

MINUTE ITEM

7/12/66

32. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND AND PROPRIETARY LAND, CONTRA COSTA COUNTY - W.O. 5047 (PARCEL C).

After consideration of Calendar Item 40 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO OFFER FOR OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE, A TRACT OF 280 ACRES MORE OR LESS OF TIDE AND SUBMERGED LANDS AND 360 ACRES MORE OR LESS OF LAND IN WHICH THE STATE OWNS BOTH THE SURFACE AND MINERAL RIGHTS, ALL IN CONTRA COSTA COUNTY.

THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST CASH-BONUS PAYMENT IN CONSIDERATION OF THE ISSUANCE OF AN OIL AND GAS LEASE.

THE BID-LEASE FORM TO BE UTILIZED SHALL BE THE FORM APPROVED AND ADOPTED BY THE STATE LANDS COMMISSION ON SEPTEMBER 25, 1965 (MINUTE ITEM 22, PAGE 11,738), AS MODIFIED HEREIN AND DETAILED IN EXHIBIT "1" (W.O. 5047), ON FILE IN THE OFFICE OF THE COMMISSION, AND HEREBY MADE A PART HEREOF BY REFERENCE.

THE LEASE RENTAL IS TO BE \$1.00 PER ACRE PER YEAR; THE DRILLING TERM IS TO BE ONE YEAR; WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE IS TO COMMENCE OPERATIONS FOR THE DRILLING OF THE NEXT WELL; OPERATIONS FOR THE DRILLING OF EACH SUCCEEDING WELL THEREAFTER ARE TO COMMENCE WITHIN 60 DAYS FROM AND AFTER CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL; THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$20,000; EACH BID IS TO BE ACCOMPANIED BY A CHECK OR CHECKS, REPRESENTING \$1,000 PLUS ONE-HALF OF THE AMOUNT OF THE CASH BONUS OFFERED. THE AREA TO BE OFFERED, DESIGNATED AS W.O. 5047 (PARCEL C), IS DESCRIBED IN EXHIBIT "A" ATTACHED.

Attachment

Calendar Item 40 (4 pages)

40.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LAND AND PROPRIETARY LAND, CONTRA COSTA COUNTY - W.O. 5047 (PARCELS).

On December 16, 1965 (Minute Item 36, page 12,065), the Commission authorized the Executive Officer to proceed, as required by Section 6873.2 of the Public Resources Code, with the publication of a notice that the Commission intends to consider offering a lease for the extraction of oil and gas from a tract of tide and submerged lands in portions of the San Joaquin River, False River, Piper Slough and Taylor Slough, situate in the Counties of Contra Costa and Sacramento. The Public Resources Code provides that any affected city or county may, within 30 days after the publication of such notice, request in writing to the Commission that a hearing be held with respect thereto. The notice was published December 23 and December 30, 1965.

On January 18, 1966, the Board of Supervisors of Contra Costa County transmitted a letter to the State Lands Commission requesting that the staff consult with the U. S. Army Corps of Engineers, prior to offering said lands for lease, to determine if any conflict existed in connection with construction of the proposed Deep Water Shipping Channel Improvement Project from San Francisco Bay to the Port of Stockton, authorized by the Rivers and Harbors Act approved October 27, 1965. The Corps of Engineers has advised the staff that information concerning the channel in the area of False River is "totally lacking, and it is extremely doubtful that details will be available for as long as five years".

In this area, the State also owns surface and mineral interests in the upland portions of Franks Tract State Park, which adjoins these tide and submerged lands. The State Park is under the jurisdiction of the Department of Parks and Recreation, Division of Beaches and Parks.

Section 6854 of the Public Resources Code provides that the Commission may lease such mineral rights without the consent of the State agency owning the surface rights if the development is made by slant drilling from the surface locations on lands not under the control of such State agency. It is proposed to offer the State Park area without allowing the right of surface entry.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO OFFER FOR OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE, A TRACT OF 280 ACRES MORE OR LESS OF TIDE AND SUBMERGED LANDS AND 360 ACRES MORE OR LESS OF LAND IN WHICH THE STATE OWNS BOTH THE SURFACE AND MINERAL RIGHTS, ALL IN CONTRA COSTA COUNTY.

THE LEASE AWARD IS TO BE MADE TO THE QUALIFIED BIDDER OFFERING THE HIGHEST CASH-BONUS PAYMENT IN CONSIDERATION OF THE ISSUANCE OF AN OIL AND GAS LEASE.

CALENDAR ITEM 40. (CONTD)

THE BID-LEASE FORM TO BE UTILIZED SHALL BE THE FORM APPROVED AND ADOPTED BY THE STATE LANDS COMMISSION ON SEPTEMBER 23, 1965 (MINUTE ITEM 22, PAGE 11,738), AS MODIFIED HEREIN AND DETAILED IN EXHIBIT "1" (W.O. 5047), ON FILE IN THE OFFICE OF THE COMMISSION, AND HEREBY MADE A PART HEREOF BY REFERENCE.

