

33. PROPOSED OIL AND GAS LEASE, SOUTH BAY AQUEDUCT, ALAMEDA COUNTY -
W.O. 5888.

After consideration of Calendar Item 41 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO OFFER THE PARCELS OF LAND DESCRIBED IN EXHIBIT "1", ATTACHED HERETO AND HEREBY MADE A PART HEREOF, IN THE SOUTH BAY AQUEDUCT, ALAMEDA COUNTY, FOR AN OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE. 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 USED SHALL BE THE FORM APPROVED AND ADOPTED BY THE COMMISSION APRIL 28, 1966, MINUTE ITEM 24, PAGE 12,562. THE LEASE ANNUAL RENTAL IS TO BE FIVE DOLLARS PER ACRE, AND THE DRILLING TERM IS TO BE SIX MONTHS. WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE SHALL 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 THE CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL. THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$10,000. THE LEASE FORM IS TO INCLUDE THE PROVISIONS CONTAINED IN EXHIBIT "2" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

Attachment
Calendar Item 41 (6 pages)

41.

PROPOSED OIL AND GAS LEASE, SOUTH BAY AQUEDUCT, ALAMEDA COUNTY - W.O. 5888.

An application has been received for an oil and gas lease on 64.71 acres more or less of land comprising a portion of the South Bay Aqueduct, Alameda County.

Section 6852 of the Public Resources Code provides, in part, that whenever a person who possesses the necessary qualifications to hold a State Lease makes written request to lease lands belonging to the State for the production of oil and gas, the Commission may offer the same for bidding, at such times and in such parcels as the Commission shall determine to be in the best interest of the State.

Section 6854 of the Public Resources Code states:

"Lands, other than tide or submerged lands, belonging to the State and dedicated to a public use may be leased by the commission for the production of oil and gas in accordance with the provisions of this article and of this chapter insofar as not in conflict with this article.

"Where such lands have been acquired for the use of a specific state agency, consent of this agency shall be obtained by the commission for occupation by a state lessee of the surface of the lands for drilling locations or producing facilities. The commission may lease such lands for the production of oil and gas without the consent of the state agency if development under such lease is made by slant drilling from surface locations on lands not under the control of such state agency."

The Department of Water Resources has jurisdiction over the subject lands, and, upon being notified of the application, requested that certain terms and conditions be included in the lease form, the substantive content of which has been met.

The staff has concluded that the area is an attractive prospect and that failure to lease the land might prevent the drilling of an exploratory well that will evaluate the State property.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO OFFER THE PARCELS OF LAND DESCRIBED IN EXHIBIT "1", ATTACHED HERETO AND HEREBY MADE A PART HEREOF, IN THE SOUTH BAY AQUEDUCT, ALAMEDA COUNTY, FOR AN OIL AND GAS LEASE, PURSUANT TO DIVISION 6 OF THE PUBLIC RESOURCES CODE. 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 USED SHALL BE THE FORM APPROVED AND ADOPTED BY THE COMMISSION APRIL 28, 1966, MINUTE ITEM 24, PAGE 12,562. THE LEASE ANNUAL RENTAL IS TO BE FIVE DOLLARS PER ACRE, AND THE DRILLING TERM IS TO BE SIX MONTHS. WITHIN 60 DAYS FROM AND AFTER THE DATE OF CESSATION OF DRILLING OPERATIONS IN THE FIRST WELL, THE LESSEE SHALL COMMENCE OPERATIONS FOR THE DRILLING OF THE NEXT WELL; OPERATIONS FOR THE DRILLING OF EACH SUCCEEDING WELL THEREAFTER ARE TO

CALENDAR ITEM 41. (CONTD)

COMMENCE WITHIN 60 DAYS FROM AND AFTER THE CESSATION OF DRILLING OPERATIONS IN THE PRECEDING WELL. THE PERFORMANCE BOND IS TO BE IN THE PENAL SUM OF \$10,000. THE LEASE FORM IS TO INCLUDE THE PROVISIONS CONTAINED IN EXHIBIT "2" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

Attachment

Exhibits "1" and "2"

EXHIBIT "1"

Parcel 1: That portion of the subsurface below 500 feet of the Southeast Quarter ($SE\frac{1}{4}$) of Section Six (6), Township Three (3) South, Range Three (3) East, M.D.M., lying within the following described boundaries:

