MINUTE ITEM
This Calendar Item No. C87
was approved as Minute Item
No. 87 by the State Lands
Commission by a vote of 3
to 3 at its 02/12/97
meeting.

CALENDAR ITEM
C87

A 8, 11

S 4, 7

02/12/97
PRC 3833
A. Nitsche

ACCEPT THE FULL QUITCLAIM OF NEGOTIATED SUBSURFACE (NO SURFACE USE) OIL AND GAS LEASE NO. PRC 3833 CONTRA COSTA AND SACRAMENTO COUNTIES

LESSEE:

Chevron U.S.A. Inc.
P. O. Box 1392
Bakersfield, California 93302

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 3833 (Lease) was issued to Standard Oil of California (50 percent) and Shell Oil (50 percent) on September 25, 1967. Shell Oil assigned its 50 percent interest to Chevron U.S.A. Inc., effective June 1, 1982. Lease No. PRC 3833 contains 2,300 acres of tide, submerged and proprietary lands in the bed and vicinity of Suisun Bay in Contra Costa and Sacramento Counties, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of $1 per acre ($2,300 for 2,300 acres) and a royalty on oil (sliding scale) and gas of not less than 16 ⅔ percent. No wells have been drilled on or into the leased lands.

Public Resources Code Section 6804.1 and Lease Paragraph 5 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 October 30, 1996, the Commission's Long Beach office staff received the document Quitclaim Deed for State Oil and Gas Lease". This document was dated October 29, 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 3833 dated September 26, 1967.

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).

PERMIT STREAMLINING ACT DEADLINE:

N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14 California Code of Regulations, Section 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 State CEQA Guidelines.

   Authority: Public Resources Code Section 21065 and Title 14 California Code of Regulations, Section 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 TITLE 14 CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14 CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

2. ACCEPT FROM CHEVRON U.S.A., INC (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE DATED OCTOBER 29, 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 3833 DATED SEPTEMBER 25, 1967.

3. RELEASE CHEVRON U.S.A., INC. FROM ALL OBLIGATIONS UNDER OIL AND GAS LEASE NO. PRC 3833 EFFECTIVE OCTOBER 30, 1996, THE FILING DATE OF THE QUITCLAIM DEED.

4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT A PAGE 1A

SLC OIL AND GAS LEASE PRC 3833

A parcel of tide and submerged land in Suisun Bay, Solano, Contra Costa, and Sacramento Counties; being more particularly described as follows:

Beginning at Station 1 as shown on a "Plat of the North Property Line of P.G.& E. along the Sacramento River, vicinity of Pittsburg", filed as Serial No. 66727 in book 19 of License Survey Maps at page 33 records of Contra Costa County, said station has California Zone 3 coordinate values of X = 1,595,837.08, Y = 563,614.33; thence easterly along the above-mentioned property line to Station 6 on the easterly terminus of said boundary, said terminal point is also on the northeasterly prolongation of the northwesterly line of Montezuma Avenue in the City of Pittsburg; thence northeasterly along said prolongation to a point on the Ordinary High Water Mark of the southerly bank of New York Slough which bears N. 17° 32' 52" E. 974.94 feet from the northwesterly corner of the intersection of Cody Street and Montezuma Avenue in the City of Pittsburg; thence from said point, along the Ordinary High Water Mark S. 59° 20' 58" E. to a point which bears N. 08° 50' 57" E. 477.07 feet from U.S.C.& G.S. Triangulation Station "Pittsburgh 1932" said point is on the westerly boundary of the Grant to City of Pittsburg, per Chapter 1835, Statutes of 1961 and is shown as "A" on a map filed June 17, 1963 in book 22 of Licensed Survey Maps at page 27, records of Contra Costa County; thence N. 17° 32' 52" E. along the westerly boundary of the above-mentioned Grant to the center of the channel of New York Slough; thence southeasterly along the channel centerline to a point which has a California Zone 3 "Y" coordinate value of 563,600; thence easterly to a point on the Ordinary High Water Mark of the most westerly tip of Browns Island; thence northeasterly and easterly along the Ordinary High Water Mark of the northerly bank of Browns Island to the mouth of Middle Slough; thence across the mouth of Middle Slough headland to headland to a point on the Ordinary High Water Mark of Winter Island; thence northerly along the Ordinary High Water Mark of the westerly side of Winter Island to the most westerly point on the northerly 1000 feet of said Island; thence northerly in a straight line to Station 25 of the "Survey of the Mean High Tide Line Along the shore of Chain Island" as recorded in Sacramento County Records in Book 13 of Surveys, page 13; thence northerly in a straight line to a point on the Ordinary Low Tide Line of the northerly bank of Suisun Bay which has a California Zone 3 "X" coordinate value of 1,608,450; thence southwesterly along the Ordinary Low Tide Line of Suisun Bay to the mouth of Montezuma Slough; thence across Montezuma Slough headland to headland to a point on the Ordinary High Water Mark of Van Sickle Island; thence southwesterly along the Ordinary High Water Mark of the southeasterly bank of Van Sickle Island to the mouth of Spoonbill Creek; thence across Spoonbill Creek headland to headland to the Ordinary High Water Mark of Chipps Island; thence westerly along the Ordinary High Water Mark of the southerly bank of Chipps Island to the intersection of a north-sough California Zone 3 grid line having an "X" coordinate value of 1,588,750; thence south across Suisun Bay along said grid line to a point on the Ordinary High Water Mark of the northerly bank of Mallard Island; thence easterly along said Ordinary High Water Mark to the most easterly point of said Mallard Island; thence south crossing the easterly mouth of Mallard Slough to the Ordinary High Water Mark of Suisun Bay; thence easterly on said Ordinary High Water Mark to the point of beginning; containing 2,300 acres more or less.

