

MINUTE ITEM

This Calendar Item No. 4  
was approved as Minute Item  
No. 4 by the State Lands  
Commission by a vote of 3  
to 0 at its 11-17-80  
meeting.

CALENDAR ITEM

4.

11/80  
W 40135  
Freckman

PROPOSED OIL AND GAS LEASES TO BE OFFERED  
WITHIN A PORTION OF LINDSEY SLOUGH

APPLICANT: McCulloch Oil and Gas Corporation  
10880 Wilshire Blvd.  
Los Angeles, California 90024

AREA, LAND TYPE AND LOCATION:  
Tide and submerged lands within the bed  
of Lindsey Slough (see Exhibit "A" - location  
map), Solano County.

Parcel No. 1 - 86.27 acres  
Parcel No. 2 - 152.22 acres  
Parcel No. 3 - 175.52 acres

Total 414.01 acres

TERMS: Primary Term: 20 years, Drilling Term: 1  
year, Surety Bond: \$100,000.

PROPOSED ACTION:  
Lease the subject lands (see Exhibit "B"  
Land Descriptions) for extraction of oil  
and gas pursuant to competitive public  
bid. Each of the three parcels will be  
leased separately. Access to each parcel  
will be from the uplands surrounding the  
slough. The successful bidders will be  
slant drilling into the State parcels at  
depths greater than 500' below the surface.

The drilling and testing procedure will  
be conducted in accordance with the rules  
and regulations of the State Lands Commission  
and other applicable agencies.

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CALENDAR PAGE	<u>048</u>
MINUTE PAGE	<u>2675</u>

CALENDAR ITEM NO. 4. (CONTD)

Pursuant to Section 6827 of the Public Resources Code, it is proposed to award the lease(s) to the qualified bidder(s) who undertakes to pay the highest percentage of net profits derived from the lease(s) according to the accounting procedures attached to the lease(s) on file in the Office of the State Lands Commission. The successful bidder(s) would agree to pay to the State, in addition to the percentage of net profits, royalty of 16 2/3% on oil, gas, and other hydrocarbon products extracted from the leased parcel(s). In addition to the percentage of net profits and the royalty described above, a rental of \$20 per acre per year will be charged.

The staff will, subsequent to authorization by the State Lands Commission, offer the prior described parcel(s) for competitive public bid and issue the lease(s) to the qualified bidder(s) who offers the highest percentage of net profits derived from oil, gas, and other hydrocarbon products extracted under the lease(s).

**PREREQUISITE ITEMS:**

This project is situated on State land identified as possessing significant environmental values pursuant to PRC 6370.1 and is classified in a use category, Class B, which authorizes limited use compatible with and non-consumption of such values.

In accordance with the State Guidelines for implementation of the CEQA of 1970, as amended, Commission staff prepared an Initial Study for the project and concluded that the proposed work will not result in a significant effect on the environment. As a result of the findings of the Initial Study, the preparation of an EIR is not required. As such, a Negative Declaration (Exhibit "C") was prepared and circulated to concerned agencies and to the public.

CALENDAR ITEM NO. 4. (CONTD)

In accordance with Section 6873.2 of the Public Resources Code, the staff held a public hearing on March 6, 1980, to consider subsidence and pollution control for the proposed leases on the bed of Lindsey Slough. There were no significant comments made at the hearing.

The proposed lease has been reviewed by staff counsel who have advised that the proposed lease will comply with the applicable provisions of the law and the rules and regulations of the Commission.

- EXHIBITS:
- A. Location Map.
  - B. Land Descriptions.
  - C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

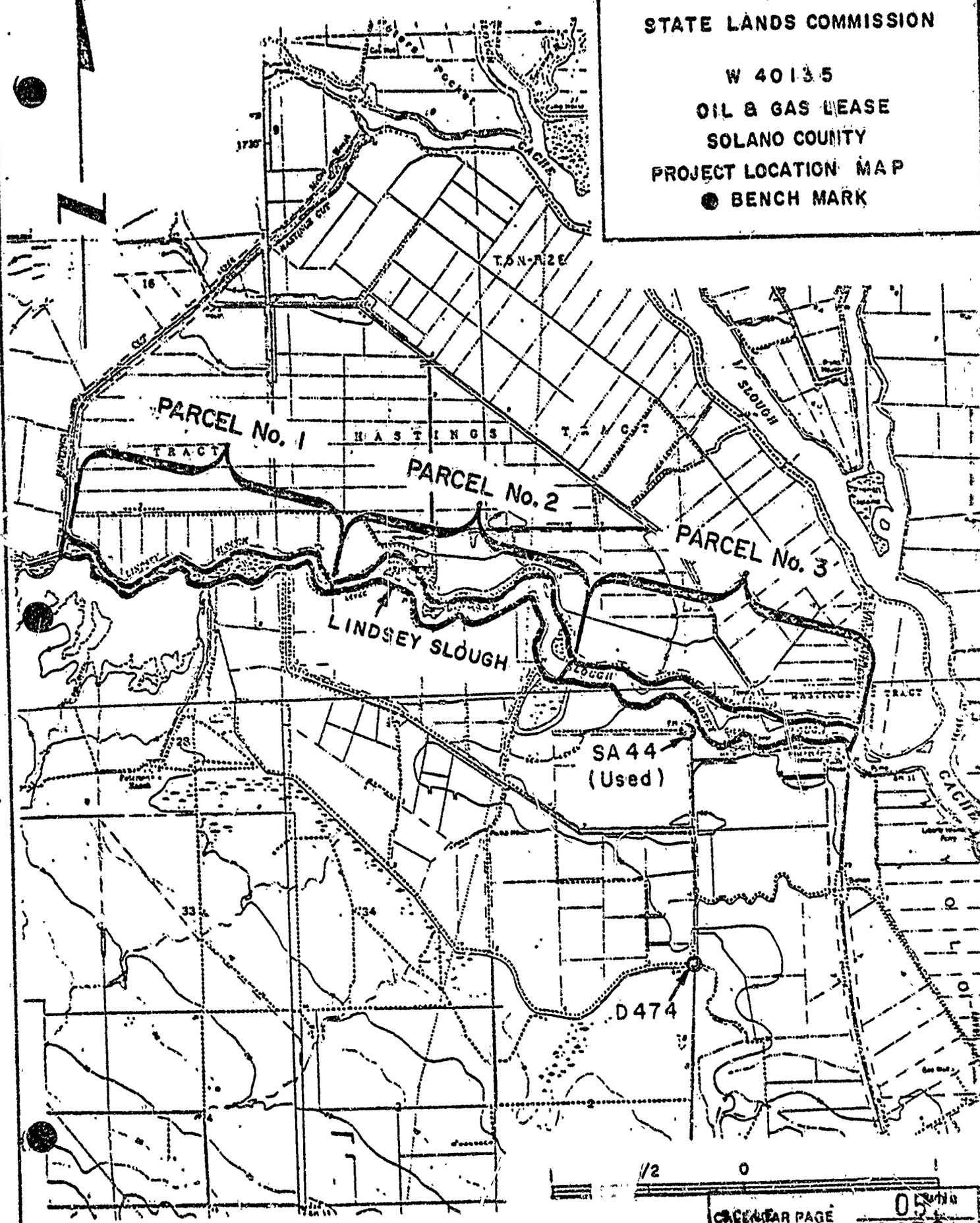
1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY COMMISSION STAFF.
2. CERTIFY THAT THE NEGATIVE DECLARATION (EIR ND 257) HAS BEEN COMPLETED IN COMPLIANCE WITH CEQA OF 1970, AS AMENDED, AND THE STATE EIR GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. FIND THAT GRANTING OF THE LEASE(S) WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
4. AUTHORIZE THE STAFF TO OFFER, BY COMPETITIVE PUBLIC BID AS PER SECTION 6827 OF THE PUBLIC RESOURCES CODE, AN OIL AND GAS LEASE FOR PARCEL NO. 1, PARCEL NO. 2, AND PARCEL NO. 3, AS DESCRIBED IN EXHIBIT "B" HEREIN, AS FOLLOWS:
  - a. THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST PERCENTAGE OF NET PROFITS DERIVED FROM OIL, GAS, AND OTHER HYDROCARBON PRODUCTS EXTRACTED FROM THE LEASED PARCEL(S).

