

MINUTE ITEM

This Calendar Item No. 16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 3
0 at its 10/26/89
meeting.

CALENDAR ITEM

A 4
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16

10/26/89
PRC 4303
Bancroft

**APPROVAL OF AN ASSIGNMENT OF ORIGINAL LEASE
AND APPROVAL OF RIGHT-OF-WAY USE**

ASSIGNOR: Shell Western E&P, Inc.
P. O. Box 11164
Bakersfield, California 93389

**ASSIGNEE/
APPLICANT:** Chevron USA, Inc.
6001 Bollinger Canyon Road
San Ramon, California 94583-0905

AREA, TYPE LAND AND LOCATION:
A 3.51-acre parcel of tide and submerged land
located in Suisun Bay near Ryer Island, Solano
County.

LAND USE: Right-of-way for two submarine pipelines.

TERMS OF ORIGINAL LEASE:
Initial period: 20 years beginning August 28,
1969.
Surety bond: \$20,000.
Consideration: \$427.77 per annum; five-year
rent review.

CALENDAR ITEM NO. 16 (CONT'D)

TERMS OF PROPOSED LEASE:

Initial period: 20 years beginning August 28, 1989.

Surety bond: \$20,000.

Public liability insurance: Combined single limit coverage of \$1,000,000.

CONSIDERATION: \$855.54 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:

Applicant is lessee of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

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

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. By assignment purported to be effective December 1, 1987, Shell Western E&P, Inc. assigned all of their interest in lease PRC 4303 to Chevron USA, Inc. The assignment was kept in Chevron's files and was never submitted for approval by the State Lands Commission.
2. The original 20-year lease expired August 27, 1989, with no provision for renewal. Lessee desires to continue the existing lease.

CALENDAR ITEM NO. 16 (CONT'D)

3. As to the assignment, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

4. As to the new lease, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities, 2 Cal. Code Regs 2905(a)(2).

Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905.

EXHIBITS:

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. AS TO THE ASSIGNMENT, FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AS TO THE NEW LEASE, FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 2 CAL. CODE REGS. 2905(a)(2).
3. AUTHORIZE ACCEPTANCE OF AN ASSIGNMENT OF 100 PERCENT OF THE INTEREST OF SHELL WESTERN E&P, INC. TO CHEVRON, USA, INC. OF PRC 4303, GENERAL LEASE - RIGHT-OF-WAY USE, EFFECTIVE DECEMBER 1, 1987.

CALENDAR ITEM NO. 16 (CONT'D)

4. AUTHORIZE ISSUANCE TO CHEVRON USA, INC. OF A 20-YEAR GENERAL LEASE - RIGHT-OF-WAY USE, BEGINNING AUGUST 28, 1989; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$855.54, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$20,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; FOR THE CONTINUED OPERATION OF TWO SUBMARINE PIPELINES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"
LAND DESCRIPTION

PRC 4303.1

A strip of submerged land twenty-five (25) feet wide in Suisun Bay, Solano County, the centerline of said strip is described as follows:

BEGINNING at point having Zone 3 California Coordinates of $X = 1,560,952.89$ feet and $Y = 578,564.62$ feet, said point is located $N 41^{\circ} 02' 32'' E$, 13,348.58 feet from Station No. 56 whose California Zone 3 coordinates are $X = 1,552,168.03$ feet and $Y = 568,496.76$ feet as said station is shown on plat of "Resurvey of Survey No. 88 and Survey No. 89 Swamp and Overflow lands along the Shore of Suisun Bay and Hastings Slough, Vicinity of Seal Islands" filed as Serial No. 2564 in Book 25 of L.S.M., at page 21 Records of Contra Costa County; thence along the following courses:

$S 11^{\circ} 02' 06'' E$, 1,396.4 feet;
 $S 75^{\circ} 37' 20'' E$, 2,754.8 feet;
 $S 41^{\circ} 28' 48'' E$, 1,820.4 feet;
 $S 31^{\circ} 20' 06'' E$, 139.5 feet to a point having Zone 3 California Coordinates of $X = 1,565,167$ feet and $Y = 575,027$ feet and the end of the herein described line.

