

MINUTE ITEM

This Calendar Item No. C4  
was approved as Minute Item  
No. 4 by the State Lands  
Commission by a vote of 3  
0 at its 3-5-81  
meeting.

CALENDAR ITEM:

C 0 4

2/81  
WP 3291  
Maricle  
PRC 3291

REPLACEMENT, GENERAL LEASE - RIGHT-OF-WAY

APPLICANT: Shell Oil Company  
P. O. Box 4848  
Anaheim, California 92803

AREA, TYPE LAND AND LOCATION:  
Approximately 14 acres, submerged land,  
South San Francisco Bay, San Mateo County.

LAND USE: Petroleum products 10-inch diameter pipeline.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from April 29,  
1965.

Renewal options: Three successive periods  
of 10 years each.

Consideration: \$463.40 per annum.

TERMS OF PROPOSED REPLACEMENT LEASE:

Initial period: 30 years from April 29,  
1980.

Surety bond: \$50,000.

Public liability insurance: \$2,000,000  
per occurrence for bodily  
injury, and property  
damage, combined coverage.

CONSIDERATION: Annual volumetric rental at 2.5 mils (\$0.0025)  
per barrel, with \$1875 per annum as the  
minimum rental, with the State reserving  
the right to fix a different rental on  
each tenth anniversary of the lease.

BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm.  
Code 2005 & 2006.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of adjacent land  
owners.

A 26, 27

S 21

CALENDAR ITEM NO. 04 (CONTD)

Filing fee has been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 & 2; Div. 13; Div. 20.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

OTHER PERTINENT INFORMATION:

1. This transaction provides for the termination of existing lease PRC 3291.1 signed on June 9, 1965, and replacement thereof by new lease PRC 3291.1, effective April 29, 1980; the new lease reflects the Commission's current leasing policies.
2. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
3. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class "C", which authorizes Multiple Use.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

APPROVALS OBTAINED:

None.

FURTHER APPROVALS REQUIRED:

None.

EXHIBITS:

- A. Land Description.
- B. Location Map.

CALENDAR ITEM NO. C 0 4 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. FIND THAT GRANTING OF THE REPLACEMENT LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
3. APPROVE THE TERMINATION OF LEASE PRC 3291.1, SIGNED ON JUNE 9, 1965, SUCH TERMINATION TO BE EFFECTIVE APRIL 29, 1980.
4. AUTHORIZE ISSUANCE TO SHELL OIL COMPANY OF A 30-YEAR REPLACEMENT GENERAL LEASE, RIGHT-OF-WAY USE, FROM APRIL 29, 1980; IN CONSIDERATION OF ANNUAL VOLUMETRIC RENT IN THE AMOUNT OF \$0.0025 PER 42 GALLON BARREL, WITH A BASE ANNUAL RENT IN THE AMOUNT OF \$1875, WHICHEVER IS GREATER, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH TENTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$2,000,000 PER OCCURRENCE FOR BODILY INJURY AND PROPERTY DAMAGE, COMBINED COVERAGE, FOR THE OPERATION AND MAINTENANCE OF A PETROLEUM PRODUCTS 10-INCH DIAMETER PIPELINE, ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
5. PROVIDE IN THE LEASE FOR THE IMPOUNDING OF VOLUMETRIC RENTAL IN EXCESS OF THE MINIMUM ANNUAL RENTAL PENDING THE OUTCOME OF EXISTING LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS.

EXHIBIT "A"

LAND DESCRIPTION

WP 3291

A strip of land 50 feet wide in San Francisco Bay, County of San Mateo, State of California, and lying 25 feet on each side of the following described center line:

BEGINNING at a point having California Zone 3 coordinates of  $X = 1,504,451.15$ ,  $Y = 441,235.41$ ; thence  $S 68^{\circ}22'11'' W$  50,978.18 feet to the end of the herein described center line.

EXCEPTING THEREFROM any portion lying in Alameda County, and ALSO EXCEPTING THEREFROM any portion lying within the Grant to the City of South San Francisco per Chapter 56, Statutes of 1925. The bearings, distances and coordinates of this description are based upon the California State Coordinate System Zone 3.

