

MINUTE ITEM

This Calendar Item No. 31
was approved as Minute Item
No. 31 by the State Lands
Commission by a vote of 2
to 0 at its 11/29/84
meeting.

CALENDAR ITEM

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REQUEST FOR AN EXEMPTION OF AN
OIL AND GAS LEASE FROM COMPETITIVE
BIDDING REQUIREMENTS

APPLICANT: East Bay Municipal Utility District
P. O. Box 24055
Oakland, California 94623
Attn: Mr. Walter D. Goggin,
Manager of Properties

AREA, TYPE OF LAND AND LOCATION:
43 acres of land owned in fee by the East Bay
Municipal Utility District adjacent to the
Mokelumne Aqueduct pipelines in Contra Costa
County. The parcels compose a 100 foot wide
strip of land bordering directly on the
Mokelumne Aqueduct pipelines. The District
intends to enter into an oil and gas lease with
Taylor Exploration Inc., a Division of Pan
Canadian Petroleum Company. The District 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.

PERTINENT INFORMATION:
The parcels owned in fee by the East Bay
Municipal Utility District and located in
Contra Costa County are surrounded on two sides
by parcels Pan Canadian Petroleum Company has
under lease. The District parcels are small
and irregular in shape being a 100 foot wide
strip of land bordering the Mokelumne Aqueduct
pipelines. No surface drillsites are available
on the parcels because of their irregular shape
and due to the presence of the three aqueduct

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pipelines. Drainage from the parcels under lease to Pan Canadian Petroleum Company is imminent. Therefore, the District parcels qualify for an exemption under the provisions of Section 7052 of the P.R.C.

Pan Canadian Petroleum Company has offered to pay the District a rental of \$30 per acre per year and a one fifth royalty share on all oil and gas production. Staff feels that the royalty offered the District is adequate.

The Staff believes that the parcels can be economically developed by the proposed lessee and that it would be impractical for the District to follow the competitive bidding procedures as outlined in Sections 7052 and 7053 of the P.R.C. The parcels are irregular in shape and the potential for drainage from adjacent lands under the control of the potential lessee 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 land.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

CALENDAR ITEM NO. 31 (CONT'D)

EXHIBITS: A. Legal Description.
 B. Lease Map.

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 IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. EXEMPT THE EAST BAY MUNICIPAL UTILITY DISTRICT FROM THE PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053 IN THE PROPOSED LEASING OF THE DISTRICT'S ORWOOD TRACT PARCELS IN CONTRA COSTA COUNTY.

EXHIBIT "A"

All that certain piece or parcel of land situated in the county of Contra Costa, State of California and more particularly bounded and described as follows, to wit:

PARCEL ONE:

BEGINNING at the Northeast corner of the 153.89 acre tract conveyed to the Toyon Duck Club by Deed dated August 24, 1925 and recorded September 15, 1925 in Vol. 2 of Official Records, Page 141, records of Contra Costa County and running thence from said point along the South boundary of the right of way of the Atchison, Topeka and Santa Fe Railway, S. $89^{\circ} 06' W.$, 2844.0 feet to the Northeast corner of a 2.28 acre tract previously conveyed by Horace L. Hill, Jr. and Jeanne Galleis Hill, his wife, to the Toyon Duck Club, a corporation, by Deed dated June 3, 1924 and recorded July 10, 1924 in Vol. 476 of Deeds, Page 100; and continuing thence along the South boundary of the right of way of the Atchison, Topeka and Santa Fe Railway, S. $89^{\circ} 06' W.$, 520.00 feet to the point of beginning and running thence from said point of beginning along the South boundary of the right of way of the Atchison Topeka and Santa Fe Railway S. $89^{\circ} 06' W.$, 68.00 feet to the outer toe of the levee forming the Westerly boundary of the Orwood Tract; thence S. $20^{\circ} 52' E.$, 133.00 feet along the outer toe of said levee; thence N. $89^{\circ} 06' E.$, 68.00 feet; thence N. $20^{\circ} 52' W.$, 133.00 feet to the point of beginning.

PARCEL TWO:

BEGINNING at a point 200.00 feet South of the corner common to Sections 10, 11, 14, and 15, in T1N, R3E., MDM, thence N. $89^{\circ} 06' E.$ parallel to and 200.00 feet South of the center line of the main tracks of the Atchison, Topeka and Santa Fe Railway, 3776.00 feet to the point of beginning of the tract of land described herein; and running thence from said point S. $20^{\circ} 52' E.$ 133.00 feet; thence N. $89^{\circ} 06' E.$ 409.06 feet; thence N. $26^{\circ} 46' E.$ 141.14 feet to a point on the South Boundary of the right of way of the Atchison, Topeka and Santa Fe Railway; thence along the South boundary of the right of way of said railway S. $89^{\circ} 06' W.$, 520.00 feet to the point of beginning.

