

MINUTE ITEM

This Calendar Item No. C16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 3
to 0 at its 9/25/84
meeting.

CALENDAR ITEM

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PRC 3914

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AMENDMENT OF LEASE PRC 3914.1
GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Phillips Petroleum Company
8055 East Tufts Avenue Parkway
Denver, Colorado 80237
Attention: J.S. Lind

AREA, TYPE LAND AND LOCATION:
A 13.1 acre-parcel of tide and submerged land
in Santa Barbara Channel near Rincon Point,
Santa Barbara and Ventura Counties.

LAND USE: Maintenance of four submarine pipelines from
Platform Hogan to an onshore point and one
outfall line.

TERMS OF CURRENT LEASE:

Initial period: Ten years beginning March 1,
1983.

Renewal options: Two successive periods of ten
years each.

Considerations: five-year rent review.
Volumetric rental in the
amount of .0054 for each
barrel of petroleum products
and each thousand cubic feet
of gas passing over the
State's land. The minimum
annual rental is \$8,273.60.

Special: Rental in excess of the
minimum annual rental shall
be deposited in a special
account in the State Treasury.

CALENDAR ITEM NO. C16 (CONT'D)

TERMS OF PROPOSED AMENDMENT:

The Amendment provides that the volumetric rental shall be due at the end of each lease year.

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.

OTHER PERTINENT INFORMATION:

1. Phillips Petroleum Company has requested that Lease PRC 3914.1 be amended to provide for payment of volumetric rental on an annual basis instead of a quarterly basis as previously required. In the past, the volumetric rental has not exceeded the minimum annual rental until the end of the third quarter. An annual report would result in lower administrative costs for both the State and Phillips and would not materially affect revenue to the State.

The effective date of the proposed Amendment is October 1, 1984.

2. 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.

3. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmental significant"). Since such declaration of significance is not based upon the requirements and criteria of P.R.C. 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by 2 Cal. Adm. Code 2954 is not applicable.

EXHIBITS: A. 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. AUTHORIZE THE AMENDMENT OF LEASE PRC 3914.1 TO PROVIDE FOR PAYMENT OF VOLUMETRIC RENTAL AT THE END OF EACH LEASE YEAR; ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 3914.1 TO REMAIN IN FULL FORCE AND EFFECT.

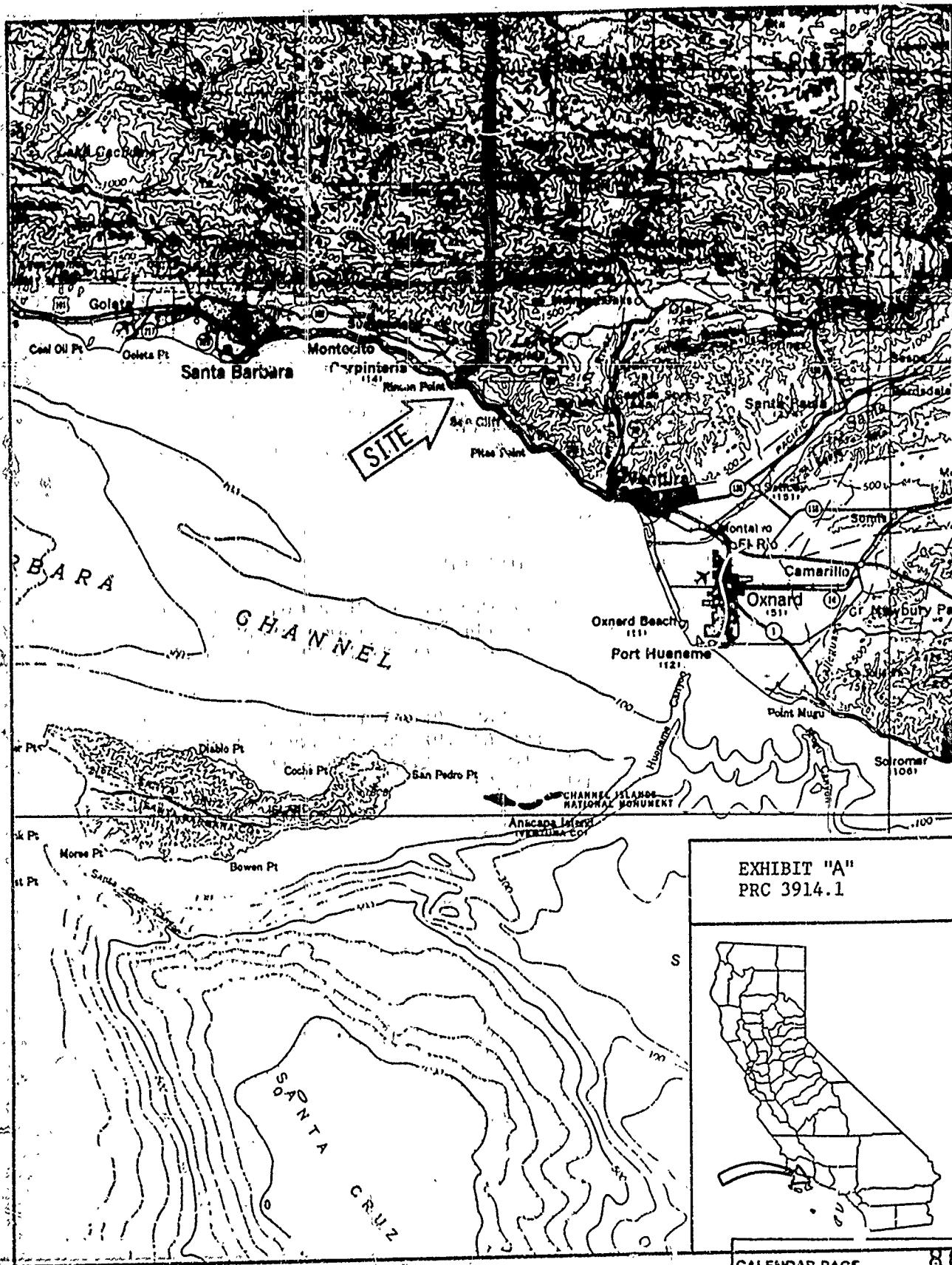


EXHIBIT "A"
PRC 3914.1



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