

MINUTE ITEM

This Calendar Item No. C37 was approved as Minute Item No. 37 by the California State Lands Commission by a vote of 3 to 0 at its 2-21-03 meeting.

**CALENDAR ITEM
C37**

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S 19

02/21/03
PRC 7163 WP 7163.1
J. Smith

**CONSIDERATION OF AMENDMENT OF LEASE
PRC 7163.1 TO ALLOW REMOVAL AND REPLACEMENT
OF A POWER CABLE SERVICING THE SANTA YNEZ UNIT**

LESSEE:

ExxonMobil Corporation
1555 Poydras Street
New Orleans, Louisiana 70112

AREA, LAND TYPE, AND LOCATION:

34 acres, more or less, of sovereign lands in the Pacific Ocean, offshore El Capitan State Beach, Santa Barbara County.

AUTHORIZED USE:

Use and maintenance of pipelines for transporting crude oil/water emulsion and a treated water outfall line and power cables between the onshore Las Flores Canyon facilities and OCS Platform Heritage in the Santa Ynez Unit within the federal OCS.

LEASE TERM:

34 years, beginning February 1, 1988.

CONSIDERATION:

Minimum annual base rent of \$100,000 subject to annual modification by the Gross National Product Implicit Price Deflator.

PROPOSED AMENDMENT:

Authorize the removal of the existing failed Power Cable C from state waters and the installation of a new Power Cable C-1 between onshore and OCS Platform Heritage. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

- 1. Applicant owns the uplands adjoining the lease premises.

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2. On January 21, 1988, the Commission authorized the issuance of a General Lease – Right of Way Use (PRC 7163.1) to Exxon Corporation for a crude oil/water emulsion pipeline, a treated water outfall line and three power cables (A, B and C) associated with their Federal OCS Santa Ynez Unit in the Santa Barbara Channel. The Santa Ynez Unit consists of three federal OCS platforms (Harmony, Heritage and Hondo). In November 1999, Power Cable C that connects the onshore Santa Ynez Unit Facility in Las Flores Canyon and OCS Platform Heritage failed. The Lessee, now known as the ExxonMobil Corporation, proposes to remove the failed Cable C within state waters. The portion of the failed cable in OCS waters will remain until the end of the Santa Ynez Unit's project life, estimated to occur between 2020 and 2030. Upon the partial removal of the failed cable, the Lessee proposes to install a new power cable (C-1) within the existing right of way. Commission staff, in a working group of federal, state and local regulatory agencies, has participated in an extensively coordinated process with the Lessee since the project was first proposed. Based on this involvement, and the project modifications adopted by the Lessee, Commission staff is recommending that the Commission authorize a lease amendment for the Offshore Power System Repair Project.
3. A joint Mitigated Negative Declaration/Environmental Assessment (MND/EA) was prepared and adopted for this project by the County of Santa Barbara and the federal Minerals Management Service (MMS). The Commission's staff has reviewed such document. A Mitigation Monitoring Program was adopted by the County of Santa Barbara.
4. A Finding of No Significant Impact (FONSI) was prepared in reliance on the MND/EA and adopted for this project by the MMS.
5. The crude oil pipeline associated with Lease PRC 7163.1 is in compliance with the requirements of the Minerals Management Service, which calls for an internal (performed November 12, 2001) and external (performed July 22, 2002) inspection every two years.
6. Lessee maintains a surety bond in the amount of \$1,000,000, and liability insurance in the amount of \$2,000,000.
7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370,

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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.

APPROVALS OBTAINED:

Minerals Management Service; County of Santa Barbara

FURTHER APPROVALS REQUIRED:

U.S. Army Corps of Engineers; California Coastal Commission; State Department of Parks and Recreation; California Regional Water Quality Control Board; California State Lands Commission.

EXHIBITS:

- A. Land Description
- B. Location and Site Map.

PERMIT STREAMLINING ACT DEADLINE:

August 18, 2003

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT A JOINT MITIGATED NEGATIVE DECLARATION/ENVIRONMENTAL ASSESSMENT AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE COUNTY OF SANTA BARBARA AND THAT THE MINERALS MANAGEMENT SERVICE HAS PREPARED AND ADOPTED A FINDING OF NO SIGNIFICANT IMPACT AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM, ON FILE IN THE OFFICES OF THE COMMISSION.

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.

