

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 3
to 0 at its 5/27/82
meeting.

MINUTE ITEM
36

5/27/82
PRC 5997
Livenick

DEFERMENT OF DRILLING REQUIREMENT,
STATE OIL AND GAS LEASE PRC 5997

During consideration of Calendar Item 36, attached, the Commission authorized a six-month deferment of the drilling requirements to Casex Company and Seahawk Oil International.

Upon motion duly made and carried, the following resolution, as amended, was approved by a vote of 3-0.

THE COMMISSION:

1. FINDS THAT CEQA IS NOT APPLICABLE TO THIS ACTION AS IT IS NOT A PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AS DEFINED IN THE CEQA AND ITS IMPLEMENTING GUIDELINES P.R.C. 21080, CAL. ADM. CODE 15060.
2. AUTHORIZES A DEFERMENT OF THE DRILLING REQUIREMENT TO CASEX COMPANY AND SEAHAWK OIL INTERNATIONAL ON STATE OIL AND GAS LEASE PRC 5997, FOR THE PERIOD COMMENCING APRIL 29, 1982, TO OCTOBER 29, 1982, ON THE CONDITION THAT CASEX-SEAHAWK REVIEWS ON A MONTHLY BASIS WITH THE STATE THE STATUS OF THEIR DRILLING PROGRAM. THE COMMISSION RESERVES THE RIGHT TO TERMINATE THIS DEFERMENT OF DRILLING REQUIREMENT UPON 30 DAYS WRITTEN NOTICE, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment: Calendar Item 36.

CALENDAR PAGE

MINUTE PAGE

1322

CALENDAR ITEM

36

5/27/82
PRC 5997
ivenick

DEFERMENT OF DRILLING REQUIREMENT,
STATE OIL AND GAS LEASE PRC 5997

LESSEE: Casex Company and Seahawk
Oil International
1370 Brea Boulevard, Suite 220
Fullerton, California 92635

AREA, TYPE LAND AND LOCATION: State Oil and Gas Lease PRC 5997 was issued on April 29, 1981 and contains approximately 175.52 acres of tide and submerged lands lying in the County of Solano. State Lease PRC 5997 is currently being held by Casex Company and Seahawk Oil International, with Casex Oil designated as Operator.

SUMMARY: On April 29, 1981, the Commission issued three State Oil and Gas Leases, PRC 5995, PRC 5996, and PRC 5997, within the bed of Lindsey Slough, to Casex Company and Seahawk Oil International. Wells that would penetrate these leases were to be drilled from surface locations adjacent to Lindsey Slough.

Shortly after issuance of these leases, MCOR Oil and Gas Corporation, mineral lessee of adjacent lands north of the slough, initiated litigation to stop Casex-Seahawk from using drill sites on the land adjacent to the slough despite the fact that Casex-Seahawk had an agreement to do so with Knob Hill mines, surface owner of the lands north of the Slough.

Agreement was reached to settle the litigation, which permitted Casex-Seahawk to drill on the adjacent land for certain considerations to MCOR.

Due to the delay caused by the litigation and the ensuing negotiations, Casex-Seahawk was unable to initiate drilling on any

A 4
S 4

CALENDAR ITEM NO. 38 (CONTD)

of the three leases for seven months. In the remaining five months of the one year drilling term, Casex-Seahawk successfully completed one well in lease PRC 5995 and one in PRC 5996.

Casex-Seahawk has requested a one year extension of the drilling term for PRC 5997 to provide for a review and study of drilling and completion problems which have been encountered in the area to increase the probability of a successful completion.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. This activity is exempt from CEQA because it does not constitute a project.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT CEQA IS NOT APPLICABLE TO THIS ACTION AS IT IS NOT A PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AS DEFINED IN THE CEQA AND ITS IMPLEMENTING GUIDELINES P.R.C. 21080, CAL. ADM. CODE 15060.
2. AUTHORIZE A DEFERMENT OF THE DRILLING REQUIREMENT TO CASEX COMPANY AND SEAHAWK OIL INTERNATIONAL ON STATE OIL AND GAS LEASE PRC 5997, FOR THE PERIOD COMMENCING APRIL 29, 1982, TO APRIL 28, 1983, ON THE CONDITION THAT CASEX-SEAHAWK REVIEWS ON A MONTHLY BASIS WITH THE STATE THE STATUS OF THEIR DRILLING PROGRAM. THE COMMISSION RESERVES THE RIGHT TO TERMINATE THIS DEFERMENT OF DRILLING REQUIREMENT UPON 60 DAYS WRITTEN NOTICE, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

