

MINUTE ITEM

7/30/70
CRK

3. AUTHORIZATION TO RELEASE SURFACE RIGHTS, EXECUTE A DRILLSITE AGREEMENT AND ACCEPT AN EASEMENT DEED AFFECTING GRANTED TIDE AND SUBMERGED LANDS, SAN DIEGO COUNTY; CORONADO CAY COMPANY, A CALIFORNIA LIMITED PARTNERSHIP - W-9082, P.R.C. 4478.9.

After consideration of Calendar Item 19 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT THERE ARE NO KNOWN COMMERCIALLY VALUABLE OIL, GAS, OTHER HYDROCARBONS, OR GEOTHERMAL RESOURCES IN AND ABOVE A PLANE LOCATED 500 FEET BELOW THE SURFACE OF THE LAND DESCRIBED IN EXHIBIT "A".
2. AUTHORIZES THE RELEASE BY THE STATE OF THE RIGHT OF SURFACE ENTRY TO SAID LANDS FOR THE DEVELOPMENT OF OIL, GAS, OTHER HYDROCARBONS, AND GEOTHERMAL RESOURCES, EXCEPT TO THREE DRILLSITES.
3. AUTHORIZES THE EXECUTION OF A DRILLSITE AGREEMENT WITH CORONADO CAY COMPANY ON THE FORM ON FILE WITH THE COMMISSION.
4. ACCEPTS AN EASEMENT DEED AND INDENTURE, ON THE FORM ON FILE WITH THE COMMISSION, CONVEYING TO THE STATE RIGHTS-OF-WAY FOR INGRESS AND EGRESS FROM THE DRILLSITES TO A PUBLIC ROAD AND OVER THE PROPERTY DESCRIBED THEREIN.

Attachment:

Calendar Item 19 (4 pages)

CALENDAR ITEM

7/70
W-9082
CRK

19.

AUTHORIZATION TO RELEASE SURFACE RIGHTS, EXECUTE A DRILLSITE AGREEMENT AND ACCEPT AN EASEMENT DEED AFFECTING GRANTED TIDE AND SUBMERGED LANDS, SAN DIEGO COUNTY; CORONADO CAY COMPANY, A CALIFORNIA LIMITED PARTNERSHIP - W-9082.

Chapter 1744 of the 1965 Statutes of California granted certain tidelands and submerged lands of San Diego Bay to the San Diego Unified Port District. There were excepted from the grant and reserved to the State all minerals including oil, gas, other hydrocarbon deposits, and geothermal resources, together with the right to prospect for, mine, and remove such deposits. A portion of the granted area has been leased by the Port District to Coronado Cay Company, and the lands under lease are the subject of this transaction.

Coronado Cay Company is developing and improving the leased lands by constructing artificial islands, and marine and other commercial and residential facilities thereon. The company wishes to protect its investment in the improvements, and to this end has requested assurance, in the form of a Drillsite Agreement, that the State will not exercise its right to surface entry for exploration and development of oil, gas, other hydrocarbons, and geothermal resources within the leased lands except within areas designated as "drillsites" and within other portions of the leased lands below a depth of 500 feet.

The location and number of the three drillsites recommended herein, together with appropriate access easements, are based upon a Division study of the geology in the area and of possible drilling requirements. There are no currently known commercially valuable mineral deposits in the area. Reducing the area open to drilling will encourage, promote, and assist the State's grantee in substantially improving the granted lands as required by the granting statute.

The Commission has statutory authority to release surface rights under the provisions of Section 6401(b) of the Public Resources Code which provides in part as follows:

"Upon a finding by the Commission that there are no known deposits of commercially valuable minerals in and above a plane located 500 feet below the surface...the Commission may by quitclaim, patent, easement or other appropriate instrument, modify the right of the State to the use of the surface of such lands, including any right to enter such lands to a depth of 500 feet below the surface of such lands, as will permit the orderly use and development of all such sold or exchanged lands...."

The applicant has agreed to pay \$1000 to the State for its expenses in negotiating this transaction.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THERE ARE NO KNOWN COMMERCIALY VALUABLE OIL, GAS, OTHER HYDROCARBONS, OR GEOTHERMAL RESOURCES IN AND ABOVE A PLANE LOCATED 500 FEET BELOW THE SURFACE OF THE LAND DESCRIBED IN EXHIBIT "A".

