MINUTE ITEM
This Calendar Item No. C12
was approved as Minute Item
No. 12 by the State Lands
Commission by a vote of 3
to 0 at its 2-25-93
meeting.

CALENDAR ITEM

C12

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02/25/93
PRC 4224
Jones

ACCEPTANCE OF QUITCLAIM DEED AND
EXECUTION OF LEASE TERMINATION AGREEMENT

APPLICANT:
Chevron U.S.A., Inc.
P. O. Box 11191
Bakersfield, California 93389

AREA, TYPE LAND AND LOCATION:
An 0.725-acre parcel of tideland and submerged land located in Suisun Bay near Ryer Island, Solano County.

LAND USE:
One dry gas pipeline.

CURRENT LEASE TERMS:
Initial period:
20 years beginning June 19, 1989.

Public liability insurance:
Combined single limit coverage of $1,000,000 covered by Chevron's self-administered claims program authorized by the State Lands Commission on June 26, 1986, under W 23833.

Consideration:
$439.18 per annum; five-year rent review.

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

APPLICANT STATUS:
Applicant is lessee of upland.

STATUTORY AND OTHER REFERENCES:
A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:
N/A.

OTHER PERTINENT INFORMATION:

1. Chevron has notified the Commission of its intent to terminate PRC 4224 and quitclaim all of its right, claim, title or interest arising out of the lease to the State. The lease involves a dry gas pipeline. The pipeline was abandoned last year. The abandonment involved cutting the pipeline off approximately 5 feet below the mudline. The Commission approved the abandonment pursuant to Minute Item C23 at its July 15, 1991 meeting.

2. In consideration of Chevron being allowed to abandon the pipeline in place, Chevron has entered into a Lease Termination Agreement with the Commission which does the following:

   a. Chevron agrees to release, surrender and quitclaim all of its right, claim, title or interest arising out of Lease PRC 4224 to the State effective September 1, 1992.

   b. Chevron agrees to indemnify the State against any and all liability claims, damages, or injuries of any kind for an indefinite period.

   c. Chevron agrees to provide either a certificate of liability insurance in the amount of $1,000,000 and a $1,000,000 surety bond; or, in the alternative, an annual letter of assurance from Chevron stating it is self-insured and that it meets Test II financial strength as described in Title 14, California Administrative Code, Section 795(b). The Lease Termination Agreement allows for Chevron to petition the Commission in 10 years to determine if Chevron can be released from submitting the annual letter of assurance. If that petition is denied, Chevron may repetition in another 10 years.

4. 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 because the activity is not a "project" as defined in CEQA and the State CEQA Guidelines (P.R.C. 21065 and 14 Cal. Code Regs 15378).

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.

APPROVALS OBTAINED:
None required.

FURTHER APPROVALS REQUIRED:
None required.

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. CODE REGS. 15378 AS A CATEGORICALLY EXEMPT PROJECT BECAUSE THE ACTIVITY IS NOT A "PROJECT" AS DEFINED BY CEQA AND THE STATE CEQA GUIDELINES.

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 A QUITCLAIM DEED FROM, AND LEASE TERMINATION AGREEMENT WITH, CHEVRON U.S.A., INC. FOR LEASE PRC 4224 INVOLVING AUTHORIZATION OF A RIGHT OF WAY FOR A DRY GAS LINE ACROSS TIDELANDS AND SUBMERGED LANDS IN SUISUN BAY NEAR RYER ISLAND, SOLANO COUNTY. THE QUITCLAIM DEED IS EFFECTIVE SEPTEMBER 1, 1992.

EXHIBIT "A"

PRC 4224.1

LAND DESCRIPTION

PARCEL 1

A circular parcel 20 feet in diameter of submerged land in Suisun Bay, Solano County, California, the center of said circular parcel being a point having Zone 3 California Coordinates of X= 1,560,952.89 feet and Y= 578,564.62 feet.

