

MINUTE ITEM

This Calendar Item No. C35
was approved as Minute Item
No. 35 by the State Lands
Commission by a vote of 3
to 0 at its 4-28-93
meeting.

CALENDAR ITEM

C35

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04/28/93
PRC 7608
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**ACCEPT QUITCLAIM DEED OF
STATE OIL AND GAS LEASE PRC 7608
SAND MOUND SLOUGH, CONTRA COSTA COUNTY**

LESSEE:

Texas Crude Energy, Inc.
P. O. Box 56586
Houston, Texas 77256-6586

AREA, TYPE LAND AND LOCATION:

Contains 95 acres of tide and submerged lands in the bed of Sand Mound Slough, Contra Costa County.

LEASE INFORMATION:

A negotiated subsurface State oil and gas lease was issued to Texas Crude Energy, Inc., on January 8, 1992. As a consideration for the lease, Texas Crude Energy, Inc., agreed to a rental of \$35 per acre and a 20 percent flat rate royalty on gas production.

BACKGROUND:

P.R.C. 6804.1 and lease paragraph 26 provide that the lessee may at any time make a written quitclaim of all rights under the lease or any portion of the leased lands comprising a ten acre parcel or multiple thereof in 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.

Texas Crude Energy, Inc., filed at the Commission's Long Beach office the quitclaim deed for State oil and gas lease PRC 7608 on March 15, 1993. The quitclaim document is dated March 5, 1993, and quitclaims to the State all of the lessee's right, title and interest in and to the leased lands described in Exhibit "A. No wells were drilled into State oil and gas lease PRC 7608.

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CALENDAR ITEM NO. C35 (CONT'D)

A review of the Commission's records 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 productive).

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: 6804.1 and Paragraph 6.

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.

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

EXHIBITS:

- A. Land Description
- B. 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 TEXAS CRUDE ENERGY, INC., THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7608 DATED JANUARY 8, 1992, WHEREIN LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT "A" ATTACHED AND MADE A PART HEREOF. THE QUITCLAIM IS EFFECTIVE MARCH 15, 1993, THE DATE IT WAS FILED WITH THE STATE.
3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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EXHIBIT "A"

PRC 7508

LAND DESCRIPTION

A parcel of land in the State-owned bed of Sandmound Slough southerly of Franks Tract and northerly of Holland Tract, Contra Costa County, California, more directly described as follows:

A strip of land 1300 feet wide lying northerly of the following described line, COMMENCING at the quarter corner common to Sections 34 and 35 in T 2 N, R 3 E, MDM; thence from said point of commencement North, 225 feet to a point in line with the outer toe of the levee on the South side of the "Holland Tract"; thence Easterly along the outer toe of said levee, 5782 feet to a point in line with the center line of the main North and South canal through the "Holland Tract"; thence N 00° 40' W along said canal center line, 14534 feet to a point on the center line of a canal running Easterly; thence continuing along the center line of the aforesaid main North and South canal 800 feet to a point on the outer toe of the levee forming the Northerly side of said "Holland Tract" and the TRUE POINT OF BEGINNING of this description; thence along said outer toe, N 53° 04' E, 657 feet; thence N 37° 20' E, 2280 feet; thence N 58° 00' E, 3375 feet; thence N 73° 25' E, 167 feet and the end of the herein described line.

EXCEPTING THEREFROM any portion lying northerly of the mean high tide line of the north bank of Sandmound Slough, and any portion lying southerly of the mean high tide line of the south bank of Sandmound Slough.

END OF DESCRIPTION

PREPARED OCTOBER, 1991; LAND LOCATION and BOUNDARY SECTION

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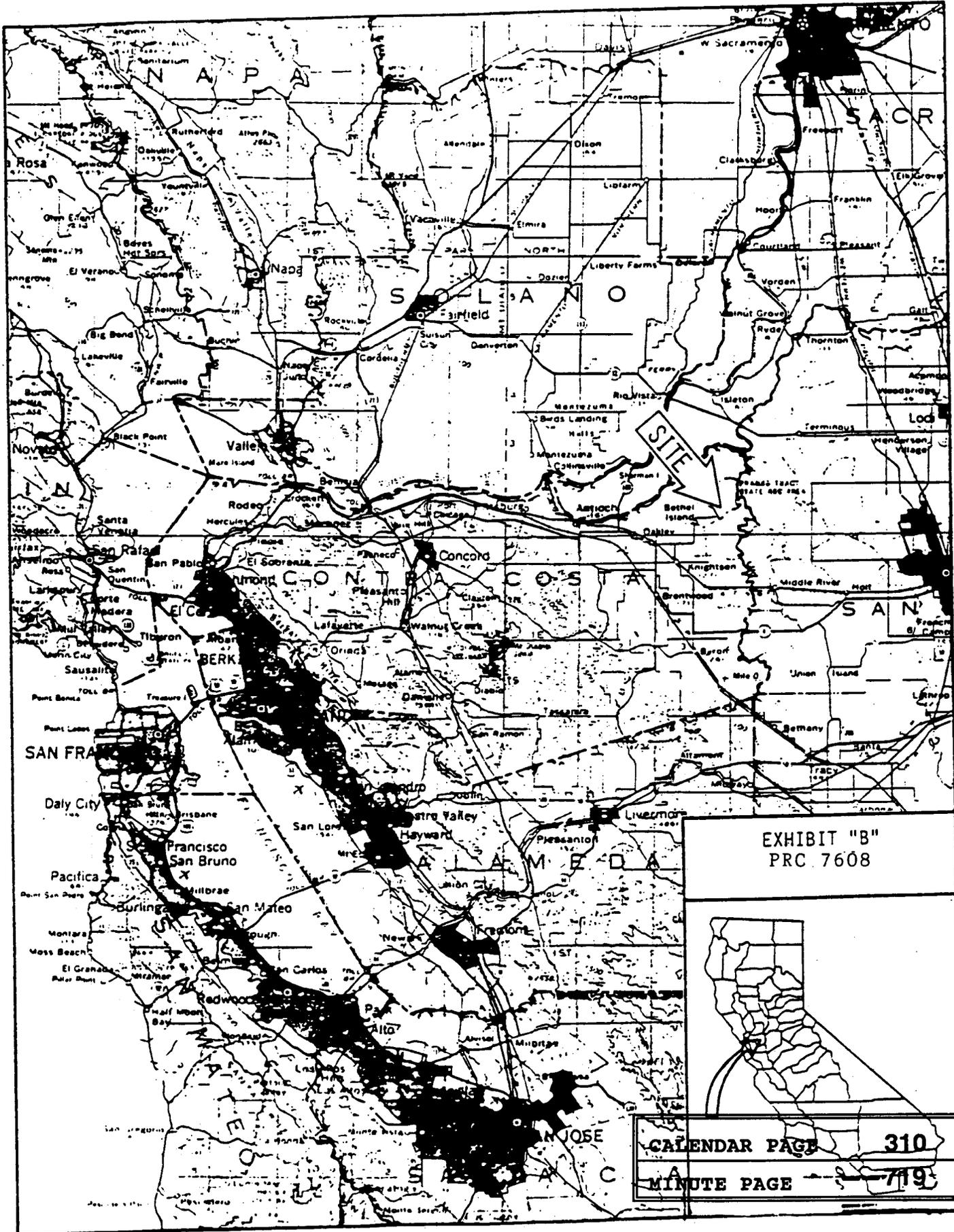


EXHIBIT "B"
 PRC 7608



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