

MINUTE ITEM

This Calendar Item No. C19
was approved as Minute Item
No. C19 by the State Lands
Commission by a vote of 3
to 0 at its 3/27/90
meeting.

CALENDAR ITEM

A 26
S 5

C 1 9

03/27/90
PRC 7037
Hamilton

QUITCLAIM OF STATE OIL AND GAS LEASE PRC 7037,
SAN JOAQUIN COUNTY

LESSEE: Santa Fe Energy Company
Attn: Mr. Roger S. Narinian
4900 California Avenue, Suite 400-A
Bakersfield, CA 93309

SUMMARY:

On January 19, 1990, Santa Fe Energy Company filed a quitclaim deed for State Oil and Gas Lease PRC 7037. The deed was executed on January 8, 1990 and surrenders to the State all of the leased lands contained in State Oil and Gas Lease PRC 7037 (described in Exhibit "A"). The deed is on file in the Commission's Long Beach office.

Negotiated subsurface State Oil and Gas Lease PRC 7037 was issued to Santa Fe Energy Company on January 22, 1987 and contains a 150.72-acre parcel of tide and submerged land in the bed of Little Potato Slough and White Slough in San Joaquin County, California.

STATUTORY AND OTHER AUTHORITY:

P.R.C. 6804.1 and Paragraph 30 of State Oil and Gas Lease PRC 7037 permit the lessee to make at any time a written quitclaim of all rights under the lease. Pursuant to the provisions, the quitclaim will be effective when it is filed with the Commission subject to the continued obligation of the lessee and its surety to pay all accrued rentals and royalties and to abandon all wells drilled on, into or through the leased lands.

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Based on a review of the Commission's records, staff has found that the lessee has paid all rentals (royalties are not due as the leased lands were never developed) and has complied with all applicable laws and lease provisions, and that no default exists on State Oil and Gas Lease PRC 7037.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Vertical well "Bouldin" 1-14 was drilled on private property about 1500 feet from the State parcel (See Exhibit "C") and was plugged and abandoned in accordance with Division of Oil and Gas requirements (See Exhibit "D" - "Report of Well Abandonment").
2. Pursuant to the Commission's delegation of authority and the CEQA Guidelines (14 Cal. Code Regs. 15061), 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 CEQA Guidelines. (Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.)

EXHIBITS:

- A. Land Description (Quitclaimed State lands - all leased lands described in Exhibit "A" of State Oil and Gas Lease PRC 7037).
- B. Site Map.
- C. Location Map.
- D. Report of Well Abandonment.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. ACCEPT THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7037 DATED JANUARY 8, 1990, WHERE SANTA FE ENERGY COMPANY (LESSEE) QUITCLAIMS TO THE STATE, ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS CONTAINED IN STATE OIL AND GAS LEASE PRC 7037 DATED JANUARY 22, 1987 AND DESCRIBED IN EXHIBIT "A".

CALENDAR ITEM NO. C 1 9 (CONT'D)

3. RELEASE SANTA FE ENERGY COMPANY FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7037 EFFECTIVE JANUARY 19, 1990, THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

LAND DESCRIPTION

PRC 7037
(W 40501)

A parcel of tide and submerged land in the bed of Little Potato Slough and White Slough, San Joaquin County, California, said parcel being bounded on the north by the Highway 12 crossing of Little Potato Slough at Terminus; bounded on the east and west by the ordinary high water marks along the right and left banks of said Little Potato and White Sloughs; and bounded on the south by the southerly prolongation of Correia Road across said White Slough and by the southeasterly prolongation of the southwesterly line of Camp 23, Bouldin Island, across said Little Potato Slough.

END OF DESCRIPTION

PREPARED NOVEMBER 14, 1986 BY BOUNDARY SERVICES UNIT, M. L. SHAFER,
SUPERVISOR.

