MINUTE ITEM
This Calendar Item No. C38
was approved as Minute Item
No. 38 by the State Lands
Commission by a vote of 3
to 0 at its 12-12-90
meeting.

CALENDAR ITEM

A 3

S 1

C 38

12/12/90
PRC 7283
Tanner

APPROVE AMENDMENT TO AGREEMENT OF UNDERSTANDING
FOR STATE OIL AND GAS LEASE PRC 7283, SUTTER COUNTY

LESSEE: Capitol Oil Corporation
Attention: Mr. Paul W. Mason
1545 River Park Drive, Suite #501
Sacramento, CA 95815

SUMMARY:
On February 6, 1989, the Commission authorized issuance to Capitol Oil Corporation State Oil and Gas Lease PRC 7283. State Oil and Gas Lease 7283 is a negotiated subsurface (no surface use) lease on about 128 acres of Department of Fish and Game land located within the Tisdale By-Pass in Sutter County, California.

On August 30, 1989, the Commission consented to the pooling of 64.37 acres of State Oil and Gas Lease PRC 7283 lands with State Reclamation Board and private leased lands held by Capitol to form a 305.37-acre operating unit to explore for and produce natural gas. The Commission also authorized approval of the "Agreement of Understanding for State Oil and Gas Lease PRC 7283" (AOU) which describes the terms and conditions by which the pooled lands will be developed.

The unit has not yet been declared by Capitol. Capitol's geologists have re-evaluated the property and determined that a different unit configuration would better conform with the underlying geologic structure. Therefore, Capitol has requested Commission approval of the revised unit.

Staff has reviewed Capitol's request and has concluded that the proposed unit configuration, which effectively reduces the size of the unit from 305.37 acres to 303.27 acres, while the State's participation will remain at 64.37 acres, will increase the

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State's percentage of the unit from 21.08 percent to 21.225 percent

Staff recommends that Exhibit "A" to the Agreement of Understanding (unit property description) be changed to the revised Frazier's Landing Unit, with all other conditions of the Agreement of Understanding and its amendment to remain in full force and effect.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 25061), the staff has determined this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CRQA Guidelines.

   (Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378).

EXHIBITS:

A. Property Description, Revised Frazier's Landing Unit.

B. Map of Unit.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THE ACTIVITY 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. APPROVE AMENDMENT OF THE UNIT PROPERTY DESCRIPTION, EXHIBIT "A", OF THE AGREEMENT OF UNDERSTANDING FOR STATE OIL AND GAS LEASE PRC 7283, SUTTER COUNTY, ATTACHED HERETO AND BY REFEENCE MADE A PART HEREOF.

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EXHIBIT "A"

PROPERTY DESCRIPTION

REVISED FRAZIER'S LANDING UNIT

Beginning at a point on the West line of Lot 25 of the Tisdale Ranch Subdivision, as said Lot 25 is shown on that certain map entitled "Subdivision Map of Tisdale Ranch" filed in the Office of the County Recorder of Sutter County on October 16, 1913, in Book 3 of Surveys, Pages 2 and 3, said point bearing North 00 degrees 14' East 420.00 feet from the Southwest corner of said Lot 25, thence from said point of beginning North 00 degrees 14' East 440.00 feet along the West line of said Lot 25, thence South 89 degrees 26 1/4' East along a line parallel with and distant 100.00 feet at right angles Northerly from the center line of the North levee of the Tisdale Bypass a distance of 3997.84 feet, more or less, to a point on the South line of Lot 288 of the "North Basin Tract" as said Lot 288 is delineated on that certain map filed for record in Book 5 of Surveys, Page 23, in the Office of the County Recorder of Sutter County, said last mentioned point being located South 89 degrees 25' 15" East 1346.14 feet from the Southwest corner of said Lot 288, thence South to a point on a line distant Southerly 340 feet and parallel with the center line of the North levee of the Tisdale Bypass, thence continuing South to a point on the North line of Tract 11-5 of the subdivision of lands in Reclamation District No. 1500 as the same as shown on the map entitled "Map of Survey of Portions of Land in Reclamation District No. 1500" filed in the Office of the County Recorder of Sutter County on December 24, 1935, in Book 6 of Surveys, Pages 1-23, thence South 89 degrees, 33' 46" East along the North line of said Tract 11-5 to a point on said line located 1100 feet from the Northwest corner of said Tract 11-5, thence South 2341.98 feet, more or less, to a point on the South line of said Tract 11-5, thence along the South line of said Tract 11-5 North 89 degrees 36' 57" West 1276 feet, more or less, to the Southwest corner thereof, thence continuing North 89 degrees 36' 57" West along the South line of Tract 11-4 in said subdivision of lands in Reclamation District No. 1500 as depicted in said Map of Survey a distance of 1052.5 feet, thence North 00 degrees 31' 52" East 16.72 feet, thence North 89 degrees 17' 26" West 1307.46 feet, thence North 88 degrees 51' 05" West 64.03 feet, thence North to a point on the North line of said Tract 11-4, the same being the North line of said subdivision of lands in Reclamation District No. 1500 as shown in said Map of Survey, thence West along said North line to the intersection thereof with the West line of Lot 26 of said Tisdale Ranch Subdivision as shown in said Subdivision Map of Tisdale Ranch, thence North along the West line of Lots 26 and 25 of said Tisdale Ranch Subdivision to the point of beginning.

