

MINUTE ITEM

This Calendar Item No. C17
was approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 2
to 0 at its 6/21/84
meeting.

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CALENDAR ITEM

C17 -1

06/21/84
WP 2398
Louie

RENEWAL AND AMENDMENT
OF LEASE PRC 2398.1
GENERAL LEASE - INDUSTRIAL USE

APPLICANT:

Exxon Corporation
1800 Avenue of the Stars
Los Angeles, California 90067

AREA, TYPE LAND AND LOCATION:

A 38.35-acre parcel of tide and submerged land
offshore from El Capitan, Santa Barbara County.

LAND USE:

Existing marine terminal.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from April 30, 1959.

Renewal options: Two successive periods of ten
years each.

Consideration: \$183.41 per annum.

TERMS OF PROPOSED LEASE - FIRST RENEWAL PERIOD:

From April 30, 1974 to April 29, 1984.

Surety bond: \$50,000.

Public liability insurance: \$300,000/\$900,000
for personal injury and
\$2,500,000 for property
damage.

Consideration: \$7,337.60; five-year rent
review.

CALENDAR ITEM NO. C17 CONT'D

TERMS OF PROPOSED LEASE - SECOND RENEWAL PERIOD:
Ten years from April 30, 1984.

Surety bond. \$50,000.

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

CONSIDERATION: Beginning April 30, 1984 - \$20,000; beginning
April 30, 1985 - \$25,000; beginning April 30,
1986 - \$30,000. With the State reserving the
right to fix a different rental on each fifth
anniversary of the lease. The State also
reserves the right to reset the rent on the
third anniversary of the lease or at such time
lessee obtains authorization to use facilities,
whichever is sooner.

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

APPLICANT STATUS:
Applicant is permittee 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. Exxon Corporation was assigned Lease PRC
2398.1 in April 1974. The lease covers an
existing marine terminal (not now in use)
offshore from El Capitan in Santa Barbara
County. The lease provides that Exxon must
first obtain prior written authorization
from the State regarding the structural
integrity of the facilities before using
them.

Under the renewal and amendment the State may modify the annual rental on the third anniversary of the lease or at such time Exxon obtains the necessary authorization to use the facilities, whichever is sooner. In addition, the State may modify the rental on the fifth anniversary of the lease.

2. Lease PRC 4977.1 covers Exxon's proposed terminal facilities for development of its Santa Ynez Unit. Upon completion of construction and commencement of operations under Lease PRC 4977.1, Lease PRC 2398.1 automatically terminates.
3. Since the marine terminal facilities are not now in use, the Commission's volumetric rental alternative will not be employed at this time.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 1, Existing Facilities, 2 Cal. Adm. Code 2905(2).
5. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description.
- B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061, AS A CATEGORICAL EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES (2 CAL. ADM. CODE 2905).

2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.

3. AUTHORIZE ISSUANCE TO EXXON CORPORATION OF AN AMENDMENT AND RENEWAL OF LEASE PRC 2398.1 PROVIDING FOR A TEN-YEAR GENERAL LEASE - INDUSTRIAL USE FROM APRIL 30, 1984, ANNUAL RENT IN THE AMOUNT OF \$20,000 AS OF APRIL 30, 1984; \$25,000 AS OF APRIL 30, 1985; \$30,000 AS OF APRIL 30, 1986, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON THE THIRD ANNIVERSARY, OR AT SUCH TIME LESSEE OBTAINS WRITTEN AUTHORIZATION TO USE THE FACILITIES, WHICHEVER IS SOONER, AND ALSO ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 PER OCCURRENCE FOR BODILY INJURY AND \$5,000,000 FOR PROPERTY DAMAGE, FOR AN EXISTING MARINE TERMINAL ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

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Two parcels of tide and submerged land in the bed of the Santa Barbara Channel, Pacific Ocean, said parcels are located 21 miles west of Santa Barbara and adjacent to fractional Section 5, T 4 N, R 31 W, SBM; said parcels are more particularly described as follows:

PARCEL 1:

A strip of land 60 feet wide, lying 30 feet on either side of the following described centerline:

COMMENCING at Monument No. 5 as said monument is shown on the "Map of State Leases and Permits, El Capitan Oil Field" (LRT-27) approved by W. S. Kingsbury, Chief of the Division of State Lands and filed with the Division of State Lands at Sacramento, California; thence S 77° 14' 30" E, 45.9 feet to the centerline of said parcel and TRUE POINT OF BEGINNING; thence S 11° 33' 30" W, 2885.00 feet to the end of the herein-described centerline.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water line.

