MINUTE ITEM
This Calendar Item No. C57
was approved as Minute Item
No. 57 by the State Lands
Commission by a vote of 3
to Ø at its 9/23/92
meeting.

CALENDAR ITEM

C 57

A 4, 11

S 2, 7

09/23/92
PRC 3742
PRC 3895
PRC 3998
Nitsche

ACCEPT QUITCLAIM DEEDS OF
STATE OIL & GAS LEASES PRC 3742, PRC 3895 AND PRC 3998
SUISUN BAY, SOLANO COUNTY

LESSEE:

Chevron U.S.A. Inc.
Attn: Vanita L. Menapace
P.O. Box 1635
Houston, Texas 77251

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 3742 contains 3,489 acres of tide and submerged lands in Suisun Bay, Solano County.

State oil and gas lease PRC 3895 contains 638 acres of tide and submerged lands in Suisun Bay, Solano County.

State oil and gas lease PRC 3998 contains 1,720 acres of tide and submerged lands in Solano County.

LEASE INFORMATION:

Competitive bid State oil and gas lease PRC 3742 was awarded to Standard Oil Company of California (now Chevron U.S.A. Inc.) on April 10, 1967, for a bonus bid of $725,612.00.

Competitive bid State oil and gas lease PRC 3895 was awarded to Standard Oil Company of California (now Chevron U.S.A. Inc.) and Shell Oil Company on 12/12/67 for a bonus bid of $72,164.18. Shell Oil Company (now Shell Western E&P Inc.) assigned its undivided one-half interest to Chevron U.S.A. Inc. on September 27, 1989.

Competitive bid State oil and gas lease PRC 3998 was awarded to Standard Oil Company of California (now Chevron U.S.A. Inc.) on July 17, 1968 for a bonus bid of $27,040.00.

BACKGROUND:
P.R.C. 6804.1 and paragraph 27 of each lease provide that the Lessee may 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.

Chevron U.S.A. Inc. filed at the Commission's Long Beach office the Quitclaim Deeds for State oil and gas leases PRC 3742 and PRC 3998 on May 19, 1992, and for PRC 3895 on May 14, 1992. The quitclaim documents are dated May 5, 1992 and quitclaim to the State all of the Lessee's right, title, and interest in and to the leased lands described in exhibits "A", "B", and "C" of State oil and gas leases PRC 3742, PRC 3895 and PRC 3998, respectively. Two exploratory wells were drilled into lease PRC 3742 and one exploratory well was drilled on lease PRC 3998 without encountering commercial production. The wells have been abandoned pursuant to rules and regulations of the State Lands Commission and the Division of Oil and Gas (D.O.G.).

A review of the Commission's files reveals that no default exists on the leases, 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 productive).

STATUTORY AND OTHER AUTHORITY:
P.R.C. 6804.1 and Paragraph 27.

AB 884:
N/A.

OTHER PERTINENT INFORMATION:
1. All wells drilled into State lands were abandoned in accordance with D.O.G. standards.

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 PRC 3742.
B. Land Description PRC 3895.
C. Land Description PRC 3998.
D. Location Map.

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 FROM CHEVRON U.S.A. INC. (LESSEE) THE (FULL) QUITCLAIM DEEDS FOR STATE OIL AND GAS LEASES PRC 3742, PRC 3895, AND PRC 3998, EACH DATED MAY 5, 1992, WHEREIN LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE, AND INTEREST IN AND TO THE LEASED LANDS DESCRIBED IN EXHIBITS "A", "B", AND "C" OF STATE OIL AND GAS LEASES PRC 3742, PRC 3895 AND 3998 DATED APRIL 10, 1967, DECEMBER 12, 1967 AND JULY 17, 1968, RESPECTIVELY. THE QUITCLAIMS ARE EFFECTIVE MAY 14, 1992 FOR PRC 3895 AND MAY 19, 1992 FOR PRC 3742 AND PRC 3998, THE DATES THEY WERE FILED WITH THE STATE.

