

MINUTE ITEM

This Calendar Item No. 23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 2
to 1 at its 3/11/86
meeting.

CALENDAR ITEM

A 58, 69
S 37

23

02/27/86
PRC 987
L. Smith
Gonzalez

ACCEPTANCE OF LEASE QUITCLAIM DEED
FOR STATE OIL AND GAS LEASE PRC 987, ORANGE COUNTY

LESSEE: Ocean Front Oil Co.
Mr. Charles E. Cather, President
2292 Long Beach Boulevard
Long Beach, California 90806

SUMMARY: At its January 31, 1985 meeting, the Commission approved a Memorandum of Agreement with the State Lessee, Ocean Front Oil Co. providing that in exchange for completion of abandonment of well "State PRC 987 Davis-11" and execution and delivery of a Lease Quitclaim to State oil and gas Lease PRC 987, in favor of the Commission, a refund would be made to Ocean Front of \$21,300 of disputed royalties paid under protest to the Commission.

All terms of this Memorandum of Agreement have been satisfied.

PREREQUISITE ITEMS:

1. The plug back/abandonment operations at well "State PRC 987 Davis 11" have been monitored and completed consistent with the rules and regulations of the State Lands Commission and the California Division of Oil and Gas.
2. Lease Quitclaim Deed has been duly executed by the lessee and reviewed for legal sufficiency by Staff Counsel.

CALENDAR ITEM NO. 23 (CONT'D)

3. All rental and royalty payments are current and no liability appears to exist on this lease.

OTHER PERTINENT INFORMATION:

1. 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. Section 5 of lease PRC 987.
- B. Part 2 of Memorandum of Agreement dated January 23, 1985. (Minute Item 29, January 31, 1985)
- C. PRC 6804

AB 884: N/A.

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 P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. ACCEPT THE LEASE QUITCLAIM DEED OF OCEAN FRONT OIL COMPANY (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 987 AND THE RULES AND REGULATIONS OF THE COMMISSION.