

MINUTE ITEM

This Calendar Item No. 56
was approved as Minute Item
No. 56 by the State Lands
Commission by a vote of 3
to 0 at its 8/10/88
meeting.

CALENDAR ITEM

A 10
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: 56

08/10/88
W 40444
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REQUEST FOR AN EXEMPTION OF AN OIL AND GAS LEASE
FROM COMPETITIVE BIDDING REQUIREMENTS

APPLICANT: East Bay Municipal Utility District
Attention: Mr. William S. Tannenbaum
Supervising Real Estate
Representative
P. O. Box 24055
Oakland, California 94623

AREA, TYPE OF LAND AND LOCATION:

45.5 acres of land owned in fee by the East Bay
Municipal Utility District adjacent to the
Mokelumne Aqueduct pipelines in Contra Costa
County. The parcels compose a 100-foot wide
strip of land bordering directly on the
Mokelumne Aqueduct pipelines. The District
intends to enter into an oil and gas lease with
Quintana Petroleum Corporation. The District
has requested that the Commission exempt the
lease from the requirements of competitive
public bidding as specified by Sections 7052
and 7053 of the P.R.C.

PERTINENT INFORMATION:

The parcels owned in fee by the East Bay
Municipal Utility District and located in
Contra Costa County, are surrounded on two
sides by parcels Quintana Petroleum Corporation
has under lease. The District parcels are
small and irregular in shape, being a 100-foot
wide strip of land bordering the Mokelumne
Aqueduct pipelines. No surface drillsites are
available on the parcels because of their
irregular shape and the presence of the three
aqueduct pipelines. Drainage from adjacent
lands currently under lease to Quintana
Petroleum Corporation and Pan Canadian

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Petroleum Company is imminent. Therefore, the District parcels qualify for an exemption under the provisions of Section 7052 of the P.R.C.

Quintana Petroleum Corporation has offered to pay the District a rental of \$30 per acre per year and a one-sixth royalty share on all oil and gas production. Staff feels that the royalty offered the District is adequate.

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 land.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

EXHIBITS: A1 & A2. Lease Maps.
B. Legal Description.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. EXEMPT THE EAST BAY MUNICIPAL UTILITY DISTRICT FROM THE PROCEDURAL REQUIREMENTS OF P.R.C. SECTIONS 7052 AND 7053 IN THE PROPOSED LEASING OF THE DISTRICT'S ORWOOD TRACT PARCELS IN CONTRA COSTA COUNTY.