CALENDAR ITEM NO. 4. (CONTD)

- b. THE BID LEASE FORM TO BE USED FOR EACH PARCEL SHALL BE THE FORMS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION IDENTIFIED AS W 40135 (PARCEL NO. 1), W 40135 (PARCEL NO. 2), AND W 40135 (PARCEL NO. 3) AND BY REFERENCE MADE A PART HEREOF. THE RENT IS TO BE \$20.00 PER ACRE PER YEAR, AND THE DRILLING TERM IS TO BE ONE YEAR. THE PERFORMANCE BOND IS TO BE IN THE AMOUNT OF \$100,000. ROYALTY ON OIL AND GAS WILL BE 16 2/3 PERCENT.

EXHIBIT "A"  
STATE LANDS COMMISSION

W 40135  
OIL & GAS LEASE  
SOLANO COUNTY  
PROJECT LOCATION MAP  
● BENCH MARK



## EXHIBIT "B"

## LAND DESCRIPTION

Three parcels of tide and submerged land lying within the bed of Lindsey Slough, situated in TSN, R2E, and TSN, R3E, MDM, County of Solano, State of California, and more particularly described as follows:

PARCEL 1

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 20, 21 and 22, TSN, R2E, MDM, being bounded on the west by the southerly extension of the westerly line of Hastings Cut, and bounded on the east by the northerly extension of the west line of the east half of the west half of Section 27, TSN, R2E, MDM. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

PARCEL 2

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 22, 23, 26 and 27, TSN, R2E, MDM, being bounded on the west by the northerly extension of the west line of the east half of the west half of Section 27, and bounded on the east by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

PARCEL 3

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 25 and 26, TSN, R2E, MDM and Section 30, TSN, R3E, MDM, being bounded on the west by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390, and bounded on the east by the southerly extension of the westerly line of Cache Slough. Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

STATE LANDS COMMISSION

KENNETH CORY, Controller  
MIKE CURR, Lieutenant Governor  
~~XXXXXXXXXXXX~~ Director of Finance  
MARY ANN GRAVES

EXHIBIT "C"



EXECUTIVE OFFICE  
1807 - 13th Street  
Sacramento, California 95814

WILLIAM F. NORTHROP  
Executive Officer

EIR ND 257

File Ref.: W 40135

NEGATIVE DECLARATION

Project Applicant: McCulloch Oil and Gas Corporation  
10880 Wilshire Boulevard  
Los Angeles, CA 90024

Project Location: State Lands Located Within the Bed of Lindsey  
Slough, Solano County

Project Description: To explore for and, if a discovery is made,  
produce natural gas from under the State lands.

This NEGATIVE DECLARATION is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et. seq. of the Public Resources Code), the State EIR Guidelines (Section 15000 et. seq., Title 14, of the California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq. of California Administrative Code).

Based upon the attached Initial Study, it has been found that:

- the project will not have a significant effect on the environment.
- the attached mitigation measures will avoid potentially significant effects.

Contact Person: Ted Fukushima (916) 322-7813  
State Lands Commission  
1807-13th Street  
Sacramento, CA 95814

Form 13-11 (10/79) 54  
MINUTE PAGE 2681

## Responses to comments on the Initial Study previously circulated.

1. ref. letter - Dept. of Army, Corps of Engineers - November 6, 1979. No drilling will be conducted in Lindsey Slough or on the adjacent levees or within 10' of the landward toe of the levees.
2. ref. memo - The Reclamation Board, Dept. of Water Resources - October 10, 1979. Answer as above.
3. ref. letter - Yolo - Solano Air Pollution Control District - October 17, 1979. The prospective lessees are hereby advised that the Yolo - Solano APCD requires a Permit to operate for a producing well.

DATE	NOV 7 1979
DJE	
CPE	
2 ADW	
RCP	
Enc.	
FILE:	40155

## Memorandum

To : D. J. Everitts, Chief  
Division of Energy and  
Mineral Resources  
State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, CA 90802

Date: NOV 7 1979

In Reply Refer  
To: 420/KH  
916/322-4512

From: STATE WATER RESOURCES CONTROL BOARD  
Division of Planning and Research  
P. O. Box 100, Sacramento, California 95801

Subject: Competitive Bid Oil and Gas Lease on a Portion of Lindsey Slough

Thank you for the opportunity to review your initial study for the subject project.

The State Water Resources Control Board and the California Regional Water Quality Control Board, Central Valley Region, have reviewed the study. From the data presented, it appears that a negative declaration will provide adequate environmental documentation for water related issues.

Please contact John Huddleson at 916/322-9870 if you need any further assistance.

  
Mel Holland  
Assistant Division Chief

cc: California Regional Water Quality Control  
Board, Central Valley Region  
3201 S Street  
Sacramento, CA 95816



DEPARTMENT OF THE ARMY  
 SACRAMENTO DISTRICT, CORPS OF ENGINEERS  
 650 CAPITOL MALL  
 SACRAMENTO, CALIFORNIA 95814

REPLY TO  
 ATTENTION OF

SPKED-W

DATE	NOV 13 1979
1	DJE
	CFE
2	ADW
	RCF
3	JR
4	JTF
Enc.	
FILE: W40135	

6 November 1979

Mr. D. J. Everitts  
 Chief, Division of Energy  
 and Mineral Resources  
 State Lands Commission  
 100 Ocean Gate, Suite 300  
 Long Beach, California 90802

Dear Mr. Everitts:

This is in response to your letter of 10 October 1979 requesting comments on the nomination for a competitive bid oil and gas lease on a portion of Lindsey Slough in Solano County. Unfortunately, we in the Sacramento District, who are responsible for the area under consideration, received the letter via the Corps' San Francisco District, leaving little time before the requested submittal date for comments of 1 November 1979. Consequently, this submittal date was extended by telephone conversation of 30 October 1979 between Mr. Mark Capik of our staff and Mr. Al Willard of yours. We regret the inconvenience and appreciate the extra time. Our comments are as follows.

As required by Section 10 of the River and Harbor Act of 3 March 1899, which prohibits the unauthorized obstruction or alteration of any navigable water in the United States, a Department of the Army permit will be required from this office for any work done below mean high tide elevation for the reach in question on Lindsey Slough. Also, in accordance with Section 404 of the Clean Water Act (33 USC 1344), a Department of the Army permit would be required if any dredged or fill material is placed below the mean high tide elevation in Lindsey Slough or adjacent wetlands. For additional information on our permit program, you may contact Mr. Art Champ of our Operations Branch at telephone (916) 440-2842.

