

MINUTE ITEM

This Calendar Item No. C61 was approved as Minute Item No. 61 by the California State Lands Commission by a vote of 3 to 0 at its 11/07/97 meeting.

**CALENDAR ITEM
C61**

A 8, 10, 15, 17

11/07/97

PRC 7542

S 4, 5, 7

A. Nitsche

**CONSIDER APPROVAL OF THE ASSIGNMENT OF UNDIVIDED INTEREST
IN OIL AND GAS LEASE NO. PRC 7542,
SACRAMENTO AND SAN JOAQUIN COUNTIES**

ASSIGNOR:

Casex Company
Attn: Mr. M. Castro
P. O. Drawer 2667
Truckee, CA 96160-2667

ASSIGNEE:

Enron Oil and Gas Company
Ms. Pam Lovatto
1625 Broadway, Suite 1300
Denver, CO 80202

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 7542 (Isleton Gas Unit) encompasses a portion of Agreement for Easement E-415.1, in the beds of the Sacramento River and Georgiana Slough, which lands are in Sacramento and San Joaquin Counties

BACKGROUND:

An agreement for Easement 415.1, covering approximately 2,827 acres of sovereign land of the State in the Rio Vista Gas Field in Contra Costa, Sacramento, San Joaquin and Solano Counties, was issued, pursuant to competitive public bidding, for a term of 20 years on June 3, 1940, to the Standard Oil Company of California, now Chevron U.S.A., Inc. The agreement was modified on November 1, 1950, by the formation of the Isleton Gas Field Unit (PRC 7542), which included Easement 415.1 and is exclusive of the horizons and zones included in the Rio Vista Gas Unit. Section 2(o) of the agreement provides, in part, that the holder of the easement may not assign, transfer or sublet its interest, without the prior consent in writing of the State.

Through a series of assignments, Casex Company (Casex) is the present

CALENDAR PAGE	331
MINUTE PAGE	002531

CALENDAR ITEM NO. C61 (CONT'D)

lessee of Lease No. PRC 7542 and Casex is the operator for the lease. Enron Oil and Gas Company (Enron) is now requesting that the State Lands Commission approve assignment of 100 percent interest in this lease to Enron.

STATUTORY AND OTHER REFERENCES:

- A. Section 2(o) of Agreement for Easement 415.1
- B. Public Resources Code section 6804

OTHER PERTINENT INFORMATION

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

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

- 2. Assignment forms and prerequisite filing fees have been paid by Enron Oil and Gas Company.
- 3. A Performance Bond of \$25,000 has been filed

EXHIBITS:

- A. Land Description
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

March 25, 1998

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF

CALENDAR ITEM NO. C61 (CONT'D)

REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN OIL AND GAS LEASE NO. PRC 7542 FROM CASEX COMPANY TO ENRON OIL AND GAS COMPANY, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO EFFECT THIS ASSIGNMENT.

CALENDAR PAGE	333
MINUTE PAGE	002533

EXHIBIT A

LAND DESCRIPTION

E-415 ISLETON GAS UNIT

PRC 7542

PARCEL 9

All that certain real property situated in the County of Sacramento, State of California, described as follows:

All those certain submerged lands belonging to the State of California and underlying that portion of the Sacramento River which is bounded on the East by a straight line extending southeasterly from United States Geological Survey Pier No. 8, on Grand Island, to United States Engineers' Station "Venice U.S.E. 1931," on Venice Island, and is bounded on the West by a straight line extending southeasterly from a point which is East 750 feet from United States Coast and Geodetic Survey Triangulation Station "Isleton, northeast transmission tower" to a point which is East 2250 feet from United States Coast and Geodetic Survey Triangulation Station "Jackson."

PARCEL 10

All that certain real property situated in the County of Sacramento, State of California, described as follows:

All those certain submerged lands belonging to the State of California and underlying that portion of Georgiana Slough which is bounded on the East by said straight line extending Southeasterly from United States Geological Survey Pier No. 8, on Grand Island, to United States Engineers' Station "Venice U.S.E. 1931," on Venice Island, and on the South by a straight line extending East from a point which is 550 feet North from United States Coast and Geodetic Survey Triangulation Station "Jackson."

CALENDAR PAGE

334

MINUTE PAGE

002534

