MINUTE ITEM
This Calendar Item No. C76 was approved as Minute Item No. 76 by the California State Lands Commission by a vote of 3 to 0 at its 9-3-99 meeting.

CALENDAR ITEM
C76

A 4

S 4

09/03/99
PRC 5715.1
A. Nitsche
M. Voskanian

CONSIDER ACCEPTANCE OF THE FULL INSTRUMENT OF SURRENDER OF COMPENSATORY GAS AGREEMENT NO. PRC 5715.1, (890 ACRES UNDER THE MAYBERRY SLOUGH), SACRAMENTO COUNTY

LESSEE:

Mr. Patrick Kavanagh, Bankruptcy Trustee for Nahama & Weagant Inc.
1331 L Street
Bakersfield, CA 93301

AREA, LAND TYPE, AND LOCATION:

Compensatory Gas Agreement No. PRC 5715.1 affects 890 acres of tide and submerged lands in the vicinity of the Mayberry Slough, Sacramento County, California.

BACKGROUND:

Compensatory Gas Agreement No. PRC 5715.1 (Lease) was issued to Nahama & Weagant, Inc. on August 23, 1979. Under the terms of the Compensatory Gas Agreement, the State would be compensated for future drainage of gas from State sovereign lands by wells drilled by Nahama & Weagant, Inc., on upland adjoining the State lands within the Mayberry Slough Area. The Compensatory Gas Agreement had a 25 percent royalty on all future gas production and no rent was required.

Public Resources Code section 6804.1 and Agreement paragraph 7 provide in part ..."In the event Lessee surrenders or terminates all of the said oil and gas leases, or those portions thereof within the Mayberry Slough Area, Lessee shall thereupon surrender to State all of Lessee's interest under this Agreement in the State lands covered by this Agreement, and all of lessee's rights shall thereupon cease and terminate as to said surrendered State lands..." On July 20, 1999, the Commission's Long Beach office staff received the document "(Full) Instrument of Surrender ." This document was dated July 20, 1999, and

quitclaims back to the State all of the lessee's right, title and interest in the subject lands described in Exhibit A of Compensatory Gas Agreement No. PRC 5715.1 dated August 23, 1979..

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. 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 7.

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.

EXHIBIT:

A. Land Description

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

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:

1. ACCEPT, FROM PATRICK KAVANAGH, BANKRUPTCY TRUSTEE FOR NAHAMA & WEAGANT INC. (LESSEE), THE (FULL) INSTRUMENT OF SURRENDER FOR COMPENSATORY GAS AGREEMENT DATED JULY 20, 1999, WHEREIN THE LESSEE SURRENDERS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE SUBJECT LANDS DESCRIBED IN EXHIBIT A OF COMPENSATORY GAS AGREEEMENT NO. PRC 5715.1 DATED AUGUST 23, 1979.

2. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO AFFECT THE COMMISSION'S ACTION

EXHIBIT "A"

PRC 5715

LAND DESCRIPTION

W 40133

Three parcels of tide and submerged land, lying in Sacramento County, State of California, and more particularly described as follows:

PARCEL 1

BEGINNING at the intersection of the centerline of the Sacramento River with the 121° 47' 30" line of longitude; thence northeasterly along the centerline of the Sacramento River, 11,500 feet more or less to a point lying north of the northeast corner of the land described in that document recorded as Instrument No. 183542, Nov. 13, 1978, in the Office of the County Recorder of Sacramento County, thence South 2,000 feet, more or less to said northeast corner of said parcel, said northeast corner having California Coordinate System Zone 2 values of X = 2,069,584.6, Y = 148,208.8 as scaled from USC & GS Air Photo Compilation No. T-5000; thence the following 22 courses:

1. S 64° 19' 50" W 1,089.22 feet;
2. N 86° 29' 19" W 439.90 feet;
3. S 46° 01' 55" W 2,157.96 feet;
4. S 57° 59' 33" W 909.26 feet;
5. S 60° 18' 40" W 3,926.95 feet;
6. S 01° 44' 07" E 3,766.05 feet to a point on the south bank of Mayberry Slough herein described as Point "A" in this description; thence

