

MINUTE ITEM
This Calendar Item No. C63 was approved as
Minute Item No. 63 by the California State Lands
Commission by a vote of 3 to 0 at its
10-01-02 meeting.

**CALENDAR ITEM
C63**

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10/01/02
PRC 8095.1
A. Nitsche

**CONSIDER ACCEPTANCE OF THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
OIL AND GAS LEASE NO. PRC 8095.1,
(422 ACRES UNDER THE SAN JOAQUIN RIVER),
CONTRA COSTA COUNTY**

LESSEE:

Russell H. Green, Jr. and Rio Delta Resources, Inc.
Attn.: Mr. Russell H Green, Jr.
P.O. Box 965
Healdsburg, CA 95448

Rio Delta Resources, Inc.
Attn.: Mr. Robert D. Reedy
3600 American River Drive, Suite 220
Sacramento, CA 95864

AREA, LAND TYPE, AND LOCATION:

Oil and Gas Lease No. PRC 8095.1 contains 422 acres of tide and submerged lands in the vicinity of the San Joaquin River, Contra Costa County, California.

BACKGROUND:

Negotiated subsurface (no surface use) Oil and Gas Lease No. PRC 8095.1 (Lease) was issued to Russell H. Green, Jr. on June 14, 1999, and contains 422 acres of tide and submerged lands in the bed and vicinity of the San Joaquin River in Contra Costa County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$20.00 per acre (\$8,440.00 for 422 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

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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 July 15, 2002, the Commission's Long Beach staff received the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated June 11, 2002 and quitclaimed back to the State all of the lessee's right, title and interest in the leased lands described in Exhibit A, attached hereto, of Oil and Gas Lease No. PRC 8095.1 dated June 14, 1999.

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

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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:

1. ACCEPT FROM RUSSELL H. GREEN, JR., AND RIO DELTA RESOURCES, INC. (LESSEE) THE (FULL) QUITCLAIM DEED FOR OIL AND GAS LEASE DATED JUNE 14, 1999, WHEREIN THE LESSEE QUITCLAIMS BACK TO THE STATE ALL RIGHT, TITLE AND INTEREST IN THE LEASED LANDS DESCRIBED IN EXHIBIT A, ATTACHED HERETO, OF OIL AND GAS LEASE NO. PRC 8095.1 DATED JUNE 14, 1999.
2. RELEASE RUSSELL H. GREEN, JR., AND RIO DELTA RESOURCES INC. FROM ALL OBLIGATIONS UNDER OIL AND GAS NO. LEASE PRC 8095.1 ACCRUING AFTER JULY 15, 2002, 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.

LAND DESCRIPTION

A parcel of tide and submerged land in the bed of San Joaquin River, Contra Costa County and Sacramento County, California, more particularly described as follows:

Beginning at the most Westerly point on Jersey Island (at mean high tide); thence due North to the intersection of said Line with the Center Line of the San Joaquin River; as said Center Line is shown on U.S.G.S. topographic map - "Jersey Island Quadrangle", said Center Line also denoting the County Lines of Contra Costa County and Sacramento County; thence Northeasterly with said Line to a point directly North of the northern most corner of Lot 70 as said lot shown on that certain Map of Jersey Island Farms, filed in the office of the Recorder of Contra Costa County, California, in Book 18 of Maps at Page 419 to 424, inclusive, on August 7, 1923; thence South-westerly, Westerly and Southwesterly with the mean high tide line (the Northerly shore) of Jersey Island to the Point of beginning; and containing 422 acres more or less.