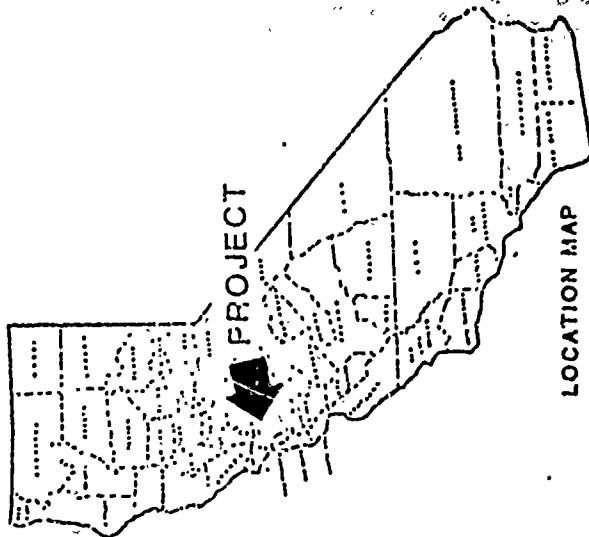
EXHIBIT A-1

STATE LANDS COMMISSION
EXEMPTION FROM COMPETITIVE BID

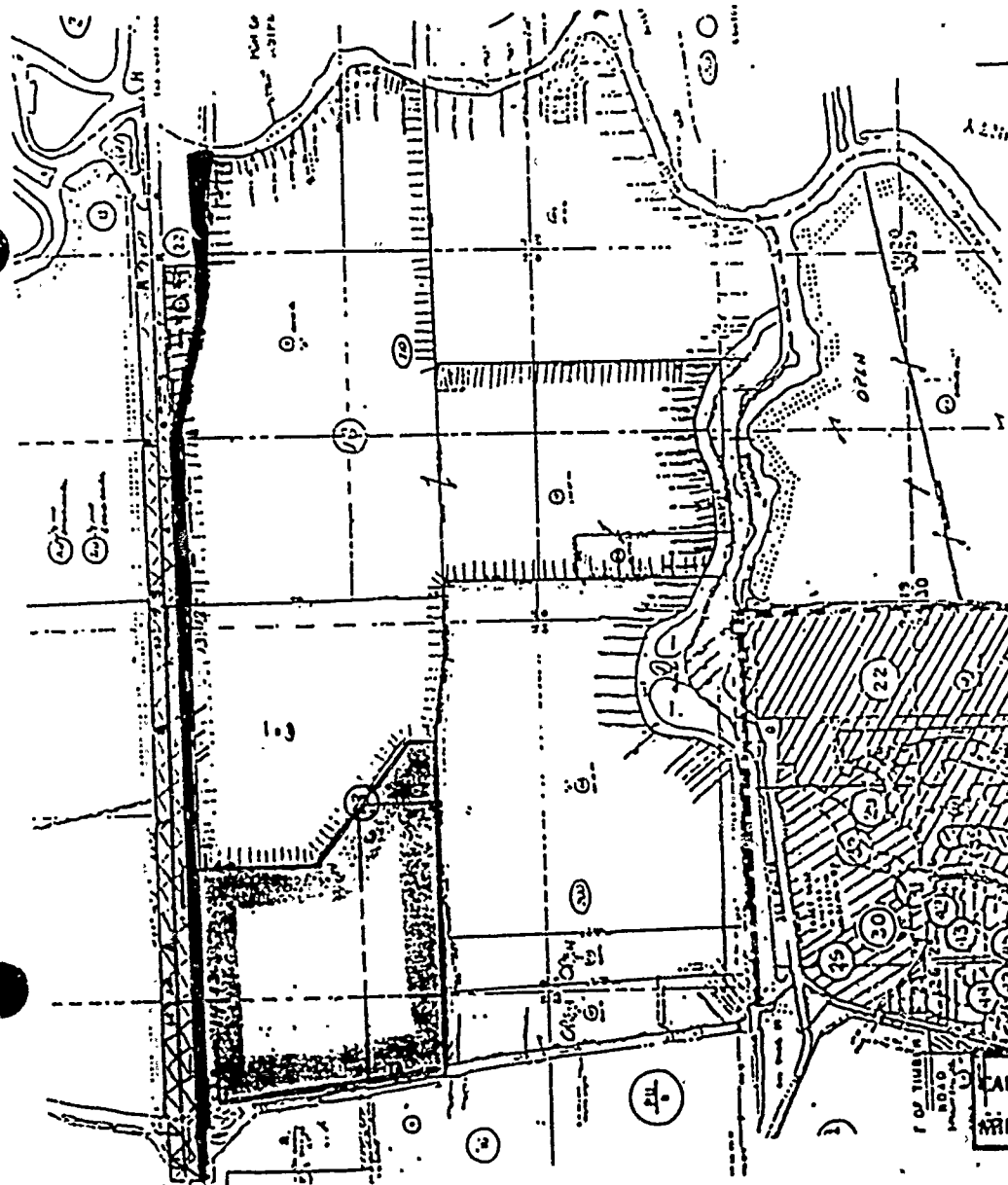
W 40444
EAST BAY MUNICIPAL
UTILITY DISTRICT

JUNE 1988

A.F.M.



LOCATION MAP



PROPOSED LEASE FROM E. B. M. U. D.
PAN CANADIAN LEASE FROM FALLMAN.
PAN CANADIAN LEASE FROM ARNAUDS
BROS.
QUINTANA LEASE FROM ROADMAN.

