

MINUTE ITEM

This Calendar Item No. C05
was approved as Minute Item
No. 5 by the State Lands
Commission by a vote of 3
to 0 at its 12/22/83
meeting.

CALENDAR ITEM

C 05 4

12/22/83
WF 3116
Luie
Liphardt

TERMINATION OF ORIGINAL LEASE PFC 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 totaling
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,
1933.

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.

AZ 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 existing pipeline from
Platform Edith to Platform Eva was

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approved and ratified by the Commission on December 15, 1982 and April 28, 1983 (PRC 6417.1). Chevron's pipeline has been tied 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. The physical aspects of the pipeline project were assessed and approved by the Commission on December 10, 1982, with the certification and approval of Final EIR 323 for the Chevron Platform Eva to Platform Eva Project. The present activity is not considered to be a project as defined by CEQA.

Authority: P.R.C. 21065, 14 Cal. Adm. Code 15378.

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. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CAC 15061. THE ACTIVITY IS EXEMPT BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065, AND 14 CAL. ADM. CODE 15378; AND FIND THAT THE PROJECT IS CONSISTENT WITH THE LAND'S USE CLASSIFICATION, PURSUANT TO P.R.C. 6370.1.

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2. AUTHORIZE TERMINATION OF ORIGINAL LEASE PRC 3116.1, SAID TERMINATION TO BE EFFECTIVE MARCH 26, 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.

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EXHIBIT "A"

WP 3116

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' 14" W, 16,600 feet to a point having coordinates of X = 1,448,507 and Y = 565,475; thence northwesterly 1,440 feet more or less through a 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.

ACRES	25
SQUARE FEET	2733

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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 G. Koenig Checked Frank T. (unclear)
Reviewed W. H. Hummelke Date 3/30/78
XJB

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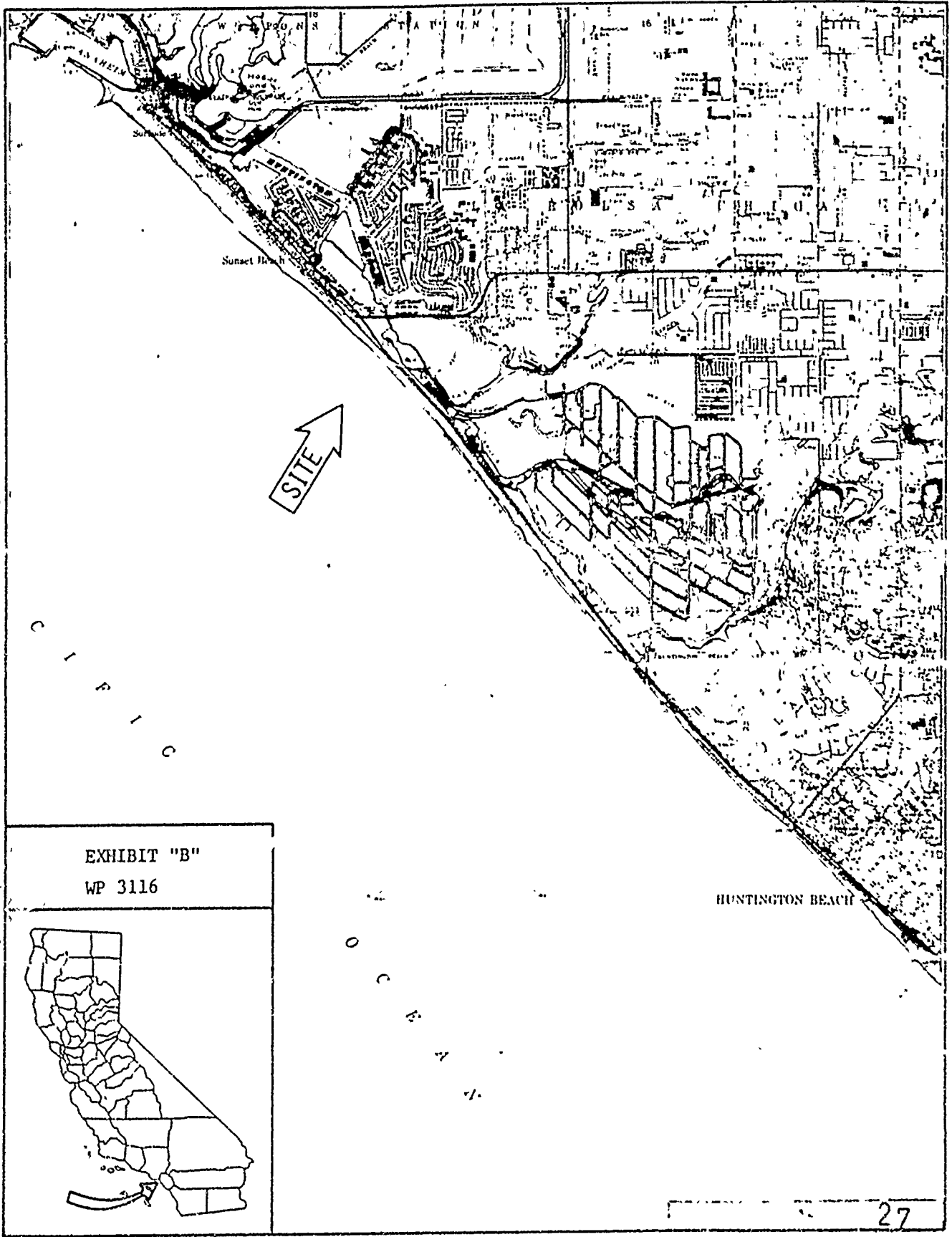


EXHIBIT "B"
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