

MINUTE ITEM

This Calendar Item No 007
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 3
to 0 at its 12/22/83
meeting.

CALENDAR ITEM

007 - 1

12/22/83
WP 4017
Louie

AMENDMENT OF LEASE PRC 4017.1
GENERAL LEASE - RIGHT-OF-WAY USE

LESSEES: Union Oil Company of California
P. O. Box 7600
Los Angeles, California 90051
Attention: C. R. Harris

Sun Exploration and Production Company
P. O. Box 340180
Dallas, Texas 75234

AREA, TYPE LAND AND LOCATION:

116 acres tideland and submerged lands
in Santa Barbara Channel from Sea Cliff
to Platforms Hillhouse and "A" in OCS,
Santa Barbara and Ventura Counties.

LAND USE: Maintenance of existing oil, gas and water
lines and waste-water outfall line.

TERMS OF ORIGINAL LEASE:

Initial period: 49 years from August 28,
1968.

Consideration: \$9,575.29 per annum;
five-year rent review.

A 35

-1-

S 18

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CALENDAR ITEM NO. C 07 (CONT'D)

TERMS OF PROPOSED AMENDMENT:

This amendment changes the annual rental as occasioned by the occurrence of a five-year rent review of the lease. In addition to changing the rental amount, a special provision is being added which details the impounding of volumetric rentals in excess of the minimum annual rental. The new annual rental is as follows:

The annual rental is computed by multiplying each barrel of crude oil (42 U.S. gallons per barrel) and each thousand cubic feet of gas passing over the State's land by \$.006. The annual rental due shall not be less than the minimum annual rental of \$19,150.

The State reserves the right to fix a different rental on each fifth anniversary of the lease.

The effective date of this amendment is August 28, 1983.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

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. A partial assignment of Lease PRC 4017.1 was approved by the State Lands Commission January 28, 1971, to Sun Oil Company, which has since changed its name to Sun Exploration and Production Company.
2. This activity is exempt from CEQA because it is not a project pursuant to 14 Cal. Adm. Code, Div. 6, Section 15378.

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3. The activity is situated on lands identified as possessing significant environmental values pursuant to PRC 6370.1 and is classified in a use category "B" which authorizes Limited Use. The activity will not have a significant effect upon the identified environmental values.
4. This amendment is for modification of rental provisions only and does not change or enlarge the estate or use from that granted in the original lease.

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 PURSUANT TO C.A.C. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21005, 14 CAL. ADM. CODE 15079; AND FIND THAT THE ACTIVITY IS CONSISTENT WITH THE LAND'S USE CLASSIFICATION, PURSUANT TO PRC 6370.1.
2. AUTHORIZE ISSUANCE TO UNION OIL COMPANY OF CALIFORNIA AND SUN EXPLORATION AND PRODUCTION COMPANY OF AN AMENDMENT TO LEASE PRC 4017.1 WHICH:
 - (A) CHANGES THE ANNUAL RENTAL TO THE VOLUMETRIC RENTAL ALTERNATIVE AS FOLLOWS:
 - (1) THE ANNUAL RENTAL IS COMPUTED BY MULTIPLYING EACH BARREL OF CRUDE OIL (42 U.S. GALLONS PER BARREL) AND EACH THOUSAND CUBIC FEET OF GAS PASSING OVER THE STATE'S LAND BY \$.006.
 - (2) THE ANNUAL RENTAL DUE SHALL NOT BE LESS THAN THE MINIMUM ANNUAL RENTAL OF \$19,150.
 - (3) THE STATE RESERVES THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.
 - (B) PROVIDES 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.

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- (C) CONTINUES THE OPERATION OF EXISTING OIL, GAS AND WATER LINES AND WASTE-WATER OUTFALL LINE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 4017.1 SHALL REMAIN IN FULL FORCE AND EFFECT. THE EFFECTIVE DATE OF THIS AMENDMENT IS AUGUST 28, 1983.

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EXHIBIT "A"

LAND DESCRIPTION

WP 4017

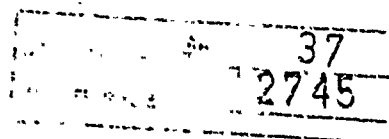
A strip of land 200 feet wide in the Santa Barbara Channel, in Ventura and Santa Barbara counties, California, extending seaward from Sea Cliff, in Ventura County, the centerline of said strip being described as follows:

