CALENDAR ITEM

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7/21/83 PRC 5997.1 hamilton

QUITCLAIM OF STATE OIL AND GAS LEASE PRC 5997.1

LESSEE:

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Seahawk Oil International, Inc. 660 Newport Center Dr., Suite 750 Newport Beach, California 92660 Attention: John C. Fitton

LESSEE/OPERATOR:

Casex Company

1370 Brea Boulevard, Suite 220 Fullerton, California 92635 Attention: M. J. Castro

SUMMARY:

State Oil and Gas Lease PRC 5997.1 was issued to Seahawk Oil International, Ir.c., and Casex Company on April 29, 1981, for a primary term of 20 years. No wells have been drilled into the leased lands or within the one year initial drilling period specified in the lease and extended six months by the Commission on May 27, 1982 (Minute Item 36). The extension terminated October 29, 1982.

Seahawk and Casex have filed with the Smate a lease quitclaim deed dated May 11, 1983, which requests a relinquishment and release of all rights, title and interest in State

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CALENDAR ITEM NO. 36 (CONTD)

Oil and Gas Lease PRC 5997.1. In accordance with paragraph 5 of the lease, the lessee may make a written quitclaim of all or any portion of the leased lands and such quitclaim shall be effective when it is filed with the Scate; however, it shall not release the lessee from any liatility or breach of any obligation of this lease with respect to which the lessee is in default at the time of the filing of the quitclaim.

AREA, TYPE LAND AND LOCATION:

State Oil and Gas Lease PRC 5997.1 contains approximately 176 acres of tide and submerged land lying within the bed of Lindsey Slough, Solano County.

PREREQUISITE ITEMS:

- A. A loase quitclaim deed has been duly executed by the lessees and reviewed for legal sufficiency by Staff Counsel.
- B. An inspection of the leased area and surrounding lands has been conducted by the staff.
- C. All rental payments are current and no liability or default appears to exist on the lease.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

This activity is exempt from CEQA because it is not considered to be a project pursuant to 14 Cal. Adm. Code 1503/.

STATUTORY AND OTHER REFERENCES:

A. Sections 1 and 5 of the lease.

B. P.R.C.: Section 6804.1.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, AND 14 CAL. ADM. CODE 15037 AND 15060.

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CALENDAR ITEM NO. 33 (CONTD)

2. ACCEPT THE LEASE QUITCLAIM DEED OF SEAHAWK OIL INTERNATIONAL, INC., AND CASEX COMPANY DATED MAY 11, 1983 (A COPY OF WHICH IS ON FILE IN THE OFFICES OF THE COMMISSION) IN ACCORDANCE WITH THE TERMS AND CONDUTIONS OF STATE OIL AND GAS LEASE PRC 5997.1, AND RULES AND REGULATIONS OF THE COMMISSION.

