

MINUTE ITEM

This Calendar Item No. C08 was approved as Minute Item No. 08 by the California State Lands Commission by a vote of 3 to 0 at its 6-14-99 meeting.

**CALENDAR ITEM
C08**

A 35

S 18

06/14/99

PRC 8080

W 25519

B. Dugal

GENERAL LEASE - COMMERCIAL USE

APPLICANT:

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

AREA, LAND TYPE, AND LOCATION:

1.69 acres, more or less, of sovereign land in the Pacific Ocean, near Gaviota and offshore between Tajiguas and Arroyo Quemado creeks, Santa Barbara County.

AUTHORIZED USE:

Construction of an artificial kelp reef.

LEASE TERM:

Ten years, beginning June 1, 1999.

CONSIDERATION:

\$1,521 per annum; 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:

Combined single limit coverage of no less than \$1,000,000.

OTHER PERTINENT INFORMATION:

1. On October 17, 1995, the California State Lands Commission (Commission) certified and adopted EIR No. 663 (SCH No. 94121042) and approved the Santa Barbara Channel Subsea Well Abandonment Flowline Removal Program (SWARS) for several gas wells and flowlines in the Santa Barbara Channel. The SWARS project, in which Phillips was a participant, involved the removal of 18 subsea wells from six State leases and various flowlines that served the wells.

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2. The Commission previously approved the issuance of five right-of-way leases to Phillips for the various pipelines that served their upland Tajiguas gas processing plant. As part of the SWARS project, the landfall ends of the pipeline bundles connecting Phillips' subsea wells were cut at a water depth of -15 feet MLLW and removed from the surf zone and beach in January and February of 1997. During the removal process, approximately 272 adult kelp plants were damaged. In order to mitigate for the loss of the kelp plants, Phillips proposes to construct an artificial reef using 900, 2 to 3 foot diameter quarry rock. The rock will be placed at a water depth of -21 to -34 feet MLLW and will cover an area approximately 1.69 acres in size. Once the reef is constructed, laboratory-cultured juvenile kelp plants will be outplanted to the quarry rocks.
3. Phillips will conduct monitoring surveys periodically during the lease term to determine the number, age, class, and health of the kelp plants within the reef area and the burial status of the reef rock. Phillips will provide the Commission with copies of written reports documenting the results of the monitoring surveys.
4. On February 3, 1999, the California Coastal Commission (CCC) granted Permit # E-95-09-A3 for this project under its certified regulatory program (Title 14, California Code of Regulations, section 15251 (c)).
5. Staff has reviewed the document and determined that the conditions, as specified in Title 14, California Code of Regulations, section 15253 (b), have been met for the Commission to use the environmental analysis document certified by the CCC as a Negative Declaration equivalent in order to comply with the requirements of the CEQA.
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.

APPROVALS OBTAINED:

United States Army Corps of Engineers
California Coastal Commission

CALENDAR ITEM NO. C08 (CONT'D)

EXHIBITS:

- A. Location Map
- B. Land Description

PERMIT STREAMLINING ACT DEADLINE:

August 24, 1999

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT AN ENVIRONMENTAL ANALYSIS DOCUMENT, CALIFORNIA COASTAL COMMISSION (CCC) PERMIT # E-95-09-A3, WAS ADOPTED FOR THIS PROJECT BY THE CCC UNDER ITS CERTIFIED PROGRAM (TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15251 (c)), AND THAT THE CALIFORNIA STATE LANDS COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION THEREIN AND CONCURS IN THE CCC'S DETERMINATION.

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 PHILLIPS PETROLEUM COMPANY OF A GENERAL LEASE - COMMERCIAL USE, BEGINNING JUNE 1, 1999, FOR A TERM OF TEN YEARS, FOR CONSTRUCTION OF AN ARTIFICIAL KELP REEF ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, ANNUAL RENT IN THE AMOUNT OF \$1,521, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; COMBINED SINGLE LIMIT COVERAGE OF NO LESS THAN \$1,000,000.

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.

