

**MINUTE ITEM**

This Calendar Item No. C47 was approved as Minute Item No. 47 by the California State Lands Commission by a vote of 3 to 0 at its 9-17-01 meeting.

**CALENDAR ITEM**

**C47**

A 67

S 35

PRC 3394

09/17/01

WP 3394.1

J. Smith

**LEASE RENEWAL**

**APPLICANT:**

Nuevo Energy Company  
201 S. Broadway  
Orcutt, California 93455

**AREA, LAND TYPE, AND LOCATION:**

A 2.671-acre parcel, more or less, of sovereign lands in San Pedro Bay, near Seal Beach, Orange County.

**AUTHORIZED USE:**

Continued use and maintenance of existing submarine pipelines, water line and power cables.

**PREVIOUS LEASE TERM(S):**

Ten years, beginning October 21, 1990.

**PROPOSED LEASE TERM:**

Ten Years, beginning October 21, 2000.

**CONSIDERATION:**

\$17,089 per year; with the state reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

**Insurance:**

Liability insurance with coverage of no less than \$5,000,000.

**Bond:**

Included in a blanket bond in the amount of \$10,000,000 that covers various leases.

**OTHER PERTINENT INFORMATION:**

1. Applicant has a right to use the uplands adjoining the lease premises.

CALENDAR ITEM NO. **C47** (CONT'D)

2. On October 21, 1965, the Commission authorized the issuance of a 15 year Right of Way Lease (Lease No. PRC 3394.1) to Standard Oil Company of California for the installation and maintenance of existing submarine pipelines, water line and power cables that serve Platform Esther. The lease provided the Lessee with an option to renew the lease for three additional periods of ten years each upon such reasonable terms and conditions as the state may impose. On January 1, 1977, the lease was assigned to Chevron U.S.A., Inc. On January 1, 1989, the lease was assigned to Union Oil Company of California and renewed for two successive periods of ten years beginning October 21, 1980. On May 9, 1996, the Commission authorized the assignment of the lease to Nuevo Energy Company. Nuevo Energy has submitted an application to exercise the last ten-year renewal option. Lessee is currently in compliance with the Commission's regulations pertaining to pipeline operations and maintenance.

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 as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905(a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 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.

**EXHIBIT:**

A. Location Map

**PERMIT STREAMLINING ACT DEADLINE:**

N/A

CALENDAR ITEM NO. **C47** (CONT'D)

