

MINUTE ITEM

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to 0 at its 8/29/85
meeting.

CALENDAR ITEM

A 10
S 7

F 34

08/29/85
W 40474
Tanner

REQUEST FOR EXEMPTION FROM COMPETITIVE BID PROCEDURES
FOR A SUBSURFACE OIL AND GAS LEASE ON COUNTY PROPERTY,
CONTRA COSTA COUNTY

APPLICANT: County of Contra Costa
Public Works Department
255 Glacier Drive
Martinez, California 94553-4897

AREA AND TYPE LAND:

A 3.64-acre parcel of county land in SE 1/4 of
Section 31, T2N R3E, MDM, Contra Costa County
(APN - 33 - 130 - 017).

BACKGROUND INFORMATION:

Atlantic Oil Company (Atlantic) has extensive
lease holdings in Contra Costa County. Within
and surrounded by these lease holdings, Contra
Costa County holds fee title to parcels of land
totalling 3.64 acres more or less, and has
requested to be exempted from competitive
bidding procedures in order to negotiate a
lease with Atlantic. Atlantic has offered to
lease these parcels of land and has agreed to
pay Contra Costa County a royalty of 20 percent
for any hydrocarbons produced from this lease
and ten dollars per acre per year rent.

P.R.C. Section 7052 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

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CALENDAR ITEM NO. 34 (CONT'D)

would in the judgment of the State Lands Commission in the particular cause be impractical."

Staff has reviewed the application of Contra Costa County for a subsurface negotiated oil and gas lease with Atlantic and has determined that it would be impractical for Contra Costa County to follow the competitive public bidding procedures as outlined in Sections 7052 and 7053 of the California P.R.C. because the parcels are small in size, the County proposes to develop the surface for other uses so there is no drillsite and the potential for drainage from adjacent lands under lease to Atlantic appears imminent.

AB 884: N/A.

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

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority, staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

IT IS RECOMMENDED THAT THE COMMISSION:

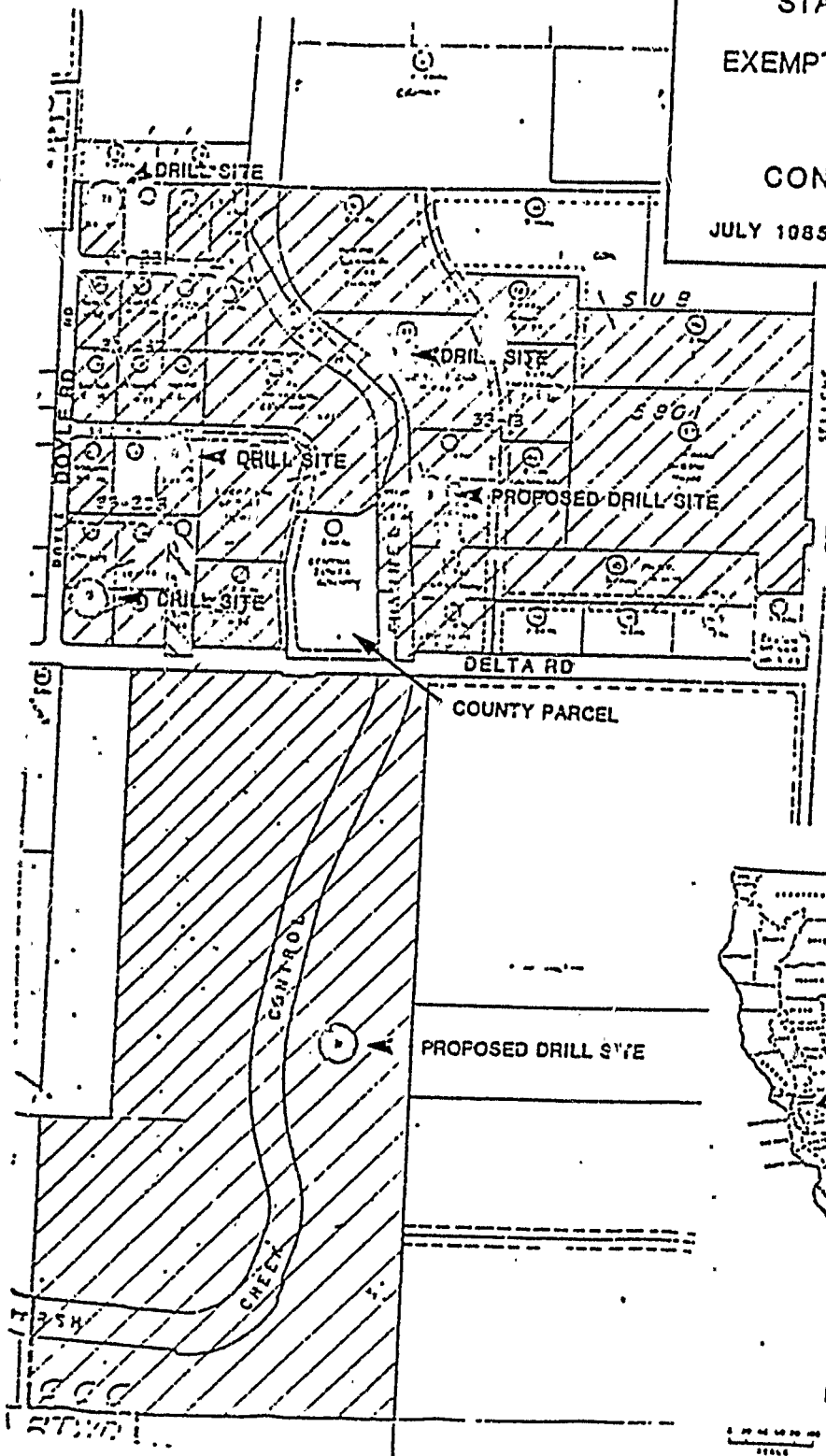
1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY 21065 P.R.C. AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE REQUEST OF THE COUNTY OF CONTRA COSTA FOR AN EXEMPTION FROM THE FORMAL BIDDING REQUIREMENTS AS OUTLINED IN P.R.C. SECTIONS 7052 AND 7053, FOR A SUBSURFACE OIL AND GAS LEASE OF COUNTY OWNED PARCELS LOCATED IN THE SE 1/4 OF SECTION 31, T2N R3E, MDM, CONTRA COSTA COUNTY.

