

MINUTE ITEM

This Calendar Item No. 16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 2
to 0 at its 7/16/86
meeting.

CALENDAR ITEM

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(PRC 6783)
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AMENDMENT OF PRIOR AUTHORIZATION FOR THE ISSUANCE OF
A GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT: All American Pipeline Company
1321 Stine Road
Bakersfield, California 93309

AREA, TYPE LAND AND LOCATION:
A 0.527-acre parcel of filled sovereign land,
Historic Channel, Colorado River, Riverside
County.

LAND USE: A 30-inch diameter pipeline to transport crude
oil for refinement.

TERMS OF ORIGINAL AUTHORIZATION:
Initial period: 30 years beginning October 1,
1985.
Surety bond: \$2,000.
Public liability insurance: Combined single
limit coverage of \$1,000,000.
Consideration: \$546 per annum; five-year
rent review.

TERMS OF PROPOSED AMENDED AUTHORIZATION:
Adopt Revised land description as shown on
Exhibit "A".
Change the annual rental to \$275.76, subject to
five-year rent review.

CALENDAR ITEM NO. 16 (CONT'D)

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 384: N/A.

OTHER PERTINENT INFORMATION:

1. At its meeting of January 31, 1985, under Minute Item No. 23, the Commission authorized the issuance of a General Lease - Right-of-Way Use, to the All American Pipeline Company. EIR No. 269, State Clearinghouse No. 83110902, was prepared for this project pursuant to the provisions of CEQA, and was reviewed and adopted by the SLC at its January 31, 1985 meeting.

2. Document execution has been held up, however, because of a physical change in the location of the company's proposed pipeline, and because of a minor change in the rental amount to be received as compensation by the State for the use of its property.

The new alignment of the pipeline reduces the use area from 1.05 acres to 0.527 acre, and correspondingly requires an adjustment in the annual rental from \$545 to \$275.75. Other than these modifications, there is no change from the terms and conditions of the lease authorized by the Commission on January 31, 1985 as Minute Item No. 23.

3. Staff has reviewed the change in location of the pipeline with respect to environmental regulations. Movement of the pipeline from the previously determined site to the new location, about 1,000 feet south, does not trigger a new assessment under CEQA. A corridor approach was used in EIR No. 369, State Clearinghouse No. 83110902, and the findings made for the original alignment also apply at the new location described in Exhibit "A", attached.

CALENDAR ITEM NO. 76 (CONT'D)

APPROVALS OBTAINED:

United States Army Corps of Engineers.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. EIR/EIS Executive Summary.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT AN EIR NO. 369, STATE CLEARINGHOUSE NO. 83110902, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF CEQA, CERTIFIED AT THE JANUARY 31, 1985 SLC MEETING, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN. THE REQUIRED CEQA FINDINGS, AS CONTAINED IN CALENDAR ITEM NO. 23 OF THE JANUARY 31, 1985 COMMISSION MEETING, PAGES 119 THROUGH 119.220 ARE ON FILE AT THE OFFICE OF THE COMMISSION LOCATED AT 1807 - 13TH STREET, SACRAMENTO, CALIFORNIA 95814.
2. REAFFIRM, FOR PURPOSES OF THIS ACTION, THE ABOVE REFERENCED FINDINGS THAT WERE ADOPTED AT THE JANUARY 31, 1985 MEETING, IN COMPLIANCE WITH CEQA (PRC SECTION 2100 AND ET SEQ.) AND THE STATE EIR GUIDELINES.
3. RESCIND FINDING NO. 4 OF MINUTE ITEM NO. 23, DATED JANUARY 31, 1985, IN ITS ENTIRETY, AND IN REPLACEMENT THEREOF, ADOPT A NEW FINDING NO. 4, AS SET OUT BELOW:
4. AUTHORIZE ISSUANCE TO THE ALL AMERICAN PIPELINE COMPANY OF A 30-YEAR GENERAL LEASE BEGINNING OCTOBER 1, 1985; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$275.76, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$2,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; FOR THE INSTALLATION, USE AND MAINTENANCE ON AN OIL TRANSMISSION PIPELINE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

