

MINUTE ITEM
This Calendar Item No. C60 was approved as
Minute Item No. 60 by the California State Lands
Commission by a vote of 3 to 0 at its
10-01-02 meeting.

**CALENDAR ITEM
C60**

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10/01/02
PRC 7670.1
A. Nitsche

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 7670.1
(15.88 ACRES UNDER THE PIPER SLOUGH),
CONTRA COSTA COUNTY**

LESSEE:

Rio Delta Resources, Inc.
Attn.: Mr. Robert D. Reedy
3600 American River Drive, Suite 220
Sacramento, CA 95864

Mr. Russell H. Green, Jr.
P.O. Box 965
Healdsburg, CA 95448

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 7670.1 contains 15.88 acres of tide and submerged lands in the vicinity of the Piper Slough, Contra Costa County, California.

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 7670.1 (Lease) was issued to Rio Delta Resources, Inc. on December 17, 1992, and contained 144 acres of tide, submerged and proprietary lands in the bed and vicinity of the False River and Piper Slough in Contra Costa County, California (leased lands). The terms of the Lease required an annual rental of \$40 per acre, currently (\$635.20 for 15.88 acres). The lease had a three-year drilling term. No wells have been drilled on or into the leased lands. On April 13, 1999, the California State Lands Commission (Commission) accepted partial quitclaim of 128.12 acres of the lease leaving 15.88 acres, which was pooled into the "Darby Lynn Pool". The "Darby Lynn Pool" was created for the development and

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production of natural gas. The Darby Lynn gas well last produced in July 2001. The Darby Lynn gas well was plugged and abandoned to Division of Oil, Gas, and Geothermal Resources (DOGGR) standards on May 23, 2002, as shown on Exhibit C, attached hereto.

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.

On April 12, 2002, the Commission's Long Beach staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated December 27, 2001, and quitclaims back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit A, attached hereto, of Oil and Gas Lease No. PRC 7670.1 dated December 17, 1992. According to records filed by the operator with the DOGGR, the Darby Lynn gas well was completely abandoned and the location restored on or about May 23, 2002. Neither the drill site, nor any portion of the well was located on State property.

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 (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 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 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060 (c)(3) and 15378.

EXHIBITS:

- A. Land Description

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- B. Location Map
- C. Division of Oil and Gas Abandonment Report

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) 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 RIO DELTA RESOURCES, INC. AND RUSSELL H. GREEN, JR. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE, DATED DECEMBER 27, 2001, WHEREIN THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT A, ATTACHED HERETO, OF OIL AND GAS LEASE NO. PRC 7670.1, DATED DECEMBER 17, 1992.
2. RELEASE RIO DELTA RESOURCES, INC., AND RUSSELL H. GREEN, JR. FROM ALL OBLIGATIONS UNDER OIL AND GAS LEASE NO. PRC 7670.1 ACCRUING AFTER APRIL 12, 2002, THE FILING DATE OF THE QUITCLAIM DEED.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.

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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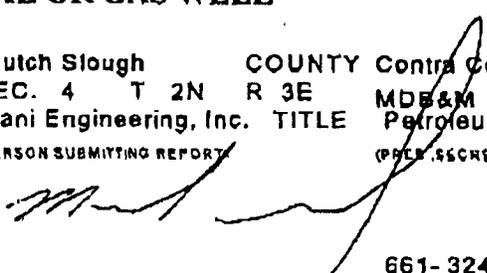
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SUBMIT IN DUPLICATE

RESOURCES AGENCY OF CALIFORNIA
DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

HISTORY OF OIL OR GAS WELL

OPERATOR	ABA Energy Corporation	FIELD	Dutch Slough	COUNTY	Contra Costa
WELL	Darby Lynn No. 1 Redrill No. 1	SEC.	4 T 2N R 3E		
A.P.I. No	013-20343	NAME	Irani Engineering, Inc.	TITLE	MDE&M Petroleum Engineer
DATE	August 6, 2002		(PERSON SUBMITTING REPORT)		(PUBLIC SECRETARY OF AGENT)

SIGNATURE: 

PO Box 80476 Bakersfield, CA 93380-0476

661-324-7500
(TELEPHONE NUMBER)

History must be complete in all details. Use this form to report all during drilling and testing of the well or during redrilling or altering the casing, plugging, or abandonment with the data thereon. Include such items as hole size, formation test details, amounts of cement used, top and bottom plugs, perforation details, sidetracked zones, tubing loss, and initial production.

Date	History
2002	
5-22	Moved in workover rig. Found the well with 1000 psig SITP. Killed the well. Installed Class III BOP. Released Baker Model R-3 packer. Pulled out of the hole. Ran open-ended tubing to 7297'. <u>Equalized 30 sacks Class G cement at 7297'.</u>
5-23	Located the top of the cement plug at 7121'. Location of cement plug waived by DOG. Changed the well over to 72 pcf. mud. <u>Equalized 30 sacks Class G cement at 6262'.</u> Located the top of the cement plug at 6061'. Location of cement plug witnessed and approved by DOG. Shot 4 JHPF at 1510'. <u>Squeezed 90 sacks Class G cement at 1510'.</u> Located the top of the cement plug at 1238'. Location of cement plug was waived by DOG. Cut off casing 5 feet below grade. Plugged the casing and annulus with 25 lineal feet of cement. Restored location.

Div. of Oil & Gas - Dist. 6
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AUG 15 2002

Sacramento, California

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