THE LEASE RENTAL IS TO BE \$1.00 PER ACRE PER YEAR; THE DRILLING TERM IS TO BE ONE YEAR; WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE IS TO COMMENCE OPERATIONS FOR THE DRILLING OF THE NEXT WELL; OPERATIONS FOR THE DRILLING OF EACH SUCCEEDING WELL THEREAFTER ARE TO COMMENCE WITHIN 60 DAYS FROM AND AFTER CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL; THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$20,000; EACH BID IS TO BE ACCOMPANIED BY A CHECK OR CHECKS, REPRESENTING \$1,000 PLUS ONE-HALF OF THE AMOUNT OF THE CASH BONUS OFFERED. THE AREA TO BE OFFERED, DESIGNATED AS W.O. 5047 (PARCEL C), IS DESCRIBED IN EXHIBIT "A" ATTACHED.

Attachment  
Exhibit "A"

EXHIBIT "A"PARCEL CTRACT 1

TIDE AND SUBMERGED LANDS LYING IN THE BED OF FALSE RIVER ADJACENT TO BRADFORD ISLAND AND WEBB TRACT AND PIPER SLOUGH ADJACENT TO LITTLE FRANKS TRACT IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE ORDINARY HIGH WATER MARK ON THE NORTH BANK OF FALSE RIVER WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN X VALUE OF 1,666,325.82; THENCE EASTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE EASTERLY TERMINUS OF FALSE RIVER AS IT EXISTED IN ITS NATURAL STATE, WHICH TERMINUS IS AT A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN APPROXIMATE X VALUE OF 1,680,500; THENCE FROM SAID TERMINUS ON THE SOUTH BANK OF FALSE RIVER WESTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE JUNCTION OF FALSE RIVER WITH PIPER SLOUGH; THENCE FROM SAID JUNCTION SOUTHERLY ALONG THE ORDINARY HIGH WATER MARK ON THE NORTH BANK OF PIPER SLOUGH TO THE INTERSECTION WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING AN X VALUE OF 1,673,605.29; THENCE SOUTHERLY ALONG SAID GRID LINE TO A POINT ON THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF PIPER SLOUGH, WHICH POINT BEARS NORTHERLY 150 FEET MORE OR LESS FROM A BRASS CAP SET IN CONCRETE DESIGNATED AS MONUMENT "PIPER 1951" ON SHEET 36 OF 45 OF A MAP OF "SURVEY OF THE ORDINARY HIGH WATER MARK", DATED MARCH 1952, AND ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, SAID MONUMENT HAVING ZONE 3 CALIFORNIA COORDINATES OF  $X = 1,673,605.29$  AND  $Y = 563,923.21$ ; THENCE FROM SAID POINT WESTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE JUNCTION OF PIPER SLOUGH WITH FALSE RIVER; THENCE FROM SAID JUNCTION WESTERLY ALONG THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF FALSE RIVER TO THE INTERSECTION WITH A CALIFORNIA COORDINATE SYSTEM ZONE 3 NORTH-SOUTH GRID LINE HAVING A VALUE OF 1,666,325.82, WHICH INTERSECTION BEARS NORTHERLY 40 FEET MORE OR LESS FROM A BRASS CAP SET IN CONCRETE DESIGNATED AS MONUMENT "JERSEY 1951" ON SHEET 38 OF 45 OF A MAP OF "SURVEY OF THE ORDINARY HIGH WATER MARK", DATED FEBRUARY 1952, AND ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, SAID MONUMENT HAVING ZONE 3 CALIFORNIA COORDINATES OF  $X = 1,666,325.82$  AND  $Y = 568,414.63$ ; THENCE NORTHERLY ALONG SAID GRID LINE TO THE POINT OF BEGINNING, CONTAINING 280 ACRES MORE OR LESS.

TRACT 2

THAT TRACT OF LAND KNOWN AS LITTLE FRANKS TRACT IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF FALSE RIVER, WHICH POINT BEARS N.  $79^{\circ} 50' 01''$  E. 36.21 FEET FROM A BRASS CAP SET IN CONCRETE DESIGNATED AS MONUMENT "FRANK 1951" ON SHEET 36 OF 45 OF A MAP OF "SURVEY OF THE ORDINARY HIGH WATER MARK", DATED MARCH 1952, AND ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, SAID MONUMENT HAVING ZONE 3 CALIFORNIA COORDINATES OF  $X = 1,674,379.39$  AND

EXHIBIT "A" (CONTD)

Y = 566,015.25; THENCE FROM SAID POINT OF BEGINNING ALONG THE ORDINARY HIGH WATER MARK TO THE JUNCTION OF FALSE RIVER AND PIPER SLOUGH; THENCE SOUTHERLY FROM SAID JUNCTION ALONG THE ORDINARY HIGH WATER MARK ON THE NORTH BANK OF PIPER SLOUGH TO A POINT THAT HAS ZONE 3 CALIFORNIA COORDINATES OF X = 1,673,358 AND Y = 565,126; THENCE FROM SAID POINT N. 57° 51' 40" E. 1,455 FEET MORE OR LESS TO A POINT ON THE ORDINARY HIGH WATER MARK ON THE SOUTH BANK OF FALSE RIVER; THENCE FROM SAID POINT WESTERLY ALONG THE ORDINARY HIGH WATER MARK TO THE POINT OF BEGINNING, CONTAINING 360 ACRES MORE OR LESS.