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AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 7163.1, A GENERAL LEASE – RIGHT OF WAY USE, OF LANDS DESCRIBED ON EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE MARCH 1, 2003, TO AUTHORIZE THE REMOVAL OF THE EXISTING FAILED POWER CABLE C FROM STATE WATERS AND THE INSTALLATION OF A NEW POWER CABLE C-1, WITHIN THE EXISTING RIGHT OF WAY, BETWEEN ONSHORE AND OCS PLATFORM HERITAGE; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

EXHIBIT A

PIPELINE RIGHT OF WAY FOR SANTA YNEZ
UNIT PRODUCTION PLATFORMS

LAND DESCRIPTION

PRC 7163.1

A parcel of tide and submerged land lying in the bed of the Santa Barbara Channel, in the vicinity of El Capitan State Beach, County of Santa Barbara, State of California, being more particularly described as follows:

COMMENCING at Station 81 of the mean high tide line of the Pacific Ocean per the survey thereof filed at the request of the State Lands Commission in Book 41 of Miscellaneous Maps at Pages 12 to 50, inclusive, records of said County (California Coordinate System of 1927 Zone 5 Coordinates: X = 1,384,252 and Y = 356,700), from which a California Highway Monument at "42+83.48 E.C." as shown on said surveys bears N 68°34'27" E. 1,220.46 feet (California Coordinate System of 1927 Zone 5 Coordinates of said monument: X = 1,385,388.11 and Y = 357,145.83) and from which another State Highway Monument bears N 45°32'41" W, 376.58 feet; thence S 67°38'17" W, along said mean high tide line 18.30 feet to the TRUE POINT OF BEGINNING; thence the following 15 courses:

1. S 67°38'17" W, along said mean high tide line, 158.43 feet;
2. S 03°34'58" E, leaving said mean high tide line, 2,074.50 feet;
3. S 86°25'02" W, 175.00 feet;
4. S 03°34'58" E, 544.79 feet;
5. S 45°52'32" W, 16,761.05 feet to the beginning of a tangent curve to the right;
6. thence along said curve, having a radius of 8,750.00 feet and a delta of 11°52'54", 1,814.52 feet to the end of said curve;
7. thence tangent to said curve S 57°45'26" W, 5,429.97 feet, more or less, to a point on the offshore boundary of the State of California as determined according to the decree entered by the United States Supreme Court in United States v. California, Original No. 5, on January 31, 1966, 382 US 448;
8. thence along a nontangent curve to the left and said boundary, the radial center of which bears N 15°37'16" E, having a radius of 18,228.31 feet, and a delta of 1°17'05", 408.73 feet;
9. N 57°45'26" E, 5,694.98 feet;
10. S 45°52'32" W, 4,789.31 feet, more or less to point on said boundary of the State of California;
11. thence along a nontangent curve to the left and said boundary, the radial center of which bears N 09°54'08" E, having a radius of 18,228.31 feet, and a delta of 1°10'26", 373.47 feet,

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12. N 45°52'32" E, 22,875.25 feet;
13. N 3°34'58" W, 798.53 feet;
14. S 86°25'02" W, 175.00 feet;
15. N 03°34'58" W, 2,125.50 feet to a point on said mean high tide line and the point of beginning;

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark.

All bearings and distances in this document conform with the California Coordinate System of 1927, Zone 5, the corresponding geodetic distance is obtained by multiplying the grid distance by 1.0000652.

END OF DESCRIPTION

REVIEWED JANUARY 13, 1988, BY STATE LANDS COMMISSION, BOUNDARY INVESTIGATION UNIT 1.