Commencing at a point having coordinates of X = 1,570,980.05 feet and Y = 311,879.61 feet which bears N 78° 51' 58" W, 195.96 feet from a 6" iron pipe in concrete identified as Monument No. 12 on that certain map entitled "Map of Areas in the Vicinity of Sea Cliff" dated August 1930 and approved by W. Kingsbury, Chief of Division of State Lands, Department of Finance, on September 1, 1930, said Monument No. 12 being also the S.E. corner of Lot 2, Section 8, T3N, R24W, SBM, and has coordinates of X = 1,571,172.32 feet and Y = 311,841.77 feet; thence from said point of commencement S 48° 04' 10" W, to the Ordinary High Water Mark along the mainland shoreline of the Santa Barbara Channel, being the TRUE POINT OF BEGINNING of the centerline of the herein described strip; thence S 48° 04' 10" W, 2,509.90 feet to the beginning of a circular curve to the right having a radius of 10,000.00 feet and a central angle of 28° 32' 44", thence along said curve 4,982.14 feet, thence S 76° 36' 54" W, 15,274.65 feet to the beginning of a second circular curve to the right having a radius of 20,000.00 feet and a central angle of 10° 14' 42", thence along said curve 2,498 feet more or less to an intersection with the offshore ownership boundary of the State of California (as determined according to the supplemental decree entered by the United States Supreme Court in United States v. State of California, Original No. 5, on January 31, 1966).

Bearings and coordinates in this description are based upon the California Coordinate System, Zone 5.

END OF DESCRIPTION

REVIEWED NOVEMBER 23, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.



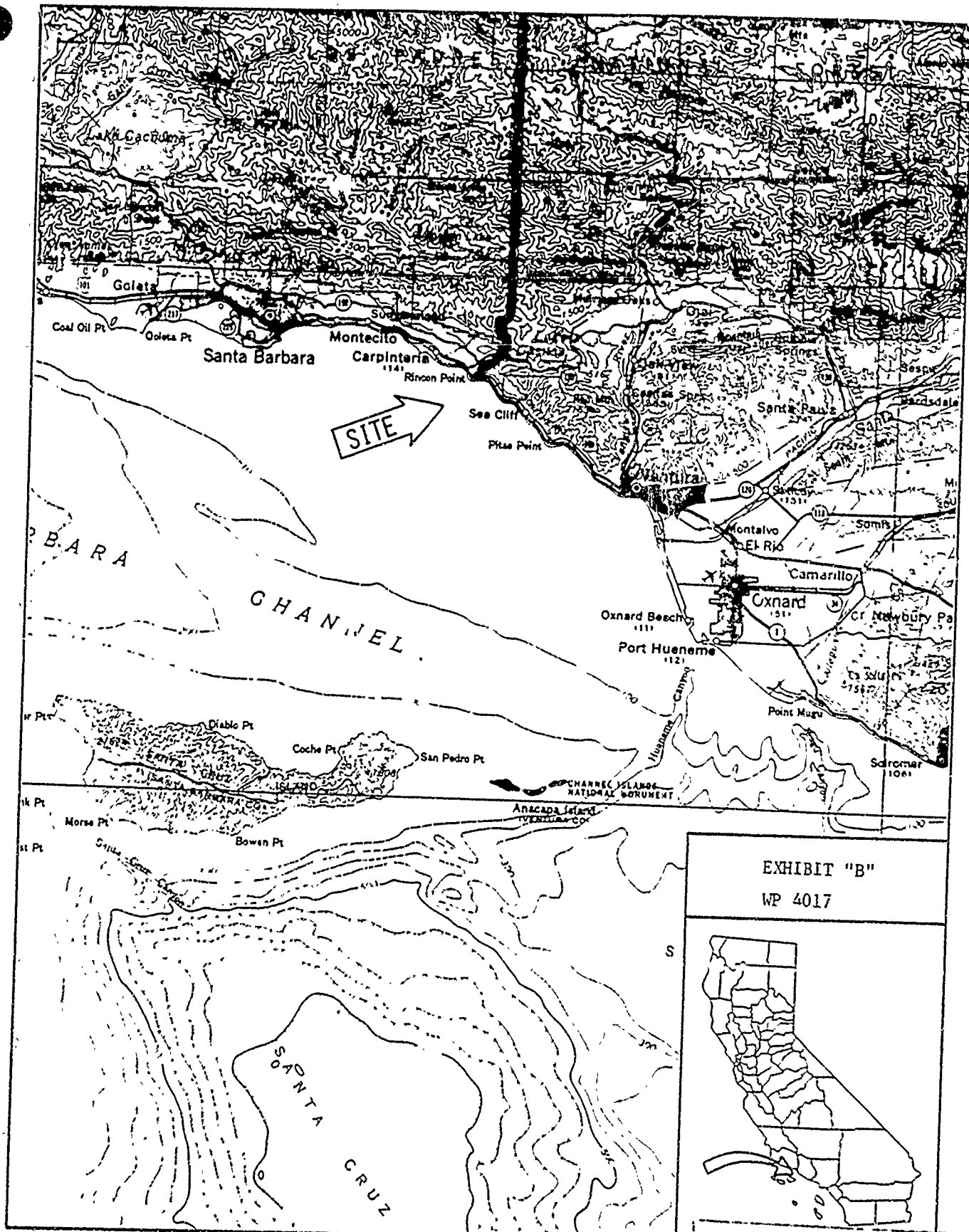


EXHIBIT "B"
 WP 4017

An inset map of the state of California, with a rectangular box highlighting the central coastal region where the main map is located. The map shows the state's outline and major geographical features.