31" E 2,271.87 feet to a point having California Coordinate System Zone 2 values of X = 2,077,997.5, Y = 134,889.2 as scaled from USC & GS Air Photo Compilation No. T-4685; thence South 2,500 feet, more or less, to the centerline of the San Joaquin River; thence westerly along the centerline of the San Joaquin River, 18,500 feet, more or less to the intersection with the 121° 47' 30" line of longitude; thence north 15,800 feet, more or less, to the point of beginning.

PARCEL 2

A strip of tide and submerged land known as Mayberry Slough, 400 feet wide, lying to the left of the following described line:

BEGINNING at Point "A" as described in PARCEL 1 above; thence the following twelve courses:

1. N 47° 15' 48" E 720.80 feet;
2. N 63° 56' 48" E 410.36 feet;
3. S 72° 20' 24" E 600.00 feet;
4. S 42° 50' 49" E 1,019.35 feet;
5. S 54° 22' 11" E 3,818.46 feet;
6. S 42° 53' 49" E 1,748.88 feet;
7. S 68° 09' 23" E 609.94 feet;
8. S 85° 29' 18" E 3,571.01 feet;
9. N 39° 00' 22" E 1,972.34 feet;
10. N 45° 39' 54" E 2,042.30 feet;
11. N 28° 47' 07" E 500.63 feet;
12. N 03° 48' 02" E 520.65 feet to a point, and the end of this line, said point having Coordinate System Zone 2 values of X = 2,076,103.1, Y = 139,719.2 as scaled from USC & GS Air Photo Compilation No. T-4685.

PARCEL 3

A strip of tide and submerged land known as Mayberry Slough, 400 feet wide, lying to the right of the following described line:

BEGINNING at Point "B" as described in PARCEL 1 above; thence the following seven courses:

1. S 68° 55' 58" E 1,394.70 feet;
2. S 50° 18' 16" E 1,854.56 feet;
3. S 30° 21' 29" E 740.88 feet;
4. N 77° 37' 46" E 1,516.19 feet;
5. N 87° 00' 29" E 682.74 feet;
6. S 69° 35' 49" E 702.39 feet;
7. S 08° 59' 03" E 649.79 feet to Point "C" as described in PARCEL 1 above, and the end of this line.

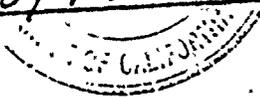
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EXCEPTING THEREFROM any portions of PARCELS 1, 2 and 3, lying landward of the ordinary high water mark of the Sacramento River, San Joaquin River, and Mayberry Slough.

Bearings and distances in this description are based on the California Coordinate System Zone 2.

END OF DESCRIPTION

Prepared Carlos Nasisa Checked Edward B. Zimmerman
Reviewed [Signature] Date 6/13/79



