

**CALENDAR ITEM
C36**

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12/05/12
PRC 600.1
PRC 4975.1
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**TERMINATION OF LEASE
AND ASSIGNMENT AND AMENDMENT OF LEASE**

LESSEE/ASSIGNOR:

ConocoPhillips Company
San Francisco Refinery
1380 San Pablo Avenue
Rodeo, CA 94572-1354

ASSIGNEE:

Phillips 66 Company
P.O. Box 4428
Houston, TX 77210

AREA, LAND TYPE, AND LOCATION:

PRC 600.1: 16.726 acres, more or less, of filled and unfilled sovereign land in San Pablo Bay, town of Rodeo, Contra Costa County

PRC 4975.9: Sovereign land located at the ConocoPhillips Terminal in San Pablo Bay at Davis Point, Contra Costa County.

AUTHORIZED USE:

PRC 600.1: Continued use and maintenance of a marine oil terminal.

PRC 4975.9: Dredge and remove a maximum of 90,000 cubic yards of dredged material annually.

LEASE TERM:

PRC 600.1: 30 years, beginning September 1, 2001

PRC 4975.9: 10 years, beginning April 9, 2009

CALENDAR ITEM NO. **C36** (CONT'D)

CONSIDERATION:

PRC 600.1: Base rent of \$287,628 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PRC 4795.9: No monetary consideration will be charged for the maintenance dredging as it will result in a public benefit. Dredged material may not be sold.

PROPOSED AMENDMENT

Amend Lease No. PRC 600.1:

1. Revise the lease area to accurately reflect the impact area of the use;
2. Revise authorized activities to include maintenance dredging (authorized by Lease No. PRC 4975.9).

OTHER PERTINENT INFORMATION:

1. **PRC 600.1:** On August 29, 2001, the Commission authorized an Assignment of Lease from Unocal Corporation to Tosco Corporation. PRC 600.1 is a General Lease – Industrial Use with a term of 30 years, beginning September 1, 2001. On December 16, 2002, Tosco Corporation changed their name to ConocoPhillips Company.

On July 14, 2011, the Board of Directors of ConocoPhillips Company (COP) announced that it would pursue the separation of COP's Refining & Marketing business and COP's Exploration & Production business into two separate stand-alone companies via a tax free spin off of the Refining & Marketing business. The newly formed and names Phillips 66 Company will be a global refining and marketing company headquartered in Houston, Texas.

2. **PRC 4975.9:** On April 9, 2009, the Commission authorized a Dredging Lease to ConocoPhillips Company for a term of 10 years. Staff recommends terminating this lease and incorporating the authorization for maintenance dredging of 90,000 cubic yards of material annually into Lease No. PRC 600.1.
3. **Dredging:** The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land; California Code of Regulations, Title 14, section 15304, subdivision (g).

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

CALENDAR ITEM NO. **C36** (CONT'D)

4. **Lease Termination and Assignment:** The staff recommends that the Commission find that the subject lease termination and assignment do not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and are, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. 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. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Dredging: Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 4, Minor Alterations to Land; California Code of Regulations, Title 14, section 15304, subdivision (g).

Lease Termination and Assignment: Find that the subject lease termination and assignment are not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

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 section 6370 et seq.

CALENDAR ITEM NO. **C36** (CONT'D)

AUTHORIZATION:

Authorize the Termination of Lease No. PRC 4975.9 authorized by the Commission on April 9, 2009, effective December 4, 2012.

Authorize the Amendment of Lease No. PRC 600.1 to revise the authorized activities to include maintenance dredging of 90,000 cubic yards of material annually and to revise the lease area.

Authorize the Assignment of Lease No. PRC 600.1 from ConocoPhillips Company to Phillips 66 Company, effective December 5, 2012.

EXHIBIT A

PRC 600

LAND DESCRIPTION

Six parcels of land in the State owned bed of San Pablo Bay and Carquinez Strait, Contra Costa County, California, described as follows::

