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 3/1/95
meeting.

CALENDAR ITEM
C52

A 8, 10, 15, 17

S 4, 5, 7

03/01/95
PRC 714
PRC 729
Nitsche

APPROVE THE PARTIAL ASSIGNMENT OF STATE OIL AND GAS LEASES PRC 714 AND PRC 729, RIVER ISLAND, SACRAMENTO AND SAN JOAQUIN COUNTIES

ASSIGNOR:

Union Oil Company of California
Attn: H. Wayne Rodges
1800 30th Street, Suite 200
Bakersfield, California 93301-1921

ASSIGNEE:

Enron Oil & Gas Company
Attn: D. Weaver
1625 Broadway, Suite 1300
Denver, Colorado 80202

AREA, TYPE LAND AND LOCATION:

Oil and gas leases PRC 714 and PRC 729 contain tide and submerged land encompassing portions of the Sacramento River, Georgiana Slough, and the North Fork of the Mokelumne River in Sacramento and San Joaquin Counties.

BACKGROUND:

Oil and gas leases PRC 714 and PRC 729 were issued to Brazos Oil and Gas Company on April 18, 1956, and June 30, 1956, respectively. Through a series of assignments, Union Oil Company of California (Unocal) holds an undivided one-half interest in PRC 714 and PRC 729. Casex Company (Casex) holds an undivided one-half interest in PRC 714 and PRC 729 and is the operator.

Paragraph 4 of gas leases PRC 714 and PRC 729 provides, in part, that the lease may not be assigned except with the written consent of the State, and then only to a corporation, who at the time of the proposed assignment, possesses the qualifications provided in Division 6 of the Public Resources Code.

In a letter dated January 26, 1995, Enron Oil and Gas Company (Enron) requested approval of the assignment from Unocal to Enron of all of Unocal's right, title and interest in PRC 714 and PRC 729.

Commission staff has reviewed the financial documents submitted by Enron and has found Enron to be qualified under P.R.C. 6801 and P.R.C. 6804 to hold the lease. The bond requirements of each lease has been fulfilled by the Assignee, and the forms of assignment have been executed by Unocal (Assignor) and by Enron (Assignee).

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee, processing costs have been received.

Separate performance bonds, each in the sum of $25,000 have been received for PRC 714 and PRC 729.

STATUTORY AND OTHER REFERENCES:

A. P.R.C. 6801, P.R.C. 6804 and P.R.C. 6507.

B. PRC 714 and PRC 729 Lease Paragraph 4.

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. APPROVE THE ASSIGNMENT TO ENRON OIL & GAS COMPANY OF UNION OIL COMPANY OF CALIFORNIA'S UNDIVIDED ONE-HALF INTEREST IN PRC 714 AND PRC 729. THE ASSIGNMENT SHALL NOT RELEASE THE ASSIGNOR FROM ANY OBLIGATION TO THE COMMISSION UNDER THE ORIGINAL AGREEMENT AND LEASES, AND THE ASSIGNEE SHALL BE BOUND BY THE AGREEMENT AND LEASES, INCLUDING ANY MODIFICATIONS AND COLLATERAL AGREEMENTS, TO THE SAME EXTEND AS THE ASSIGNOR, ANY CONDITION IN ANY ASSIGNMENT AGREEMENT TO THE CONTRARY NOTWITHSTANDING. THIS ASSIGNMENT WILL TAKE EFFECT ON THE FIRST DAY OF THE MONTH FOLLOWING COMMISSION ACTION.

3. AUTHORIZE THE STAFF TO EXECUTE ANY DOCUMENTS NECESSARY TO CARRY OUT THE COMMISSION'S ACTION.

EXHIBIT A

LAND DESCRIPTION

Parcel A

PRC 729

All of those tide and submerged lands lying northerly and westerly of a line drawn midway between the centerlines of the existing channels of the Sacramento River and Georgiana Slough within the limits of the following described tract:

Tract

Beginning at ~~a point at~~ the southwest corner of Section 31, T. 5 N., R. 4 E., M.D.B.& M., thence east a distance of approximately 18,300 feet to the southeast corner of Section 34 , T. 5 N., R. 4 E., M.D.B.& M., thence south a distance of approximately 33,625 feet to a point (on the projection of the east line of Section 34, T. 5 N., R. 4 E., M.D.B.& M.,) thence west a distance of approximately 18,300 feet to the intersection with the boundary of State Easement No. 415 (this point is also the intersection of the east boundary of State Easement No. 415 and the projection of the west line of Township 5 N ., R. 4 E., M.D.B. & M.) thence northwesterly along the boundary line of State Easement No. 415 a distance of approximately 10,700 feet to a point marked Pier 8 U.S.E.D., thence northeasterly a distance of approximately 14,300 feet to a point on the projection of the west line of T. 5 N., R. 4 E., M.D.B.& M., thence north a distance of approximately 10,800 feet to the southwest corner of Section 31, T. 5 N., R. 4 E., M.D.B.& M., the point of beginning, hereinafter referred to as the "Tract" and shown on Exhibit "A".

