

**MINUTE ITEM**

This Calendar Item No. C09 was approved as Minute Item No. 09 by the California State Lands Commission by a vote of 3 to 0 at its 6-14-99 meeting.

**CALENDAR ITEM  
C09**

A 34, 80

S 17, 37

06/14/99  
PRC 6783.1 and  
PRC 7527.2  
B. Dugal

**APPROVAL OF AN AGREEMENT  
AND CONSENT TO ENCUMBRANCING OF LEASES**

**LESSEE:**

All American Pipeline, L. P.  
1000 Ming Avenue  
Bakersfield, California 93384-0160

**SECURED PARTY-LENDERS:**

ING (U.S.) Capital LLC, Agent  
Christopher R. Wagner, Trustee  
135 East 57<sup>th</sup> Street  
New York, New York 10022

Bank Boston, N. A., Agent  
Terrence Ronan, Trustee  
100 Federal Street  
Boston, Massachusetts 02110

**BACKGROUND INFORMATION:**

**PRC 6783.1**

On January 31, 1985, the California State Lands Commission (CSLC) approved the issuance of a 30-year General Lease – Right of Way Use (PRC 6783.1) to All American Pipeline Company (All American) for the construction, operation and maintenance of a 30-inch diameter pipeline to transport crude oil across State sovereign lands in the historic channel of the Colorado River, east of Blythe, Riverside County.

All American was transferred to Plains Resources, Inc., through a sale of outstanding shares of All American. Subsequently, All American Pipeline Company, a Texas corporation, was converted under Texas statutes to All American Pipeline, L.P., a Texas limited partnership.

**PRC 7527.2**

The CSLC acquired land in an exchange with the United States of America, Bureau of Land Management, (BLM) by a Patent dated September 28, 1989,

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subject to a Right of Way issued to All American Pipeline Company. The Right of Way was effective May 18, 1985, and is for a 30-inch petroleum pipeline located in the S1/2 of the S1/2 of Sec. 36 and the S1/2 of SE1/4 of Sec. 27, T9N, R2E, SBM, San Bernardino County. The CSLC became the landlord of this Right of Way and designated it as lease No. PRC 7527.2.

**CURRENT SITUATION:**

All American requires, and will obtain, indebtedness, in the amount of \$225,000,000, pursuant to a loan agreement for the construction, permanent financing or refinancing of improvements to be acquired, constructed, maintained, repaired or reconstructed by All American. All parties have agreed as to the form of the Agreement and All American and the Secured Party-Lenders have executed the Agreement. The terms of the loan agreement are set forth in a Deed of Trust, which is on file in the principal office of the CSLC.

**OTHER PERTINENT INFORMATION:**

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. Site Map PRC 6783.1
- B. Site Map PRC 7527.2

**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

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21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS,  
SECTION 15378.

**AUTHORIZATION:**

AUTHORIZE THE AGREEMENT AND CONSENT TO  
ENCUMBRANCING OF LESSEE'S RIGHTS, TITLE AND INTERESTS IN  
LEASE NOS. PRC 6783.1 AND PRC 7527.2, IN THE AMOUNT OF  
\$225,000,000, IN FAVOR OF ING (U.S.) CAPITAL, LLC, AND BANK  
BOSTON, N. A., AS SECURED PARTY-LENDERS.

