

MINUTE ITEM

This Calendar Item No. C19 was approved as
Minute Item No. 19 by the California State Lands
Commission by a vote of 2 to 0 at its
5-9-96 meeting.

CALENDAR ITEM

C19

A 58

05/09/96

S 37

PRC 3394.1

B. Dugal

**ASSIGNMENT AND RENEWAL OF LEASE TERMS
OF A GENERAL LEASE - RIGHT-OF-WAY USE**

ASSIGNOR:

Chevron U.S.A., Inc., a Corporation
Post Office Box 1392
Bakersfield, California 93302

ASSIGNEE/LESSEE:

Union Oil Company of California (UNOCAL)
2141 Rosecrans Avenue, #400
El Segundo, California 90245

AREA, TYPE LAND AND LOCATION:

A 2.671-acre parcel, more or less, of tide and submerged land located in San Pedro Bay at the mouth of the San Gabriel River, Orange County.

LAND USE:

Continued use and maintenance of existing submarine pipe lines and a power cable which serve Platform Esther, Lease No. PRC 3095.1, in the Pacific Ocean.

LEASE:

The existing lease was issued for an initial period of fifteen years beginning October 21, 1965. The lease terms provide for the right to renew for three additional periods of ten years each.

CONSIDERATION:

\$1,950.00 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.

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PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fees and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code: 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. This is an assignment and renewal of Lease No. PRC 3394.1 and includes the following existing facilities.
 - 1 - 12" crude pipeline (abandoned in place)
 - 1 - 10" crude pipeline
 - 1 - 10" gas line
 - 1 - 4" water line
 - 1 - 6" armored KVA cable
2. In 1990, staff received information from UNOCAL that they acquired Lease No. PRC 3394.1, along with several other State leases from Chevron in December 1988. At that time, staff provided assignment documents to both parties. The assignment documents were never executed or returned for Commission review and approval. Concurrently, the lease expired on October 21, 1990, and the option to extend was not exercised. The lease has been in a month to month tenancy since October 1990 with UNOCAL paying the annual rent for the lease.
3. Staff recently received information that UNOCAL desires to assign their interest in PRC 3394.1 to Nuevo Energy Company.
4. The Commission is being requested to further assign Lease No. PRC 3394.1 to Nuevo Energy Company by a separate Calendar Item.

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5. 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: Public Resources Code Section 21065 and 14 Cal. Code Regs. 15378.

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code Sections 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.

EXHIBIT:

- A. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. 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. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

1. AUTHORIZE THE APPROVAL OF AN ASSIGNMENT OF LEASE NO. PRC 3394.1 BETWEEN CHEVRON U.S.A., INC., A CORPORATION (ASSIGNOR) AND UNION OIL COMPANY OF CALIFORNIA (ASSIGNEE), COVERING A GENERAL LEASE - RIGHT-OF-WAY USE; THE ASSIGNMENT TO BE EFFECTIVE FROM JANUARY 1, 1989, ALL OTHER TERMS AND CONDITIONS OF LEASE NO. PRC 3394.1 REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

CALENDAR ITEM NO. C19 (CONT'D)

2. AUTHORIZE THE RENEWAL OF THE LEASE TERMS FOR LEASE NO. PRC 3394.1 TO UNION OIL COMPANY OF CALIFORNIA COVERING A TEN-YEAR GENERAL LEASE - RIGHT-OF-WAY USE, FROM OCTOBER 21, 1990, WITH LESSEE'S OPTION TO RENEW FOR ONE SUCCESSIVE PERIOD OF TEN YEARS.

