MINUTE ITEM
This Calendar Item No. C18 was approved as Minute Item No. 18 by the California State Lands Commission by a vote of 3 to Ø at its 9-17-01 meeting.

CALENDAR ITEM
C18

A 35

S 18

09/17/01
PRC 6942.1 and PRC 6943.1
B. Dugal

ASSIGNMENT OF INTEREST IN TWO GENERAL PARTNERSHIPS

PARTNER/ASSIGNOR:

Chevron Pipe Line Company
1700 Calle Mariposa Avenue
Goleta, California 93117

ASSIGNEE:

Arguello, Inc.
500 Dallas Street, #700
Houston, Texas 77001

AREA, LAND TYPE, AND LOCATION:

PRC 6942.1 involves 10.22 acres, more or less, and PRC 6943.1 involves 10.19 acres, more or less, of sovereign lands in the Pacific Ocean, near Point Conception, Santa Barbara County.

AUTHORIZED USE:

PRC 6942.1 - A General Lease – Right of Way Use for the continued use and maintenance of an existing 24-inch oil pipeline linking Platform Hermosa to the shoreline.
PRC 6943.1 – A General Lease – Right of Way Use for the continued use and maintenance of an existing 20-inch natural gas pipeline linking Platform Hermosa to the shoreline.

LEASE TERM:

PRC 6942.1 – 25 years, beginning February 1, 1986.
PRC 6943.1 – 25 years, beginning February 1, 1986.

CONSIDERATION:

PRC 6942.1 - $27,048 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.
PRC 6943.1 - $26,302 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

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

2. On February 14, 1986, the California State Lands Commission (CSLC) approved the issuance of a General Lease – Right of Way Use to Point Arguello Pipeline Company (PAPCO/PRC 6942.1) and a General Lease – Right of Way Use to Point Arguello Natural Gas Line Company (PANGL/PRC 6943.1). PAPCO and PANGL are both California general partnerships.

3. Chevron Pipe Line Company (Chevron) owned a 26% share in the PAPCO and PANGL general partnerships. Effective July 1, 1999, Chevron sold its' 26% in the PAPCO and PANGL partnerships to Arguello, Inc., which is a wholly owned subsidiary of Plains Resources, Inc. Arguello has also assumed the role as operator and manager of PAPCO and PANGL.

4. Pursuant to the lease terms for both leases, any transfer of any interest of the general partnership, a withdrawal of any general partner from the partnership or the dissolution of the partnership is deemed to be an assignment. Therefore, Chevron's assignment of its' 26% interest in the two general partnerships to Arguello requires the approval of the CSLC. Even though Chevron's 26% interest in the general partnerships is being assigned, this assignment will not change the CSLC's Lessees, PAPCO and PANGL will remain as the CSLC's lessees.

5. The pipelines are in compliance with Mineral Management Services pipeline regulations which requires internal inspections for the petroleum pipeline and corrosion monitoring for the natural gas pipeline every two years. The results of the latest inspections, conducted August 1, 2000, for both pipelines were in compliance with the American Society of Mechanical Engineers code.

6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations,) 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. Lease Description - PRC 6942.1
C. Lease Description - PRC 6943.1

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, 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 ASSIGNMENT OF CHEVRON PIPE LINE COMPANY'S 26% INTEREST IN THE GENERAL PARTNERSHIP IN POINT ARGUELLO PIPELINE COMPANY (LESSEE/PRC 6942.1) AND POINT ARGUELLO NATURAL GAS LINE COMPANY (LESSEE/ PRC 6943.1) TO ARGUELLO, INC., EFFECTIVE JULY 1, 1999, ON THE LANDS DESCRIBED ON EXHIBIT B AND C ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

