

MINUTE ITEM

This Calendar Item No. C13
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 3
to 0 at its 2-25-93
meeting.

CALENDAR ITEM

C13

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02/25/93
PRC 4303
Jones

**ACCEPTANCE OF QUITCLAIM DEED AND
EXECUTION OF LEASE TERMINATION AGREEMENT**

APPLICANT:

Chevron U.S.A., Inc.
P. O. Box 11191
Bakersfield, California 93389

AREA, TYPE LAND AND LOCATION:

A 3.51-acre parcel of tidelands and submerged land located
in Suisun Bay near Ryer Island, Solano County.

LAND USE:

One 4-inch dry gas line and one 3-inch liquid gas line.

CURRENT LEASE TERMS:

Initial period:
20 years beginning August 28, 1989.

Surety bond:
\$20,000.

Public liability insurance:

Combined single limit coverage of \$1,000,000 covered
under Chevron's self-administered claims program
authorized by the State Lands Commission on June 26,
1986, under W 23833.

Consideration:

\$855.54 per annum; five-year rent review.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:

Applicant is lessee of upland.

CALENDAR PAGE	<u>70</u>
MINUTE PAGE	<u>103</u>

CALENDAR ITEM NO. C13 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Chevron has notified the Commission of its intent to terminate PRC 4303 and quitclaim all of its right, claim, title or interest arising out of the lease to the State. The lease involves a 4-inch dry gas line and one 3-inch liquid gas line in the Suisun Bay. The pipeline was abandoned last year. The abandonment involved cutting the pipeline off approximately 5 feet below the mudline. The Commission approved the abandonment pursuant to Calendar Item C23 at its July 15, 1991 meeting.
2. In consideration of Chevron being allowed to abandon the pipeline in place, Chevron has entered into a Lease Termination Agreement with the Commission which does the following:
 - a. Chevron agrees to release, surrender and quitclaim all of its right, claim, title or interest arising out of Lease PRC 5888 to the State effective September 1, 1992.
 - b. Chevron agrees to indemnify the State against any and all liability claims, damages, or injuries of any kind for an indefinite period.
 - c. Chevron agrees to provide either a certificate of liability insurance in the amount of \$1,000,000 and a \$1,000,000 surety bond; or, in the alternative, an annual letter of assurance from Chevron stating it is self-insured and that it meets Test II financial strength as described in Title 14, California Administrative Code, Section 795(b). The Lease Termination Agreement allows for Chevron to petition the Commission in 10 years to determine if Chevron

CALENDAR ITEM NO. C13 (CONT'D)

can be released from submitting the annual letter of assurance. If that petition is denied, Chevron may repetition in another 10 years.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt because the activity is not a "project" as defined in CEQA and the State CEQA Guidelines (P.R.C. 21065 and 14 Cal. Code Regs 15378).
5. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

None required.

FURTHER APPROVALS REQUIRED:

None required.

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. CODE REGS. 15378 AS A CATEGORICALLY EXEMPT PROJECT BECAUSE THE ACTIVITY IS NOT A "PROJECT" AS DEFINED BY CEQA AND THE STATE CEQA GUIDELINES.
2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6320, ET. SEQ.
3. AUTHORIZE A QUITCLAIM DEED FROM, AND LEASE TERMINATION AGREEMENT WITH, CHEVRON U.S.A., INC. FOR LEASE PRC 4303.1 INVOLVING AUTHORIZATION OF A RIGHT OF WAY FOR ONE 4-INCH DRY GAS LINE AND ONE 3-INCH LIQUID GAS LINE ACROSS TIDELANDS AND

CALENDAR ITEM NO. C13 (CONT'D)

SUBMERGED LANDS IN SUISUN BAY NEAR RYER ISLAND, SOLANO COUNTY. THE QUITCLAIM DEED IS EFFECTIVE SEPTEMBER 1, 1992.

EXHIBIT "A"

PRC 4303.1

LAND DESCRIPTION

A strip of submerged land twenty-five (25) feet wide in Suisun Bay, Solano County, the centerline of said strip is described as follows:

BEGINNING at point having Zone 3 California Coordinates of X = 1,560,952.89 feet and Y = 578,564.62 feet, said point is located N 41° 02' 32" E, 13,348.58 feet from Station No. 56 whose California Zone 3 coordinates are X = 1,552,188.03 feet and Y = 568,496.76 feet as said station is shown on plat of "Resurvey of Survey No. 88 and Survey No. 89 Swamp and Overflow lands along the Shore of Suisun Bay and Hastings Slough, Vicinity of Seal Islands" filed as Serial No. 2564 in Book 25 of L.S.M., at page 21 Records of Contra Costa County; thence along the following courses:

S 11° 02' 06" E, 1,396.4 feet;
S 75° 37' 20" E, 2,754.8 feet;
S 41° 28' 48" E, 1,820.4 feet;
S 31° 20' 06" E, 139.5 feet to a point having Zone 3 California Coordinates of X = 1,565,167 feet and Y = 575,027 feet and the end of the herein described line.

