

MINUTE ITEM

This Calendar Item No. C62 was approved as Minute Item No. 62 by the California State Lands Commission by a vote of 3 to 0 at its 826/97 meeting.

CALENDAR ITEM

C62

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08/26/97
PRC 7908.1
J. Tanner

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM DEED OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 7908.1
SUTTER AND COLUSA COUNTIES**

LESSEE:

Slawson Exploration Company, Inc.
Attn: Ms. Brenda J. Mustain, Lease and Title Analyst
1625 Broadway, Suite 1450
Denver, Colorado 80202-4714

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 7908.1 (Lease) was issued to Slawson Exploration Company, Inc. on August 21, 1996 and contains 26.4 acres of tide, submerged and proprietary lands in the bed and vicinity of the Sacramento River in Sutter and Colusa Counties, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$40 per acre (\$1,056 for 26.4 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 August 12, 1997, the Commission's Long Beach office staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated August 5, 1997 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 7908.1 dated August 21, 1996.

A review of the Commission's files reveals that no default exists on the Lease,

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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.

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 the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

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.

AUTHORIZATION:

1. ACCEPT FROM SLAWSON EXPLORATION COMPANY, INC. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE DATED AUGUST 5, 1997, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND

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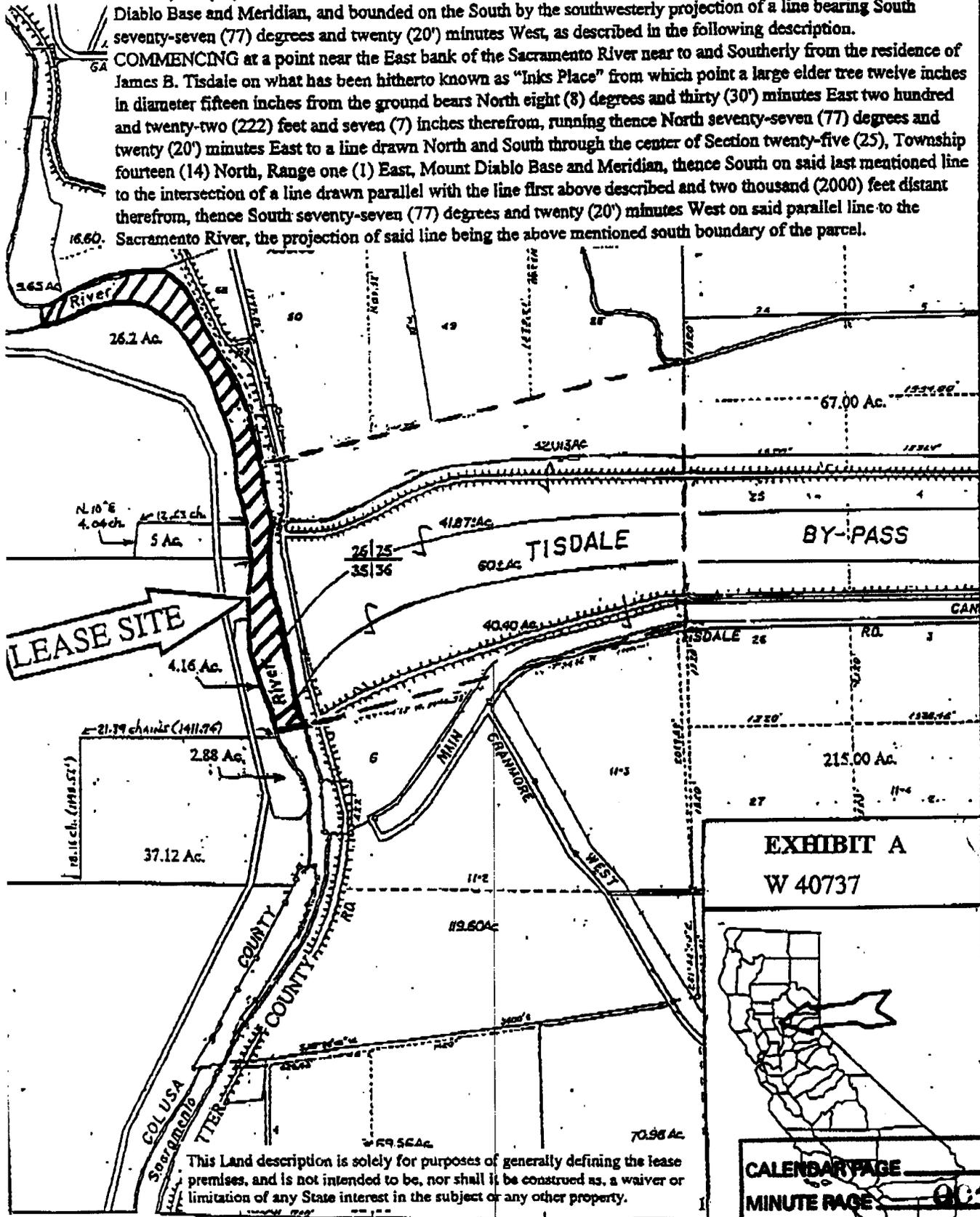
INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT A OF OIL AND GAS LEASE NO. PRC 7908.1, DATED AUGUST 21, 1996.

2. RELEASE SLAWSON EXPLORATION COMPANY, INC. FROM ALL OBLIGATIONS UNDER OIL AND GAS NO. LEASE PRC 7908.1 EFFECTIVE AUGUST 12, 1997, THE FILING DATE OF THE QUITCLAIM DEED.
3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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DESCRIPTION: That portion of the bed of the Sacramento River to the ordinary low water line, said portion being bounded on the North by the projected West line of the Southeast 1/4 of Section 26, Township 14 North, Range 1 East, Mount Diablo Base and Meridian, and bounded on the South by the southwesterly projection of a line bearing South seventy-seven (77) degrees and twenty (20') minutes West, as described in the following description.

COMMENCING at a point near the East bank of the Sacramento River near to and Southerly from the residence of James B. Tisdale on what has been hitherto known as "Inks Place" from which point a large elder tree twelve inches in diameter fifteen inches from the ground bears North eight (8) degrees and thirty (30') minutes East two hundred and twenty-two (222) feet and seven (7) inches therefrom, running thence North seventy-seven (77) degrees and twenty (20') minutes East to a line drawn North and South through the center of Section twenty-five (25), Township fourteen (14) North, Range one (1) East, Mount Diablo Base and Meridian, thence South on said last mentioned line to the intersection of a line drawn parallel with the line first above described and two thousand (2000) feet distant therefrom, thence South seventy-seven (77) degrees and twenty (20') minutes West on said parallel line to the Sacramento River, the projection of said line being the above mentioned south boundary of the parcel.



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.

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