

MINUTE ITEM

This Calendar Item No. C39 was approved as
Minute Item No. 39 by the California State Lands
Commission by a vote of 3 to 0 at its
12-16-02 meeting.

**CALENDAR ITEM
C39**

A 16, 19
S 8, 9

12/16/02
PRC 3291 WP 3291.1
N. Smith

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Shell Oil Company
511 North Brookhurst Street
Anaheim, California 92803

ASSIGNEE:

Equilon Enterprises, LLC; dba: Shell Oil Products US
Western Region - Land and Permitting
20945 S. Wilmington Avenue
Carson, CA 90810-2110

AREA, LAND TYPE, AND LOCATION:

14 acres, more or less, of sovereign lands in San Francisco Bay, across the bay
along the San Bruno Shoal, Alameda and San Francisco counties.

AUTHORIZED USE:

A ten-inch petroleum pipeline to convey oil refined products westward across
San Francisco Bay to terminals on the peninsula.

LEASE TERM:

30 years, beginning April 29, 1980.

CONSIDERATION:

\$1,875 per year; 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. Assignee has a right to use the uplands adjoining the lease premises.

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2. Shell Oil Company assigned this lease to Equilon Enterprises LLC on January 01, 1998 without Commission approval. Then on April 29, 2002, Equilon Enterprises, LLC changed its name to Equilon Enterprises, LLC dba: Shell Oil Products US and as result Equilon is now a wholly-owned indirect subsidiary of Shell.
3. Shell Oil Company has provided a Guarantee for the performance of the lease obligations of its subsidiary, Equilon Enterprises, LLC dba: Shell Oil Products US.
4. Staff of the Commission has reviewed the financial statements for the last two years and determined Shell Oil Company has the means to provide financial assistance for any incidents that may occur.
5. The pipeline was inspected in January of 2002 and is in good standing with the State Firemarshalls office.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060(c)(3) and 15378.

EXHIBIT:

- A. Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY

-2-

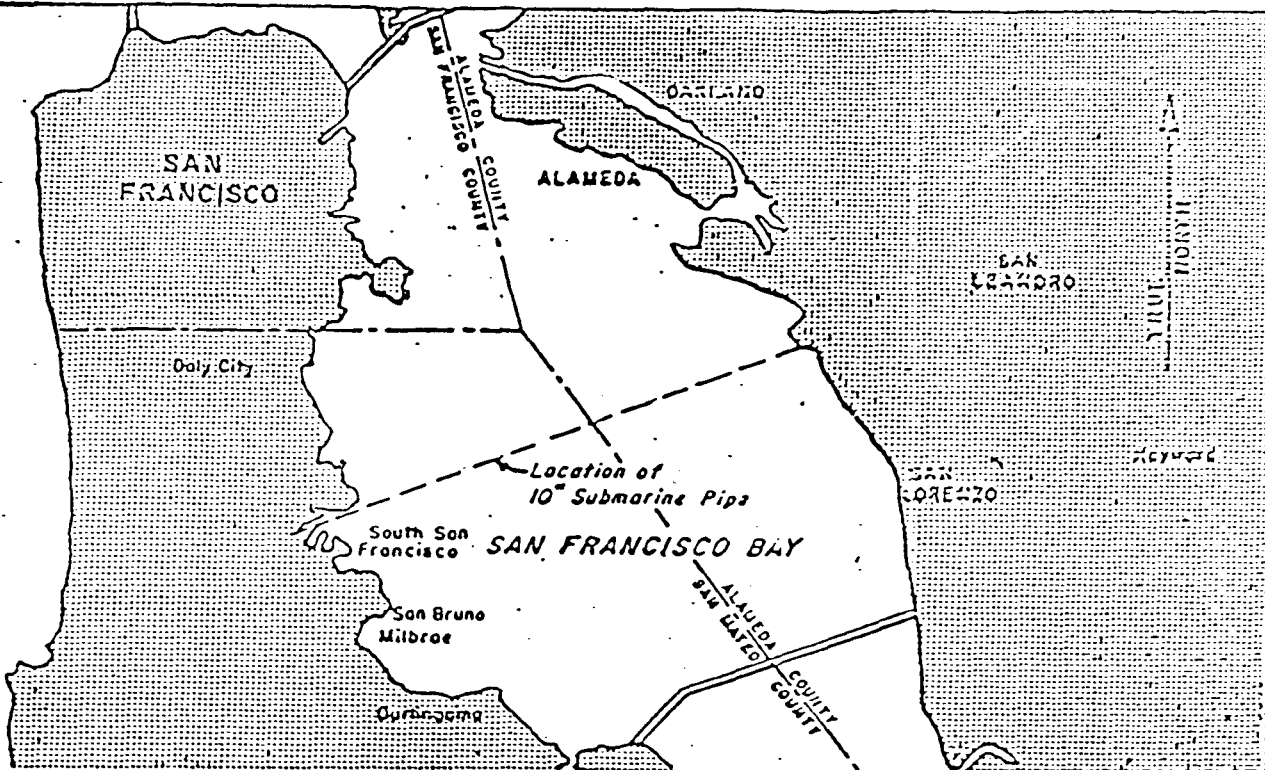
CALENDAR ITEM NO. C39 (CONT'D)

