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CALENDAR ITEM

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05/05/92
PRC 7268
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ACCEPT THE FULL QUITCLAIM OF
NEGOTIATED SUBSURFACE (NO SURFACE USE)
STATE OIL & GAS LEASE PRC 7268
SOLANO COUNTY

LESSEE:

Amerada Hess Corporation
Attn.: Mr. Peter E. Bacon
1201 Louisiana, Suite 700
Houston, Texas 77002

BACKGROUND:

Negotiated subsurface (no surface use) State oil and gas lease PRC 7268 (Lease) was issued to Amerada Hess Corporation on December 13, 1988 and contains 85 acres of tide, submerged and proprietary lands in the bed and vicinity of the Cache Slough in Solano County, California (leased lands). Under the terms of the lease, the lessee is required to pay an annual rental of \$25 per acre (\$2,125 for 85 acres) and commence drilling operations on the leased lands within three years.

P.R.C. 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.

On January 28, 1992, the Lessee filed, at the Commission's Long Beach office, the document "(Full) Quitclaim Deed for State Oil and Gas Lease." This document was dated December 13, 1991 and quitclaims to the State all of the Lessee's right, title, and interest in and to the leased lands described in Exhibit "A" of State oil and gas lease PRC 7268 dated May 10, 1988.

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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 AUTHORITY:

P.R.C. 6804.1 and Paragraph 30.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. No wells were drilled into State lands.
2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Code Regs. 15061), the staff has determined that the acceptance of the quitclaim is exempt from the requirements of the CEQA because the activity is not a "project" as defined by and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBITS:

- A. Land Description.
- B. Site Map.
- C. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THE ACTIVITY EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. ACCEPT FROM AMERADA HESS CORPORATION (LESSEE) THE (FULL) QUITCLAIM DEED FOR STATE OIL AND GAS LEASE PRC 7268, DATED DECEMBER 13, 1991, WHEREIN THE LESSEE QUITCLAIMS TO THE STATE ALL RIGHT, TITLE AND INTEREST IN AND TO THE LEASED LANDS DESCRIBED IN EXHIBIT "A" OF STATE OIL AND GAS LEASE PRC 7268 DATED MAY 10, 1988. THE QUITCLAIM SHALL BE EFFECTIVE JANUARY 28, 1992, THE DAY IT WAS FILED WITH THE STATE.

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3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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EXHIBIT "A"

PRC 7268

LAND DESCRIPTION

W 40557

All that California State tide and submerged land in the bed of
Cache Slough, Solano County, California, lying within projected
Section 24, T5N, R2E, MDM.

