MINUTE ITEM
This Calendar Item No. C123
was approved as Minute Item
No. 123 by the State Lands
Commission by a vote of 3
to Ø at its 11/15/94
meeting.

CALENDAR ITEM
C123

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11/15/94
PRC 7574
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ACCEPT THE QUITCLAIM DEED OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL AND GAS LEASE PRC 7574
(65 ACRES UNDER THE SACRAMENTO RIVER),
GLENN COUNTY

LESSEE:

Tri-Valley Oil & Gas Company
2001 Westwind Drive, Suite 14
Bakersfield, CA 93301

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease PRC 7574 (Lease) was issued to Tri-Valley Oil & Gas Company (Tri-Valley) on September 23, 1991 and contains 65 acres of tide, submerged and proprietary lands in the bed the Sacramento River in Glenn County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of $25 per acre ($1,625 for 65 acres) and commence drilling operations on the leased lands within three years. An exploratory well was directionally drilled from an upland drillsite which bottomed under state lands. The exploratory well was a dry hole and subsequently abandoned in accordance with applicable regulations.

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 September 6, 1994, the Commission received the "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated September 1, 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 7574 dated September 23, 1991.

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 TRI-VALLEY OIL & GAS COMPANY (LESSEE) THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7574 DATED SEPTEMBER 1, 1994, WHEREIN THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE STATE OIL AND GAS LEASE PRC 7574 DATED SEPTEMBER 23, 1991.

3. RELEASE TRI-VALLEY OIL & GAS COMPANY FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7574 EFFECTIVE SEPTEMBER 6, 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 7574

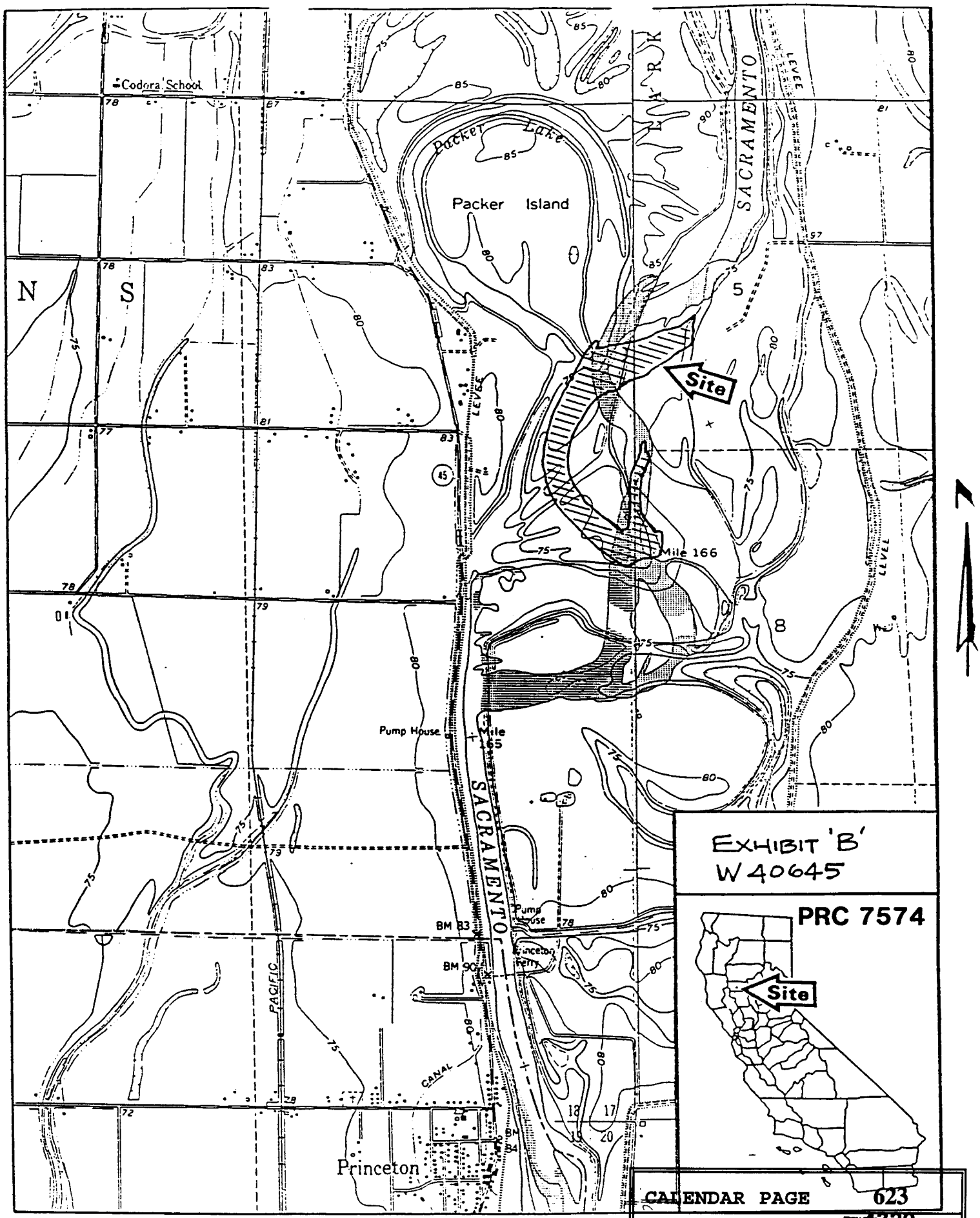
W 40645

LAND DESCRIPTION

All that State owned sovereign bed of the Sacramento River within Assessor's Parcel Numbers 13-140-003, 009, 013 & 014; bounded on the east and west by the ordinary low water marks of the Sacramento River and bounded on the north and south by the easterly line of that certain parcel described in Exhibit "A", Parcel One, recorded July 9, 1990, in Book 90, Page 3548, official Records of Glenn County, California.

END OF DESCRIPTION

PREPARED AUGUST, 1991 BY LLB


Codora School
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LEVEE
Site
Mile 166
Pump House
Mile 165
SACRAMENTO
Pump House
BM 83
BM 90
Princeton Ferry
PACIFIC
CANAL
BM 84
Princeton
EXHIBIT 'B'
W40645
PRC 7574
Site