Finally, in conjunction with the Corps' Sacramento-San Joaquin Delta Investigation, and as a part of the State's Delta Master Recreation Plan, Lindsey Slough has been designated as a significant natural

CALENDAR PAGE	057
MINUTE PAGE	2684

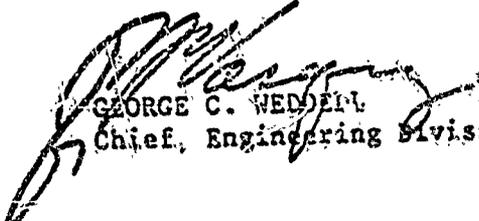
6 November 1979

241ED-W  
Mr. D. J. Everitts

resource and scenic area. Because of the particular resources identified in the Lindsay Trough area, we believe that measures should be taken to insure the protection of these values.

We appreciate the opportunity to comment on this issue and will be glad to provide further assistance if it is needed.

Sincerely,



GEORGE C. WEDDELL  
Chief, Engineering Division

CALENDAR PAGE	058
MINUTE PAGE	2685

AMERADA HESS CORPORATION

BOX 417  
RIO VISTA, CALIFORNIA 94571  
707-374-6461

October 29, 1979

Mr. D. J. Everitts  
State of California  
State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, CA 90802

DATE	
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FILE:	W40135

Dear Mr. Everitts:

In regards to your file reference #W40135, Initial Study for Competitive Bid Oil and Gas Lease, Lindsey Slough, Solano County, we have reviewed the Initial Study and have no problems or comments to add.

We would appreciate a copy of the bid package as soon as it becomes available. Thank you.

Brian J. Skeels  
Operations Manager

Gael H. Troughton  
Senior Geologist

GHT:sam

CALENDAR PAGE	059
MINUTE PAGE	2585

McCulloch Oil and Gas Corporation



October 30, 1979

Mr. Al Willard  
State Lands Commission  
100 Ocean Gate  
Suite 300  
Long Beach, California 90802

DATE	10/30/79
DJE	
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SR	
E.P.	
3	OK
Enc.	9/17/79 JTF
FILE	

Re: Lindsey Slough Prospect  
DB 77/78-10  
Your Ref: W 40135  
Solano County, California

Dear Mr. Willard:

In response to your letter of October 10, 1979 concerning the initial study for competitive bid on a portion of the Lindsey Slough in Solano County, California, this is to advise that McCulloch has no additions or comments regarding this study. We feel that you have thoroughly covered the matter in your study.

Very truly yours,

Jack R. Andrews, Manager  
Lease Acquisition & Records Dept.

JRA:vk

CALENDAR PAGE	060
MINUTE PAGE	2687

# Memorandum

Al Willard  
 Division of Energy and  
 Mineral Resources  
 State Lands Commission  
 100 Ocean Gate, Suite 300  
 Long Beach, CA 90802

DATE	
DJE	
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ADW	*
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2 RK	RK
3 MH	MH
Enc. 4JTF	JTF
FILE: W40167 + W40135	

Date: October 29, 1979

- make copy for file

*Bob Slattery*  
 Bob Slattery (28122842)

From : STATE SOLID WASTE MANAGEMENT BOARD

Subject: Oil Leases for W 40167 (Molino - Santa Barbara Co.) and W 40135 (Solano Co.).

We have reviewed these projects and have no comments. Thank you for the opportunity to review these applications.

# Memorandum

**To :** D. J. Everitts, Chief  
 Division of Energy and  
 Mineral Resources  
 State Lands Commission  
 100 Oceanside, Suite 300  
 Long Beach, CA 90802

**Date :** OCT 24 1979

**File No.:**

**Subject:** Initial Study for  
 Competitive Bid Oil and Gas  
 Lease - Lindsey Slough, Solano  
 County

**Attention:** Al Willard

**From :** THE RECLAMATION BOARD  
 Department of Water Resources

We have reviewed the subject Initial Study and offer the following comments:

The prospective oil and gas lease on a portion of Lindsey Slough is within or adjacent to the Lindsey Slough project levees which are under the jurisdiction of The Reclamation Board. Therefore, the lessee will require the prior approval of The Reclamation Board before starting any work on the site.

Please advise all potential lessees that they can contact Mr. Ted Allen, Floodway Permit Section, Department of Water Resources, Room 335-10, 1416 Ninth Street, Sacramento, CA 95814, telephone (916) 445-9225, for applications and information.

No drilling is to be done within the levee section, and prior to any exploratory drilling on or adjacent to the levees, the Department of Water Resources must be contacted. The Department contact person is Mr. Russ Franson, Central District, Department of Water Resources, 3251 S Street, Sacramento, CA 95816, telephone (916) 445-8458.

Thank you for furnishing this Initial Study for review.

*Eldon E. Rinehart*  
 ELDON E. RINEHART  
 General Manager  
 8-485-9454

DATE	OCT 29 1979
1 DJE	<input checked="" type="checkbox"/>
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\* *Following up on file*  
 MINUTE PAGE 2689 *AL*

DATE OCT 20 1970  
1 DJE  
CFE  
2 ALW  
RGP  
3 RIC  
4 JTT  
Enc.  
FILE: W 90135

18 October 1970

Dear Mr. Everitts

This office has forwarded your letter File Ref. W90135 to our office in Sacramento for their answer to you as the area of concern is in their area of responsibility.

TRULY YOURS  
Hans J. Lamm

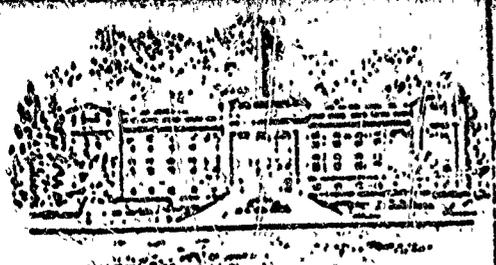


U.S. ARMY ENGINEER DISTRICT  
SAN FRANCISCO  
CORPS OF ENGINEERS

HANS J. LAMM  
CHIEF, ENFORCEMENT SECTION

311 MAIN STREET  
SAN FRANCISCO, CALIF. 94105 TEL. (415) 856-8966

CALENDAR PAGE 063  
MINUTE PAGE 2690



James A. Roslew  
Air Pollution Control Officer  
Telephone 466-8433

DJE	
CFP	
2 ADW	AF
RUP	
3 RE	10.17.79
4 JIF	JIF
Enc.	
FILE:	W40135

YOLO-SOLANO  
AIR POLLUTION CONTROL  
DISTRICT

P.O. BOX 1006  
WOODLAND, CALIF. 95675

October 17, 1979

Mr. D. J. Everitts, Chief  
Division of Energy and Mineral Resources  
State Lands Commission  
100 Ocean Gate, Suite 300  
Long Beach, CA 90802

Dear Mr. Everitts:

This letter is in response to your letter dated October 10, 1979 concerning a Negative Declaration covering an oil and gas lease on a portion of Lindsey Slough in Solano County.

It is the District's opinion that the emissions from the development of these lands into natural gas producing wells would not contribute significantly to air pollution levels. The District would like to be informed when operations begin, particularly as to use of combustion engines for the operation, and when operations are closed.

However, the bidders should be notified that the Yolo-Solano APCD does require an evaluation as to the need for a Permit to Operate for a producing well.

If you have any questions please contact the District Engineer, Mr. Carroll Robertson.

