

CALENDAR ITEM
C85

MINUTE ITEM
This Calendar Item No. C85
was approved as Minute Item
No. 85 by the State Lands
Commission by a vote of 3
to 0 at its 11-26-01
meeting.

A 8

S 4

11/26/01
PRC 8300.1
A. Nitsche

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 8300.1
(193 ACRES UNDER CACHE AND PROSPECT SLOUGHS),
SOLANO COUNTY**

LESSEE:

Pohle Oil and Gas, Inc.
Attn.: Mr. Ted Carlsen
5000 California Avenue, Suite 205A
Bakersfield, CA 93309

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 8300.1 contains 193 acres of tide and submerged lands in the vicinity of the Cache and Prospect Sloughs, Solano County, California.

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 8300.1 (Lease) was issued to Pohle Oil and Gas, Inc., on April 24, 2001, and contains 193 acres of tide, submerged and proprietary lands in the bed and vicinity of the Cache and Prospect Slough in Solano County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$40.00 per acre (\$7,720 for 193 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.

CALENDAR ITEM NO. **C85** (CONT'D)

On September 10, 2001, the Commission's Long Beach office staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated September 4, 2001, and quitclaims back to the State all of the lessee's right, title and interest in the leased lands, as shown on Exhibit A, attached hereto, of Oil and Gas Lease No. PRC 8300.1, dated April 24, 2001.

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.

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.

EXHIBITS:

- A. Land Description
B. 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.

CALENDAR ITEM NO. **C85** (CONT'D)

AUTHORIZATION:

1. ACCEPT FROM POHLE OIL AND GAS, INC. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE, DATED APRIL 24, 2001, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS, AS SHOWN ON EXHIBIT A, ATTACHED HERETO, OF OIL AND GAS LEASE NO. PRC 8300.1 DATED APRIL 24, 2001.
2. RELEASE POHLE OIL AND GAS, INC., FROM ALL OBLIGATIONS UNDER OIL AND GAS NO. LEASE PRC 8300.1 ACCRUING AFTER SEPTEMBER 10, 2001, THE FILING DATE OF THE QUITCLAIM DEED.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.

EXHIBIT A
LAND DESCRIPTION

PRC 8300.1

W 40826

That parcel of tide and submerged land lying within Lindsey Slough, Cache Slough and Prospect Slough in Sections 29, 30, 31 and 32, Township 5 North, Range 3 East and Section 25, Township 5 North, Range 2 East, Mount Diablo Meridian and more particularly described as follows:

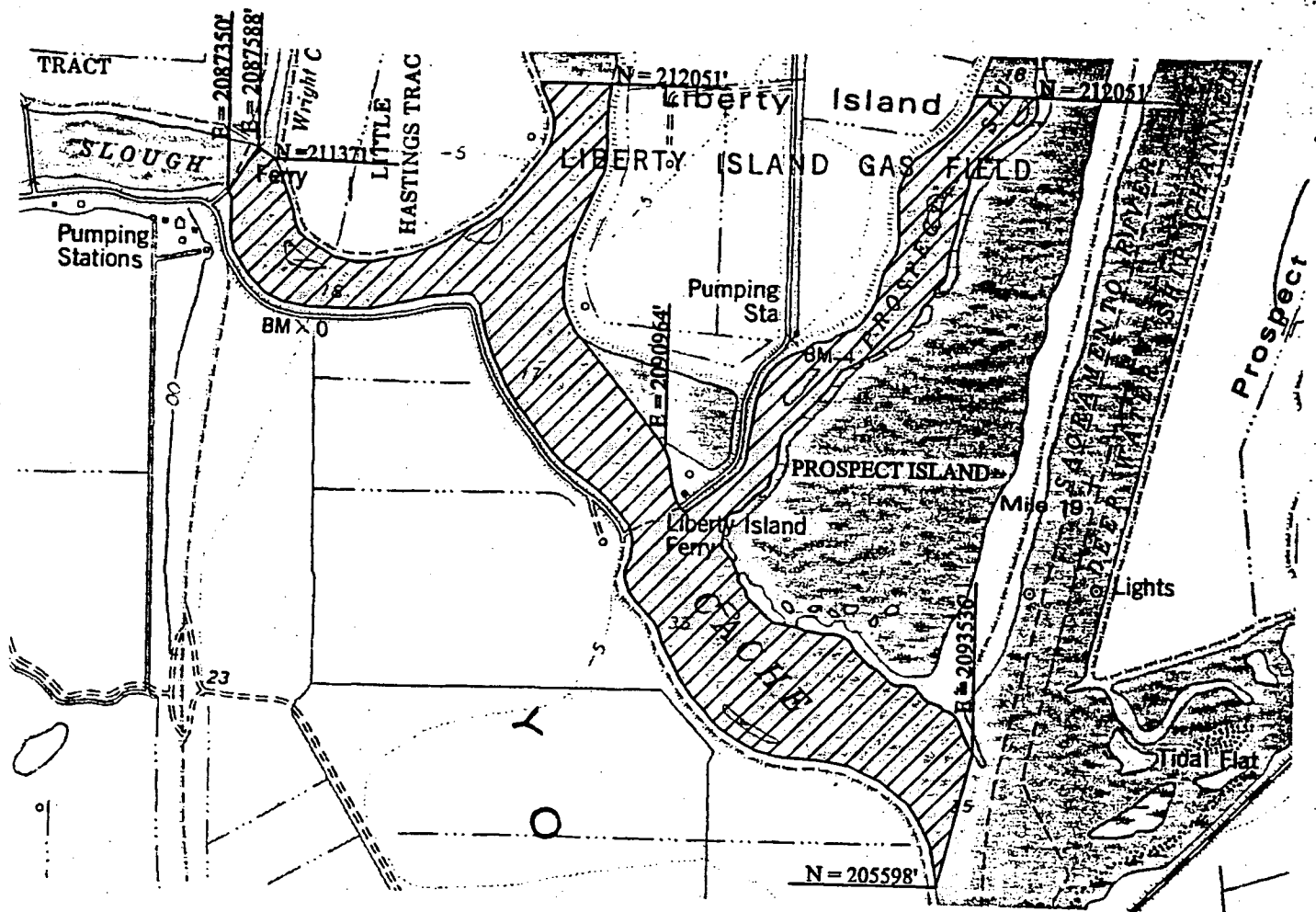
Beginning at the intersection of the ordinary high water mark of the right bank of Lindsey Slough with a line bearing grid north and having an easting coordinate of 2087350 feet California Coordinate System 1927, Zone 2; thence southeasterly along ordinary high water mark of the right bank of Lindsey Slough and Cache Slough to its intersection with a line bearing grid west and having an northing coordinate of 205598 feet California Coordinate System 1927, Zone 2; thence northerly to the intersection of the ordinary high water mark of the left bank of Cache Slough with a line bearing grid north and having an easting coordinate of 2093536 feet California Coordinate System 1927, Zone 2; thence northwesterly along ordinary high water mark of the left bank of Cache Slough to its intersection with the ordinary high water mark of the left bank of Prospect Slough; thence northerly along ordinary high water mark of the left bank of Prospect Slough to its intersection with a line bearing grid west and having an northing coordinate of 212051 feet California Coordinate System 1927, Zone 2; thence West along said line to its intersection with the ordinary high water mark of the right bank of Prospect Slough; thence southerly along said ordinary high water mark to its intersection with the ordinary high water mark of the left bank of Cache Slough; thence northwesterly along said ordinary high water mark to its intersection with a line bearing grid north and having an easting coordinate of 2090964 feet California Coordinate System 1927, Zone 2; thence North 39° West 1150 feet, more or less, to the ordinary high water mark of the left bank of Cache Slough; thence northerly along said ordinary high water mark to its intersection with a line bearing grid west and having an northing coordinate of

