

MINUTE ITEM

This Calendar Item No. C79 was approved as
Minute Item No. 79 by the California State Lands
Commission by a vote of 3 to 0 at its
9-17-01 meeting.

CALENDAR ITEM

C79

A 57, 58

09/17/01

S 29

W 9603.27

J. Tanner

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST IN
TWO CITY OF LONG BEACH CRUDE OIL SALES CONTRACTS,
FIVE AND A HALF PERCENT SEGMENTS, TRACT NO. 1,
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY**

ASSIGNOR:

Huntway Refining Company
Attn.: Mr. Stephen Piatek, General Counsel
P. O. Box 1257
Wilmington, CA 90744

ASSIGNEE:

Valero Energy Corporation
Attn.: Mr. William S. Hood, Jr. Refinery Counsel
3400 East Second Street
Benicia, CA 94510

AREA, LAND TYPE, AND LOCATION:

Tract No. 1, Long Beach Unit, Wilmington Oil Field, Los Angeles County.

BACKGROUND:

Two Crude Oil Sales Contracts for Tract No. 1, Long Beach Unit, five and a half percent (5 ½) segment, were issued to Huntway Refining Company (Huntway). One contract was issued on March 1, 2000, and will expire on September 1, 2001, with the other contract effective on September 1, 2001, and continuing to March 1, 2003. Huntway is now requesting that the California State Lands Commission approve assignment of 100 percent interest in these sales contracts to Valero Energy Corporation. The Long Beach City Council will consider this assignment at their next City Council meeting, possibly by the third week in June 2001.

STATUTORY AND OTHER REFERENCES:

- A. Section 8 of the Sales Contract
- B. Public Resources Code section: 6815.1

OTHER PERTINENT INFORMATION

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations), 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.

- 2. Assignment forms and prerequisite filing fees have been paid by Valero Energy Corporation.

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 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:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN TWO CRUDE OIL SALES CONTRACTS FOR TRACT NO. 1, LONG BEACH UNIT, FIVE AND A HALF PERCENT (5 ½) SEGMENTS FROM HUNTWAY REFINING COMPANY TO VALERO ENERGY CORPORATION, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE CONTRACTS.

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