

This Calendar Item No. ~~C85~~ was approved as Minute Item No. 85 by the California State Lands Commission by a vote of 3 to 0 at its 9-17-01 meeting.

**CALENDAR ITEM
C85**

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09/17/01
PRC 7976.1
A. Nitsche

**CONSIDER APPLICATION FOR A DEFERMENT OF DRILLING OBLIGATION,
OIL AND GAS LEASE NO. PRC 7976.1,
NURSE SLOUGH
SOLANO COUNTY**

LESSEE/OPERATOR:

Slawson Exploration Company, Inc.
Attn.: Ms. Helen Capps
1625 Broadway, Suite 1450
Denver, CO 80202-4714

AREA, TYPE LAND AND LOCATION:

Oil and Gas Lease No. PRC 7976.1 (Lease) contains 42 acres in the bed of Nurse Slough in Solano County.

BACKGROUND:

Oil and Gas Lease No. PRC 7976.1 was issued on July 11, 1997, to McFarland Energy Company (McFarland) and contains 42 acres in the bed of Nurse Slough, Solano County. In August 1997, McFarland drilled a commercially unsuccessful well under the lease; however, significant "shows" of natural gas were evident during the drilling operations. In 1999, McFarland assigned Oil and Gas Lease No. 7976.1 to Slawson Exploration Company, Inc. (Slawson).

Slawson requested, and the Commission approved, a one-year drilling deferment at its June 27, 2000 meeting. Slawson had made that request to facilitate the drilling of the "B and B #1" well, which was drilled in June 2001, and plugged and abandoned. The "B and B #1" well was drilled adjacent to the leased lands. Slawson is studying data from the well and still believes that the area may be productive. Slawson, by letter dated June 26, 2001, has requested an additional one year deferment of the drilling obligation of Lease No. PRC 7976.1, commencing on July 11, 2001, to continue to refine its geologic

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understanding and to determine other drilling locations.

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.

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 under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Title 14, California Code of Regulations, section 15061 (b) (3).

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 THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b) (3).

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AUTHORIZATION:

APPROVE A DEFERMENT OF THE DRILLING OBLIGATION UNDER OIL AND GAS LEASE NO. PRC 7976.1 FOR ONE YEAR, FROM JULY 11, 2001, THROUGH JULY 10, 2002.

**Exhibit A
Land Description**

PRC 7976

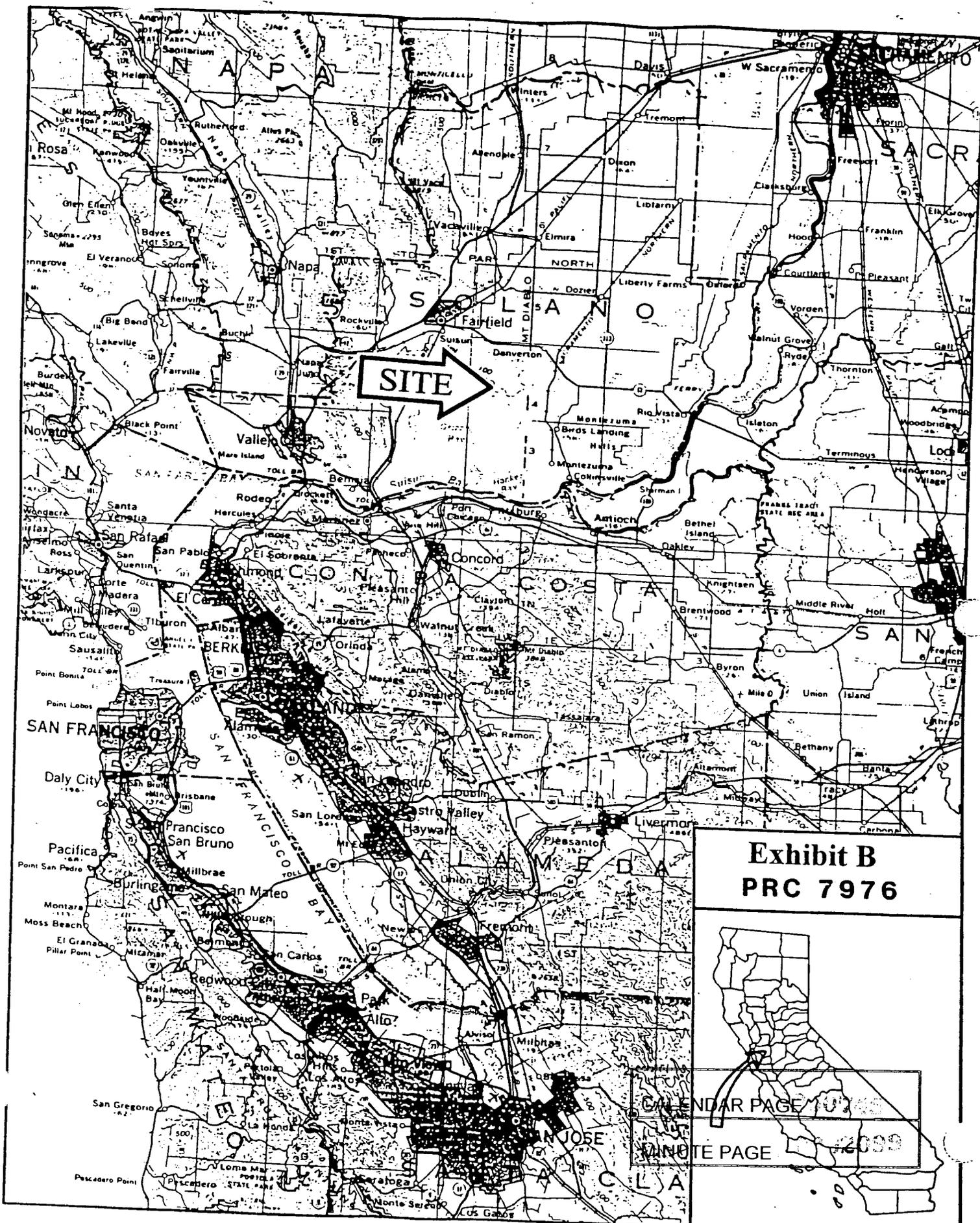
A parcel of State owned tide and submerged lands lying in the bed of Nurse Slough (Luco Slough) Solano County, California said parcel described as follows:

All that portion of the bed of Nurse Slough bounded on the north by a line parallel with and 3400 feet southerly of the northerly line of Section 3, T04N, R01W, MDM, and bounded on the south by Little Honker Bay.

END OF DESCRIPTION

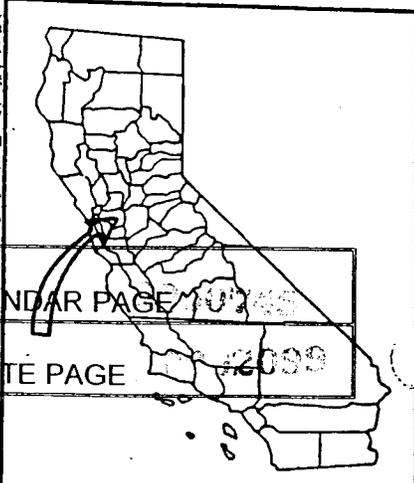
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SITE

**Exhibit B
PRC 7976**



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