CALENDAR ITEM 19.(CONTD.)

2. AUTHORIZE THE RELEASE BY THE STATE OF THE RIGHT OF SURFACE ENTRY TO SAID LANDS FOR THE DEVELOPMENT OF OIL, GAS, OTHER HYDROCARBONS, AND GEOTHERMAL RESOURCES, EXCEPT TO THREE DRILLSITES.
3. AUTHORIZE THE EXECUTION OF A DRILLSITE AGREEMENT WITH CORONADO CAY COMPANY ON THE FORM ON FILE WITH THE COMMISSION.
4. ACCEPT AN EASEMENT DEED AND INDENTURE, ON THE FORM ON FILE WITH THE COMMISSION, CONVEYING TO THE STATE RIGHTS-OF-WAY FOR INGRESS AND EGRESS FROM THE DRILLSITES TO A PUBLIC ROAD AND OVER THE PROPERTY DESCRIBED THEREIN.

Attachment: Exhibit "A"

EXHIBIT "A"

LEGAL DESCRIPTION

OF

NAVIGATIONAL AREA

That portion of the Bay of San Diego, in the City of Coronado, County of San Diego, State of California, described as follows:

Commencing at the point of intersection of the southerly boundary of those portions of the island or peninsula described in a deed from J. D. and A. B. Spreckels Investment Company to the State of California, recorded February 1, 1932 in Book 76, page 284, et seq, and Book 80, page 270 et seq, Official Records of said county with the easterly right of way line of San Diego and Arizona Eastern Railway Company, as described in Parcel 2 in deed from J. D. and A. B. Spreckels Company, dated June 25, 1947 and recorded January 21, 1948 in Book 2645, page 333 of official records of said county; thence at right angles to the railroad as located and constructed along said southerly boundary above mentioned North $74^{\circ} 31' 50''$ East 406.93 feet to the true point of beginning; thence, from the true point of beginning having Lambert Coordinates North 169,813.08 and East 1,726,925.47; thence south $41^{\circ} 17' 40''$ East 33.38 feet to a point on a curve concave northeasterly whose radius is 1440.00 feet and whose radial to said point bears South $26^{\circ} 48' 20''$ West; thence southeasterly 673.70 feet along the arc of said curve through a central angle of $26^{\circ} 48' 20''$; thence tangent to said curve east 147.00 feet; thence North $83^{\circ} 51' 30''$ East 491.00 feet; thence North $88^{\circ} 31' 00''$ East 232.00 feet; thence North $68^{\circ} 59' 00''$ East 200.86 feet; thence North $78^{\circ} 46' 00''$ East 249.28 feet; thence South $26^{\circ} 11' 00''$ East 131.50 feet; thence South $48^{\circ} 37' 00''$ East 84.00 feet; thence South $37^{\circ} 11' 00''$ East 36.40 feet; thence South $13^{\circ} 55' 00''$ East 56.15 feet; thence South $32^{\circ} 00' 00''$ West 18.88 feet; thence South $77^{\circ} 18' 00''$ West 47.65 feet; thence South $70^{\circ} 52' 00''$ West 38.00 feet; thence North $81^{\circ} 42' 00''$ West 94.00 feet; thence South $38^{\circ} 40' 00''$ West 25.60 feet; thence South $21^{\circ} 02' 00''$ West 70.00 feet; thence South $28^{\circ} 42' 15''$ West 111.32 feet; thence south $23^{\circ} 12' 00''$ West 70.00 feet; thence South $19^{\circ} 20' 00''$ West 57.25 feet; thence South $7^{\circ} 24' 00''$ West 70.00 feet; thence South $2^{\circ} 46' 00''$ West 62.30 feet; thence South $4^{\circ} 21' 00''$ East 46.00 feet; thence South $18^{\circ} 31' 00''$ West 77.30 feet; thence South $6^{\circ} 33' 00''$ West 92.00 feet; thence South $31^{\circ} 24' 00''$ East 45.00 feet; thence South $00^{\circ} 48' 00''$ East 72.00 feet; thence South $10^{\circ} 43' 00''$ West 37.50 feet; thence South $15^{\circ} 45' 00''$ West 40.50 feet; thence South $10^{\circ} 10' 00''$ West 54.00 feet; thence South $11^{\circ} 04' 00''$ East 23.50 feet; thence South $17^{\circ} 06' 00''$ West 40.80 feet; thence South $01^{\circ} 02' 00''$ West 195.00 feet; thence South $13^{\circ} 30' 00''$ East 135.20 feet; thence South $01^{\circ} 56' 00''$ East 133.60 feet; thence South $05^{\circ} 49' 00''$ West 54.30 feet; thence South $00^{\circ} 16' 00''$ West 106.50 feet; thence South $03^{\circ} 45' 00''$ West 84.20 feet; thence South $07^{\circ} 36' 00''$ East 83.20 feet; thence South $10^{\circ} 05' 00''$ West 45.75 feet; thence South 95.50 feet; thence South $06^{\circ} 05' 00''$ East 85.00 feet; thence South $07^{\circ} 33' 00''$ East 76.15 feet; thence South $19^{\circ} 36' 00''$ East 71.65 feet; thence

