

MINUTE ITEM

This Calendar Item No. 34
was approved as Minute Item
No. 34 by the State Lands
Commission by a vote of 3
to 0 at its 5/26/77 CALENDAR ITEM
meeting.

5/77
W 40055
CPP

34.

APPLICATION BY RECLAMATION DISTRICT NO. 551,
SACRAMENTO COUNTY, FOR EXEMPTION OF PROPOSED OIL AND GAS LEASE
FROM PROCEDURES REQUIRED UNDER THE PUBLIC RESOURCES CODE W 40055

An application has been received from Reclamation District No. 551, Sacramento County, pursuant to Sections 7052 and 7053, of the Public Resources Code, for exemption from the public bidding procedure of a proposed oil and gas lease of 4 parcels of land owned by the District which contains approximately 11.34 acres in Sections 10 and 11, T 5 N, R 4 E, MDM, Sacramento County.

Section 7052, of the Public Resources Code, states in part: "...the State Lands Commission may in its discretion exempt particular leases or operating agreements from the procedure required by this Section and Section 7053 where by reason of the small size of the property or drainage, actual or imminent, such procedure would in the judgment of the State Lands Commission in the particular case be impractical."

It is anticipated that if production is obtained in this area the hydrocarbon produced will be natural gas. In order to provide for adequate development of a gas field, not more than one well per 160 acres is normally required. Therefore, it would not be desirable to offer for lease, pursuant to competitive public bidding for the development of natural gas, four parcels of land containing only 11.34 acres.

Shell Oil Company has requested that the District grant Shell a lease on said parcels. All of the adjoining lands with the exception of Shodgrass Slough are under lease to Shell. This slough is tide and submerged land and Shell is currently in negotiations with the State Lands Division for a proposed compensatory agreement with the State.

The office of the Attorney General has advised that under Section 7061, of the Public Resources Code, which relates to leasing activity by cities, the Commission's authority to exempt particular leases or operating agreements from certain procedural requirements is discretionary, that its decision will not be upset unless it is arbitrary, and that the Commission, under Section 7052 has the same authority to exempt particular leases as it has relating to leasing operations by body public or quasi-public corporations or agencies.

EXHIBITS: A. Land Description. B. Location Map.

A 13

S 7

CALENDAR ITEM NO. 34. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT IT IS IN THE BEST INTEREST OF THE STATE, PURSUANT TO THE PROVISIONS OF SECTION 7052, OF THE PUBLIC RESOURCES CODE, TO EXEMPT FROM COMPETITIVE PUBLIC BIDDING PROCEDURE THE LAND OF RECLAMATION DISTRICT NO. 551 DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
2. AUTHORIZE THE EXECUTIVE OFFICER TO SO INFORM THE RECLAMATION DISTRICT.

Attachment: Exhibit "A"

EXHIBIT "A"

All that certain real property situate in the County of Sacramento, State of California, described as follows:

PARCEL NO. 1:

BEGINNING at the North end of gate in Main Lake ditch in the East and West half Section Line in Section 11, Township 5 North, Range 4 East, and running thence East on said half Section Line to the center of said Section 11; thence North $13^{\circ} 20'$ West 3.896 chains to an iron stake; thence North $85^{\circ} 55'$ East to the water's edge of Snodgrass Slough; thence Southerly along said Slough following the meanders thereof to a point 40 feet South of said East and West half Section Line in Section 11; thence West parallel with said half Section Line and 40 feet distant therefrom to a point 40 feet South from the point of beginning; thence North 40 feet to the point of beginning, as the same is set forth and described in that certain instrument by P. J. Van Loben Sels to and with Reclamation District 551, which instrument bears the date of April 18, 1902 and is recorded in Volume 193, at page 392 of Deeds.

PARCEL NO. 2:

COMMENCING at the center line of said Section 11, Township 5 North, Range 4 East, M.D.B.&M., and running thence along the North line of the South half of the said Section 11, North $89^{\circ} 12\frac{1}{2}'$ West 180 feet; thence South $0^{\circ} 47\frac{1}{2}'$ West 100 feet; thence South $89^{\circ} 12\frac{1}{2}'$ East 580 feet; thence North $0^{\circ} 47\frac{1}{2}'$ East 100 feet to the said North line of the South half of Section 11; thence North $89^{\circ} 12\frac{1}{2}'$ West 400 feet to the point of beginning.

