

MINUTE ITEM

This Calendar Item No. 24  
was approved as Minute Item  
by the State Lands  
Commission by a vote of 3  
to 0 at its 8/26/82  
meeting.

CALENDAR ITEM

24.

8/26/82  
W 40262  
Graber  
PRC 6207

AWARD OF A COMPENSATORY OIL AND GAS AGREEMENT

APPLICANT:

Jordan Oil and Gas Company  
P.O. Box 1919  
Santa Rosa, California 95402

AREA, TYPE LAND AND LOCATION:

209± acres of submerged State-owned lands  
in the bed of the Sacramento River, south  
of the town of Princeton, Glenn County,  
California. The description is made without  
warranty or limitation on the State's title  
to the land.

AB 884:

10/30/82.

PERTINENT INFORMATION:

1. P.R.C. section 6815(a) provides that  
the Commission may negotiate and enter  
into agreements for compensation to  
the State where it appears that wells  
drilled upon private or public lands  
are draining or may drain oil or gas  
from lands owned by the State.

The Commission Staff believes that  
Compensatory Agreement is appropriate

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Non-Substantial Revision 5/9/83

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for the portion of State-owned lands southerly of the town of Princeton where several wells drilled by the applicant are presently capable of draining the State parcel of natural gas. The State parcel is contiguous with lands under lease to the applicant (See Exhibit "A").

2. Under the proposed Compensatory Oil and Gas Agreement, Jordan Oil and Gas agrees to pay (in money) (a) a fee of \$25 per acre and (b) 5 percent flat rate royalty on all oil and gas produced from State-owned lands as specified in the agreement on file in the office of the State Lands Commission.
3. The proposed agreement has been reviewed by Staff Counsel, who has advised that the Compensatory Agreement will comply with the requirements of P.R.C. section 6815(a) and other applicable provisions of law and regulations of the Commission.

EXHIBITS:

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT CEQA IS NOT APPLICABLE TO THIS AGREEMENT BECAUSE THIS AGREEMENT IS NOT A PROJECT UNDER P.R.C. 21065.
2. FIND THAT GRANTING OF THE AGREEMENT WILL HAVE NO SIGNIFICANT EFFECT UPON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION P.R.C. 6370.1.
3. AUTHORIZE THE ISSUANCE OF A COMPENSATORY GAS AGREEMENT ON 209± ACRES OF SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED, AND BY REFERENCE MADE A PART HEREOF, PURSUANT TO DIVISION 6 OF THE P.R.C. TO JORDAN OIL AND GAS COMPANY FOR CONSIDERATION OF AN ANNUAL FEE OF \$25 PER ACRE AND 25 PERCENT FLAT RATE ROYALTY ON ALL GAS PRODUCED FROM STATE-OWNED LANDS.

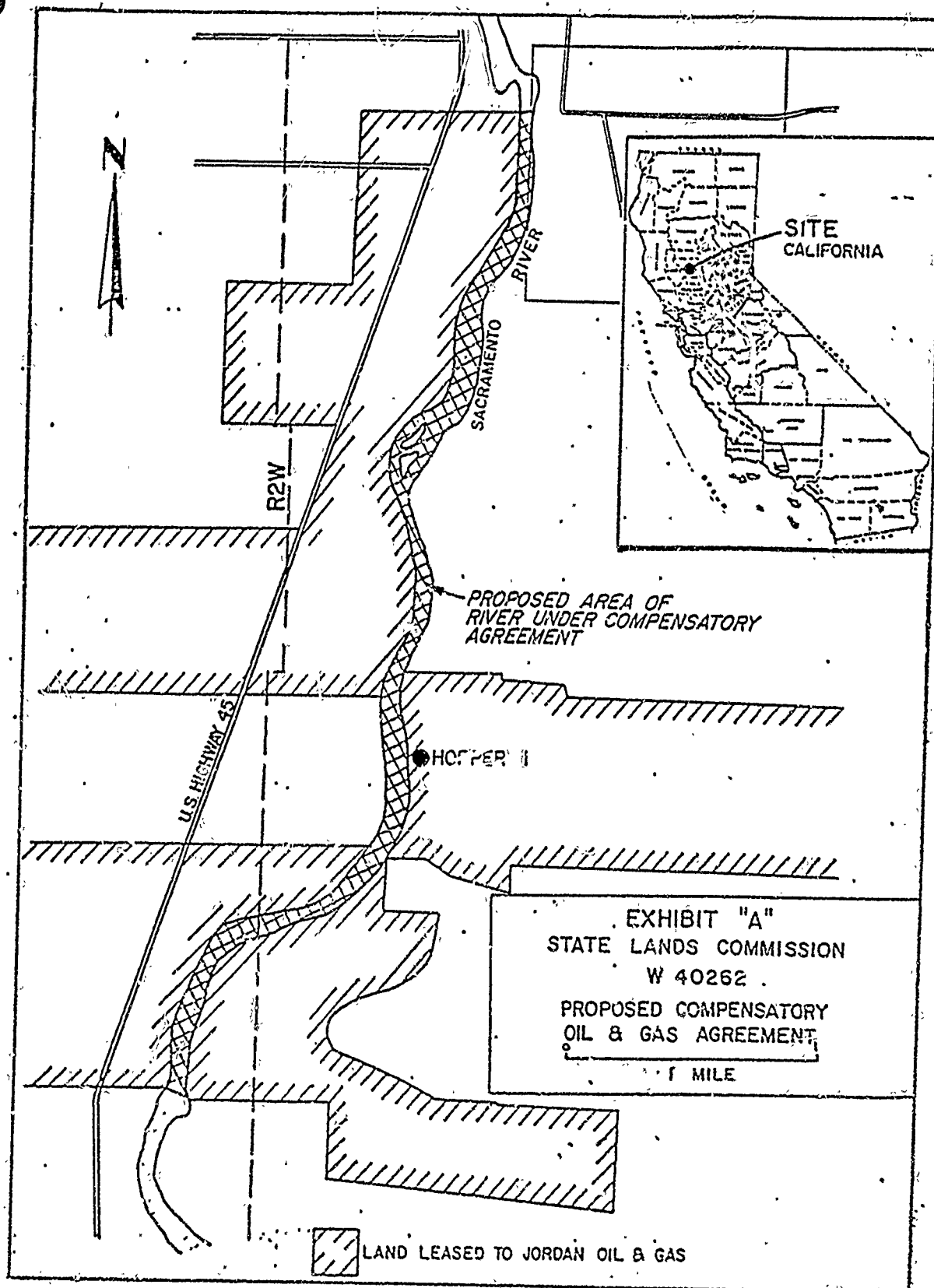


EXHIBIT "B"

LAND DESCRIPTION

W 40262

A parcel of submerged land in the bed of the Sacramento River extending southerly six miles from Princeton, Colusa and Glen Counties, California, described as follows:

All those lands bounded by the ordinary low water marks on the east and west banks of said Sacramento River and bounded on the north and south by California Coordinate System, Zone 2 latitudinal grid lines of the following "y" values:

North line, "y" = 632,150 feet  
South line, "y" = 609,800 feet

consisting of 209± acres.

END OF DESCRIPTION

REVISED OCTOBER 29, 1982 BY BOUNDARY INVESTIGATION UNIT, ROY MINNICK, SUPERVISOR.

Non-Substantial Change Added 2/9/83  
Non-Substantial Addition 5/9/83

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