PARCEL 1 - Filled Sovereign Lands

COMMENCING at United States Harbor Line Station "U" the California Zone 3 co-ordinates of which are Y=569,518.32 and X=1,493,752.14 as shown on map of Harbor Line for Carquinez Strait established by the Secretary of War and filed in the United States Engineers Office, San Francisco, from which United States Harbor Line Station "Ole", the California Zone 3 co-ordinates of which are Y=569,549.09 and X=1,493,822.28, bears N 66°18'48" E, a distance of 76.59 feet, said bearing and distance being calculated from said California co-ordinates of said stations; thence N 79°04'41" W, 850.54 feet to a point in the northerly line of Tide Lands Survey No. 58, Location 176, said last mentioned point being the southerly terminus of that certain course described in the deed from Patrick Tormey and Mary Tormey, his wife, to Union Oil Company of California, dated November 1, 1901, and recorded in Volume 90 of Deeds, at page 552, Records of Contra Costa County, as S 35° W, 1.10 chains; said point being also the TRUE POINT OF BEGINNING of Parcel 1, thence S 09°55'20" W, 1254.10 feet to a point from which said Station "U" bears N 44°22'52" E, a distance of 1502.98 feet, and being also a point in the northerly line of Tide Land Survey No. 58, and the southwesterly terminus of that certain course, described in the deed from Patrick Tormey and Mary Tormey, his wife, to Union Oil Company of California, dated April 17, 1905, and recorded in Volume 110 of Deeds, at page 468, Records of Contra Costa County, as N 45°37' E, 321.00 feet; thence along said northerly line of Tide Land Survey No. 58, N 46°44'10" E, 321.00 feet; thence N 08°17'10".E, 484.69 feet, said last mentioned course being the same course described in said deed dated April 17, 1905, as N 6- $\frac{3}{4}$ ° E, 482.00 feet; thence along said northerly line of Tide Land Survey No. 58, N 09°16'41" W, 542.81 feet, more or less, to the true point of beginning, containing 3.68 acres, more or less.

PARCEL 2 - Wharf, Trestle, Pipe Way, Waste Water Outfall Line and Diffuser

COMMENCING at United States Harbor Line Station "U" described in Parcel 1 above; thence N 26°53'40" W, 344.30 feet; thence S 71°05'10" W, 117.42 feet to a point in the northerly line of the land described in the Deed to Union Oil Company of California recorded in Book 90, page 552 of Deeds, Contra Costa County Records, said point being also N 71°05'10" E, along said northerly line 254.30 feet from the westerly terminus of that certain course described in said Deed as S 69°45' W, 5.68 chains, and being also the TRUE POINT OF

BEGINNING of Parcel 2; thence along the following courses and distances: S 71°05'10" W, 102.48 feet and N 01°10'15" W, 112.27 feet to the beginning of a tangent curve concave westerly having a radius of 650.27 feet, thence northerly along said curve through a central angle of 08°19'15" an arc distance of 94.44 feet; thence tangent to said curve N 09°29'30" W, 1293.58 feet; thence along the following courses and distances: S 80°30'30" W, 30.00 feet; thence N 09°29'30" W, 208.00 feet; thence S 77°00'30" W, 622.01 feet; thence N 12°59'30" W, 51.75 feet; thence N 67°59'30" W, 90.95 feet; thence S 12°59'30" E, 6.83 feet; thence S 77°00'30" W, 5.50 feet; thence N 12°59'30" W, 6.25 feet; thence S 77°00'30" W, 6.50 feet; thence N 12°59'30" W, 0.58 feet; thence S 77°00'30" W, 33.50 feet; thence S 12°59'30" E, 6.25 feet; thence S 77°00'30" W, 5.50 feet; thence N 12°59'30" W, 38.33 feet; thence N 77°00'30" E, 1375.84 feet; thence S 12°59'30" E, 136.00 feet; thence S 77°00'30" W, 520.13 feet; thence S 09°29'30" E, 726.19 feet; thence N 80°30'30" E, 42.00 feet; thence S 09°29'30" E, 134.00 feet; thence S 80°30'30" W, 42.00 feet; thence S 09°29'30" E, 836.40 feet to the true point of beginning containing 7.403 acres, more or less.

PARCEL 3 - Ship Mooring Area

BEGINNING at the westerly terminus of that certain course described in Parcel 2 above as bearing N 77°00'30" E, and having a length of 1375.84 feet; thence along the following courses and distances: N 12°59'30" W, 143.25 feet; thence N 77°00'30" E, 349.25 feet; thence S 12°59'30" E, 28.97 feet; thence N 77°00'30" E, 893.76 feet; thence S 12°59'30" E, 63.36 feet; thence N 77°00'30" E, 212.49 feet; thence S 12°59'30" E, 108.86 feet to the easterly prolongation of that certain course above mentioned as bearing N 77°00'30" E, and having a length of 1375.84 feet; thence along said prolonged course, and said course S 77°00'30" W, 1455.50 feet to the point of beginning, containing 5.213 acres, more or less.