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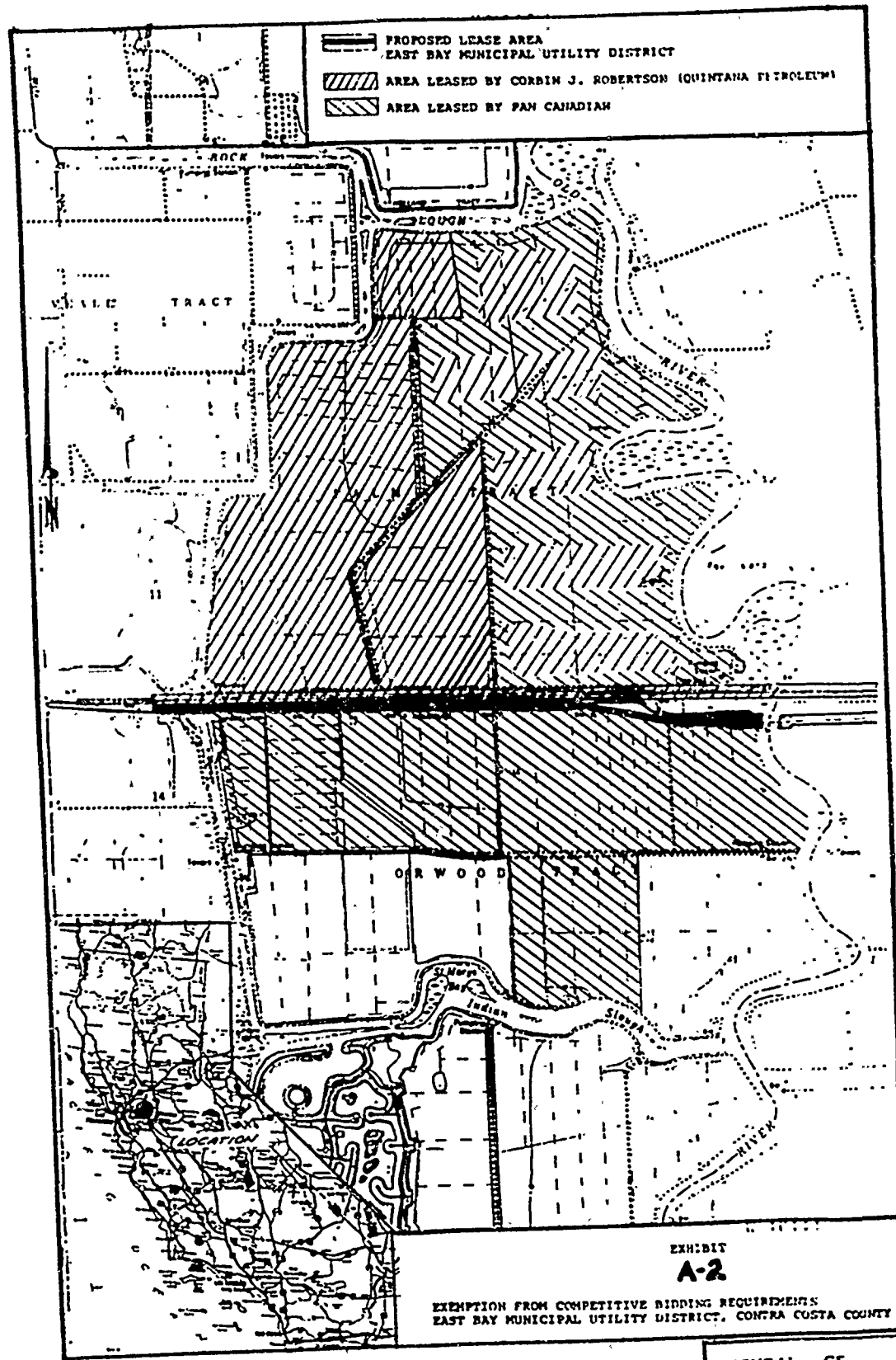


EXHIBIT
A-2

EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS
EAST BAY MUNICIPAL UTILITY DISTRICT, CONTRA COSTA COUNTY

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All those thirteen (13) parcels of land conveyed to East Bay Municipal Utility District, a public corporation, by mesne deeds of record lying in the County of Contra Costa, State of California, within Sections Thirteen (13) and Fourteen (14), Township 1 North, Range 3 East, M.D.B.&M., and within Sections Seventeen (17) and Eighteen (18), Township 1 North, Range 4 East, M.D.B.&M., particularly described as follows:

PARCEL 1:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from The Toyon Duck Club, a California corporation, by deed dated February 8, 1926, recorded on February 13, 1926, in Book 20, Page 259, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14, and 15 of T. 1 N. R. 3 E., M.D.B.&M., and running thence N. 89° 06' E. parallel to and 200.00 feet south of the main tract of the Atchison, Topeka and Santa Fe Railway Company to intersection with the Quarter Section line bisecting Sections 11 and 14, in T. 1 N., R. 3 E., M.D.B.&M., being the point of beginning of the tract described herein; and running thence from said point S. 00° 39' E. along the Quarter Section line 100.00 feet; thence N. 89° 06' E. parallel to and 100.00 feet south of the south Right of Way line of the Atchison, Topeka and Santa Fe Railway, 378.53 feet to the outer toe of a levee; thence along the outer toe of said levee, N. 42° 55' W. 134.6 feet to a point on the south Right of Way line of said railway; thence along said south Right of Way line of said railway 288.00 feet to the point of beginning.