EXHIBIT "A"

STATE LANDS COMMISSION
EXEMPTION FROM COMPETITIVE BID
W040474
CONTRA COSTA COUNTY

JULY 1985

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File Ref.: W 40474

July 25, 1985

EXHIBIT "B"

TOWNSHIP 2 NORTH, RANGE 3 EAST, MOUNT DIABLO BASE AND MERIDIAN
Section 31: A portion of the Southwest one-quarter of the
Southeast one-quarter (SW 1/4 SE 1/4) more particularly
described as follows:

PARCEL 1:

Commencing at a point on the centerline of the road known as Delta road, said centerline being also the south line of said Section 31, at the southwest corner of the parcel of land described in the deed from Floyd L. Talley, et ux., to John Val Crocker, recorded October 22, 1963, in Volume 4476 of Official Records, at Page 1154, in the office of the County Recorder of Contra Costa County; thence from said point of commencement, along the east line of said Crocker parcel (4476 OR 1154), due north (the bearing due north being taken for the purpose of this description), 108.66 feet to a point on the westerly boundary of the parcel of land described in the deed from Manuel C. Machado to Amelia Firpo, recorded March 12, 1947, in Volume 1070 of Official Records, at Page 384, in the office of said County Recorder, said point being also the true point of beginning; thence, from said true point of beginning, along said westerly boundary of said Firpo parcel (1070 OR 384) as follows; North $06^{\circ}09'00''$ West, 217.60 feet, North $10^{\circ}37'00''$ East, 202.00 feet, South $86^{\circ}17'00''$ East, 208.90 feet, North $58^{\circ}51'00''$ East, 88.20 feet, and North $12^{\circ}02'00''$ East, 34.94 feet to the West line of the Contra Costa County Flood Control and Water Conservation District right of way, as said right of way is described in the deed to said Flood Control and Water Conservation District, recorded November 5, 1964, in Volume 4737 of Official Records, at Page 495, in the office of said County Recorder; thence, along said West line as follows; South $02^{\circ}07'00''$ East, 262.84 feet, South $37^{\circ}53'00''$ West, 3.00 feet, and South $02^{\circ}07'00''$ East, 154.45 feet to said westerly boundary of said Firpo parcel (1070 OR 384); thence, along said westerly boundary as follows: North $79^{\circ}27'00''$ West, 99.21 feet, North $53^{\circ}13'00''$ West, 31.60 feet, due West, 43.30 feet, South $40^{\circ}45'00''$ West, 67.30 feet, South $15^{\circ}15'00''$ West, 82.60 feet, and North $70^{\circ}59'00''$ West, 90.70 feet to the true point of beginning.

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PARCEL 2:

Beginning in the center line of the County road known as Delta road, being the South line of said Section 31, at the East line of the parcel of land described in the deed from Alfred Peters, et ux., to Len H. Honey, recorded October 3, 1961, in Volume 3965 of Official Records, at Page 227; thence from said point of beginning, East, along said center line, 389.4 feet to the center line of Marsh Creek; thence along said center line, as follows: North $05^{\circ}09'$ West, 139.1 feet; North $56^{\circ}11'$ West, 57.5 feet; North $79^{\circ}27'$ West, 111 feet; North $53^{\circ}13'$ West, 31.6 feet; West, 43.3 feet; South $40^{\circ}45'$ West, 67.3 feet; South $15^{\circ}15'$ West, 82.6 feet and North $70^{\circ}50'$ West, 90.7 feet to the East line of said Honey parcel (3965 OR 227); thence South, along said East line, 108.6 feet to the point of beginning.

EXCEPTING THEREFROM the parcel of land conveyed in the deed from John Val Crocker to Contra Costa County Flood Control and Water Conservation District, recorded June 28, 1965, in Book 4698 of Official Records, Page 407.

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