PARCEL 4 - Barge Mooring Area

BEGINNING at the northerly terminus of that certain course described in Parcel 2 above as bearing N 09°29'30" W, and having a length of 208.00 feet; thence along the following courses and distances: S 77°00'30" W, 622.01 feet; thence S 12°59'30" E, 50.00 feet; thence N 77°00'30" E, 618.95 feet; to said first above mentioned course; thence along said course N 09°29'30" W, 50.09 feet to the point of beginning, containing 0.712 acres, more or less.

PARCEL 5 - Barge Mooring Area

BEGINNING at the northerly terminus of that certain course described in Parcel 2 above as bearing S 09°29'30" E, and having a length of 726.19 feet; thence along the following courses and distances: N 77°00'30" E, 600.00 feet; thence S 12°59'30" E, 50.00 feet; thence S 77°00'30" W, 603.06 feet; to said first above

mentioned course; thence along said course N 09°29'30" W, 50.09 feet to the point of beginning, containing 0.691 acres, more or less.

PARCEL 6 - Salt Water Intake Platform

COMMENCING at United States Harbor Line Station "U" described in Parcel 1 above; thence N 26°53'40" W, 344.30 feet to an angle point in the boundary line of the land owned by Tosco Refining Company and described in the Deed to Union Oil Company of California recorded in Book 90, page 552 of Deeds, Contra Costa County Records; thence along said line S 71°05'10" W, 81.13 feet to the TRUE POINT OF BEGINNING of Parcel 6; thence along the following courses and distances: N 36°33'10" E, 115.16 feet; N 8°26'50" W, 10.39 feet; S 81°33'10" W, 29.00 feet; N 8°26'50" W, 44.00 feet; N 81°33'10" E, 76.00 feet; S 8°26'50" E, 44.00 feet; S 81°33'10" W, 29.00 feet; S 8°26'50" E, 37.64 feet; S 36°33'10" W, 62.13 feet to a point on said boundary line of Tosco; thence along said line, S 71°05'10" W, 56.45 feet to the true point of beginning, containing 0.152 acres more or less.

PARCEL 7 – Dredging Area

COMMENCING at United States Harbor Line Station "U" described in Parcel 1 above; thence N 26°53'40" W, 344.30 feet to an angle point in the boundary line of the land owned by Tosco Refining Company and described in the Deed to Union Oil Company of California recorded in Book 90, page 552 of Deeds, Contra Costa County Records; thence N 50°32'08" W, 1999.96 feet to the TRUE POINT OF BEGINNING of Parcel 7; thence along the following courses and distances: N 12°27'07" W, 206.00 feet; S 77°32'53" W, 300 feet; N 55°35'10" W, 651.56 feet; N 57°27'07" W, 218.53 feet; N 77°32'53" E, 3600.00 feet; S 32°32'53" W, 498.53 feet; S 29°16'39" W, 371.82 feet; S 12°27'07" E, 206.00 feet; S 77°32'53" W, 2100.00 feet to the true point of beginning, containing 53.145 acres more or less.

TOGETHER WITH any interest of the State of California in those lands lying between the northwesterly line of the Pinole Rancho and the waterward boundary of Tideland Location No. 176 located within the properly described in the Deed to Union Oil Company of California recorded in Book 90, page 552 of Deeds, Contra Costa County Records.