PARCEL NO. 3:

A portion of the South One-Half of Section 10, Township 5 North, Range 4 East, M.D.B.&M., being in Swamp Land Survey No. 992, Sacramento County Surveys described as:

Commencing at the most Northerly corner of Swamp Land Survey No. 296, Sacramento County Surveys and running thence along the center line of Angelo Ditch, North $45^{\circ} 58'$ East, 742.1 feet; thence continuing along the center line of said Angelo Ditch, North $0^{\circ} 51'$ East, 3835.5 feet to its intersection with the center line of Skunk Ditch; thence along the center line of said Skunk Ditch, South $85^{\circ} 42'$ West, 1103.1 feet; thence South $4^{\circ} 18'$ East 35 feet to the point of commencement of the herein described parcel of land; thence parallel to the center line of said Skunk Ditch, South $85^{\circ} 42'$ West, 610.6 feet; thence continuing parallel to the said Skunk Ditch South $87^{\circ} 51'$ West, 602.00 feet; thence 1099.8 feet; thence South $3^{\circ} 06\frac{1}{2}'$ East, 94.1 feet; thence North $86^{\circ} 53\frac{1}{2}'$ East, 1099 feet; thence North $87^{\circ} 51'$ East, 603.0 feet; thence North $85^{\circ} 42'$ East, 612.4 feet; and thence North $4^{\circ} 18'$ West, 94.1 feet to the point of commencement.

PARCEL NO. 4:

A parcel of land lying in Section 10, Township 5 North, Range 4 East, M.D.B.&M., and also being a portion of Swamp Land Survey No. 992, Sacramento County Surveys, and more particularly described as follows: COMMENCING at the southeast corner of the Northwest quarter of Section 3, Township 5 North, Range 4 East, M.D.B.&M., said point of commencement being a corner of said Swamp Land Survey No. 992, and being also the northwest corner of the lands of the Herzog Company, and running thence from said point of commencement south no degrees thirty-eight minutes west (S. $0^{\circ} 38' W$) nine hundred seventy-six (976.0) feet to the production easterly of the center line of Lateral K of Reclamation District No. 551; thence running along the center line of said Lateral K and its production, the following courses and distances; south seventy-six degrees twenty-six minutes west (S. $76^{\circ} 26' W$.) two thousand eight hundred twenty-four and three-tenths (2824.3) feet; and south seventy-six degrees eight and one-half minutes west (S. $76^{\circ} 08\frac{1}{2}' W$.) three hundred thirty-three and three-tenths (333.3) feet to its intersection with the center line of Lateral E-1 of Reclamation District No. 551; thence running along the center line of said Lateral E-1, south twenty-eight degrees eleven and one-half minutes east (S. $28^{\circ} 11\frac{1}{2}' E$.) four thousand two hundred forty-three and four-tenths (4243.40) feet to the intersection of the center line of said Lateral E-1 with that of Skunk Ditch, said point of intersection being the point of commencement of the herein described parcel of land; thence running along the center line of said Skunk Ditch, north eighty-seven degrees fifty-one minutes east (N. $87^{\circ} 51' E$.) twenty-one and four tenths (21.4) feet; thence leaving the center line of said Skunk Ditch and running north three degrees six and one-half minutes west (N. $3^{\circ} 06\frac{1}{2}' W$.) one hundred forty and four-tenths (140.4) feet; thence running south eighty-six degrees fifty-three and one-half minutes west (S. $86^{\circ} 53\frac{1}{2}' W$.) eighty-six and nine-tenths (86.9) feet to the center line of said Lateral E-1; thence running along the center line of said Lateral E-1; thence running along the center line of said Lateral E-1, south twenty-eight degrees eleven and one-half minutes east (S. $28^{\circ} 11\frac{1}{2}' E$.) one hundred fifty-four and six-tenths (154.6) feet to the point of commencement.