

MINUTE ITEM  
This Calendar Item No. C67  
was approved as Minute Item  
No. 67 by the State Lands  
Commission by a vote of 3  
to 0 at its 10/28/96  
meeting.

CALENDAR ITEM  
**C67**

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10/28/96  
PRC 7657  
A. Nitsche

**APPROVAL OF DEFERMENT OF DRILLING OBLIGATION,  
OIL AND GAS LEASE NO. PRC 7657,  
FALSE RIVER, SERPENT SLOUGH AND SHORT SLOUGH  
CONTRA COSTA COUNTY**

**LESSEE/OPERATOR:**

Tri-Valley Oil & Gas Company  
230 So. Montclair, Suite 101  
Bakersfield, California 93309

**AREA, TYPE LAND AND LOCATION:**

Oil and Gas Lease No. PRC 7657 (Lease) contains 195 acres in the bed of False River, Serpent Slough and Short Slough in Contra Costa County, California.

**BACKGROUND:**

Oil and Gas Lease No. PRC 7657 was issued on September 23, 1992. The original lease contained 195 acres in the bed of False River, Serpent Slough and Short Slough. On May 3, 1995, the Commission approved the lessee's request for a pooling of 140 State acres into the "Webb Tract Unit No. 1".

The original lease had a drilling term of three years which required a well to be drilled into the leased lands within that time period. Tri-Valley Oil & Gas Company (Tri-Valley) has drilled a well on adjacent lands and unitized 140 acres of the State leases into the "Webb Tract No. 1". The initial drilling term of the remaining 55 unpooled acres expired on September 23, 1995. Tri-Valley requested and the Commission approved, on December 7, 1995, the deferment of the drilling obligation under Oil and Gas Lease No. PRC 7657 until September 23, 1996.

Tri-Valley, by letter of September 18, 1996, has requested another one year deferment of the drilling obligation on the remaining unpooled 55 acres in Lease No. PRC 7657 until September 23, 1997. Tri-Valley intends to pursue a development program in the area and will need additional time to evaluate data to determine future drilling locations.

**CALENDAR ITEM NO. C67 (CONT'D)**

**STATUTORY AND OTHER REFERENCES:**

- A. Public Resources Code Section: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

**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: Public Resources Code Section 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 PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
- 2. CONSIDER APPROVAL OF A DEFERMENT OF THE DRILLING OBLIGATION UNDER OIL AND GAS LEASE NO. PRC 7657 UNTIL SEPTEMBER 23, 1997. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

PRC 7657

LAND DESCRIPTION

A parcel of tide and submerged land in the bed of False River and in the bed of Serpent Slough, and in the bed of Short Slough, Contra Costa County, California, more particularly described as follows:

BEGINNING at the intersection of the Ordinary High Water Mark on the north bank of False River with the common boundary between the lands described in that certain Grant Deed to Michael Skarry, et ux, recorded on February 12, 1987 in Book 13446 at page 266, and the lands described in that certain Quit Claim Deed to Peter L. Townsend, et ux, recorded on February 3, 1977 in Book 8189 at page 500; thence southerly along the southerly prolongation of the aforesaid common boundary to the intersection with the Ordinary High Water Mark on the south bank of False River; thence easterly along said Ordinary High Water Mark of said south bank of False River to a point at the northeasterly terminus of the common boundary between the lands granted to the State of California and described in Document No. 3482-522, recorded on October 27, 1959, and the lands granted to the State of California and described in Document No. 3900-486 recorded on June 30, 1961 Contra Costa records; thence from said point crossing False River, N 35° E, to the Ordinary High Water Mark on the north bank of said river; thence westerly along said Ordinary High Water Mark of said north bank to the point of beginning.

TOGETHER WITH all those tide and submerged lands lying between the Ordinary High Water Marks in the historical bed of Serpent Slough.

TOGETHER WITH all those tide and submerged lands lying between the Ordinary High Water Marks in the historical bed of Short Slough.

END OF DESCRIPTION

PREPARED JUNE, 1992 BY LLB.

CALENDAR PAGE 478

MINUTE PAGE 002928

