MINUTE ITEM

This Calendar Item No. C2
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 3
to 0 at its 3-5-81
meeting.

CALENDAR ITEM

C 02

2/81
WP 3125
Louie
PRC 3125

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. |
| Insurance: | $500,000 combined single limit coverage. |
| Surety bond: | $50,000 |

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

A 36

S 18



CALENDAR PAGE 004
MINUTE PAGE 180

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, Div. 13; Div. 20.

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, Inc. 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 significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

   Staff has coordinated this project with those agencies and organizations who nominated the site as containing significant environmental values. They have found this project to be compatible with their nomination.

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.

6. The pier is owned and used by Mobil Oil Corporation and Norris Oil Co. The staff is currently processing a separate lease with Norris Oil Co. for the use of State land.

EXHIBITS:
A. Land Description.
B. Location Map.
B-1. 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. 21084, 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 THE GRANTING OF THE LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 OF THE P.R.C.

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 TWO SUCCESSIVE PERIODS OF 10 YEARS EACH; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF $550, 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 ACCOMODATE 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 WP 3125

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 690.67 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 G. Ross Checked Cris N. Perez

Reviewed [signature] Date July 5, 1979

DAVID SCHUMANN L.S. 4017 STATE OF CALIFORNIA

CALENDAR PAGE 007
MINUTE PAGE 183

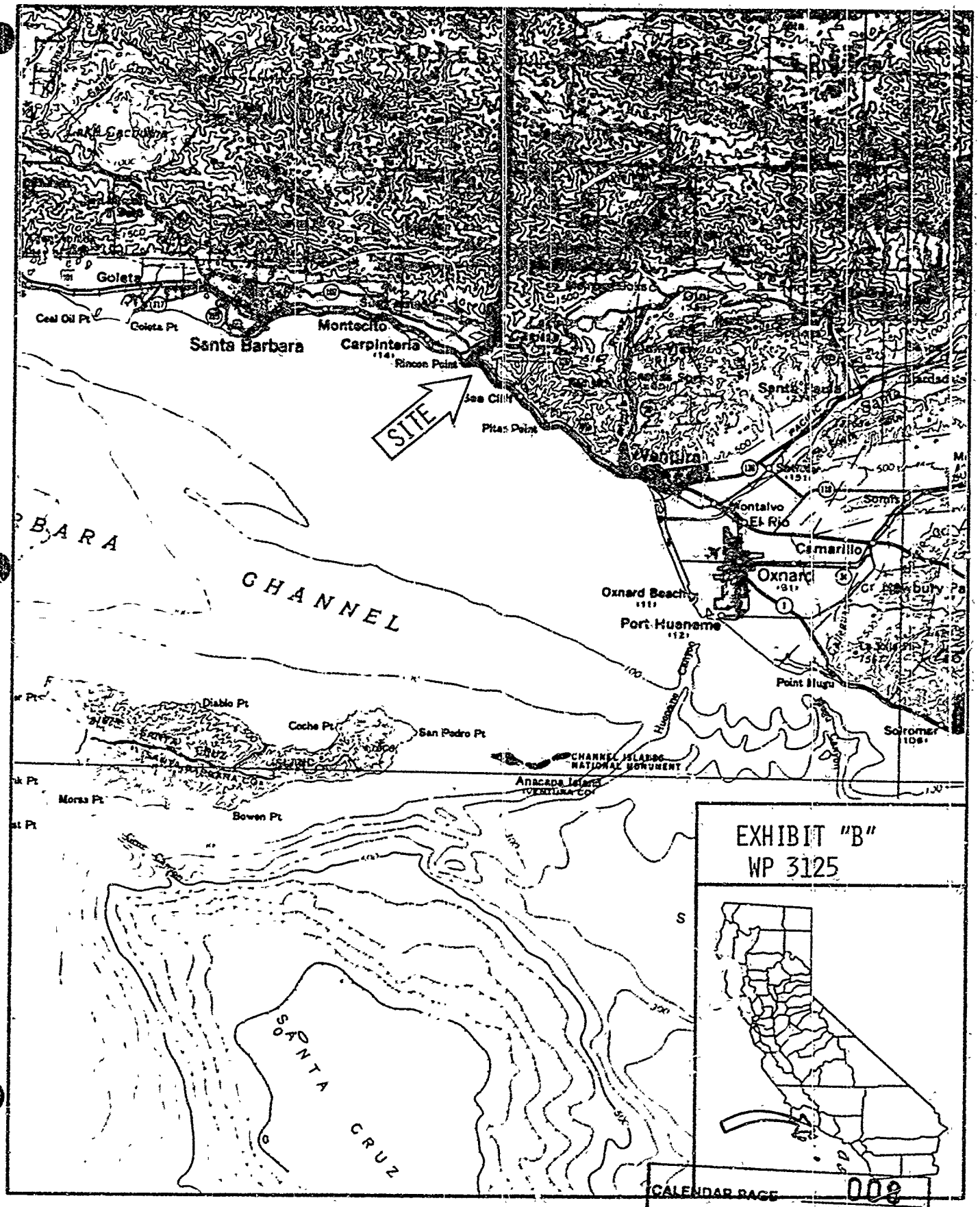


EXHIBIT "B"
WP 3125

CALENDAR PAGE 008
MINUTE PAGE 184

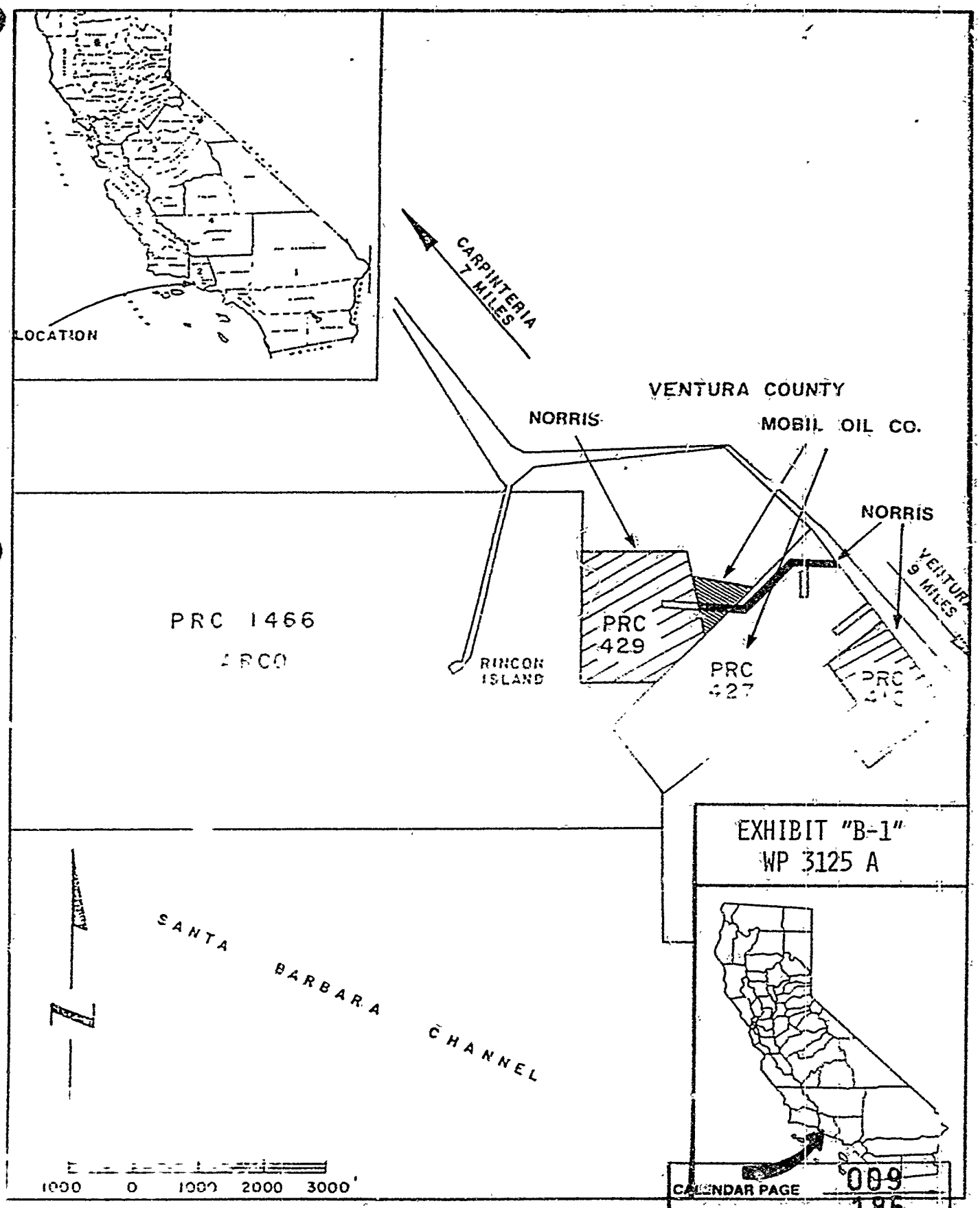


EXHIBIT "B-1"
WP 3125 A

CALENDAR PAGE 009
MINUTE PAGE 185