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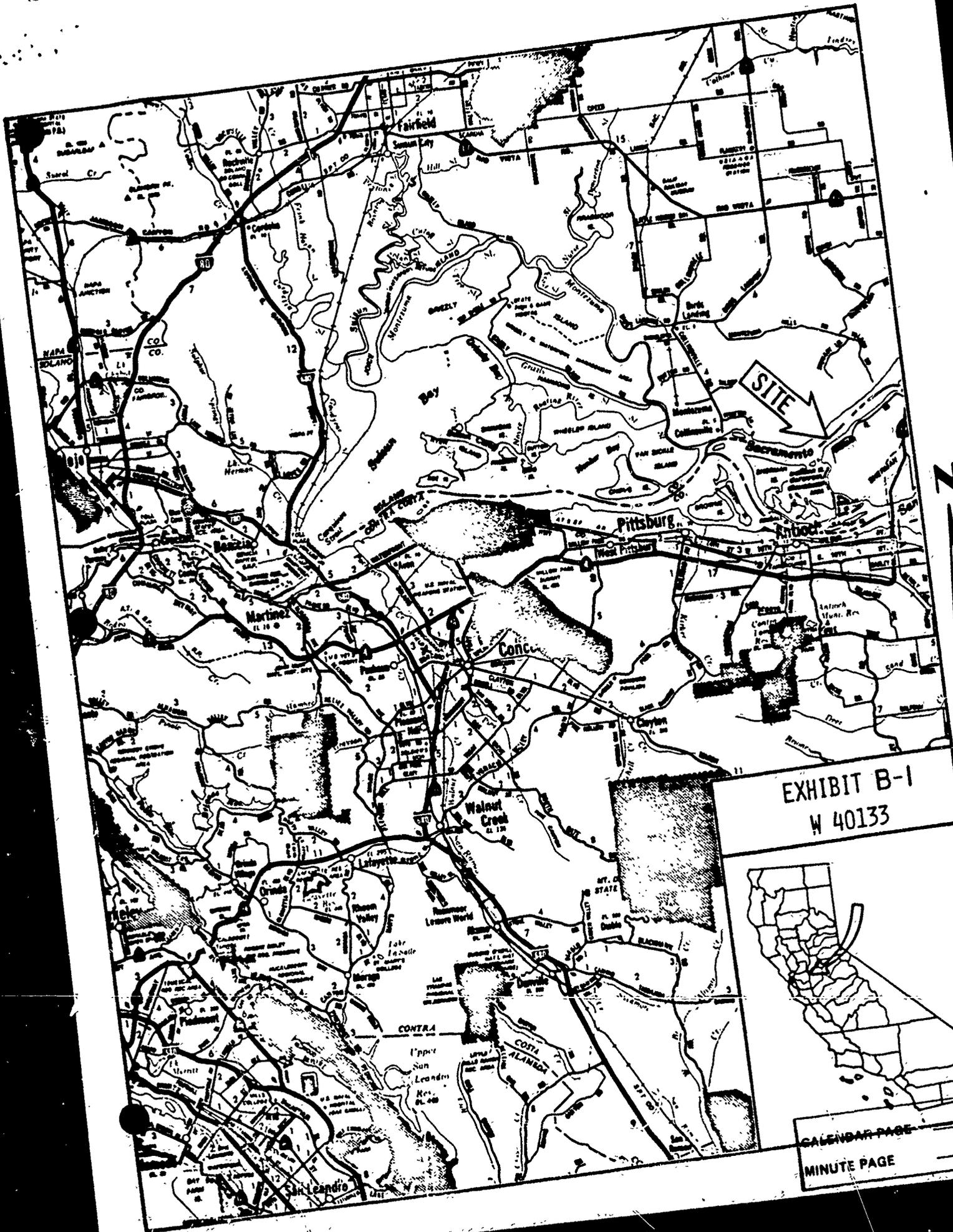
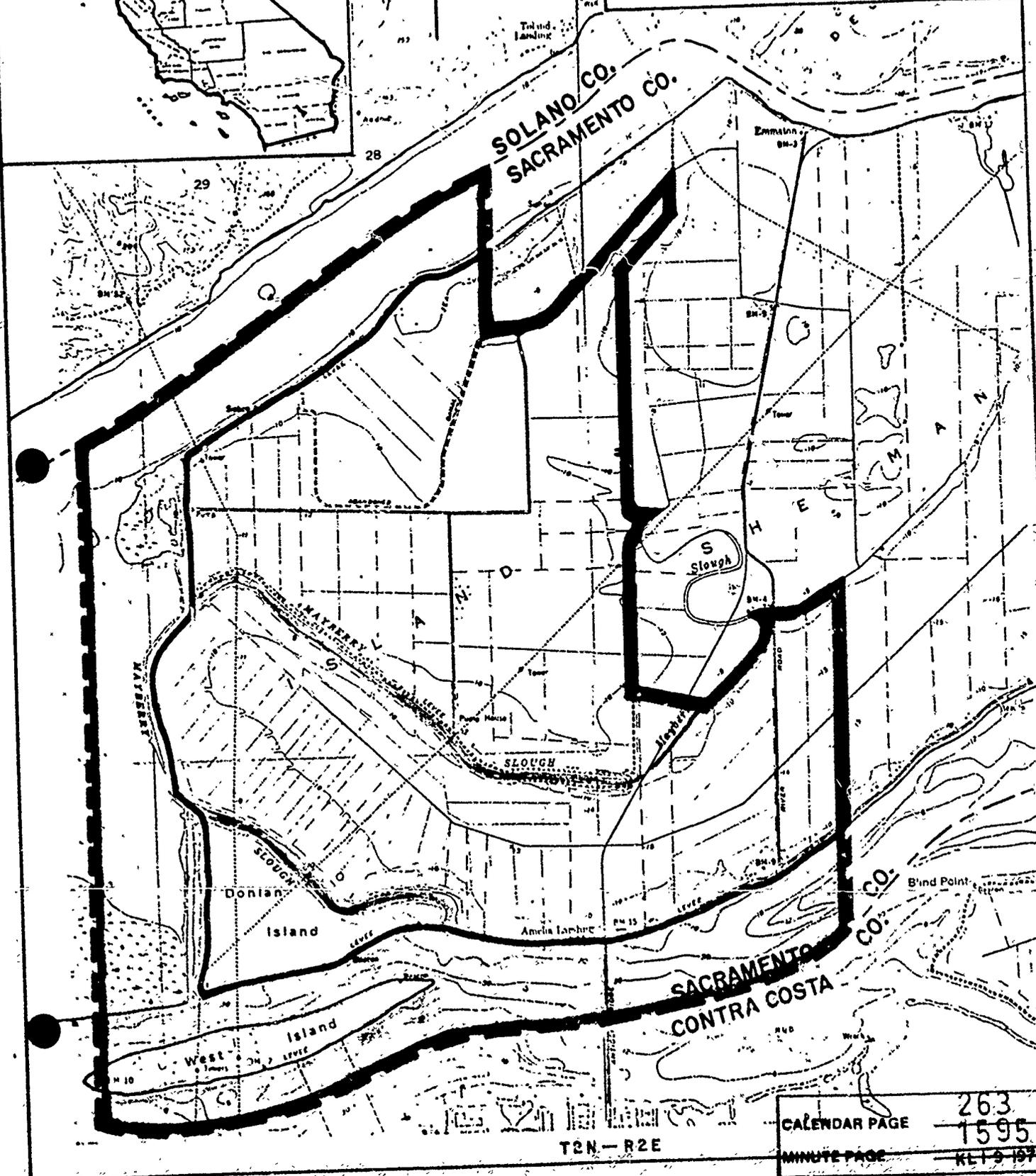
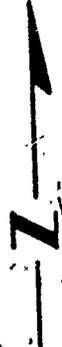


EXHIBIT B-1
W 40133



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EXHIBIT B-2
 STATE LANDS COMMISSION
 Compensatory Gas Agreement
 Mayberry Slough Area
 Sacramento County
 1" = 3,000'



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