Sincerely,

Tom Armstrong  
Air Pollution Control Inspector

TA:ra

CALENDAR PAGE	064
MINUTE PAGE	2691

LR/NOTICE MAILING LIST

W 40135

\*Honorable James W. Nielson  
Member of the Senate  
4<sup>th</sup> District  
California State Legislature  
State Capitol  
Sacramento, CA 95814

\*Honorable Thomas M. Hannigan  
Member of the Assembly  
4<sup>th</sup> District  
California State Legislature  
State Capitol  
Sacramento, CA 95814

Salano County Board of Supervisors  
Court House  
Fairfield, CA 94533

NOTE: If more than one Assembly-  
man, Senator or Board of  
Supervisors are affected,  
add to list in the spaces  
provided on the following  
pages.

PRESS BUREAU OFFICES AND NEWSPAPERS  
(Cross out those not wanted)

Capitol News Service  
Fred Kline, Executive Editor  
301 Capitol Mall, Suite 300  
Sacramento, CA 95814

~~San Francisco Examiner  
110 Fifth Street  
San Francisco, CA 94103~~

~~UPI News Bureau  
207 S. Broadway  
Los Angeles, CA 90012~~

~~Sacramento Bee  
21st & Q Street  
Sacramento, CA 95804~~

~~Associated Press  
1111 S. Hill Street  
Los Angeles, CA 90015~~

~~Los Angeles Times  
Times-Mirror Square  
Los Angeles, CA 90012~~

~~United Press International  
925 L Street, Suite 1185  
Sacramento, CA 95814~~

~~City News Service  
107 S. Broadway, Room 1127  
Los Angeles, CA 90012  
Attn: Mr. Marshall Voight~~

~~Associated Press  
925 L Street, Suite 320  
Sacramento, CA 95814~~

~~City News Service  
P.O. Box 2522  
Los Angeles, CA 90054~~

REGIONAL NEWSPAPERS

The Daily Republic  
P.O. Box 47  
Fairfield, CA 94533

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\_\_\_\_\_  
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\*NOTE: An asterisk indicates that a copy of the enclosed document will be sent with the notice.

MINUTE PAGE 2692



**FOR LONG BEACH EIR's ONLY**

\*The Resources Agency  
1416 Ninth Street, Room 1311  
Sacramento, CA 95814

\*Environmental Protection Agency  
100 California Street  
San Francisco, CA 94111  
Attn: Paul De Falco, Jr.  
Regional Administrator

\*State Clearinghouse (15 copies)  
Office of Planning and Research  
1400-10th Street, Room 121  
Sacramento, CA 95814

\*U.S. Geological Survey  
345 Middlefield Road  
Menlo Park, CA 94025  
Attn: Reid Stone, Geothermal  
Supervisor (Send only  
geothermal related docu-  
ments)

\*U.S. Fish & Wildlife Service  
2800 Cottage Way  
Sacramento, CA 95825

\*Ed Haste, State Director  
California State Office  
Bureau of Land Management  
2800 Cottage Way-Room 28L1  
Sacramento, CA 95825

\*State Library (3 copies)  
Government Publications Section  
Library and Courts Buildings  
Sacramento, CA 95814

\_\_\_\_\_ Planning Department

See Attached Mailing list

\*Union Oil Company of California  
P.O. Box 7600  
Los Angeles, CA 90051  
Attn: Mrs. Ferbrache  
(Minerals, Geothermal, Oil & Gas)

\*\*\*\*\*

AREAWIDE CLEARINGHOUSE  
(Where Applicable)

\* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: An asterisk indicates that  
a copy of the environmental  
document will be sent with  
the notice

MAILING LIST FOR MEMO WITH INITIAL STUDY:

Department of Fish and Game  
Attn.: Mr. Don Lollock  
Environmental Services  
1416 Ninth Street, 12th Floor  
Sacramento, CA 95814

Division of Oil and Gas  
Attn.: Mr. M.G. Mefferd  
State Oil and Gas Supervisor  
1416 Ninth Street, Room 1316  
Sacramento, CA 95814

Solid Waste Management Board  
Attn.: Mr. Albert A. Marino  
Executive Officer  
825 "K" Street, Suite 300  
Sacramento, CA 95814

Mel Schwarz  
Reclamation Board  
1416 Ninth Street, RM 204-5  
Sacramento, CA 95814

W. Don Maughan, Chairman  
California State Water  
Resources Control Board  
P.O. Box 100  
Sacramento, CA 95801

Greg Vaughn,  
Regional Water Quality Control Board  
3201 "S" Street  
Sacramento, CA 95816

W 40135  
w111  
w11b

MAILING LIST FOR LETTER WITH INITIAL STUDY:

Air Pollution Control District  
Yolo/Solano County  
P.O. Box 1006  
Woodland, CA 95695

Clayne E. Munk  
Solano County Planning Department  
Court House  
Fairfield, CA 94533

District Engineer  
U.S. Army Engineer Dist., San Francisco  
211 Main St.  
San Francisco, CA 94105

U.S. Fish & Wildlife Service  
2800 Cottage Way  
Sacramento, CA 95825

Mr. Jack R. Andrews  
McCulloch Oil and Gas Corporation  
10880 Wilshire Blvd.  
Los Angeles, CA 90024

Mr. B.J. Skeels, Operations Manager  
Amerada-Hess Corporation  
P.O. Box 417  
Rio Vista, CA 94571

Mr. Al Marques  
Aminoil USA, Inc.  
P.O. Box 88  
Huntington Beach, CA 92648

Mr. M. James Walker  
ARCO Oil and Gas Company  
P.O. Box 147  
Bakersfield, CA 93302

W 40135  
wlik  
wlyb

STATE OF CALIFORNIA  
STATE LANDS COMMISSION

Initial Study for the Issuance of Competitive Bid Sub-surface Oil and Gas Leases Covering a Portion of Lindsey Slough in Solano County and a Plan to Control Subsidence and Pollution.

1. PROJECT AND ITS LOCATION:

The State has received a nomination for a competitive bid subsurface oil and gas lease in Solano County on all of the tide and submerged land lying within the bed of Lindsey Slough in Sections 20, 21, 22, 23, 25, 26, and 27, T. 5N., R. 2E., and Section 30, T. 5N., R. 3E., MDB&M, and bounded on the east by the westerly line of Cache Slough Extended and on the west by the easterly line of Hastings Cut Extended. The slough will be divided into three (3) parcels each of which will be leased separately. They are described in exhibit "A". Parcel No. 1 contains 86.27 acres, parcel No. 2, 152.22 acres, and parcel No. 3, 175.52 acres. Division of Lindsey Slough into three parcels is being considered because there are four different lease-holders whose leases border the slough; three on the south and one on the north. There are two lease-holders bordering each parcel; therefore competitive bidding is required. Upon issuance of leases for the above-described lands subsequent drilling may be undertaken in an effort to determine if economically producible volumes of gas are present beneath the State lands. Exhibits "A", "B" and "C" are included for visual clarification and definition of the area of the proposed project.

2. STATEMENT OF OBJECTIVES SOUGHT BY THE PROPOSED PROJECT:

The objective of this proposed project is to explore for and develop natural gas beneath State lands as described above.

3. GENERAL DESCRIPTION OF THE PROJECT:

In short the project is the issuance of oil and gas leases on the subsurface lands of Lindsey Slough. Upon issuance of the leases exploratory drilling and seismic surveys may be initiated on the land adjacent to the slough. Directional drilling under the State lands from adjacent lands could occur. Locations for test wells have not been determined. Following issuance of the leases and appropriate exploration subsequent drilling may be undertaken to produce volumes of gas that may or may not be present beneath State lands.

