

MINUTE ITEM

This Calendar Item No. 21
was approved as Minute Item
No. 21 by the State Lands
Commission by a vote of 2
to 0 at its 3/6/86
meeting.

CALENDAR ITEM

A 55, 56

21

02/27/85

W 40490

S 23, 24

Tanner

REQUEST FOR EXEMPTION FROM COMPETITIVE BID PROCEDURES
FOR A SUBSURFACE OIL AND GAS LEASE
ON METROPOLITAN WATER DISTRICT PROPERTY,
LOS ANGELES COUNTY

APPLICANT: Metropolitan Water District
of Southern California
Attn: William E. Vazzana,
Assistant Director
Right of Way and Land Division
Box 54153
Los Angeles, California 90054

AREA, TYPE LAND AND LOCATION:
8.05 acres of the Metropolitan Water District
of Southern California's land, owned in fee,
located in the vicinity of Sunset Boulevard and
Beaudry Avenue, Los Angeles.

BACKGROUND INFORMATION:
Petroleum Land Services Corporation, a
California Corporation has extensive lease
holdings in Los Angeles County adjacent to the
Metropolitan Water District of Southern
California's Headquarters. Within and
surrounded by these lease holdings, the
District holds fee title to parcels of land
totaling 8.05 acres, and has requested to be
exempted from competitive bidding procedures in
order to negotiate a lease with Petroleum Land
Services Corporation. Petroleum Land Services
Corporation has offered to lease these parcels
of land and has agreed to pay the District a
royalty of 16 2/3 percent of any hydrocarbons
produced from this lease (identical to the
surrounding leaseholds).

P.R.C. Section 7052 states in part:

CALENDAR ITEM NO. 21 (CONT'D)

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

Staff has reviewed the application of the Metropolitan Water District of Southern California for a subsurface negotiated oil and gas lease with Petroleum Land Services Corporation and has determined that it would be impractical for the District to follow the competitive public bidding procedures as outlined in Sections 7052 and 7053 of the California Public Resources Code because the parcels are small in size, there are no drillsites available since the District's headquarters and garage buildings occupy the site, and the potential for drainage from adjacent lands under lease to Petroleum Land Services Corporation appears imminent.

AB 884: N/A.

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

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.

CALENDAR ITEM NO. 21 (CONT'D)

2. APPROVE THE REQUEST OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA'S 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 DISTRICT OWNED PARCELS LOCATED IN THE SUNSET BOULEVARD - BEAUDRY AVENUE AREA OF LOS ANGELES COUNTY.

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EXHIBIT "A"

Attached to and made a part of that certain Subsurface Oil and Gas Lease dated August 1, 1984 by and between METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, Lessor, and PETROLEUM LAND SERVICES CORPORATION, Lessee.

PARCEL I

Lot 1, Tract 26433, as per map recorded in Book 684, Page 27 of Maps, Records of said County.

PARCEL II

Lots 5, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, and 21, Block 12, Subdivision of Blocks Numbered 9 and 12 Beaudry Tract No. 2 Lying West of Pearl Street, as per map recorded in Book 59, Page 84 of Miscellaneous Records of said County; EXCEPTING from Lot 5, that portion described as follows:

Commencing at the most Southerly corner of said Lot; thence Northeasterly along the Southeasterly line of said Lot, 11.69 feet; thence Southwesterly along a curve concave Southeasterly having a radius of 10.44 feet, an arc distance of 12.25 feet to a point on the Southwesterly line of said Lot, distance thereon 3.66 feet Northwesterly from the said most Southerly corner; thence Southeasterly along said Southwesterly line, 3.66 feet to the point of beginning.

PARCEL III

That portion of Lot 6, Block 12, Subdivision of Blocks Numbered 9 and 12 Beaudry Tract No. 2 Lying West of Pearl Street, as per map recorded in Book 59, Page 84 of Miscellaneous Records of said County, described as follows:

Commencing at the most Easterly corner of said Lot 6; thence along the Northeasterly line of said Lot, N 47° 24' 26" W 3.70 feet to the true point of beginning; thence S 59° 24' 09" W 86.17 feet; thence S 63° 08' 59" W 9.95 feet; thence S 86° 24' 55" W 11.44 feet to the most Westerly corner of said Lot; thence Northeasterly along the Northwesterly line of said Lot to the most Northerly corner of said Lot; thence Southeasterly along the Northeasterly line of said Lot to the true point of beginning.

