

MINUTE ITEM
15

7/21/87
WP 3116
Louie
Lipphardt

TERMINATION OF ORIGINAL LEASE PRC 3116.1 AND
APPROVAL OF REPLACEMENT GENERAL LEASE -
INDUSTRIAL USE

Calendar Item C15, attached, was pulled from the agenda
prior to the meeting.

Attachment: Calendar Item C15.

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CALENDAR ITEM

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TERMINATION OF ORIGINAL LEASE PRC 3116.1 AND
APPROVAL OF REPLACEMENT GENERAL LEASE - INDUSTRIAL USE

CO-APPLICANTS: Union Oil Company of California
Southern District
P. O. Box 6176
Ventura, California 93006

Chevron USA, Inc.
2120 Diamond Boulevard
Concord, California 94520

AREA, TYPE LAND AND LOCATION:

Two strips of tide and submerged land totalling
21.99 acres in the Pacific Ocean near Huntington
Beach, Orange County.

LAND USE:

Operation and maintenance of submarine
pipelines for the exclusive transportation
of production from Platform Edith and Platform
Eva of gas, oil and condensate commodities
only, a water line, and power cable.

TERMS OF ORIGINAL LEASE:

Initial period: Ten years from March 26,
1979.

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Renewal options: Two successive periods
of ten years each.

Surety bond: N/A.

Public liability insurance: Combined single
limit coverage of \$1,000,000.

Consideration: \$5,210 per annum; five-year
rent review.

TERMS OF PROPOSED LEASE:

Initial period: 26 years from March 26,
1983.

Surety bond: \$50,000.

Public liability insurance: Combined
single limit coverage
of \$1,000,000.

CONSIDERATION: The annual rental will be computed by multiplying
each thousand standard cubic feet of gas
and each barrel of oil and condensate passing
over the State's land by \$0.01 with a minimum
annual rental of \$6,775.44, with the State
reserving the right to fix a different
rental on each fifth anniversary of the
lease.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of upland.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. This replacement lease was occasioned
by a Chevron project to install oil
Platform Edith and attendant oil and
gas pipelines in San Pedro Bay, Chevron's

lease for the pipeline from Platform Edith to Platform Eva was approved and ratified by the Commission on December 15, 1982 and April 28, 1983 (PRC 6417.'). Chevron's pipeline is to tie into Union Oil Company's Platform Eva for the purpose of transporting gas commodities to shore. The replacement lease will provide for Union and Chevron to be co-lessees for the pipeline right-of-way from Eva to shore and will establish a volumetric rental base. Union's lease PRC 3116 area and activity remains unchanged. Termination of PRC 3116 and issuance of a new lease is to facilitate Union's and Chevron's combined use of the pipeline from Eva to shore and for administrative convenience.

2. Since the physical aspects of the pipeline project have been previously assessed and approved by the Commission by the certification and approval of Final EIR 323 for the Chevron Platform Edith to Platform Eva Project on December 16, 1982, this activity is not considered to be a project which may have a significant effect on the environment, therefore CEQA does not apply.

Authority: P.R.C. 21065, 14 Cal. Adm. Code 15037, 15060.

3. The project is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1 and is classified in a use category "C" which authorizes Multiple Use. The project as proposed will not have a significant effect upon the identified environmental values.

EXHIBITS: A. Land Description.
 B. Location Map.

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. 21065, AND 14 CAL. ADM. CODE 15037 AND 15060; AND FIND THAT THE PROJECT IS CONSISTENT WITH ITS USE CLASSIFICATION.

2. AUTHORIZE TERMINATION OF ORIGINAL LEASE PRC 3116.1, SAID TERMINATION TO BE EFFECTIVE MARCH 25, 1983 AND ISSUANCE TO UNION OIL COMPANY AND CHEVRON USA, INC., OF A 26-YEAR GENERAL LEASE - INDUSTRIAL USE, FROM MARCH 26, 1983, WHICH:
- (A) CHANGES THE ANNUAL RENTAL TO THE VOLUMETRIC RENTAL ALTERNATIVE AS FOLLOWS:
 - (1) THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING EACH THOUSAND STANDARD CUBIC FEET OF GAS AND EACH BARREL OF OIL AND CONDENSATE PASSING OVER THE STATE'S LAND BY \$0.01.
 - (2) THE MINIMUM ANNUAL RENTAL SHALL BE \$6,775.44 AND SHALL BE APPLIED AGAINST THE ANNUAL RENTAL COMPUTED ABOVE.
 - (B) PROVIDE FOR PAYMENT OF RENTALS IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY PENDING A FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$50,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; FOR OPERATION AND MAINTENANCE OF SUBMARINE PIPELINES, FOR THE EXCLUSIVE TRANSPORTATION OF PRODUCTION FROM PLATFORM EDITH AND PLATFORM EVA OF GAS, OIL AND CONDENSATE COMMODITIES ONLY, A WATER LINE, AND POWER CABLE, ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

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Two strips of tide and submerged land 50 feet wide in San Pedro Bay, situate near Huntington Beach, Orange County, California; being 25 feet on each side of the following described centerlines:

STRIP 1

BEGINNING at Union Oil Company's platform "Eva", said platform being located within State Oil and Gas Lease P.R.C. 3033 and having California Zone 6 coordinates of $X = 1,448,916$ and $Y = 548,783$; thence across State Oil and Gas Leases P.R.C. 3033, P.R.C. 3177, and P.R.C. 3119 N 10 24' 13" W, 16,697 feet to point having coordinates of $X = 1,448,507$ and $Y = 565,15$; thence northwesterly 1,440 feet more or less through spiral curve concave easterly and through a point having coordinates of $X = 1,448,149$ and $Y = 566,033$ to an intersection with a line that bears S 53° 30' W, from a point on the centerline of Warner Avenue, Orange County; thence N 53° 30' E, 218 feet along said line to a point that bears N 60° 03' 01" W, 201.57 feet from a CSLC brass cap monument in concrete designated "Los Patos 2,1950", said monument having coordinates of $X = 1,448,614.15$ and $Y = 566,794.72$.

