

MINUTE ITEM

This Calendar Item No. C130 was approved as Minute Item No. 130 by the California State Lands Commission by a vote of 3 to 0 at its 6-17-98 meeting.

CALENDAR ITEM

C130

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06/19/98
PRC 7670
A. Nitsche

**CONSIDER APPROVAL OF A DEFERMENT OF DRILLING OBLIGATION,
OIL AND GAS LEASE NO. PRC 7670,
FALSE RIVER AND PIPER SLOUGH
CONTRA COSTA COUNTY**

LESSEE/OPERATOR:

Rio Delta Resources and Russell H. Green, Jr.
Attn.: Mr. Jerry W. Reedy
3600 American River Drive, Suite 220
Sacramento, CA 95864

AREA, TYPE LAND AND LOCATION:

Oil and Gas Lease No. PRC 7670 (Lease) contains 144 acres in the bed of False River and Piper Slough in Contra Costa County.

BACKGROUND:

Oil and Gas Lease No. PRC 7670 was issued on or about December 17, 1992. The original lease contained 144 acres in the bed of False River and Piper Slough, Contra Costa County. Concurrently on this calendar is a request for Commission approval for pooling of approximately 15.88 acres of this lease into the "Darby Lynn Pool".

Rio Delta Resources, Inc. (Rio Delta) and Russell H. Green, Jr. (Green), by letter of October 31, 1998, have requested an extension of the drilling term of PRC 7670, as to the 128.12 acres, more or less, not included in the Darby Lynn Pool. The requested extension, if granted by the Commission, would extend the time within which Lessee must commence the drilling of a well for oil or gas until December 17, 1998. Rio Delta and Green have advised Staff of their intent to pursue a development program in the area and requested additional time to evaluate data to identify future drilling prospects.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section: Division 6, Parts 1 and 2; Division 13.
- B. California Code of Regulations section: Title 3, Division 3; Title 14, Division 6.

CALENDAR ITEM NO. C130 (CONT'D)

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 FINDINGS:

FIND THAT THE ACTIVITY IS 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:

APPROVE A DEFERMENT OF THE TIME WITHIN WHICH LESSEES MUST COMMENCE DRILLING OPERATIONS UNDER OIL AND GAS LEASE NO. PRC 7670, INsofar AS SAID LEASE COVERS UNPOLLED PORTIONS OF THE LEASED LANDS, BY EXTENDING THE DRILLING TERM THEREOF UNTIL DECEMBER 17, 1998.

