

MINUTE ITEM

This Calendar Item No. C04
was approved as Minute Item
No. 4 by the State Lands
Commission by a vote of 3
to 0 at its 12/22/83
meeting.

CALENDAR ITEM

C 0 4 3

12/22/83
WP 3453.
Reese
PRC 3453

APPROVAL OF TERMINATION OF
ORIGINAL LEASES PRC 331.1 AND PRC 3453.1 AND
ISSUANCE OF A GENERAL LEASE - INDUSTRIAL USE

AFFLICANT: Tosco Corporation
2401 Colorado Avenue
Santa Monica, California 90406

AREA, TYPE LAND AND LOCATION:
A 16.606-acre parcel of tide and submerged
land in Pacheco Slough (Creek) and Suisun
Bay near Martinez, Contra Costa County.

LAND USE: Marine petroleum transfer facilities, telephone
cable line, and pipelines.

TERMS OF ORIGINAL LEASE (PRC 331.1):
Initial period: 25 years from August 19,
1972.

Renewal options: Two successive periods
of ten years each.

Surety bond: \$10,000.00.

Public liability insurance: Combined single
limit coverage of
\$1,000,000.00.

Consideration: \$257.44 per annum; five-year
rent review.

TERMS OF ORIGINAL LEASE (PRC 3453.1):
Initial period: 15 years from December 19,
1961.

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Renewal options: Three successive periods
of ten years each.

Surety bond: \$50,000.00.

Consideration: \$14,544.14 per annum;
five-year rent review.

TERMS OF FIRST AMENDMENT AND RENEWAL TO PRC 3453.1:

Initial period: Ten years from January 1,
1977.

Renewal options: Two successive periods
of ten years each.

Surety bond: \$50,000.00.

Public liability insurance: \$1,000,000.00
per occurrence for bodily
injury and \$5,000,000.00
for property damage.

Special: For the period December 19,
1976 through December 31,
1977, rental for occupation
of the leased lands was
\$1,496.00.

CONSIDERATION: Volumetric Rental Schedule:

- a. \$0.01 (one cent) per barrel for petroleum
products until the minimum annual rental
below (f) is equaled.
- b. \$0.001 (1 mill) per barrel for the
next \$7,000,000 barrels; and
- c. \$0.003 (3 mills) per barrel for the
next 20,000,000 barrels; and
- d. \$0.006 (6 mills) per barrel for the
next 20,000,000 barrels; and
- e. \$0.009 (9 mills) per barrel for each
additional barrel passing over the
State's land in that same year.
- f. Minimum annual rental is \$42,000.00;
with the State reserving the right
to fix a different rental on each fifth
anniversary of the lease.

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TERMS OF PROPOSED LEASE:

Initial period: 25 years from January 1, 1984.

Surety bond: \$50,000.00.

Public liability insurance: Combined single limit coverage of \$5,000,000.00.

CONSIDERATION: Volumetric Rental Schedule:

- (1) \$.015 (one and one-half cents) per barrel of commodities until the minimum annual rental below (6) is equaled.
- (2) \$.001 (one mill) per barrel for the next 5,000,000 barrels; and
- (3) \$.003 (three mills) per barrel for the next 10,000,000 barrels; and
- (4) \$.006 (six mills) per barrel for the next 15,000,000 barrels; and
- (5) \$.009 (nine mills) per barrel thereafter.
- (6) The minimum annual rental is \$51,000.00, 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.

APPLICANT STATUS:

Applicant is owner 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.

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OTHER PERTINENT INFORMATION:

1. This replacement lease provides for the incorporation of the original lease language, together with the various amendments to the two leases into one primary document. Therefore, simplifying the processes of accounting, review, and understanding for all parties concerned. The replacement lease does not change or enlarge the use from that granted in the original leases.
2. This activity is exempt from CEQA because it is not considered to be a project pursuant to FRC 21065, 14 Cal. Adm. Code 15378.
3. This activity is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1 and is classified in a use category "A" which authorizes Restricted Use. This activity 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. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED IN P.R.C. 21065, 14 CAL. ADM. CODE 15378; AND FIND THAT THE PROJECT IS CONSISTENT WITH THE LAND'S USE CLASSIFICATION, PURSUANT TO PRC 6370.1.
2. AUTHORIZE TERMINATION OF ORIGINAL LEASES PRC 331.1 AND PRC 3453.1, DATED SEPTEMBER 24, 1976 AND MARCH 23, 1966, RESPECTIVELY; EFFECTIVE JANUARY 1, 1984; AND ISSUANCE TO TOSCO CORPORATION OF A 25-YEAR GENERAL LEASE - INDUSTRIAL USE, FROM JANUARY 1, 1984; IN CONSIDERATION OF RENTAL AS FOLLOWS:

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- (1) \$.015 (ONE AND ONE-HALF CENTS) PER BARREL OF COMMODITIES UNTIL THE MINIMUM ANNUAL RENTAL BELOW (6), IS EQUALED;
- (2) \$.001 (ONE MILL) PER BARREL FOR THE NEXT 5,000,000 BARRELS; AND
- (3) \$.003 (THREE MILLS) PER BARREL FOR THE NEXT 10,000,000 BARRELS; AND
- (4) \$.006 (SIX MILLS) PER BARREL FOR THE NEXT 15,000,000 BARRELS; AND
- (5) \$.009 (NINE MILLS) PER BARREL THEREAFTER;
- (6) THE MINIMUM ANNUAL RENTAL IS \$51,000.00; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$50,000.00 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$5,000,000.00; FOR EXISTING MARINE PETROLEUM FACILITIES, TELEPHONE CABLE LINE, AND PIPELINES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

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EXHIBIT "A"

LAND DESCRIPTION

WP 3453

Two parcels of tide and submerged land in the State-owned bed of Pacheco Slough (Creek) and one parcel of tide and submerged land in Suisun Bay, Contra Costa County, California, more particularly described as follows:

PARCEL 1

A strip of land 100 feet wide, lying 50 feet on each side of the following described centerline:

BEGINNING at a point on the centerline of the Southern Pacific Railroad's mainline which bears S 18° 09' 20" E, 50.00 feet from a brass cap monument stamped "AVON", said monument having California Coordinate System Zone 3 coordinates of X=1,545,386.26 and Y=561,570.34; thence from said point of beginning, S 71° 20' 30" W, 140 feet, more or less, along the centerline of said mainline to the end of the herein described line.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of Pacheco Slough.

PARCEL 2

A strip of land 50 feet wide lying 25 feet on each side of the following described centerline:

COMMENCING at a brass cap monument stamped "AVON" having California Coordinate System Zone 3 coordinates of X=1,545,386.26 and Y=561,570.34; thence N 65° 18' 49" W, 300.13 feet to a point where the ordinary high water mark of the easterly bank of Pacheco Slough as described in that boundary agreement recorded in Volume 1732, at Page 35, Official Records of Contra Costa County, intersects a line parallel with and 256 feet northerly of the Southern Pacific Railroad's mainline and being the TRUE POINT OF BEGINNING of the herein described centerline; thence S 71° 20' 30" W, parallel with said mainline, 129.17 feet to the ordinary high water mark of the westerly bank of Pacheco Slough as described in that boundary agreement recorded in Volume 1732, at Page 37, Official Records of Contra Costa County and the end of the herein described line.

PARCEL 3

COMMENCING at U.S. Coast and Geodetic Triangulation Station Suisun Pt. 2, as shown on Tidewater Drawing No. 26-DA-43 dated October 29, 1962, thence N 32° 17' 17.7" W, 1100.00 feet and S 60° 30' 44" W, 656.90 feet along the Pierhead line in Suisun Bay to the TRUE POINT OF BEGINNING; thence from the true point of beginning, S 29° 29' 16" E, 220.00 feet; thence S 60° 30' 44" W, 780.00 feet; thence S 25° 09' 23" W, 103.67 feet; thence S 64° 50' 37" E, 824.02 feet; thence S 36° 23' 56" W, 101.96 feet; thence N 64° 50' 37" W,

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948.64 feet; thence S 60° 30' 44" W, 1020.27 feet; thence
N 29° 29' 16" W, 295.00 feet; thence N 60° 30' 44" E,
2050.00 feet; thence S 29° 29' 16" E, 75.00 feet to the
point of beginning.