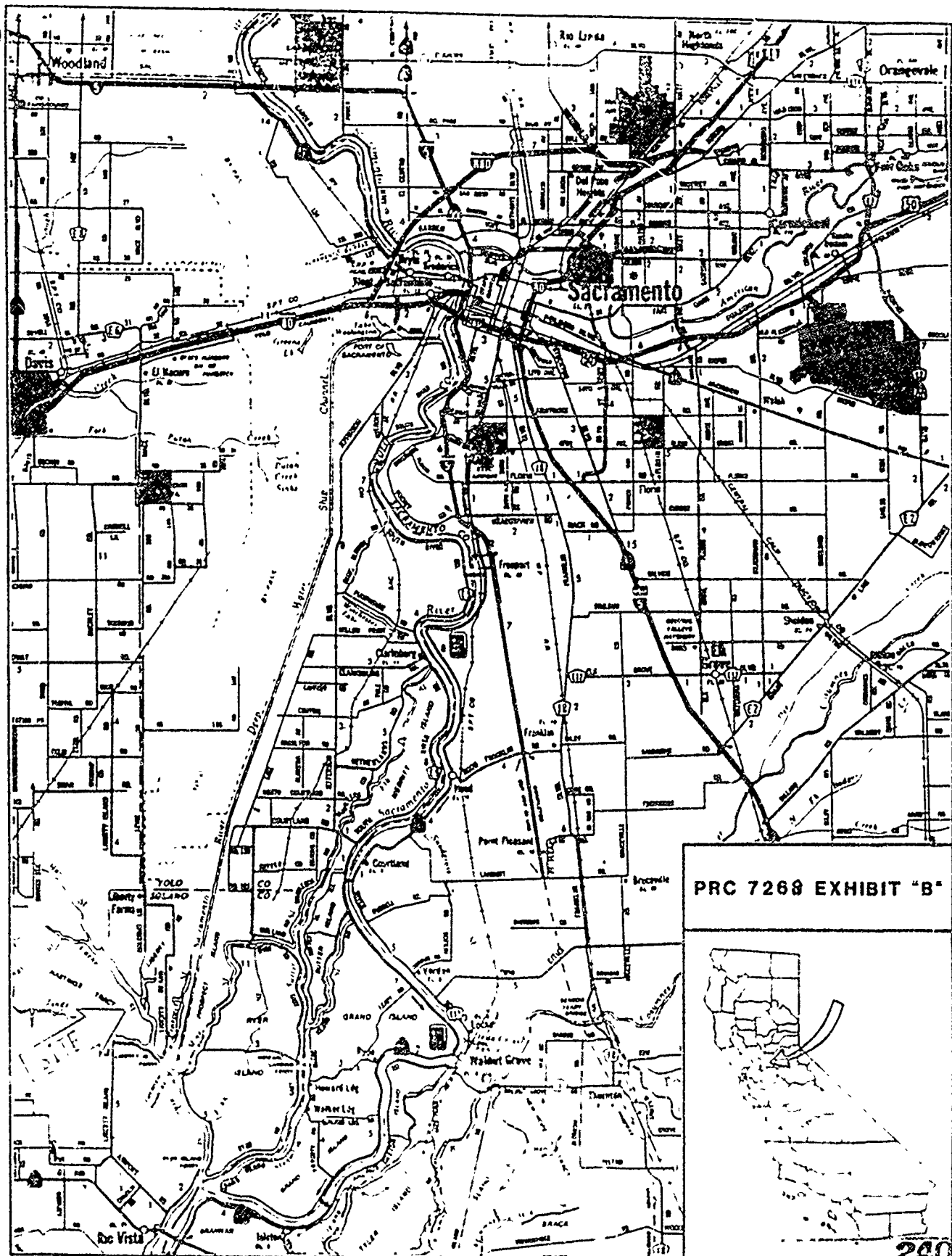
END OF DESCRIPTION

PREPARED MAY 10, 1988 BY BIU 1.

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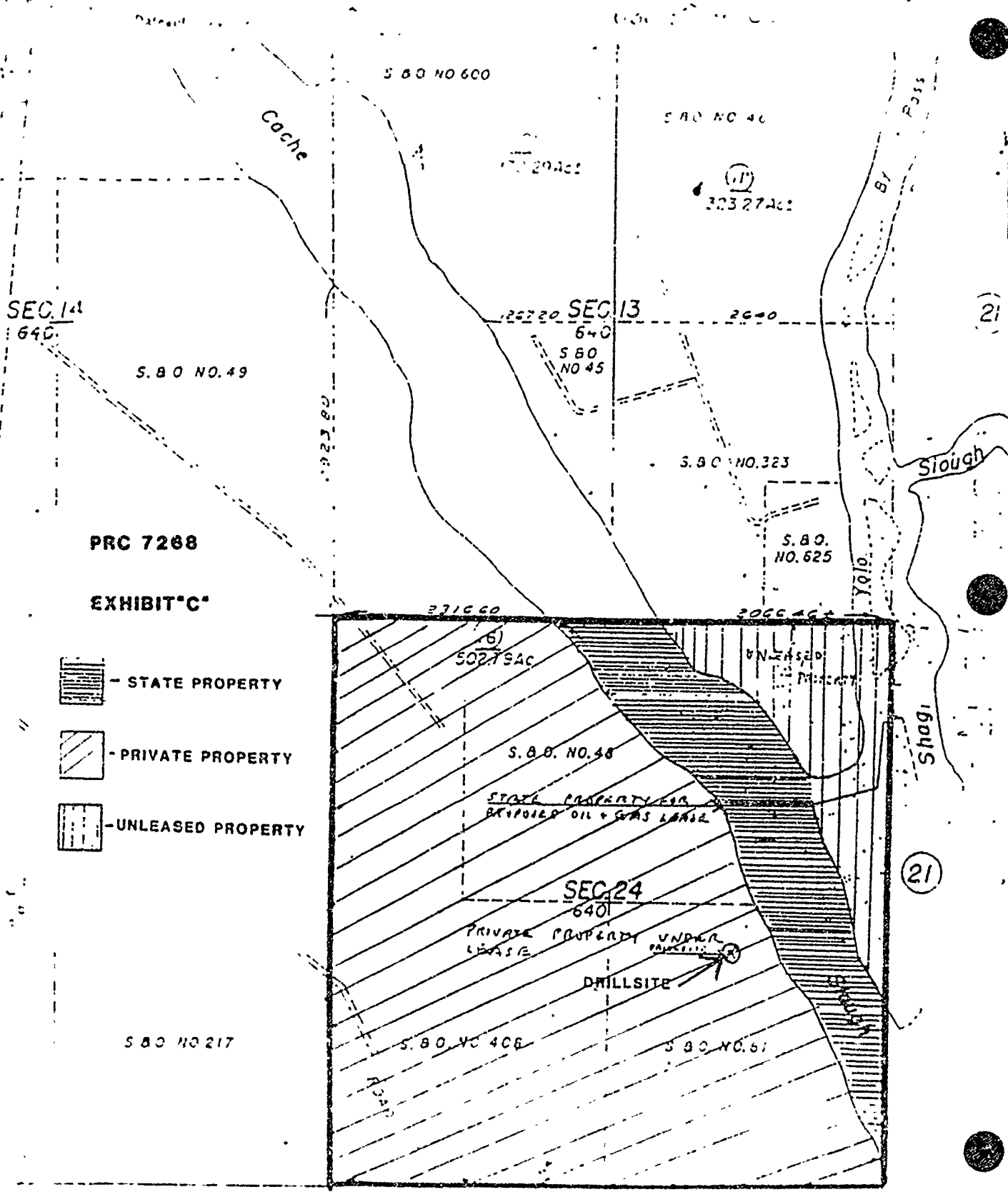


PRC 7268 EXHIBIT "B"






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PRC 7268
EXHIBIT "C"

-  - STATE PROPERTY
-  - PRIVATE PROPERTY
-  - UNLEASED PROPERTY