

MINUTE ITEM

This Calendar Item No. C-4
was approved as Minute Item
4 by the State Lands
Commission by a vote of 3
6 at its 1/27/83
meeting.

CALENDAR ITEM

1/27/83

1/27/83
WP 3914
Anderson
PRC 3914

RENEWAL AND AMENDMENT OF AN
INDUSTRIAL LEASE PRC 3914.1

APPLICANT: Phillips Petroleum Company
P. O. Box 2099
Santa Barbara, California 93120

AREA, TYPE LAND AND LOCATION:
A 13.1-acre parcel of tide and submerged
land located in the Pacific Ocean, Santa
Barbara channel, adjacent to Santa Barbara
and Ventura Counties.

LAND USE: Maintenance of four submarine pipelines,
11,380 feet in length, from Platform "Hogan"
to an onshore point; one outfall line 500 feet
in length.

TERMS OF ORIGINAL LEASE:
Initial period: 15 years from February 29,
1968.
Renewal options: 3 successive periods
of 10 years each.
Consideration: \$4,136.80 per annum.

TERMS OF PROPOSED RENEWAL AND AMENDMENT:
Initial period: 10 years from March 1,
1983.

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Special:

RENTAL IMPOUND: The proposed lease 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 March 1, 1983, volumetric rental accrues according to the following schedule:

(a) The annual rental shall be computed by multiplying the number of barrels (42 U. S. gallons per barrel) of petroleum products and derivatives thereof passing over the State's lands by \$0.0054 (5.4 mills) and by multiplying the amount of natural gas thereof passing over the State's lands by \$0.0054 (5.4 mills) per thousand cubic feet.

(b) The minimum annual rental is \$8,273.60.

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BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm. Code 2005 and 2006.

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3, Title 14, Div. 6.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Phillips Petroleum Company is operator of a federal oil and gas lease in the Santa Barbara channel on which is located Platform "Hogan". Four oil and gas submarine pipelines and one 500' outfall line service the platform crossing State tide and submerged lands as well as lands granted to the County of Santa Barbara.

Phillips Petroleum Company was originally granted a 15-year lease to operate the facilities on February 29, 1968.

The existing lease annual rental of \$4,136.50 per annum is based on a charge of \$0.01 (one cent) per diameter inch per lineal foot of pipe.

The new lease rental is based on volumetric rental with a minimum rental of \$8,273.60 per annum. The minimum rental is based on a charge of \$0.02 (two cents) per diameter inch per lineal foot of pipe.

2. This project is exempt from CEQA because it involves an existing facility, pursuant to 2 Cal. Adm. Code 2905, Class 1.

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3. 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.

APPROVALS OBTAINED:
N/A.

FURTHER APPROVALS REQUIRED:
N/A.

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 2905; FIND THAT THIS ACTIVITY IS SITUATED ON LAND IDENTIFIED AS POSSESSING ENVIRONMENTAL VALUES IN THAT THE STATE LANDS COMMISSION FOUND ALL WATERWAYS UNDER THE COMMISSION'S JURISDICTION HAVE ENVIRONMENTAL SIGNIFICANCE, BUT THAT THIS ACTIVITY IS COMPATIBLE WITH THAT FINDING AS IT APPLIES TO THE SUBJECT LAND.
2. AUTHORIZE THE RENEWAL AND AMENDMENT OF INDUSTRIAL LEASE PPC 3914.1, TO PHILLIPS PETROLEUM COMPANY FROM MARCH 1, 1983, WITH LESSEE'S OPTION TO RENEW FOR TWO SUCCESSIVE PERIODS OF TEN YEARS EACH; WITH TERMS AND CONDITIONS AS SET FORTH BELOW:

COMMENCING MARCH 1, 1983, VOLUMETRIC RENTAL ACCRUES ACCORDING TO THE FOLLOWING SCHEDULE:

(a) THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING THE NUMBER OF BARRELS (42 U. S. GALLONS PER BARREL) OF PETROLEUM PRODUCTS AND DERIVATIVES THEREOF PASSING OVER THE STATE'S LANDS BY \$0.0054 (5.4 MILLS) AND BY MULTIPLYING THE AMOUNT OF NATURAL GAS THEREOF PASSING OVER THE STATE'S LANDS BY \$0.0054 (5.4 MILLS) PER THOUSAND CUBIC FEET.

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(b) THE MINIMUM ANNUAL RENTAL IS \$8,273.60.

