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Item
1/23/86

CALENDAR ITEM

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01/23/86
PRC 6396
Schaefer

ACCEPTANCE OF LEASE QUITCLAIM DEED
STATE OIL AND GAS LEASE PRC 6396, BUTTE COUNTY

LESSEE: Northern Michigan Exploration
Company (NOMECO)
Attn: Mr. Blake Green,
District Landman
5500 Ming Avenue, Suite 210.
Bakersfield, California 93302

SUMMARY: NOMECO filed with the State on October 31,
1985, a lease quitclaim deed dated October 22,
1985. Section 5 of State Oil and Gas Lease
PRC 6396 states that the Lessee, NOMECO
(W. H. Stephens III and Paul E. Geiger) may at
any time make and file with the State a written
quitclaim or relinquishment of all rights under
this lease. Such quitclaim or relinquishment
shall be effective as to the date of filing.

AREA, TYPE LAND AND LOCATION:
State Oil and Gas Lease PRC 6396 contains
1240 acres of upland lands in the Gray Lodge
Wildlife Reservation in Butte County, T17N,
R1E, MDB&M, Sec. 15 S/2, Sec. 16 S/2, Sec. 21
N/2 of NE/4, Sec. 22 all, excepting therefrom
SW/4 of NW/4; S/2 of SE/4 of SE/4; S/2 of SW/4
of SE/4; S/2 of SE/4 of SW/4 and S/2 of SW/4 of
SW/4.

PREREQUISITE ITEMS:

- A. A Lease Quitclaim Deed has been duly
executed by the Lessee and reviewed for
legal sufficiency by Staff Counsel.
- B. An inspection of the State parcel was
conducted by staff.

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- C. All rental payments are current and no liability appears to exist on this Lease.

OTHER PERTINENT INFORMATION:

1. State Oil and Gas Lease PRC 6396 was issued to NOMECO on March 24, 1983 for a term of twenty (20) years. NOMECO now wishes to quitclaim back to the State all of its interest or rights in this lease.
2. One well was drilled and bottomed in this lease but spudded adjacent to the lease. It was plugged and abandoned on July 22, 1984, as a dry hole. Inspection of the lease area was conducted and no evidence of hazardous conditions was found.
3. 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 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.

STATUTORY AND OTHER REFERENCES

- A. Sections 1 and 5 of the lease.
- B. P.R.C.: Section 6804.1.

AB 884: N/A.

EXHIBITS: A. Location Map.
B. Legal Description

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 THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

CALENDAR ITEM NO. 30 (CONT'D)

2. ACCEPT THE LEASE QUITCLAIM DEED OF NORTHERN MICHIGAN EXPLORATION COMPANY (NOMECO) DATED OCTOBER 22, 1985 (A COPY OF WHICH IS ON FILE IN THE OFFICES OF THE COMMISSION) IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE OIL AND GAS LEASE PRC 6396, AND THE RULES AND REGULATIONS OF THE COMMISSION.

