

MINUTE ITEM

This Calendar Item No. 26  
was approved as Minute Item  
No. 26 by the State Lands  
Commission by a vote of 2  
to 0 on 7/24/86  
at           

CALENDAR ITEM

26

07/24/86,  
W 40497  
Tanner

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REQUEST FOR AN EXEMPTION OF AN OIL AND GAS LEASE  
FROM THE COMPETITIVE BIDDING REQUIREMENTS  
OF SECTION 7052 OF THE CALIFORNIA PUBLIC RESOURCES CODE

APPLICANT: Property Management Department  
Kern County  
Attention: Ronald A. James  
Real Property Agent  
1430 Truxton Avenue, Suite 501  
Bakersfield, California 93301

AREA, TYPE OF LAND AND LOCATION:  
A 1.5-acre parcel of County owned land located  
in the NE1/4 of the SE1/4 of Section 20, T30S  
R22E, Kern County, MDB&M, within the community  
of McKittrick.

SUMMARY: The Property Management Department of Kern  
County intends to enter into a negotiated oil  
and gas lease as an out of court settlement of  
litigation with Angus Petroleum Corporation,  
which is the successor in interest to another  
party that had drilled a trespass oil and gas  
well on county owned land without permission.  
The Department has requested that the  
Commission exempt the lease from the procedural  
requirements of competitive public bidding as  
specified by Sections 7052 and 7053 of the  
California P.R.C.

Angus Petroleum Corporation has offered to pay  
the county a \$500 rental payment for the one  
year term of the lease and a one-fourth royalty  
on any hydrocarbons produced from the lease.  
Staff feels that the rates negotiated by the  
County and Angus Petroleum Corporation are  
adequate.

CALENDAR ITEM NO. 26 (CONT'D)

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. The County parcel is small in size and a producing oil and gas well is already located on the parcel. Therefore, it would be impractical for the Department to follow the competitive public bidding procedures as outlined in Section 7052 and 7053 of the California P.R.C.

In accordance with Section 7052 of the Public Resources Code, the State Lands Commission may, in its discretion, exempt particular leases from the procedures of public bidding if it deems such procedures are impractical by reason of the small size of the property or drainage from surrounding land.

2. 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.

EXHIBIT: A. Legal Description of County Parcel.

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 PRC 21065 AND 14 CAL. ADM. CODE 15378.
2. EXEMPT THE PROPERTY MANAGEMENT DEPARTMENT, COUNTY OF KERN, FROM THE PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053 FOR THE PROPOSED NEGOTIATED OIL AND GAS LEASE FOR THE 1.5-ACRE PARCEL OF COUNTY-OWNED LAND, LOCATED WITHIN THE COMMUNITY OF MCKITTRICK.

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EXHIBIT "A"

ALL THAT PORTION OF THAT NE 1/4 OF THE SE 1/4 OF SECTION 20,  
T 30 S, R 22 E, MDM, IN THE UNINCORPORATED AREA OF THE COUNTY  
OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT  
THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SE 1/4 OF SAID SECTION 20 WHICH  
POINT IS SITUATED 683.67 FEET SOUTH AND 347.12 FEET WEST OF THE  
NORTHEAST CORNER OF THE SE 1/4 OF SAID SECTION 20, RUNNING  
THENCE WEST 199.9 FEET TO A POINT; THENCE AT RIGHT ANGLE NORTH  
326.86 FEET TO A POINT; THENCE AS A RIGHT ANGLE EAST 199.9 FEET  
TO A POINT; THENCE AT A RIGHT ANGLE SOUTH 326.86 FEET TO THE  
POINT OF BEGINNING.

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