

MINUTE ITEM

This Calendar Item No. C25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 3
to 0 at its 9/23/91
meeting.

CALENDAR ITEM

A 26, 10

C 2 5

S 5

09/23/91
PRC 7375
Hamilton

APPROVE THE ASSIGNMENT AND CORRECTION OF THE LAND
DESCRIPTION OF NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL AND GAS LEASE PRC 7375 (33 ACRES IN THE BED OF
BEAVER SLOUGH), SAN JOAQUIN COUNTY

LESSEE/ASSIGNOR:

Sun Operating Limited Partnership
c/o Oryx Energy Company, its managing
general partner
P. O. Box 2880
Dallas, Texas 75221-2880

ASSIGNEE:

Corbin J. Robertson
c/o Quintana Petroleum Corporation
Attn: Charles H. Kerr
P. O. Box 3331
Houston, Texas 77253

SUMMARY:

Negotiated subsurface (no surface use) State oil and gas lease PRC 7375 was entered into on January 17, 1990, between the State Lands Commission (State) and Sun Operating Limited Partnership (Lessee). The lease contains approximately 33 acres of tide and submerged land in the bed of Beaver Slough in San Joaquin County, California (leased lands). Under the lease drilling term provision, the Lessee has three years to develop the leased lands.

Lease Paragraph 29 allows the Lessee, with Commission approval, to assign any portion of the lease to an individual who possesses the qualifications specified in P.R.C. 6801. The lease also specifies that the assignment will take effect on the first day of the month following Commission approval.

In documents filed on June 28, 1991, the Lessee proposes to assign all of its interest in the lease to Corbin J. Robertson,

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an individual, with all lease operations to be conducted by Quintana Petroleum Corporation, a Texas corporation. Staff has reviewed the documents and lease files and has found that: (1) the Assignee is qualified under P.R.C. 6801 to hold the lease, (2) the Lessee has complied with all lease provisions and no default exists, and (3) all filing fees, processing costs and required documentation have been received and are on file in the Commission's Long Beach office.

Additionally, staff has discovered that the Land Description (Exhibit "A") of the lease contained typographic errors; that the leased lands is located in Sections 8 and 17 not Sections 9 and 16. Pursuant to P.R.C. 6507, any error in the lease description may with the consent of the holder be corrected or any description amended by the Commission when in its judgment it is in the best interests of the State to do so.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C. 6801, P.R.C. 6804 and P.R.C. 6507.
- B. Lease Paragraph 29.
- C. Lease Exhibit "A".

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. 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 State CEQA Guidelines.
- 2. Bond or other security in the sum of \$5,000 has been received.

EXHIBITS:

- A. Land Description (Revised).
- B. Site Map.
- C. Lease Location Map.

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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. APPROVE THE ASSIGNMENT OF AN UNDIVIDED 100 PERCENT INTEREST IN STATE OIL AND GAS LEASE PRC 7375 FROM SUN OPERATING LIMITED PARTNERSHIP (LESSEE AND ASSIGNOR) TO CORBIN J. ROBERTSON (ASSIGNEE). COMMISSION APPROVAL OF THIS ASSIGNMENT IS GIVEN UPON THE CONDITIONS THAT THE ASSIGNMENT WILL NOT RELEASE THE ASSIGNOR FROM ANY OBLIGATION TO THE COMMISSION UNDER THE LEASE, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING, AND THAT THE ASSIGNEE WILL BE BOUND BY THE LEASE, INCLUDING ANY MODIFICATIONS AND COLLATERAL AGREEMENTS, TO THE SAME EXTENT AS THE ASSIGNOR, ANY CONDITIONS IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. PURSUANT TO LEASE PARAGRAPH 29, THIS ASSIGNMENT WILL TAKE EFFECT ON OCTOBER 1, 1991.
3. APPROVE THE CORRECTION OF THE LAND DESCRIPTION (EXHIBIT "A") OF STATE OIL AND GAS LEASE PRC 7375 AND ACCEPT THE ATTACHED EXHIBIT "A" - LAND DESCRIPTION REVISED APRIL 11, 1990.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

PRC 7375
(W 40593)

LAND DESCRIPTION

All that tide and submerged land in the bed of Beaver Slough, San Joaquin County, California, bounded on the north and south by the ordinary high water marks of said slough; bounded on the east by the north/south centerlines of projected Sections 8 & 17, T 4 N, R 5 E, M.D.M.; and bounded on the west by the southerly prolongation of the line described as "running South 1478.0, feet more or less, to the right bank of Beaver Slough;" in Document Number 85003296 Recorded January 17, 1985 in the Office of the County Recorder of said county.

