MINUTE ITEM
This Calendar Item No. C19
was approved as Minute Item
No. 19 by the State Lands
Commission by a vote of 3
0 at its 1/8/92
meeting.

CALENDAR ITEM

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01/08/92
PRC 7484
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ACCEPT THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL & GAS LEASE PRC 7484
BUTTE AND GLENN COUNTIES

LESSEE:

Dynamic Exploration Partners Ltd.
c/o Dynamic Production, Inc.
Attn: John H. Harvison
2810 Glenda Avenue
Fort Worth, TX 76117-4388

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease PRC 7484 (Lease) was issued to Dynamic Exploration Partners Ltd. on December 12, 1990 and contains 246 acres of tide, submerged and proprietary lands in the bed and vicinity of the Sacramento River in Butte and Glenn Counties, California (leased lands). Under the terms of the lease, the lessee is required to pay an annual rental of $25.00 per acre ($6,150 for 246 acres) and commence drilling operations on the leased lands within three years.

P.R.C. 6804.1 and Lease Paragraph 30 permit the lessee to make at any time a written quitclaim of all rights under the Lease or of any portion of the leased lands comprising a ten-acre parcel or multiple thereof in a compact form. The quitclaim will be effective when it is filed with the State 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 the leased lands.

On December 11, 1991, the Commission's Long Beach office staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated December 10, 1991 and quitclaims back to the State all of the lessee's right, title and interest in and to the leased lands described in Exhibit "A" of State Oil and Gas Lease PRC 7484 dated September 21, 1990.

A review of the Commission's files reveals that no default exists on the lease, that the lessee has complied with all applicable laws and lease provisions and has paid all rentals (no royalty is due as the leased lands were not developed).

STATUTORY AND OTHER AUTHORITY:
P.R.C. 6804.1 and Paragraph 30.

AB 884:
N/A.

OTHER PERTINENT INFORMATION:

1. One well, Nichols 22-2, reviewed and approved by SLC staff, was drilled from a private well site through the State leased lands. This well was properly abandonced in accordance with the rules and regulations of the Division of Oil and Gas. A copy of the Division of Oil and Gas "Report of Well Abandonment" is on file in the Long Beach and Sacramento offices of the Commission.

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

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

EXHIBITS:
A. Land Description.
B. Site Map.
C. Location Map.

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. ACCEPT FROM DYNAMIC EXPLORATION PARTNERS LTD. (LESSEE) THE (FULL) QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7484 DATED DECEMBER 12, 1990, WHERE THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN AND TO THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF STATE OIL AND GAS LEASE PRC 7484 DATED SEPTEMBER 21, 1990.

3. RELEASE DYNAMIC EXPLORATION PARTNERS LTD. FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7484 EFFECTIVE DECEMBER 10, 1991 THE FILING DATE OF THE QUITCLAIM DEED.