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

EXHIBIT A

PRC 3742

A PARCEL OF TIDE AND SUBMERGED LAND IN SUISUN BAY, IN CONTRA COSTA AND SOLANO COUNTIES, BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT STATION NO. 56 WHOSE COORDINATES ARE X = 1,552,168.03 AND Y = 568,496.76 AS SAID STATION IS SHOWN ON PLAT OF "RESURVEY OF SURVEY NO. 88 AND SURVEY NO. 89 SWAMP AND OVERFLOWED LANDS ALONG THE SHORE OF SUISUN BAY AND HASTINGS SLOUGH, VICINITY OF SEAL ISLANDS" FILED AS SERIAL NO. 2564 IN BOOK 25 OF L.S.M. AT PAGE 21, RECORDS OF CONTRA COSTA COUNTY; THENCE FROM SAID POINT OF BEGINNING ALONG SAID RESURVEY WESTERLY AND NORTHWESTERLY TO STATION NO. 65 WHOSE COORDINATES ARE X = 1,548,670.04 AND Y = 569,016.94 OF SAID RESURVEY; THENCE, LEAVING SAID RESURVEY, NORTH 1,300 FEET; THENCE WEST 1,900 FEET; THENCE NORTH 15,850 FEET; THENCE EAST 6,700 FEET; THENCE SOUTH 5,100 FEET; THENCE EAST 2,800 FEET; THENCE SOUTH 1,500 FEET; THENCE EAST 2,400 FEET; THENCE SOUTH 8,900 FEET, MORE OR LESS, TO A POINT ON THE SOUTH SHORE OF SUISUN BAY, SAID POINT ALSO BEING ON THE NORTHERLY BOUNDARY LINE OF THE PORT CHICAGO NAVAL RESERVATION; THENCE WESTERLY AND SOUTHWESTERLY ALONG SAID NAVAL RESERVATION BOUNDARY LINE TO STATION NO. 1 OF RESURVEY OF SURVEY NO. 88 AND NO. 89, WHOSE COORDINATES ARE X = 1,554,634.16 AND Y = 568,784.75; THENCE WESTERLY AND NORTHWESTERLY ALONG SAID RESURVEY TO STATION NO. 9; THENCE IN A STRAIGHT LINE ACROSS HASTINGS SLOUGH TO STATION NO. 56, THE POINT OF BEGINNING.

BEARINGS, DISTANCES AND COORDINATES OF THE ABOVE RESURVEY OF SURVEY NO. 88 AND SURVEY NO. 89 CONFORM WITH THE "CALIFORNIA COORDINATE SYSTEM, ZONE 3".

EXCEPTING FROM THE ABOVE DESCRIBED LAND ALL OF THE FOLLOWING PARCELS, OR PARTS OF SAID PARCELS INCLUDED IN THE ABOVE DESCRIPTION, WHICH MAY HAVE BEEN VALIDLY PATENTED BY THE STATE OF CALIFORNIA AS SWAMP AND OVERFLOWED OR TIDELANDS:

1. TIDELAND SURVEYS NOS. 39, 40 AND 41, SOLANO COUNTY, BEING MORE PARTICULARLY DESCRIBED IN THE JUDGMENT DATED NOVEMBER 9, 1964, IN SOLANO COUNTY SUPERIOR COURT CASE NO. 40184 - NIXON VS. CHAPMAN.

2. TIDELAND LOCATION NO. 210, CONTRA COSTA COUNTY, AND TIDELAND LOCATION NO. 211, CONTRA COSTA COUNTY, (ORIGINAL PATENT LINES OF BOTH OF THE ABOVE-MENTIONED TIDELAND LOCATIONS BEING MORE PARTICULARLY DESCRIBED IN THE FIELD NOTES FOR SURVEYS NOS. 210 AND 211 WHICH ARE FILED IN THE OFFICE OF THE STATE LANDS DIVISION, SACRAMENTO, CALIFORNIA.)

3. SWAMP AND OVERFLOWED LANDS SURVEY NO. 609 (ROE ISLAND), SOLANO COUNTY, (ORIGINAL PATENT LINES OF SAID SURVEY BEING MORE PARTICULARLY DESCRIBED IN FIELD NOTES FOR SURVEY NO. 609 ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION IN SACRAMENTO, CALIFORNIA.)

SAID PARCEL 47 CONTAINS 3489 ACRES MORE OR LESS: THE EXCLUDED AREAS ARE MORE PARTICULARLY DESCRIBED IN EXHIBIT "D" OF THIS LEASE.

