

MINUTE ITEM

9/25/67

41. APPROVAL OF RESOLUTION, OFFSHORE OIL AND GAS LEASE, CITY COUNCIL, CITY OF LOS ANGELES, SAN PEDRO BAY, LOS ANGELES COUNTY - W.O. 6704. AATS#7

After consideration of Calendar Item 38 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 7060 OF THE PUBLIC RESOURCES CODE, APPROVES THE PROPOSED RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES, ON FILE WITH THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, TO ENTER INTO AN OFFSHORE OIL AND GAS LEASE FOR THE EXPLORATION AND PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS FROM CERTAIN TIDE AND SUBMERGED LANDS LYING IN SAN PEDRO BAY, LOS ANGELES COUNTY, GRANTED TO THE CITY OF LOS ANGELES BY LEGISLATIVE GRANT DESCRIBED IN CHAPTER 656, STATUTES OF 1911, AND CHAPTER 651, STATUTES OF 1929, AS AMENDED BY CHAPTER 443, STATUTES OF 1951, AND MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND MADE A PART HEREOF.

Attachment

Calendar Item 38 (3 pages)

APPROVAL OF RESOLUTION, OFFSHORE OIL AND GAS LEASE, CITY COUNCIL, CITY OF LOS ANGELES, SAN PEDRO BAY, LOS ANGELES COUNTY - W.O. 6704.

The City of Los Angeles, acting by and through its City Council, has submitted for approval by the Commission, in accordance with Sections 7060 and 7061 of the Public Resources Code, a proposed resolution of intention to enter into an offshore oil and gas lease, for the exploration for and production of oil, gas, and other hydrocarbons, from tide and submerged lands granted to the City in San Pedro Bay that are under the jurisdiction of the City Council (see Exhibits "A" and "B").

The following documents have been submitted by the City:

1. Petition requesting State Lands Commission's approval of a proposed resolution respecting leasing of certain tidelands and submerged lands, said petition having been executed by the City Council of the City of Los Angeles, the governing body of the City having jurisdiction over the subject lands;
2. Proposed resolution to be adopted by the Los Angeles City Council, and later to be made effective by ordinance, containing as attachments the following:
  - a. Legal description of the lands for which an oil and gas lease is to be sought;
  - b. An ordinance to be adopted by the Los Angeles City Council approving the above resolution;
  - c. Proposed San Pedro offshore oil and gas lease pertaining to the subject lands.

Section 7058.5 of the Public Resources Code provides in part:

"Before a lease or any operating agreement or other type of agreement for the production of oil, gas, or other hydrocarbons is entered into, ...the governing body of the city shall in open meeting adopt a resolution declaring its intention to take such action. The resolution shall describe the property involved in such manner as to identify it, specify the minimum rental, royalty, or other consideration, and the term of the lease or agreement, the form of the lease or agreement, and one variable, biddable factor, on which bids will be received, and fix a time not less than 30 days thereafter and place for a public meeting of said governing body, at which meeting sealed proposals to lease or contract will be received and considered. The resolution shall, before the date of such meeting, be published once a week for four successive weeks in one or more newspapers of general circulation in the city where the property is situated, or, if there is no newspaper of general

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circulation in such city, in one or more newspapers of general circulation in the county where the property is situated...."

Section 7060 provides in part:

"No such lease or agreement shall be effective unless prior to adopting the resolution provided for by Section 7058.5 the city shall have petitioned the State Lands Commission for approval of the proposed resolution, and the proposed resolution shall have been approved by the State Lands Commission...."

The proposed resolution, which has been reviewed by the staff, includes the substantive contents required under Section 7058.5 of the Public Resources Code. The bid factor will be the amount of bonus money that the bidder is willing to pay for the lease. There is specified a payment to the City of a reserve share of 16-2/3% of the sale value of oil, gas, and other hydrocarbons except extracted gasoline, and a maximum lease term of 30 years.

After review of the material submitted, the office of the Attorney General has advised that the proposed resolution submitted by the City Council of the City of Los Angeles complies with Chapter 5, Part 2, of the Public Resources Code, and may be approved by the State Lands Commission pursuant to applicable statutes.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO THE PROVISIONS OF SECTION 7060 OF THE PUBLIC RESOURCES CODE, APPROVE THE PROPOSED RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES, ON FILE WITH THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, TO ENTER INTO AN OFFSHORE OIL AND GAS LEASE FOR THE EXPLORATION AND PRODUCTION OF OIL, GAS, AND OTHER HYDROCARBONS FROM CERTAIN TIDE AND SUBMERGED LANDS LYING IN SAN PEDRO BAY, LOS ANGELES COUNTY, GRANTED TO THE CITY OF LOS ANGELES BY LEGISLATIVE GRANT DESCRIBED IN CHAPTER 656, STATUTES OF 1911, AND CHAPTER 651, STATUTES OF 1929, AS AMENDED BY CHAPTER 443, STATUTES OF 1951, AND MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND MADE A PART HEREOF.

Attachment: Exhibit "A"

EXHIBIT "A"

Those certain tide lands and submerged lands granted to the City of Los Angeles by the State of California pursuant to Statutes of 1911, Chapter 656; Statutes of 1929, Chapter 651; and Statutes of 1951, Chapter 443; which lands are located seaward from the Ordinary High Water Mark along the shore of the Pacific Ocean, in the City of Los Angeles, State of California, and within the limits and boundaries described as follows:

Beginning at the intersection of the easterly boundary line of the City of Los Angeles as the same was established July 11, 1918 by Ordinance No. 38269 (N.S.) of the City of Los Angeles with the southeasterly boundary of the Harbor District of the City of Los Angeles, as established April 5, 1930 by Ordinance No. 66,257 of said City (said southeasterly boundary being the northeasterly prolongation of the axis of the easterly portion of the United States Government breakwater at Los Angeles Harbor); thence southerly along said easterly boundary line of the City of Los Angeles to the 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), as same existed on August 1, 1967; thence westerly along said last mentioned ownership boundary to a line which bears due South from the southerly terminus of the center line of Gaffey Street as said center line is presently established by the City Engineer of the City of Los Angeles; thence northerly along said line bearing due South to the Mean High Water Line (said Mean High Water Line being defined as the intersection of the average elevation of all the high tides occurring over a period of 18.6 years with the present actual shoreline) of the Pacific Ocean; thence northeasterly, easterly and southeasterly along said Mean High Water Line and its southeasterly continuation through the groin presently constructed at the southeasterly limits of the area commonly referred to as "Cabrillo Beach" to the Mean High Water Line on the southeasterly face of said groin; thence northeasterly along said last-mentioned High Water Line and its northeasterly prolongation to the heretofore mentioned southeasterly boundary of the Harbor District of the City of Los Angeles; thence southeasterly easterly, and northeasterly along said boundary to the point of beginning.