

MINUTE ITEM

This Calendar Item No. C78 was approved as Minute Item No. 78 by the California State Lands Commission by a vote of 3 to 0 at its 12/16/98 meeting.

**CALENDAR ITEM
C78**

A 35
S 18

12/16/98
PRC 4977.1
A. Scott

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Pacific Offshore Pipeline Company
P. O. Box 30900
Los Angeles, California 90030-0900

Attn: Jim Lenaburg
12100 Calle Real
Goleta, California 93117

ASSIGNEE:

Exxon Corporation
P. O. Box 5025
Thousand Oaks, California 91359-5025
Attn: R. D. Kase

AREA, LAND TYPE, AND LOCATION:

6.509 acres, more or less, of sovereign lands in the Pacific Ocean, near Los Flores Canyon, Santa Barbara County.

AUTHORIZED USE:

Continued operation and maintenance of an existing 12-inch gas pipeline.

LEASE TERM:

33 years, beginning January 1, 1989.

CONSIDERATION:

\$60,000.00 per annum, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. Pursuant to Paragraph 10.(b) of Lease No. PRC 4977.1 the "... sale or other transfer of a percentage of capital stock of LESSEE which results in a change of controlling persons, or ..." constitutes an assignment of the

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lease requiring the approval of the Commission.

2. Exxon Corporation is acquiring controlling interest in Pacific Offshore Pipeline Company through a stock purchase and pursuant to the terms of the lease this transaction requires the approval of the Commission as an assignment of the lease.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBITS:

- A. Location Map
- B. Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 4977.1, A GENERAL LEASE - RIGHT OF WAY USE, OF SOVEREIGN LANDS, SHOWN ON EXHIBIT B; PURSUANT TO SPECIFIC TERMS OF THE LEASE REQUIRING APPROVAL OF AN ASSIGNMENT DEFINED AS A

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TRANSFER OF CONTROLLING INTEREST THROUGH SALE OF STOCK.

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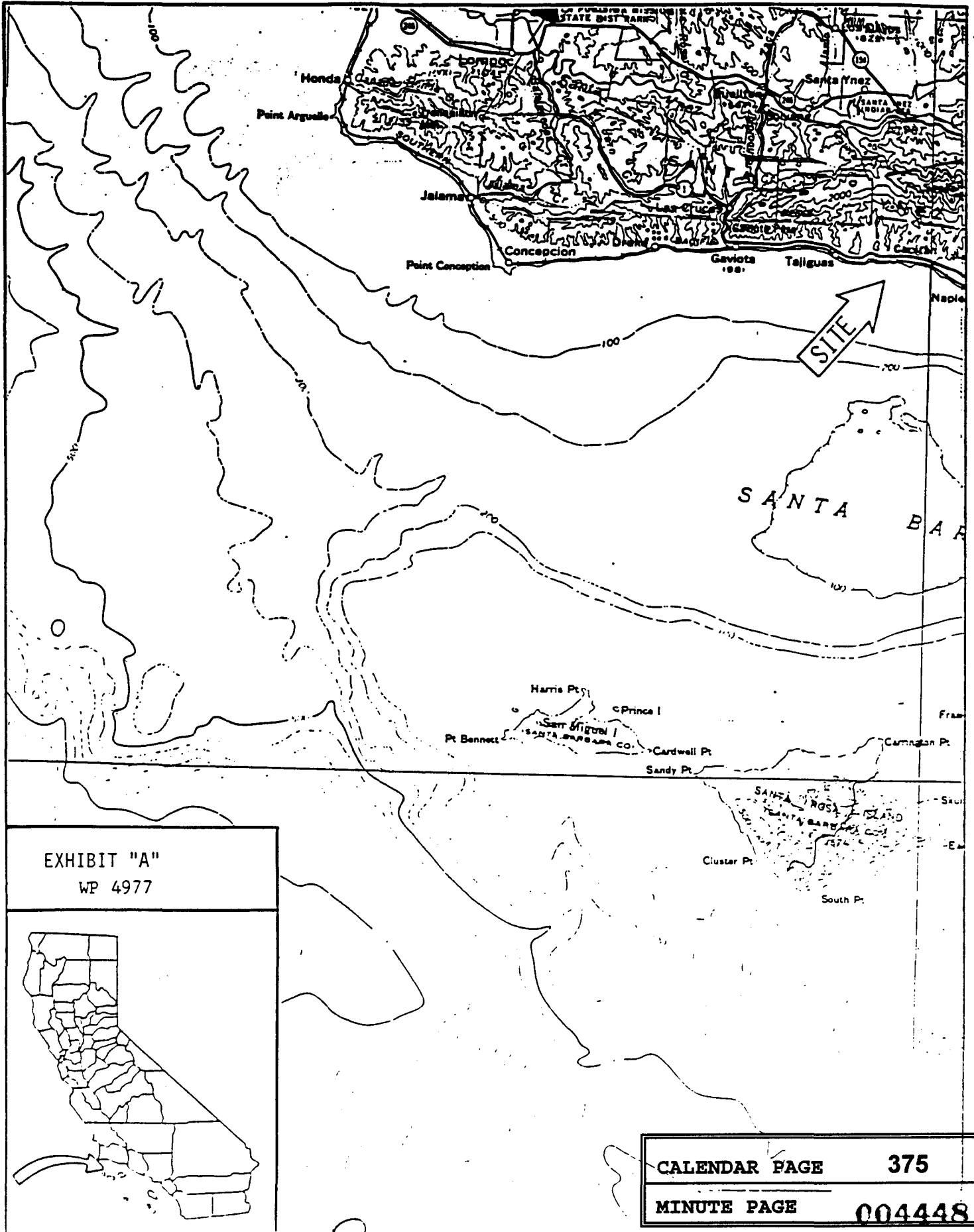