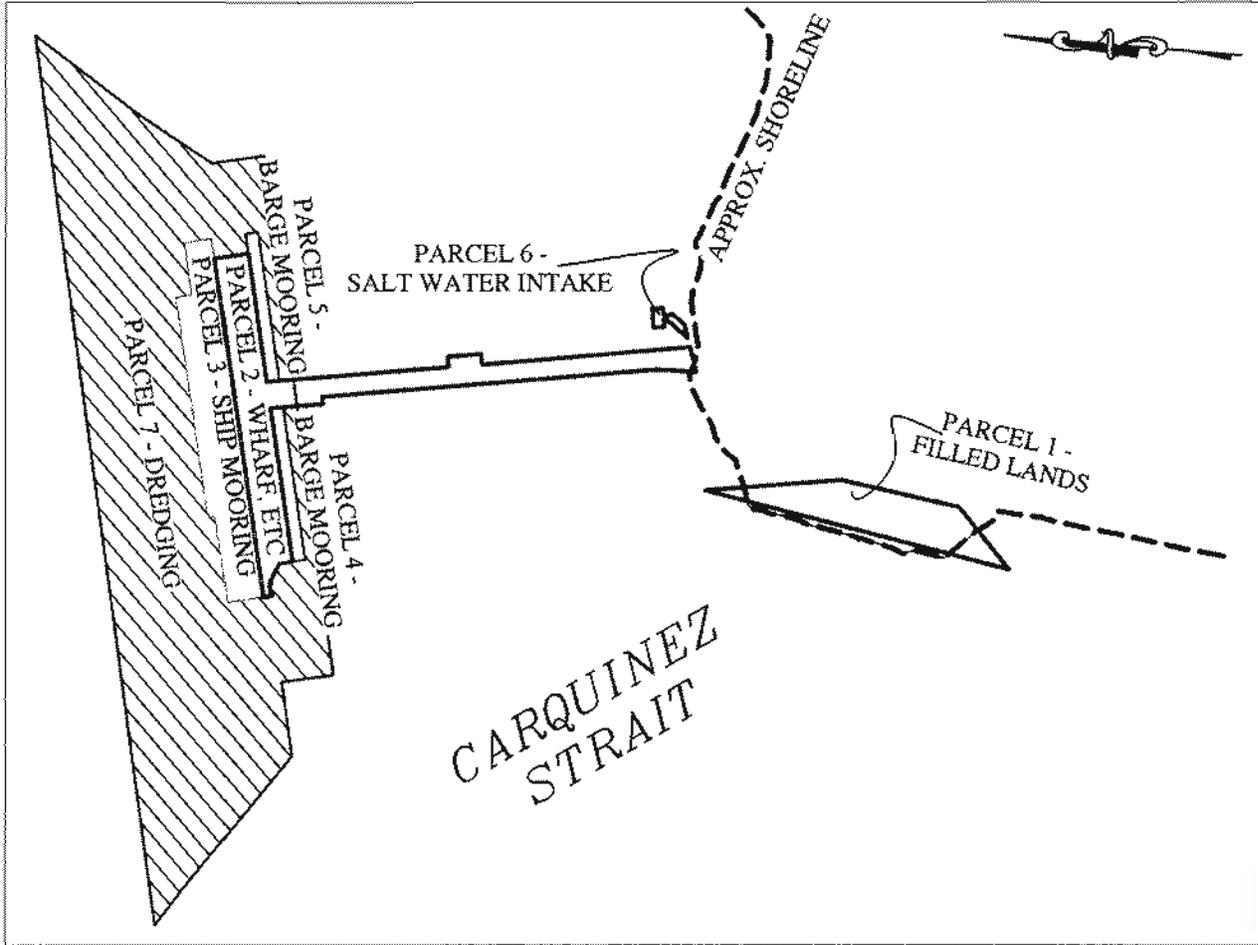
END OF DESCRIPTION

Revised by the California State Lands Commission Staff
November 12, 2012



NO SCALE

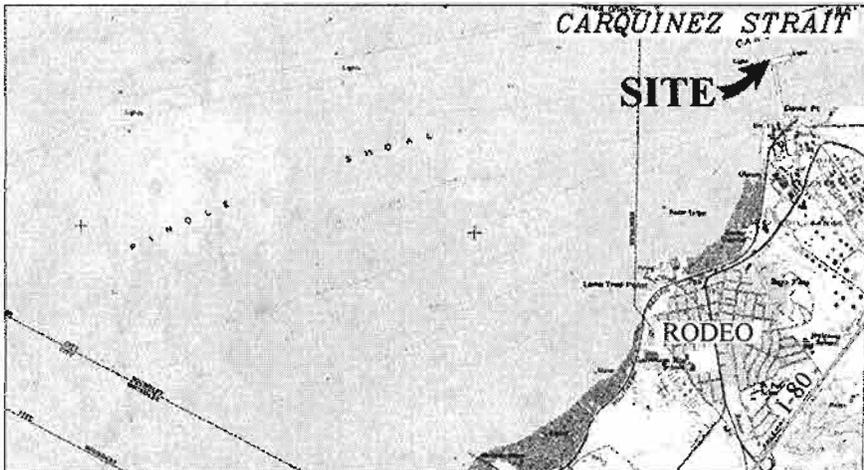
SITE



Rodeo, Carquinez Strait

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 600.1
 CONOCO PHILLIPS
 GENERAL LEASE -
 INDUSTRIAL USE
 CONTRA COSTA COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties 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.