

MINUTE ITEM

This Calendar Item No. C07 was approved as Minute Item No. 07 by the California State Lands Commission by a vote of 3 to 0 at its 6-14-99 meeting.

**CALENDAR ITEM
C07**

A 35

06/14/99

PRC 3037.1

PRC 3038.1

PRC 3039.1

PRC 3068.1

PRC 6707.1

B. Dugal

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**CONSIDER ACCEPTANCE OF FIVE QUITCLAIM DEEDS AND
TERMINATION OF FIVE RIGHT OF WAY LEASES**

LESSEE:

Phillips Petroleum Company
P. O. Box 1967
Houston, Texas 77251-1967

AREA, LAND TYPE, AND LOCATION:

- PRC 3037.1 - 5.26 acres
- PRC 3038.1 - 4.832 acres
- PRC 3039.1 - 6.418 acres
- PRC 3068.1 - 7.774 acres
- PRC 6707.1 - 17.80 acres

The five right-of-way leases involve sovereign lands located in the Santa Barbara Channel, Pacific Ocean, Santa Barbara County.

LEASE INFORMATION:

PRC 3037.1, PRC 3038.1, PRC 3039.1, and PRC 3068.1

The California State Lands Commission (CSLC) authorized the issuance of these four right-of-way leases to Phillips Petroleum Company (Phillips) for terms of 49 years beginning in 1963. The authorized improvements under the leases consist of a total of four submarine flowline bundles that served various underwater gas wells within the boundaries of State oil and gas Lease No. PRC 2933.1. The flowlines linked the various underwater gas wells to Phillips' onshore Tajiquas gas processing plant. Rent for the four leases total \$689.73 per year.

PRC 6707.1:

The CSLC authorized the issuance of Lease No. PRC 6707.1 to Phillips for a 25-

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year lease term beginning in 1984. The authorized improvements consist of two submerged pipeline bundles linking gas wells Molino #7 and #8 that were within the boundaries of State oil and gas Lease No. PRC 2933.1. Annual rent for Lease No. PRC 6707.1 is \$4,564.

BACKGROUND INFORMATION:

On October 17, 1995, the CSLC certified and adopted EIR No. 663 (SCH No. 94121042) and approved the Santa Barbara Channel Subsea Well Abandonment Flowline Removal Program (SWARS) for the abandonment and removal of several gas wells and flowlines in the Santa Barbara Channel. The SWARS project involved the removal of 18 subsea wells from six State leases. In addition, certain flowlines that served various wells were proposed to be removed from the intertidal and shallow subtidal zone; the offshore segments beyond -15 feet MLLW were proposed to be abandoned in place.

Phillips subsequently arranged to have the flowlines authorized by the five right-of-way leases removed. In January and February 1997, Phillips removed the near shore portions of the flowlines. The landfall ends of the flowline bundles connecting the subsea wells were cut at a water depth of -15 feet MLLW and were removed from the surf zone. Sonar surveys were then conducted specifically to search for sea floor debris. No debris was found. Additionally, the surf zone, which was outside of the sonar coverage area, was inspected by divers. During the diver inspection, two loose sections of pipe were found and properly removed in March 1997.

OTHER PERTINENT INFORMATION:

1. 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 because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Location Map
- B. Site Map

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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 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ACCEPTANCE OF FIVE QUITCLAIM DEEDS TRANSFERRING ALL RIGHTS, TITLE AND INTEREST IN THE LEASEHOLDS FROM PHILLIPS PETROLEUM COMPANY BACK TO THE STATE OF CALIFORNIA, AND AUTHORIZE THE TERMINATION OF FIVE GENERAL LEASES - RIGHT OF WAY USE, LEASE NOS. PRC 3037.1, PRC 3038.1, PRC 3039.1, PRC 3068.1, AND PRC 6707.1, FOR THE LANDS SHOWN ON EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