EXHIBIT "A"(CONTD.)

South 01° 15' 00" West 46.01 feet; thence South 03° 27' 00" West 74.67 feet; thence South 09° 56' 00" East 110.18 feet; thence South 20° 25' 00" East 104.50 feet; thence South 13° 22' 00" East 147.00 feet; thence South 50.00 feet; thence South 05° 36' 00" East 56.75 feet to a point on a curve concave north-easterly whose radius is 1080.00 feet and whose radial to said point bears South 62° 21' 20" West; thence southeasterly 364.22 feet along the arc of said curve through a central angle of 19° 19' 20"; thence tangent to said curve South 46° 58' 00" East 122.00 feet; thence South 66° 23' 00" East 126.00 feet; thence South 72° 37' 00" East 112.20 feet; thence South 79° 47' 00" East 118.40 feet; thence South 48° 50' 00" East 89.65 feet; thence South 72° 26' 00" East 155.80 feet; thence South 41° 27' 30" East 83.88 feet; thence South 30° 07' 09" East 57.82 feet; thence South 15° 12' 24" East 164.02 feet; thence South 86.00 feet; thence South 08° 34' 53" West 127.14 feet; thence South 30° 49' 04" West 179.36 feet; thence South 42° 36' 00" West 220.00 feet; thence South 46° 40' 00" West 169.00 feet; thence South 53° 46' 00" West 134.70 feet; thence South 47° 57' 00" West 109.75 feet; thence South 35° 47' 45" West 104.31 feet; thence South 29° 12' 00" West 70.00 feet; thence South 35° 32' 00" West 60.00 feet; thence South 44° 34' 00" West 600.00 feet; thence South 60° 34' 00" West 44.75 feet; thence South 76° 59' 00" West 102.00 feet; thence South 26° 14' 00" West 78.00 feet; thence South 13° 04' 00" West 185.00 feet; thence South 30° 00' 00" West 75.00 feet; thence South 09° 29' 40" West 107.44 feet; thence South 11° 11' 00" East 120.00 feet; thence South 17° 37' 00" West 220.00 feet; thence South 11° 12' 00" West 257.40 feet; thence South 07° 24' 00" East 54.50 feet; thence South 00° 48' 00" East 179.00 feet; thence South 01° 44' 50" East 126.92 feet; thence South 10° 30' 00" East 129.50 feet; thence South 14° 50' 00" East 125.00 feet; thence South 05° 28' 00" East 84.30 feet; thence South 08° 00' 00" East 104.00 feet; thence South 09° 26' 00" East 256.50 feet; thence South 09° 30' 00" East 88.20 feet; thence South 22° 50' 00" East 78.39 feet to the easterly right of way line of the said San Diego and Arizona Eastern Railway Company; thence North 75° 26' 43" East 596.01 feet; thence North 14° 33' 17" West 1213.65 feet; thence North 32° 31' 09" East 2353.67 feet; thence North 12° 14' 44" West 4253.40 feet; thence North 37° 14' 20" West 1359.59 feet; thence South 52° 45' 40" West 1756.29 feet to the true point of beginning.

Containing 135.091 acres.