COMMENCING at a point from which the Southeast corner of said Section 6 bears South $29^{\circ} 57' 03''$ East 680.06 feet, said point being Engineer's Station 507+10.49 E.C. of the Department of Water Resources' 1960 Survey for the Livermore Valley Canal, and at coordinates $Y = 437,613.30$ feet and $X = 1,659,058.00$ feet; thence from said point of commencement, due East 60.00 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-371 and the TRUE POINT OF BEGINNING of this description; thence due South 500.00 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-373 from which a $3/4$ -inch iron pipe with brass plug marked DLV-380 bears due West 150.00 feet; thence due South 85.45 feet, more or less, to the South line of said Section 6; thence Westerly along said South line 150 feet, more or less, to a point from which said $3/4$ -inch iron pipe marked DLV-380 bears due North; thence due North 83.41 feet, more or less, to said $3/4$ -inch iron pipe with brass plug marked DLV-380; thence due North 500.00 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-378; thence from a tangent which bears due North along a curve to the left having a radius of 310.00 feet, through a central angle of $56^{\circ} 30' 00''$, an arc distance of 305.69 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-376; thence North $56^{\circ} 30' 00''$ West 525.46 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-374; thence South $39^{\circ} 27' 26''$ West 284.71 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-372; thence due South 150.00 feet to a $1\frac{1}{2}$ -inch iron pipe with brass cap marked DLV-370; thence due West 850.00 feet to a $1\frac{1}{2}$ -inch iron pipe with brass cap marked DLV-368; thence due North 1,169.41 feet to a $1\frac{1}{2}$ -inch iron pipe with brass cap marked DLV-366; thence North $78^{\circ} 32' 54''$ West 172.58 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-364; thence from a tangent which bears North $78^{\circ} 32' 54''$ West along a curve to the right having a radius of 390.00 feet, through a central angle of $124^{\circ} 29' 26''$, an arc distance of 847.38 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-362; thence North $45^{\circ} 56' 32''$ East 30 feet, more or less, to a point on the North line of the Southeast Quarter of said Section 6; thence Easterly along said North line 1,078 feet, more or less, to the Northeast corner of the Northwest Quarter of said Southeast Quarter of said Section 6; thence South $29^{\circ} 57' 00''$ East 18 feet, more or less, to a $3/4$ -inch iron pipe with brass plug marked DLV-363; thence South $29^{\circ} 57' 00''$ East 600.00 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-365; thence South $04^{\circ} 32' 16''$ East 837.09 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-367; thence South $56^{\circ} 30' 00''$ East 528.44 feet to a $3/4$ -inch iron pipe with brass plug marked DLV-369; thence from a tangent which bears South $56^{\circ} 30' 00''$ East along a curve to the right having a radius of 460.00 feet, through a central angle of $56^{\circ} 30' 00''$, an arc distance of 453.61 feet to the true point of beginning.

Containing an area of 54.26 acres, more or less.

Parcel 2: That portion of the subsurface below 500 feet of the North Half ($N\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section Eight (8), Township Three (3) South, Range Three (3) East, M.D.M., lying Southwesterly of the following-described line:

EXHIBIT "1" (CONTD)

BEGINNING at a 3/4-inch iron pipe with brass plug marked AD-3 from which the Northwest corner of said Section 8 bears North $01^{\circ} 42' 19''$ East 1078.80 feet, and at coordinates $Y = 435,945.75$ and $X = 1,659,365.42$; thence from said point of beginning South $20^{\circ} 47' 24''$ East 472.83 feet to a 3/4-inch iron pipe with brass plug marked AD-5 and the end of the herein described line.

Containing an area of 0.10 acre, more or less.

Parcel 3: That portion of the subsurface below 500 feet of the Northeast Quarter ($NE\frac{1}{4}$) of Section Seven (7), Township Three (3) South, Range Three (3) East, M.D.M., lying within the following-described boundaries:

BEGINNING at a 3/4-inch iron pipe and brass plug marked AD-1 from which the Northeast corner of said Section 7 bears North $74^{\circ} 13' 11''$ East 227.10 feet, and at Coordinates $Y = 436,962.30$ and $X = 1,659,178.98$; thence from said point of beginning South 31.47 feet; thence West 37.74 feet; thence South $35^{\circ} 07' 15''$ West 40.39 feet; thence, from a tangent which bears South, along a curve to the left having a radius of 340 feet, through a central angle of $09^{\circ} 52' 31''$, an arc distance of 58.30 feet; thence South $09^{\circ} 52' 31''$ East 446.14 feet; thence, along a curve to the left having a radius of 340 feet, through a central angle of $10^{\circ} 54' 52''$, an arc distance of 64.77 feet; thence South $20^{\circ} 47' 24''$ East 419.13 feet to a 3/4-inch iron pipe and brass plug marked AD-3; thence continuing South $20^{\circ} 47' 24''$ East 100.00 feet to the East line of said Section 7; thence along said East line South $00^{\circ} 09' 57''$ East 425.85 feet; thence North $20^{\circ} 47' 24''$ West 100.00 feet to a 3/4-inch iron pipe and brass plug marked AD-4; thence continuing North $20^{\circ} 47' 24''$ West 817.68 feet; thence, along a curve to the right having a radius of 490 feet, through a central angle of $10^{\circ} 54' 52''$ an arc distance of 93.34 feet; thence North $09^{\circ} 52' 31''$ West 446.14 feet; thence North $38^{\circ} 40' 22''$ West 107.64 feet to a 3/4-inch iron pipe and brass plug marked AD-2; thence North 132.92 feet to the North line of said Section 7; thence along said North line South $89^{\circ} 13' 22''$ East 257.99 feet; thence South $11^{\circ} 20' 15''$ East 66.19 feet to the point of beginning.