W23215

All that State of California sovereign land in the bed of the Colorado River, Riverside County, California, lying within a strip of land 50 feet wide, the centerline of which is described as follows:

BEGINNING at a point from which the northwest corner of Section 1, T7S, R23E, SBM, as shown on the Record of Survey filed for record in Book 34, Page 36, Official Records of said Riverside County, bears N 4° 18' 32" W, 3184.61 feet; thence from said point of beginning N 73° 39' 00" W, 2,330.00 feet; thence S 87° 41' 00" W, 2,394.5 feet; thence N 47° 19' 00" W, 141.40 feet; thence N 2° 19' 00" W, 500.00 feet, more or less, to the meander line of the west bank of the Colorado River as shown on the U.S. Government Plat of 1875 and the end of the herein described line.

EXCEPTING THEREFROM any portion thereof lying easterly of the last natural centerline of said Colorado River.

ALSO EXCEPTING THEREFROM any portion thereof lying landward of the last natural location of the ordinary low water mark along the westerly bank of said Colorado River.

END OF DESCRIPTION

REVISED JANUARY 6, 1986 BY BOUNDARY SERVICES UNIT, M. L. SHAFER, SUPERVISOR.

EXHIBIT C

EIR/EIS EXECUTIVE SUMMARY

I.1 Introduction

The Celeron/All American and Getty Pipeline Projects EIR/EIS is a joint document prepared for the California State Lands Commission (SLC); and the U.S. Department of the Interior, Bureau of Land Management (BLM). SLC is acting as lead agency pursuant to the California Environmental Quality Act (CEQA) and BLM, as lead agency pursuant to the National Environmental Policy Act (NEPA). SLC, BLM and Santa Barbara County have formed a Joint Review Panel (JRP) to direct the completion of this joint State and Federal document.

The Celeron/All American and Getty Pipeline projects are not dependent upon each other and either or both pipelines could be approved by the agencies independently of the other. Celeron/All American has applied for right-of-way permits from the BLM to cross Federal land managed by the BLM, Forest Service, Fish and Wildlife Service, Air Force, Army, and the Bureau of Reclamation, and from SLC for crossing land at the Colorado River.

