

CALENDAR ITEM
C79

MINUTE ITEM
This Calendar Item No. C79
was approved as Minute Item
No. 79 by the State Lands
Commission by a vote of 2
to 0 at its 2/27/96
meeting.

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02/27/96

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PRC 7671

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CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL AND GAS LEASE NO. PRC 7671
(40 ACRES UNDER LUCO SLOUGH),
SOLANO COUNTY

LESSEE:

The Termo Company
P. O. Box 2767
Long Beach, California 90801

BACKGROUND:

Negotiated subsurface (no surface use) State Oil and Gas Lease No. PRC 7671 (Lease) was issued to The Termo Company on December 17, 1992 and contains 40 acres of tide, submerged and proprietary lands in the bed and vicinity of the Luco Slough in Solano County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$25 per acre (\$1,000 for 40 acres) and commence drilling operations on the leased lands within three years. No wells have been drilled on or into the leased lands.

Public Resources Code Section 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 January 24, 1996, the Commission's Long Beach office staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease". This document was dated January 8, 1996, and quitclaims back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit "A" of State Oil and Gas Lease PRC 7671 dated December 17, 1992.

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 REFERENCES:

- A. Public Resources Code Section 6804.1 and Lease Paragraph 30.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of CEQA because the activity is not a "project" as defined by the CEQA Statutes and Guidelines.

Authority: Public Resources Code Section 21084 and 14 Cal. Code Regs. 15378.

EXHIBITS:

- A. Land Description
- B. 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 PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
- 2. ACCEPT FROM THE TERMO COMPANY (LESSEE) THE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE DATED JANUARY 8, 1996, WHERE THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF STATE OIL AND GAS LEASE NO. PRC 7671 DATED DECEMBER 17, 1992.

CALENDAR ITEM NO. **C79** (CONT'D)

3. RELEASE THE TERMO COMPANY FROM ALL OBLIGATIONS UNDER STATE OIL AND GAS LEASE NO. PRC 7671 EFFECTIVE JANUARY 24, 1996, THE FILING DATE OF THE QUITCLAIM DEED.
4. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

EXHIBIT "A"

PRC 7671

W 40679

LAND DESCRIPTION

All that tide and submerged land in the bed of Luco-Nurse Slough lying within the south one-half of protracted Section 13 and the north one-half of protracted Section 24, T4N, R1W, MDM, Solano County, California, bounded on the north by the east/west quarter section line of protracted section 13, T4N, R1W, MDM; on the southeast by the southerly prolongation of that certain course having a bearing and distance of N 9° 30' 53" E, 1332.94 feet in the Grant Deed recorded September 27, 1989 as document no.890066883 in the County Records office of said county; and easterly and westerly by the ordinary high water marks of said Luco-Nurse Slough..

END OF DESCRIPTION

PREPARED AUGUST 25, 1992 BY LLB.

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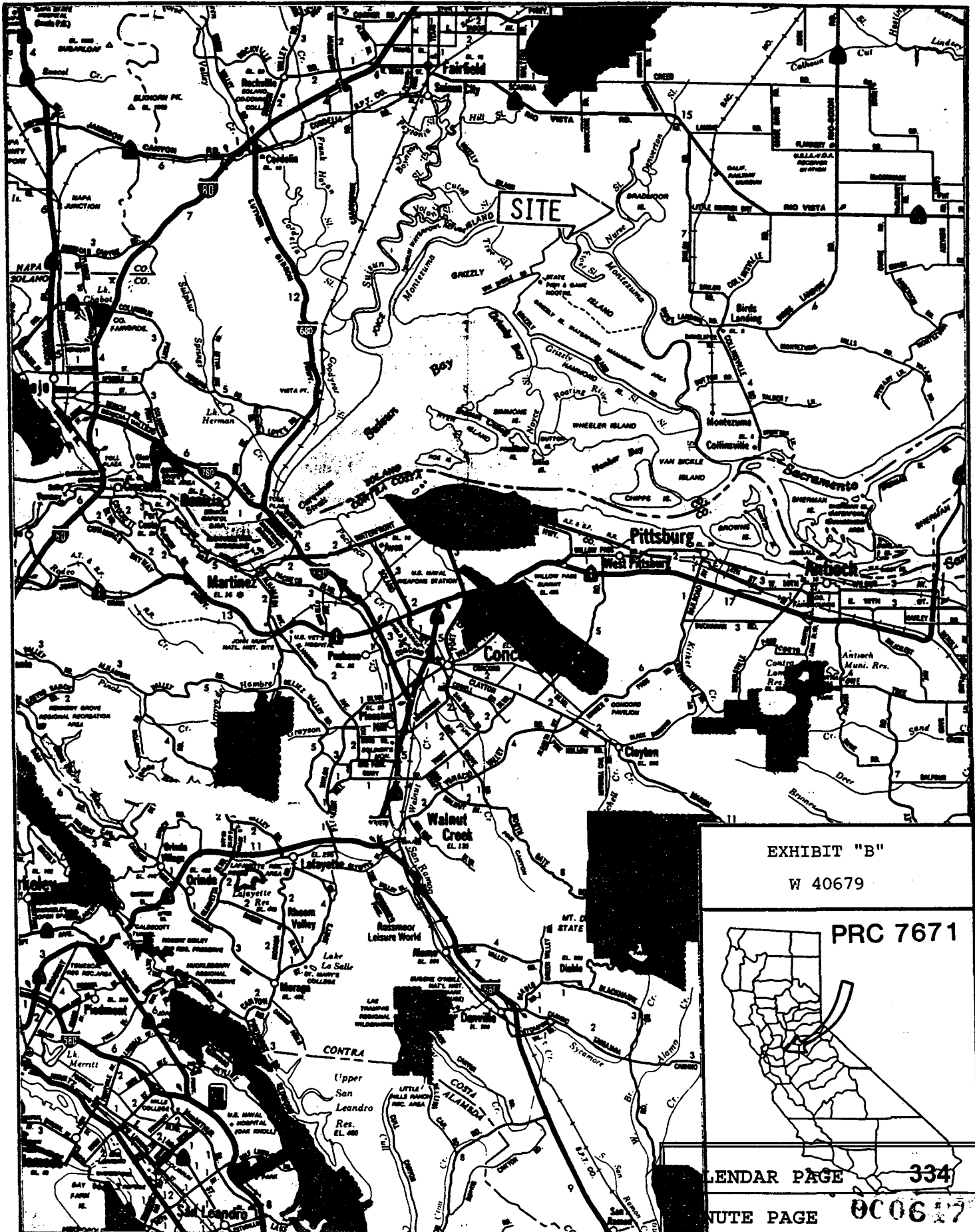


EXHIBIT "B"

W 40679

PRC 7671



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