

MINUTE ITEM

This Calendar Item No. C21  
was approved as Minute Item  
No. 21 by the State Lands  
Commission by a vote of 2  
to 0 at its 3/2/92  
meeting.

CALENDAR ITEM

C 2 1

A 26

S 18

03/02/92

PRC 6498

Tanner

ACCEPT THE FULL QUITCLAIM OF  
OF A NEGOTIATED SUBSURFACE (NO SURFACE USE),  
STATE OIL & GAS LEASE PRC 6498  
STOCKTON STATE HOSPITAL, SAN JOAQUIN COUNTY

LESSEE:

Chevron U.S.A. Inc.  
Attn: Shelley A. Cook, Land Assistant  
P. O. Box 1635  
Houston, Texas 77251

BACKGROUND:

Negotiated subsurface (no surface use) State oil and gas lease  
PRC 6498 was issued to Chevron U.S.A., Inc. on September 28, 1983  
and contains approximately 112 acres of proprietary uplands  
located in the City of Stockton, San Joaquin County.

The Stockton Gas Unit was formed on October 2, 1985 and included  
44.43 acres of State land which was 5.6871 percent of the Unit  
total for which the State received a unit royalty of 1.70612  
percent. A partial quitclaim deed covering 67.57 acres of land  
not included in the Stockton Gas Unit, was submitted by Chevron  
on October 30, 1986.

All wells drilled from private lands have been plugged and  
abandoned pursuant to regulations enforced by the California  
Division of Oil and Gas. No wells were drilled into the State  
lands.

P.R.C. 6804.1 and lease Paragraph 6 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 is effective  
on the date 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.

CALENDAR ITEM NO. C 2 1 (CONT'D)

On December 24, 1991, the Commission received Chevron's "Quitclaim of Lease PRC 6498", covering the remaining 44.43 acres within the Stockton Gas Unit. This document was dated December 23, 1991 and quitclaims to the State all of the lessee's right, title, and interest in and to the leased lands described in Exhibit "A".

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 and royalties.

**STATUTORY AND OTHER AUTHORITY:**

P.R.C. 6804.1 and Lease Paragraph 6.

AB 884:

N/A.

**OTHER PERTINENT INFORMATION:**

1. All wells drilled on private property were plugged and abandoned in accordance with Division of Oil and Gas requirements (see Exhibit "C").
2. 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 States CEQA Guidelines.

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

**EXHIBITS:**

- A. Land Description.
- B. Location Map.
- C. 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.

CALENDAR ITEM NO. C 2 1 (CONT'D)

2. ACCEPT FROM CHEVRON U.S.A., INC. (LESSEE) THE FULL QUITCLAIM DEED FOR STATE OIL & GAS LEASE PRC 6498 DATED DECEMBER 23, 1991, QUITCLAIMING TO THE STATE ALL RIGHT, TITLE AND INTEREST IN AND TO THE LEASED LANDS DESCRIBED IN EXHIBIT "A".
3. RELEASE CHEVRON U.S.A., INC. FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 6498, EFFECTIVE DECEMBER 24, 1991, THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

**EXHIBIT "A"**

Attached to and made a part hereof that certain quitclaim deed  
October 30, 1986 by and between the State of California,  
State Lands Commission, as lessor and  
Chevron U.S.A. Inc., as lessee

PRC 6498

**LAND DESCRIPTION**  
State Lands to be surrendered

All that land as described in Oil and Gas Lease, PRC 6498, dated September 28, 1983, recorded on July 29, 1985, as Instrument No. 85049985, lying North and East of the following described line:

BEGINNING at the centerline intersection of Sacramento Street and Flora Street, in the City of Stockton, San Joaquin County, State of California; thence along the centerline of said Flora Street, S 78° 16' 38" W, 384.15 feet to the centerline intersection of Flora Street and Aurora Street; thence along the centerline of said Aurora Street, N 51° 02" W, 365.76 feet, thence through the lands of the State Hospital, N 58° 15' 49" W, 2120.43 feet to the centerline intersection of California Street and Vine Street; thence along the centerline of said California Street, N 11° 51' 07" W, 738.08 feet to the end of the herein described line

Surrendered lands also being described as all those State lands lying outside that certain property known as "Stockton Gas Unit", as described in that certain Declaration of Pooling, recorded on October 15, 1985, as Instrument No. 85069671.

**END OF DESCRIPTION**

PREPARED JANUARY, 1992 BY LLB

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REPORT OF WELL ABANDONMENT

Woodland California

December 20, 1991

R. H. Elliott, Agent  
CHEVRON U. S. A. INC.  
39405 South Derrick Avenue  
Route 1, Box 25  
Coalinga, CA 93210

Your report of abandonment of well "Stockton" 1  
(Name and number)  
A.P.I. No. 077-20411-03, Section 2, T. 1N R. 6E, M.D. B. & M.,  
Stockton Gas field, San Joaquin County,  
dated April 13, 1991, received April 16, 1991, has been  
examined in conjunction with records filed in this office, and we have determined that all of  
the requirements of this Division have been fulfilled.

Environmental inspection made and approved August 9, 1991.

Blanket Bond  
KL/km

M. G. MEFFERD  
State Oil and Gas Supervisor  
By Robert A. Reid  
Deputy Supervisor  
ROBERT A. REID

2-154

RESOURCES AGENCY OF CALIFORNIA  
DEPARTMENT OF CONSERVATION  
DIVISION OF OIL AND GAS

Exhibit C  
PRC 6498

REPORT OF WELL ABANDONMENT

.....Woodland....., California

.....December 20, 1991.....

.....R. H. Elliott, Agent.....  
.....CHEVRON U.S.A. INC.....  
.....39405 South Derrick Avenue.....  
.....Route 1, Box 25.....  
.....Coalinga, CA 93210.....

Your report of abandonment of well....."Stockton" 2.....  
.....(Name and number).....  
A.P.I. No. ....077-20414....., Section ....2..... T. ....1N....., R. ....6E..... M.D. ....B. & M.,  
.....Stockton Gas.....field, ....San Joaquin.....County,  
dated ....April 13, 1991..... received ....April 16, 1991..... has been  
examined in conjunction with records filed in this office, and we have determined that all of  
the requirements of this Division have been fulfilled.

Environmental inspection made and approved August 9, 1991.

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.....M. G. MEEFERD.....  
.....State Oil and Gas Supervisor.....  
By *Robert A. Reid*.....  
.....Deputy Supervisor.....  
.....ROBERT A. REID.....

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REPORT OF WELL ABANDONMENT

.....Woodland....., California

.....December 20, 1991.....

R. H. Elliott, Agent  
.....  
CHEVRON U.S.A. INC.  
.....  
39405 South Derrick Avenue  
.....  
Route 1, Box 25  
.....  
Coalinga, CA 93210  
.....

Your report of abandonment of well....."Stockton" 3.....  
(Name and number)  
A.P.I. No. 077-20420....., Section 2..... T. 1N....., R. 6E....., M.D. B. & M.,  
.....Stockton Gas.....field, San Joaquin.....County,  
dated April 13, 1991..... received April 16, 1991..... has been  
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the requirements of this Division have been fulfilled.

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