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

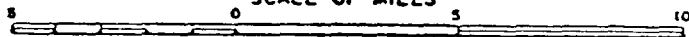
AUTHORIZATION:

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 3291.1, A
GENERAL LEASE - RIGHT OF WAY USE, OF SOVEREIGN LANDS
SHOWN ON EXHIBIT A, ATTACHED, AND BY THIS REFERENCE
MADE A PART HEREOF, FROM SHELL OIL COMPANY TO EQUILON
ENTERPRISES, LLC; DBA: SHELL OIL PRODUCTS US; EFFECTIVE
JANUARY 01, 1998.

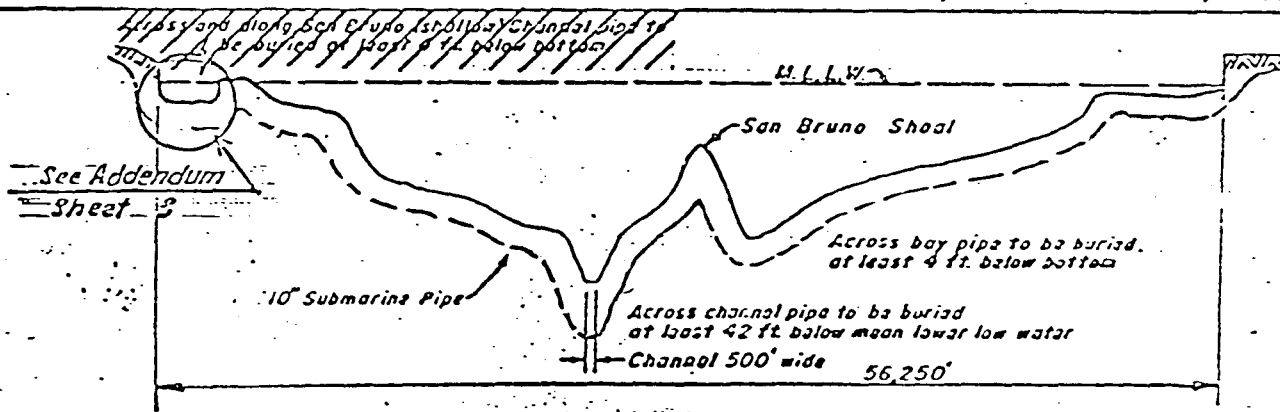
PACIFIC OCEAN



LOCATION MAP
SCALE OF MILES

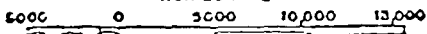


Purpose of pipe: To convey oil refinery products westward across San Francisco Bay to terminals on the peninsula.

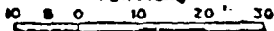


SECTION

SCALES OF FEET
HORIZONTAL



VERTICAL



Submarine Pipe

across San Francisco Bay
at San Bruno Shoal

Counties of Alameda & San Mateo State Calif.

Application by SHELL OIL COMPANY

Sheet 1 of 8

Date 11-25-54

[Faint signature or stamp]

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, 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
WP 3291**

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