

**MINUTE ITEM**

This Calendar Item No. 35  
was approved as Minute Item  
No. 35 by the State Lands  
Commission by a vote of 2  
to 0 at its 9/25/84  
meeting.

**CALENDAR ITEM**

A 10  
S 7

**35**

09/25/84  
W 40437  
Tanner

**REQUEST FOR AN EXEMPTION  
OF AN OIL AND GAS LEASE FROM  
COMPETITIVE PUBLIC BIDDING REQUIREMENTS**

**APPLICANT:** Contra Costa County  
Public Works Department  
Attention: Roger H. Frost,  
Associate Real Property Agent  
255 Glacier Drive  
Martinez, California 94553-4897

**AREA, TYPE OF LAND AND LOCATION:**  
Portions of Stone Road, Dutch Road and  
Sandmound Road consisting of 0.2870 acres of  
land owned by the County of Contra Costa. These  
roads are adjacent to Taylor Slough in Contra  
Costa County.

**SUMMARY:** Contra Costa County intends to enter into a  
subsurface oil and gas lease with McFarland  
Energy. The County has requested that the  
Commission exempt the lease from the procedural  
requirements of competitive public bidding as  
provided under Sections 7052 and 7053 of the  
California P. R. C.

**PERTINENT INFORMATION:**  
The parcels are owned in fee by Contra Costa  
County and are located adjacent to Taylor  
Slough. Under a joint venture agreement with  
Nahama and Weagant, Inc., McFarland Energy has  
parcels adjacent to those owned by the County  
under lease. McFarland Energy has offered to  
pay the County a one-sixth royalty on all crude  
oil and natural gas produced. McFarland Energy  
has also agreed to pay the County a sum of \$250

CALENDAR ITEM NO. 36 1 (CONT'D)

to cover the County's cost of processing this lease application. Staff feels that the royalty offered Contra Costa County is adequate.

The Staff believes that the parcels can be economically developed by the proposed lessee and that it would be impractical for the County to follow the competitive bidding procedures as outlined in Sections 7052 and 7053 of the P.R.C. resources Code. The parcels are small and the potential for drainage from adjacent lands under the control of McFarland Energy 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 procedures are impractical by reason of the small size of the property or drainage from surrounding land.

AB 284:

N/A.

**OTHER PERTINENT INFORMATION:**

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

**EXHIBITS:**  
A. Legal Description.  
B. Lease Map.

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

- 2) EXEMPT CONTRA COSTA COUNTY FROM THE PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053 IN THE PROPOSED LEASING OF THE PARCELS ADJACENT TO STONE ROAD, DUTCH ROAD AND SANDMOUND ROAD.

W 40437

EXHIBIT "A"

Real property located in the unincorporated County of Contra Costa, State of California described as follows:

A. All that portion of STONE ROAD lying between the North-easterly extension of the northwest line of Lot 1 and the Northerly extension of the east line of Lot 70, Block 3 as shown on the map of BETHEL SUBDIVISION filed in Book 27 of Maps, Page 60.

B. DUTCH ROAD as said road is shown on the maps of BETHEL SUBDIVISION filed in Book 27 of Maps, Page 60 and SANDMOUND PARK filed in Book 27 of Maps, Page 19.

C. SANDMOUND ROAD as said road is shown on the maps of BETHEL SUBDIVISION filed in Book 27 of Maps, Page 60 and SANDMOUND PARK filed in Book 27 of Maps, Page 19.

