

MINUTE ITEM
This Calendar Item No. C68
was approved as Minute Item
No. 68 by the State Lands
Commission by a vote of 3
to 0 at its 10/28/96
meeting.

CALENDAR ITEM
C68

A 8, 15

S 4, 7

10/28/96
PRC 7847
A. Nitsche

**ACCEPT THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 7847
(238 ACRES UNDER THE SAN JOAQUIN RIVER),
CONTRA COSTA AND SACRAMENTO COUNTIES**

LESSEE:

Russell H. Green Jr. and Rio Delta Resources, Inc.
P. O. Box 965
Healdsburg, California 95448

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 7847 (Lease) was issued to Russell H. Green, Jr. and Rio Delta Resources, Inc. on October 17, 1995, and contains approximately 238 acres of tide and submerged lands in the bed and vicinity of the San Joaquin River in Contra Costa County and Sacramento County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$30 per acre (\$7,140 for 238 acres) and commence drilling operations on the leased lands within three years. No wells have been drilled on or into the leased lands.

Public Resources Code Section 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 and royalties and to abandon all wells drilled on the leased lands.

On September 30, 1996, the Lessee submitted to the State Lands Commission a "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated September 17, 1996, and quitclaims back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit "A" of Oil and Gas Lease No. PRC 7847 dated October 17, 1995.

CALENDAR ITEM NO. C68 (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. Public Resources Code Section 6804.1 and Lease Paragraph 30.

AB 884:

05/30/97

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: Public Resources Code Section 21084 and 14 Cal. Code Regs. 15378.

EXHIBITS:

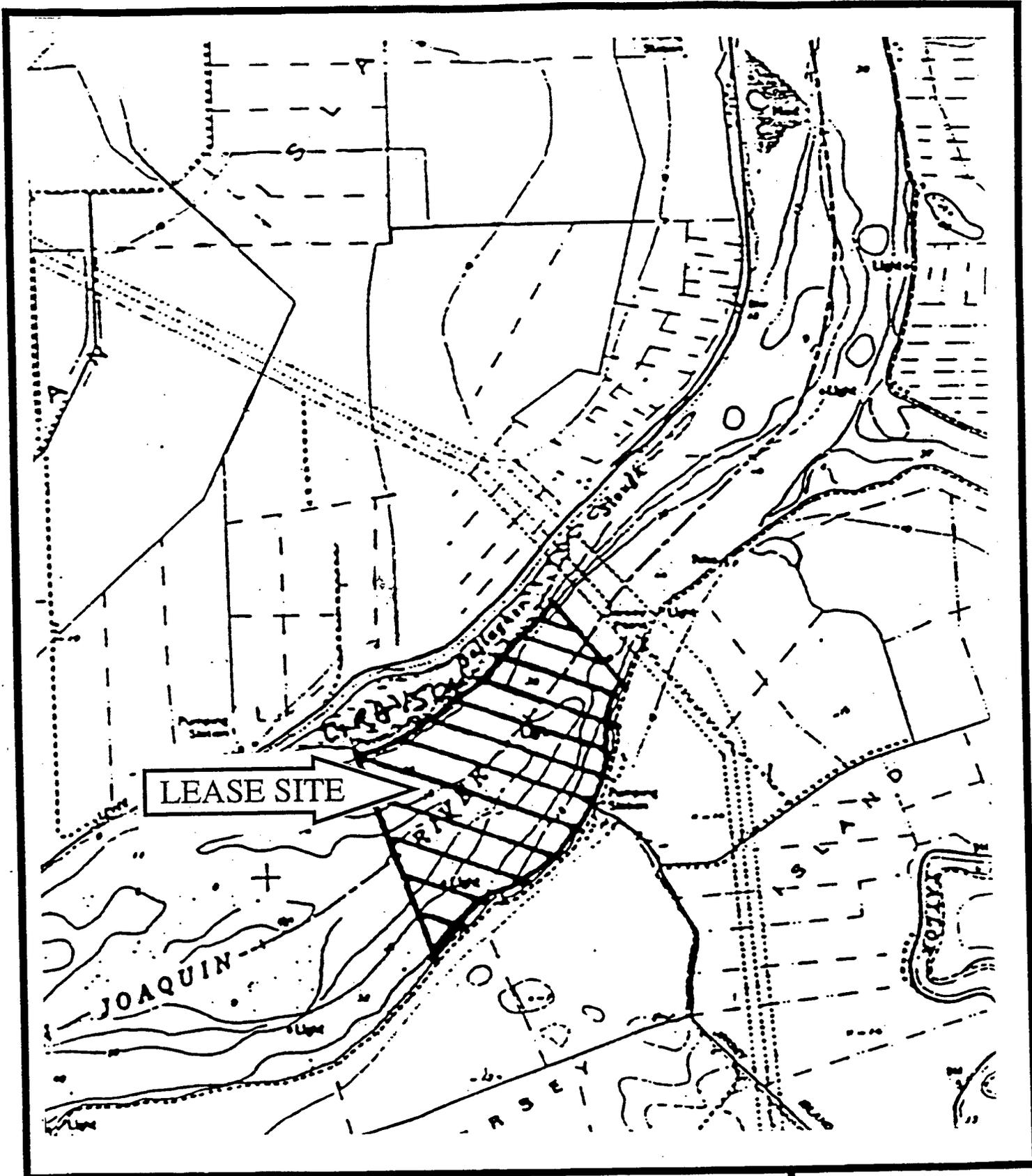
- A. Land Description
B. Location Map

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 PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
2. ACCEPT FROM RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES INC., (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE NO. PRC 7847 DATED SEPTEMBER 17, 1996, WHERE THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF OIL AND GAS LEASE NO. PRC 7847 DATED OCTOBER 17, 1995.

