

MINUTE ITEM

This Calendar Item No. C49
was approved as Minute Item
No. 49 by the State Lands
Commission by a vote of 3
to 0 at its May 3, 1995
meeting.
05/03/95
PRC 7750
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CALENDAR
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ACCEPT THE QUITCLAIM DEED OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL AND GAS LEASE PRC 7750
(209 ACRES UNDER THE SAN JOAQUIN AND FALSE RIVERS),
CONTRA COSTA COUNTY

LESSEES:

Russell H. Green Jr.
P. O. Box 965
Hearldsburg, California 95448

Rio Delta Resources, Inc.
3600 American River Drive, Suite 200
Sacramento, California 95864

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease PRC 7750 (Lease) was issued to Russell H. Green, Jr. and Rio Delta Resources Inc. on March 8, 1994 and contains 209 acres of tide, submerged and proprietary lands in the bed of San Joaquin and False Rivers in Contra Costa County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$25 per acre (\$5,225 for 209 acres) and commence drilling operations on the leased lands within three years. No wells were drilled into State lands; however, an unsuccessful well was drilled nearby.

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 March 16, 1995, the Commission received the "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated March 8, 1995, 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 7750.

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CALENDAR ITEM NO. C49 (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. 21065 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 RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES INC. (LESSEE) THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7750 DATED MARCH 8, 1994, WHEREIN THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE STATE OIL AND GAS LEASE PRC 7750 DATED MARCH 8, 1995.
3. RELEASE RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES INC. FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE PRC 7750 EFFECTIVE MARCH 16, 1995, THE FIRST NOTICE OF THE FILING OF QUITCLAIM.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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All that tide and submerged land in the bed of the San Joaquin River and False River bounded on the north by the south line of PRC 415.1, on the east by the west line of the Green-Reedy Lease, on the west by the westerly line of Contra Costa County, on the south by a line projected west from the Jersey Point Light, Contra Costa County, California, and marked by hatching on this exhibit.

This Land description is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

PRC 7750

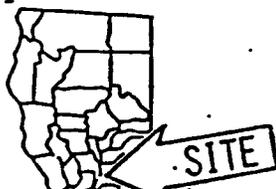
Russell H. Green Jr. and
Rio Delta Resources Inc.

South Line
Lease 415.1
CH. 5, Stats. 1938

West Line of
Green-Reedy Lease
PRC 7670

West Line
Contra Costa
County

EXHIBIT A
W 40706
PRC 7750



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