EXHIBIT "A"
WP 4977

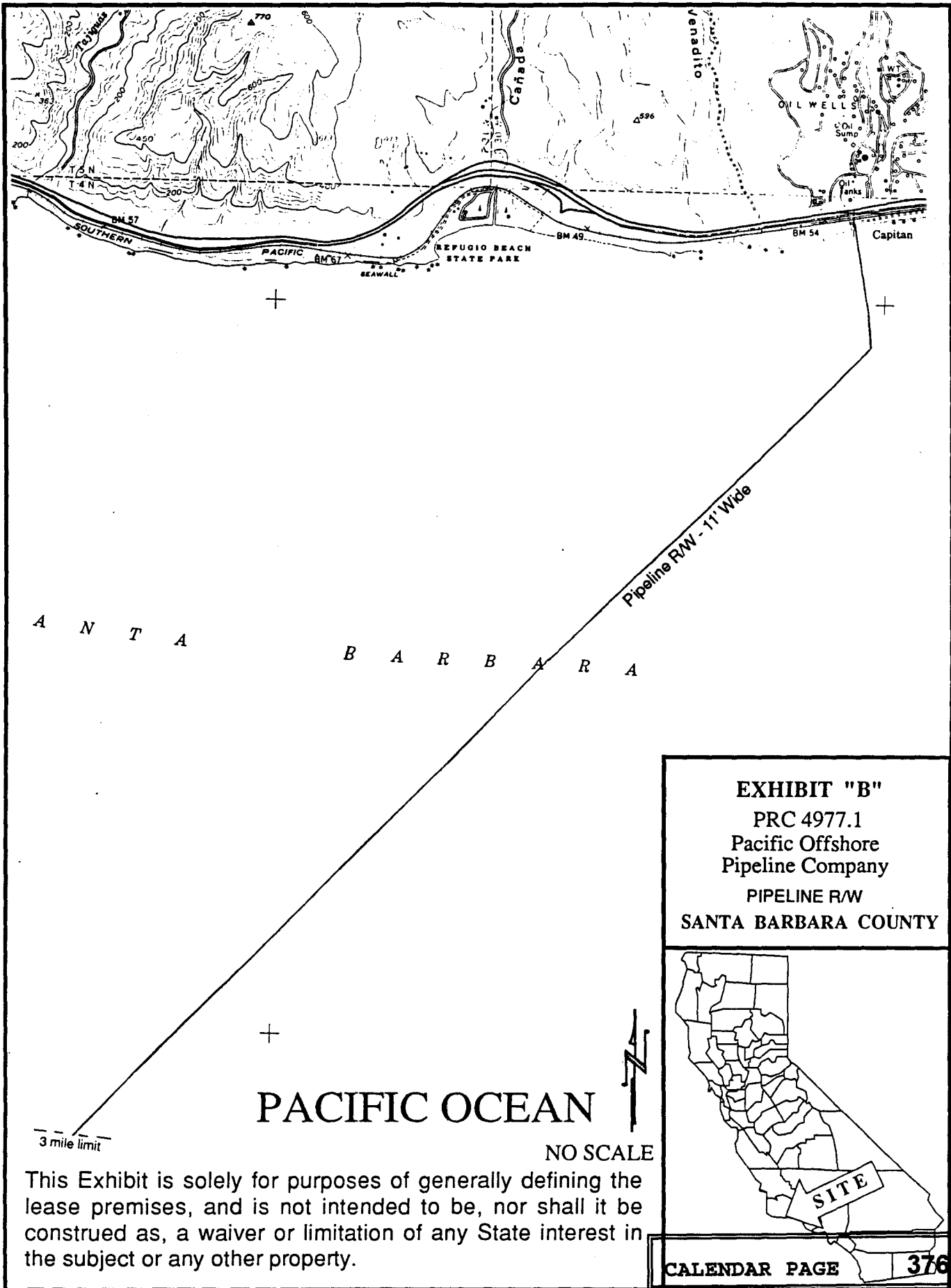


EXHIBIT "B"
 PRC 4977.1
 Pacific Offshore
 Pipeline Company
 PIPELINE R/W
 SANTA BARBARA COUNTY



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This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.