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5/5/92³

CALENDAR ITEM

A 4
S 2

C 3 7

05/05/92
PRC 7383
Nitsche

ACCEPT THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL & GAS LEASE PRC 7383
HUMBOLDT COUNTY

LESSEE:

ARCO Oil and Gas Company
Attn.: Bernadette Mata
P.O. Box 147
Bakersfield, California 93302

BACKGROUND:

Negotiated subsurface (no surface use) State oil and gas lease PRC 7383 (Lease) was issued to ARCO Oil and Gas Company on March 27, 1990 and contains 106 acres of tide, submerged and proprietary lands in the bed and vicinity of the Eel River in Humboldt County, California (leased lands). Under the terms of the lease, the lessee is required to pay an annual rental of \$40.00 per acre (\$4,240 for 106 acres) and commence drilling operations on the leased lands within three years.

P.R.C. 6804.1 and lease paragraph 30 permit the lessee to make at any time a written quitclaim of all rights under the Lease or of any portion of the leased lands comprising a ten-acre parcel or multiple thereof in a compact form. The quitclaim will be effective when it is filed with the State subject to the continued obligation of the lessee and its surety to pay all accrued rentals and royalties and to abandon all wells drilled on the leased lands.

On March 5, 1992, the lessee filed at the Commission's Long Beach office the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated December 16, 1991 and quitclaims

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CALENDAR ITEM NO C 3 7 (CONT'D)

to the State all of the lessee's right, title and interest in and to the leased lands described in Exhibit "A" of State oil and gas lease PRC 7383 dated September 18, 1989.

A review of the Commission's files reveals that no default exists on the lease, that the lessee has complied with all applicable laws and lease provisions and has paid all rentals (no royalty is due as the leased lands were not developed).

STATUTORY AND OTHER AUTHORITY:

P.R.C. 6804.1 and Paragraph 30.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. No wells were drilled into State lands.
2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Code Regs. 15061), the staff has determined that the acceptance of the quitclaim is exempt from the requirements of the CEQA because the activity is not a "project" as defined by and the State CEQA Guidelines.

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

EXHIBITS:

- A. Land Description.
- B. Site Map.
- C. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THE ACTIVITY EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. ACCEPT FROM ARCO OIL AND GAS COMPANY (LESSEE) THE (FULL) QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7383 DATED DECEMBER 16, 1991, WHERE THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN AND TO THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF STATE OIL AND GAS LEASE PRC 7383 DATED SEPTEMBER 18, 1989. THE QUITCLAIM SHALL BE EFFECTIVE MARCH 5, 1992, THE DAY IT WAS FILED WITH THE STATE.

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3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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EXHIBIT "A"

W 40570

LAND DESCRIPTION

A parcel of land, being all of the bed of the Eel River within Sections 14, 15, 22, and 23, T2N, R1W, HBM, Humboldt County, California:

EXCEPTING THEREFROM any portion lying landward of the ordinary low water mark of said river.

END OF DESCRIPTION

PREPARED SEPTEMBER 18 , 1989 BY BIU 1.

MAP PAGE	245
SHEET NO.	1401

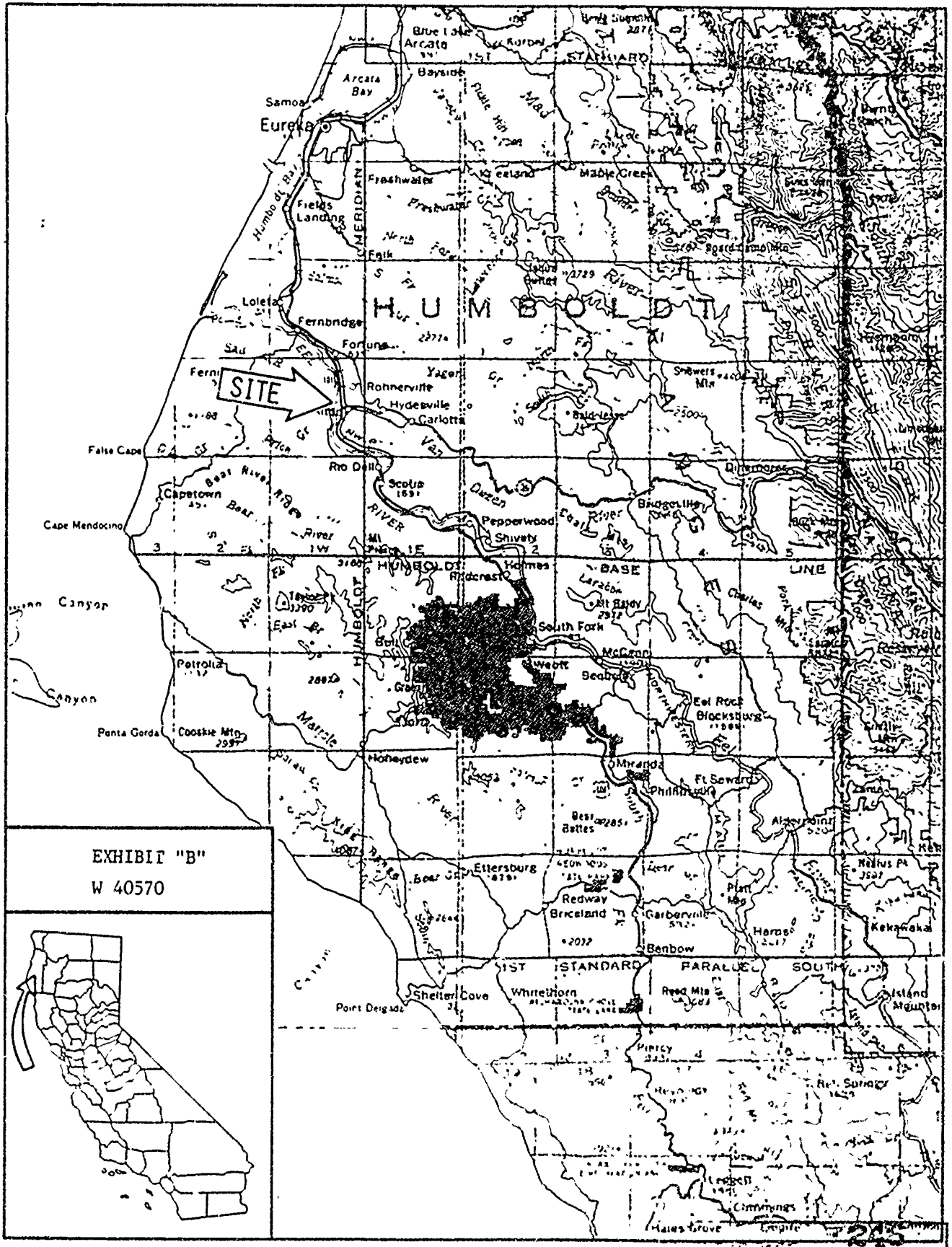


EXHIBIT "B"
W 40570



EXHIBIT "C"

STATE TIDE AND SUBMERGED LAND

SECTIONS 14, 15, 22, AND 23

T2N-R1W H.B.M. HUMBOLDT COUNTY