END OF DESCRIPTION

PREPARED NOVEMBER 10, 1980 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

CALENDAR PAGE	018
MINUTE PAGE	195

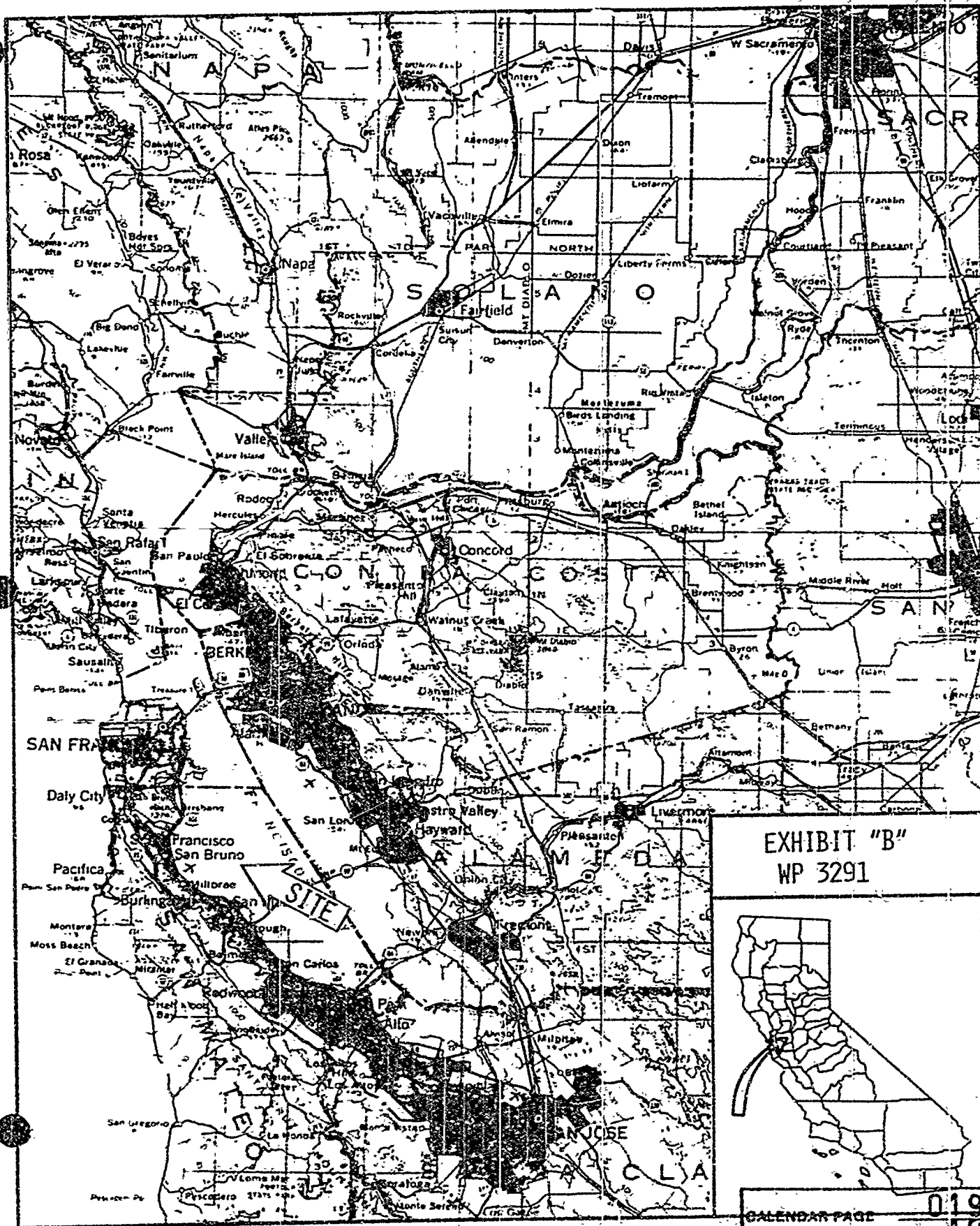


EXHIBIT "B"  
WP 3291



CALENDAR PAGE 019  
MINUTE PAGE 196