EXCEPTING THEREFROM in the southerly portion of said 50 foot strip any submerged land within State Oil and Gas Lease P.R.C. 3033.

ALSO EXCEPTING THEREFROM any land above the ordinary high water mark of San Pedro Bay in the northerly portion of said 50 foot strip. Said 50 foot wide strip of tide and submerged land containing a net 20.15 acres more or less.

STRIP 2

BEGINNING at a point in San Pedro Bay having California Zone 6 coordinates of $X = 1,448,524$ and $Y = 564,775$; thence northwesterly 2,070 feet more or less through a spiral curve concave easterly and through a point with coordinates of $X = 1,447,912$ and $Y = 566,182$ to an intersection with a line that bears S 53° 30' W, from a point on the centerline of Warner Avenue, Orange County; thence northeasterly along said line 165 feet more or less to a point of merger with strip number 1 described above; containing 2.57 acres more or less.

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The bearings and distances used in the above descriptions are based on the California Coordinate System Zone 6.

END OF DESCRIPTION

Prepared John K. Loring Checked Frank T. [unclear]
Reviewed W. J. [unclear] Date 3/30/78
XJB

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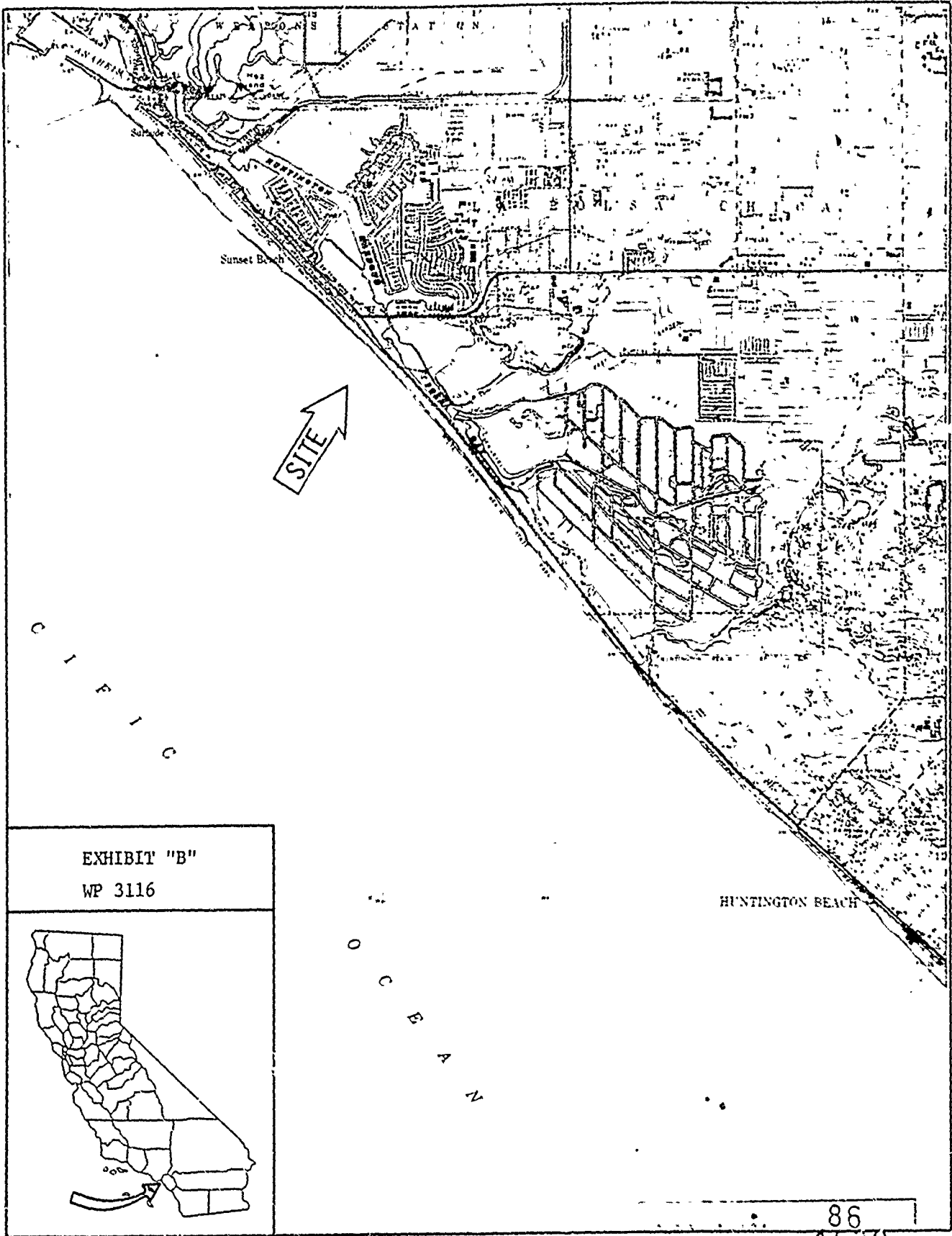


EXHIBIT "B"

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