PARCEL 2:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from California Delta Farms Inc., a California corporation, by deed dated September 16, 1926, recorded on September 30, 1926, in Book 50, Page 365, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

A strip of land 125.00 feet in width, located in Section 14, T. 1 N. R. 3 E., M.D.B.&M., said strip of land being described as follows:

BEGINNING at a point 200 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N. R. 3 E., M.D.B.&M., and running thence parallel to and 200 feet south of the center line of the main tract of the A.T. & S.F. Railway, N. 89° 06' E. 2932.00 feet to the point of beginning of the parcel hereinafter described; and running thence from said point of beginning parallel to and 200 feet south of the center line of the main tract of the A.T. & S.F. Railway; said line being the southerly right of way line of said railway, N. 89° 06' E. 778.48 feet; thence S. 20° 52' E. 133.00 feet; thence South 89° 06' W. 711.28 feet; thence N. 42° 55' W. 168.25 feet to the point of beginning.

PARCEL 3:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from The Toyon Duck Club, a California corporation, by deed dated February 2, 1926, recorded on February 13, 1926, in Book 25, Page 116, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at the northeast corner of the 153.89 acre tract conveyed to the Toyon Duck Club by deed dated August 24, 1925 and recorded September 15, 1925 in Vol. 2 of Official Records, page 141, records of Contra Costa County; and running thence from said point along the south boundary of the right of way of the Atchison, Topeka and Santa Fe Railway, S. 89° 06' W., 2844.0 feet to the northeast corner of a 2.28 acre tract previously conveyed by Horace L. Hill, Jr. and Jeanne Gallois Hill, his wife, to the Toyon Duck Club, a corporation, by deed dated June 3, 1924 and recorded July 10, 1924 in Vol. 476 of Deeds, page 100; and continuing thence along the south boundary of the right of way of the Atchison, Topeka and Santa Fe Railway, S. 89° 06' West, 520.00 feet to the point of beginning and running thence from said point of beginning along the south boundary of the right of way of the Atchison, Topeka and Santa Fe Railway S. 89° 06' W., 68.00 feet to the outer toe of the levee forming the westerly boundary of the Orwood Tract; thence S. 20° 52' E., 133.00 feet along the outer toe of said levee; thence N. 89° 06' E., 68.00 feet; thence N. 20° 52' W., 133.00 feet to the point of beginning.

PARCEL 4:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from the Toyon Duck Club, a California corporation, by deed dated February 8, 1926, recorded on February 13, 1926, in Book 21, Page 287, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14, and 15, in T. 1 N., R. 3 E., M.D.B.&M., thence N. 89° 06' E. parallel to and 200.00 feet south of the center line of the main tracks of the Atchison, Topeka and Santa Fe Railway, 3776.00 feet to the point of beginning of the tract of land described herein; and running thence from said point S. 20° 52' E. 133.00 feet; thence N. 89° 06' E. 409.06 feet; thence N. 26° 46' E. 141.14 feet to a point on the south boundary of the right of way of the Atchison, Topeka and Santa Fe Railway; thence along the south boundary of the right of way of said railway S. 89° 06' W. 520.00 feet to the point of beginning.

PARCEL 5:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from Marion E. Gregory, a single man, by deed dated April 1, 1926, recorded on April 12, 1926, in Book 32, Page 161 of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14 and 15, of T. 1 N., R. 3 E., M.D.B.&M., and running thence N. 89° 06' east parallel to and 200.00 feet south of the center line of the Atchison, Topeka and Santa Fe Railway, Right of Way, 4296.00 feet to the point of beginning of the tract of land described herein; thence continuing N. 89° 06' E. 252.00 feet to the center line of a 4 foot ditch; thence S. 11° 33' E. 127.19 feet along the center line of said ditch; thence S. 89° 06' W. 341.04 feet; thence N. 26° 46' E. 141.14 feet to the point of beginning.

PARCEL 6:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from The Toyon Duck Club, a California corporation, by deed dated February 8, 1926, recorded on February 13, 1926, in Book 22, Page 439 of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at the northeast corner of the 153.89 acre tract conveyed to the Toyon Duck Club, by deed dated August 24, 1925, and recorded September 15, 1925 in Vol. 2 of Official Records, page 141, Records of Contra Costa County, California, and running thence from said point of beginning, along the south boundary of the right of way of the Atchison, Topeka and Santa Fe Railway S. 89° 06' W. 2592.00 feet to the center of a four foot ditch; thence along the center line of said ditch, S. 11° 33' E. 127.19 feet; thence North 89° 06' E. 2553.88 feet to the center line of a drainage canal; thence N. 05° 46' E. 125.85 feet along the center line of said drainage canal to the point of beginning.