END OF DESCRIPTION

REVISED APRIL 11, 1990 BY LLB.

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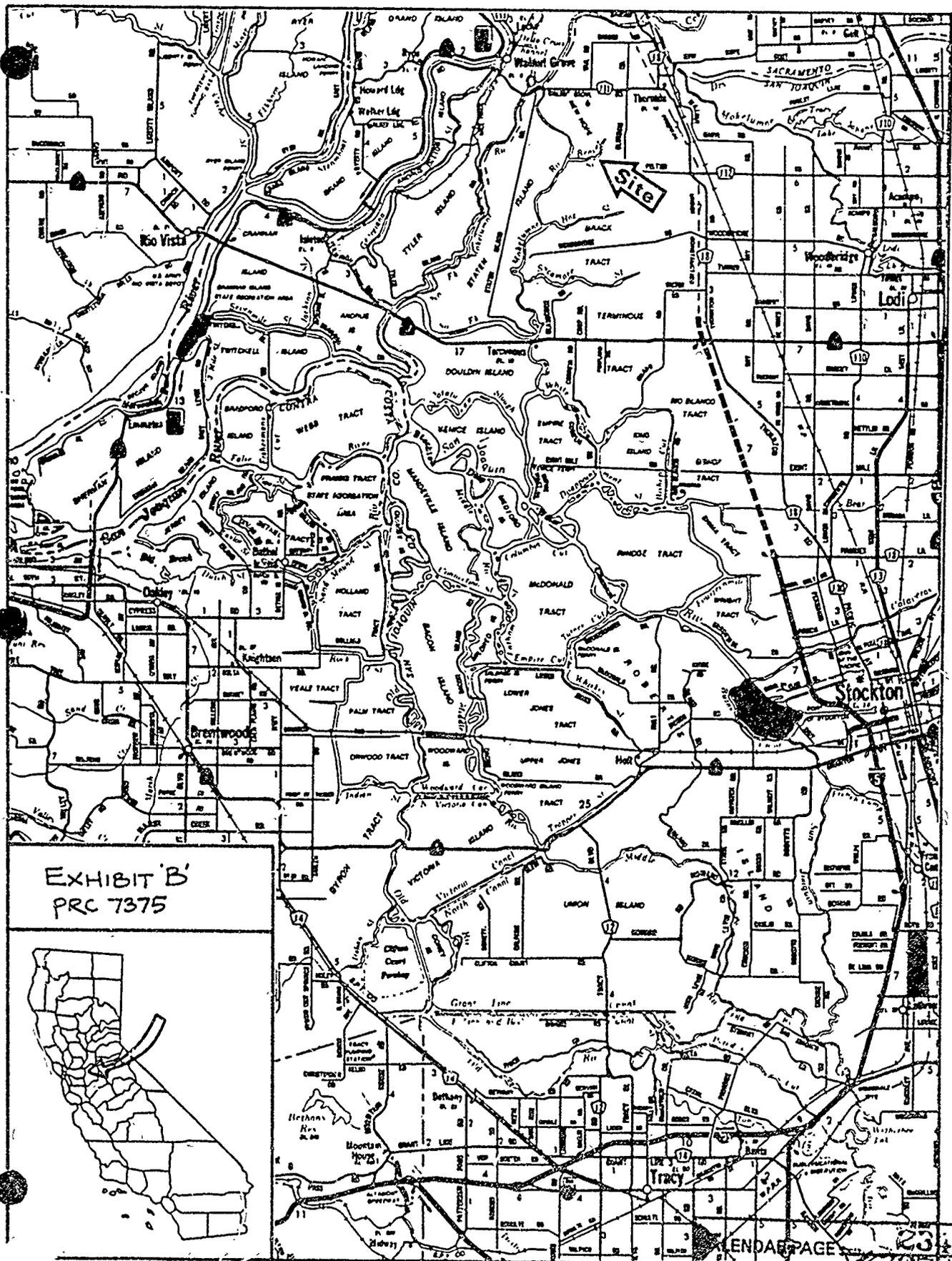


