

23. INDUSTRIAL LEASE, SANTA BARBARA AND VENTURA COUNTIES; PHILLIPS PETROLEUM COMPANY - W.O. 6795, P.R.C. 3914.1.

After consideration of Calendar Item 21 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ISSUANCE TO PHILLIPS PETROLEUM COMPANY OF A FIFTEEN-YEAR LEASE FOR FOUR SUBMARINE PIPELINES 11,380 FEET IN LENGTH AND ONE OUTFALL LINE 500 FEET IN LENGTH, ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, AT AN ANNUAL RENTAL OF \$4,136.80 PAYABLE IN ADVANCE, BASED UPON THE SCHEDULE SET FORTH ABOVE, FOR A TERM OF FIFTEEN YEARS WITH LESSEE'S RIGHT TO RENEW FOR THREE ADDITIONAL PERIODS OF TEN YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE MIGHT IMPOSE.

Attachment

Calendar Item 21 (3 pages)

INDUSTRIAL LEASE

APPLICANT: Phillips Petroleum Company

LOCATION: Santa Barbara and Ventura Counties, east of Carpinteria

PROPOSED USE: Four submarine pipelines, 11380 feet in length, from Platform "Hogan" to an onshore point; one outfall line 500 feet in length

TERMS: Initial period: 15 years from February 29, 1968
Renewal options: 3 additional periods of 10 years each

CONSIDERATION: \$4,136.80 per annum

BASIS FOR CONSIDERATION: \$0.01 (one cent) per diameter inch per lineal foot of pipe

PREREQUISITE ITEMS: U.S.A. Corps of Engineers navigational permit issued
Applicant is owner of upland

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Pt. 2, Ch. 1, Sec. 6501-6509
- b. Administrative Code: Title 2, Div. 3, Sec. 2000-2011
- c. Commission policy: Minute Item 18 of November 18, 1959

OTHER PERTINENT INFORMATION:

Applicant has requested a right-of-way for submarine pipe lines in connection with its operations on Platform "Hogan", which is under a Federal Mineral Lease in the Santa Barbara Channel. The facilities will consist of one 4-inch water line, two 10-inch oil lines, one 12-inch gas line from the platform to an onshore point, plus one 8-inch outfall line 500 feet in length.

Encroachment permits have been obtained from the State Division of Highways and from the Southern Pacific Railroad.

Based upon a charge of \$0.01 (one cent) per diameter-inch per lineal-foot of pipe, the rent is calculated as follows:

Four pipelines 11,380 feet in length:

One four-inch pipeline at	\$0.04
Two ten-inch pipelines at	0.20
One twelve-inch pipeline at	0.12
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	\$0.36
\$0.36 x 11,380 feet =	\$4,096.80
One eight-inch outfall line for 500 feet	40.00
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Total Annual Rental	<u>\$4,136.80</u>

CALENDAR ITEM 21. (CONTD.)

The lease would provide for a fifteen-year term, with three ten-year renewal options upon such reasonable terms and conditions as the State might impose.

EXHIBITS: A. Legal description B. Location Map

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ISSUANCE TO PHILLIPS PETROLEUM COMPANY OF A FIFTEEN-YEAR LEASE FOR FOUR SUBMARINE PIPELINES 11,380 FEET IN LENGTH AND ONE OUTFALL LINE 500 FEET IN LENGTH, ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, AT AN ANNUAL RENTAL OF \$4,136.80 PAYABLE IN ADVANCE, BASED UPON THE SCHEDULE SET FORTH ABOVE, FOR A TERM OF FIFTEEN YEARS WITH LESSEE'S RIGHT TO RENEW FOR THREE ADDITIONAL PERIODS OF TEN YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE MIGHT IMPOSE.

Attachment: Exhibit "A"

EXHIBIT "A"PIPELINES - STATE OF CALIFORNIA

A fifty (50) foot right-of-way in the Pacific Ocean, situate partly in Ventura County and partly in Santa Barbara County, the center line of which is described on the California Coordinate System, Zone 5, as follows:

"Beginning at Ordinary High Water Mark Station 24 as shown upon the State Lands Commission survey of the Ordinary High Water Mark, Vicinity of La Conchita, dated August, 1950, and recorded in Book 14 page 97, Records of Surveys, Ventura County records, said station having California Coordinates of North 319,322 feet, East 1,561,458 feet; thence South 62° 38.9' West approximately 11,380 feet to a point on the easterly boundary of the lands granted in trust to the County of Santa Barbara pursuant to Chapter 846, California Statutes of 1931."
Containing 13.1 acres more or less.