

MINUTE ITEM

This Calendar Item No. C58 was approved as Minute Item No. 58 by the California State Lands Commission by a vote of 2 to 0 at its 12-08-05 meeting.

**CALENDAR ITEM
C58**

A 35

12/08/05

S 19

PRC 5515

WP 5515.1

J. Smith

GENERAL LEASE - INDUSTRIAL USE

APPLICANTS:

Venoco, Inc.
5464 Carpinteria Avenue
Carpinteria, CA 93103-1423

Exxon Mobil Corporation
Offshore Land Group
P.O. Box 4610, CORP-OCG-619
Houston, Texas 77210

AREA, LAND TYPE, AND LOCATION:

2.21 acres, more or less, of tide and submerged lands in the Pacific Ocean, near Goleta, Santa Barbara County.

AUTHORIZED USE:

Continued use and maintenance of the Ellwood Pier.

LEASE TERM:

Ten years, beginning June 20, 2005.

CONSIDERATION:

\$107,232 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease. The recommended rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than \$5,000,000.

Bond:

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\$7,500,000 (Leases PRC 421, PRC 3120, PRC 3242, PRC 3904 and PRC 5515).

OTHER PERTINENT INFORMATION:

1. Applicants have a right to use the lands adjoining the lease premises.
2. On August 31, 1978, the Commission authorized a 25-year lease to Arco and Exxon to maintain the Ellwood Pier (Lease PRC 5515.1). Through a series of assignments, the current Lessees are Venoco, Inc. and Exxon Mobil Corporation. The lease expired on June 20, 2005, and the Lessees have submitted an application requesting a new lease.

The Ellwood Pier is approximately 1,500 feet long and is located in the Pacific Ocean near the city of Goleta in Santa Barbara County. The Lessees utilize the Ellwood Pier to transfer personnel and cargo in support of their offshore oil platform operations. In 1989, the pier was destroyed by fire and was reconstructed entirely of steel and concrete. Between 2002 and 2003, all of the Pier's 188 pilings underwent some form of repair. The pier is inspected every five years, and the next scheduled inspection will occur in 2008.

Practices and procedures for pier operations are included in Venoco's Facility Response Plan, Emergency Action Plan, and Fire Prevention and Preparedness Plan for the Ellwood Complex. Those documents are maintained in the Commission's Long Beach office.

3. The Lessees' agreement with the upland owners, by which access to the pier is obtained, has been extended for another five years to September 30, 2010. In the event the Lessees' agreement with the upland owners is not extended beyond 2010, the Lease between the Commission and the Lessees will terminate at that time rather than at the end of the ten year term.
4. 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).

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Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

5. 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 and Site Map

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 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 VENOCO, INC., AND EXXON MOBIL CORPORATION OF A GENERAL LEASE - INDUSTRIAL USE, BEGINNING JUNE 20, 2005, FOR A TERM OF TEN YEARS, FOR THE CONTINUED USE AND MAINTENANCE OF THE ELLWOOD PIER ON THE LAND DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$107,232, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; SURETY IN THE AMOUNT OF

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\$7,500,000 (WHICH COVERS LEASES PRC 421, PRC 3120, PRC 3242, PRC 3904 AND PRC 5515); LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN \$5,000,000.

EXHIBIT "A"

LAND DESCRIPTION

PRC 5515.1

A parcel of tide and submerged land in the Santa Barbara Channel adjacent to Rancho Los Dos Pueblos, in the vicinity of Ellwood, Santa Barbara County, State of California, more particularly described as follows:

BEGINNING at a point which bears N 70° 20' 00" W 366.06 feet from Monument Number 4, said monument being a 6-inch pipe as shown on Record of Survey Map Book 35, page 89, filed in the Office of the Recorder of Santa Barbara County, May 17, 1955, said monument having coordinates of X = 1,420,819.40 feet, Y = 345,145.75 feet; thence continuing from the point of beginning the following eleven courses:

1. S 20° 08' 00" W 86.65 feet;
2. S 05° 21' 21" W 12.21 feet;
3. S 02° 11' 18" W 197.23 feet;
4. S 27° 22' 00" W 1184.11 feet;
5. S 62° 38' 00" E 100.00 feet;
6. N 27° 22' 00" E 100.00 feet;
7. N 62° 38' 00" W 44.00 feet;
8. N 27° 22' 00" E 1090.36 feet;
9. N 16° 04' 37" E 348.47 feet;
10. N 70° 15' 50" W 95.76 feet;
11. S 20° 08' 00" W 60.00 feet; to the point of beginning.