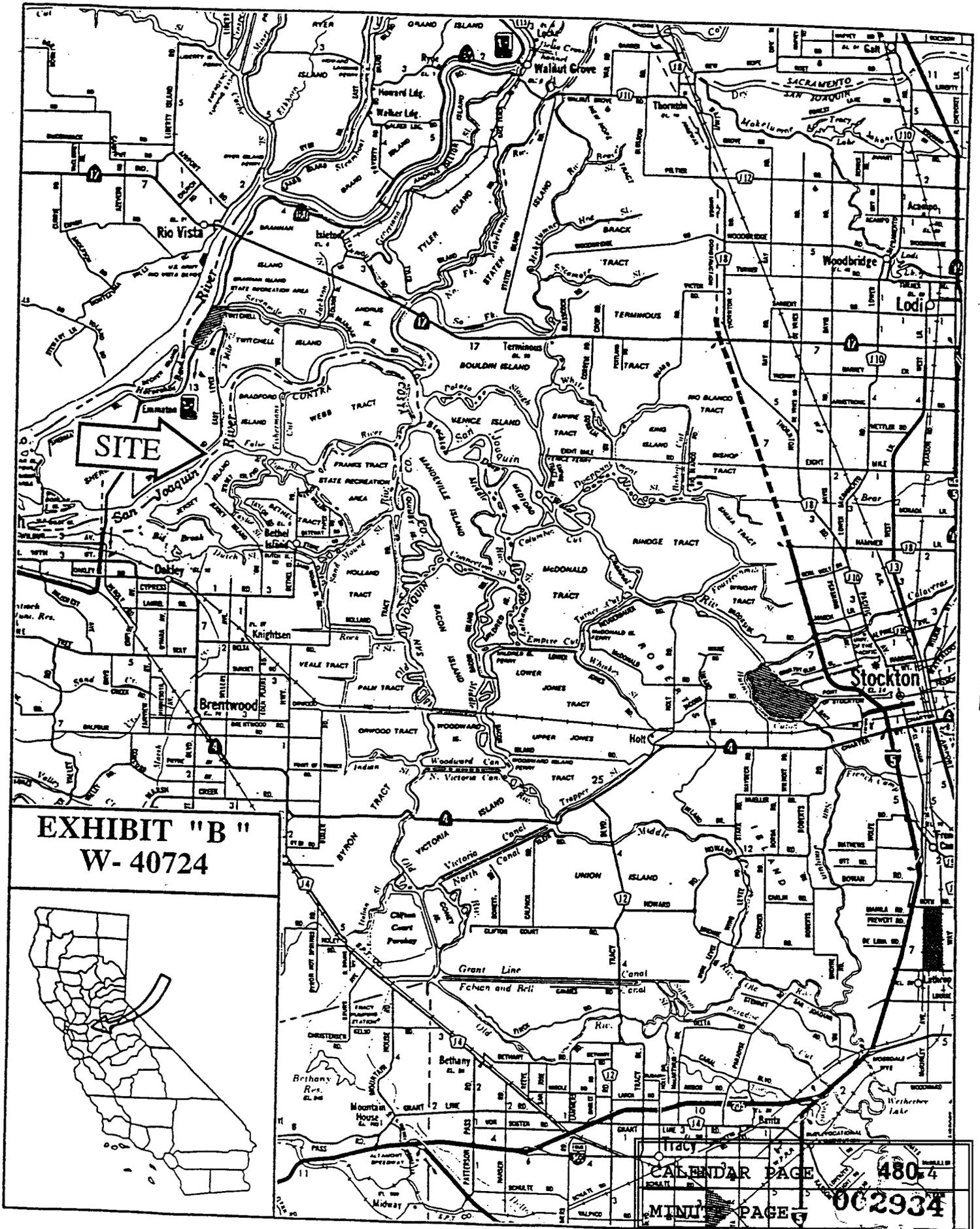
CALENDAR ITEM NO. C68 (CONT'D)

3. RELEASE RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES INC., FROM ALL OBLIGATIONS UNDER OIL AND GAS LEASE NO. PRC 7847 EFFECTIVE SEPTEMBER 30, 1996, THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.



This exhibit 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.

EXHIBIT "A"
 CALENDAR PAGE 407480.3
 MINUTE PAGE 000000



SITE

EXHIBIT "B"
W-40724



CALENDAR PAGE 480-4
MINUTE PAGE 002934