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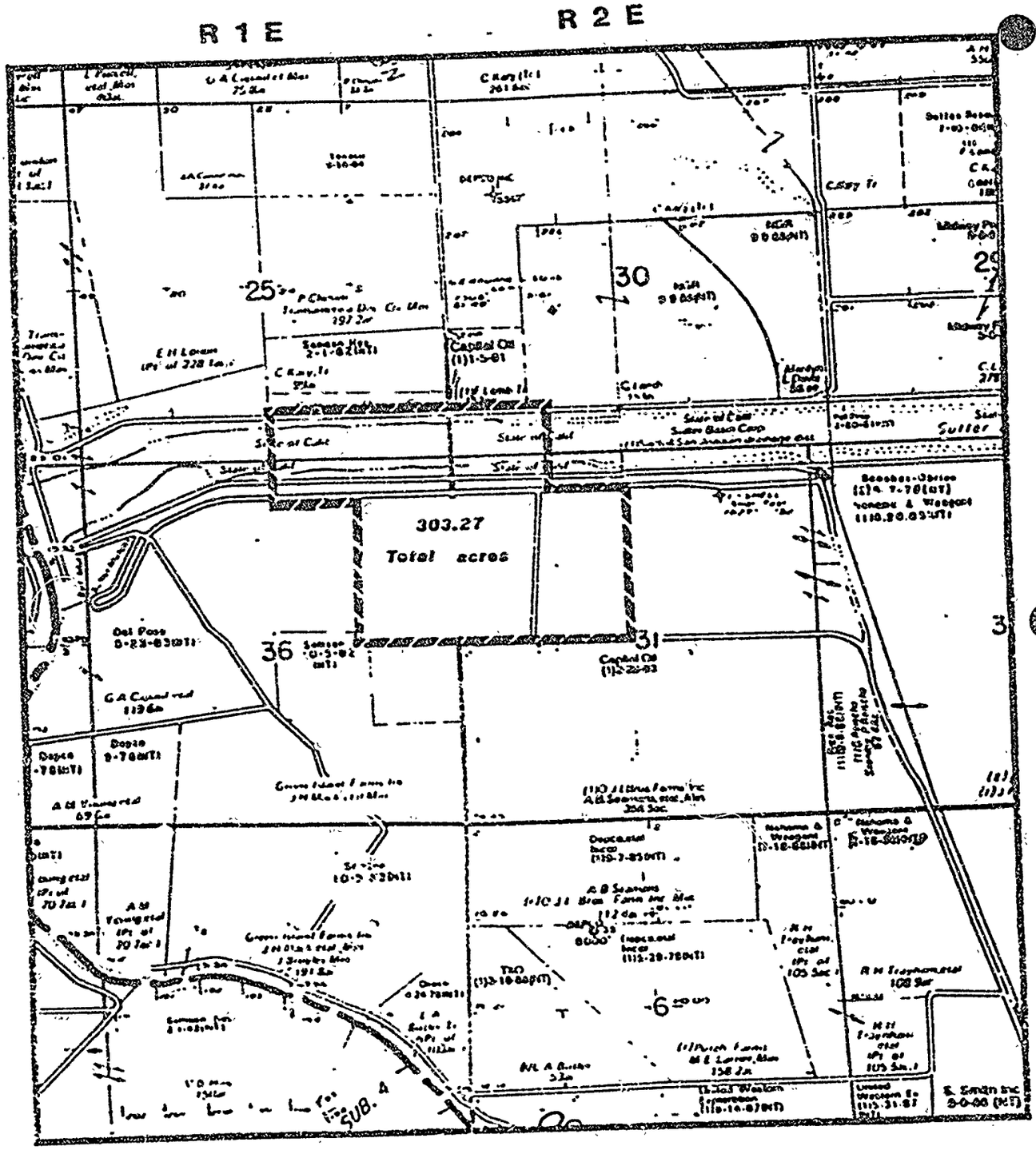

EXHIBIT "B"

CAPITOL OIL CORPORATION

REVISED UNIT CONFIGURATION

DATE : SEPTEMBER, 1990 SCALE : 1" = 2000'

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