State Lands Commission

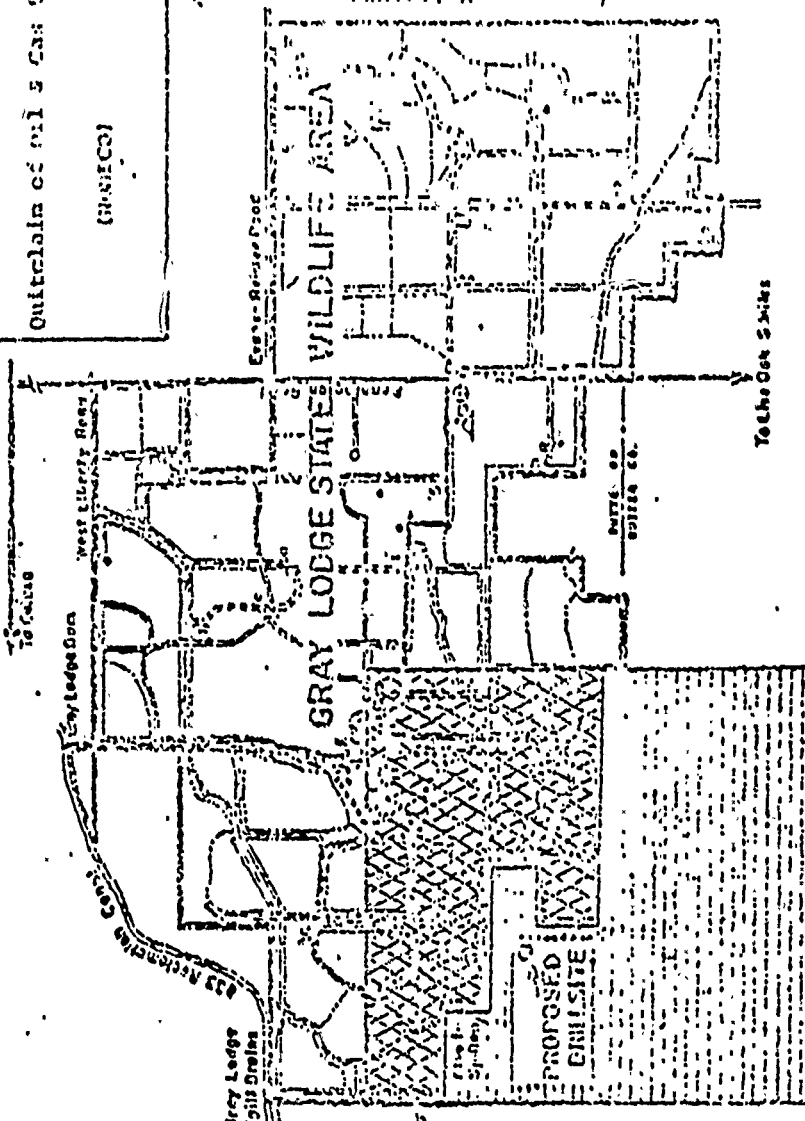
PRC 6396

Quitclaim of oil & Gas Lease

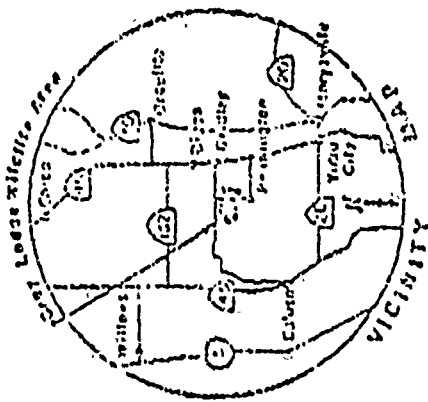
(NOMECO)

PARCEL A

GRAY LODGE STATES WILDLIFE AREA



PRIVATE LANDS UNDER LEASE TO NOMECO



1/2" = 1 Mile Scale of Miles

STATE LANDS LEASED TO NOMECO

PROSPECT BOUNDARY

STATE LANDS INCLUDED IN LEASE

ADJACENT PRIVATE LANDS UNDER LEASE TO NOMECO

Four parcels of California State school and proprietary lands in Butte County, California, described as follows:

PARCEL 1

S $\frac{1}{2}$ of Section 15, T17N R1E, MDM.

PARCEL 2

S $\frac{1}{2}$ of Section 16, T17N R1E, MDM.

PARCEL 3

N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 21, T17N R1E, MDM.

PARCEL 4

All of Section 22, T17N R1E, MDM.

EXCEPTING THEREFROM SW $\frac{1}{4}$ of NW $\frac{1}{4}$; S $\frac{1}{2}$ of SE $\frac{1}{4}$ of SE $\frac{1}{4}$; S $\frac{1}{2}$ of SW $\frac{1}{4}$ of SE $\frac{1}{4}$; S $\frac{1}{2}$ of SE $\frac{1}{4}$ of SW $\frac{1}{4}$ and S $\frac{1}{2}$ of SW $\frac{1}{4}$ of SW $\frac{1}{4}$,

Comprising a total of 1,240 acres.

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