MINUTE ITEM
This Calendar Item No. C96 was approved as Minute Item No. 96 by the California State Lands Commission by a vote of 3 to 0 at its 8-19-03 meeting.

CALENDAR ITEM
C96

A 8

S 4

08/19/03
PRC 8096.1
A. Nitsche

CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF NEGOTIATED SUBSURFACE (NO SURFACE USE) OIL AND GAS LEASE NO. PRC 8096.1 (122 ACRES UNDER DUTCH SLOUGH), CONTRA COSTA COUNTY

LESSEE:

Russell H. Green, Jr. and Rio Delta Resources, Inc.
Attn.: Mr. Russell H. Green, Jr.
P. O. Box 965
Healdsburg, CA 95448

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 8096.1 contains 122 acres of tide and submerged lands in the bed of Dutch Slough, Contra Costa County, California.

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 8096.1 (Lease) was issued to Russell H. Green, Jr. and Rio Delta Resources, Inc., on June 14, 1999, and contains 122 acres of tide and submerged lands in the bed of Dutch Slough in Contra Costa County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of $20 per acre ($2440 for 122 acres) and commence drilling operations on the leased lands within three years. No wells have been drilled on or into the leased lands.

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 June 12, 2003, the Commission's Long Beach office staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated June 11, 2003, 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 8096.1, dated June 14, 1999.

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
B. Location Map

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 RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES, INC. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE, DATED JUNE 11, 2003, WHEREIN THE LESSEE QUITCLAIMS BACK 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 8096.1, DATED JUNE 14, 1999.

2. RELEASE RUSSELL H. GREEN, JR. AND RIO DELTA RESOURCES, INC., FROM ALL OBLIGATIONS UNDER OIL AND GAS NO. LEASE PRC 8096.1, ACCRUING AFTER JUNE 12, 2003, 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 Dutch Slough, Contra Costa County, State of California, more particularly described as follows:

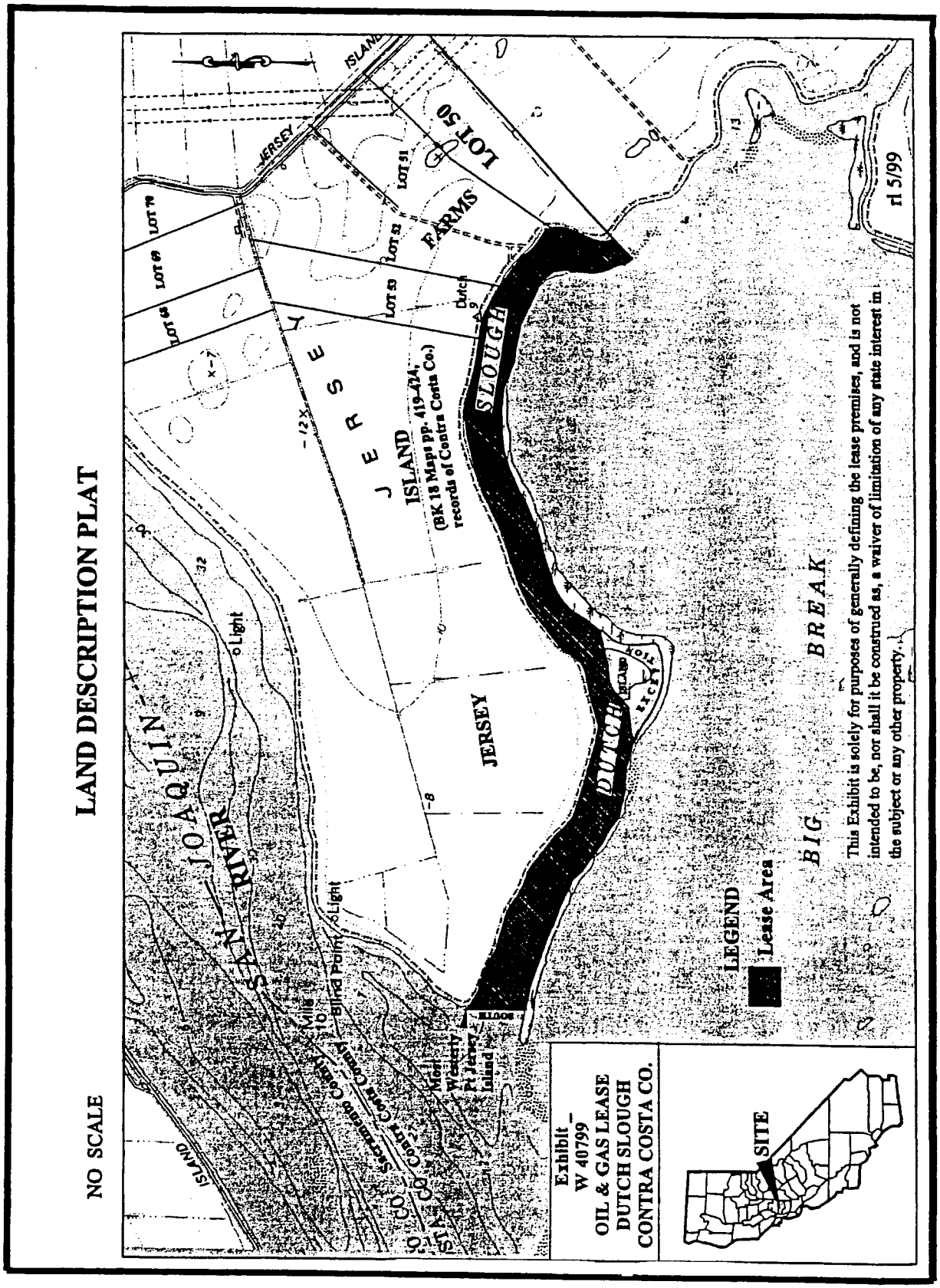
> All those tide and submerged lands in the bed of Dutch Slough lying between a line bearing south from the most westerly tip of Jersey Island and the southwesterly prolongation of the southeasterly line of Lot 50 as shown on map of Jersey Island Farms filed in Book 18 of Maps at Page 419 on August 23, 1923,

EXCEPTING THERFROM: Those tide and submerged lands in the bed of said Dutch Slough lying southwesterly, southerly and southeasterly of the island parcel designated assessor parcel number 037-191-016-7 on Contra Costa Counties' 1997-98 assessor's plat filed in Book 37 of said assessor's plats at page 37.

and containing 122 acres, more or less.

END OF DESCRIPTION

RL;rl


LAND DESCRIPTION PLAT
NO SCALE
SAN JOAQUIN RIVER
JERSEY ISLAND
(BK 18 Maps PP. 419-424, records of Contra Costa Co.)
JERSEY
DUTCH SLOUGH
BIG BREAK
LOT 50
LOT 51
LOT 52
LOT 53
LOT 68
LOT 69
LOT 70
FARMS
Light
Mile to Blind Point
Exhibit
W 40799
OIL & GAS LEASE
DUTCH SLOUGH
CONTRA COSTA CO.
SITE
LEGEND
Lease Area
This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver of limitation of any state interest in the subject or any other property.
rl 5/99