MINUTE ITEM
This Calendar Item No. C52
was approved as Minute Item
No. 52 by the State Lands
Commission by a vote of 3
to 0 at its 8-3-94
meeting.

CALENDAR ITEM

C52

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08/03/94
PRC 7688
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ACCEPT THE QUITCLAIM OF NEGOTIATED SUBSURFACE (NO SURFACE USE) STATE OIL AND GAS LEASE PRC 7688 (50 ACRES UNDER THE SACRAMENTO RIVER), SACRAMENTO AND YOLO COUNTIES

LESSEE:

Venada National
2580 Sierra Boulevard, Suite A
Sacramento, California 95825

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease PRC 7688 (Lease) was issued to Venada National (Venada) on April 28, 1993 and contains 50 acres of tide, submerged and proprietary lands in the bed the Sacramento River in Sacramento and Yolo Counties, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of $25 per acre ($1,250 for 50 acres) and commence drilling operations on the leased lands within three years. No wells were drilled under or through state lands.

P.R.C. 6804.1 and Lease paragraph 30 permit the lessee to 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, royalties and liabilities under the lease prior to the effective date of the quitclaim.

On May 16, 1994, the Commission received the document "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated May 12, 1994, and quitclaims 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 7688 dated April 28, 1993.

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. 21065 and 14 Cal. Code Regs. 15378.

EXHIBITS:

A. Land Description
B. Location Map

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 VENADA NATIONAL (LESSEE) THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7688 DATED MAY 12, 1994, WHERE THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE STATE OIL AND GAS LEASE PRC 7688 DATED APRIL 28, 1993.

3. RELEASE VENADA NATIONAL FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7688 EFFECTIVE MAY 16, 1994, THE FILING DATE OF THE QUITCLAIM DEED.

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

EXHIBIT "A"

PRC 7688
W 40651

LAND DESCRIPTION

A parcel of the State-owned sovereign land in the bed of the Sacramento River, Sacramento and Yolo Counties, California, bounded as follows:

Bounded on the north by the north bank of the Sacramento River.

Bounded on the west by a line 520 feet East and running parallel with the prolongation of the west line of Swamp and Overflowed Survey 372, Yolo County.

Bounded on the south by the south bank of the Sacramento River.

Bounded on the east by the prolongation of the east line of Swamp and Overflowed Survey 372, Yolo County.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of the Sacramento River.

END OF DESCRIPTION

PREPARED APRIL, 1992 BY LLB

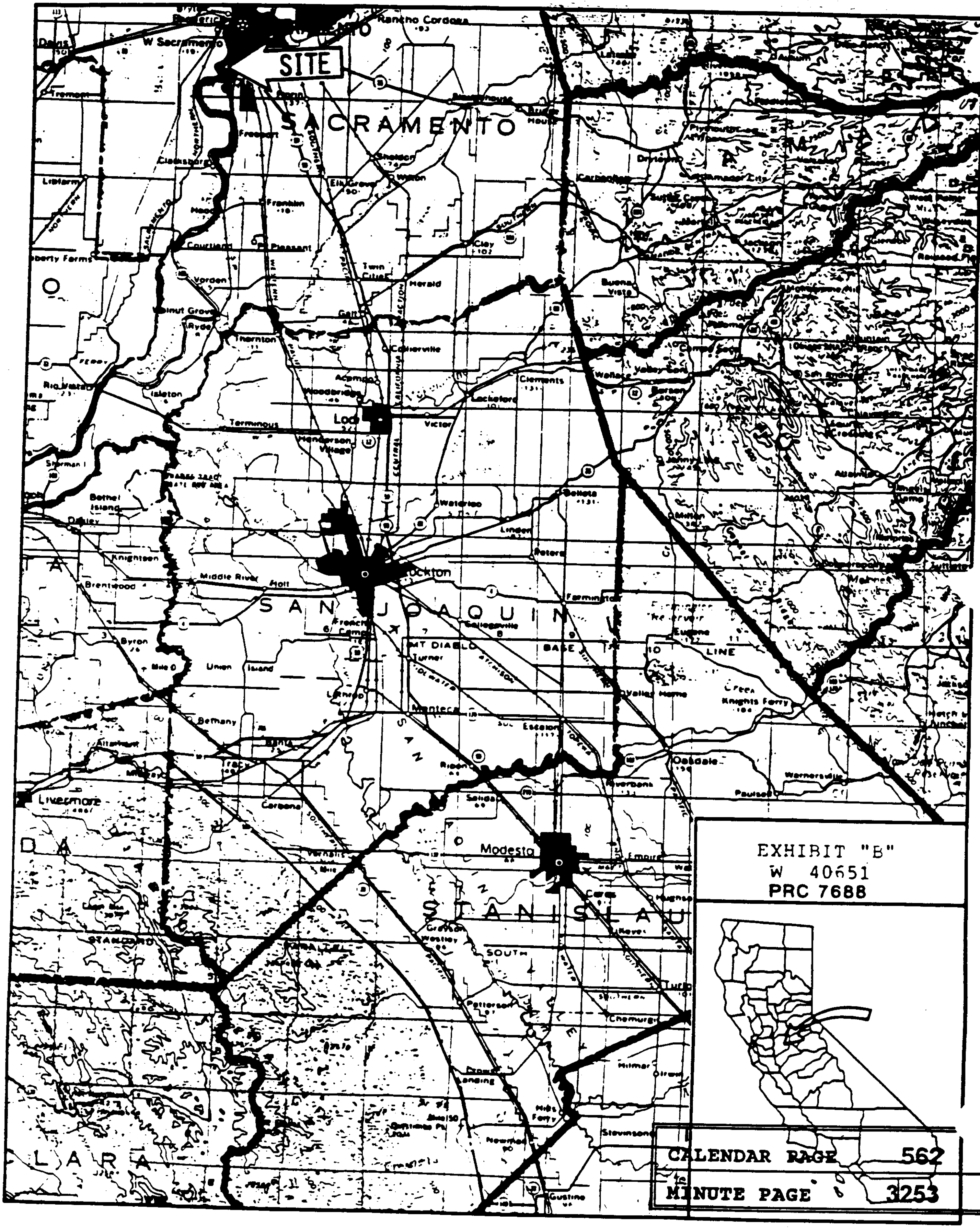

EXHIBIT "B"
W 40651
PRC 7688

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