

This Calendar Item No. C74
was approved as Minute Item
No. 74 by the State Lands
Commission by a vote of 3
to 0 at its 3/8/94
meeting

CALENDAR ITEM

C74

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03/08/94
PRC 7283
Nitsche

ACCEPT THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL AND GAS LEASE PRC 7283,
SUTTER COUNTY

LESSEE:

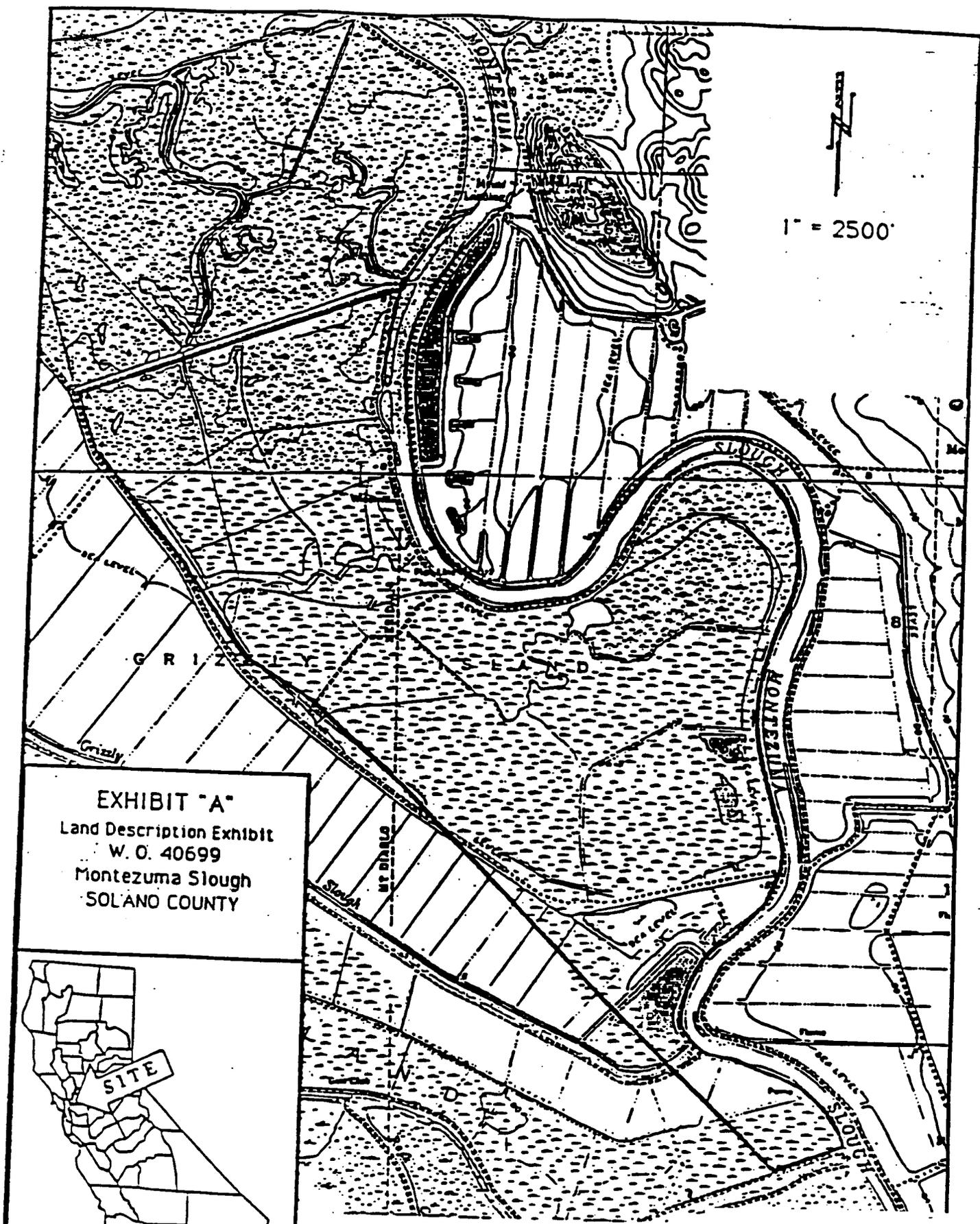
Capitol Oil Corporation
Attn: Suzette Wilkin
1545 River Park Drive, Suite 501
Sacramento, California 95815

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease PRC 7283 (Lease) was issued to Capitol Oil Corporation on February 6, 1989. PRC 7283 contains 128 acres of Department of Fish and Game land located within the Tisdale By-Pass, Sutter County, California. Under the terms of the Lease, the lessee is required to pay an annual rental of \$20 per acre (\$2,560 for 128 acres) and commence drilling operations on the leased lands within three years. No wells have been drilled on or into the leased lands.

P.R.C. 6804.1 and Lease Paragraph 30 provides 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.

On January 15, 1993, the Commission received the document "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated February 4, 1992 and quitclaims back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit "A" of State oil and gas lease PRC 7283 dated February 6, 1989.



1" = 2500'

EXHIBIT "A"
 Land Description Exhibit
 W. O. 40699
 Montezuma Slough
 SOLANO COUNTY



NOTE:
 THIS EXHIBIT IS NOT A SURVEY, NOR
 DOES ANY LINE APPEARING HEREON
 REPRESENT A BOUNDARY LINE

CALENDAR PAGE 482.1
 MINUTE PAGE 627

CALENDAR ITEM NO. C74 (CONT'D)

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 REFERENCES:

- A. P.R.C. 6804.1 and Lease Paragraph 30.

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 CEQA because the activity is not a "project" as defined by the CEQA Statutes and Guidelines.

Authority: P.R.C. 21084 and 14 Cal. Code Regs. 15378.

EXHIBIT:

- A. Land Description

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 CAPITOL OIL CORPORATION (LESSEE) THE (FULL) QUITCLAIM DEED FOR STATE OIL AND GAS LEASE DATED FEBRUARY 4, 1992, WHEREIN THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF STATE OIL AND GAS LEASE PRC 7283 DATED FEBRUARY 6, 1989.
3. RELEASE CAPITOL OIL CORPORATION FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7283 EFFECTIVE JANUARY 15, 1993, THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

LAND DESCRIPTION

W 40564

A parcel of land in Sections 25 and 36, T14N, R1E, MDM, and Sections 30 and 31, T14N, R2E, MDM, in Sutter County California, described as follows:

BEGINNING at the southwestern corner of Lot 25 and the northwestern corner of Lot 26, as shown on the map entitled "Subdivision Map of Tisdale Ranch", filed in Book 3 of Surveys, Pages 2 and 3, Sutter County Records; thence N 0° 14' E 440 feet more or less along the west line of said Lot 25 to its intersection with a line distant southerly 340 feet and parallel with the centerline of the north levee of Tisdale By-Pass; thence easterly along said parallel line S 89° 26' 15" E 7800 feet more or less to the east line of said Section 30; thence south along the east line of said sections 30 and 31 to its intersection with the north line of the Subdivision of lands in Reclamation District No. 1500 as shown on the map entitled "Map of Survey of Portion of Lands in Reclamation District No. 1500" filed in the office of the County Recorder of said County, on December 24, 1935 in Book 6 of Surveys, Pages 1 to 23; thence westerly along said north line to its intersection with the west line of said Lot 26; thence N 0° 14' E 280 feet more or less along said west line to the point of beginning.

END OF DESCRIPTION

PREPARED OCTOBER 17, 1988 BY BIU 1.

CALENDAR PAGE	484
MINUTE PAGE	629