PARCEL THREE:

BEGINNING at a point 200.00 feet South of the corner common to Sections 10, 11, 14 and 15, of T1N, R3E, MDM, and running thence N. 89° 06' East parallel to and 200.00 feet South of the center line of the Atchison, Topeka and Santa Fe Railway right of way, 4296.00 feet to the point of beginning of the tract of land described herein; thence continuing N. 89° 06' E. 252.00 feet to the center line of a 4-foot ditch; thence S. 11° 32' E. 127.19 feet along the center line of said ditch; thence S. 89° 06' W. 341.04 feet; thence N. 26° 46' E. 141.14 feet to the point of beginning.

PARCEL FOUR:

BEGINNING at the Northeast corner of the 153.89 acre tract conveyed to the Toyon Duck Club, by Deed dated August 24, 1925, and recorded September 15, 1925 in Vol. 2 of Official Records, Page 141, records of Contra Costa County, California, and running thence from said point of beginning, along the South boundary of the right of way of the Atchison, Topeka and Santa Fe Railway S. 89° 06' W. 2592.00 feet to the center of a four foot ditch; thence along the center line of said ditch, S. 11° 33' E. 127.19 feet; thence N. 89° 06' E. 2553.88 feet to the center line of a drainage canal; thence N. 05° 46' E. 125.85 feet along the center line of said drainage canal to the point of beginning.

PARCEL FIVE:

COMMENCING at a point 200.00 feet South of the corner common to Sections 10, 11, 14 and 15 T1N, R3E, MDM; and running thence parallel to and 200.00 feet South of the center line of the main track of the Atchison, Topeka and Santa Fe Railway N. 89° 06' E. 7140.6 feet to the intersection with the center line of a drainage canal running Southerly, the point of beginning of the parcel hereinafter described and running thence from said point of beginning parallel to and 200.00 feet south of the center line of the main track of the Atchison Topeka & Santa Fe Railway, said line being the Southerly right of way line of the said Atchison Topeka and Santa Fe Railway, N. 89° 06' E. 2078.35 feet to an intersection with the East bank of a slough; thence along the Easterly and Southerly bank of said slough, S. 50° 41' W. 100.00 feet; N. 88° 21' W. 220.00 feet; N. 61° 49' W. 80.00 feet; S. 87° 02' W. 200.00

feet; S. 75° 36' W. 87.00 feet; S. 14° 02' W. 88.53 feet;
thence leaving said slough S. 89° 06' W. 1417.39 feet to the
intersection with the center line of said drainage canal;
thence along the center line of said drainage canal, N. 05°
46' E. 125.85 feet to the point of beginning.

PARCEL SIX:

BEGINNING at a point 200.00 feet South of the corner common to
Sections 10, 11, 14, 15, T1N, R3E, MDM, and running thence
parallel to and 200.00 feet South of the center line of the
main track of the Atchison Topeka and Santa Fe Railway North
89° 06' East 10,875.00 feet to the intersection with the
center line of a drainage canal running Southerly, the point of
beginning of the tract hereinafter described; thence from said
point of beginning along the center line of said drainage
canal, South 00° 58' East 125.00 feet; thence leaving said
drainage canal South 89° 06' West 2334.96 feet to an
intersection with the East bank of a slough; thence along the
Easterly and Southerly bank of said slough North 14° 02' East
88.53 feet; thence North 76° 36' East 87.00 feet; thence
North 87° 02' East 200.00 feet; thence South 61° 49' East
80.00 feet; thence South 88° 21' East 220.00 feet; thence
North 50° 41' East 100.00 feet to a point on the Southerly
right of way line of the said Atchison Topeka and Santa Fe
Railway; thence leaving said slough and following said
Southerly right of way line, North 89° 06' East 1652.42 feet
to the point of beginning.

PARCEL SEVEN:

BEGINNING at a point 200.00 feet South of the corner common to
Sections 10, 11, 14 and 15, T1N, R3E, MDM, and running thence
parallel to and 200.00 feet South of the center line of the
main track of the Atchison Topeka and Santa Fe Railway, North
89° 06' East 10,875.00 feet, to the intersection with the
center line of a drainage canal running Southerly, the point of
beginning of the tract hereinafter described; thence from said
point of beginning, North 89° 06' East 992.00 feet to the
intersection with the center line of a four-foot ditch running
Southerly; thence along the center line of said four-foot ditch
South 00° 57' East 125.00 feet; thence, leaving said
four-foot ditch, South 89° 06' West 992.00 feet to the
intersection with the center line of said drainage canal;
thence along the center line of said drainage canal North 00°
58' West 125.00 feet to the point of beginning.