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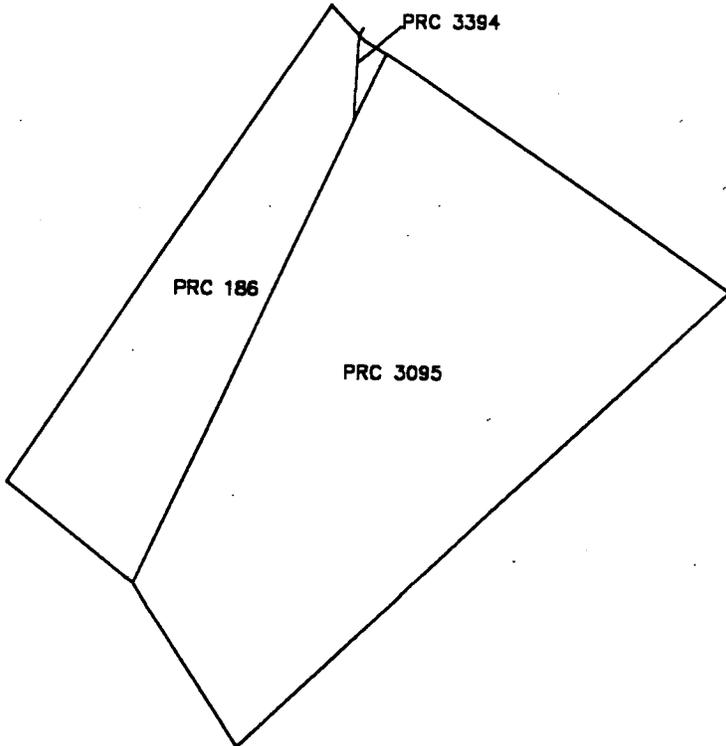
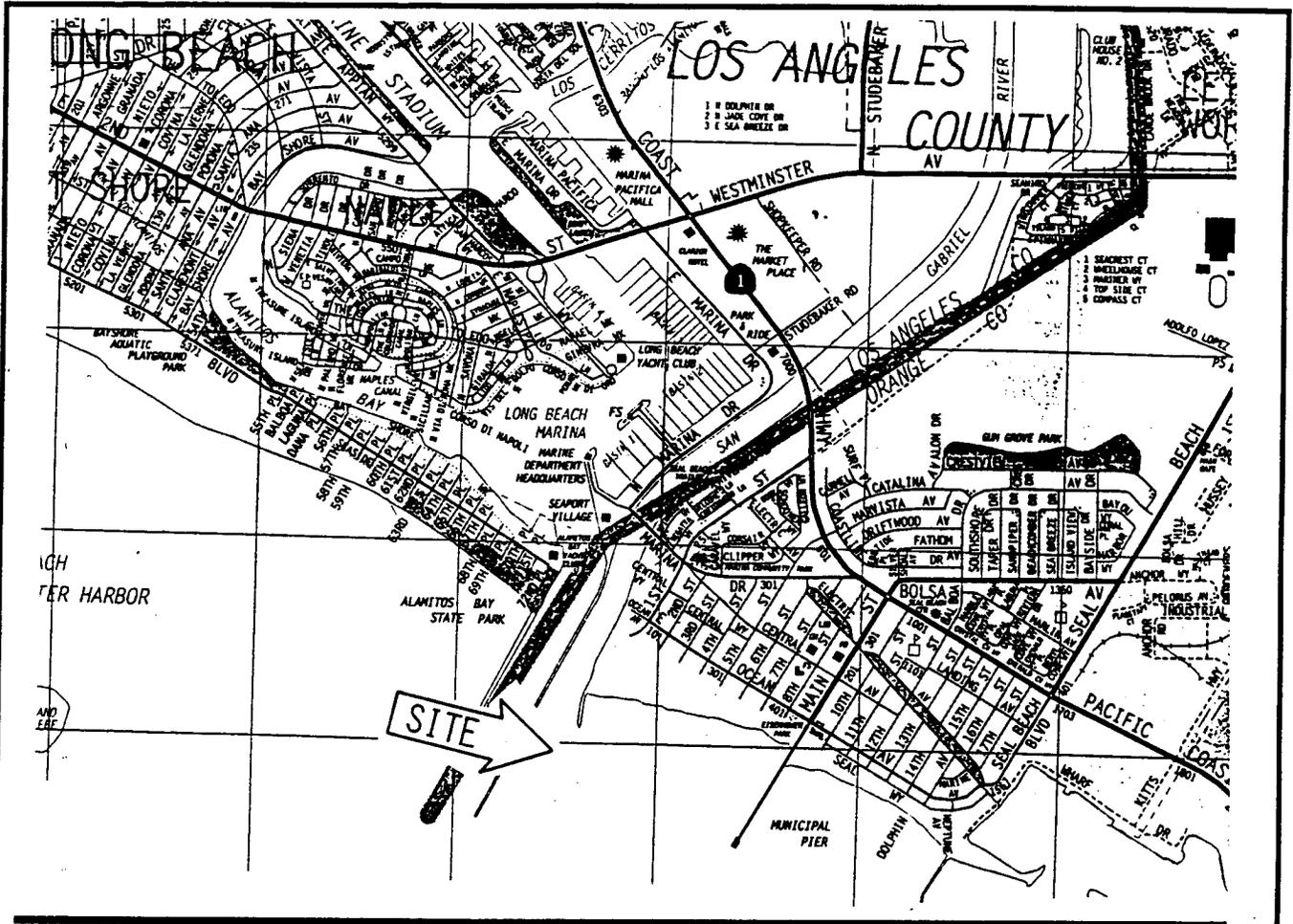


EXHIBIT "A"
LOCATION MAP PRC 3394
R/W serving Platform Esther
ORANGE COUNTY

