

MINUTE ITEM

This Calendar Item No. C88 was approved as Minute Item No. 88 by the California State Lands Commission by a vote of 3 to 0 at its 2/27/98 meeting.

**CALENDAR ITEM
C88**

A 10, 26

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02/27/98
PRC 7375
A. Nitsche

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 7375
(33 ACRES UNDER THE BEAVER SLOUGH),
SAN JOAQUIN COUNTY**

LESSEE:

Vintage Petroleum, Inc.
4200 One Williams Center
Tulsa, OK 74172

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 7375 (Lease) was issued to Sun Operating Limited Partnership effective January 17, 1990. PRC 7375 was assigned from Sun Operating Limited Partnership to Corbin J. Robertson, c/o Quintana Petroleum Corporation effective October 1, 1991. On March 26, 1994, the State Lands Commission approved the Quintana Petroleum Corporation Declaration of Pooling which created the "Beaver Slough Gas Unit" and consented to the pooling of all 33 acres in PRC 7375. PRC 7375 was then assigned from Corbin J. Robertson, c/o Quintana Petroleum Corporation to Vintage Petroleum, Inc. effective August 1, 1995. PRC 7375 contains 33 acres of tide, submerged and proprietary lands in the bed and vicinity of the Beaver Slough in San Joaquin County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$125 per acre (\$4,125 for 33 acres) and commence drilling operations on the leased lands within three years. No wells were drilled into or under State lands. However, all 33 acres of the leased lands were pooled into the "Beaver Slough Gas Unit" which produced gas from the Narducci 1-17 well. This well has been plugged and abandoned pursuant to the requirements of the Division of Oil, Gas and Geothermal Resources.

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.

CALENDAR PAGE	544
MINUTE PAGE	00003

CALENDAR ITEM NO. C88 (CONT'D)

On January 13, 1997, the Commission's Long Beach staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease". This quitclaim was dated January 10, 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 7375 dated January 17, 1990.

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 up to the time of the quitclaim.

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 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Land Description
B. 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

CALENDAR ITEM NO. **C88** (CONT'D)

SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

1. ACCEPT FROM VINTAGE PETROLEUM, INC. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE DATED JANUARY 10, 1997, WHEREIN 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 7375 DATED JANUARY 17, 1990.
2. RELEASE VINTAGE PETROLEUM, INC., FROM ALL OBLIGATIONS UNDER OIL AND GAS NO. LEASE PRC 7375 EFFECTIVE JANUARY 13, 1997, THE FILING DATE OF THE QUITCLAIM DEED.
3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

CALENDAR PAGE	545.1
MINUTE PAGE	

PRC 7375

EXHIBIT "A"

PRC 7375
(W 40593)

LAND DESCRIPTION

All that tide and submerged land in the bed of Beaver Slough, San Joaquin County, California, bounded on the north and south by the ordinary high water marks of said slough; bounded on the east by the north/south centerlines of projected Sections 8 & 17, T 4 N, R 5 E, M.D.M.; and bounded on the west by the southerly prolongation of the line described as "running South 1478.0, feet more or less, to the right bank of Beaver Slough;" in Document Number 85003296 Recorded January 17, 1985 in the Office of the County Recorder of said county.

END OF DESCRIPTION

REVISED APRIL 11, 1990 BY LLB.

CALENDAR PAGE	546
MINUTE PAGE	

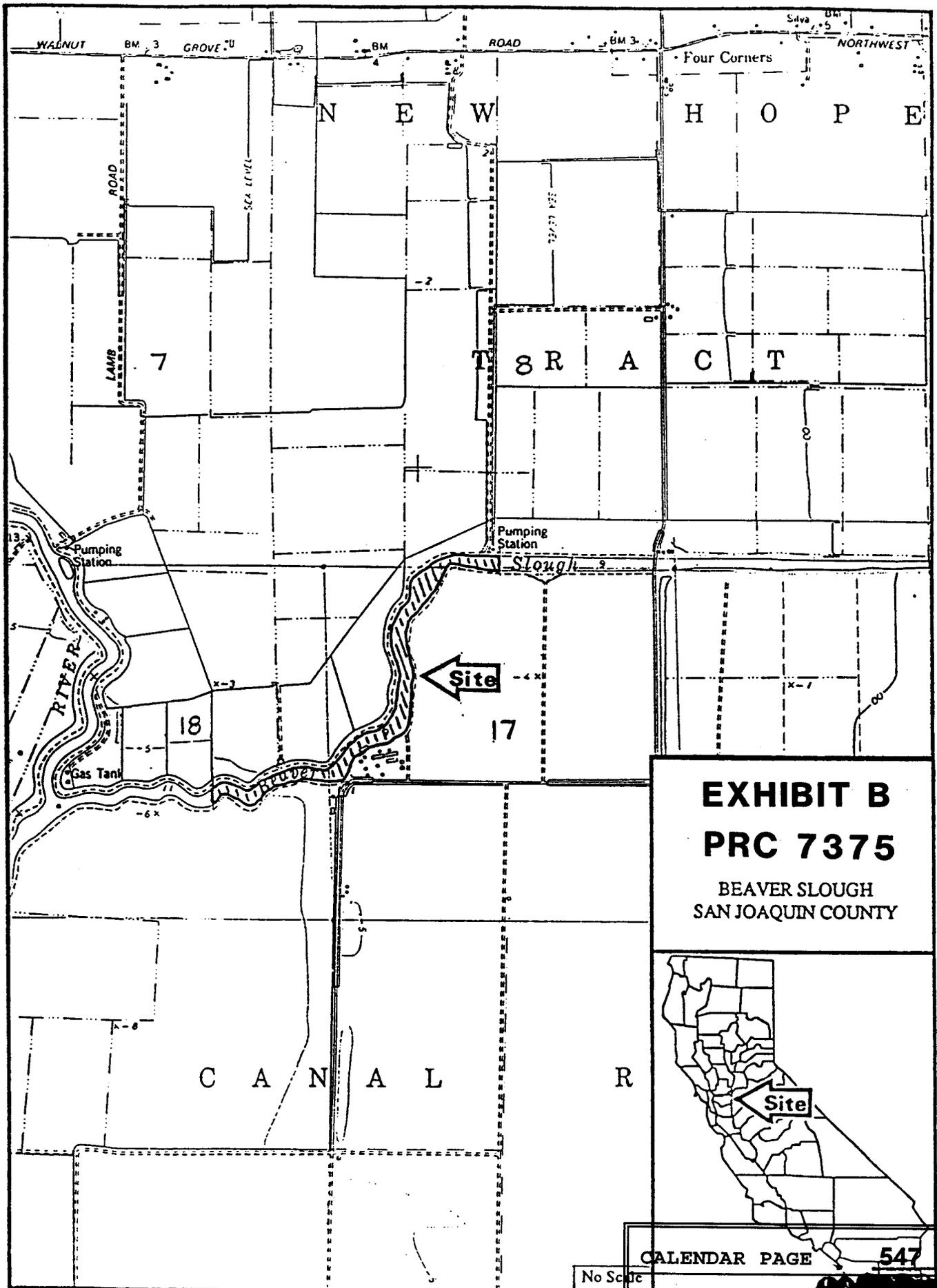


EXHIBIT B
PRC 7375
 BEAVER SLOUGH
 SAN JOAQUIN COUNTY



CALENDAR PAGE 547

No Scale

MINUTE PAGE