

MINUTE ITEM

This Calendar Item No C9
was 9 am
No 9
Comm 9
to 0 at its 2/19/84
meeting.

CALENDAR ITEM

A 4,11
S 2,7

C09 1

07/12/84
WP 3978
Reese

TERMINATION OF ORIGINAL LEASE PRC 3978.1
AND ISSUANCE OF A GENERAL LEASE -
RIGHT-OF-WAY USE

APPLICANT: Chevron, U.S.A., Inc.
P. O. Box 8080
Concord, California 94524

Shell California Production, Inc.
P. O. Box 4578
Houston, Texas 77210

AREA, TYPE LAND AND LOCATION:

A 7.34-acre parcel of inland tide and submerged
land, Suisun Bay, Contra Costa and Solano
Counties.

LAND USE: Transportation of dry gas and condensate.

TERMS OF ORIGINAL LEASE:

Initial period: 49 years from May 1, 1968.

Surety bond: \$25,000.00.

Consideration: \$2,064 per annum; five-year
rent review.

TERMS OF PROPOSED LEASE:

Initial period: 34 years from May 1, 1983.

Surety bond: \$25,000.00.

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

CALENDAR ITEM NO. 009 (CONT'D.)

CONSIDERATION: Minimum annual rental of \$4,092.48 against \$.002 (2 mills) for each 1,000 cubic feet of dry gas and per barrel of gas condensate passing through the pipeline system.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Adm. Code 2003.

APPLICANT STATUS:
Applicant is lessee and 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: 8840

N/A

OTHER PERTINENT INFORMATION:

1. The original lease is being terminated and a replacement lease is being issued to reflect the following:

- a. Volumetric Rental.
- b. Revised description.
- c. Public Liability Insurance.
- d. Currently approved lease format.

2. Termination and Replacement of the State's Lease PRC 3978.1 is for administrative purposes only, and does not change or enlarge the estate or use from the granted in the original lease.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

4. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq., but will not affect those significant lands.

APPROVALS OBTAINED:
N/A.

FURTHER APPROVALS REQUIRED:
N/A.

EXHIBITS: A. Land Description
 B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON SUCH LANDS.
3. AUTHORIZE TERMINATION OF ORIGINAL LEASE PRC 3978.1 DATED MAY 1, 1968; AND ISSUANCE TO CHEVRON, U.S.A., INC. AS TO AN UNDIVIDED ONE-HALF INTEREST AND SHELL CALIFORNIA PRODUCTION, INC., AS TO AN UNDIVIDED ONE-HALF INTEREST OF A 34-YEAR GENERAL LEASE - RIGHT-OF-WAY USE FROM MAY 1, 1983, IN CONSIDERATION OF MINIMUM ANNUAL RENT IN THE AMOUNT OF \$4,092.48 AGAINST \$0.002 (2 MILLS) FOR EACH 1,000 CUBIC FEET OF DRY GAS AND PER BARREL OF GAS CONDENSATE PASSING THROUGH THE PIPELINE SYSTEM, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$25,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000.00; FOR AN EXISTING 12-INCH SUBMARINE GAS PIPELINE AND A 4-INCH LINE FOR REMOVING CONDENSATE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

WP 3978

Two strips of tide and submerged land in Suisun Bay, Solano and Contra Costa Counties, California, said strips being 25 feet in width and lying 12.5 feet on each side of the following described centerlines:

PARCEL 1

BEGINNING at a point on the south shore of Suisun Bay, said point having coordinates $x = 1,571,849.88$ and $y = 568,550.02$ and from which the southwest corner of Section 4, T2N, R1W, MDM, bears $S 0^{\circ} 57' 30'' W$ 3913 feet; thence $N 44^{\circ} 00' 00'' W$ 4300 feet to a point have coordinates $x = 1,568,862.85$ and $y = 571,643.18$; thence $N 77^{\circ} 00' 00'' W$ 2000 feet to a point having coordinates $x = 1,566,914.11$ and $y = 572,093.08$; thence $N 21^{\circ} 53' 12'' W$ 4995.07 feet to point "C-1" on the southerly shore of Ryer Island, said point having coordinates of $x = 1,565,052.10$ and $y = 576,728.12$.