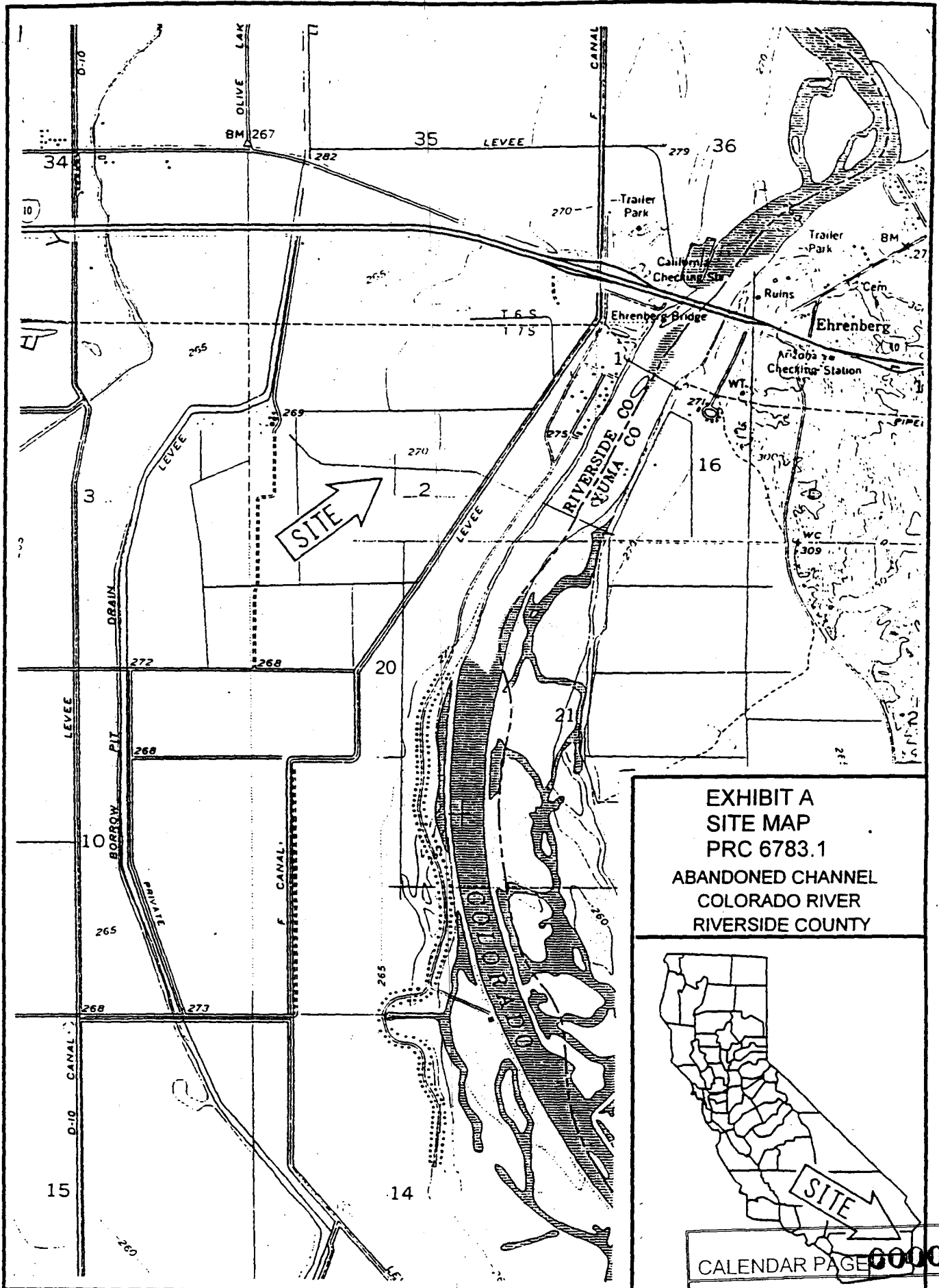
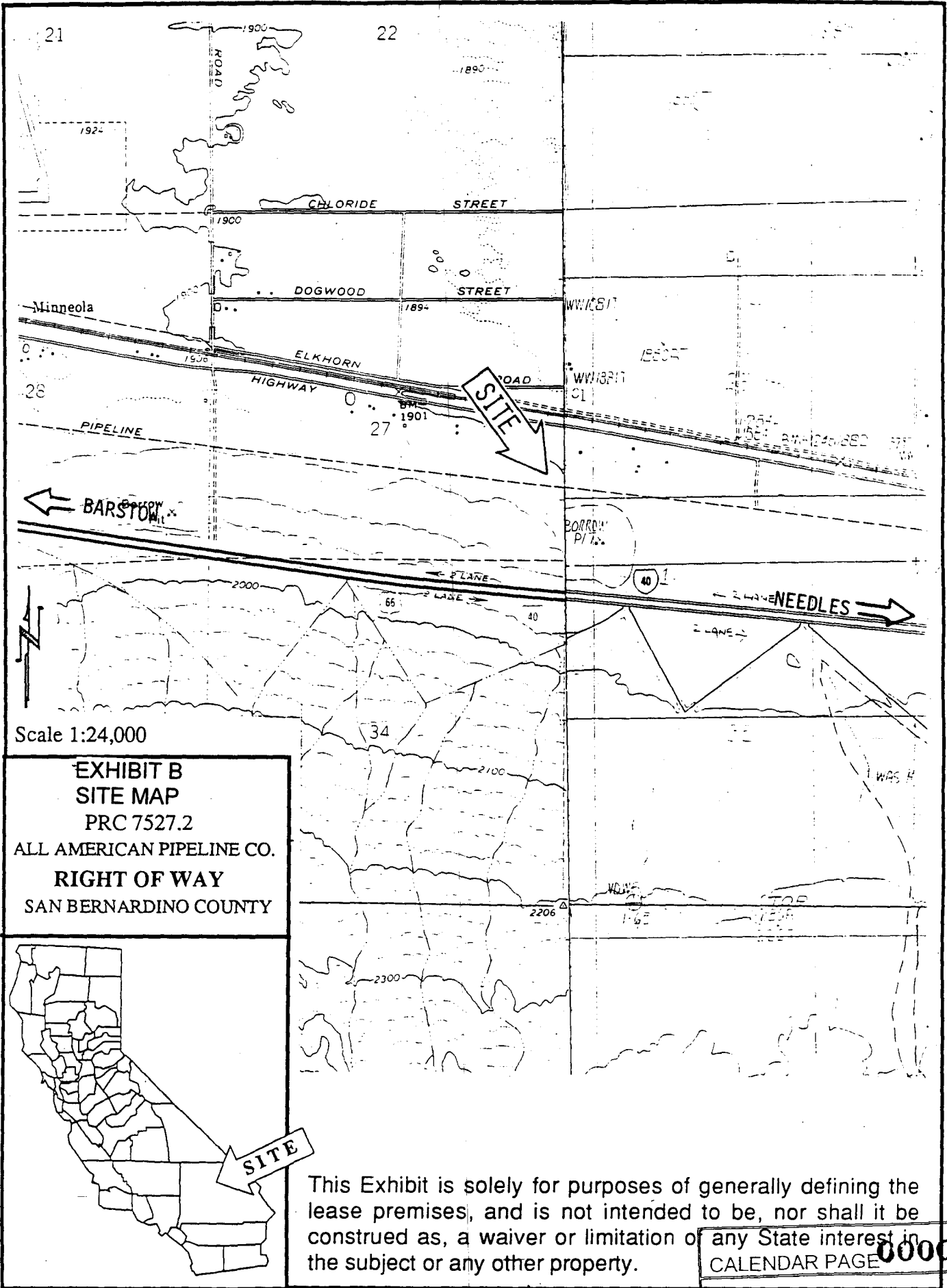


EXHIBIT A  
 SITE MAP  
 PRC 6783.1  
 ABANDONED CHANNEL  
 COLORADO RIVER  
 RIVERSIDE COUNTY



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**EXHIBIT B**  
**SITE MAP**  
 PRC 7527.2  
 ALL AMERICAN PIPELINE CO.  
**RIGHT OF WAY**  
 SAN BERNARDINO COUNTY



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.

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