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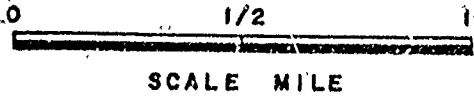
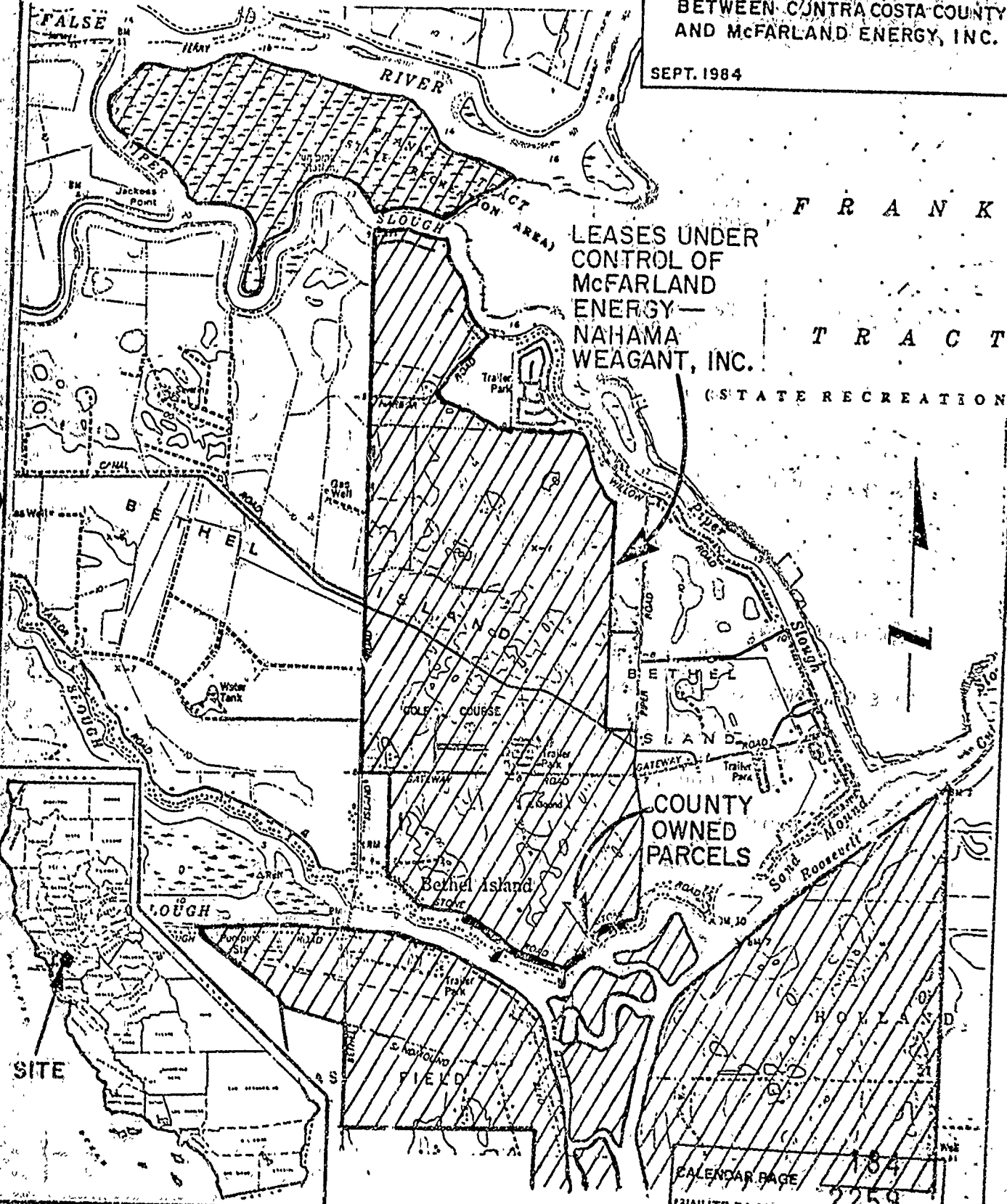


EXHIBIT "B"  
W 40437  
TOWNSHIP 2 NORTH, RANGE 3 EAST. CONTRA COSTA COUNTY.  
PROPOSED OIL & GAS LEASES  
BETWEEN CONTRA COSTA COUNTY  
AND MCFARLAND ENERGY, INC.  
SEPT. 1984



LEASES UNDER  
CONTROL OF  
MCFARLAND  
ENERGY —  
NAHAMA  
WEAGANT, INC.

F R A N K  
T R A C T  
(STATE RECREATION)



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