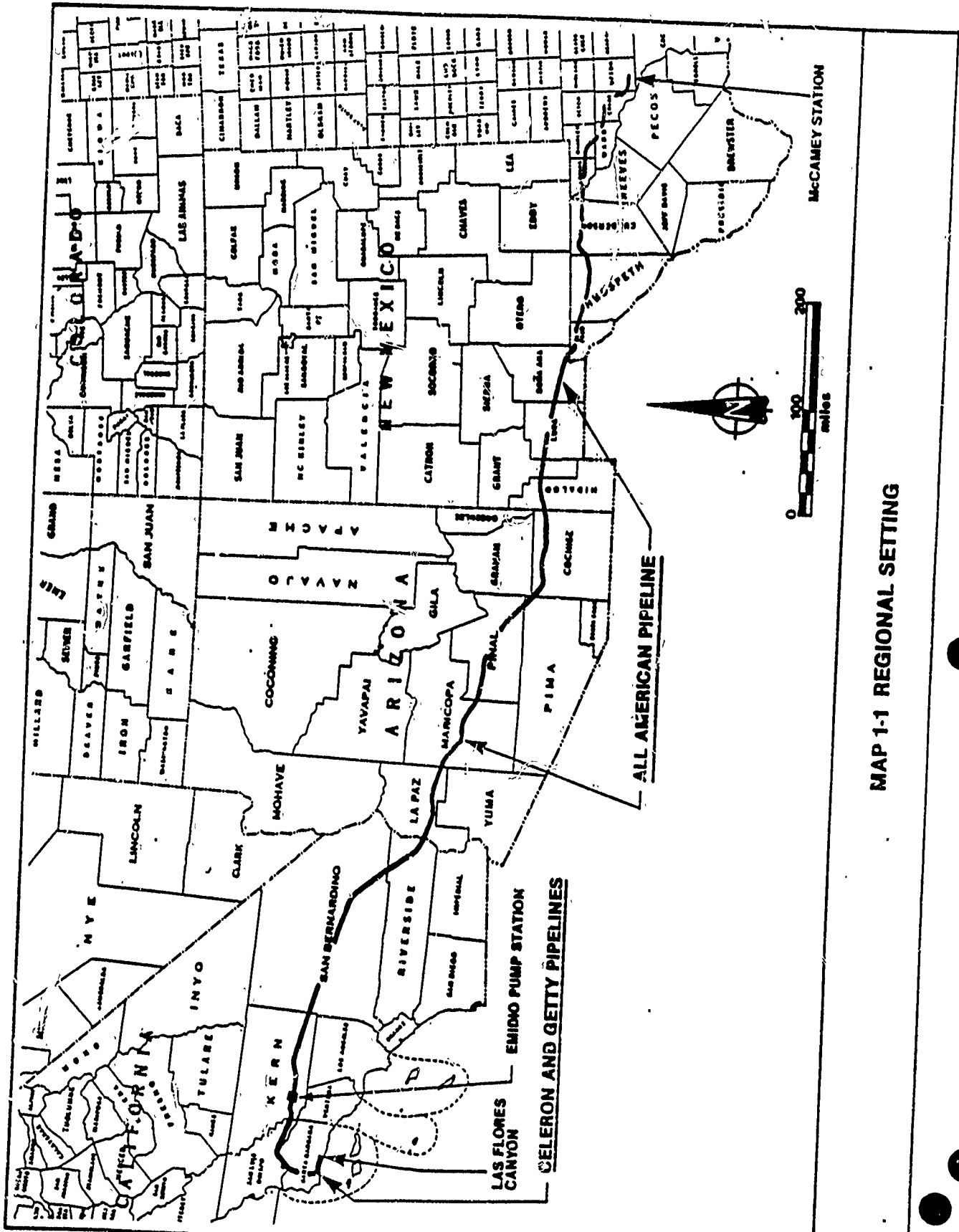
Getty has applied for ROW permits from the BLM for crossing Federal lands managed by BLM and by the Los Padres National Forest (LPNF) and for a Conditional Use Permit from Santa Barbara County. Both applicants must receive U.S. Army Corps of Engineers 404 Permits and various county and local permits. Since the two proposed projects are independent of each other, authorization of the two ROW applications is not an either/or situation. Each project must be reviewed and approved or denied on its own merits.

The two pipeline projects would transport Outer Continental Shelf (OCS) and other locally produced crude oil from the Santa Barbara and Santa Maria Basins to other crude oil transportation networks that serve refiners in the San Joaquin Valley, San Francisco, Los Angeles, and Gulf Coast areas. The Celeron/All American Pipeline would transport up to 300,000 barrels per day (BPD). The 1,200-mile, 24 to 30-inch pipeline would travel from Exxon's proposed Santa Ynez Unit processing facility in Las Flores Canyon, west of Santa Barbara, California, across the Sierra Madre Mountains to the Bakersfield, California area, then to Blythe, California, and across Arizona and New Mexico to the McCamey, Texas area (Map 1-1). The Getty pipeline would transport up to 400,000 BPD in a 20 to 30-inch pipeline from Getty's proposed Consolidated Coastal Facility at Gaviota, west of Santa Barbara (and 6 miles east of Las Flores Canyon), to the Bakersfield area (about 113 miles).

The two proposals have similar proposed right-of-ways (ROW) from the coast to a terminal facility at Emidio, southwest of Bakersfield. Therefore, they are being considered in the same document. Getty's Consolidated Coastal Facility was evaluated in an EIR prepared for Santa Barbara County and released for public review in July, 1984; that document is incorporated by reference into this EIR/EIS. Exxon's facility was also evaluated in an EIS/EIR prepared for the County, released for public review in April 1984, finalized in July 1984, and is incorporated by reference into this EIR/EIS.