EXCEPTING therefrom that portion of said land all minerals, oil, gas and other hydrocarbons by whatsoever name known that may be within or under the parcel of land to be sold without, however, the right to drill, dig or mine through the surface therefor, as reserved by State of California, acting by and through its Director of Public Works, in deed recorded October 31, 1956 in Book 52739, page 95, Official Records, as Instrument No. 4151.

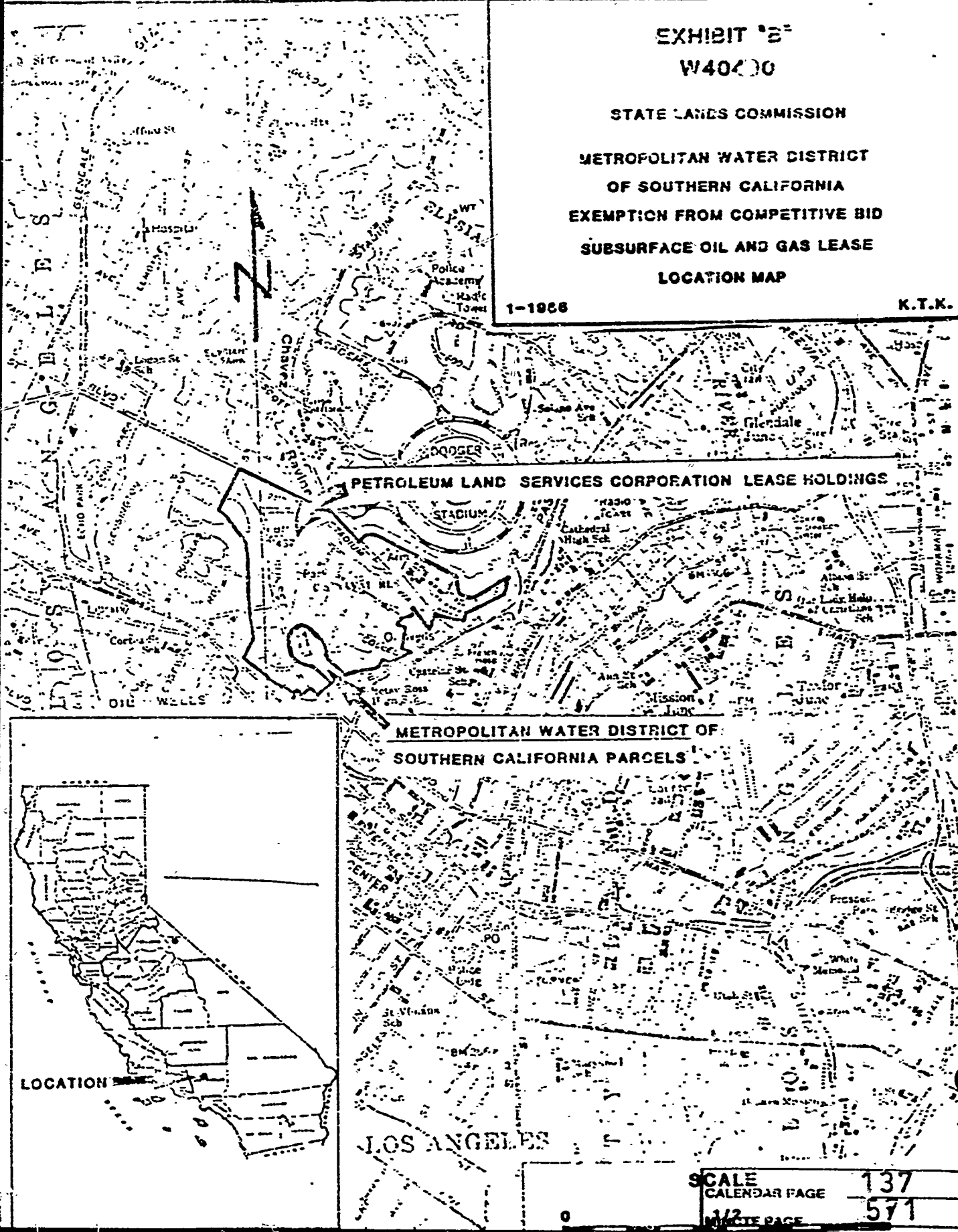
EXHIBIT 'B'

W40000

STATE LANDS COMMISSION
METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
EXEMPTION FROM COMPETITIVE BID
SUBSURFACE OIL AND GAS LEASE
LOCATION MAP

1-1968

K.T.K.



PETROLEUM LAND SERVICES CORPORATION LEASE HOLDINGS

METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA PARCELS

LOS ANGELES

LOCATION

SCALE
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