Parcel B

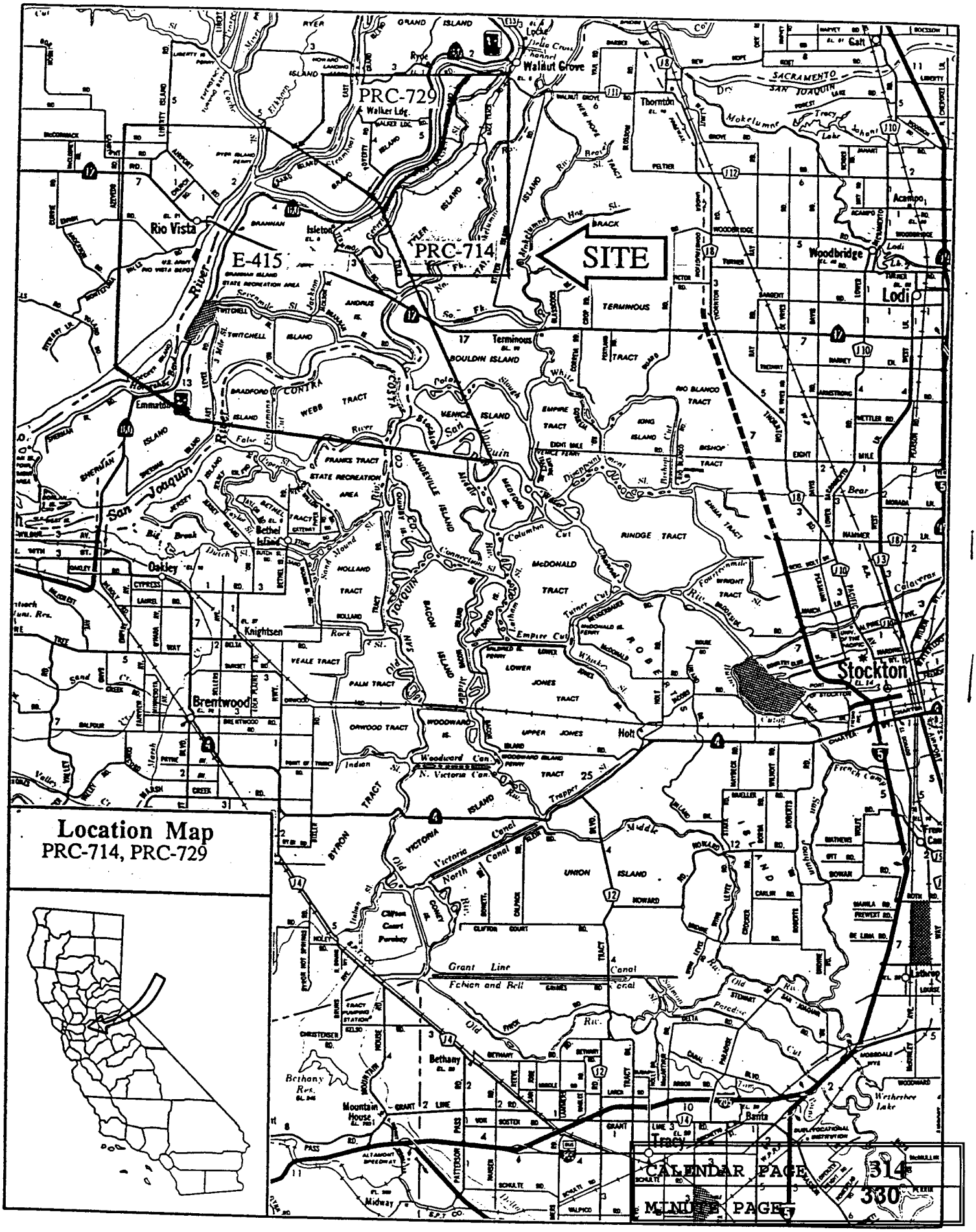
PRC 714

All of those tide and submerged lands lying southerly and easterly of a line drawn midway between the centerlines of the existing channels of the Sacramento River and Georgiana Slough within the limits of the following described tract:

Tract

Beginning at a point at the southwest corner of Section 31, T. 5 N., R. 4 E., M.D.B. & M., thence east a distance of approximately 18,300 feet to the southeast corner of Section 34, T. 5 N., R. 4 E., M.D.B. & M., thence south a distance of approximately 33,625 feet to a point (on the projection of the east line of Section 34, T. 5 N., R. 4 E., M.D.B. & M.,) thence west a distance of approximately 18,300 feet to the intersection with the boundary of State Easement No. 415 (this point is also the intersection of the east boundary of State Easement No. 415 and the projection of the west line of Township 5 N., R. 4 E., M.D.B. & M.) thence northwesterly along the boundary line of State Easement No. 415 a distance of approximately 10,700 feet to a point marked ~~Pier 8 U.S.E.D.,~~ thence northeasterly a distance of approximately 14,300 feet to a point on the projection of the west line of T. 5 N., R. 4 E., M.D.B.& M., thence north a distance of approximately 10,800 feet to the southwest corner of Section 31, T. 5 N., R. 4 E., M.D.B.& M., the point of beginning, hereinafter referred to as the "Tract" and shown on Exhibit "A".

EXHIBIT B


PRC-729
PRC-714
SITE
E-415
Walnut Grove
Thornton
Rio Vista
Isleton
Terminous
Emmaton
Oakley
Bethel Island
Knightsen
Brentwood
Holt
Stockton
Lodi
Woodbridge
Acampo
Bethany
Mountain House
Tracy
Banta
Lathrop
Location Map
PRC-714, PRC-729