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MAP 1-1 REGIONAL SETTING

Several pipeline routing alternatives were considered. The Santa Maria Canyon routes (one proposed by Getty and one by Celeron) are alternatives for crossing the Sierra Madre Mountains; the Desert Plan Utility Corridor is an alternative for crossing the California portion of the Mojave Desert; the Brenda route is an alternative around the Kofa National Wildlife Refuge (NWR); and the McCamey to Freeport route is an alternative from West Texas to the Gulf Coast. Single pipeline and no project alternatives were also evaluated. Alternatives considered but eliminated from detailed analysis included transportation alternatives of rail, truck, and other pipeline transportation developments and an alternate route across the Sierra Madre Mountains through Tunnel Canyon. The marine tanker alternative was studied in the Oil Transportation Plan for Santa Barbara County (ADL 1984) which is incorporated herein by reference.

1.2 Areas of Environmental Concern and Issues of Public Controversy

Comments on the Draft EIR/EIS identified several areas of environmental concern or issues of public controversy regarding the Celeron/All American and Getty proposals.

Areas of environmental concern include:

- Potential oil spills (Celeron/All American and Getty).
- Contamination of groundwater from an oil spill (Celeron/All American and Getty).
- Burial death of the pipelines at river crossings (Celeron/All American and Getty).
- Effects on threatened or endangered species from pipeline construction (Celeron/All American and Getty).
- Loss of the desert tortoise and its habitat from pipeline construction (Celeron/All American).
- Crossing the Kofa National Wildlife Refuge (Celeron/All American).
- Crossing or constructing the pipeline adjacent to Further Planning Areas within the Los Padres National Forest (Celeron/All American and Getty).
- Crossing the California Desert Conservation Area (Celeron/All American).
- The McCamey to Freeport Alternative (Celeron/All American).

Responses to these areas of concern are presented in Section 2.3 of this document.

Issues of public controversy centered on oil development and transportation in California. The following paragraphs summarize the

major areas of controversy with additional detail being provided in the responses to comments contained in Section 2.3. Areas of controversy include:

- The volume of OCS crude oil that will need to be transported.
- The final destination of crude oil to be shipped from Santa Barbara County and the San Joaquin Valley and the competition of other proposed pipeline projects in southern California.
- Marine tanker transportation versus pipeline transportation of OCS crude oil.
- Authorization of one or two crude oil pipelines between the Santa Barbara Coast and Emidio Station (see Preface).

The estimated volume of OCS crude oil that will need to be transported from the Western Santa Barbara Channel and Santa Maria Basin is currently unresolved. The California Department of Conservation (Comment 41-4) estimates that 274,000 BPD of crude oil will be produced, while the DEIR/EIS estimated 500,000 to 600,000 BPD. The exact reserves and rates of production are not known because of the proprietary nature of these statistics within the industry. However, both Applicants have proposed a range of throughputs for their pipelines to accommodate a range of final OCS production.

The final destinations of OCS crude oil to be shipped through the proposed Celeron/All American and Getty pipelines and the volume of San Joaquin Valley crude oil to be shipped by Celeron/All American is also unresolved. Both these issues would be determined by the market place at the time the pipelines come online since both pipelines would operate as common carriers, accepting oil from any producer (pipeline capacity permitting). At tie-ins with other pipeline systems (Emidio, Cadiz, Wink, Crane, and McCamey), oil producers would have the option of directing their oil to refineries with existing capacity via other pipelines. Other proposed pipeline projects are presented in Table 2-7 in the DEIR/EIS.

The transportation of OCS crude oil by marine tanker versus onshore pipeline is a controversial alternative. The issues concerning tanker and pipeline transport are oil spills that could affect recreation, sensitive marine and terrestrial resources, and the cost of that transportation. Uncertainty is associated with the cost estimates for the transportation of OCS crude oil. The tanker alternative was studied in detail in the Oil Transportation Plan for Santa Barbara County (ADL 1984). This EIR/EIS has reviewed studies that have analyzed the question of marine tanker transportation, and concludes at this time that oil can be moved to viable markets by pipeline at costs comparable to tankers.