Containing an area of 5.35 acres, more or less.

Parcel 4: That portion of the subsurface below 500 feet of the Northeast Quarter ($NE\frac{1}{4}$) of Section Seven (7), Township Three (3) South, Range Three (3) East, M.D.M., lying within the following-described boundaries:

BEGINNING at a 3/4-inch iron pipe and brass plug marked AD-7 from which the Southeast corner of said Northeast Quarter bears South $67^{\circ} 45' 22''$ East 306.36 feet, and at Coordinates $Y = 434,477.16$ and $X = 1,659,121.67$; thence from said point of beginning South $00^{\circ} 34' 23''$ West 100.00 feet; thence along a curve to the right having a radius of 260 feet, through a central angle of $02^{\circ} 34' 34''$, an arc distance of 11.69 feet to the South line of said Northeast Quarter; thence along said South line North $89^{\circ} 08' 11''$ West 149.74 feet; thence North $00^{\circ} 34' 23''$ East 100.00 feet to a 3/4-inch iron pipe and brass plug marked AD-6; thence continuing North $00^{\circ} 34' 23''$ East 114.63 feet to a point herein-after designated "A"; thence continuing North $00^{\circ} 34' 23''$ East 65.00 feet; thence continuing North $00^{\circ} 34' 23''$ East 218.00 feet; thence, along a curve to the right having a radius of 340 feet, through a central angle of $60^{\circ} 25' 21''$,

EXHIBIT "1" (CONFD)

an arc distance of 358.56 feet; thence North $60^{\circ} 59' 43''$ East 194.77 feet; thence, along a curve to the left having a radius of 160 feet, through a central angle of $54^{\circ} 10' 07''$, an arc distance of 151.27 feet to the East line of said Northeast Quarter; thence along said East line South $00^{\circ} 09' 57''$ East 246.75 feet; thence, from a tangent which bears South $59^{\circ} 01' 04''$ West, along a curve to the right having a radius of 310 feet, through a central angle of $01^{\circ} 58' 39''$, an arc distance of 10.70 feet; thence South $60^{\circ} 59' 43''$ West 194.77 feet; thence along a curve to the left having a radius of 190 feet, through a central angle of $60^{\circ} 25' 21''$, an arc distance of 200.37 feet; thence South $00^{\circ} 34' 23''$ West 386.70 feet to the point of beginning.

Containing an area of 3.56 acres, more or less.

Parcel 5: That portion of the subsurface below 500 feet of the South Half ($S\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section Eight (8), Township Three (3) South, Range Three (3) East, M.D.M., lying within the following-described boundaries:

BEGINNING at a 3/4-inch iron pipe and brass plug marked AD-5 from which the Northwest corner of said Northwest Quarter bears North $05^{\circ} 06' 05''$ West 1,526.41 feet, and at Coordinates Y = 435,503.70 and X = 1,659,533.25; thence from said point of beginning and from a tangent which bears South $20^{\circ} 47' 24''$ East, along a curve to the right having a radius of 310 feet, through a central angle of $79^{\circ} 48' 28''$, an arc distance of 431.80 feet to the West line of said Northwest Quarter; thence along said West line North $00^{\circ} 09' 57''$ West 571.17 feet to the North line of said South Half; thence along said North line South $88^{\circ} 26' 16''$ East 58.34 feet; thence South $20^{\circ} 47' 24''$ East 207.27 feet to the point of beginning.

Containing an area of 1.44 acres, more or less.

Coordinates, bearings and distances in the above descriptions are based on the California Coordinate System, Zone III.

EXHIBIT "2"

1. Drill sites or producing facilities are not permitted on the leased land.
2. Drilling is restricted to 500 feet below the surface of the leased land.
3. The location and the proposed depth of all drill sites within two miles of the Patterson reservoir shall be filed with the San Francisco Bay District, Department of Water Resources.