

MINUTE ITEM

4/24/74
GRH

17. RENEWAL, AMENDMENT AND ASSIGNMENT FROM SHELL OIL COMPANY TO EXXON CORPORATION OF INDUSTRIAL LEASE PRC 2398.1, SUBMERGED LAND OFFSHORE FROM EL CAPITAN, SANTA BARBARA COUNTY - WP 2398, PRC 2398.1.

After consideration of Calendar Item 16 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 2398.1:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC SECTION 21085; 14 CAL. ADM. CODE SECTIONS 15100, ET SEQ.; AND 2 CAL. ADM. CODE SECTION 2910.
2. THE ISSUANCE OF A 10-YEAR RENEWAL FROM APRIL 30, 1974, IN THE FORM OF A DOCUMENT ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF; IN CONSIDERATION OF ANNUAL RENTAL OF \$7,337.60 DURING THE RENEWAL PERIOD, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.
3. THE ISSUANCE OF AN AMENDMENT TO ADD PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$300,000/\$900,000 FOR PERSONAL INJURY AND \$2,500,000 FOR PROPERTY DAMAGE; ADD THE PROVISION OF A \$50,000 SURETY BOND; AND CHANGE THE LAND DESCRIPTION TO THAT SHOWN IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 2398.1 SHALL REMAIN IN FULL FORCE AND EFFECT.
4. APPROVAL OF AN ASSIGNMENT FROM SHELL OIL COMPANY TO EXXON CORPORATION.

Attachment:

Calendar Item 16 (4 pages)

CALENDAR ITEM

16.

4/74
GRH
WP 2398

RENEWAL, AMENDMENT AND ASSIGNMENT OF
INDUSTRIAL LEASE PRC 2398.1

APPLICANT (ASSIGNOR): Shell Oil Company.

ASSIGNEE: Exxon Corporation.

AREA, TYPE LAND AND LOCATION:

A 38.35-acre parcel of submerged land offshore from
El Capitan, Santa Barbara County.

LAND USE:

Existing marine oil terminal.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years, from April 30, 1959.

Renewal options: 2 additional periods of 10 years
each.

Consideration: \$183.41 per annum.

TERMS OF LEASE DURING FIRST RENEWAL PERIOD:

From April 30, 1974, to April 29, 1984.

Surety bond: \$50,000.

Public liability insurance:

\$300,000/\$900,000 for personal
injury and \$2,500,000 for property
damage.

CONSIDERATION FOR RENEWAL:

\$7,337.60 per annum, with the State reserving the
right to fix a different rental on each fifth
anniversary of the lease.

BASIS FOR CONSIDERATION:

6% of appraised value of mooring area, and 1¢ per
diameter inch per lineal foot for land underlying
the pipeline.

PREREQUISITE TERMS:

U. S. Army Corps of Engineers permit issued.
Applicant is lessee or permittee of upland.

STATUTORY AND OTHER REFERENCES:

Public Resources Code: Div. 6, Parts 1 and 2.
Administrative Code: Title 2, Div. 3, Arts. 1
2 and 10.

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OTHER PERTINENT INFORMATION:

1. Minute Item 15, dated April 30, 1959, authorized the issuance to Shell Oil Company of a 15-year Industrial Lease, with an option to renew for 2 additional periods of 10 years each; for the maintenance and operation of a submarine pipeline and buoys for use as a marine terminal for the loading/unloading of petroleum products. Inasmuch as the terminal is an existing facility that is maintained in an acceptable state of repair and there is no evidence of record showing injury to adjacent property, shoreline erosion, or other type of environmental degradation, an environmental impact report is not required pursuant to current environmental guidelines.
2. The proposed lease amendment corrects an error in the land description to add the mooring area which is and has been an integral part of the facility; adds the provision of a surety bond and adds public liability insurance. The annual rental has been revised to reflect current Commission policies and regulations.
3. Shell Oil Company has executed an assignment of Lease PRC 2398.1, as renewed and amended, to Exxon Corporation.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. Form of Renewal and Amendment Document.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 2398.1:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC SECTION 21085; 14 CAL. ADM. CODE SECTIONS 15100, ET SEQ.; AND 2 CAL. ADM. CODE SECTION 2910.
2. THE ISSUANCE OF A 10-YEAR RENEWAL FROM APRIL 30, 1974, IN THE FORM OF A DOCUMENT ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF; IN CONSIDERATION OF ANNUAL RENTAL OF \$7,337.60 DURING THE RENEWAL PERIOD, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.
3. THE ISSUANCE OF AN AMENDMENT TO ADD PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$300,000/\$900,000 FOR PERSONAL INJURY AND \$2,500,000 FOR PROPERTY DAMAGE; ADD THE PROVISION OF A \$50,000 SURETY BOND; AND CHANGE

CALENDAR ITEM NO. 16. (CONTD)

THE LAND DESCRIPTION TO THAT SHOWN IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 2398.1 SHALL REMAIN IN FULL FORCE AND EFFECT.

4. APPROVAL OF AN ASSIGNMENT FROM SHELL OIL COMPANY TO EXXON CORPORATION.

Attachment: Exhibit "A"

EXHIBIT "A"

WP 2398

Two parcels of tide and submerged land in the bed of the Santa Barbara Channel, Pacific Ocean, said parcels are located 21 miles west of Santa Barbara and adjacent to fractional Section 5, T 4 N, R 31 W, SBM; said parcels are more particularly described as follows:

PARCEL 1:

A strip of land 50 feet wide, lying 30 feet on either side of the following described centerline:

COMMENCING at Monument No. 5 as said monument is shown on the "Map of State Leases and Permits, El Capitan Oil Field" (LRT-27) approved by W. S. Kingsbury, Chief of the Division of State Lands and filed with the Division of State Lands at Sacramento, California; thence S 77° 14' 30" E, 45.9 feet to the centerline of said parcel and TRUE POINT OF BEGINNING; thence S 11° 33' 30" W, 2885.00 feet to the end of the herein-described centerline.

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

PARCEL 2:

A circular parcel of land having a radius of 700.00 feet. The location of the center of said parcel is described as follows:

COMMENCING at Monument No. 5 as said monument is shown on the "Map of State Leases and Permits, El Capitan Oil Field" (LRT-27) approved by W. S. Kingsbury, Chief of the Division of State Lands and filed with the Division of State Lands at Sacramento, California; thence S 77° 14' 30" E, 45.9 feet to the centerline of the afore-mentioned Parcel 1; thence S 11° 33' 30" W, 2885.00 feet to the center of said Parcel 2.

EXCEPTING THEREFROM any portion described in Parcel 1.

END OF DESCRIPTION