

CALENDAR ITEM
C77

MINUTE ITEM
This Calendar Item No. C77
was approved as Minute Item
No. 77 by the State Lands
Commission by a vote of 3
to 0 at its 11-26-01
meeting.

A 8, 10, 15, 17

S 4, 5, 7

11/26/01
PRC 729.1
A. Nitsche

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN OIL AND GAS LEASE NO. PRC 729.1
SACRAMENTO COUNTY**

ASSIGNOR:

EOG Resources, Inc.
Attn.: Mr. J. Michael Schween
600 17th Street, Suite 1100N
Denver, CO 80202

ASSIGNEE:

Towne Exploration Company
Attn.: Mr. E. B. Towne, Jr.
582 Market Street, Suite 515
San Francisco, CA 94104

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 729.1 contains approximately 350 acres of tide and submerged lands in the Sacramento River, Sacramento County.

BACKGROUND:

Oil and Gas Lease No. PRC 729.1 was issued to Brazos Oil Company on June 30, 1956. Through a series of corporate mergers and name changes, the present lessee is EOG Resources, Inc. (formerly Enron). Towne Exploration Company is the operator for the lease. EOG Resources, Inc., is now requesting that the California State Lands Commission approve assignment of 100 percent interest in this lease to Towne Exploration Company. All wells are currently idle within Lease No. PRC 729.1. Towne Exploration plans to restore the Lease to production.

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STATUTORY AND OTHER REFERENCES:

- A. Section 4 of the Lease.
- 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 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060 (c)(3) and 15378.

- 2. Assignment forms and prerequisite filing fees have been paid by Towne Exploration Company.

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 NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) 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 729.1 FROM EOG RESOURCES, INC. TO TOWNE EXPLORATION COMPANY, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

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AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO
EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THIS
ASSIGNMENT.

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