MINUTE ITEM

This Calendar Item No. 27 was approved as Minute Item No. 27 by the State Lands Commission by a vote of 3 to 0 at its 8/26/82 meeting.

CALENDAR ITEM

27

8/26/82
W 40262
Tanner
AAU 6

EXEMPTION OF OIL AND GAS LEASE
FROM COMPETITIVE BIDDING REQUIREMENTS

APPLICANT: Office of the County Counsel
County of Colusa
200 Sixth Street
Colusa, California 95932

AREA, TYPE OF LAND AND LOCATION:
Three parcels, totalling 0.7518 of an acre, of publicly owned lands in Colusa County, near the town of Princeton (Section 18, T18N, R1W, MDBM).

SUMMARY: The County of Colusa intends to enter into an oil and gas lease with the Jordan Oil and Gas 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:
Jordan Oil and Gas Company has lease holdings in Colusa County. Within these lease holdings, Colusa County holds fee title to three parcels totalling 0.7518 of an acre, more

A 3

S 1

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or less (See Exhibit "A"). Jordan wishes to lease this land and has offered to pay Colusa County a royalty of 20 percent for any hydrocarbons produced from this lease and $100 per acre per year in rent. Staff feels that the rates negotiated by Colusa County and Jordan Oil and Gas Company are adequate.

The Staff believes the parcels can be economically developed by Jordan and that it would be impractical for Colusa County to follow the competitive public bidding procedures as outlined in Sections 7052 and 7053 of the P.R.C. because the parcels are small in size and the potential for drainage from adjacent Jordan 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 procedures are 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 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 JORDAN OIL AND GAS COMPANY AND COLUSA COUNTY FROM PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 and 7053.

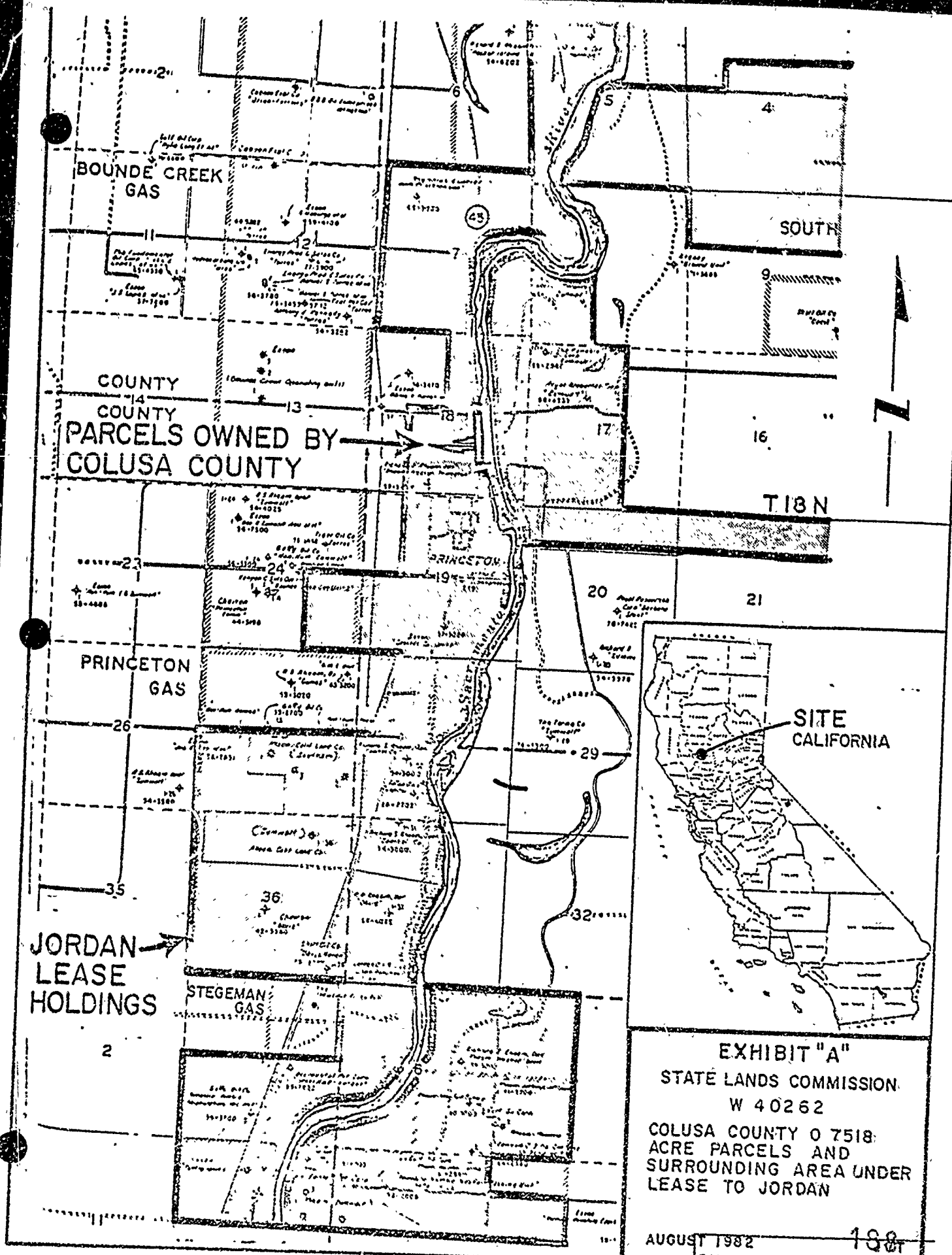

EXHIBIT "A"
STATE LANDS COMMISSION
W 40262
COLUSA COUNTY 0 7518 ACRE PARCELS AND SURROUNDING AREA UNDER LEASE TO JORDAN

AUGUST 1982

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