

MINUTE ITEM

This Calendar Item No. C5  
was approved as Minute Item  
No. 5 by the State Lands  
Committee by a vote of 2  
to 0 at its 0.5.77  
meeting.

C5.  
AMENDMENT AND RENEWAL OF  
INDUSTRIAL LEASE PRC 602.1

5/79  
WP 602  
Horn  
PRC 602

APPLICANT: Union Oil Company of California  
Union Oil Center  
Box 7600  
Los Angeles, California 90051

AREA, TYPE LAND AND LOCATION:  
Approximately 19.4 acres of coastal tide  
and submerged lands offshore from the City  
of Ventura, Ventura County.

LAND USE: Marine petroleum terminal with appurtenances.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from April 12,  
1951.

Renewal options: 3 successive periods  
of 10 years each.

Surety bond: \$1,000.

Consideration: \$129.04 per annum.

TERMS OF LEASE DURING FIRST 10-YEAR RENEWAL:

Period: 10 years from April 12,  
1966.

Renewal options: 2 successive periods  
of 10 years each.

Surety bond: \$50,000.

Public liability insurance: \$600,000 per  
occurrence for bodily  
injury and \$5,000,000  
for property damage.

TERMS OF PROPOSED LEASE AMENDMENT AND RENEWAL:

Period: 10 years from April 1,  
1976.

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Renewal options: 1 additional period of  
10 years.

Surety bond: \$50,000.

Public liability insurance: \$1,000,000  
per occurrence for bodily  
injury and \$5,000,000  
for property damage.

Special: Rental Impound: The  
proposed lease renewal  
provides that rental  
in excess of the minimum  
annual rental shall be  
paid into a special deposit  
account in the State  
Treasury pending the  
outcome of litigation  
challenging the Commission's  
volumetric rental regulations.  
Should such regulations  
be declared invalid,  
impounded rentals shall  
be refunded and a new  
reasonable rental shall  
be determined by the  
Commission.

Consideration: Commencing April 1, 1976,  
volumetric rental accrues  
according to the following  
schedule:

- (a) \$0.01 (one cent) per barrel of commodities  
until the minimum annual rental below (d)  
is equaled.
- (b) \$0.002 (2 mils) per barrel for the  
next 5,000,000 barrels; and
- (c) \$0.005 (5 mils) per barrel for each  
additional barrel passing over the  
State's land in that same lease year.

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- (d) For the period April 1, 1976 through March 31, 1981 the minimum annual rental is \$17,500. For the period April 1, 1981 through March 31, 1986 the minimum annual rental is \$21,000.

**BASIS FOR CONSIDERATION:**

Volumetric rental pursuant to 2 Cal. Adm. Code 2005.

**PREREQUISITE TERMS, FEES AND EXPENSES:**

Applicant is permittee of upland.

**STATUTORY AND OTHER REFERENCES:**

- A. P.R.C.: Div. 6, Parts 1 and 2.  
B. Cal. Adm. Code: Title 2, Div. 3, Title 14.

**OTHER PERTINENT INFORMATION:**

1. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
2. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

3. This activity is exempt from the requirements of the Commission's Coastal Regulations, because it is not a development within the meaning of said regulations.

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EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