4. a) DESCRIPTION OF THE ENVIRONMENTAL SETTING:

The existing physical environment in the vicinity of the nominated parcel (Lindsey Slough in toto) is that of a rural agriculture area. The area is essentially level with an elevation that is at or very near sea level. Lindsey Slough itself is fed by Barker Slough, Calhoun Cut and Hastings Cut. From Hastings Cut Lindsey Slough drainage is generally slightly south of east until it joins with Wright Cut and Cache Slough. The levees bordering Lindsey Slough are 12 to 25 feet above the surrounding land. The slough contains more than a dozen islands. These islands are marshy in nature with the majority of berms being below the mean high water mark; therefore they are considered a portion of the slough bed. Marshy lands also exist just South of the Slough in Section 26, T. 5N., R. 2E.

This marsh is encompassed by an intermittent unnamed Oxbow lake on three sides and Lindsey Slough levee on the North. No levee exists on the extreme

Southwest edge of the Slough; this area is primarily an intermittent lake into which "The Big Ditch" empties. Roads in the vicinity of Lindsey Slough are generally private or unimproved dirt transecting the various properties on either side of the slough. These roads also run along the tops of most of the levee. A medium duty road extends along the eastern segment of the southern levee. This road is part of a route that parallels the western bank of the Sacramento River and Cache Slough. The road exits the Lindsey Slough area to the south about three quarters (3/4) of a mile west of where it enters the Lindsey Slough levee. The land to the north of the Slough, the Hastings Tract, is dotted with several small groupings of residential dwellings. About one-half mile north of the approximate center of the slough is a private airstrip running almost E-W just west of a N-S running road. Near the intersection of this road and the slough is an airway beacon.

In the Hastings Tract lying between Lindsey Slough, Cache Slough and Hastings Cut are 16 abandoned gas wells and two (2) producing gas wells as of August, 1979. Within approximately two miles of the southern edge of Lindsey Slough are no less than 23 producing gas wells and 20 abandoned gas wells.

#### 5. ENVIRONMENTAL IMPACT OF THE PROPOSED PROJECT:

The only long-term environmental impact of the proposed project will be the production of natural gas if gas is discovered, that otherwise might not be produced at all. Thus one beneficial effect of this proposal might be to provide much-needed natural gas to meet the energy requirements of the State. Short-term environmental impacts are probably of more concern than long-term impacts. This is because most probably the life expectancy of producing gas wells would be 10 - 20 years. Short-term environmental impacts have two possible scenarios. The first case would be drilling and possible redrilling of exploratory wells which failed to

find producible gas accumulation. The second case would be the discovery of a commercial gas pool by exploration drilling. In case one, the environmental impacts would have a relatively short duration and would depend on the number of exploration wells drilled next to the approximately four (4) mile length of the slough. Individual well drilling time would probably range from 30 to 60 days depending on the number of redrills from the original well. Environmental impacts would consist of the following:

- A). A moderate increase in traffic on the various roads transiting the area around Lindsey Slough resulting from the transport of equipment, crew personnel and drilling material. The individual rates would be contingent on the drill site selection.
- B). A local increase in noise level above that of normal farm equipment operation to a level of about 70 decibels at 1000 feet from any of the possible drillsites. The effect on housing in the area will be dependent on the location of the wells. Since the levees meander with the slough the chances are good that sound will be somewhat attenuated if any drilling is attempted in close proximity to the slough or the associated levees.
- C). A minor amount of temporary air pollution from the operation of diesel engines that supply power for the drilling activity. This pollution is approximate to that contributed by several diesel-powered heavy duty trucks.

In case two, above, the environmental impacts will be the same as for case one (A, B, and C, above), except that their duration may extend, intermittently, over a longer period of time, depending on how long exploration and possible production takes. Environmental impact would be intermittent, that

is to say impacts would occur as wells were drilled and possibly produced. Drilling operations in the area are expected to yield natural gas only. Pollution potential in a natural gas field is minimal. Subsidence, however, is another consideration if gas is found and produced, but withdrawal of gas generally has an insignificant effect on subsidence because:

- 1). the gas sands are generally thin, ranging from 10 to 50 feet in thickness, and can only compact a small amount.
- 2). the sands are relatively competent and resist compaction.
- 3). the water drive generally fills the sand interstices as the gas is withdrawn.
- 4). water is not extracted with the gas.
- 5). the volume of gas withdrawn is very small relative to the volume of rock involved.

6. ADVERSE ENVIRONMENTAL IMPACTS THAT CANNOT BE AVOIDED IF THE PROJECT IS IMPLEMENTED:

The short-term impacts cited in Item 5, although of minor adverse character, cannot be avoided if this project is implemented to the fullest degree; that is, leasing, exploration and subsequent production.

7. MITIGATING MEASURES PROPOSED TO MINIMIZE IMPACTS:

The drilling of wells will be conducted in strict accordance with the regulations of the State Lands Commission and the State Division of Oil and Gas. Surface casing will be set as prescribed by the regulations to protect the ground water, and approved blowout prevention equipment will be used during drilling operations. Drilling fluids and drill cuttings will be sumped or tanked to a public licensed disposal site and subsequently the site(s) will be cleaned up and restored as nearly as practicable to its former condition.

If a producible gas accumulation is discovered, the gas will be moved from the drillsite(s) by pipeline(s) and there will be no venting or release of gas to the atmosphere during the production phase. No conflict is anticipated with the local residences or the airway beacon or the private airfield in the local vicinity. Suitable measures will be taken in the event any problems develop with the above mentioned locations.

The Lindsey Slough is protected from possible drillsites by its associated levee which stands 12 to 25 feet above the ground level. Drillsites that might be drilled in the area to the SW of Lindsey Slough, where no levee is located, must have appropriate plans for suspension of all drilling and production operations, except those that are corrective, protective, or mitigative, immediately in the event of any disaster or contamination or pollution resulting from operations. Drillsite(s) which are located such as to be separated from Lindsey Slough by the levee shall be constrained by the above-mentioned requirements also. In the event of contamination or pollution, such drilling and production operations shall not be resumed until adequate corrective measures have been taken and authorization for resumption of operations has been made by the State Lands Commission. Corrective measures shall be taken immediately whenever pollution has occurred. Residuary products of oil, drilling fluid, sanitary wastes and other refuse shall be disposed of in approved dumping areas. None of these products will be permitted to enter Lindsey Slough or any other slough, cut or marsh land connected therewith. The lessee(s) will be required to comply with the Commission's applicable procedures for Drilling and Production Operations on tide and submerged lands. The drilling procedures contain detailed engineering requirements on well programming, blowout prevention equipment, testing procedures, drilling

procedures, and supervision and training as related to the safety aspects of drilling. The production procedures cover well completion, remedial and well-maintenance work, subsurface injection projects, waste disposal, safety equipment procedures related to production facility operations and the operation and maintenance of pipelines. It is the responsibility of the Division of Oil and Gas and the State Lands Commission to see that the procedures are followed, and that a system of inspections and reports are required to insure that this is being done.

Certain operations performed in drilling and production work are considered critical with respect to well control, fire, explosion, oil spills, and other discharge or emissions. The critical operations may occur during drilling, well completion and recompletion, well maintenance and stimulation, wireline servicing, facility maintenance and construction. The lessee(s) will be required to submit and have approved by the State Lands Commission a Critical Operations and Curtailment Plan, setting forth critical well operations which will be curtailed when adverse conditions exist.