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL LEASE
REMAIN IN FULL FORCE AND EFFECT, FOR FOUR EXISTING
SUBMARINE PIPELINES AND ONE OUTFALL ON THE LAND DESCRIBED
ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART
HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

PRC 3914.7

A strip of tide and submerged land fifty (50) foot wide in the Pacific Ocean, situate partly in Ventura County and partly in Santa Barbara County, the center line of which is described on the California Coordinate System, Zone 5, as follows:

"Beginning at Ordinary High Water Mark Station 24 as shown upon the State Lands Commission survey of the Ordinary High Water Mark, Vicinity of La Conchita, dated August, 1950, and recorded in Book 14 page 97, Record of Surveys, Ventura County records, said station having California Coordinates of North 319,322 feet, East 1,561,458 feet; thence South 62° 38.9' West approximately 11,380 feet to a point on the easterly boundary of the lands granted in trust to the County of Santa Barbara pursuant to Chapter 846, California Statutes of 1931."

Containing 13.1 acres more or less.

END OF DESCRIPTION

REVISED JANUARY 7, 1983, BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

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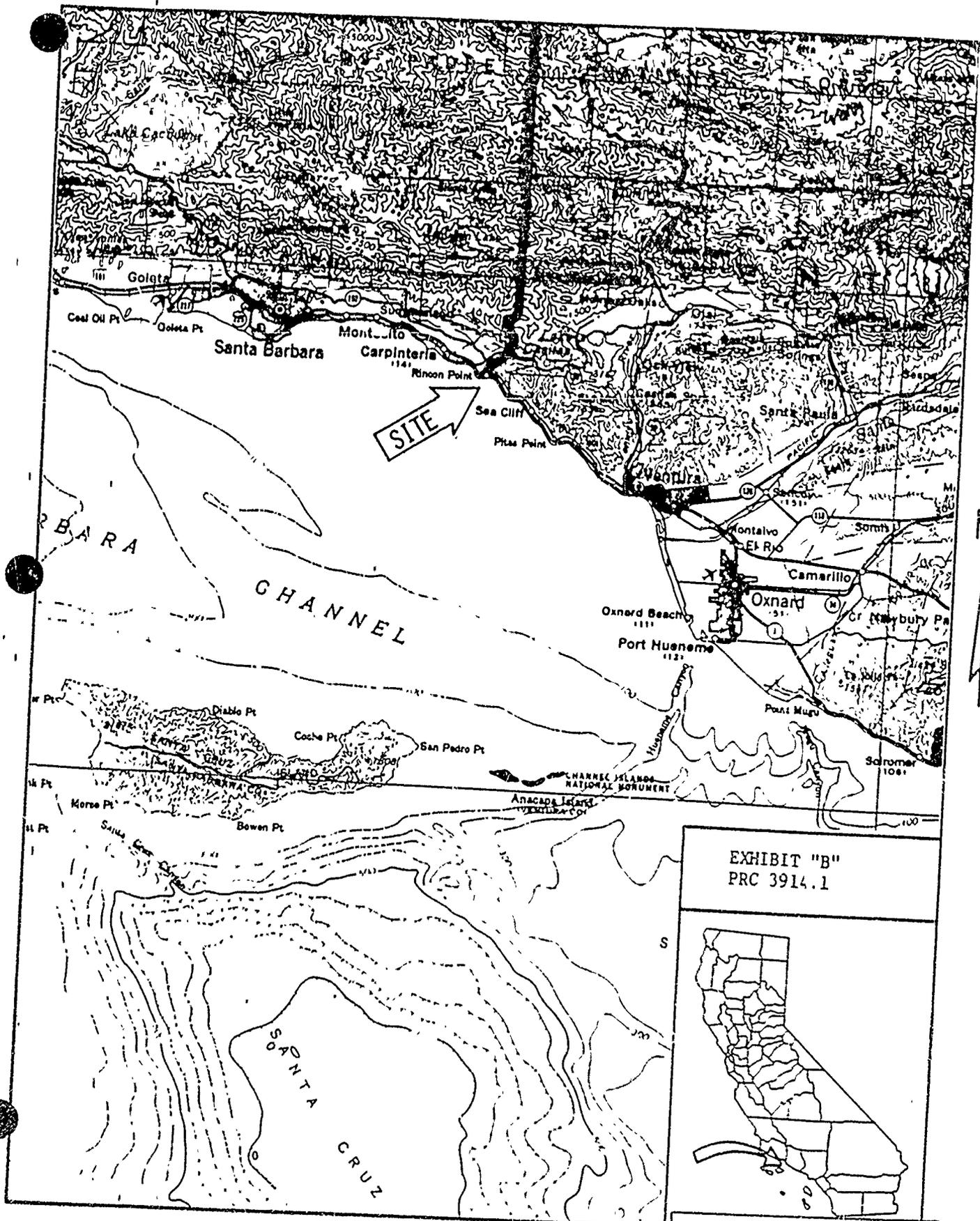


EXHIBIT "B"
 PRC 3914.1



SCALE 1:50,000
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