PARCEL 2

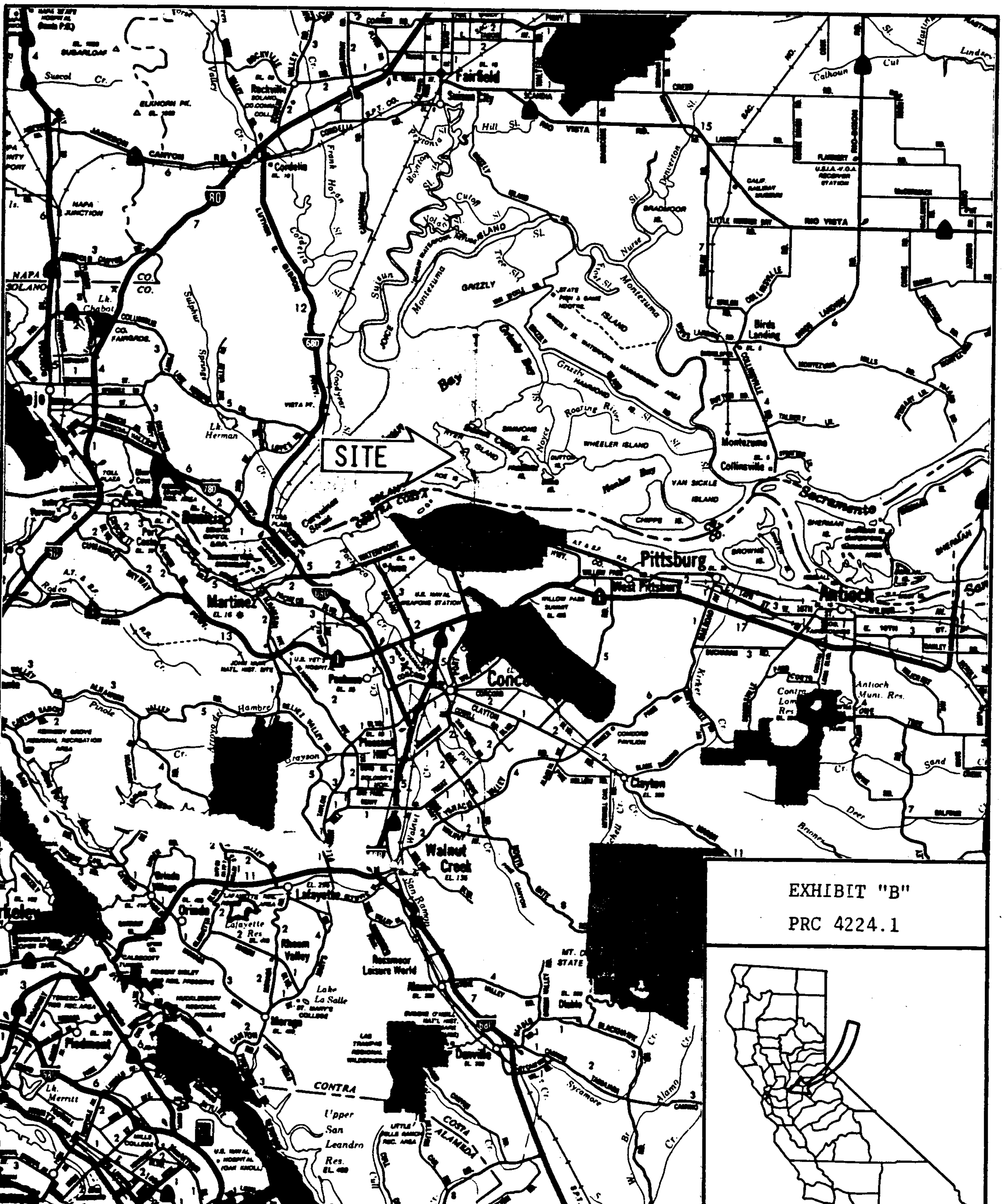
A jointed cylindrical space 10 feet in diameter in Suisun Bay, Solano County, California, BEGINNING AT A POINT having Zone 3 California Coordinates of X= 1,560,952.89 feet and Y= 578,564.62 feet and an elevation of 28 feet above the plane of mean sea level as determined by the U.S. Coast and Geodetic Survey, said point being the surface location of Standard Oil Company of California Well "Ryer" 4, and terminating at the vertical subsurface projection of the nearest point on the southwest shore of Ryer Island (Swamp and Overflow Land Survey No. 611) located in said County. The course of said cylindrical space is as determined in the well survey entitled "Report and Plan of Sub-Surface Survey" Ryer 4, 4R/D performed by Cecil Gibson Directional Drilling. The centerline length of the herein described jointed cylindrical space is 3137 feet.

The reference point referred to in the above-described parcels having Zone 3 California Coordinates of X= 1,560,952.89 feet and Y= 578,564.62 feet is located N 41°02' 32" E 13,348.58 feet from Station No. 56 whose California Zone 3 Coordinates are X= 1,552,188.03 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.

Bearings, distances and coordinates used in this description are based upon the California Coordinate System of 1927, Zone 3.

END OF DESCRIPTION

PREPARED OCTOBER 17, 1989 BY BIU 1.



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