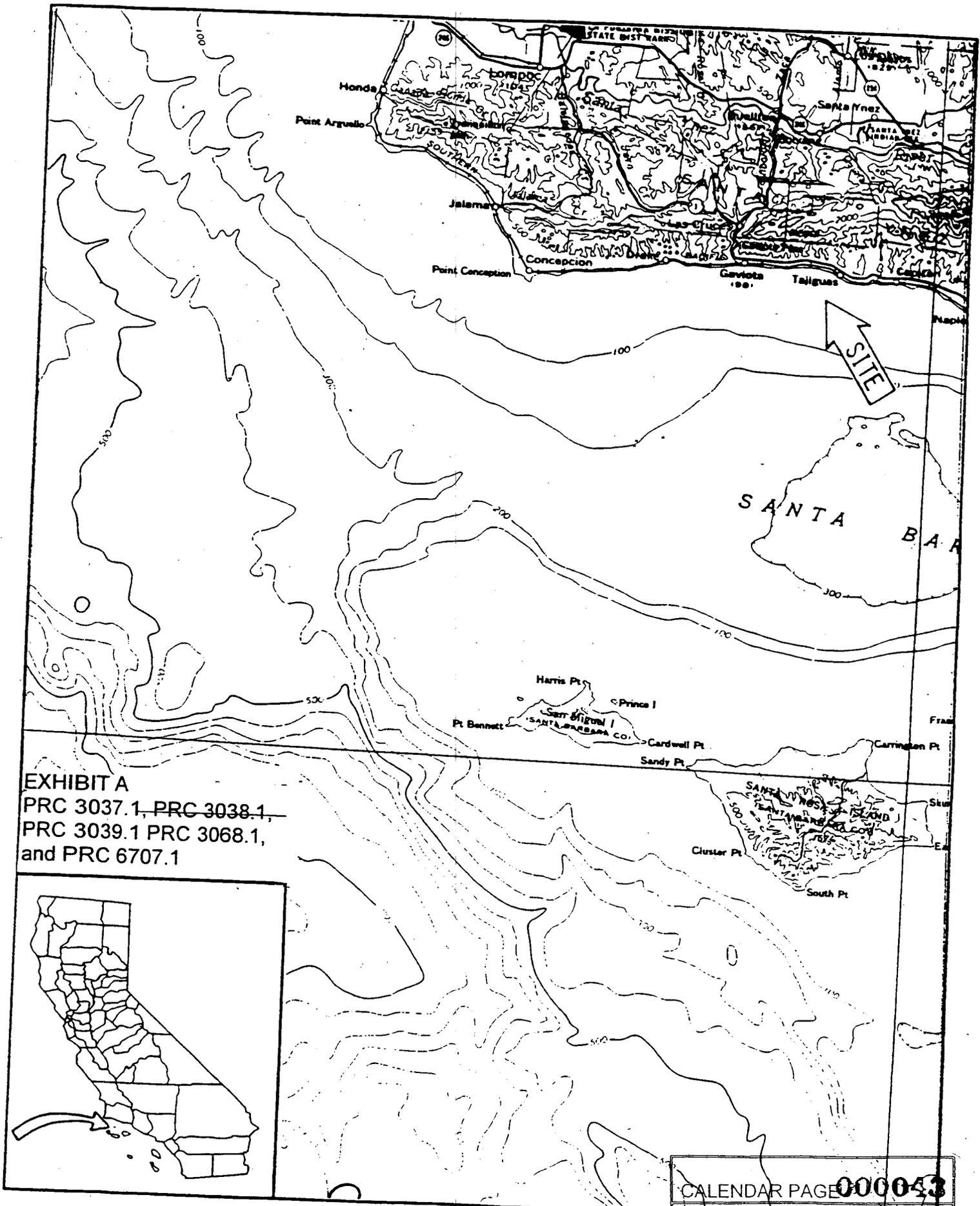


EXHIBIT A
 PRC 3037.1, PRC 3038.1,
 PRC 3039.1 PRC 3068.1,
 and PRC 6707.1

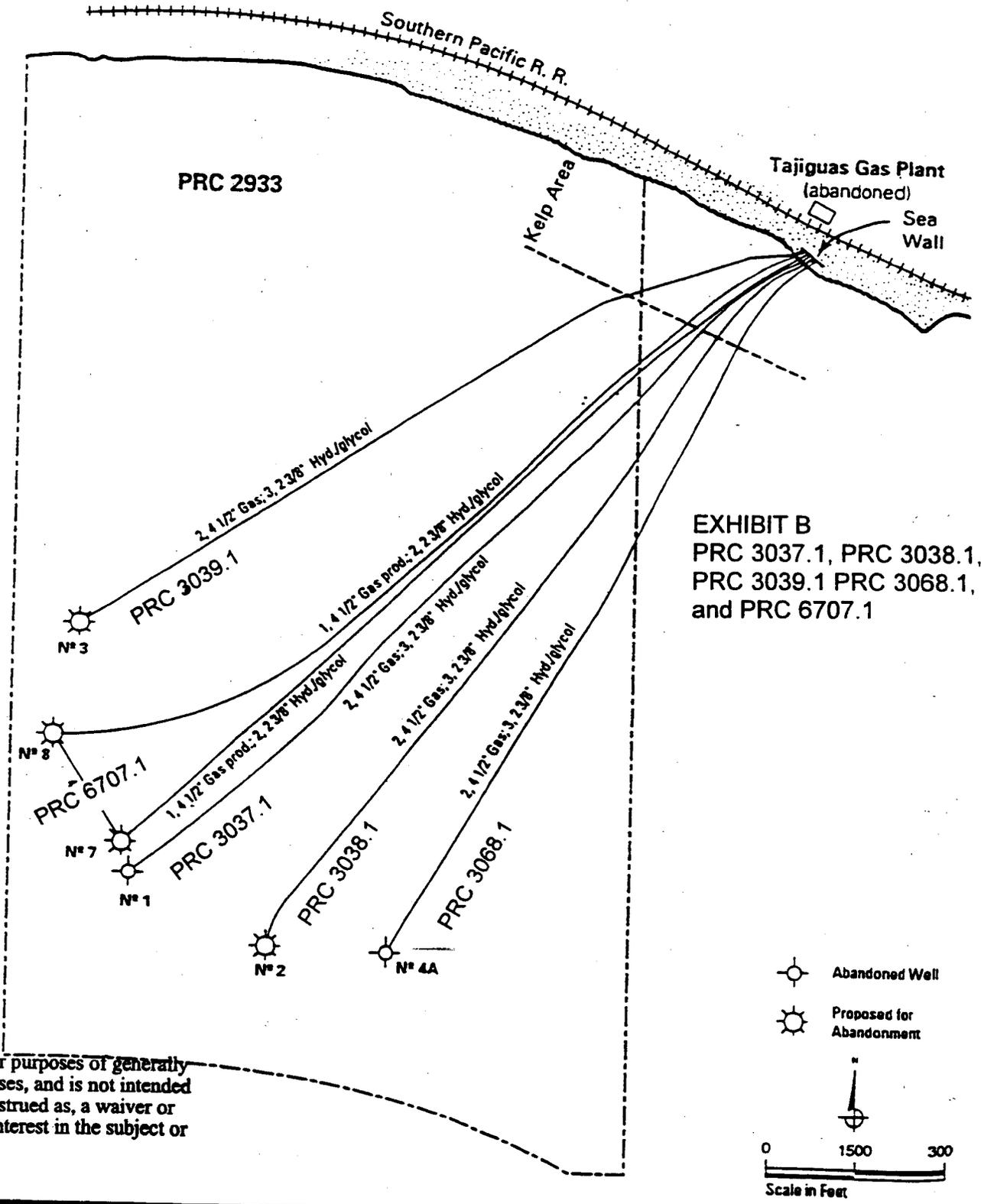


EXHIBIT B
 PRC 3037.1, PRC 3038.1,
 PRC 3039.1 PRC 3068.1,
 and PRC 6707.1

This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Flowlines coming ashore at the Tajiguas Gas Plant from PRC 2933