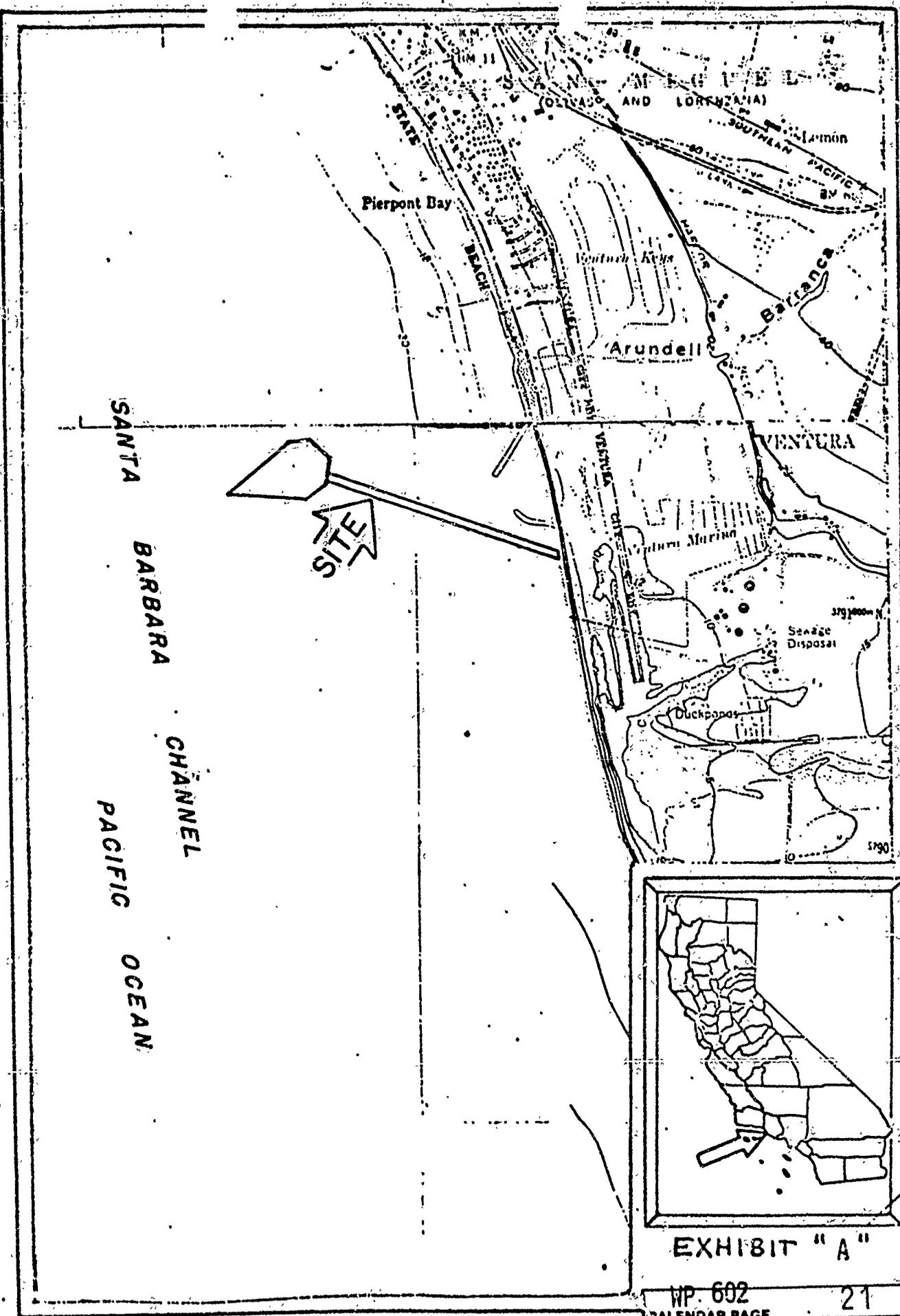
1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21085, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE REQUIREMENTS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE BECAUSE THIS PROJECT IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503, OF TITLE 2, OF THE CAL. ADM. CODE AND SECTION 30105 OF THE P.R.C.
3. FIND THAT GRANTING OF THE AMENDMENT AND RENEWAL TO LEASE 602.1 WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
4. AUTHORIZE ISSUANCE TO UNION OIL COMPANY OF CALIFORNIA OF A 10-YEAR RENEWAL OF LEASE PRC 602.1 FROM APRIL 1, 1976, WITH LESSEE'S OPTION TO RENEW FOR 1 SUCCESSIVE PERIOD OF 10 YEARS; IN CONSIDERATION OF RENTAL TO BE PAID AS FOLLOWS:
  - (A) UNTIL THE MINIMUM ANNUAL RENTAL PROVIDED FOR IN PARAGRAPH (C) HEREOF IS EQUALED IN EACH LEASE YEAR, THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING THE NUMBER OF BARRELS OF CRUDE OIL AND PRODUCTS AND DERIVATIVES THEREOF PASSING OVER THE STATE'S LAND BY \$0.01 (ONE CENT).
  - (B) FOR THE NEXT 5,000,000 BARRELS BEYOND THE NUMBER OF BARRELS NECESSARY TO SATISFY THE MINIMUM RENTAL UNDER PARAGRAPH (A) HEREOF, THE RENTAL SHALL BE \$0.002 (2 MILS) PER BARREL; AND THEREAFTER \$0.005 (5 MILS) PER BARREL FOR EACH ADDITIONAL BARREL OF SUCH COMMODITIES PASSING OVER THE STATE'S LAND IN THAT SAME LEASE YEAR.
  - (C) FOR THE PERIOD APRIL 1, 1976 THROUGH MARCH 31, 1981 THE MINIMUM ANNUAL RENTAL SHALL BE \$17,500 FOR THE PERIOD APRIL 1, 1981 THROUGH MARCH 31, 1986 THE MINIMUM ANNUAL RENTAL SHALL BE \$21,000.

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PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$1,000,000 PER OCCURRENCE FOR BODILY INJURY AND \$5,000,000 FOR PROPERTY DAMAGE; FOR THE CONTINUED MAINTENANCE AND USE OF AN OFFSHORE MARINE PETROLEUM TERMINAL TOGETHER WITH APPURTENANCES ON THE LAND DESCRIBED ON PAGES 2 AND 3 OF AMENDMENT AND RENEWAL OF LEASE PRC 602.1 DATED SEPTEMBER 27, 1974 AND BY REFERENCE MADE A PART HEREOF.

5. PROVIDE IN THE AMENDMENT FOR PAYMENT OF RENTALS IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY, PENDING FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED.

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SANTA  
BARBARA  
CHANNEL  
PACIFIC  
OCEAN

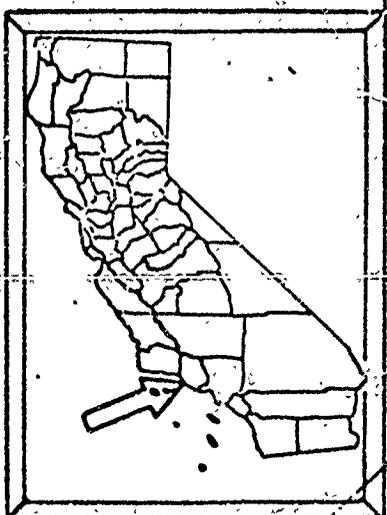
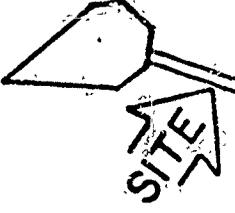


EXHIBIT "A"

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