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

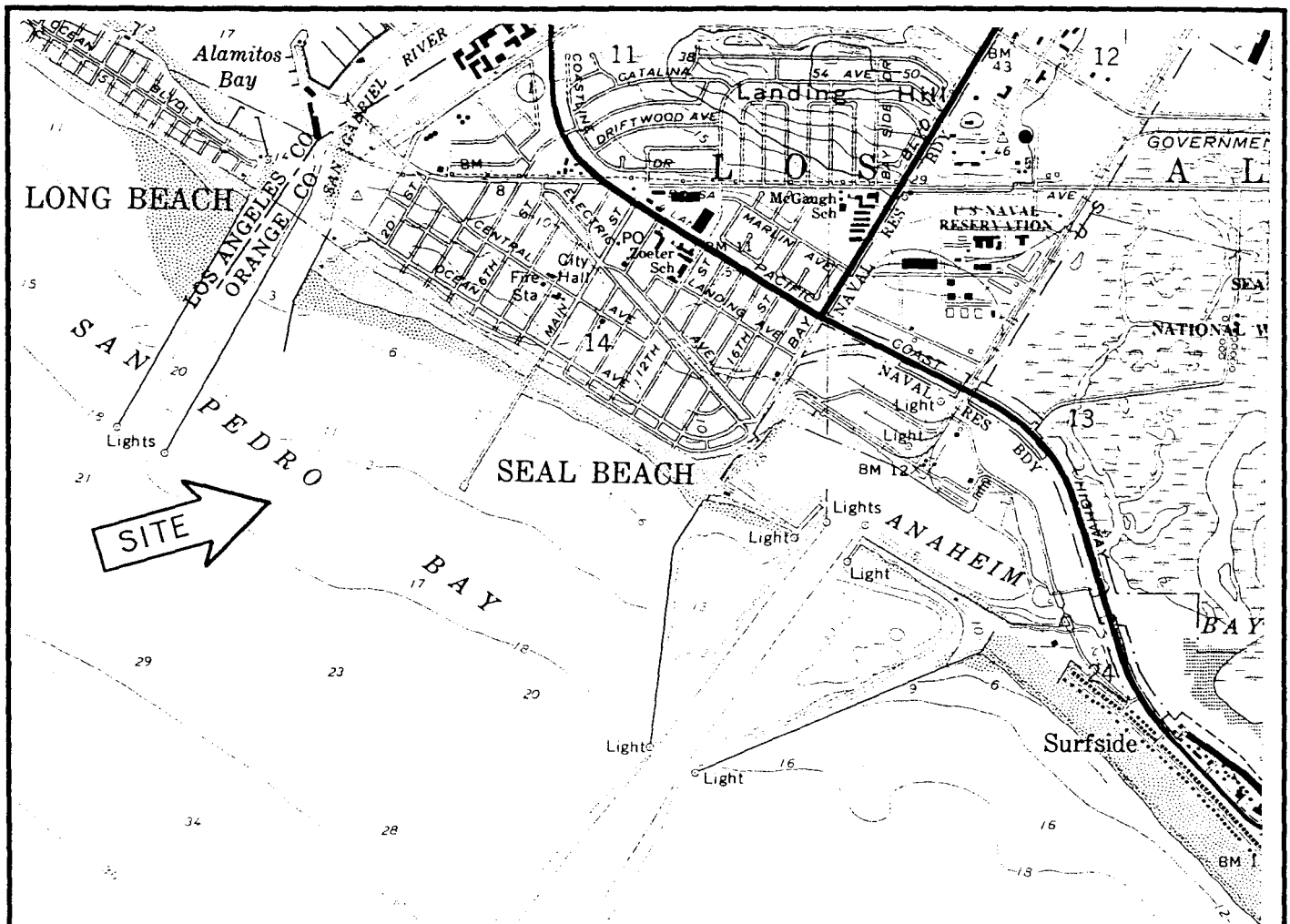
FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905(a)(2).

**SIGNIFICANT LANDS INVENTORY FINDING:**

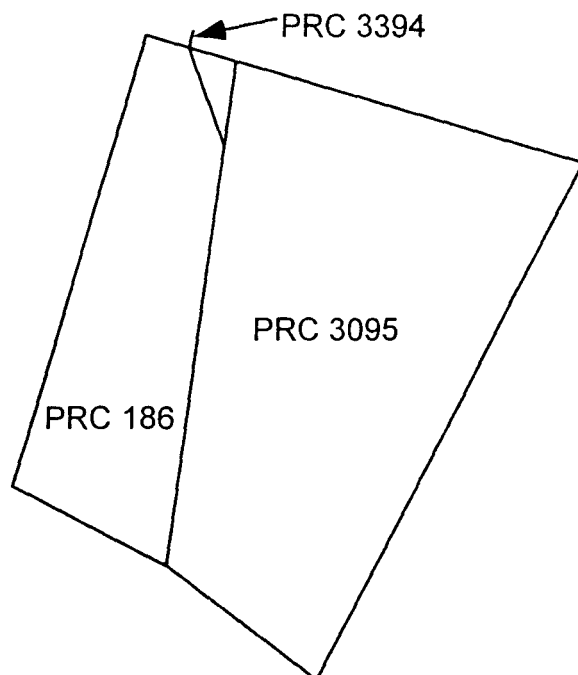
FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370 ET SEQ.

**AUTHORIZATION:**

AUTHORIZE APPROVAL OF THE EXERCISE OF AN OPTION FOR EXTENSION OF A GENERAL LEASE – RIGHT OF WAY USE TO NUEVO ENERGY COMPANY, BEGINNING OCTOBER 21, 2000, FOR A TERM OF TEN YEARS, FOR USE AND MAINTENANCE OF EXISTING SUBMARINE PIPE LINES, WATER LINE AND POWER CABLES ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$17,089; LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN \$5,000,000; SURETY IN THE AMOUNT OF \$10,000,000 PURSUANT TO A BLANKET BOND COVERING VARIOUS LEASES.



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.



**EXHIBIT "A"**  
 LOCATION MAP PRC 3394  
 RW SERVING PLATFORM  
 ESTHER  
 ORANGE COUNTY, CALIFORNIA



0000306  
 001657