4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

PRC 7484

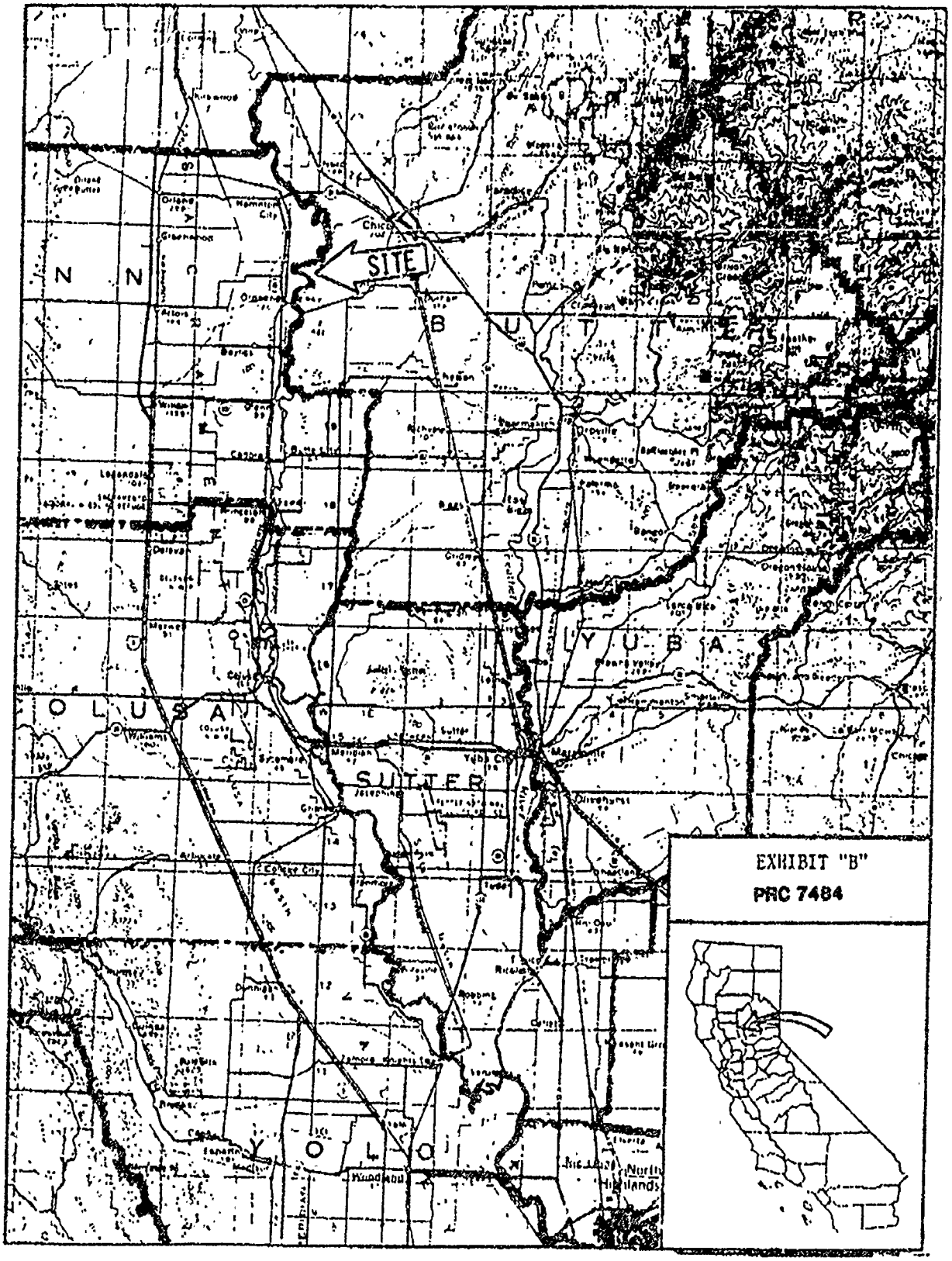
LAND DESCRIPTION

That portion of the submerged bed of the Sacramento River in the Jacinto and Farwell Ranchos, Butte and Glenn Counties, California, bounded as follows:

Bounded upstream by Longitude 121° 59' 01" W in the vicinity of the north line and it's easterly prolongation of fractional Section 5 of the Subdivision of the Glenn Ranch, according to the Map and Survey thereof made by H. B. Shackelford and filed in the Office of the County recorder of Glenn County, on August 23, 1900, in Book 1 of Maps at page 110; bounded downstream by the easterly prolongation of the south line of fractional section 7 of said subdivision of the Glenn Ranch; and on the sides by the ordinary low water marks of said river.

END OF DESCRIPTION

PREPARED SEPTEMBER 21, 1990 BY LLB.



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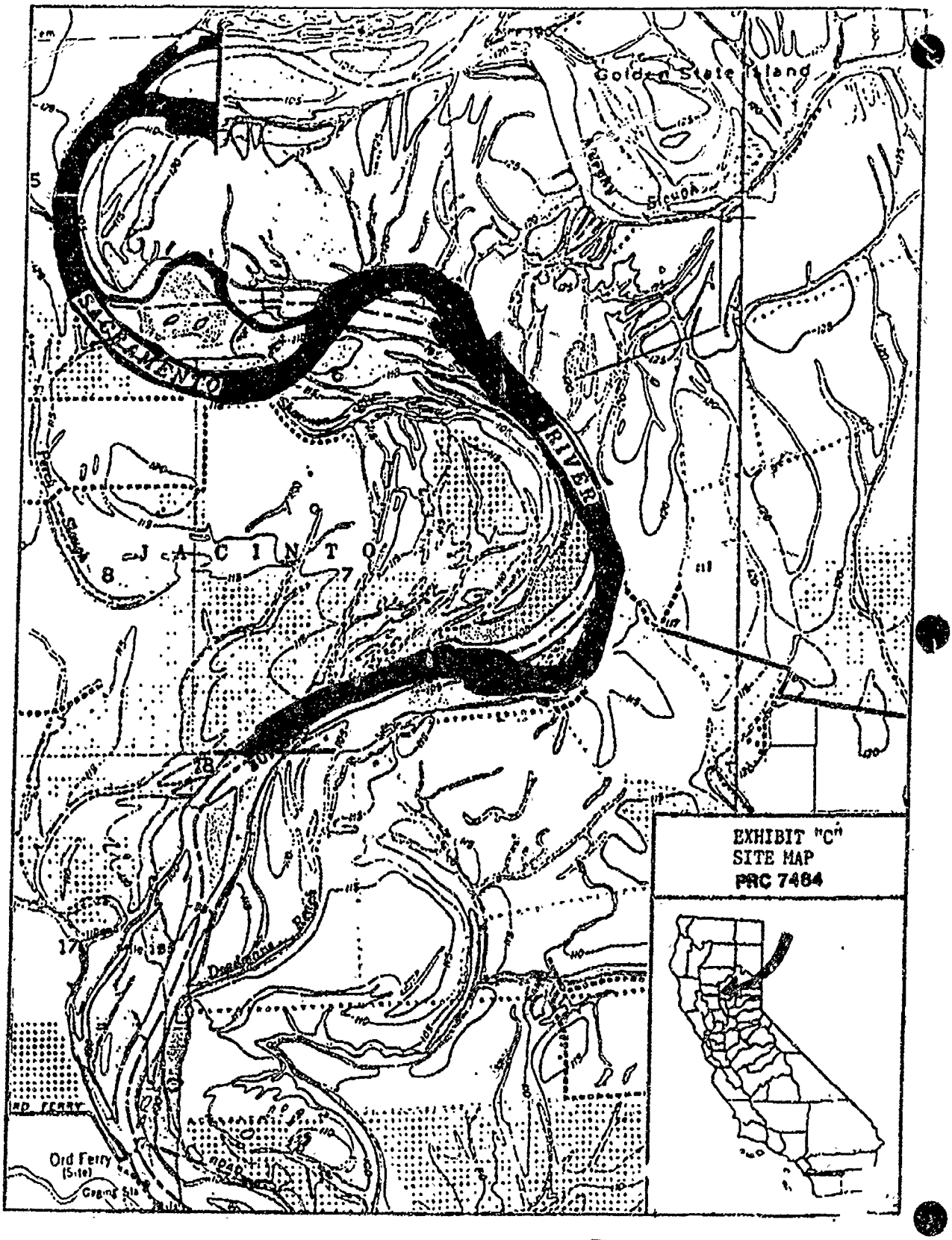

EXHIBIT "C"
SITE MAP
PRC 7464

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