EXHIBIT 'B'
PRC 7375



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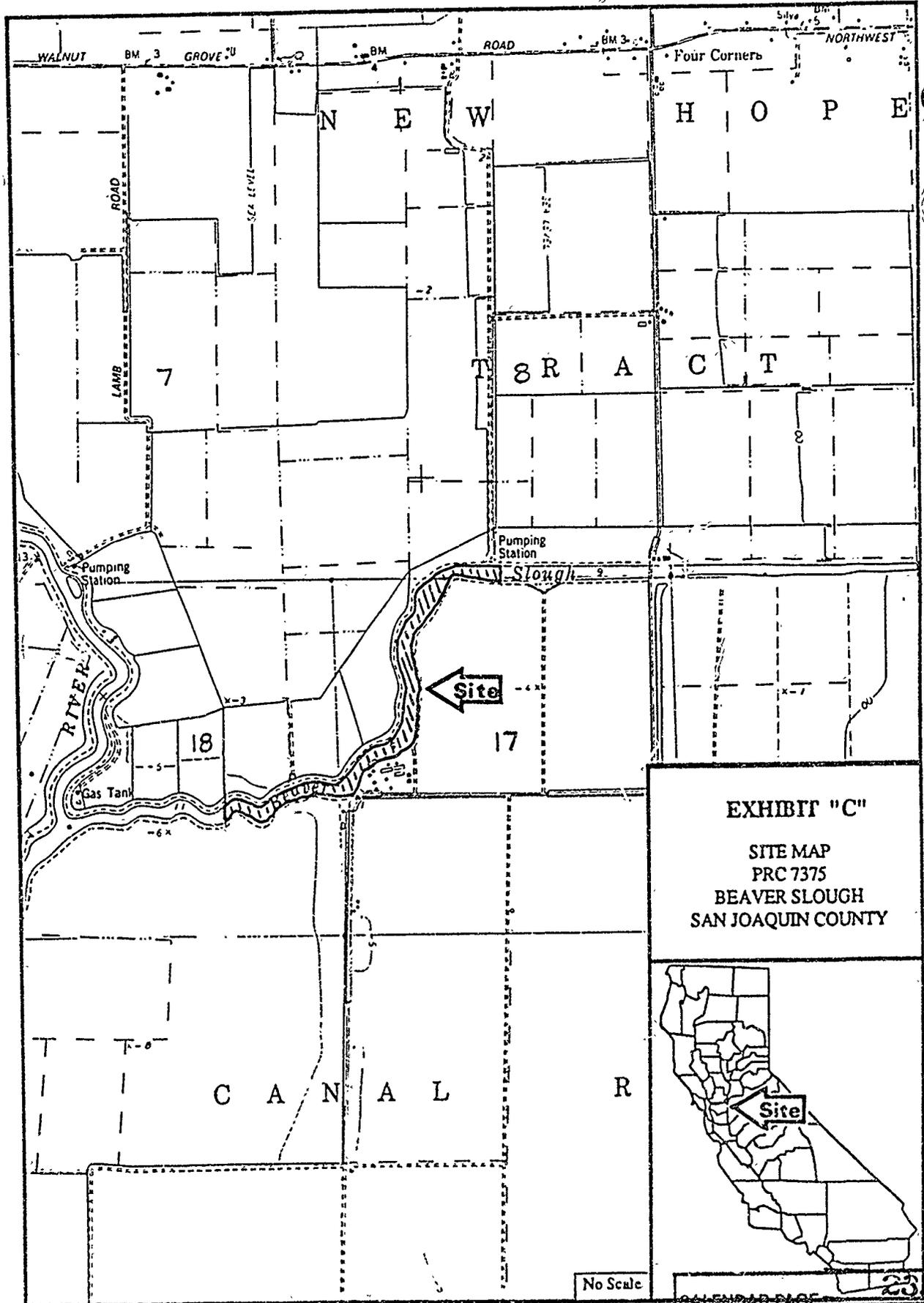


EXHIBIT "C"
 SITE MAP
 PRC 7375
 BEAVER SLOUGH
 SAN JOAQUIN COUNTY



No Scale