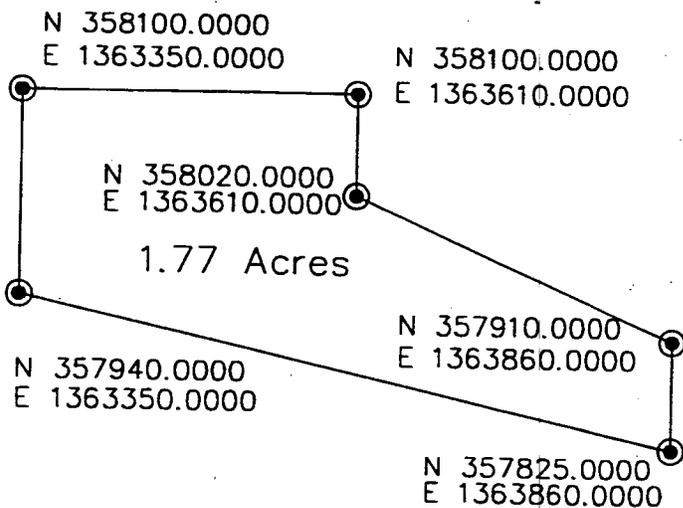
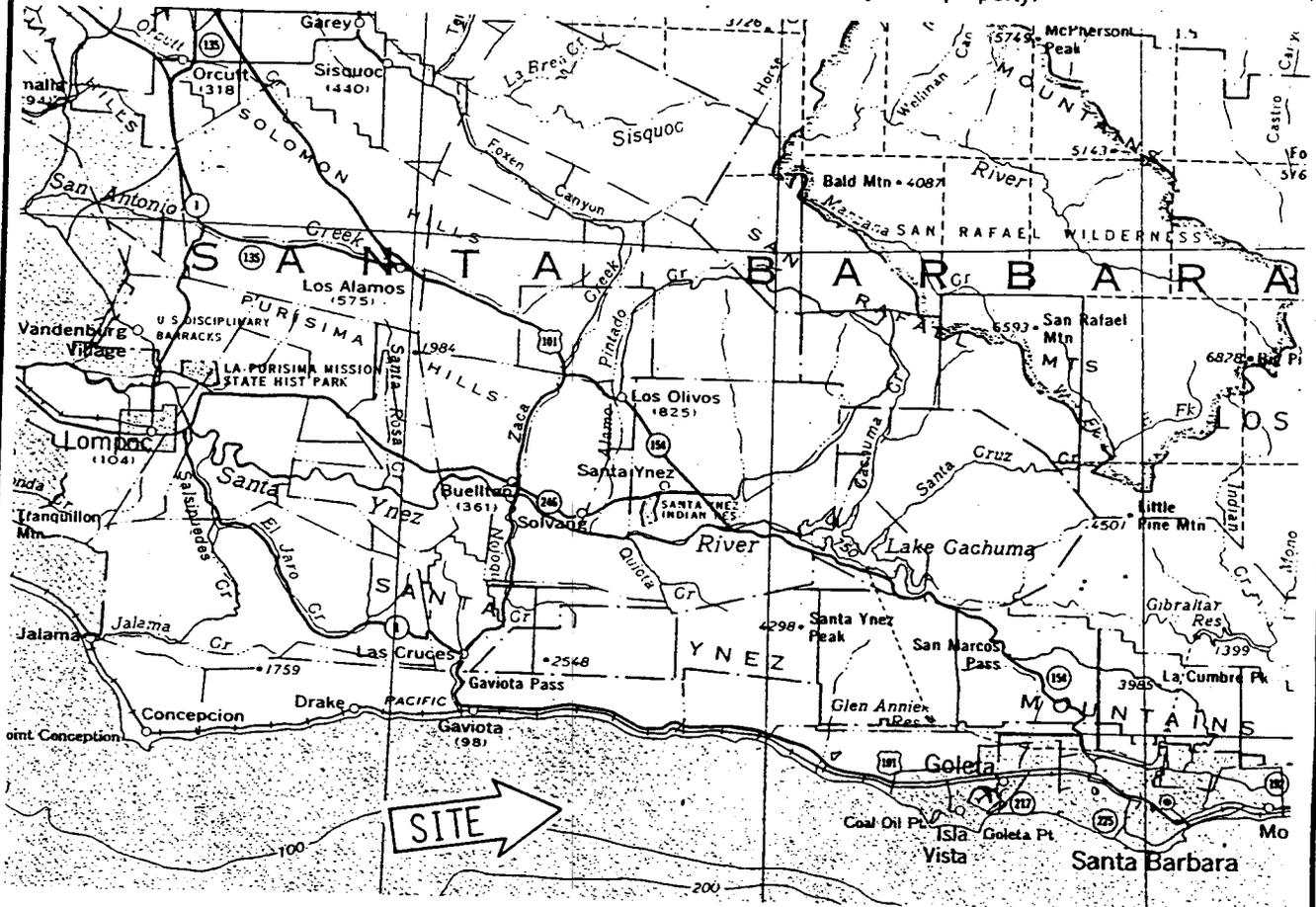
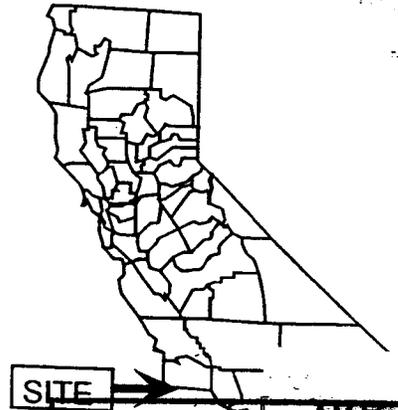


EXHIBIT "A"
 LOCATION MAP W25519
 GENERAL LEASE
 COMMERCIAL USE
 SANTA BARBARA, COUNTY



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EXHIBIT "B"
LAND DESCRIPTION

W25519

A parcel of tide and submerged land lying in the Pacific Ocean, Santa Barbara County, California and more particularly described as follows:

Beginning at Point 1, having 1927 California Coordinate System Zone 5 coordinates of X = 1,363,610 feet, Y = 358,020 feet, said point of beginning bears N82°59'04"W, 2,858.99 feet from U.S.C. & G.S. Triangulation Station, "Tajiguas 1932", having 1927 California Coordinate System Zone 5 Coordinates of X=1366447.59, Y=357670.81, thence from said point of beginning the parcel is bounded by the following 1927 California Coordinate System Zone 5 coordinates:

1. X=1,363,610 Y=358,020
2. X=1,363,610 Y=358,100
3. X=1,363,350 Y=358,100
4. X=1,363,350 Y=357,940
5. X=1,363,860 Y=357,825
6. X=1,363,860 Y=357,910

END DESCRIPTION

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