1.3 Major Impact Conclusions

The Celeron/All American and Getty proposals have potential significant construction and operation impacts. Construction impacts would result primarily from the clearing, trenching, and backfilling construction activities, and by the presence and needs of the labor force. Operation impacts would result primarily from potential oil spills and leaks. Potential impacts have been analyzed in detail in Chapter 4 of the Draft EIR/EIS released in August 1984, and mitigation measures to be required of the Applicants are presented in Appendix 4.1 of this document. The impact summary tables summarize the significant impacts that would result from the construction and operation of the Celeron/All American and Getty proposals and the routing alternatives. This summary includes the committed (required) mitigation measures presented in Appendix 4.1; indicated numbers refer to the mitigation measures developed for each discipline. These tables also indicate whether impacts would still be significant following the implementation of mitigation measures (i.e., unavoidable adverse impacts).

1.4 Agency Preferred Alternative

Federal agencies are required by the Council on Environmental Quality's NEPA regulations (40 CFR 1502.14) to identify their preferred alternative for a project in the Draft and Final EISs prepared for the project. The preferred alternative is not a final agency decision; it is rather an indication of the agency's preliminary preference. The preferences identified below are those of the Federal lead agency; in the case of the LPNF, the preference was identified by the Forest Service and concurred by the BLM.

Construction of one or both of the proposed pipelines as mitigated in this document (rather than no action) is the Federal preferred alternative for both the Getty and Celeron/All American pipelines.

The preferred alternative through the LPNF is Santa Maria Canyon Alternative B. The Forest Service will require that both pipelines be constructed in a single ROW in order to minimize impacts. Because the alternative avoids Further Planning Areas, there would be no impacts on wilderness potential. The alternative would have no impacts on National Forest Campgrounds and avoids degradation of stream channels. This alternative has the least disturbance to riparian vegetation and is farther away from gold eagle and prairie falcon nests found along Santa Maria Canyon Alternative A. This alternative offers the greatest potential for concealing the pipeline from public view and would have significantly better future visual conditions and Visual Quality Objectives (VQO) achievement levels than the Celeron/All American and Getty proposals or Santa Maria Canyon Alternative A.

The preferred alternative across the central Mojave Desert is the Applicant's proposed route rather than the Desert Plan Utility Corridor Alternative. A pipeline route through designated corridors would be nearly twice as long (191 miles rather than 114 miles), far more expensive to construct due to its length, and would result in more significant environmental impacts. For example, the alternative would

cross desert tortoise crucial habitat and an unstable slope area. Although both routes cross Wilderness Study Areas (WSA), the area crossed by the Applicant's proposal (the Palen/McCoy WSA) would be avoided by a slight realignment of the route, while no realignment is practicable around the Coxcomb Mountains WSA crossed by the Alternative. The Desert Plan alternative would also affect more known cultural sites and more sites considered eligible for the National Register of Historic Places.

The preferred alternative in western Arizona would be the Brenda Alternative, north of the Kofa National Wildlife Refuge. Brenda is slightly longer than the proposed route through Kofa, and its eastern 20-miles would not follow an existing right-of-way. However, new information received during the public review (see Letter 23, E. Linwood Smith and Associates) indicates that the wildlife impacts of the two routes would not be equal in degree, and that construction in Copper Bottom pass in particular (along the Kofa route west of the refuge) would seriously affect bighorn sheep. The Brenda route is over 2 miles from the nearest bighorn lambing grounds, not within one-quarter mile as stated by the draft EIS. Brenda avoids impairing BLM's New Water Mountains WSA by crossing to the north side of Interstate 10 for several miles east of Quartzite. These two considerations, a lower level of impact on wildlife and the ability to avoid impairment of the WSA, have resulted in modification of the preferred alternative from that identified in the DEIR/EIS.

