

MINUTE ITEM

This Calendar Item No. C-22
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 7
to 0 at its 6.5.79
meeting.

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CALENDAR ITEM

22.

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AUTHORIZATION TO AMEND THE ELLWOOD PIER
DEMOLITION AND LEASE AGREEMENT

BACKGROUND:

On August 31, 1978, the Commission authorized approval of a four-party agreement among Aminoil USA, Inc. Exxon Corporation (EXXON), Atlantic Richfield Company (ARCO), and the State Lands Commission (Minute Item No. 26). The agreement provides that Aminoil USA, Inc. will remove all improvements located on Oil and Gas Lease PRC 428.1 and not located on the area to be leased to ARCO and EXXON by December 31, 1979. This includes the seaward + 790 feet of the Ellwood Pier.

The Commission also authorized approval of a lease to ARCO and EXXON of the landward + 1,450 feet of the Ellwood Pier and an adjacent use area, for the purpose of personnel transfer and light cargo loading. The Commission authorized the Executive Officer or his designee to accept on behalf of the State Lands Commission a Quitclaim Deed from Aminoil of State Oil and Gas Lease PRC 428.1 as provided for in the four-party agreement. The Executive Officer or his designee was also authorized to make written agreements which modify the time restraints and deadlines specified in the four-party agreement to a maximum total modification of 6 months of each time restraint and deadline.

The Commission made all necessary CEQA and significant land findings relative to this project at its August 31, 1978 meeting.

Paragraph 14 of the agreement provides that the new lease to ARCO and EXXON "shall not become effective unless ARCO and EXXON each obtain access sufficient for their purposes to and from Ellwood Pier from a public road on or before December 1,

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1978." The staff was notified by ARCO and EXXON prior to the expiration of the initial December 1, 1978 deadline that, for them to obtain access to and from Ellwood Pier and a public road, they would need an additional 6 months to negotiate an agreement. The Executive Officer granted the six month extension pursuant to Commission authorization at Minute Item No. 26, of its August 31, 1978 meeting.

CURRENT SITUATION:

ARCO and EXXON have recently contacted the staff and have requested an additional 3 month extension of the deadline in paragraph 14 of the Ellwood Pier Demolition and Lease Agreement. ARCO and EXXON state that this further extension is needed because the parcel across which they are negotiating access is now in the process of being sold, and that this possible sale has added to the complexity of those negotiations. ARCO and EXXON have assured the staff that an extension until September 1, 1979 will allow them to fulfill the requirements in paragraph 14. Aminoil USA, the fourth party to the Agreement has agreed in principle to this extension.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE EXTENSION BY A MAXIMUM OF THREE (3) MONTHS TO SEPTEMBER 1, 1979, THAT PROVISION OF PARAGRAPH 14, AS AMENDED OF THE ELLWOOD PIER DEMOLITION AND LEASE AGREEMENT WHICH PROVIDES THAT ARCO AND EXXON SHALL OBTAIN ACCESS TO AND FROM ELLWOOD PIER FROM A PUBLIC ROAD BY JUNE 1, 1979.

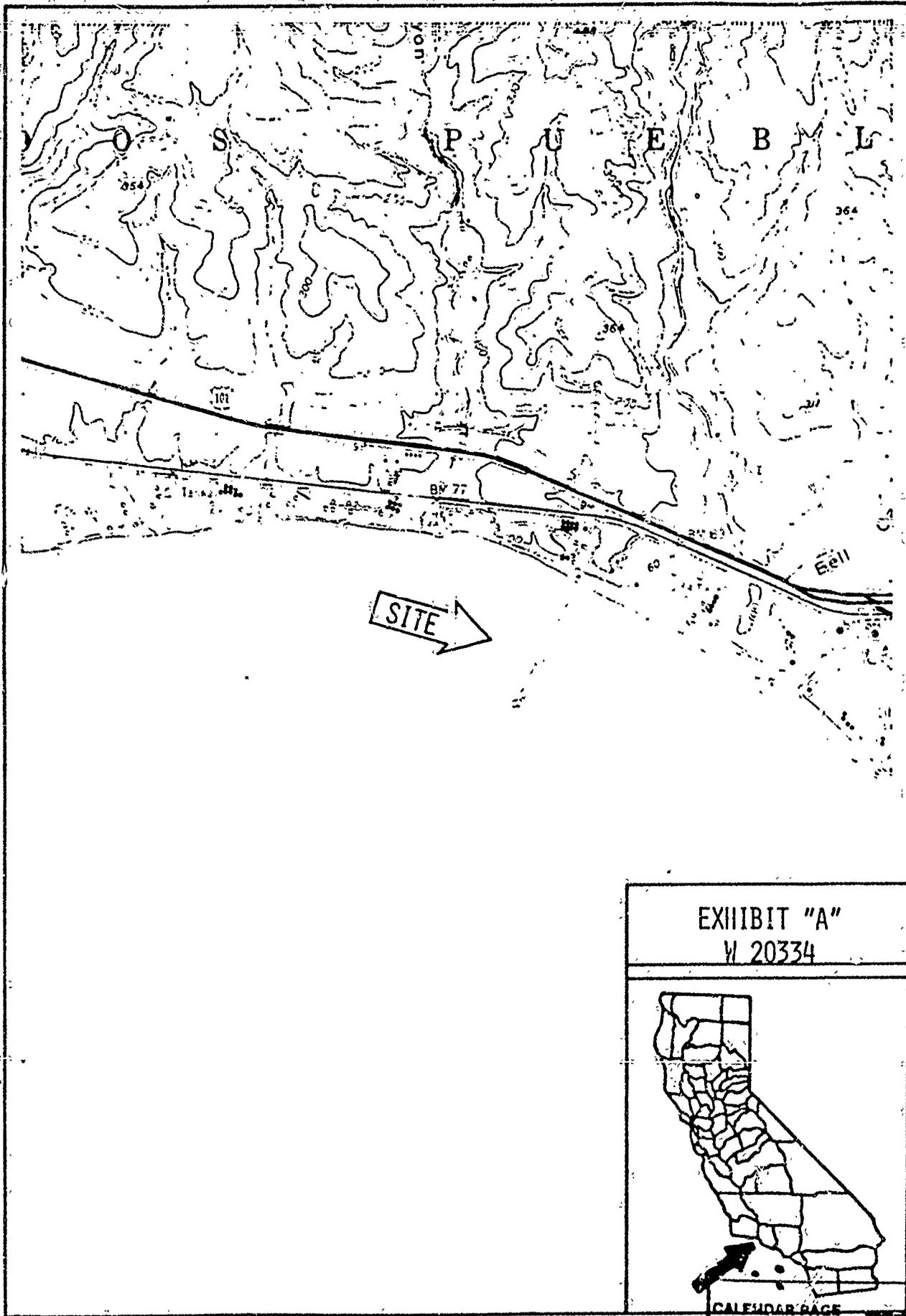


EXHIBIT "A"
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