

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 6/21/84  
meeting.

CALENDAR ITEM

A 1  
S 1

41

06/21/84  
PRC 6396  
Gonzalez

GAS POOLING AGREEMENT

LESSEE: Northern Michigan Exploration Company  
500 Ming Avenue, Suite 210  
Bakersfield, California 93006

LEASE AREA, TYPE LAND AND LOCATION:  
1,240 acres of uplands on the western boundary  
of the Gray Lodge State Game Refuge in Butte  
County, California.

LEASE INFORMATION:  
State Oil and Gas Lease PRC 6396 was issued to  
Northern Michigan Exploration Company  
("NOMECO") March 24, 1983, and provides for an  
annual rental of \$10 per acre and a 30 percent  
flat rate royalty on total production of all  
oil and gas produced from State-owned lands. No  
drill sites are available on the State parcel  
and NOMECO proposes to slant drill one well to  
bottom on State land from a location on private  
lands south of the Game Refuge. Section 22 of  
the lease allows the lessee, with the consent  
of the State, to unite with others owning or  
operating lands not belonging to the State in  
adopting a unit plan of development of the pool  
or field.

UNIT INFORMATION:  
NOMECO has executed a Declaration of Pooling  
creating a unit containing 160 acres of which  
80 acres are private lands and the State lease  
lands comprise 80 acres. The State's  
proportionate interest in the unit entitles the  
State to receive a production allocation of 50  
percent of all gas, gas distillate or

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condensate.

PREREQUISITE ITEMS:

A Declaration of Pooling has been executed by the State Lessee and is on file in the Office of the Commission.

STATUTORY AND OTHER REFERENCES:

1. P.R.C.: Sections 6829.2 and 6832.
2. Section 22 of State Oil and Gas Lease PRC 6396.
3. 14 Cal. Adm. Code 15378.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

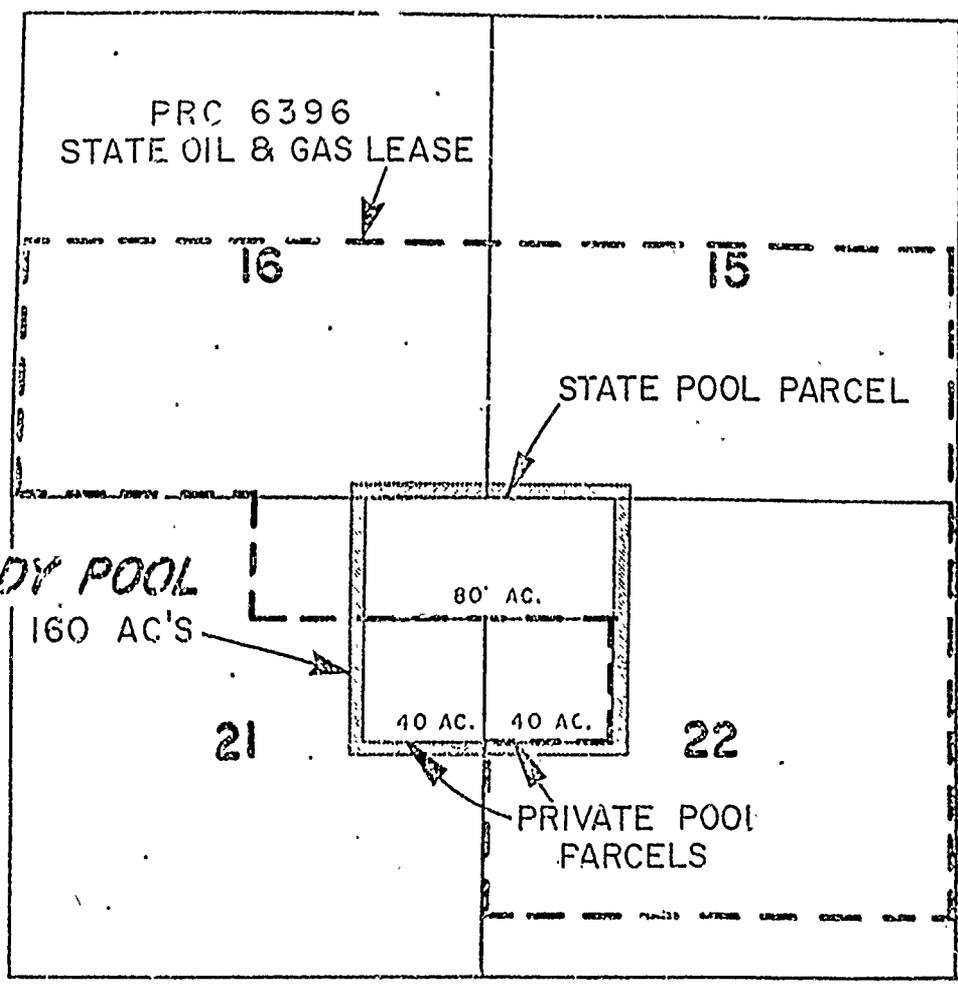
Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT:

A. Proposed Pool Location.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE DECLARATION OF POOLING BY NORTHERN MICHIGAN EXPLORATION COMPANY, ON FILE IN THE OFFICE OF THE COMMISSION AND HEREBY MADE A PART HEREOF, COVERING OIL AND GAS LEASE PRC 6396, ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.



T. 17N. - R. 1E. M.D.B.&M.

**BRADY POOL**

EXHIBIT " A "

STATE LANDS COMMISSION

PROPOSED POOLING AGREEMENT

PORTION OF STATE OIL & GAS LEASE

PRC 6396

BUTTE COUNTY
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