Even though the chances of discovering oil are slight, the lessee(s) will be required to maintain a current oil-spill contingency plan for initiating corrective action to control and recover oil spilled on any waters or land. The plan will cover both minor and major oil spills associated with lease operations. An integral part of the required contingency plan will be the availability of the services of Clean Bay, Inc., a nonprofit organization formed by the oil industry in the San Francisco area to combat oil spills by preventative and cleanup equipment. This equipment is located in Concord and Martinez, and available for quick response under emergency conditions.

The lessee(s), upon discovery of natural gas or oil, will be required to determine a recent subsidence rate before volumes of gas are produced from the

lease(s). This will be accomplished by precision level surveys of bench marks in the area that are part of the U. S. Coast and Geodetic Survey first order survey network.

The lessee(s) will be also required to establish bench marks in the area to effectively monitor subsidence which will be tied by precise leveling into the control network. Such bench marks set by the lessee(s) shall be surveyed each year and the control network surveyed every two years.

If a sufficient number of drillsites and resultant bench marks are located, a minimum of three (preferably, one on each side of the lease area(s)) will be surveyed for horizontal as well as vertical control. Since it was established that during subsidence (due to the removal of subsurface elements) bench marks will move toward the center or toward the area of deepest subsidence, such procedure could serve to effectively detect areal subsidence.

After discovery, a well may be drilled and programmed to include a "casing joint survey". A "casing joint survey" is a procedure in which a magnetic tool is lowered into the well and, as it is withdrawn, records the magnetic density of the casings. Lengths of casing can be accurately determined by such techniques and comparisons with later surveys or "runs" may indicate casing deformation, a possible result of subsidence. While a casing joint survey may not reveal a total subsidence rate, it will permit the operator to determine if casings opposite the producing sands are undergoing deformation. These surveys would run about every two years as part of the subsidence monitoring procedure.

Many gas sands in the delta region are repressured with a partial or full waterdrive mechanism. If the reservoir has a natural water-drive, then water encroachment or replacement as the reservoir is depleted of gas would sustain formation pressures. This condition could negate any subsidence attributed to gas production.

8. ALTERNATIVES TO THE PROPOSED ACTION:

The proposed action is the eventual issuance of an oil and gas lease(s) by the State Lands Commission to the highest bidder(s) to facilitate the exploration and development of possible natural gas resources on the parcels (segment(s) of Lindsey Slough) concerned. The only alternative to this action would be for the Commission to not issue the lease(s). This could result in a failure to evaluate a potential source of new natural gas reserves which are sorely needed to supply California's energy requirements.

9. THE RELATIONSHIP BETWEEN LOCAL SHORT-TERM USES OF MAN'S

ENVIRONMENT AND THE MAINTENANCE AND ENHANCEMENT OF LONG-TERM PRODUCTIVITY:

The proposed project as outlined above should have no cumulative or long-term adverse effects. The proposal will neither enhance the state of the physical environment nor will it reduce it over the long term.

It may add to the supply of a clean-burning energy source for a period of 10 to 20 years at the expense of minor local adverse impacts over a period of 12-18 months. The incremental costs and benefits are small in either case, and of quite short duration. At the conclusion of the project there will be no residual impact on man's environment.

10. IRREVERSIBLE ENVIRONMENTAL CHANGES THAT WOULD BE INVOLVED IF

THE PROPOSED ACTION SHOULD BE IMPLEMENTED:

There will be no irretrievable commitment of resources other than production and use of the natural gas. As indicated above, without issuance of the lease(s) in question it may not be possible for the applicant(s) to continue the exploratory program and the potential gas resource will remain unevaluated.

11. GROWTH-INDUCING IMPACT OF THE PROPOSED ACTION:

Because no new permanent employees will move into the area as a result of this temporary work, and because any new facilities (i.e., pipelines, wellhead

assemblies, etc.) will not require permanent attendees, there would be no growth-inducing impact from this project.

12. WATER USE

The source of the water used in drilling operation will probably be from a water well in the area purchased from one of the local property owners.

13. ECONOMIC AND SOCIAL FACTORS:

As indicated above, there will be no growth-inducing impact from this project. If a discovery is made, then a modest increment of additional clean-burning energy source will be available to fuel the State's economy, and the State will derive a royalty income from the lease(s) in question. The overall social impact will be negligible.

14. PERSONS AND AGENCIES CONTACTED:

California Department of Fish and Game

California Department of Conservation, Division of Oil and Gas

California Solid Waste Management Board

The Reclamation Board

California State Water Resources Control Board

Regional Water Quality Control Board

AFCD - Yolo/Solano Counties

Solano County Planning Department

U. S. Army Corps of Engineers

U. S. Fish and Wildlife Service

McCulloch Oil Corp.

Amerada

Aminoil, U.S.A., Inc.

O.P.R. - Clearinghouse - Attn.: Laurie Wright

ARCO

EXHIBIT "A"

LAND DESCRIPTION

W 40135

Three parcels of tide and submerged land lying within the bed of Lindsey Slough, situated in T5N, R2E, and T5N, R3E, MDM, County of Solano, State of California, and more particularly described as follows:

PARCEL 1

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 20, 21 and 22, T5N, R2E, MDM, being bounded on the west by the southerly extension of the easterly line of Hastings Cut, and bounded on the east by the northerly extension of the west line of the east half of the west half of Section 27, T5N, R2E, MDM.

PARCEL 2

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 22, 23, 26 and 27, T5N, R2E, MDM, being bounded on the west by the northerly extension of the west line of the east half of the west half of Section 27, and bounded on the east by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390.

PARCEL 3

All the tide and submerged land lying within the bed of Lindsey Slough, situated in Sections 25 and 26, T5N, R2E, MDM and Section 30, T5N, R3E, MDM, being bounded on the west by the northerly prolongation of the easterly line of the parcel of land described in the assignment of oil and gas lease from Humble Oil and Refining Company to Richfield Oil Corporation, recorded November 15, 1960, in Book 1052 of Official Records, page 599, Instrument No. 22390, and bounded on the east by the southerly extension of the westerly line of Cache Slough.

Excepting therefrom any portion lying landward of the ordinary high water mark of Lindsey Slough.

