

MINUTE ITEM

May 29, 1980
WP 3125
Louie

25. RENEWAL AND AMENDMENT OF GENERAL LEASE - INDUSTRIAL
USE

Calendar Item 25 attached was pulled from the agenda prior
to the meeting.

Attachment: Calendar Item 25

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CALENDAR ITEM

25.

5/80
WP 3125
Louie

RENEWAL AND AMENDMENT OF
GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Mobil Oil Corporation
Box 5444 Terminal Annex
Denver, Colorado 80217
Attn: Land Department

AREA, TYPE LAND AND LOCATION:
4.673 acres of tide and submerged land
in the Rincon Field in Santa Barbara Channel,
Ventura County.

LAND USE: Maintenance and use of an existing pier
for oil operations and to allow subsurface
drill-through rights to accommodate existing
or additional wells directionally drilled
into State Oil and Gas Lease PRC 427.1.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from May 15,
1964.

Renewal options: 3 successive periods
of 10 years each.

Surety bond: \$50,000

Consideration: \$154.68 per annum.

TERMS OF PROPOSED AMENDED LEASE DURING FIRST RENEWAL PERIOD:

Initial period: 10 years from May 15,
1979.

Renewal options: 2 successive periods
of 10 years each.

Surety bond: \$50,000

Public liability insurance: \$500,000 combined
single limit coverage.

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CONSIDERATION: \$550.00 per annum with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:
\$550.00 minimum rental for this type of lease.

The staff has reviewed the Commission's criteria for selection among alternative rentals for industrial and right of way leases and has determined that the proposed rental is the most appropriate.

STATUTORY AND OTHER REFERENCES:

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

OTHER PERTINENT INFORMATION:

1. The amendment changes the name of the Lessee from Socony Mobil Oil Company to its current corporate name, increases rental, adds insurance coverage, and makes technical changes in the legal description.
2. All other terms and conditions of the lease remain in full force and effect.
3. 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.
4. This project is situated on land identified as possessing environmental values in that the State Lands Commission stated all waterways under the Commission's jurisdiction have environmental significance. Staff finds this project to be compatible with Commission policy.

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5. There are no wells presently producing from the lease area described in Exhibit A. However, there are six wells whose surface locations are on the pier although bottomed under Lease PRC 427.1, which is also issued to Mobil Oil Corporation.

EXHIBITS: A. Land Description B. 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 THIS PROJECT IS SITUATED ON LAND IDENTIFIED AS POSSESSING ENVIRONMENTAL VALUES IN THAT THE STATE LAND COMMISSION FOUND ALL WATERWAYS UNDER THE COMMISSION'S JURISDICTION HAVE ENVIRONMENTAL SIGNIFICANCE, BUT THAT THIS PROJECT IS COMPATIBLE WITH THE FINDING AS IT APPLIES TO THE SUBJECT LAND.
4. AUTHORIZE ISSUANCE TO MOBIL OIL CORPORATION OF A 10-YEAR GENERAL LEASE-INDUSTRIAL USE FROM MAY 15, 1979, WITH LESSEE'S OPTION TO RENEW FOR 2 SUCCESSIVE PERIODS OF 10 YEARS EACH: IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$550.00, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$500,000; FOR MAINTENANCE AND USE OF AN EXISTING PIER FOR OIL OPERATIONS AND TO ALLOW SUBSURFACE DRILL THROUGH RIGHTS TO ACCOMMODATE EXISTING OR ADDITIONAL WELLS DIRECTIONALLY DRILLED INTO STATE OIL AND GAS LEASE PRC 427.1, ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"
LAND DESCRIPTION

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A parcel of tide and submerged land situated in the Pacific Ocean, one mile southerly of the town of Punta, County of Ventura, State of California, and more particularly described as follows:

BEGINNING at a point with California State Coordinates of Y = 312,460.38 and X = 1,568,297.76; thence N 89° 31' 45" W 590.57 feet; thence S 8° 58' 37" E 597.55 feet; thence N 45° 37' 23" E 835.82 feet to the point of beginning and the end of the herein-described parcel.

All bearings, distances and coordinates are based upon the California Coordinate System Zone 5.

END OF DESCRIPTION

Prepared Roberta A. Pors Checked Cris A. Pors

Reviewed [Signature] Date July 5, 1979



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