Bearings, distances and coordinates used in this description are based on California Coordinate System (1927), Zone 3.

END OF DESCRIPTION

REVISED JUNE 29, 1989 BY BIU 1.

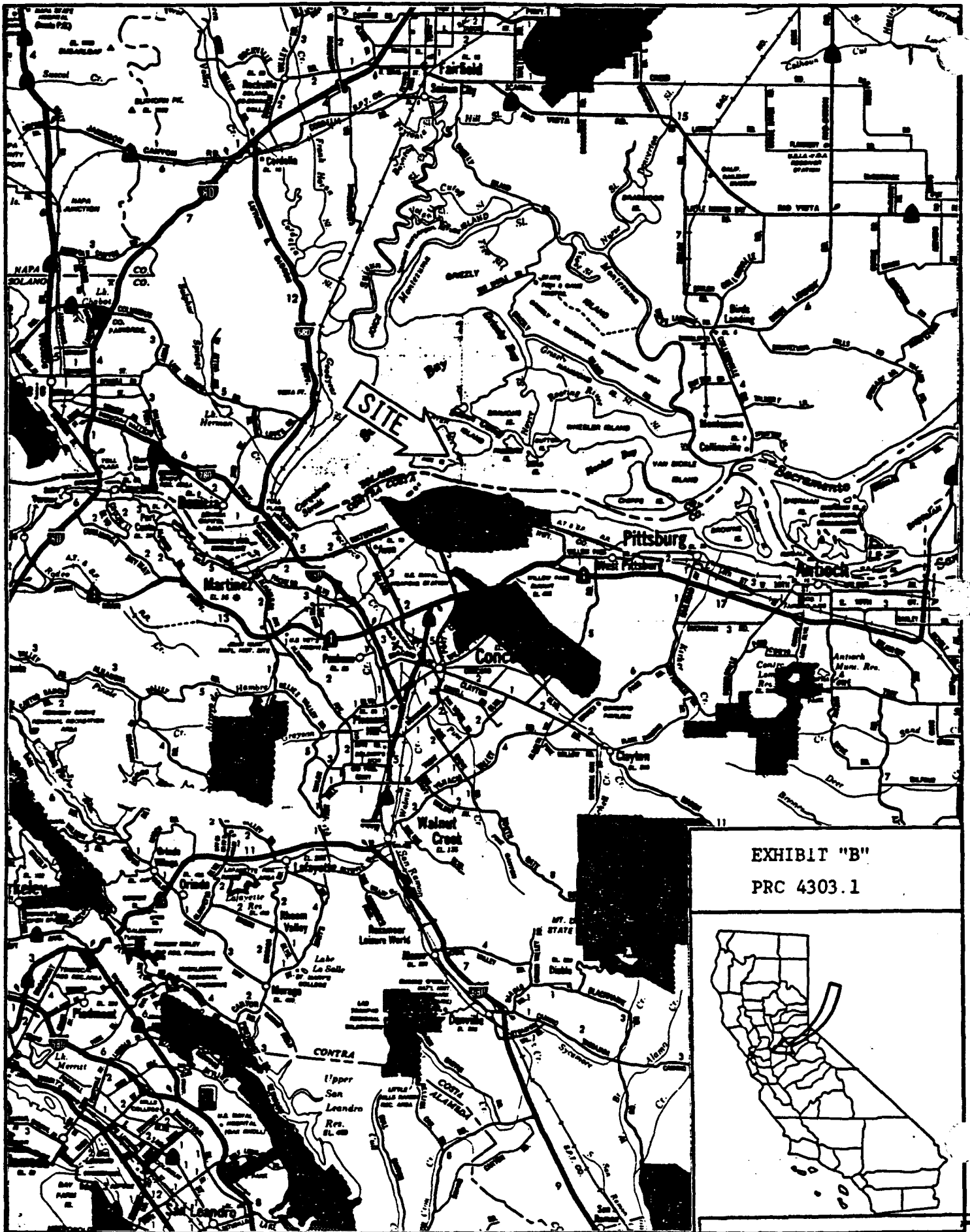


EXHIBIT "B"
 PRC 4303.1