0248b

THE ABOVE PARCEL OF TIDE AND SUBMERGED LAND CONTAINS

150.72 ACRES, MORE OR LESS.

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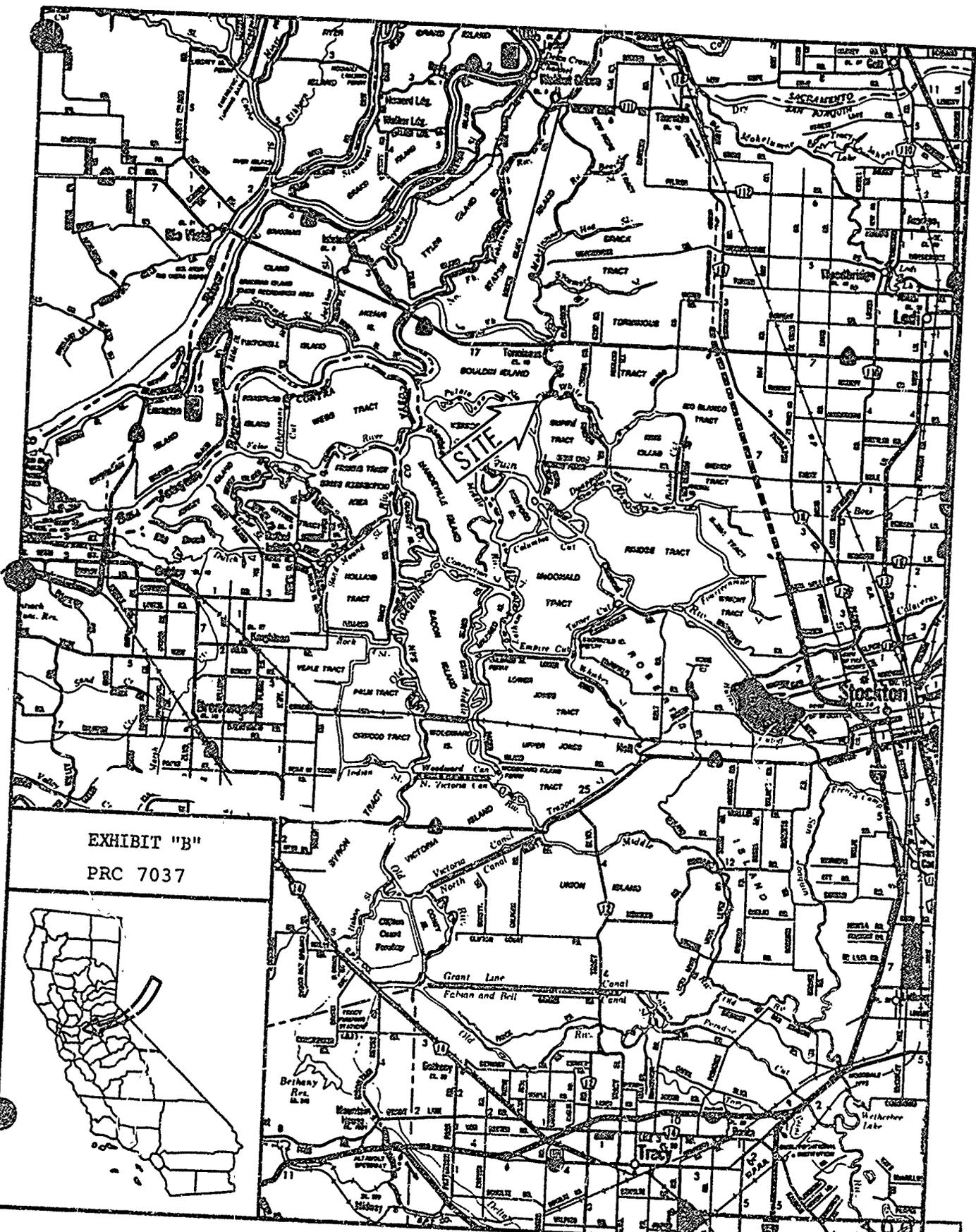


