

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 12/17/81
meeting.

CALENDAR ITEM

C 0 2

12/17/81
WP 3394
Louie

RENEWAL AND AMENDMENT OF
GENERAL LEASE + RIGHT-OF-WAY

APPLICANT: Chevron U.S.A., Inc.
P. O. Box 8000
Concord, California 94524
Attention: General Manager, Land Department

AREA, TYPE LAND AND LOCATION:
2.671 acres of tide and submerged land
in San Pedro Bay, Orange County.

LAND USE: Maintenance of submarine pipelines and
power cables.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from October 21,
1965.

Renewal options: Three successive periods
of ten years each.

Consideration: \$178.74 per annum; five-year
review.

TERMS OF PROPOSED AMENDMENT AND RENEWAL:

Initial period: Ten years from October 21,
1980.

Public liability insurance: Combined single
limit coverage of \$300,000.

Special: The lease is amended
to reflect current standard
lease provisions of the
State Lands Commission.

CONSIDERATION: The annual rental is computed by multiplying
each barrel of crude oil and each thousand
cubic feet of gas passing over the State's
land by \$0.00222. The minimum annual rental
is \$1,466.

A 73

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CALENDAR ITEM NO. C 0 2 (CONTD)

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2005 and 2006.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of upland.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C. Div. 6, Parts 1 and 2; Div. 13; Div. 20.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. This is a renewal and amendment of existing lease PRC 3394.1. Facilities under the existing lease included a 12-inch oil line, a ten-inch gas line, a four-inch water line and six-inch armored KVA cable. While the renewal was being processed, the staff was informed by Chevron that in order to continue proper maintenance of facilities it was necessary to replace the existing twelve-inch oil line with a new ten and three-fourth inch pipeline. The twelve-inch line is being abandoned in place, and will be removed along with all other improvements upon termination of the lease. The new ten and three-fourth inch oil pipeline is within the existing right-of-way. This renewal and amendment is effective October 21, 1980.
2. This project is exempt from CEQA because a portion of 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. The remainder of the project is exempt from CEQA in that it is within the purview of 14 Cal. Adm. Code, Div. 6, Section 15102 which covers replacement of an existing structure.

CALENDAR ITEM NO. C-02 (CONTD)

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 C, which authorizes Multiple Use.

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

EXHIBITS: A. Land Description.
 B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT 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 THE PROJECT IS CONSISTENT WITH THE PROVISIONS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE.
3. FIND THAT 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 CHEVRON U.S.A., INC. OF AN AMENDMENT AND RENEWAL OF LEASE HRC 3394.1 COVERING A TEN-YEAR GENERAL LEASE - RIGHT-OF-WAY USE FROM OCTOBER 21, 1980, WITH LESSEE'S OPTION TO RENEW FOR TWO SUCCESSIVE PERIODS OF TEN YEARS EACH; IN CONSIDERATION OF ANNUAL RENTAL TO BE COMPUTED BY MULTIPLYING EACH BARREL OF CRUDE OIL AND EACH THOUSAND CUBIC FEET OF GAS PASSING OVER THE STATE'S LAND BY \$0.00222 WITH A MINIMUM ANNUAL RENT IN THE AMOUNT OF \$1,466, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$300,000 PER OCCURRENCE FOR MAINTENANCE OF SUBMARINE PIPELINES AND POWER CABLES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
5. PROVIDE IN THE LEASE AMENDMENT FOR THE IMPOUNDING OF VOLUMETRIC RENTALS PAID IN EXCESS OF THE MINIMUM ANNUAL RENTAL.

EXHIBIT "A"

LAND DESCRIPTION

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A strip of tide and submerged land 50 feet wide in San Pedro Bay, Orange County, situate near the mouth of the San Gabriel River; being further described as follows:

BEGINNING at a point on the ordinary high water mark of San Pedro Bay as said ordinary high water mark is shown on a map of a "Survey of the Ordinary High Water Mark" dated June 1950, and prepared under Work Order 416 by the State Lands Commission which point bears S 29° 28' 44" W, 246.15 feet, more or less, from U.S.C.&G.S. triangulation station Seal Beach 2 1937 shown on the aforementioned map and having California Zone 6 coordinates of X = 1,433,965.13, Y = 578,684.49; thence leaving the ordinary high water mark and proceeding across tide and submerged lands covered by State Oil and Gas Lease P.R.C. 186, S 2° 35' 56" W, 2,327.23 feet, more or less, to the easterly boundary line of P.R.C. 186, also being the westerly boundary line of State Oil and Gas Lease P.R.C. 3095; containing 2.671 acres, more or less.

