MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 3
to 0 at its 7/22/82
meeting.

CALENDAR ITEM

25

7/22/82
W 40298
Tanner
AAU 5

EXEMPTION OF OIL AND GAS LEASE
FROM COMPETITIVE PUBLIC BIDDING REQUIREMENTS

APPLICANT: County of Sutter
Department of Public Works
Sutter County Office Building
463 Second Street
Yuba City, California 95991

AREA, TYPE OF LAND AND LOCATION:
1.55 acres of publicly owned lands in Sutter County (Section 13, T12N, R3E, MDM).

SUMMARY: The Sutter County Department of Public Works intends to enter into an oil and gas lease with the Champlin Petroleum Company. The County has requested that the Commission exempt the lease from the procedural requirements of competitive public bidding as specified by Sections 7052 and 7053 of the P.R.C.

AB 884: N/A.

PERTINENT INFORMATION:
Champlin Petroleum Company has lease holdings in Sutter County. Within these holdings, Sutter County holds fee title to a 1½-acre parcel of land (see Exhibit "A"). Champlin wishes to lease this land and has offered to pay Sutter County a royalty of 16 2/3 percent for any hydrocarbons produced from this lease and $10 an acre per year in rent. Staff feels that the rates negotiated by Sutter County and Champlin Petroleum Company are adequate.

A 3
S 1

CALENDAR PAGE 159
MINUTE PAGE 1644

The staff believes the parcel can be economically developed by Champlin and that it would be impractical for Sutter County to follow the public bidding procedures outlined in Sections 7052 and 7053 of the P.R.C. because the parcel is small in size and the potential for drainage from adjacent Champlin lands appears imminent.

In accordance with Section 7052 of the P.R.C., the State Lands Commission may, in its discretion, exempt particular leases from the procedures of public bidding if it deems that such procedure is impractical by reason of the small size of the property or drainage from surrounding lands.

OTHER PERTINENT INFORMATION:
This action by the Commission is not a project as defined by CEQA and the Resources Agency Guidelines under P.R.C. Section 21065 and Title 14, Cal. Adm. Code, Sections 15037 and 15060.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT THIS EXERCISE OF DISCRETION IS NOT A PROJECT UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060.

2. EXEMPT THE PROPOSED LEASE BETWEEN CHAMPLIN PETROLEUM COMPANY AND SUTTER COUNTY FROM PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053.

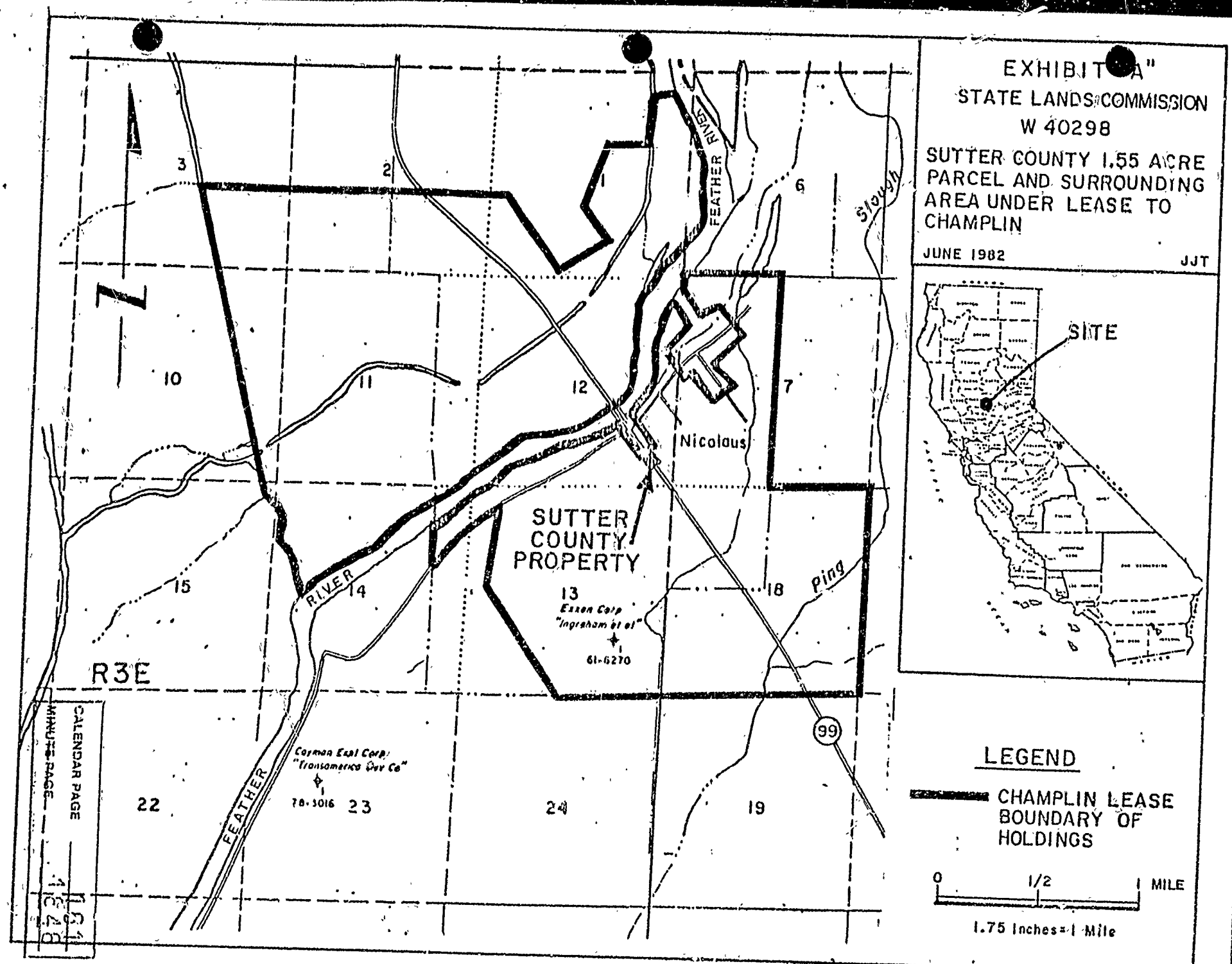
EXHIBIT "A"
STATE LANDS COMMISSION
W 40298
SUTTER COUNTY 1.55 ACRE PARCEL AND SURROUNDING AREA UNDER LEASE TO CHAMPLIN
JUNE 1982
JJT
SITE
SUTTER COUNTY PROPERTY
Nicolaus
FEATHER RIVER
Slough
Ping
Exxon Corp "Ingraham et al"
61-6270
Cayman Expl Corp "Transamerica Dev Co"
78-3016
R3E
99
LEGEND
CHAMPLIN LEASE BOUNDARY OF HOLDINGS
0
1/2
MILE
1.75 Inches = 1 Mile
KLL '82
CALENDAR PAGE
MINUTE PAGE