7. S 47° 20' 00" W 1,218.86 feet;
8. S 09° 01' 35" W 809.12 feet;
9. S 12° 40' 46" E 2,547.54 feet;
10. S 60° 34' 39" E 699.81 feet to a point on the north bank of Mayberry Slough herein described as Point "B" in this description; thence

11. S 00° 51' 03" W 3,451.34 feet;
12. S 25° 24' 39" W 609.34 feet;
13. S 19° 33' 10" E 269.76 feet;
14. N 79° 12' 37" E 3,211.55 feet;
15. N 61° 21' 18" E 1,401.07 feet;
16. N 73° 35' 48" E 640.37 feet;
17. S 87° 43' 40" E 1,250.31 feet to a point on the easterly bank of Mayberry Slough, at its intersection with the north bank of the San Joaquin River, herein described as Point "C" in this description; thence

18. S 65° 18' 43" E 619.89 feet;
19. S 86° 03' 42" E 2,350.51 feet;
20. N 80° 21' 35" E 2,401.11 feet;
21. N 67° 14' 02" E 2,291.55 feet;
22. N 56° 33' 31" E 2,271.87 feet to a point having California Coordinate System Zone 2 values of X =2,077,997.5, Y = 134,889.2 as scaled from USC & GS Air Photo Compilation No. T-4685; thence South 2,500 feet, more or less, to the centerline of the San Joaquin River; thence westerly along the centerline of the San Joaquin River, 18,500 feet, more or less to the intersection with the 121° 47' 30" line of longitude; thence north 15,800 feet, more or less, to the point of beginning.

PARCEL 2

A strip of tide and submerged land known as Mayberry Slough, 400 feet wide, lying to the left of the following described line:

BEGINNING at Point "A" as described in PARCEL 1 above; thence the following twelve courses:

1. N 47° 15' 48" E 720.80 feet;
2. N 63° 56' 48" E 410.36 feet;
3. S 72° 20' 24" E 600.00 feet;
4. S 42° 50' 49" E 1,019.35 feet;
5. S 54° 22' 11" E 3,818.46 feet;
6. S 42° 53' 49" E 1,748.88 feet;
7. S 68° 09' 23" E 609.94 feet;
8. S 85° 29' 18" E 3,571.01 feet;
9. N 39° 00' 22" E 1,972.34 feet;
10. N 45° 39' 54" E 2,042.30 feet;
11. N 28° 47' 07" E 500.63 feet;
12. N 03° 48' 02" E 520.65 feet to a point, and the end of this line, said point having Coordinate System Zone 2 values of X = 2,076,103.1, Y = 139,719.2 as scaled from USC & GS Air Photo Compilation No. T-4685.

PARCEL 3

A strip of tide and submerged land known as Mayberry Slough, 400 feet wide, lying to the right of the following described line:

BEGINNING at Point "B" as described in PARCEL 1 above; thence the following seven courses:

1. S 68° 55' 58" E 1,394.70 feet;
2. S 50° 18' 16" E 1,854.56 feet;
3. S 30° 21' 29" E 740.88 feet;
4. N 77° 37' 46" E 1,516.19 feet;
5. N 87° 00' 29" E 682.74 feet;
6. S 69° 35' 49" E 702.39 feet;
7. S 08° 59' 03" E 649.79 feet to Point "C" as described in PARCEL 1 above, and the end of this line.

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EXCEPTING THEREFROM any portions of PARCELS 1, 2 and 3, lying landward of the ordinary high water mark of the Sacramento River, San Joaquin River, and Mayberry Slough.

Bearings and distances in this description are based on the California Coordinate System Zone 2.

END OF DESCRIPTION

Prepared Carlos Nasiera Checked Edward D. Zimmerman

Reviewed [illegible] Date 6/13/79

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