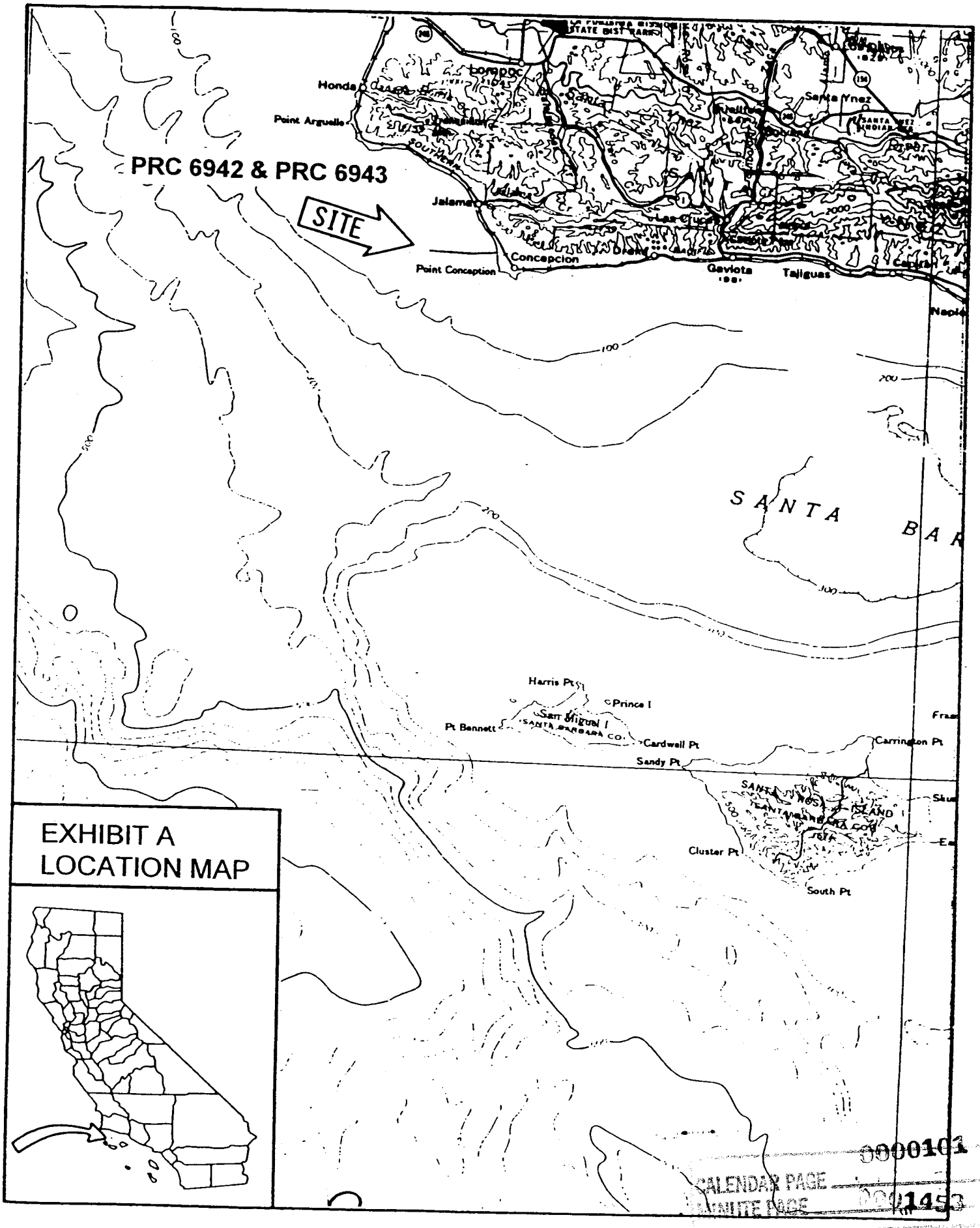
PRC 6942 & PRC 6943
SITE
Honda
Point Arguello
Jalama
Point Conception
Concepcion
Gaviota
Taliguas
Santa Ynez
Harris Pt
Prince I
San Miguel I
Pt Bennett
Cardwell Pt
Sandy Pt
Carrington Pt
Cluster Pt
South Pt
SANTA BAR
EXHIBIT A
LOCATION MAP

EXHIBIT B
PRC 6942
LAND DESCRIPTION

A strip of tide and submerged land 20 feet wide in the Pacific Ocean approximately one mile north of Point Conception, Santa Barbara County, California, the centerline of said strip being described as follows:

> BEGINNING at a point having coordinates of N = 863,068.85 and E = 727,223.03; thence S 88° 56' 15" W 8754.94 feet to the beginning of a tangent curve concave to the north having a radius of 20,000 feet; thence along said curve, through a central angle of 7° 33' 45", 2639.81 feet; thence tangent to said curve N 83° 30' 00" W 11,066.81 feet to the offshore ownership boundary of the State of California as determined according to the decree entered by the United States Supreme Court in United States v. California, Original No. 5, on January 31, 1966, 382 US 448.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark.

This description is based on the California Coordinate System, Zone 6.

END OF DESCRIPTION

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EXHIBIT C
PRC 6943
LAND DESCRIPTION

A strip of tide and submerged land 20 feet wide in the Pacific Ocean approximately one mile north of Point Conception, Santa Barbara County, California, the centerline of said strip being described as follows:

> BEGINNING at a point having coordinates of N = 863,060.67 and E = 727,222.93; thence S 87° 57' 06" W 5,297.37 feet to the beginning of a tangent curve concave to the north having a radius of 20,000 feet; thence along said curve, through a central angle of 1° 00' 52", 354.11 feet; thence tangent to said curve S 88° 57' 58" W 3,105.89 feet to the beginning of a tangent curve concave to the north having a radius of 20,000 feet; thence along said curve, through a central angle of 7° 32' 02", 2,629.82 feet; thence tangent to said curve N 83° 30' 00" W 11,015.26 feet to the offshore ownership boundary of the State of California as determined according to the decree entered by the United State Supreme Court in United States v. California, Original No.5, on January 31, 1966, 382 US 448.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark.

This description is based on the California Coordinate System, Zone 6.

END OF DESCRIPTION

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