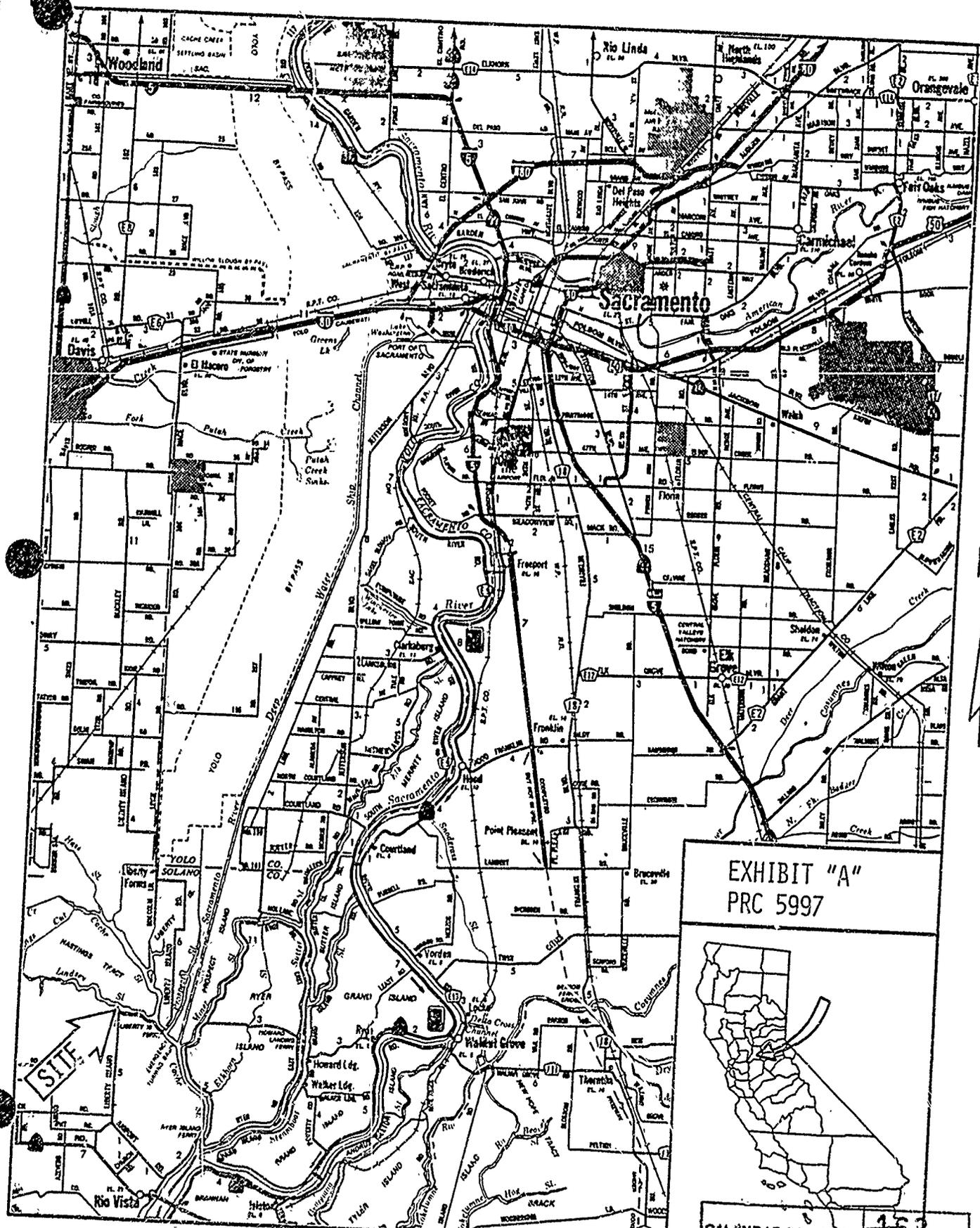


EXHIBIT "A"
 PRC 5997



CALENDAR PAGE	163
MINUTE PAGE	1325