PARCEL EIGHT:

BEGINNING at a point 200 feet South of the corner common to Sections 10, 11, 14, 15, T1N, R3E, MDM, and running thence parallel to and 200 feet South of the center line of the main track of the Atchison Topeka and Santa Fe Railway, N. 89° 06' E. 11,867 feet to the intersection with the center line of a four foot ditch running Southerly, the point of beginning of the parcel hereinafter described; thence from said point of beginning N. 89° 06' E. 1584.37 feet; thence S. 00° 37' E. 69.92 feet; thence S. 78° 15' E. 1665.82 feet; thence due South 36.10 feet to the intersection with the center line of a seepage ditch running parallel to the levee forming the North boundary of the Orwood Tract; thence along the center line of said seepage ditch S. 87° 29' W. 262.34 feet; thence leaving said seepage ditch, N. 78° 15' W. 1612.93 feet; thence S. 89° 06' W. 1373.10 feet to the intersection with the center line of said four foot ditch; thence along the center line of said four-foot ditch, N. 00° 57' W. 125.00 feet to the point of beginning.

PARCEL NINE:

BEGINNING at a point 200 feet South of the corner common to Sections 10, 11, 14 and 15, T1N, R3E, MDM, and running thence parallel to and 200 feet South of the center line of the main track of the Atchison Topeka and Santa Fe Railway, N. 89° 06' E. 14,648 feet to a point in the center line produced of a four foot ditch running Southerly; thence along the center line of said ditch, S. 00° 36' W. 483 feet to the intersection with the center line of a seepage ditch paralleling the levee forming the North boundary of Orwood Tract; thence along the center line of said ditch N. 87° 29' E. 445 feet to the point of beginning of the hereinafer described parcel; thence from said point of beginning, leaving said seepage ditch due North 36.10 feet; thence S. 78° 15' E. 134.05 feet; thence S. 02° 30' E. 3.02 feet to an intersection with the center line of said seepage ditch; thence along the center line of said seepage ditch, S. 87° 29' W. 131.5 feet to the point of beginning.

PARCEL TEN:

BEGINNING at a point 200.00 feet South of the corner common to Sections 10, 11, 14 and 15, T1N, R3E, MDM, and running thence

parallel to and 200.00 feet South of the center line of the main track of the Atcheson Topeka and Santa Fe Railway, N. 89° 06' E. 14,648 feet to a point in the center line produced of a four-foot ditch, running Southerly; thence along said center line produced S. 00° 36' W. 483.00 feet to the intersection with the center line of a seepage ditch paralleling the levee forming the North boundary of Orwood Tract; thence along the center line of said seepage ditch, N. 87° 29' E. 186.92 feet to the point of beginning of the parcel hereinafter described; thence from the said point of beginning along the center line of said seepage ditch, N. 87° 29' E. 393.84 feet; thence, leaving said seepage ditch, N. 02° 30' W. 3.02 feet; thence S. 78° 15' E. 12.24 feet to the intersection with the center line of said seepage ditch; thence along the center line of said seepage ditch, N. 87° 29' E. 2075.76 feet to the Low Water Line on the West shore of Old River; thence along said Low Water line, S. 01° 32' E. 225.64 feet, and S. 10° 00' W. 76.57 feet; thence leaving said Low Water Line, S. 88° 22' W. 143.28 feet; thence N. 87° 29' W. 89.14 feet; thence N. 02° 31' E. 25.00 feet; thence N. 87° 29' W. 1824.72 feet; thence N. 78° 15' W. 426.64 feet to the point of beginning.

