

MINUTE ITEM

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CALENDAR ITEM

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PRC 3291

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AMENDMENT TO GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT: Shell Oil Company
Attn: R. D. Kerick
511 North Brookhurst Street
P. O. Box 4848
Anaheim, California 92803

AREA, TYPE LAND AND LOCATION: Approximately 14 acres, submerged land, South San Francisco Bay, San Mateo County.

LAND USE: Petroleum products ten-inch diameter pipeline.

TERMS OF ORIGINAL LEASE:

Initial period: 30 years beginning April 29, 1980.

Surety bond: \$50,000.

Public liability insurance: \$2,000,000 per occurrence for bodily injury and property damage, combined coverage.

Consideration: Annual volumetric rental at 2.5 mils (\$0.0025) per barrel, with \$1875 per annum as the minimum rental, with the State reserving the right to fix a different rental on each tenth anniversary of the lease.

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PROPOSED AMENDMENT:

Extend time within which volumetric rent must be paid from 20 days to 50 days after the close of each lease year.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Processing costs have been received.

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. Shell Oil Company has applied for a minor amendment to lease PRC 3291.1, concerning the time period in which to submit volumetric rental payments. Under the present lease agreement, Shell is required to submit the payment not later than 20 days following the close of each lease year. The applicant has requested that the annual due date, presently May 18, be changed to June 17; this adds 30 days which Shell needs to obtain the necessary throughput data for calculating volumetric rental and processing a check through normal channels. The staff has no objection to this request.
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.

APPROVALS OBTAINED:

None.

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FURTHER APPROVALS REQUIRED:

None.

EXHIBIT: 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 ISSUANCE TO SHELL OIL COMPANY OF AN AMENDMENT TO LEASE PRC 3291.1, TO PROVIDE THAT THE TIME PERIOD WITHIN WHICH TO PAY THE ANNUAL VOLUMETRIC RENTAL TO LESSOR BE CHANGED FROM 20 DAYS TO 50 DAYS FOLLOWING THE CLOSE OF EACH LEASE YEAR; AND THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 3291.1 ARE TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

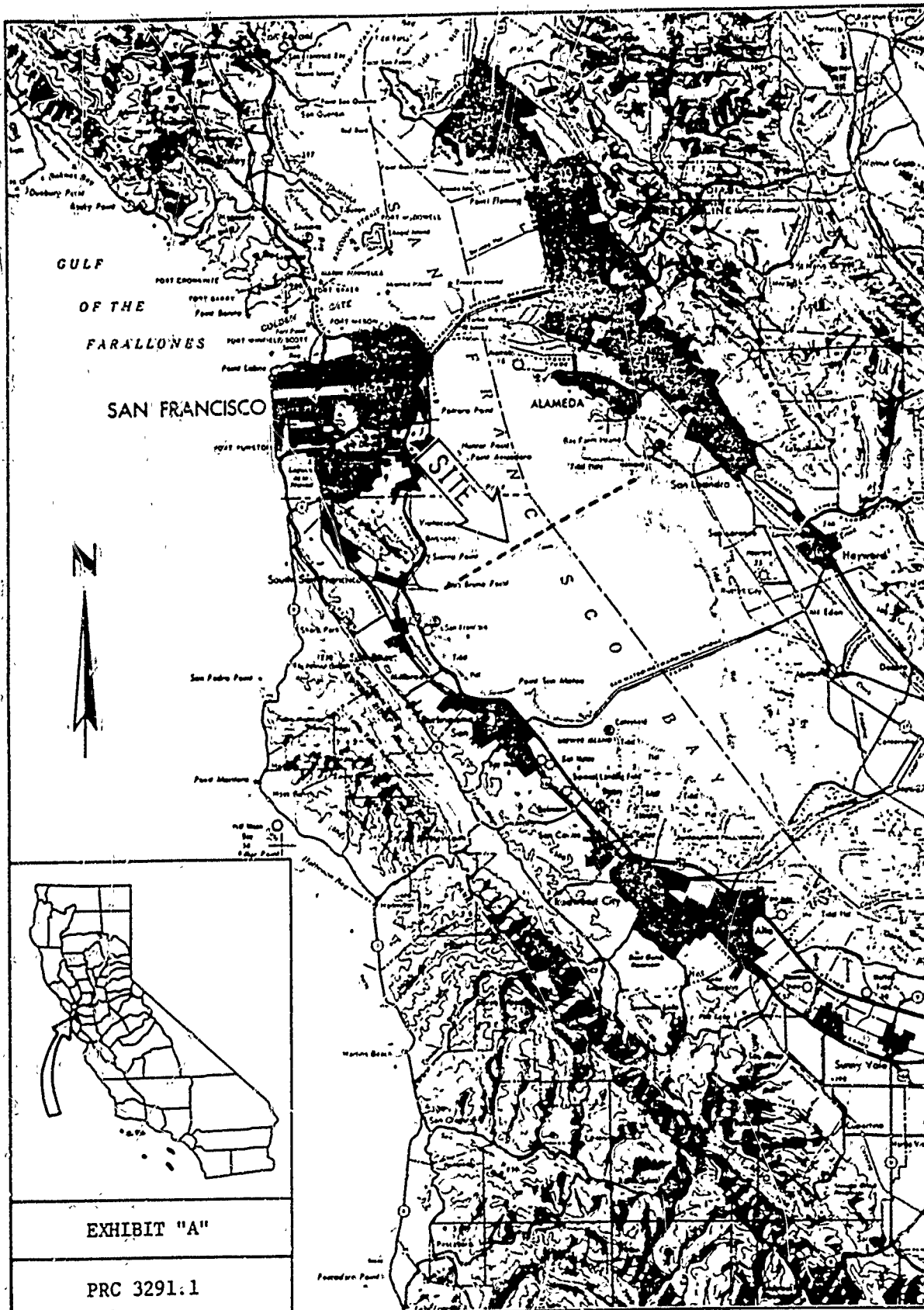


EXHIBIT "A"

PRC 3291.1