212051 feet California Coordinate System 1927, Zone 2; thence West along said line to its intersection with the ordinary high water mark of the right bank of Cache Slough; thence southerly along said ordinary high water mark to its intersection with the ordinary high water mark of the left bank of Lindsey Slough; thence westerly and northerly along the ordinary high water mark of the left bank of Lindsey Slough to its intersection with a line bearing grid west and having an northing coordinate of 211371 feet California Coordinate System 1927, Zone 2; thence westerly to the intersection of the ordinary high water mark of the left bank of Lindsey Slough with a line bearing grid north and having an easting coordinate of 2087588 feet California Coordinate System 1927, Zone 2; thence southerly to the Point of Beginning.

The basis of bearings for this description is the California Coordinate System 1927 Zone 2. This description was prepared in February 2001 using coordinates scaled from USGS maps.



SITE MAP



Ptms Sec 29-32, T5N, R3E, MDM

LOCATION MAP

NO SCALE

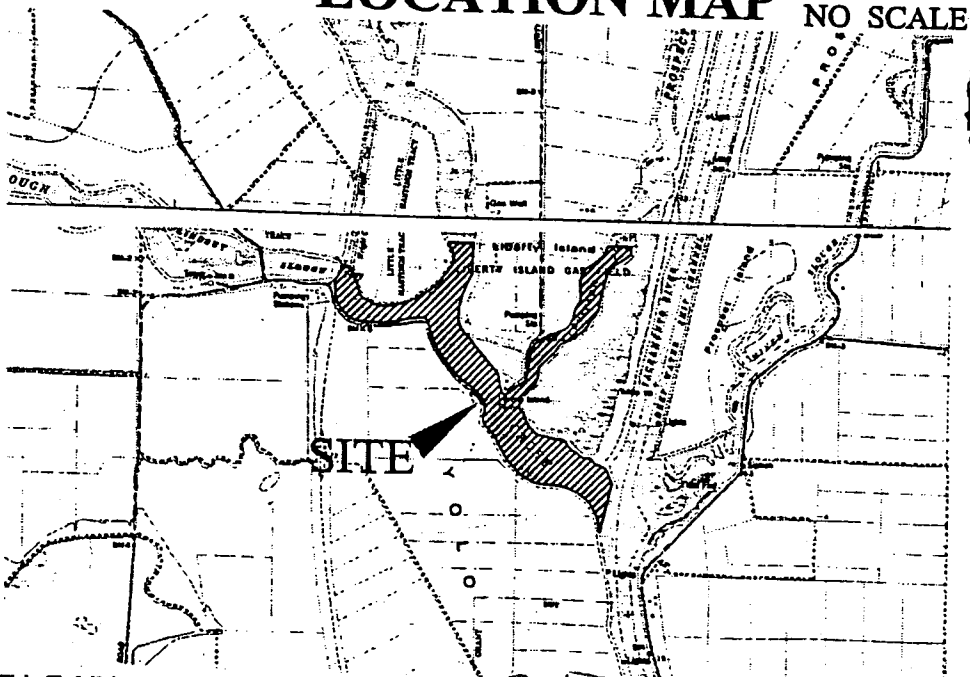


Exhibit B

PRC 8300.1 W 40826

Cache, Prospect & Lindsey Sloughs
SOLANO COUNTY



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This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or any other property.