MINUTE ITEM
This Calendar Item No. C21 was approved as Minute Item No. 21 by the California State Lands Commission by a vote of 3 to 0 at its 9-3-99 meeting.

CALENDAR ITEM
C21

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09/03/99
PRC 3277.1
D. Jones

AMENDMENT OF LEASE

LESSEE:

Chevron USA, Inc.
P.O. Box 1392
Bakersfield, CA 93302

AREA, LAND TYPE, AND LOCATION:

Main Lease:

7.7 acres, more or less, of sovereign lands in Honker Bay, Solano and Contra Costa counties; Roaring River, Montezuma Slough and Grizzly Slough, Solano County; and the Sacramento River, Yolo and Sacramento counties.

Proposed Amendment:

0.18 acres, more or less, of sovereign lands in Montezuma Slough, in the Grizzly Island Wildlife Refuge, Solano County.

AUTHORIZED USE:

Continued use and maintenance of an existing eight-inch refined products pipeline (gasoline, diesel, and jet fuel).

LEASE TERM:

25 years, beginning May 1, 1997.

CONSIDERATION:

$3,285 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Within the Montezuma Slough segment of this lease, the proposed amendment will authorize the decommissioning of a portion of the existing pipeline and the installation of a new pipeline through directional boring within the existing right of way. The decommissioned portion of the pipeline will remain under lease, with

Chevron maintaining responsibility. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.

2. 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 statutorily exempt project. The project is exempt because it involves the conduct of authorized activities on qualifying existing pipelines.

   Authority: Public Resources Code section 21080.23 and Title 14, California Code of Regulations, section 15284.

3. 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.

4. On July 10, 1997, on the south side of the Honker Bay crossing, a ship lost power and dropped its anchor in the "No Anchor Zone" to avoid running aground. As a result of this accident, a portion of Chevron's Bay Area Products Pipeline (BAPL), which was authorized under Lease No. 3277.1, was lifted from its trench by the ship's anchor. Although the anchor caught and displaced the pipeline, no leaks resulted from this incident. At its June 14, 1999, meeting, the Commission authorized the decommissioning of a portion of the existing pipeline in Honker Bay which was damaged as a result of the accident, and authorized the installation of a new pipeline through directional boring within the existing lease right of way.

   Since the July 10, 1997, incident an internal inspection of the entire length of the BAPL pipeline which runs from the city of Pittsburg to the city of Sacramento was conducted on behalf of Chevron. As a result of the inspection, Chevron is proposing to repair and replace other segments of the pipeline, including the segment that crosses Montezuma Slough. It is

proposed to decommission that portion of the pipeline and install a new pipeline at least 45 feet or greater below the lowest point of the bottom of the slough. The decommissioned pipeline will be purged of all combustible and/or hazardous materials and abandoned in place by filling with non-corrosive, environmentally safe material with the ends capped and sealed.

APPROVALS OBTAINED:
U.S. Army Corps of Engineers, U.S. Fish and Wildlife Services, National Marine Fisheries Service, California Department of Fish and Game, San Francisco Bay Conservation and Development Commission, California Regional Water Quality Control Board.

