

MINUTE ITEM
This Calendar Item No. C82
was approved as Minute Item
No. 82 by the State Lands
Commission by a vote of 3
to 0 at its 4-20-00
meeting.

**CALENDAR ITEM
C82**

A 8, 10, 15, 17

04/20/00

S 4, 5, 7

E-415.1

A. Nitsche

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN GAS LEASE NO. E-415.1,
CONTRA COSTA, SACRAMENTO, SAN JOAQUIN,
AND SOLANO COUNTIES**

ASSIGNOR:

Vintage Petroleum, Inc.
Attn: Mr. William E. Dozier
110 W. Seventh Street
Tulsa, OK 741119

ASSIGNEE:

Calpine Natural Gas California, Inc.
Attn.: Ms. Patti Paolucci
50 West San Fernando Street
San Jose, CA 95113

AREA, LAND TYPE, AND LOCATION:

Gas Lease No. E-415.1 encompasses portions of the beds of the Sacramento, San Joaquin, Mokelumne, Old and False Rivers and other tide and submerged lands within the area described by Agreement for Easement 415.1 dated June 3, 1940.

BACKGROUND:

Agreement for Easement No. E-415.1 was issued to Standard Oil Company of California on June 3, 1940. A gas lease was issued in exchange for Agreement for Easement 415.1, effective December 30, 1963. The Agreement requires an advance annual rental in the amount of \$1,500, which is credited against subsequent royalties. The current monthly royalty is approximately \$130,000. Through a series of assignments, the present lessee is Vintage Petroleum, Inc.

CALENDAR ITEM NO. C82 (CONT'D)

(Vintage). Calpine Natural Gas California, Inc., (Calpine) is the operator for the lease. Vintage is now requesting that the California State Lands Commission approve assignment of 100 percent interest in this lease to Calpine.

STATUTORY AND OTHER REFERENCES:

- A. Section 2(o) of the Lease.
- B. Public Resources Code section: 6804

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.

2. Assignment forms and prerequisite filing fees have been paid by Calpine Natural Gas California, Inc.
3. Performance Bond for \$25,000 is on file at the Long Beach office.
4. Calpine Natural Gas California, Inc. has submitted corporate and financial data which were reviewed by Commission staff. Based on the results of the reviews, Commission staff has determined that Calpine Natural Gas California, Inc., possesses the financial resources to meet the requirements and obligations under the terms of Gas Lease No. E-415.1.

EXHIBIT:

- A. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A

CALENDAR ITEM NO. C82 (CONT'D)

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:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN GAS LEASE NO. E-415.1 FROM VINTAGE PETROLEUM, INC. TO CALPINE NATURAL GAS CALIFORNIA, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE EXISTING TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO AFFECT THIS ASSIGNMENT.

