

MINUTE ITEM

This Calendar Item No. C87 was approved as Minute Item No. 87 by the California State Lands Commission by a vote of 3 to 0 at its 12/16/98 meeting.

CALENDAR ITEM

C87

A 34

PRC 7132 12/16/98

S 17

WP 7132.2

J. Smith

LEASE RENEWAL

LESSEE:

Shell Oil Company
P.O. Box 576
Houston, Texas 77001-0576

AREA, LAND TYPE, AND LOCATION:

25.60 acres, more or less, of State lieu lands three miles south of Mojave, Kern County.

AUTHORIZED USE:

Water pipeline, monitoring well, and a portion of a processing pond.

PREVIOUS LEASE TERM(S):

10 years, beginning August 1, 1987.

PROPOSED LEASE TERM:

10 years, beginning August 1, 1997.

CONSIDERATION:

\$4838 per year; with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance: Combined single limit coverage of \$2,000,000

Bond:

\$5,000

OTHER PERTINENT INFORMATION:

1. Applicant owns and has a right to use the lands adjoining the lease premises.
2. Lessee is requesting a renewal of their Industrial Lease covering a water pipeline, monitoring well, and a portion of a processing pond, located on

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State lieu lands used, in conjunction with Lessee's gold ore operations. Lessee is now in the final phases of the closure process. As such, Lessee will continue to require the facilities on the State lieu lands until the operations cease. There is presently no active mining being conducted. Lessee has sold its mineral lease and mining equipment to Granite Construction Company, who is crushing reclaimed rock to make aggregate. Lessee has some minor reclamation responsibilities to complete on the mined areas to satisfy the Bureau of Land Management and Kern County. Lessee will provide annual reports, beginning August 1, 1999, detailing the progress on cleanup and closure of the site, including all federal, State and local agency approvals or status thereof.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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; Title 2, California Code of Regulations, section 2905(a)(2).
4. 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.

EXHIBITS:

- A. Land Description
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT

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PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA
CODE OF REGULATIONS, SECTION 2905 (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

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

AUTHORIZATION:

AUTHORIZE ISSUANCE TO SHELL OIL COMPANY OF A GENERAL
LEASE - INDUSTRIAL USE, BEGINNING AUGUST 1, 1997, FOR A
TERM OF 10 YEARS, FOR A WATER PIPELINE, MONITORING WELL,
AND A PORTION OF A PROCESSING POND ON THE LAND
DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE
MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$4838;
WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT
RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN
THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT
COVERAGE OF \$2,000,000; SURETY IN THE AMOUNT OF \$5,000.

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EXHIBIT "A"

LAND DESCRIPTION

PRC 7132.

A parcel of California State lieu lands in Kern County, California, described as follows:

Lot 1, Section 28, T11N, R12W, SBM.

EXCEPTING THEREFROM that portion thereof patented August 30, 1971 to the California State Department of Public Works, Division of Highways.

END OF DESCRIPTION

PREPARED SEPTEMBER 9, 1987, BY BIU 1.

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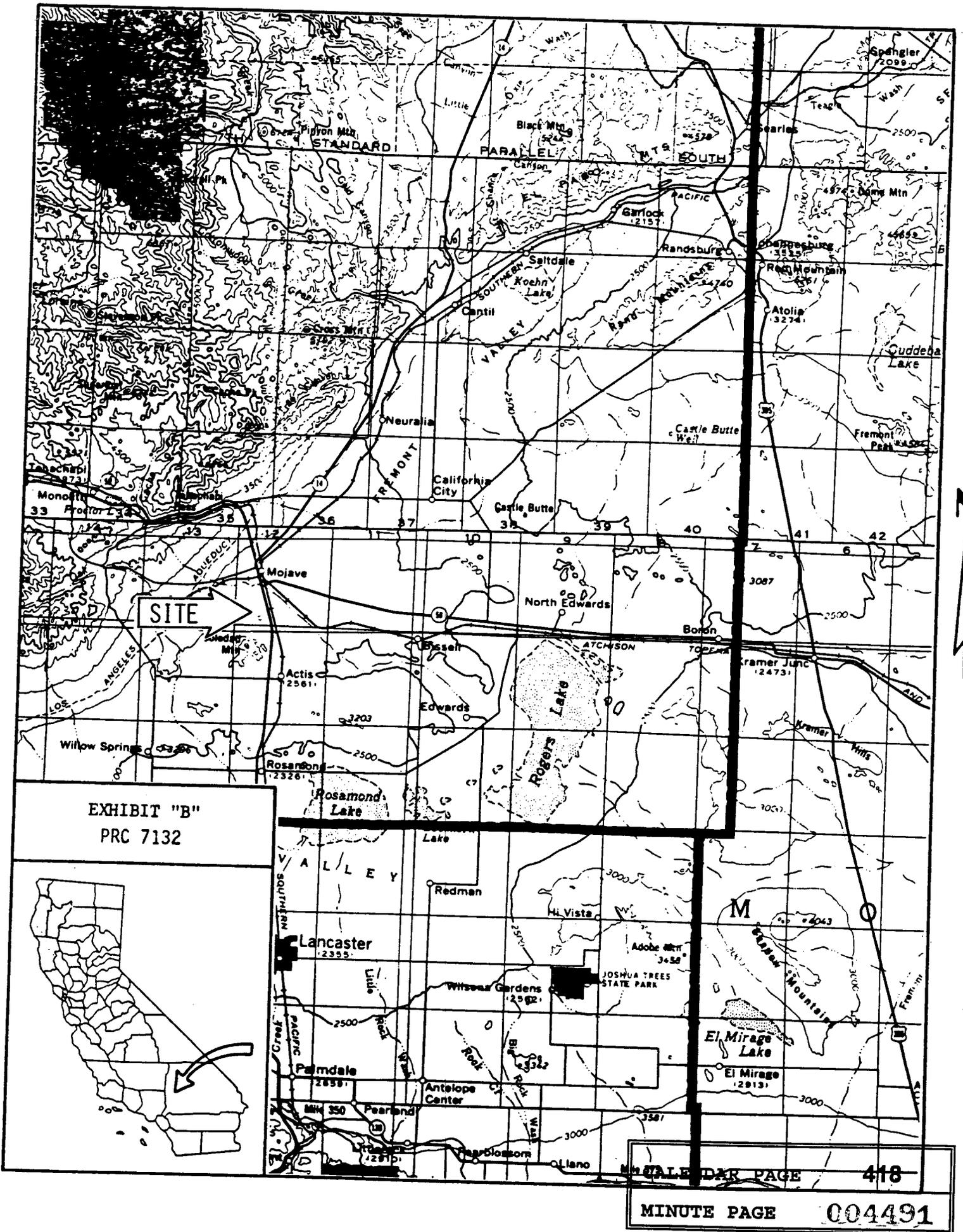


EXHIBIT "B"
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