EXHIBIT "B"
 PRC 7037



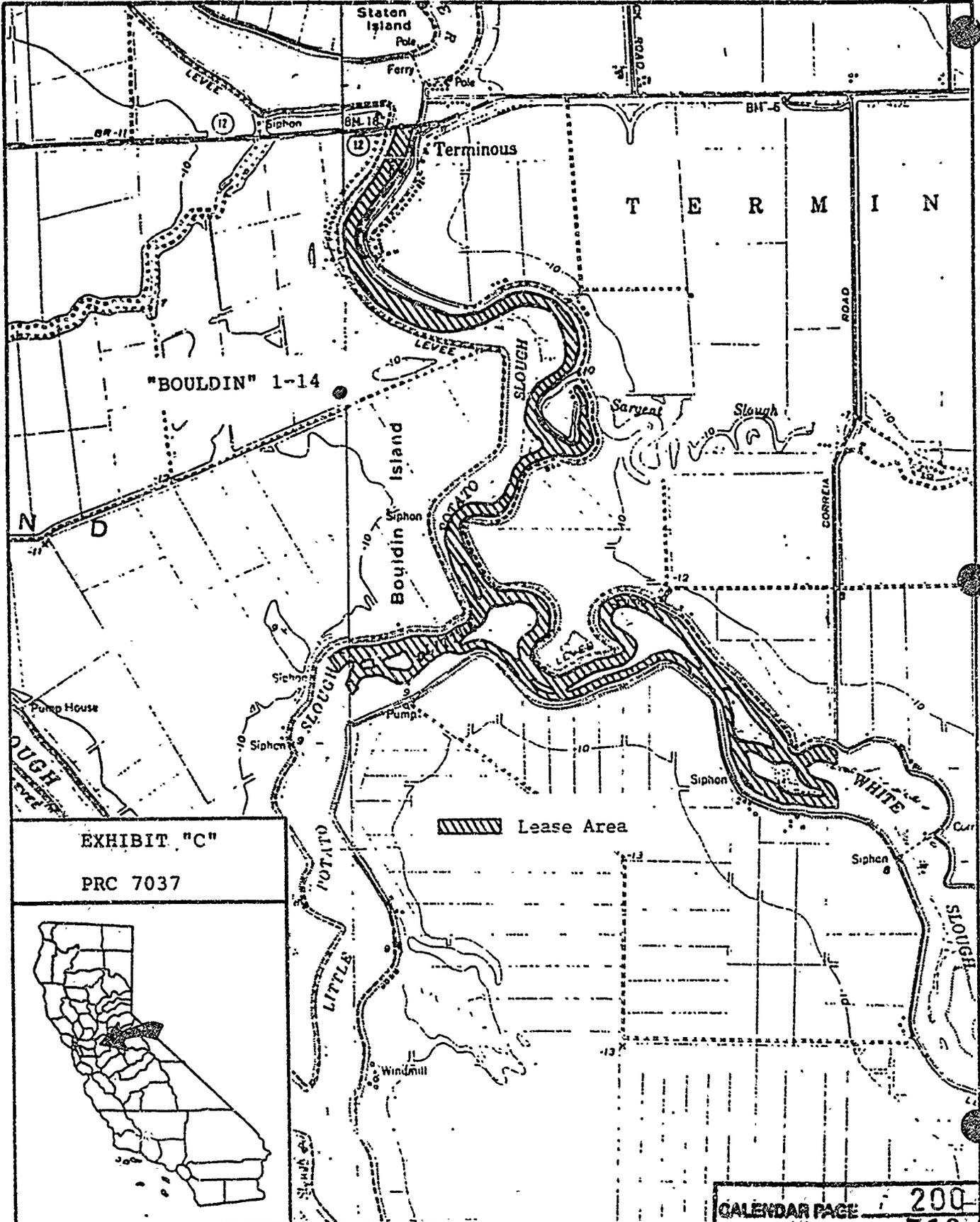


EXHIBIT "C"
 PRC 7037



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