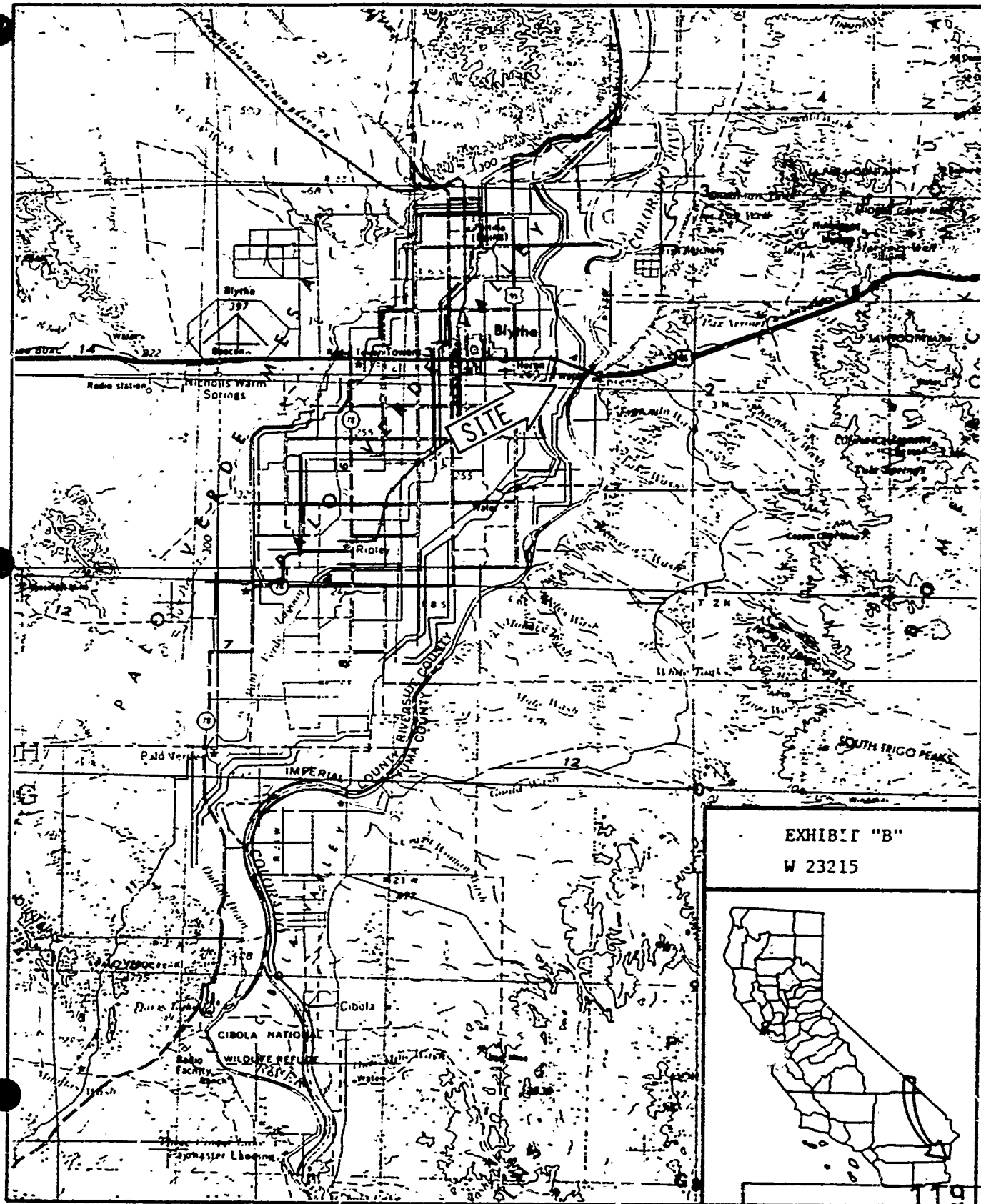


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