NO SCALE

LAND DESCRIPTION PLAT

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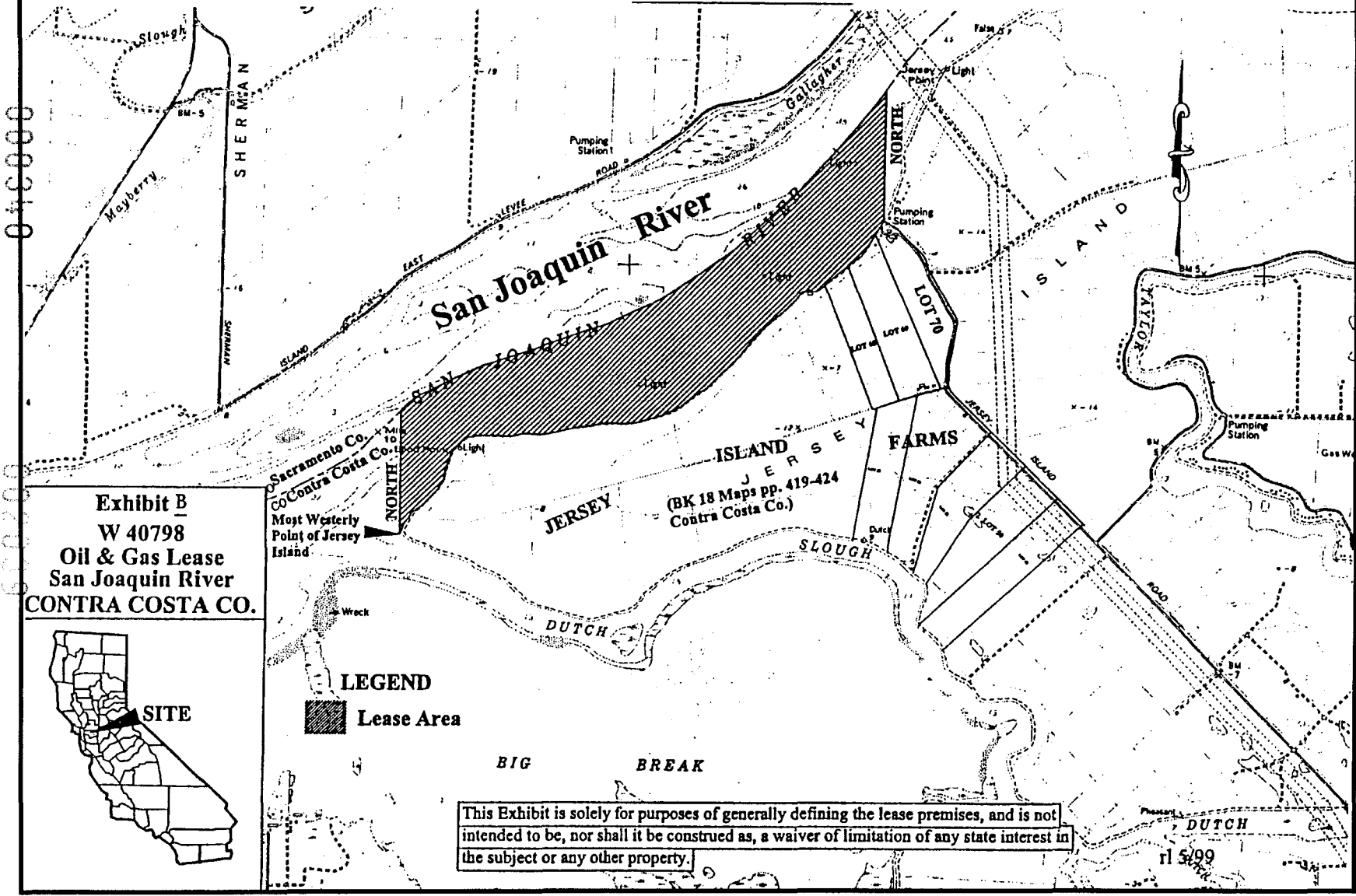


Exhibit B
 W 40798
 Oil & Gas Lease
 San Joaquin River
 CONTRA COSTA CO.



SITE

LEGEND

Lease Area

BIG BREAK

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 of limitation of any state interest in the subject or any other property.

EXHIBIT B

PRC 8095