THIS LEASE IS ISSUED WITHOUT WARRANTY OF TITLE AS TO ANY OF THE LANDS DESCRIBED ABOVE. IN THE EVENT THAT IT IS DETERMINED THAT THE ACREAGE OWNED BY THE STATE IS MORE OR LESS THAN THAT STATED ABOVE, THE RENTAL OF ONE DOLLAR PER ACRE SHALL BE INCREASED OR DECREASED TO REFLECT THE CORRECT ACREAGE, BUT THERE SHALL BE NO OTHER CHANGE IN THE AMOUNTS PAYABLE UNDER THIS LEASE.

EXHIBIT B

PRC 3895

A parcel of tide and submerged land in Suisun Bay, in Solano and Contra Costa Counties, California, more particularly described as follows:

COMMENCING at Station 65, whose coordinates are X = 1,548,670.04 and Y = 569,016.94, as said station is shown on plat of "Resurvey of Survey No. 88 and Survey No. 89 Swamp and Overflowed Lands along the shore of Suisun Bay and Hastings Slough, vicinity of Seal Islands" filed as serial No. 2564 in Book 25 of L.S.M. at Page 21, records of Contra Costa County; thence North 5350 ft.; thence East 10,000 feet, more or less, to a point in Suisun Bay on the East line of State Oil and Gas Lease P.R.C. 3742.1, said point being the TRUE POINT OF BEGINNING, said point also being the Southwest Corner of State Oil and Gas Lease P.R.C. 3743.1; thence from said TRUE POINT OF BEGINNING, East 7800 feet along the South line of said State Lease; thence South 4100 feet, more or less, to a point on the northerly boundary line of the Port Chicago Naval Reservation; thence westerly along said Naval Reservation boundary line to the Southeast corner of State Oil and Gas Lease P.R.C. 3742.1; thence North 3700 feet, more or less, along the East line of said State Lease, to the POINT OF BEGINNING, containing 638 acres, more or less.

Bearings, distances and coordinates of the above description conform with the "California Coordinate System, Zone 3".

This lease is issued without warranty of title as to any of the lands described above. In the event that it is determined that the acreage owned by the State is more or less than that stated above, the rental of one dollar per acre should be increased or decreased to reflect the correct acreage, but there shall be no other change in the amounts payable under this lease.

EXHIBIT C

PRC 3998

All that certain tide and submerged land in Suisun Bay, Contra Costa and Solano Counties within the following-described boundary:

BEGINNING at Station No. 65, as shown on plat of "Resurvey of Survey No. 88 and Survey No. 89 Swamp and Overflowed lands along the shore of Suisun Bay and Hastings Slough, Vicinity of Seal Islands" filed as Serial No. 2564 in Book 25 of L.S.M. at page 21, Official Records of Contra Costa County, said station having coordinates X = 1,548,670.04 and Y = 569,016.94, said station also being the southwesterly corner of that certain oil and gas lease entered into between the State Lands Commission, State of California, and Standard Oil Company of California, dated April 10, 1967, and designated as P.R.C. 3742.1 (Parcel 47); thence from said point of beginning along the westerly boundary line of said P.R.C. 3742.1 (Parcel 47) the following three courses: North 1300 feet, West 1900 feet, and North 15,850 feet to the northwesterly corner of said P.R.C. 3742.1 (Parcel 47); thence northerly 50 feet more or less to the northeasterly corner of Swamp and Overflowed Land Survey 414, Solano County; thence along easterly boundary of Swamp and Overflowed Land Surveys 414 and 671, Solano County, in a southwesterly direction approximately 6250 feet to a point 4400 feet west of said westerly line of P.R.C. 3742.1 (Parcel 47); thence leaving the easterly boundary of said Survey 671, south 14,500 feet more or less to the northerly boundary of Tide Land Location 207; thence easterly along the northerly boundary of said Location 207 to Station No. 74 as shown on said plat, said station having coordinates X = 1,547,881.70 and Y = 568,699.29; thence easterly along said resurvey to the point of beginning containing 1,720 acres more or less.

