MINUTE ITEM

This Calendar Item No (15) was approved as Minute Item No (25) by the California State Lands Commission by a vote of 3 to 6 at its 13/14/98 meeting.

CALENDAR ITEM

C125

A 4 12/16/98 PRC 5995.1 S 2 A. Nitsche

CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE NO. PRC 5995.1 SOLANO COUNTY

ASSIGNOR:

Pittencrieff America, Inc. Mr. John C. Weaver P. O. Box 6129 Abilene, Texas 79608-6129

ASSIGNEE:

Casex Company
Mr. M. Castro
P. O. Box 2667
Truckee, California 96160

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 5995 (Parcel 1) consists of 86 acres of tide and submerged lands lying in the bed of Lindsey Slough in Solano County.

BACKGROUND:

Oil and Gas Lease No. PRC 5995.1 was issued to Casex-Seahawk on April 29, 1981. Through a series of corporate mergers and name changes, the present lessee is Casex-Pittencrieff. Casex Company is the operator for the lease. Oil and Gas Lease No. PRC 5995.1 currently has two producing wells, the Sea Hawk 1-1, producing 5,504 mcf/day, and the Sea Hawk 1-2, producing 3,432 mcf/day. In August 1998, State royalty for these two wells was \$3,638.54. Pittencrieff America, Inc., (Pittencrieff) is now requesting that the California State Lands Commission approve assignment of all of Pittencrieff's right, title and interest in the lease to Casex Company.

STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the Lease.
- B. Public Resources Code section: 6804

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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 have been executed and prerequisite filing fees have been paid by Pittencrieff America, Inc..

EXHIBIT:

A. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A

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 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 5995.1 FROM PITTENCRIEFF AMERICA, INC., TO CASEX COMPANY, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

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

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