

MINUTE ITEM

This Calendar Item No. C14
was approved as Minute Item
No. 14 by the State Lands
Commission by a vote of 3
to 0 at its 2-28-93
meeting.

CALENDAR ITEM

C14

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02/25/93
PRC 5888
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:

An 0.459-acre parcel of tidelands and submerged land in
Nurse Slough, adjacent to Bradmoor Island, Solano County.

LAND USE:

A 4-inch submarine gas pipeline.

CURRENT LEASE TERMS:

Initial period:
25 years beginning September 1, 1980.

Surety bond:
\$5,000.

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:

\$100 per annum; five-year rent review.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:

Applicant is lessee/permittee of upland.

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 5888.1 and quitclaim all of its right, claim, title or interest arising out of the lease to the State. The lease involves a 4-inch submarine gas pipeline across Nurse Slough, Suisun Bay, and was constructed to handle gas from a well on the adjacent privately-owned Bradmoor Island. 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 5888.1 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 can be released from submitting the annual letter of assurance. If that petition is denied, Chevron may repetition the Commission in another 10 years.

CALENDAR ITEM NO. C14 (CONT'D)

- 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. 15061 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. 6370, ET SEQ.

- 3. AUTHORIZE A QUITCLAIM DEED FROM, AND LEASE TERMINATION AGREEMENT WITH, CHEVRON U.S.A., INC. FOR LEASE PRC 5888.1 INVOLVING AUTHORIZATION OF A RIGHT OF WAY FOR A 4-INCH SUBMARINE GAS PIPELINE ACROSS TIDELANDS AND SUBMERGED LANDS IN NURSE SLOUGH, ADJACENT TO BRADMOOR ISLAND, SOLANO COUNTY. THE QUITCLAIM DEED IS EFFECTIVE SEPTEMBER 1, 1992.

EXHIBIT "A"

LAND DESCRIPTION

PRC 5888

That parcel of land situate in Solano County, State of California, described as follows:

A portion of the SE 1/4 of Section 24, Township 4 North, Range 1 West, MDM, being a strip of land 20 feet wide, the centerline of which is described as follows:

COMMENCING at a monument marking the South quarter corner of Section 17, T4N, R1E, MDM; thence South $85^{\circ} 41' 41''$ West, 9424.0 feet to a point on the northeasterly bank of Nurse Slough; said point being marked by a 3/4" iron pipe having coordinates of N 187,738.02 and E 2,002,782.02 and being the TRUE POINT OF BEGINNING; thence South $57^{\circ} 58' 27''$ West, 1000 feet, more or less, to a point on the southwesterly bank of said Nurse Slough. Description based on California Coordinate System Zone 2.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water marks.

END OF DESCRIPTION

PREPARED JULY 16, 1980 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR

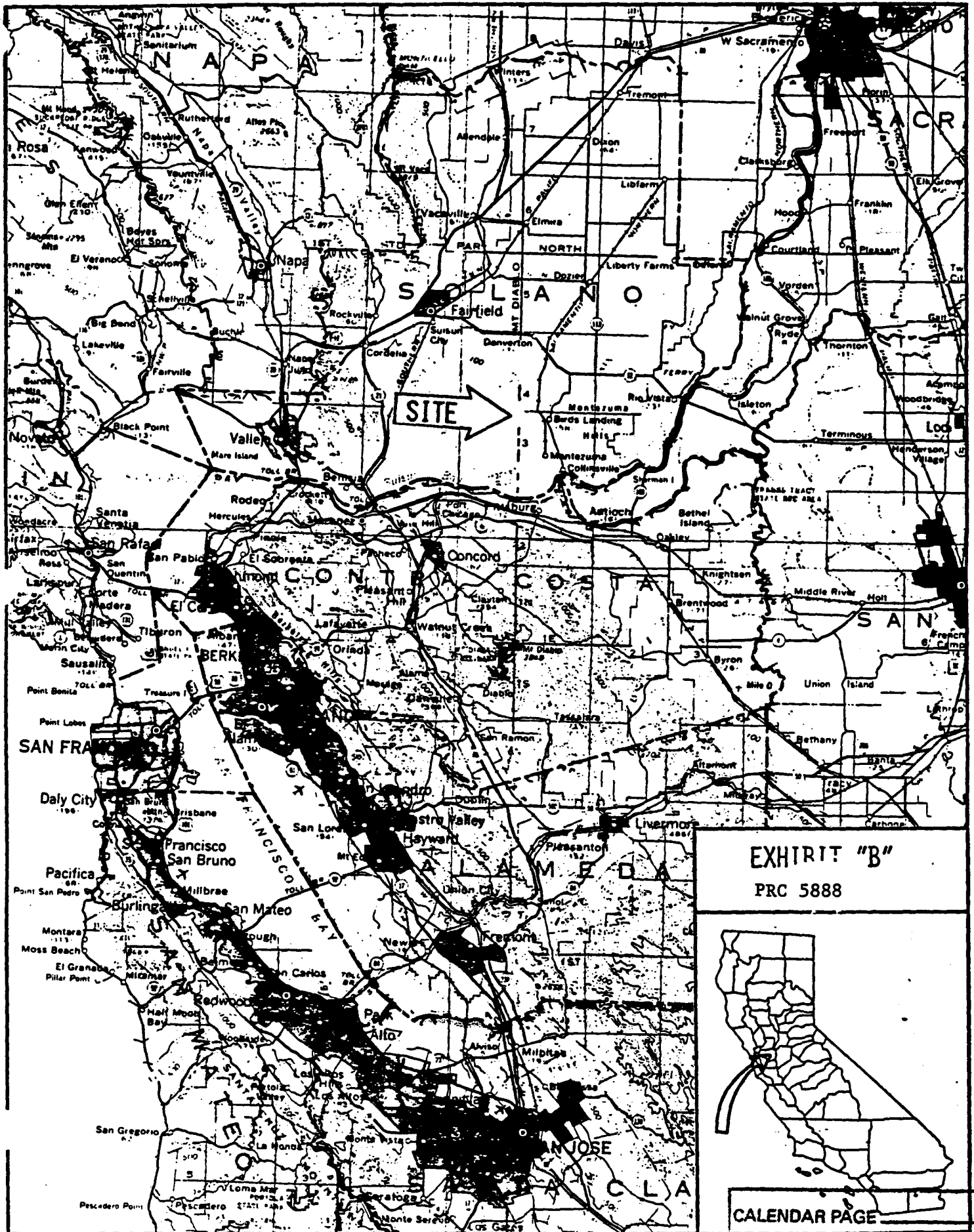


EXHIBIT "B"

PRC 5888



CALENDAR PAGE

80

MINUTE PAGE 106.3