

MINUTE ITEM

This Calendar Item No. 27  
was approved as Minute Item  
No. 27 by the State Lands  
Commission by a vote of 3  
to 0 at its 8/24/82  
meeting.

CALENDAR ITEM

27

8/26/82  
W 40262  
Tanner  
AAU 6

EXEMPTION OF OIL AND GAS LEASE  
FROM COMPETITIVE BIDDING REQUIREMENTS

APPLICANT: Office of the County Counsel  
County of Colusa  
200 Sixth Street  
Colusa, California 95932

AREA, TYPE OF LAND AND LOCATION:

Three parcels, totalling 0.7513 of an acre,  
of publicly owned lands in Colusa County,  
near the town of Princeton (Section 13,  
T18N, R1W, MDBM).

SUMMARY:

The County of Colusa intends to enter into  
an oil and gas lease with the Jordan Oil  
and Gas Company. The county has requested  
that the Commission exempt the lease from  
the procedural requirements of competitive  
public bidding as specified by Sections  
7052 and 7053 of the P.R.C.

AB 884: N/A.

PERTINENT INFORMATION:

Jordan Oil and Gas Company has lease holdings  
in Colusa County. Within these lease holdings,  
Colusa County holds fee title to three  
parcels totalling 0.7518 of an acre, more

A 3

S 1

CALENDAR ITEM NO. 27 (CONTD)

or less (See Exhibit "A"). Jordan wishes to lease this land and has offered to pay Colusa County a royalty of 20 percent for any hydrocarbons produced from this lease and \$100 per acre per year in rent. Staff feels that the rates negotiated by Colusa County and Jordan Oil and Gas Company are adequate.

The Staff believes the parcels can be economically developed by Jordan and that it would be impractical for Colusa County to follow the competitive public bidding procedures as outlined in Sections 7052 and 7053 of the P.R.C. because the parcels are small in size and the potential for drainage from adjacent Jordan lands appears imminent.

In accordance with Section 7052 of the P.R.C., the State Lands Commission may, in its discretion, exempt particular leases from the procedures of public bidding if it deems that such procedures are impractical by reason of the small size of the property or drainage from surrounding lands.

**OTHER PERTINENT INFORMATION:**

This action by the Commission is not a project as defined by CEQA and the resources guidelines under P.R.C. Section 21065 and Title 14, Cal. Adm. Code, Sections 15037 and 15060.

**EXHIBIT:** A. Location Map.

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. DETERMINE THAT THIS EXERCISE OF DISCRETION IS NOT A PROJECT UNDER THE PROVISIONS OF P.R.C 21065, 14 CAL. ADM. CODE 15037 AND 15060.
2. EXEMPT THE PROPOSED LEASE BETWEEN JORDAN OIL AND GAS COMPANY AND COLUSA COUNTY FROM PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 and 7053.

BOUNDE CREEK GAS

COUNTY  
COUNTY  
PARCELS OWNED BY  
COLUSA COUNTY

PRINCETON GAS

JORDAN  
LEASE  
HOLDINGS

STEGEMAN GAS

SOUTH

T18N

SITE  
CALIFORNIA

EXHIBIT "A"

STATE LANDS COMMISSION  
W 40262

COLUSA COUNTY 0 7518  
ACRE PARCELS AND  
SURROUNDING AREA UNDER  
LEASE TO JORDAN

AUGUST 1982

CALENDAR PAGE

MINUTE PAGE

2144