PARCEL 2:

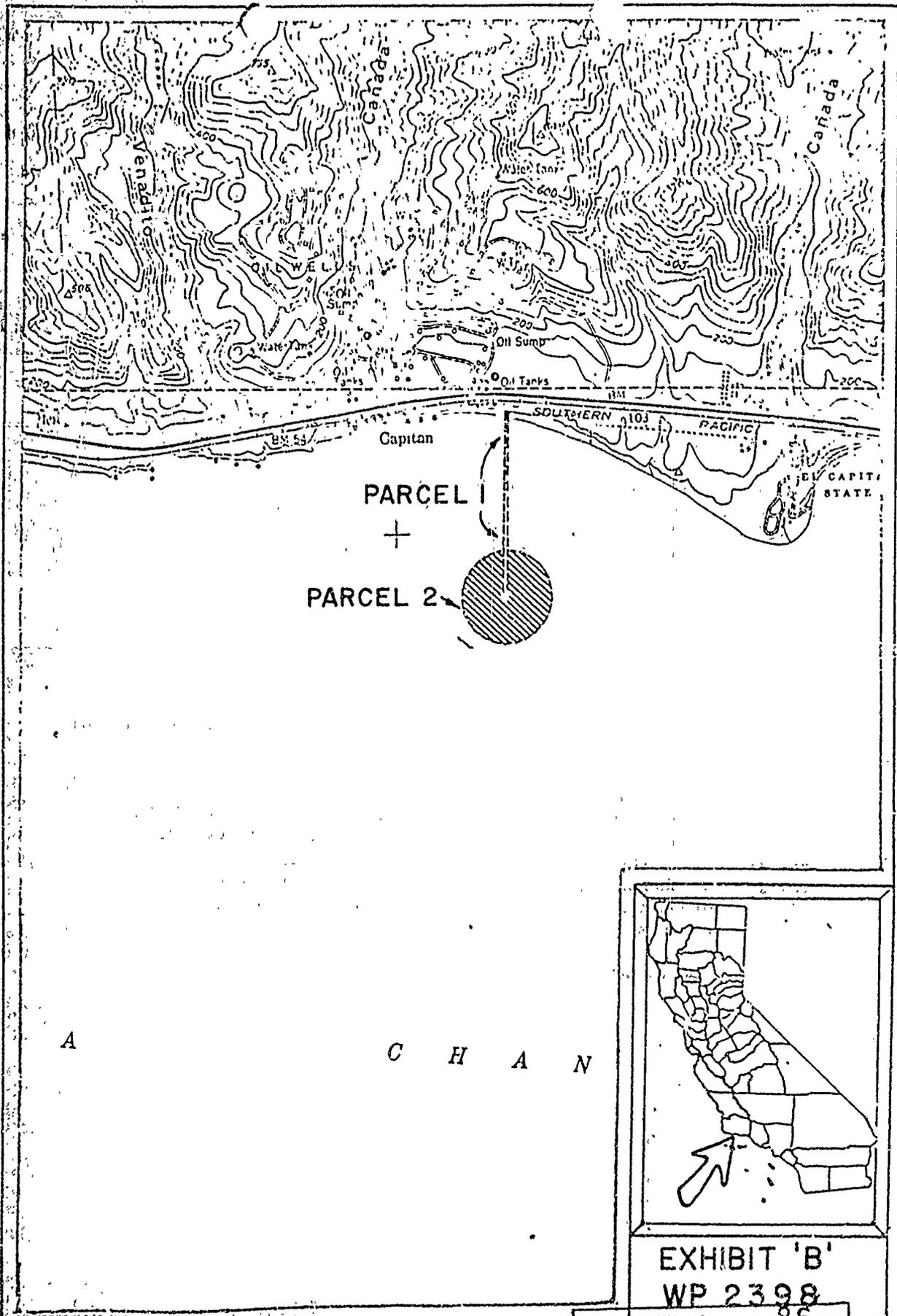
A circular parcel of land having a radius of 700.00 feet. The location of the center of said parcel is described as follows:

COMMENCING at Monument No. 5 as said monument is shown on the "Map of State Leases and Permits, El Capitan Oil Field" (LRT-27) approved by W. S. Kingsbury, Chief of the Division of State Lands and filed with the Division of State Lands at Sacramento, California; thence S 77° 14' 30" E, 45.9 feet to the centerline of the afore-mentioned Parcel 1; thence S 11° 33' 30" W, 2885.00 feet to the center of said Parcel 2.

EXCEPTING THEREFROM any portion described in Parcel 1.

END OF DESCRIPTION

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EXHIBIT 'B'
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SANTA BARBARA 12.96 Miles
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