Bearings, distances and coordinates used in this description are based on California Coordinate System (1927), Zone 3.

END OF DESCRIPTION

REVISED JUNE 29, 1989 BY BIU 1.

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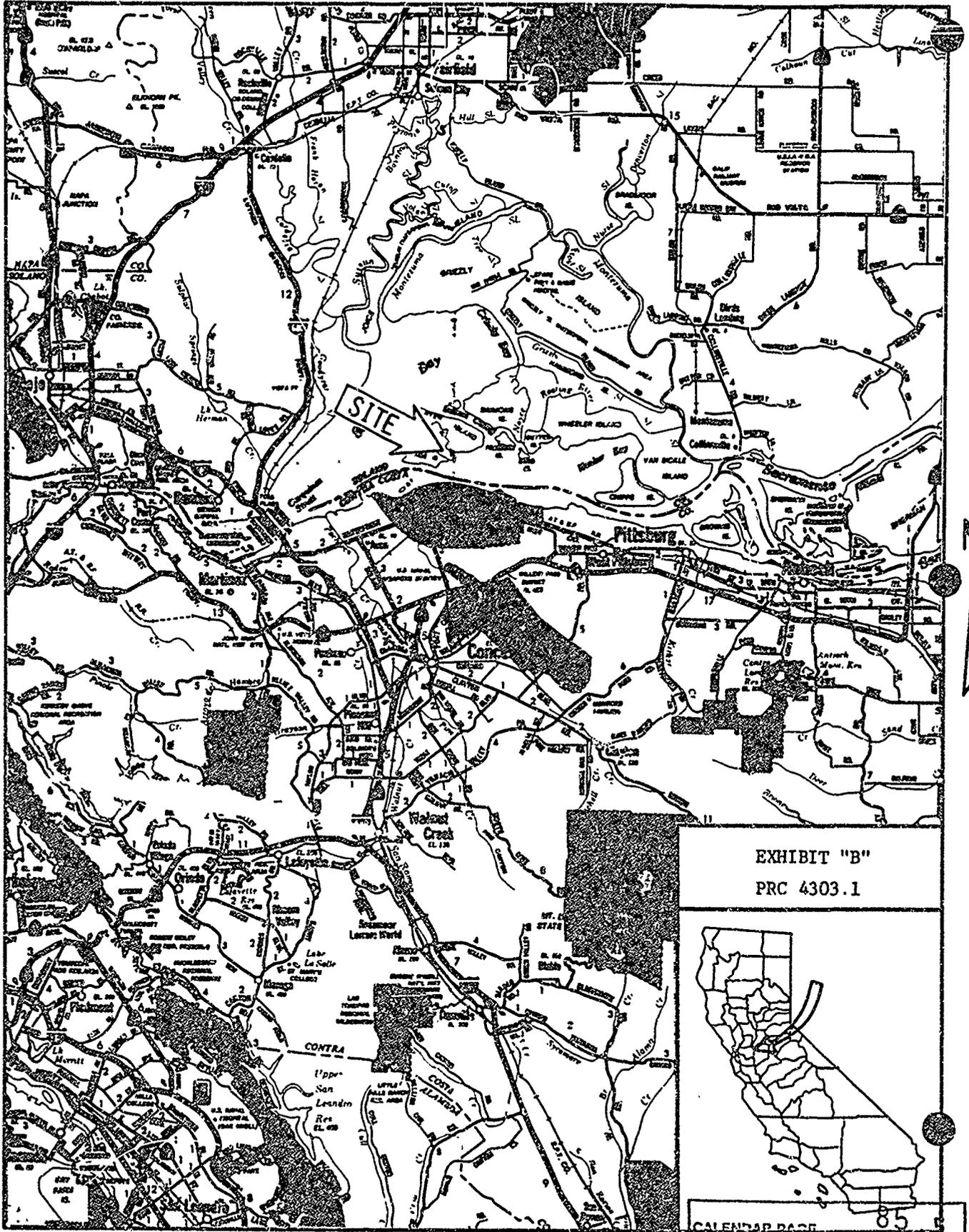


EXHIBIT "B"
 PRC 4303.1



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