PARCEL 2

BEGINNING at Point "C-1" as described in Parcel 1 above, thence $S 13^{\circ} 30' 55'' E$ 1493.09 feet to a point having coordinates of $x = 1,565,401.04$ and $y = 575,276.38$.

EXCEPTING THEREFROM, from Parcels 1 and 2 above any portion lying landward of the ordinary high water mark of Suisun Bay.

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

END OF DESCRIPTION

REVIEWED JUNE 21, 1984 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

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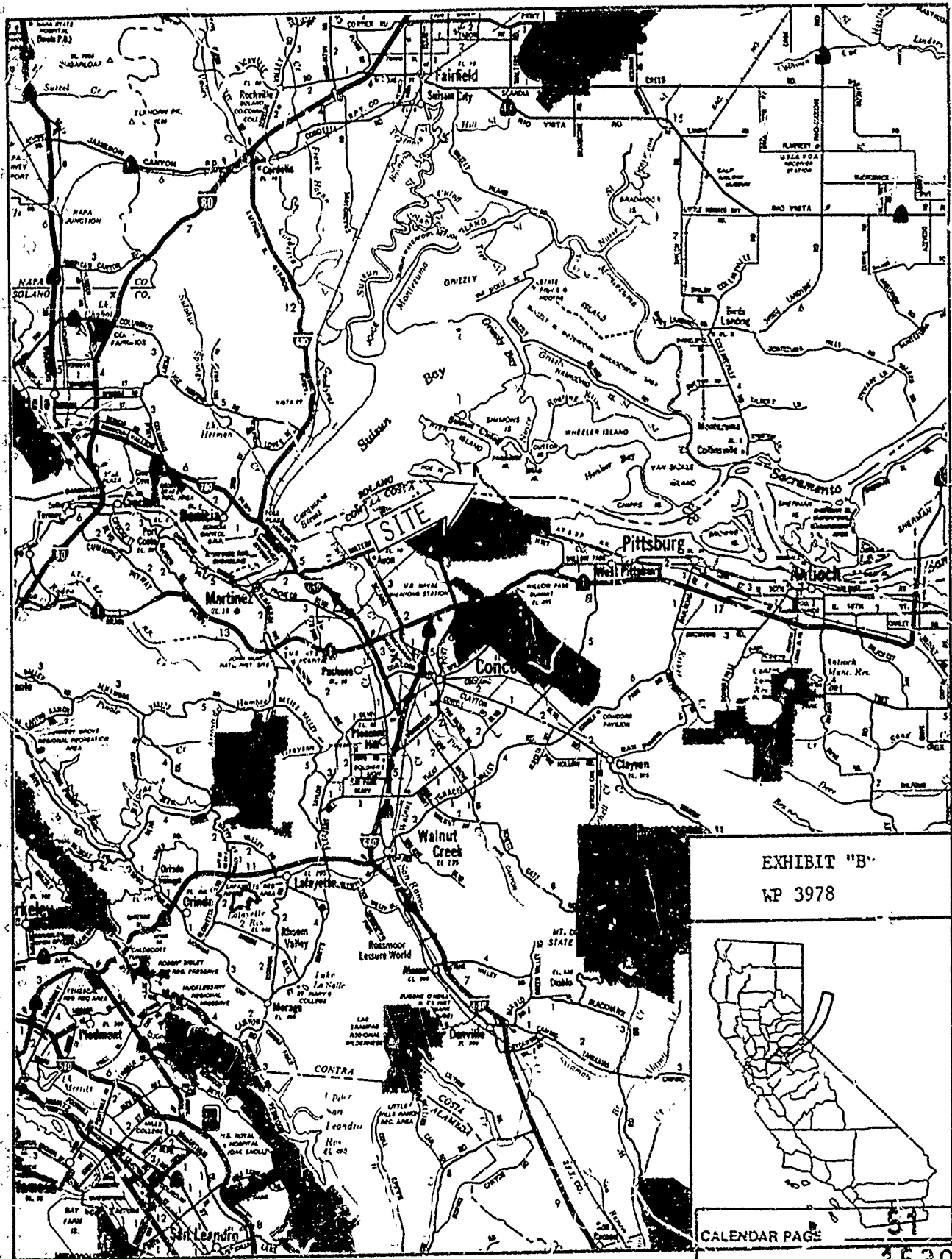


EXHIBIT "B"
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