-  MUNICIPAL UTILITY DISTRICT
-  AREA LEASED BY CORBIN J. ROBERTSON
-  AREA LEASED BY PANCANADIAN

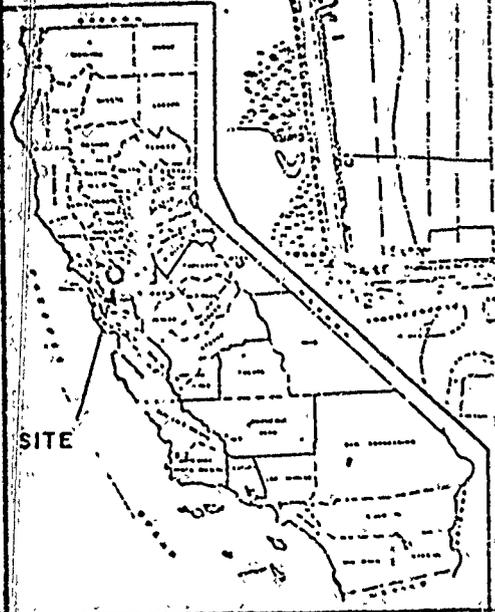
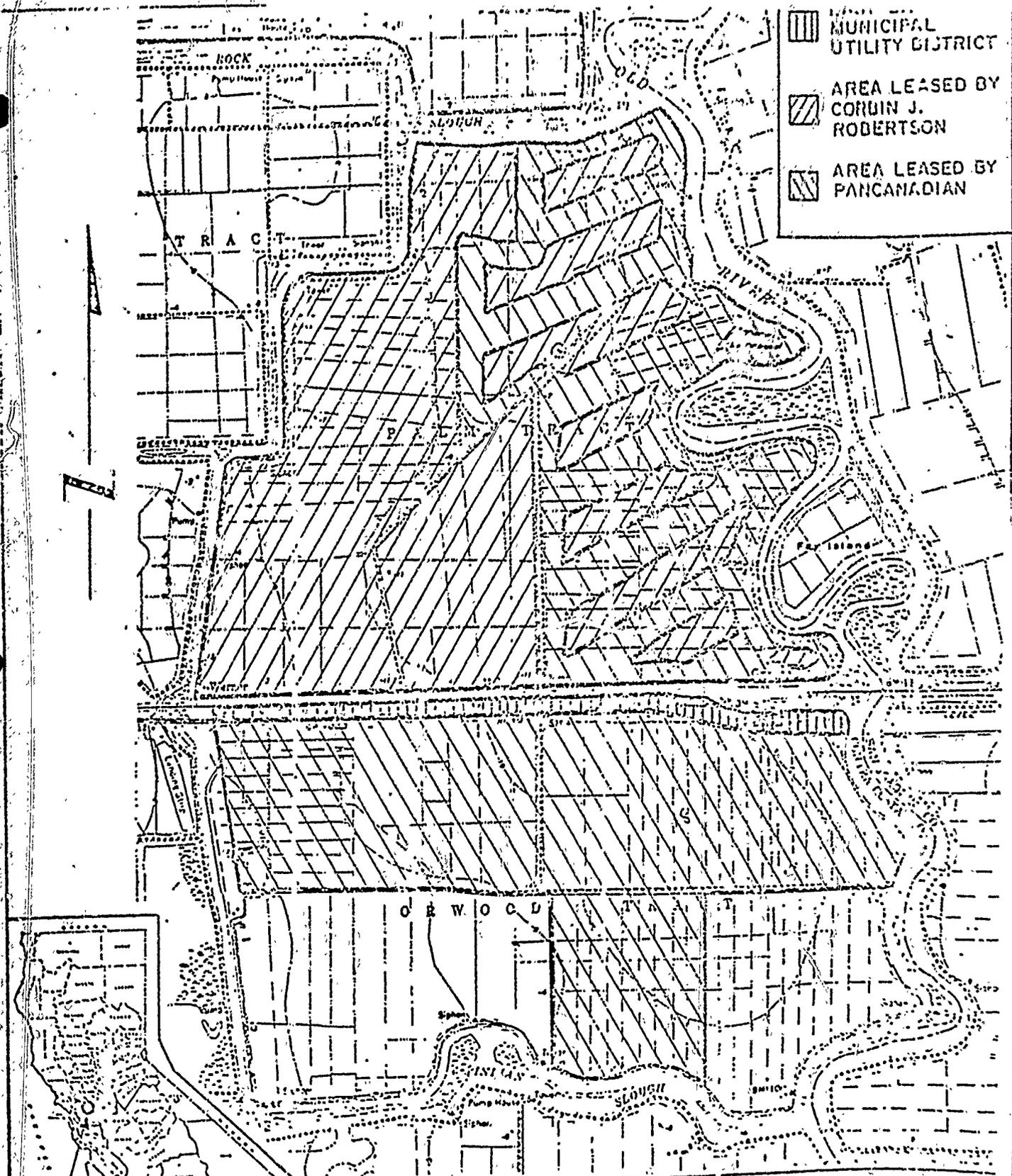


EXHIBIT "B"
W 40446

EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS—
EAST BAY MUNICIPAL UTILITY DISTRICT, CONTRA COSTA
COUNTY

SECTION 206
2742