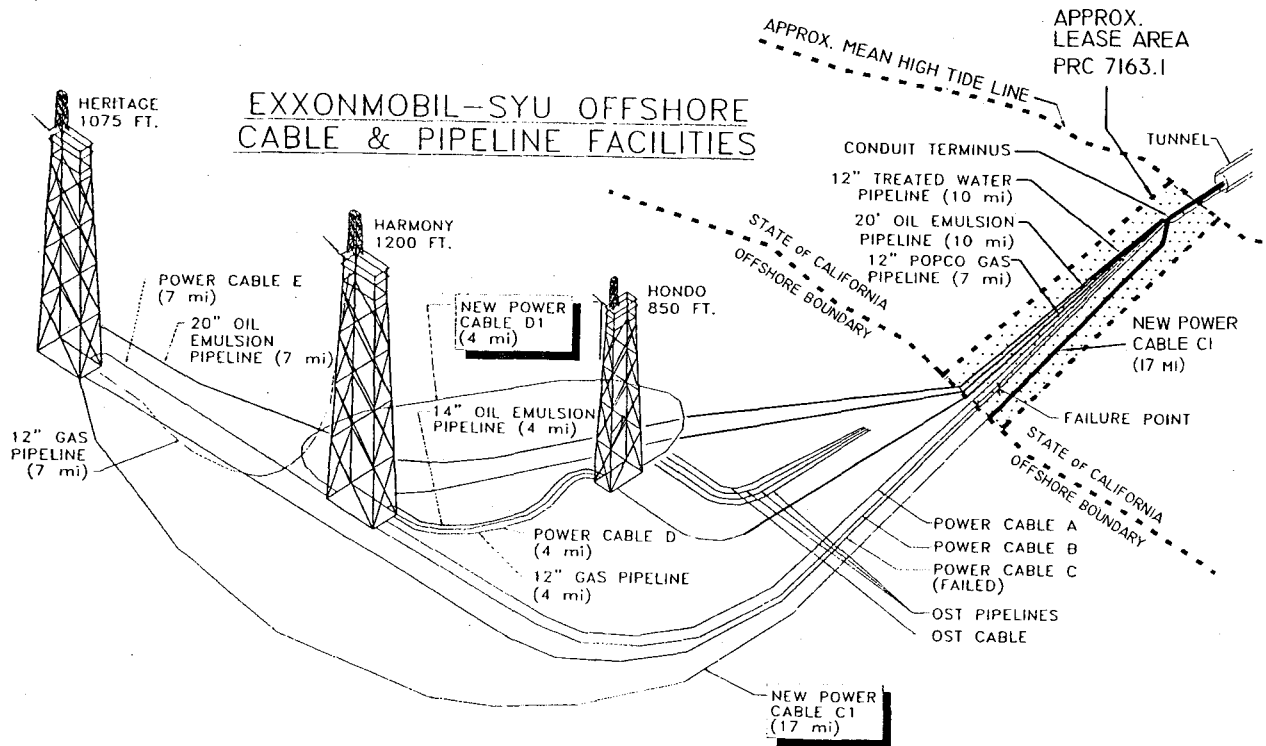
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NO SCALE

SITE MAP



ExxonMobil Corporation
 Offshore of El Capitan State Beach, Santa Barbara County

LOCATION MAP NO SCALE

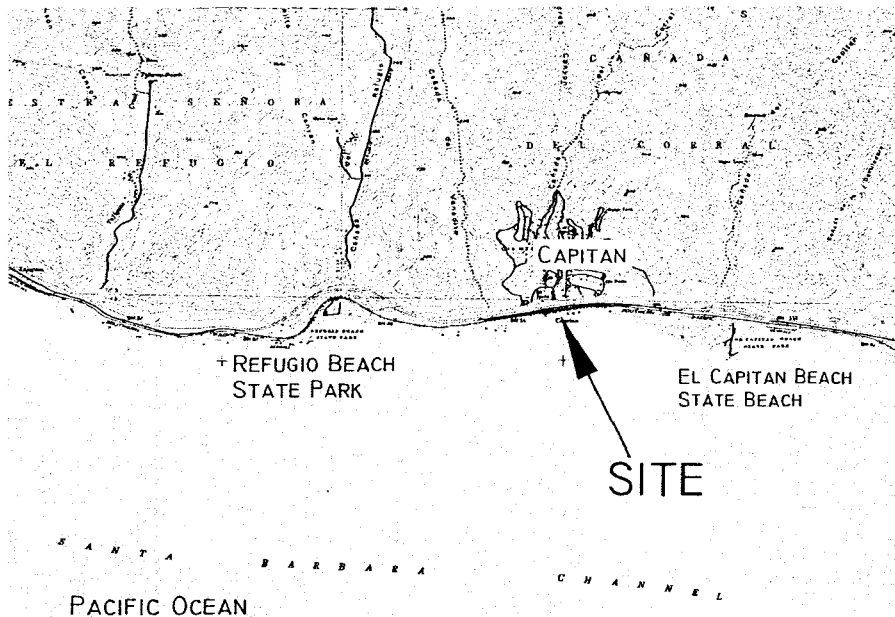


Exhibit B
 WP 7163.1
 Lease Amendment
 ExxonMobil Corp.
 El Capitan State Beach,
 Santa Barbara County



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the 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.