The sidelines of said strip are to be shortened or extended to terminate on the ordinary high water mark at the northerly terminus and on the westerly boundary of P.R.C. 3095 on the southerly terminus. The bearings and distances used in the above description are based upon the California Coordinate System Zone 6.

END OF DESCRIPTION

REVIEWED BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

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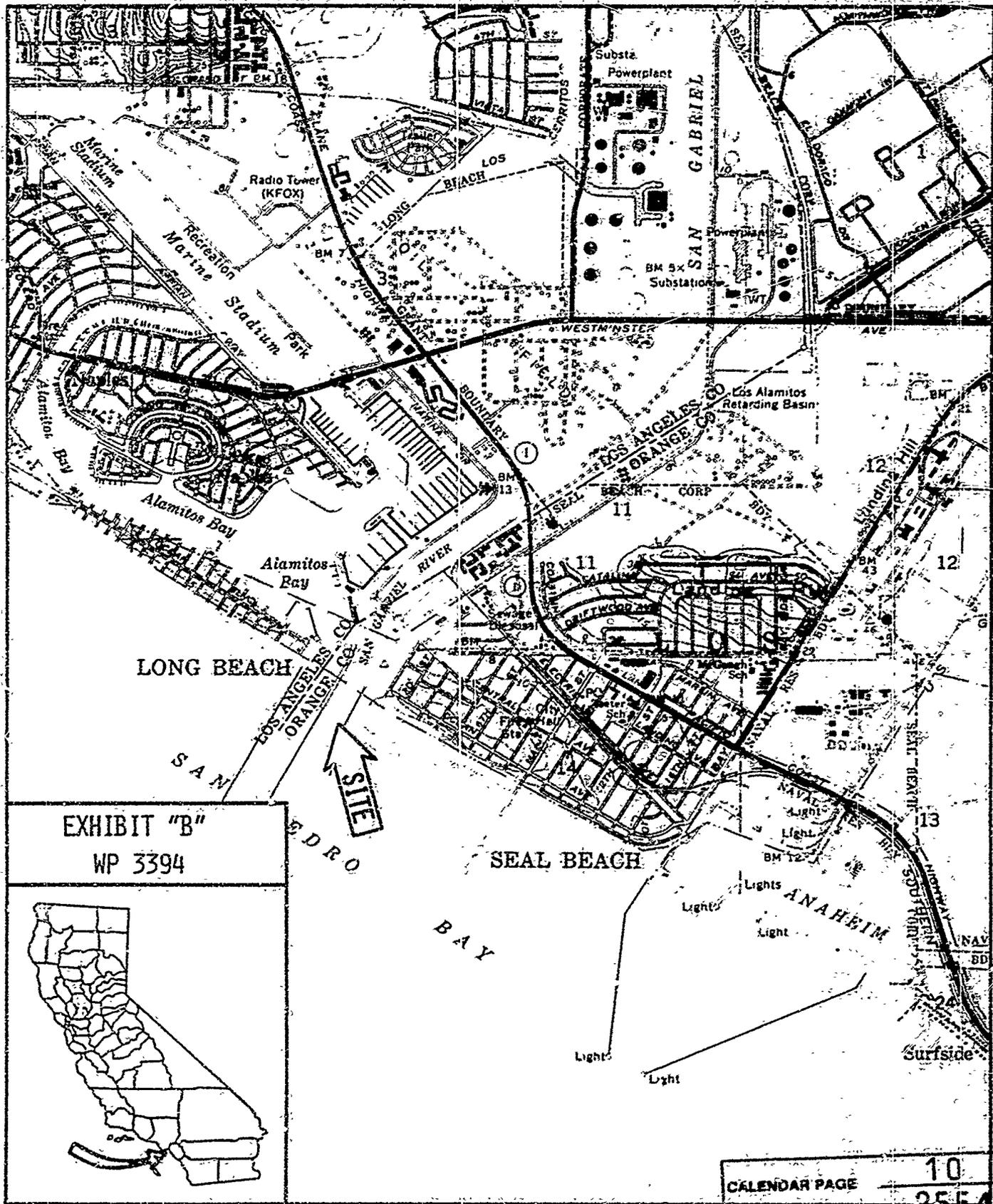


EXHIBIT "B"

WP 3394



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