EXCEPTING from the above description any validly patented portions of the following surveys:

Swamp and Overflowed Land Survey 414, Solano County
Swamp and Overflowed Land Survey 415, Solano County
Swamp and Overflowed Land Survey 671, Solano County
Tide Land Location 207

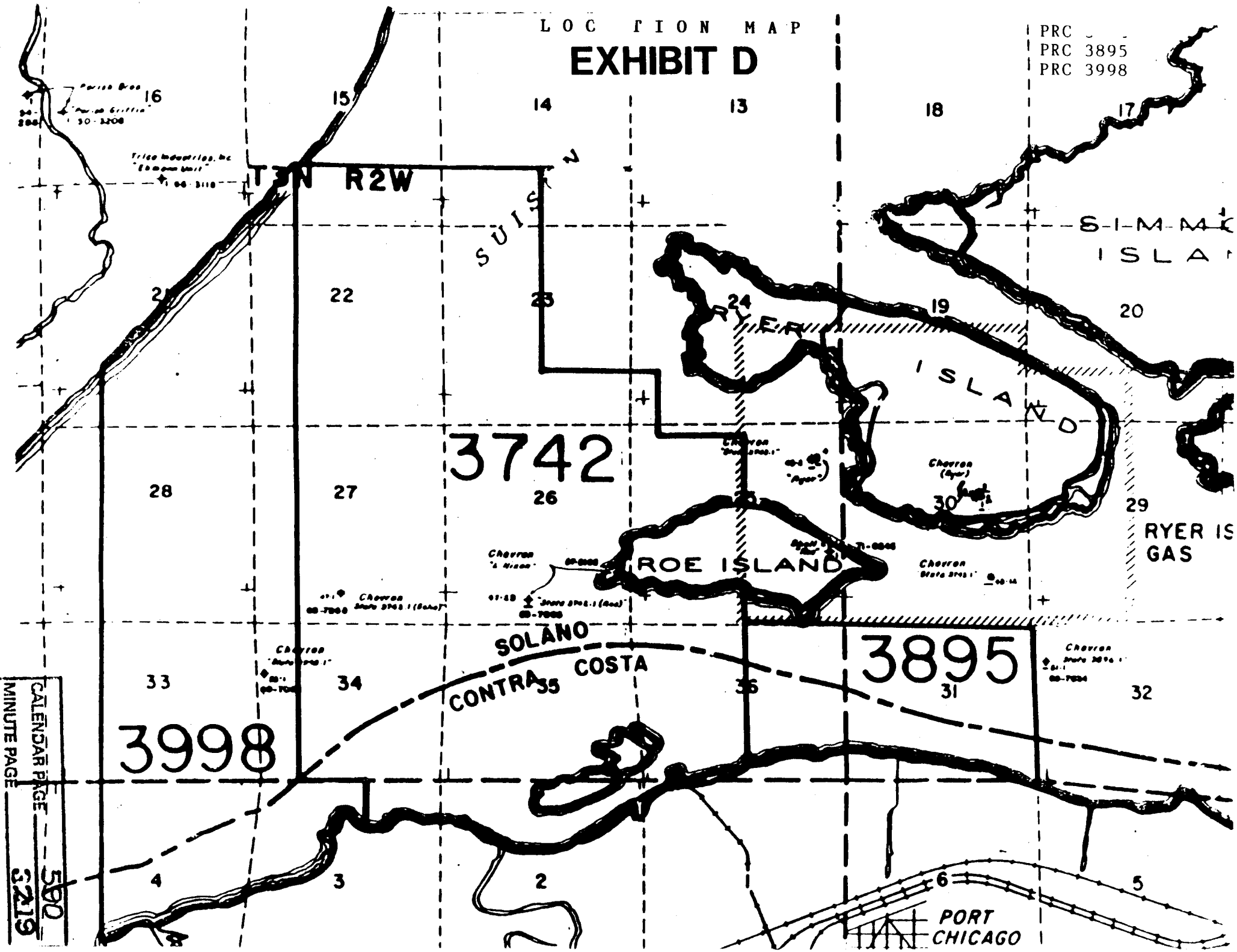
Bearings, distances and coordinates of the above "Resurvey of Survey No. 88 and Survey No. 89" conform with the California Coordinate System, Zone 3.

This lease is issued without warranty of title as to any of the lands described above. In the event that it is determined that the acreage owned by the State is more or less than that stated above, the rental of one dollar per acre should be increased or decreased to reflect the correct acreage, but there shall be no other change in the amounts payable under this lease.

LOC TION MAP

EXHIBIT D

PRC
PRC 3895
PRC 3998



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