

MINUTE ITEM

This Calendar Item No. C48
was approved as Minute Item
No. 48 by the State Lands
Commission by a vote of 3
to 0 at its 8-3-94
meeting.

CALENDAR ITEM

C48

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08/03/94
PRC 7282
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**APPROVE DEFERMENT OF DRILLING OBLIGATION,
STATE OIL AND GAS LEASE PRC 7282,
SACRAMENTO RIVER,
YOLO AND SUTTER COUNTIES**

APPLICANT:

Montis Niger, Inc.
Three Radnor Corporate Center
Radnor, Pennsylvania 19087

AREA, TYPE LAND AND LOCATION:

State oil and gas lease PRC 7282 contains 320 acres in the
bed of the Sacramento River, Yolo and Sutter Counties.

BACKGROUND:

State oil and gas lease PRC 7282 was issued on February 6,
1989. The original lease contained 110 acres in the bed of
the Sacramento River. The Commission approved on
September 23, 1992, the lessee's request for a pooling of
54.06 State acres into "Knights Landing Unit B" and an
increase in leased State acreage to 320 acres in the bed of
the Sacramento River.

Montis Niger, Inc., through its operator, AA Production,
Inc., by letter dated July 6, 1994, has requested a two-year
deferment of the drilling obligation on the remaining
unpooled 265.94 acres in PRC 7282. Montis Niger, Inc.
intends to pursue a development program in the area and will
need additional time to process new seismic data to
determine future drilling locations.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

CALENDAR PAGE	544
MINUTE PAGE	3234

CALENDAR ITEM NO. C48 (CONT'D)

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. APPROVE A DEFERMENT OF THE DRILLING OBLIGATION UNDER STATE OIL AND GAS LEASE PRC 7282 UNTIL JULY 1, 1996.

EXHIBIT "A"

PRC 7282

**AMENDED LEASE
LAND DESCRIPTION**

Two parcels of State owned land in Yolo and Sutter Counties, California, more particularly described as follows:

PARCEL NO.1:

All that submerged land in the bed of the Sacramento River downstream from the southeasterly right-of-way of the Southern Pacific Railroad in the town of Knights Landing within the projected Sections 13, 14, 24, 25 T11N, R2E, and Sections 18, 19, 30, 31, 32 T11N, R3E, MDM.

EXCEPTING THEREFROM that portion in Section 31, 32 T11N, R3E, MDM, as described in PRC 6078, filed in the office of the State Lands Commission, more particularly described as follows: All those State owned submerged lands in the bed of the last natural channel of the Sacramento River at Grays Bend, Sutter and Yolo Counties, State of California, lying within T10N and T11N, R3E, MDM, Bounded on the north by California Coordinate System Zone 2 Coordinates of X=2094600 and Y=398250; thence running downstream southwesterly, southerly, easterly, northerly and northeasterly and terminating at coordinates X=2096000 and Y=396850. ALSO EXCEPTING THEREFROM any portion lying landward of the ordinary low water marks of said river.

PARCEL NO. 2

All that State owned land in the bed of the cut-off loop of the Sacramento River, known as Mary Lake, Sutter County, State of California, described as follows: The northwest-quarter (NW1/4) of Section 19, T11N, R3E, MDM.

EXCEPTING THEREFROM the following:

1. All that portion conveyed by patent from the State of California to James Waters, recorded April 24, 1917, in Book "E" of Patents, page 164, records of Sutter County.
2. All that portion conveyed by patent from the State of California to William McGriff, recorded January 2, 1874 in Book "C" of Patents, page 296, records of Sutter County.
3. All that portion conveyed by patent from the State of California to L. Johnson, recorded January 4, 1911 in Book "E" of Patents, page 121, records of Sutter County.

