

**MINUTE ITEM**

This Calendar Item No. C45  
was approved as Minute Item  
No. 45 by the State Lands  
Commission by a vote of 3  
to 0 at its 7/19/93  
meeting.

**CALENDAR ITEM**

**C45**

A 26

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07/19/93  
PRC 7176  
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**ACCEPT QUITCLAIM DEED OF  
STATE OIL AND GAS LEASE PRC 7176  
SAN JOAQUIN RIVER, SAN JOAQUIN COUNTY**

**LESSEE:**

PG&E Resources Company  
6688 N. Central Expressway, Suite 1000  
Dallas, Texas 75206-3922

**AREA, TYPE LAND AND LOCATION:**

Contains 231 acres of tide and submerged lands in the bed of  
the San Joaquin River, San Joaquin County.

**LEASE INFORMATION:**

A negotiated subsurface State oil and gas lease was issued  
to NGC Energy Company (PG&E Resources Company) on March 2,  
1988. As a consideration for the lease, PG&E Resources  
Company agreed to a rental of \$25 per acre and a 20 percent  
flat rate royalty on gas production and a royalty on oil  
based on a sliding scale formula commencing at 16 2/3  
percent up to a maximum of 50 percent.

**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.

PG&E Resources Company filed at the Commission's Long Beach  
office the quitclaim deed for State oil and gas lease PRC  
7176 on March 1, 1993. The quitclaim document is dated  
March 2, 1990, and quitclaims to the State all of the  
lessee's right, title and interest in and to the leased

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lands described in Exhibit "A". PG&E Resources has paid \$21,099.09 to cover back rental, penalties and interest incurred through the date the quitclaim deed was filed with the Commission. No wells were drilled into State oil and gas lease PRC 7176. With payment of the rental, penalty and interest, the lessee has complied with all applicable laws and lease provisions.

**STATUTORY AND OTHER REFERENCES:**

A. P.R.C. Section 6804.1 and Paragraph 26 of the lease.

**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 PG&E RESOURCES COMPANY THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7176 DATED FEBRUARY 26, 1993, WHICH QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT "A" ATTACHED. THE QUITCLAIM IS EFFECTIVE MARCH 1, 1993, THE DATE IT WAS FILED WITH THE STATE.
3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

PRC 7176

LAND DESCRIPTION

W 40539

All those California State tide, submerged, and proprietary lands in the vicinity of the San Joaquin River and lying within projected Sections 28 and 29, T2N, R5E, MDM, San Joaquin County, California.

END OF DESCRIPTION

PREPARED OCTOBER 21, 1987 BY BIU 1.

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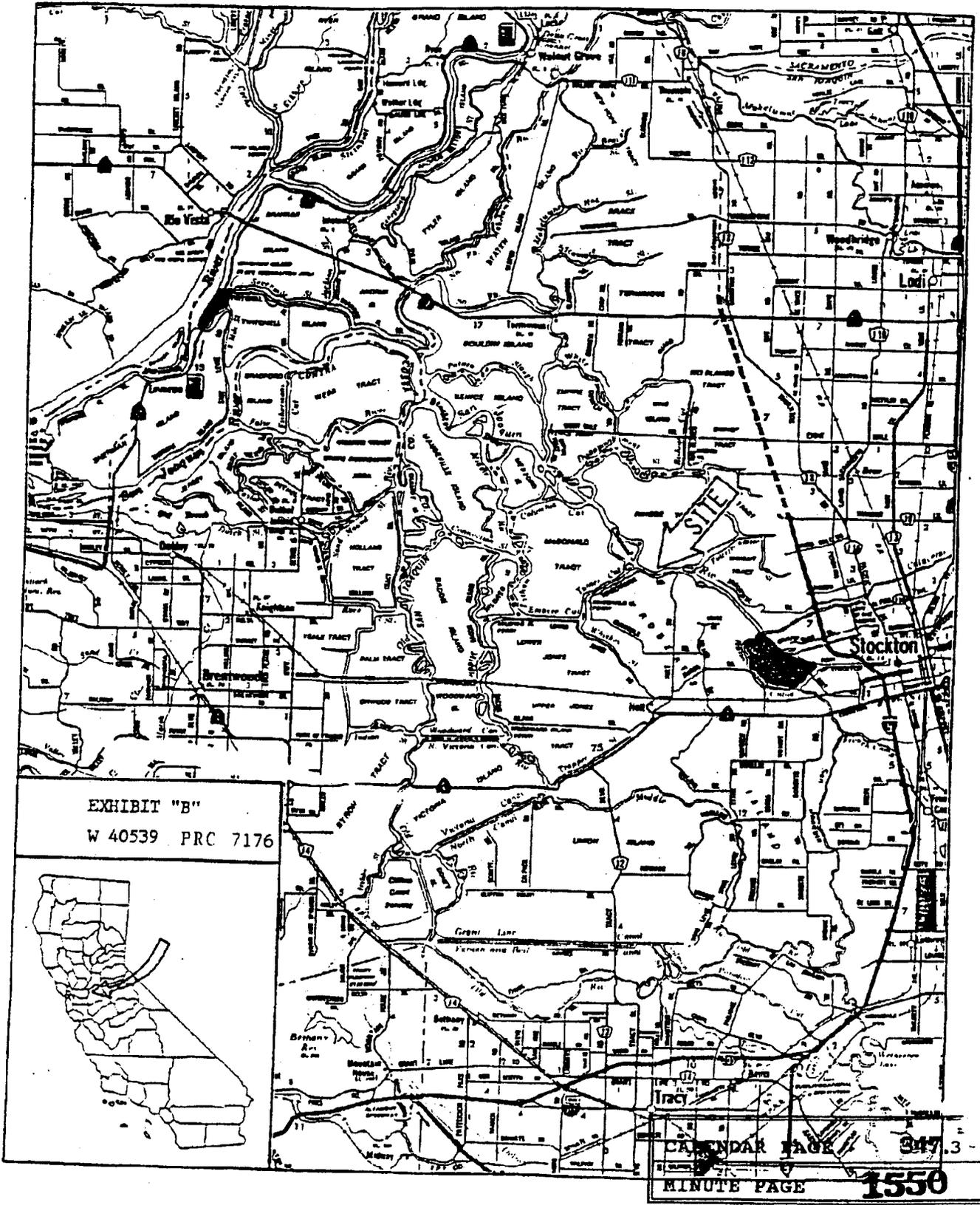


EXHIBIT "B"  
 W 40539 PRC 7176



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