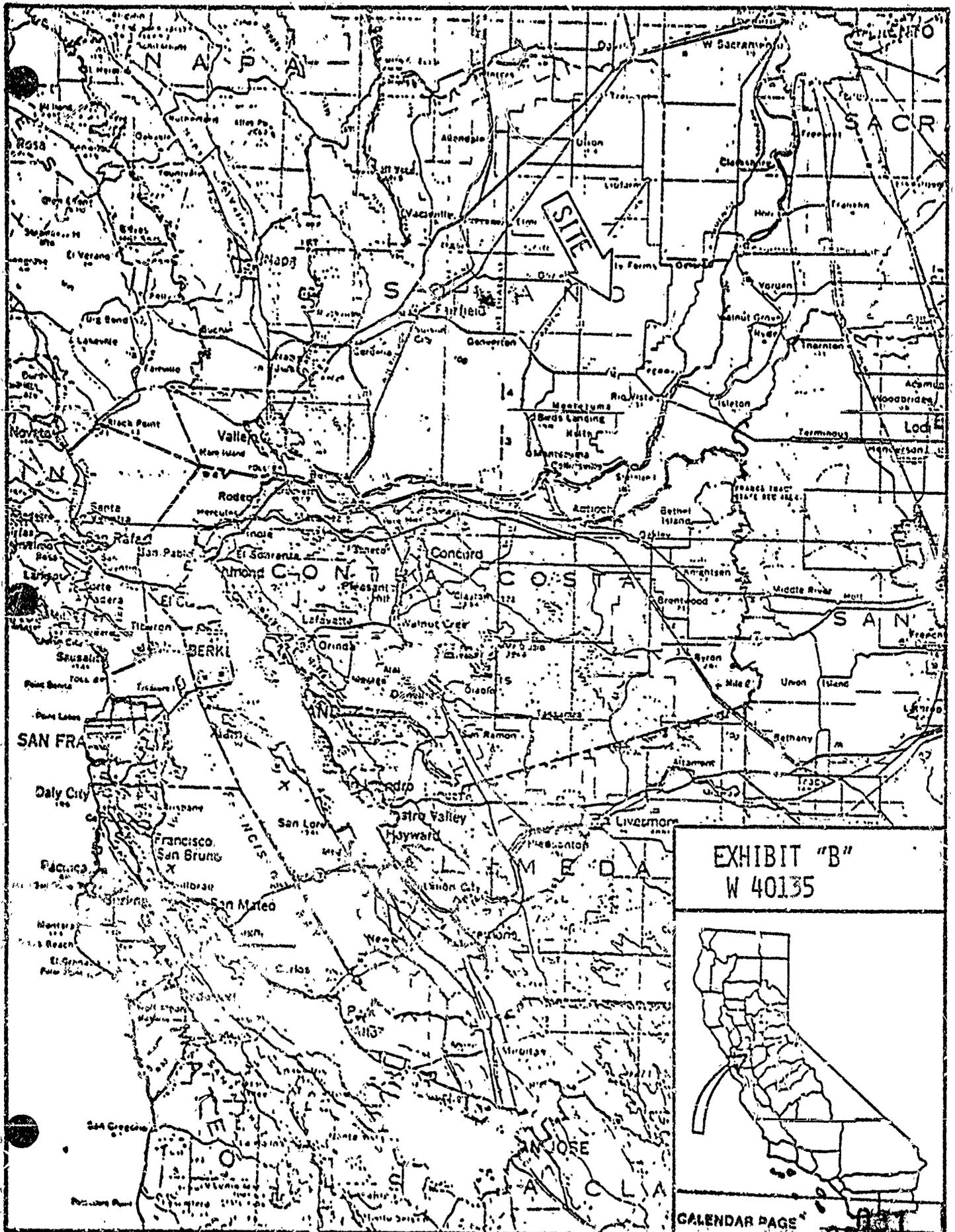


EXHIBIT "B"  
W 40135

CALENDAR PAGE  
MUTE PAGE

2706

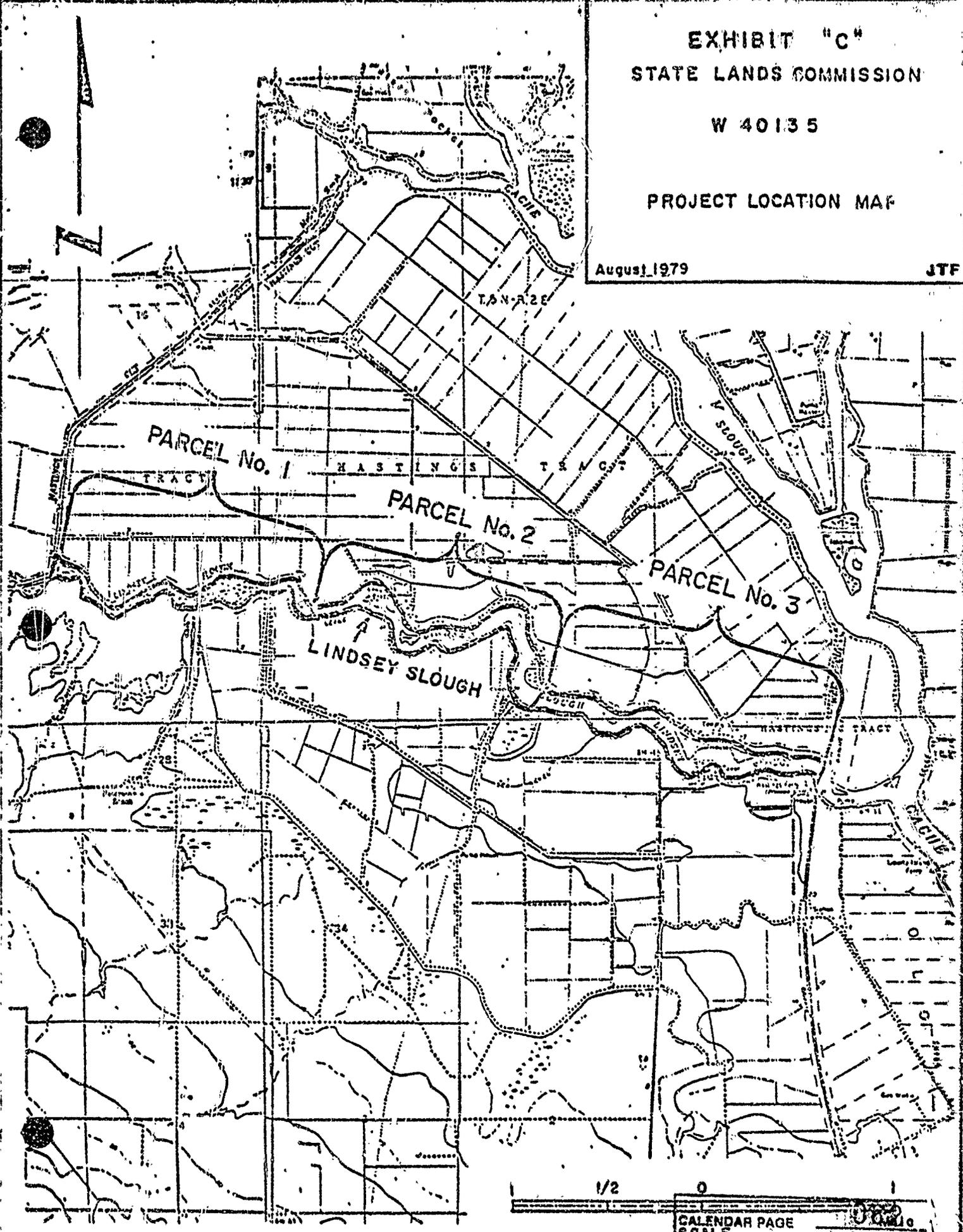
EXHIBIT "C"  
STATE LANDS COMMISSION

W 40135

PROJECT LOCATION MAP

August 1979

JTF



1/2 0 1  
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SCALE  
2709  
L. Klomparec

Do Not Write In These Spaces  
**FEDERAL GRANT APPLICATION/AWARD NOTIFICATION**  
**STATE OF CALIFORNIA STATE CLEARINGHOUSE (916) 345-0613**  
 APPLICATION DATE: 12-12-78

1. NAME OF APPLICANT: **State Lands Commission**  
 2. FEDERAL EMPLOYER ID: \_\_\_\_\_  
 3. ADDRESS - Full: **100 OCEAN BLVD, SUITE 200, OAKLAND, CA 94612**  
 4. CITY: **OAKLAND** 5. STATE: **CA** 6. ZIP CODE: **94612**  
 7. PROJECT TITLE: **Oil & Gas Lease on a Portion of Lindsey Slough, Solano County**