EXHIBITS:
A. Location Map

PERMIT STREAMLINING ACT DEADLINE:
October 1, 1999

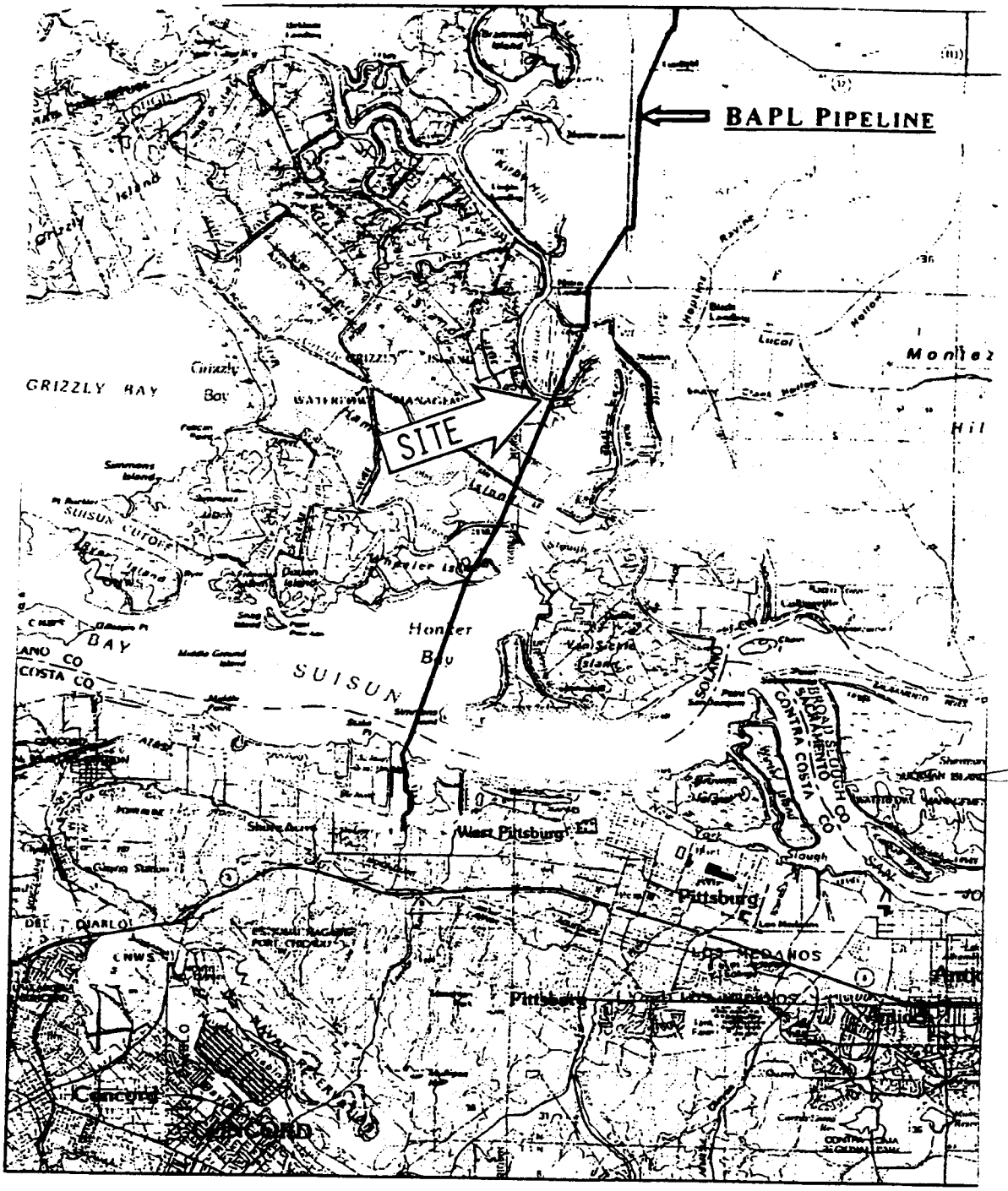
RECOMMENDED ACTION:
IT IS RECOMMENDED THAT THE COMMISSION:

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 STATUTORILY EXEMPT PROJECT PURSUANT TO SECTON 21080.23 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15284, WORK ON EXISTING PIPELINES.

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 THE AMENDMENT OF LEASE NO. PRC 3277.1, A GENERAL LEASE - RIGHT OF WAY, OF LANDS DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE SEPTEMBER 1, 1999, TO 1) AUTHORIZE THE DECOMMISSIONING AND ABANDONMENT IN PLACE OF A PORTION OF THE EXISTING PIPELINE WITHIN MONTEZUMA SLOUGH; AND 2) WITHIN THE EXISTING LEASE RIGHT OF WAY, AUTHORIZE THE INSTALLATION OF A NEW SECTION OF PIPELINE TO BE DIRECTIONALLY BORED; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.



Vicinity map for the proposed Chevron Pipe Line repair project

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

EXHIBIT A
PRC 3277.1