PARCEL 7:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from California Delta Farms, Inc., a California corporation, by deed dated September 16, 1926, recorded on September 30, 1926, in Book 49, Page 53 of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

COMMENCING at a point 200.00 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.&M., and running thence parallel to and 200.00 feet south of the center line of the main tract of the A.T. & S.F. Railway N. 89° 06' E. 7140.6 feet to the intersection with the center line of a drainage canal running southerly, the point of beginning of the parcel hereinafter described and running thence from said point of beginning parallel to and 200.00 feet south of the center line of the main track of the A.T. & S.F. Railway, said line being the southerly right of way line of the said A.T. & S.F. Railway, N. 89° 06' E. 2078.35 feet to an intersection with the east bank of a slough; thence along the easterly and southerly bank of said slough, S. 50° 41' W. 100.00 feet; N. 88° 21' W. 220.00 feet; N. 61° 49' W. 80.00 feet; S. 87° 02' W. 200.00 feet; S. 76° 36' W. 87.00 feet; S. 14° 02' W. 88.53 feet; thence leaving said slough S. 89° 06' W. 1417.39 feet to the intersection with the center line of said drainage

canal; thence along the center line of said drainage canal, N. 05° 46' E. 125.85 feet to the point of beginning.

PARCEL 8:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from California Delta Farms, Inc., a California corporation, and E.E. Long and Anna Long, his wife, by deed dated September 18, 1926, recorded on October 1, 1926, in Book 50, Page 372 of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.6M., and running thence parallel to and 200.00 feet south of the center line of the main track of the A.T. & S.F. Railway North 89 degrees 06 minutes East 10,875.00 feet to the intersection with the center line of a drainage canal running southerly, the point of beginning of the tract hereinafter described; thence from said point of beginning along the center line of said drainage canal, South 00 degrees 58 minutes East, 125.00 feet; thence leaving said drainage canal South 89 degrees 06 minutes West 2334.96 feet to an intersection with the east bank of a slough; thence along the easterly and southerly bank of said slough North 14 degrees 02 minutes East 88.53 feet; thence North 76 degrees 36 minutes East 87.00 feet; thence North 87 degrees 02 minutes East 200.00 feet; thence South 61 degrees 49 minutes East 80.00 feet; thence South 88 degrees 21 minutes East 220.00 feet; thence North 50 degrees 41 minutes East 100.00 feet to a point on the southerly right of way line of the said A.T. & S.F. Railway; thence leaving said slough and following said southerly right of way line, North 89 degrees 06 minutes East 1652.42 feet to the point of beginning.

PARCEL 9:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from California Delta Farms, Inc., a California corporation, by deed dated September 16, 1926, recorded on September 30, 1926, in Book 52, Page 249, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.6M., and running thence parallel to and 200.00 feet south of the center line of the main track of the A.T. & S.F. Railway, North 89 degrees 06 minutes East 10,875.00 feet to the intersection with the center line of a drainage canal running southerly, the point of beginning of the tract hereinafter described; thence from said point of beginning North 89 degrees 06 minutes East 992.00 feet to the intersection with the center line of a four foot ditch running southerly; thence along the center line of said four foot ditch South 00 degrees 57 minutes East 125.00 feet; thence leaving said four foot ditch, South 89 degrees 06 minutes West 992.00 feet to the intersection with the center line of said drainage canal; thence along the center line of said drainage canal North 00 degrees 58 minutes West 125.00 feet to the point of beginning.

PARCEL 10:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from B.F. Walker and Ethel R. Walker, his wife, by deed dated July 19, 1926, recorded on July 29, 1926, in Book 45, Page 384, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.6M., and running thence parallel to and 200 feet south of the center line of the main track of the A.T. & S.F. Railway, N. 89° 06' E. 11,867 feet to the intersection with the center line of a four foot ditch running southerly, the point of beginning of the parcel hereinafter described; thence from said point of beginning N. 89° 06' E. 1584.37 feet; thence S. 00° 57' E. 89.92 feet; thence S. 78° 15' E. 1665.82 feet; thence due south 36.10 feet to the intersection with the center line of a seepage ditch running parallel to the levee forming the north boundary of the Orwood Tract; thence along the center line of said seepage ditch S. 87° 29' W. 262.34 feet; thence leaving said seepage ditch, N. 78° 15' W. 1612.91 feet; thence S. 89° 06' W. 1373.10 feet to the intersection with the center line of said four foot ditch; thence along the center line of said four foot ditch, N. 00° 57' W. 125.00 feet to the point of beginning.

