

MINUTE ITEM

This Calendar Item No. 29  
was presented as Minute Item  
No. 29 by the State Lands  
Commission by a vote of 3  
to 0 at its 10/26/83  
meeting.

CALENDAR ITEM

29

10/26/83  
WP 4977  
Horn  
PRC 4977

GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Exxon Corporation (Exxon)  
P. O. Box 5025  
Thousand Oaks, California 91359  
Attention: Mr. Wade D. Cook  
and  
Pacific Offshore Pipeline Company (POPCO)  
c/o Ms. Jane C. L. Goichman  
Pacific Lighting Corporation  
810 South Flower Street  
Los Angeles, California 90017

AREA, TYPE LAND AND LOCATION:  
A 166-acre, more or less, parcel of tide  
and submerged land offshore at El Capitan,  
Santa Barbara County.

LAND USE: Marine oil terminal with appurtenances  
and pipelines to the Outer Continental  
Shelf serving Exxon's Santa Ynez Unit.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from January 1,  
1975.

Renewal options: Two successive periods  
of ten years each.

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Surety bond: \$50,000.00.

Public liability insurance: \$1,000,000.00  
per occurrence for bodily  
injury and \$5,000,000.00  
for property damage.

Consideration: \$37,985.46 per annum;  
five-year rent review.

CONSIDERATION: Rental change to \$75,000.00 per annum;  
with the State reserving the right to reset  
the rent on (a) construction of additional  
facilities by Exxon; or (b) January 1,  
1987, whichever is earlier.

BASIS FOR CONSIDERATION:  
Pursuant to 2 Cal. Adm. Code 2003.

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. This amendment is occasioned solely  
by a provision in the existing lease  
which allows the State to reset the  
rent periodically. Staff and Exxon/POPCO  
have reached an interim agreement whereby  
rental under the lease will escalate;  
however, the Commission's volumetric  
rental alternative will not be employed  
at this time.

Exxon is currently applying to local,  
State and Federal authorities for permits  
to fully develop its Santa Ynez Unit.  
Inasmuch as only one 12-inch gas line  
has been constructed on the premises  
(which line has not yet transported  
gas onshore), staff is recommending  
that a flat rental apply to the lease,  
until such time as Exxon completes  
construction of additional pipeline  
and/or terminal facilities on State  
land; or January 1, 1987. When additional  
volumes of commodities cross State  
lands, the Commission may elect to  
reset a new rental at that time.

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2. This activity is merely an administrative act provided for in the existing lease. It neither enhances or enlarges the estate or use of the lands currently under lease to Exxon/POPCO.
3. This activity is exempt from CEQA because it is not a project within the meaning of CEQA and the State CEQA Guidelines.

Authority: 14 Cal. Adm. Code 15378.

4. The activity is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1 and is classified in a use category "B" which authorizes Limited Use. The activity as proposed will not have a significant effect upon the identified environmental values.

EXHIBITS: A. 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. 21065, 14 CAL. ADM. CODE 15378.
2. AUTHORIZE ISSUANCE TO EXXON CORPORATION AND PACIFIC OFFSHORE PIPELINE COMPANY OF AN AMENDMENT TO LEASE PRC 4977.1, EFFECTIVE JANUARY 1, 1983, WHICH CHANGES THE ANNUAL RENTAL TO \$75,000.00, WITH THE COMMISSION RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON THE SOONER OF: (A) THE COMPLETION OF CONSTRUCTION OF ADDITIONAL FACILITIES ON THE PREMISES BY EXXON; OR (B) JANUARY 1, 1987; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF SAID LEASE PRC 4977.1 SHALL REMAIN UNCHANGED.

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