8. TYPE OF ACTION:  New Action  Amendment  Renewal  Other (Specify) \_\_\_\_\_  
 9. EXISTING REG. CASE: \_\_\_\_\_  
 10. APPLICANT TYPE:  State  Federal  Local  Other (Specify in Remarks) \_\_\_\_\_  
 11. FUNDS REQUESTED (For Changes Show Only Amt. of Inc. or Dec. PA):  
 FEDERAL: **1.15** STATE: **1.15** LOCAL: **1.15** OTHER: **1.15**  
 TOTAL (50, 61, 62, 63): **4.50**

12. EST. PROJECT START: \_\_\_\_\_ 13. EST. PROJECT DURATION: \_\_\_\_\_  
 14. BRIEF TITLE OF APPLICANT'S PROJECT: **Oil & Gas Lease on a Portion of Lindsey Slough, Solano County**  
 15. DESCRIPTION OF APPLICANT'S PROJECT (Purpose):  
**To explore for and, if a discovery is made, produce natural gas from the state waters under TIDE AND SUBMERGED LANDS WITHIN Lindsey Slough, possibly using slant drilling techniques.**

16. AREA OF PROJECT IMPACT (Indicate City, County, State, Loc.): **Rio Vista, Solano, Calif**  
 17. CONGRESSIONAL DISTRICT: \_\_\_\_\_  
 18. ENVIRONMENTAL ASSESSMENT REQUIRED BY STATE/FEDERAL AGENCY?  Yes  No  
 19. CLEARINGHOUSE(S) TO WHICH SUBMITTED:  State  Area Wide  None

20. NAME/TITLE OF CONTACT PERSON: **TED FUKUSHIMA**  
 21. IS ENVIRONMENTAL DOCUMENT REVIEW REQUIRED? YES  NO   
 a. Will the project require relocation? YES  NO   
 b. Does your agency have a civil rights affirmative action plan? YES  NO   
 c. Is project covered by AEA, PIA? YES  NO   
 d. If yes, is AEA executed? YES  NO   
 e. If project is physical in nature or requires environmental document, list the U.S. Geologic Survey Quadrangle map in which project is located: **TOZIER LIBERTY IS. RIVISTA BIRDS LANDING**

22. CLEARINGHOUSE ID: \_\_\_\_\_  
 23. ACTION BASED ON REVIEW OF:  Notification  Application  
 24. ACTION TAKEN:  With Comment  Without Comment  Unfavorable  
 25. STATE APPLICATION IDENTIFIER (SAIL): \_\_\_\_\_  
 26. CLEARINGHOUSE IMPACT CODE:  Yes  No

27. RECEIVING DATE AT CLEARINGHOUSE: \_\_\_\_\_  
 28. SIGNATURE OF CH OFFICIAL: \_\_\_\_\_  
 29. FINAL CH ACTION DATE: \_\_\_\_\_  
 30. CERTIFICATION - The applicant certifies that to the best of his knowledge and belief the above data are true and correct and filing of this form has been duly authorized by the governing body of the applicant. (Check box if clearinghouse response is attached.)

31. NAME (Print or Type): \_\_\_\_\_ TITLE: \_\_\_\_\_  
 32. DATE MAILED TO FEDERAL/STATE AGENCY: \_\_\_\_\_  
 33. NAME OF FEDERAL/STATE AGENCY TO WHICH THIS APPLICATION SUBMITTED: **STATE LANDS COMMISSION**

34. GRANT APPLICATION ID (Assigned by Federal Agency): \_\_\_\_\_  
 35. GRANTOR AGENCY: \_\_\_\_\_  
 36. ORGANIZATIONAL UNIT: \_\_\_\_\_  
 37. ADMINISTERING OFFICE: \_\_\_\_\_  
 38. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 39. CITY: \_\_\_\_\_ 40. STATE: \_\_\_\_\_ 41. ZIP CODE: \_\_\_\_\_ 42. TELEPHONE NUMBER: \_\_\_\_\_

39. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 40. CITY: \_\_\_\_\_ 41. STATE: \_\_\_\_\_ 42. ZIP CODE: \_\_\_\_\_ 43. TELEPHONE NUMBER: \_\_\_\_\_  
 44. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 45. CITY: \_\_\_\_\_ 46. STATE: \_\_\_\_\_ 47. ZIP CODE: \_\_\_\_\_ 48. TELEPHONE NUMBER: \_\_\_\_\_

49. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 50. CITY: \_\_\_\_\_ 51. STATE: \_\_\_\_\_ 52. ZIP CODE: \_\_\_\_\_ 53. TELEPHONE NUMBER: \_\_\_\_\_  
 54. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 55. CITY: \_\_\_\_\_ 56. STATE: \_\_\_\_\_ 57. ZIP CODE: \_\_\_\_\_ 58. TELEPHONE NUMBER: \_\_\_\_\_

59. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 60. CITY: \_\_\_\_\_ 61. STATE: \_\_\_\_\_ 62. ZIP CODE: \_\_\_\_\_ 63. TELEPHONE NUMBER: \_\_\_\_\_  
 64. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 65. CITY: \_\_\_\_\_ 66. STATE: \_\_\_\_\_ 67. ZIP CODE: \_\_\_\_\_ 68. TELEPHONE NUMBER: \_\_\_\_\_

69. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 70. CITY: \_\_\_\_\_ 71. STATE: \_\_\_\_\_ 72. ZIP CODE: \_\_\_\_\_ 73. TELEPHONE NUMBER: \_\_\_\_\_  
 74. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 75. CITY: \_\_\_\_\_ 76. STATE: \_\_\_\_\_ 77. ZIP CODE: \_\_\_\_\_ 78. TELEPHONE NUMBER: \_\_\_\_\_

79. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 80. CITY: \_\_\_\_\_ 81. STATE: \_\_\_\_\_ 82. ZIP CODE: \_\_\_\_\_ 83. TELEPHONE NUMBER: \_\_\_\_\_  
 84. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 85. CITY: \_\_\_\_\_ 86. STATE: \_\_\_\_\_ 87. ZIP CODE: \_\_\_\_\_ 88. TELEPHONE NUMBER: \_\_\_\_\_

89. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 90. CITY: \_\_\_\_\_ 91. STATE: \_\_\_\_\_ 92. ZIP CODE: \_\_\_\_\_ 93. TELEPHONE NUMBER: \_\_\_\_\_  
 94. ADDRESS - Street or P. O. Box: \_\_\_\_\_  
 95. CITY: \_\_\_\_\_ 96. STATE: \_\_\_\_\_ 97. ZIP CODE: \_\_\_\_\_ 98. TELEPHONE NUMBER: \_\_\_\_\_

DATE: 12/10/79

NOTICE

A regular meeting of the State Lands Commission has been scheduled for \_\_\_\_\_, 1950, at \_\_\_\_\_ a.m. (p.m.), in Room \_\_\_\_\_ of \_\_\_\_\_

Among the items to be considered at this meeting will be an application from McCullough Oil and Gas Corp.  
ADMINISTRATE A PORTION OF LINCOLN COUNTY,  
SEGLAND COUNTY EIR A COMPETITIVE BID  
SUBSURFACE OIL AND GAS LEASE

In accordance with Division 13 of the Public Resources Code, () a negative declaration identified as EIR ND \_\_\_\_\_) () an Environmental Impact Report identified as EIR \_\_\_\_\_ has been prepared) AND () is attached for your information.) () may be obtained from Ted T. Fukushima, 1807 - 13th Street, Sacramento, CA 95814.)

WILLIAM F. NORTHROP  
Executive Officer

CALENDAR PAGE 084  
MINUTE PAGE 2711  
Form 13-14 (9/78)  
mick