END OF DESCRIPTION

PREPARED DECEMBER, 1991 BY LLB

CALENDAR PAGE	546
MINUTE PAGE	3236

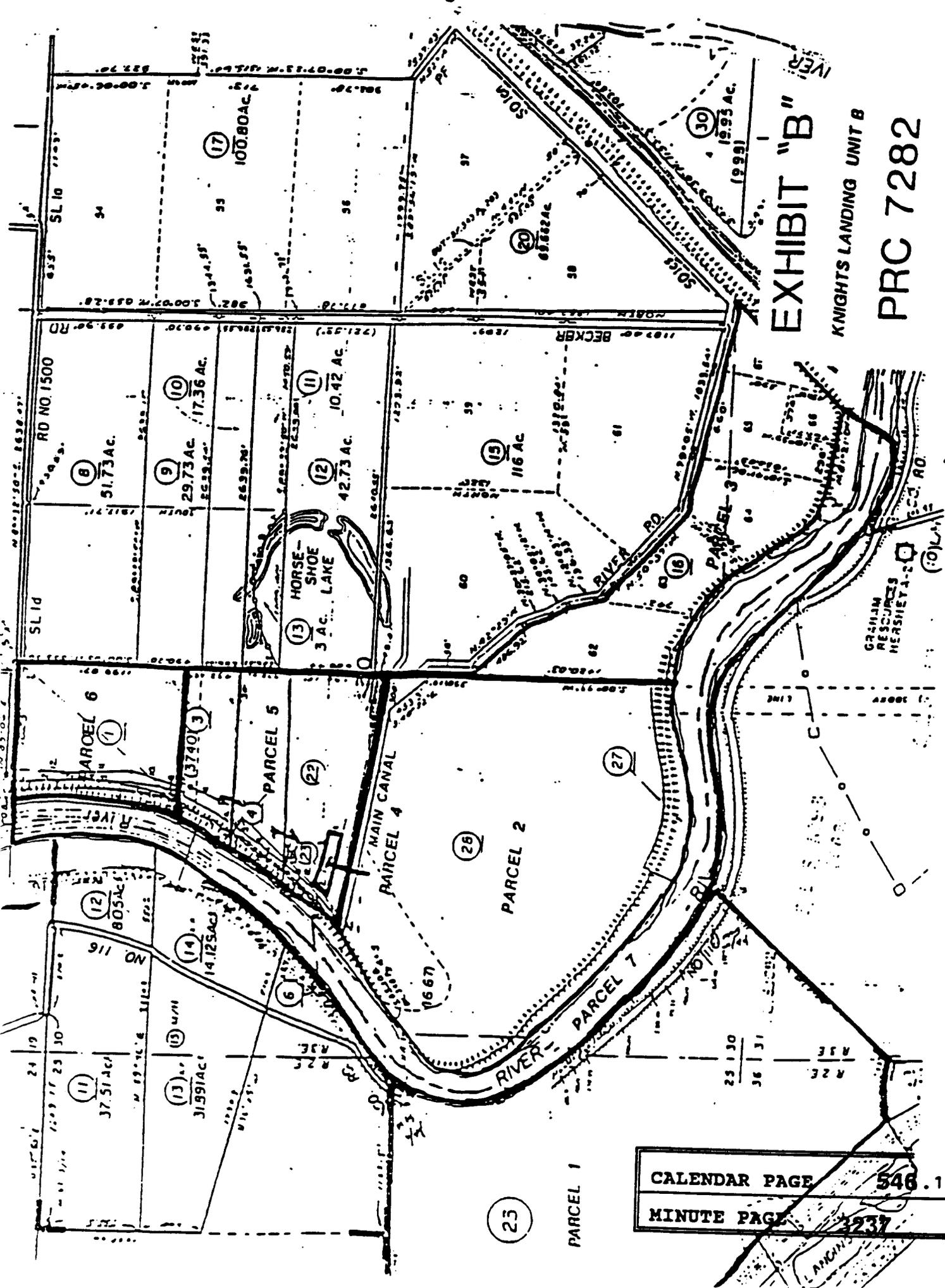


EXHIBIT "B"
 KNIGHTS LANDING UNIT B
 PRC 7282

CALENDAR PAGE 546.1
 MINUTE PAGE 237