PARCEL 11:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from B.F. Walker and Ethel R. Walker, his wife, by deed dated July 19, 1926, recorded July 29, 1926, in Book 48, Page 174, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.&M., and running thence parallel to and 200 feet south of the center line of the main track of the A.T. & S.F. Railway, North-89° 06' E., 14,648 feet to a point in the center line produced of a four foot ditch running southerly; thence along the center line of said ditch, S. 00° 36' W. 483 feet to the intersection with the center line of a seepage ditch paralleling the levee forming the north boundary of Orwood Tract; thence along the center line of said ditch N. 87° 29' E. 448 feet to the point of beginning of the hereinafter described parcel; thence from said point of beginning, leaving said seepage ditch due north 36.10 feet; thence S. 78° 15' E. 134.05 feet; thence S. 02° 30' E. 3.02 feet to an intersection with the center line of said seepage ditch; thence along the center line of said seepage ditch S. 87° 29' W. 131.5 feet to the point of beginning.

PARCEL 12:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from California Delta Farms, Inc., a California corporation, by deed dated September 10, 1926, recorded on September 30, 1926, in Book 53, Page 199, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

BEGINNING at a point 200.00 feet south of the corner common to Sections 10, 11, 14 and 15, T. 1 N., R. 3 E., M.D.B.&M.; and running thence parallel to and 200.00 feet south of the center line of the main track of the A.T. & S.F. Railway, N. 89° 06' E. 14,648 feet to a point in the center line produced of a four foot ditch; running southerly; thence along said center line produced S. 00° 36' W. 483.00 feet to the intersection with the center line of a seepage ditch paralleling the levee forming the north boundary of Orwood Tract; thence along the center line of said seepage ditch, N. 87° 29' E. 186.92 feet to the point of beginning of the parcel hereinafter described; thence from the said point of beginning along the center line of said seepage ditch, N. 87° 29' E. 393.84 feet; thence leaving said seepage ditch, N. 02° 30' W. 3.02 feet; thence S. 78° 15' E. 12.24 feet to the intersection with the center line of said seepage ditch; thence along the center line of said seepage ditch, N. 87° 29' E. 2075.76 feet to the Low Water Line on the West shore of Old River; thence along said Low Water Line, S. 01° 32' E. 225.64 feet, and S. 10° 00' W. 76.57 feet; thence leaving said Low Water Line, S. 88° 22' W. 143.28 feet; thence N. 87° 29' W. 89.14 feet; thence N. 02° 31' E. 25.00 feet; thence N. 87° 29' W. 1824.72 feet; thence N. 78° 15' W. 426.64 feet to the point of beginning.

PARCEL 13:

All that certain parcel of land conveyed to East Bay Municipal Utility District, a public corporation, from W.M. Sutliff and Jean P. Sutliff, his wife, by deed dated April 4, 1966, and recorded in Book 5178, Page 384, of Official Records, County of Contra Costa, State of California, said parcel of land more particularly described as follows:

PORTION of that certain parcel of land described in the Deed of Trust from W.M. Sutliff to Union Securities Corporation, dated May 22, 1959 and recorded June 1, 1959 in Volume 3384 of Official Records, at Page 157, Contra Costa County Records, more particularly described as follows:

BEGINNING at the northeast corner of that certain 9.911 acre parcel of land described in the Deed from California Delta Farms, Inc., et al, to East Bay Municipal Utility District dated September 10, 1926 and recorded September 30, 1926 in Book 53 of Official Records, at Page 199, Contra Costa County Records, and from which point the north line of last said parcel of land bears South 87° 29' West; thence along the direct extension easterly of last said northern line, North 87° 29' East to the intersection thereof with the eastern line of said parcel of land above referred to (3384 OR 157); thence along said eastern line, South 3° 00' West to the intersection thereof with the direct easterly production of the southern line of said 9.911 acre parcel of land above referred to (53 OR 199); thence along said easterly production, South 88° 22' West 125 feet to the southeast corner of said parcel of land above referred to (53 OR 199); thence

along the eastern line of said 9.911 acre parcel of land, North 10° 00' East,
76.55 feet, and North 1° 32' West, 225.64 feet to the Point of Beginning.

B

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