

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 3
to 0 at its 7/22/82
meeting.

CALENDAR ITEM

25

7/22/82
W 40298
Tanner
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EXEMPTION OF OIL AND GAS LEASE
FROM COMPETITIVE PUBLIC BIDDING REQUIREMENTS

APPLICANT: County of Sutter
Department of Public Works
Sutter County Office Building
463 Second Street
Yuba City, California 95991

AREA, TYPE OF LAND AND LOCATION:
1.55 acres of publicly owned lands in
Sutter County (Section 13, T12N, R3E, MDM).

SUMMARY: The Sutter County Department of Public
Works intends to enter into an oil and
gas lease with the Champlin Petroleum Com-
pany. The County has requested that the
Commission exempt the lease from the pro-
cedural requirements of competitive public
bidding as specified by Sections 7052 and
7053 of the P.R.C.

AB 884: N/A.

PERTINENT INFORMATION:
Champlin Petroleum Company has lease hold-
ings in Sutter County. Within these hold-
ings, Sutter County holds fee title to
a 1½-acre parcel of land (see Exhibit "A").
Champlin wishes to lease this land and
has offered to pay Sutter County a royalty
of 16 2/3 percent for any hydrocarbons
produced from this lease and \$10 an acre
per year in rent. Staff feels that the
rates negotiated by Sutter County and Champlin
Petroleum Company are adequate.

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The staff believes the parcel can be economically developed by Champlin and that it would be impractical for Sutter County to follow the public bidding procedures outlined in Sections 7052 and 7053 of the P.R.C. because the parcel is small in size and the potential for drainage from adjacent Champlin lands appears imminent.

In accordance with Section 7052 of the P.R.C., the State Lands Commission may, in its discretion, exempt particular leases from the procedures of public bidding if it deems that such procedure is impractical by reason of the small size of the property or drainage from surrounding lands.

OTHER PERTINENT INFORMATION:

This action by the Commission is not a project as defined by CEQA and the Resources Agency Guidelines under P.R.C. Section 21065 and Title 14, Cal. Adm. Code, Sections 15037 and 15060.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT THIS EXERCISE OF DISCRETION IS NOT A PROJECT UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060.
2. EXEMPT THE PROPOSED LEASE BETWEEN CHAMPLIN PETROLEUM COMPANY AND SUTTER COUNTY FROM PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053.

EXHIBIT "A"
STATE LANDS COMMISSION
W 40298

SUTTER COUNTY 1.55 ACRE
PARCEL AND SURROUNDING
AREA UNDER LEASE TO
CHAMPLIN

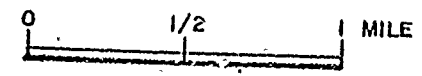
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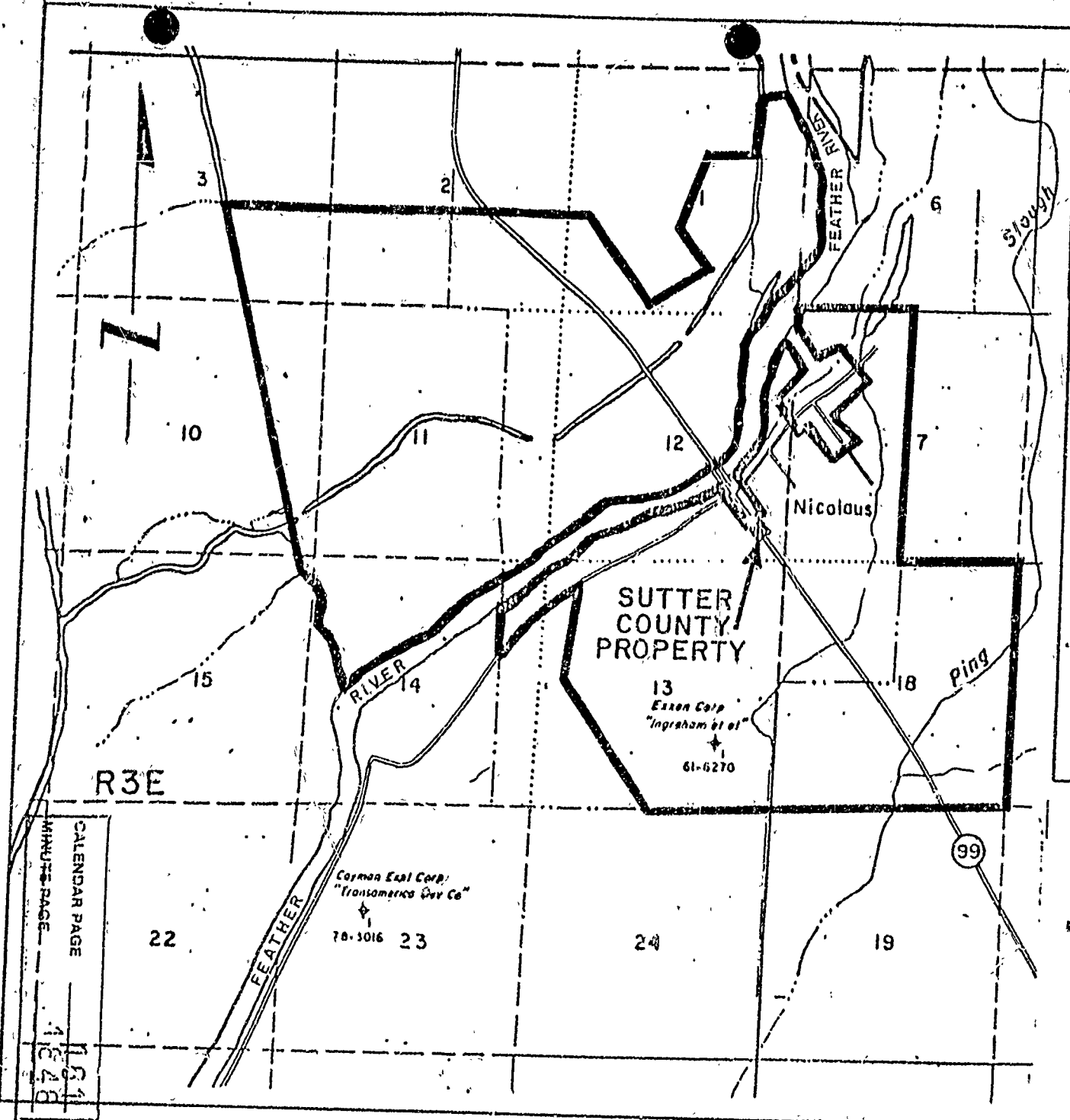
LEGEND

CHAMPLIN LEASE
BOUNDARY OF
HOLDINGS



1.75 Inches = 1 Mile

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