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

This description is based on the California Coordinate System, Zone 5.

END OF DESCRIPTION

REVIEWED NOVEMBER 15, 1984 BY BOUNDARY SERVICES UNIT, M. L. SHAFER, SUPERVISOR.

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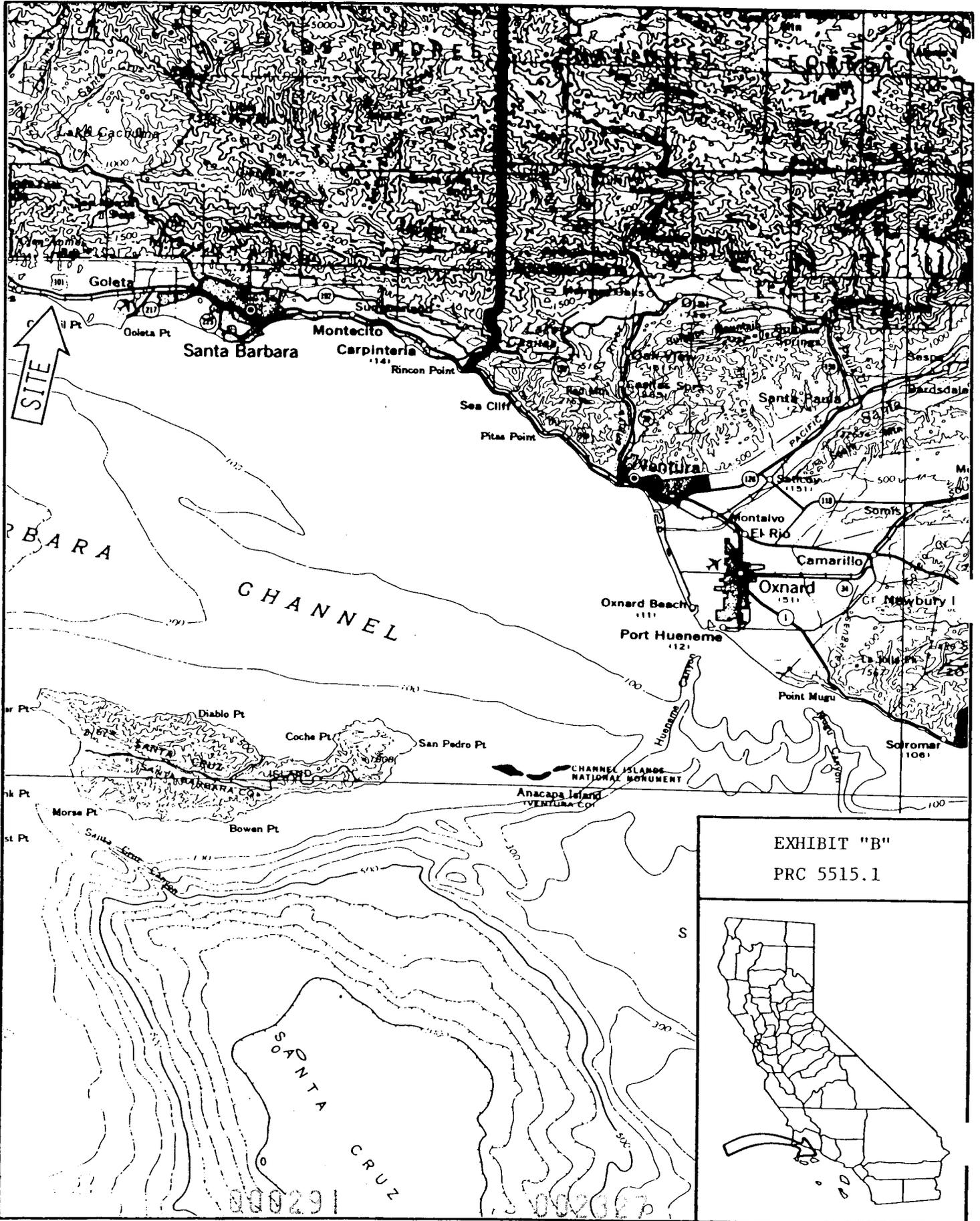


EXHIBIT "B"
 PRC 5515.1