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LAND DESCRIPTION

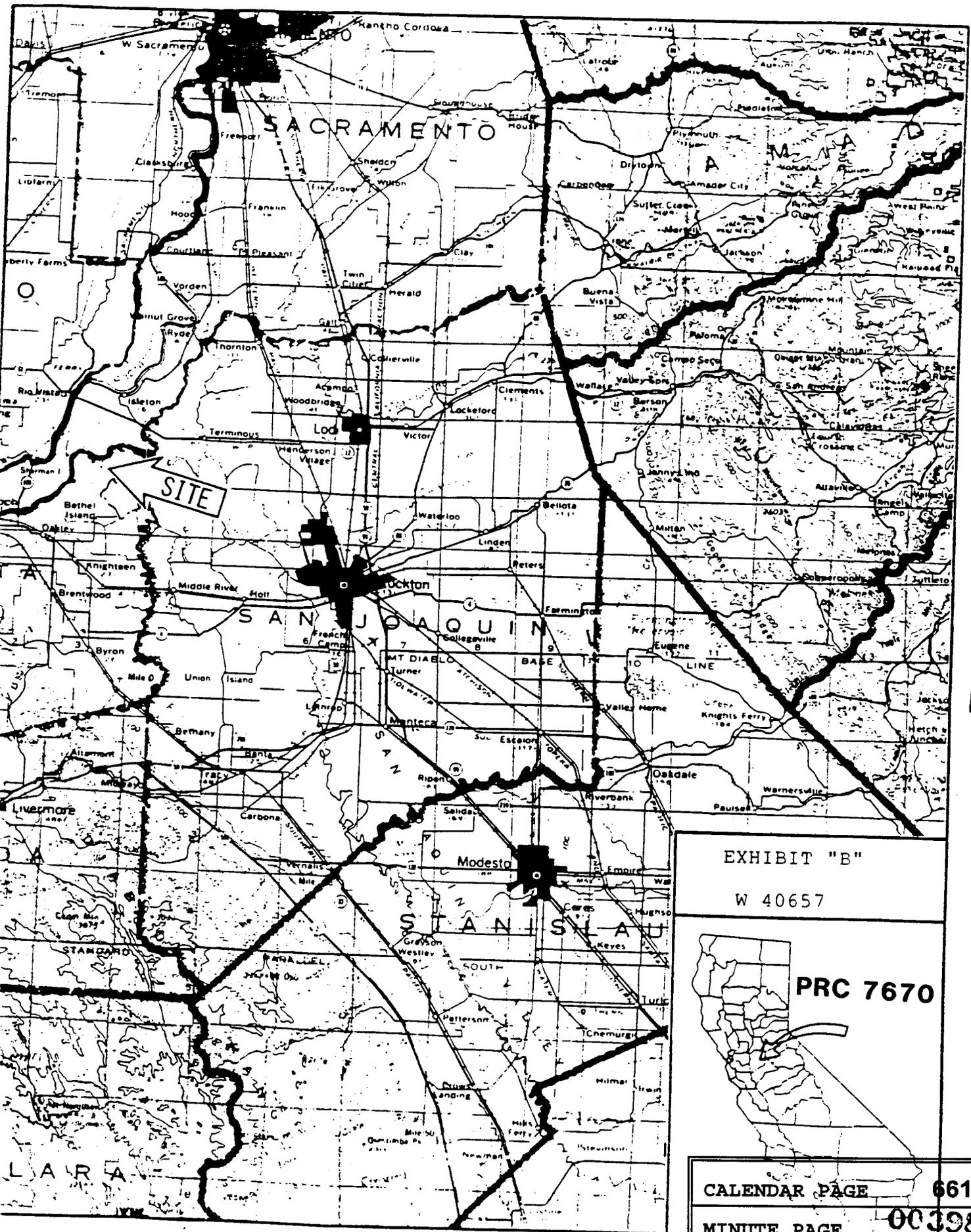
A parcel of tide and submerged land in the bed of False River and in the bed of Piper Slough, Contra Costa County, California, more particularly described as follows:

BEGINNING at a point of intersection of the common boundary between the lands described in that certain Partnership Grant Deed to Basic Resources recorded on August 8, 1985, in Book 12449 at pages 191-193, and the lands described in that certain Grant Deed to Alfred R. Pereira, et ux, recorded on August 25, 1988, in Book 14538 at pages 985-990, with the Ordinary High Water Mark along the north bank of False River; thence from said point of intersection and said point of beginning, along the southwesterly 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 the junction with the Ordinary High Water Mark of the west bank of Piper Slough; thence southerly along said Ordinary High Water Mark of said west bank of Piper Slough to the junction with Taylor Slough; thence N 45° 00' 00" E to the Ordinary High Water Mark of the east bank of Piper Slough; thence northerly along said Ordinary High Water Mark of said east bank of Piper Slough to the junction with the Ordinary High Water Mark of the south bank of False River; thence easterly along said Ordinary High Water Mark of said south bank of False River to the intersection with the southerly prolongation of 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 northerly along said southerly prolongation to the intersection with the Ordinary High Water Mark on the north bank of False River; thence westerly along said Ordinary High Water Mark of said north bank of False River to the point of beginning of this description.

END OF DESCRIPTION

REVISED MAY, 1992 BY LLB.

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SITE

EXHIBIT "B"

W 40657



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