This description is based on the California Coordinate System, Zone 3.

END OF DESCRIPTION

REVISED MARCH 28, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

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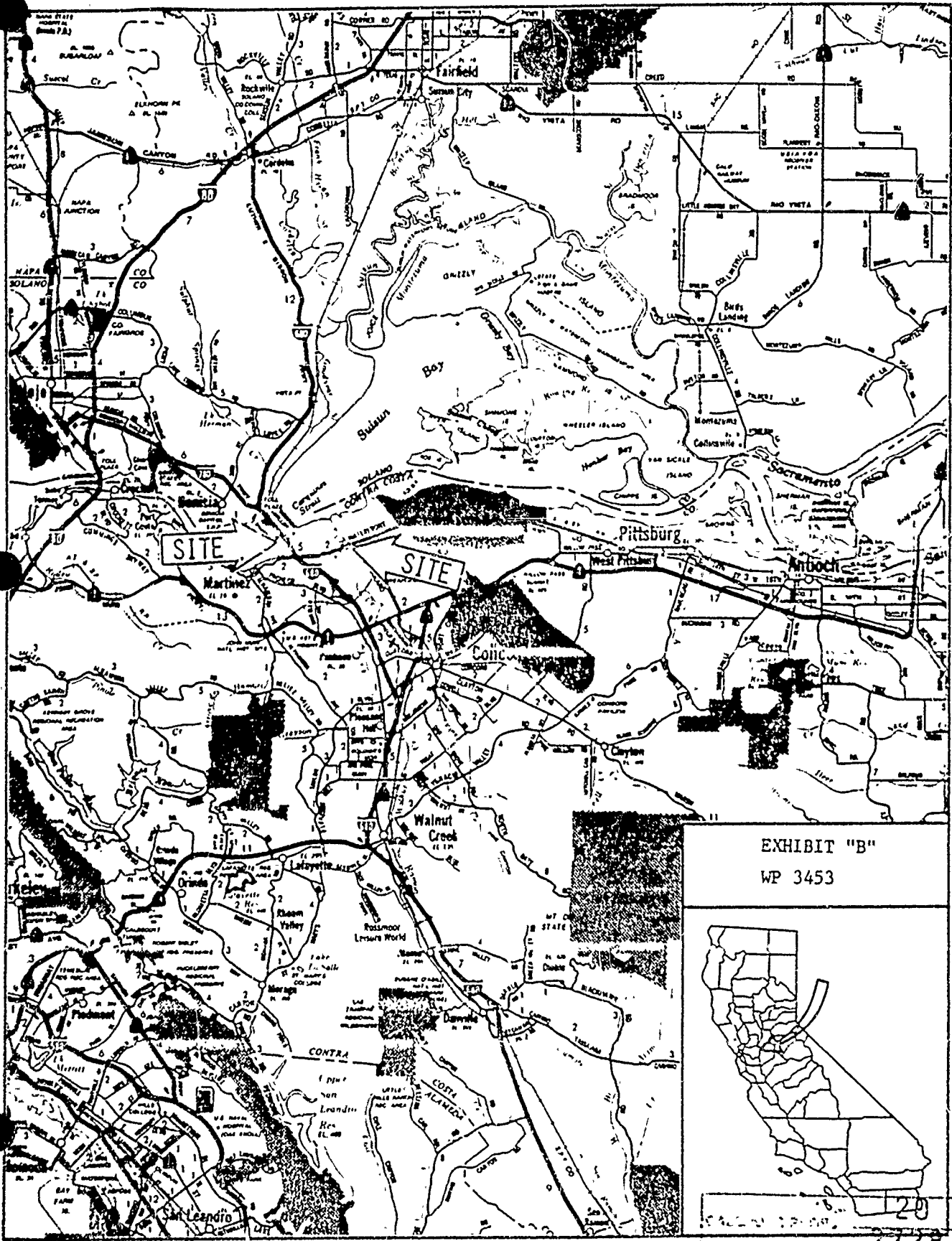


EXHIBIT "B"
 WP 3453



SCALE 1:50,000
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