Bearings, distances and coordinates of the above description conform with the "California Coordinate System, Zone 3".

This lease is issued without warranty of title as to any of the lands described above. In the event that it is determined that the acreage stated by the State is more or less than that stated above, the rental of one dollar per acre should be increased or decreased to reflect the correct acreage but there shall be no other change in the amounts payable under this lease.

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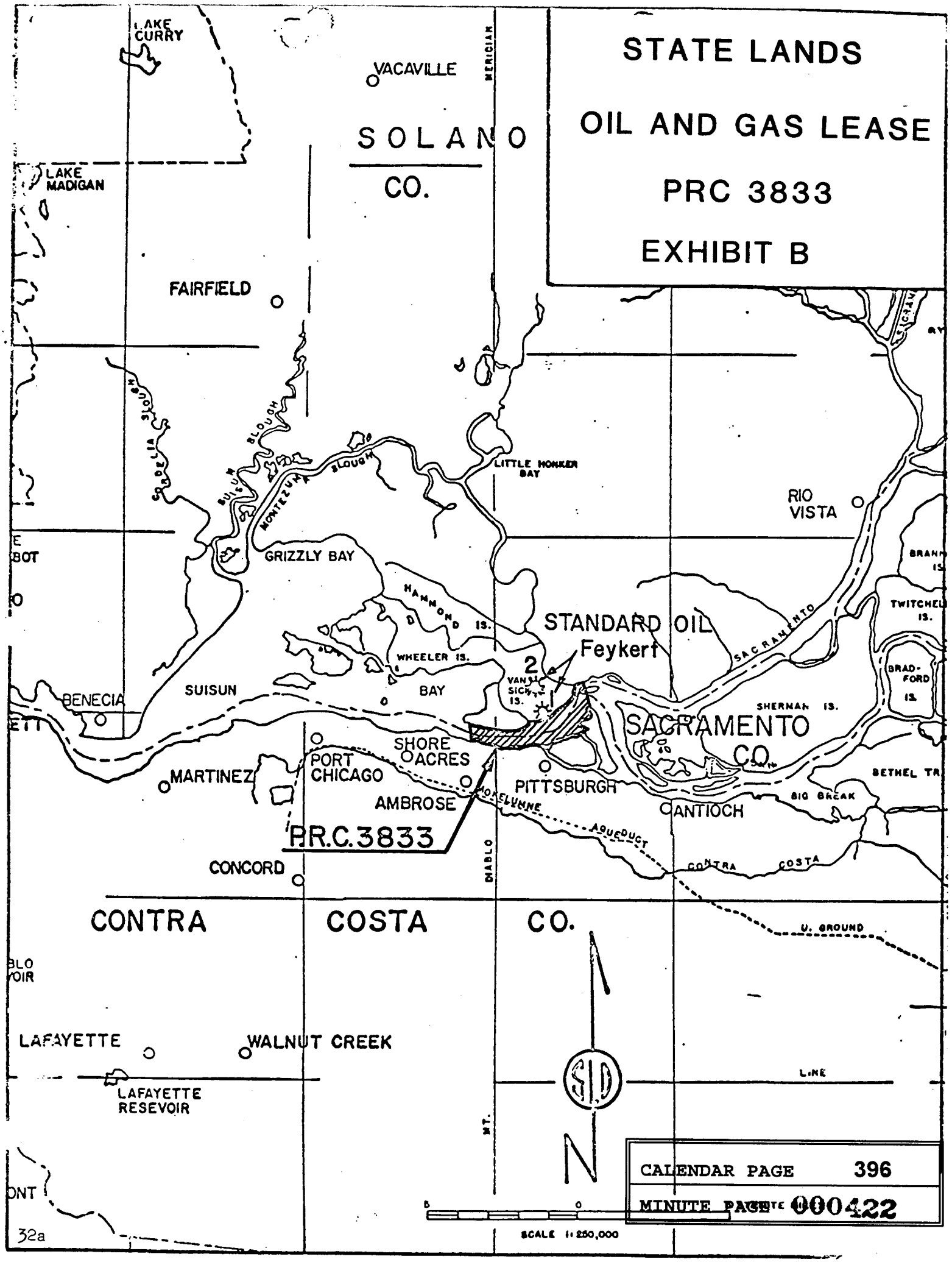
STATE LANDS
OIL AND GAS LEASE
PRC 3833
EXHIBIT B



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