

MINUTE ITEM

This Calendar Item No. C28 was approved as Minute Item No. 28 by the California State Lands Commission by a vote of 3 to 4 at its 2/2/04 meeting.

**CALENDAR ITEM
C28**

A 11

S 7

PRC 7859

02/02/04
WP 7859.1
N. Smith

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Chevron U.S.A., Inc.
4900 California Avenue, Tower B
Bakersfield, California 93309

ASSIGNEE:

ConocoPhillips Company
1232 Park Street, Suite 300
Paso Robles, California 93446

AREA, LAND TYPE, AND LOCATION:

A 352 square foot parcel of sovereign land in Pacheco Slough, near the city of Martinez, Contra Costa County.

AUTHORIZED USE:

Existing 8" pipeline to transport refined petroleum products.

LEASE TERM:

25 years, beginning September 20, 1995.

CONSIDERATION:

\$100 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.

CALENDAR ITEM NO. C28 (CONT'D)

2. On June 30, 2000, Chevron sold to Tosco Corporation the pipeline assets known as The Tosco Richmond Products Pipeline. On September 17, 2001, Tosco Corporation became a wholly owned subsidiary of Phillips Petroleum Company and on December 31, 2002, Phillips Petroleum Company changed its name to ConocoPhillips Company, also on the same day Conoco Inc. was merged into newly renamed ConocoPhillips Company.
3. The assignment document will not release Chevron from its obligations and responsibilities for performance under the covenants and conditions of the lease.
4. The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that rent be continued at \$100 per year effective September 20, 2001.
5. As to the assignment and rent review, 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.

EXHIBIT:

- A. Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

CALENDAR ITEM NO. C28 (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

AS TO THE ASSIGNMENT AND RENT REVIEW FIND THAT THE ACTIVITIES ARE 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 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 7859.1, A GENERAL LEASE - RIGHT OF WAY USE, OF SOVEREIGN LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM CHEVRON U.S.A., INC. TO CONOCOPHILLIPS COMPANY; EFFECTIVE JUNE 30, 2000.

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 7859.1 AT \$100 PER YEAR, EFFECTIVE SEPTEMBER 20, 2001.

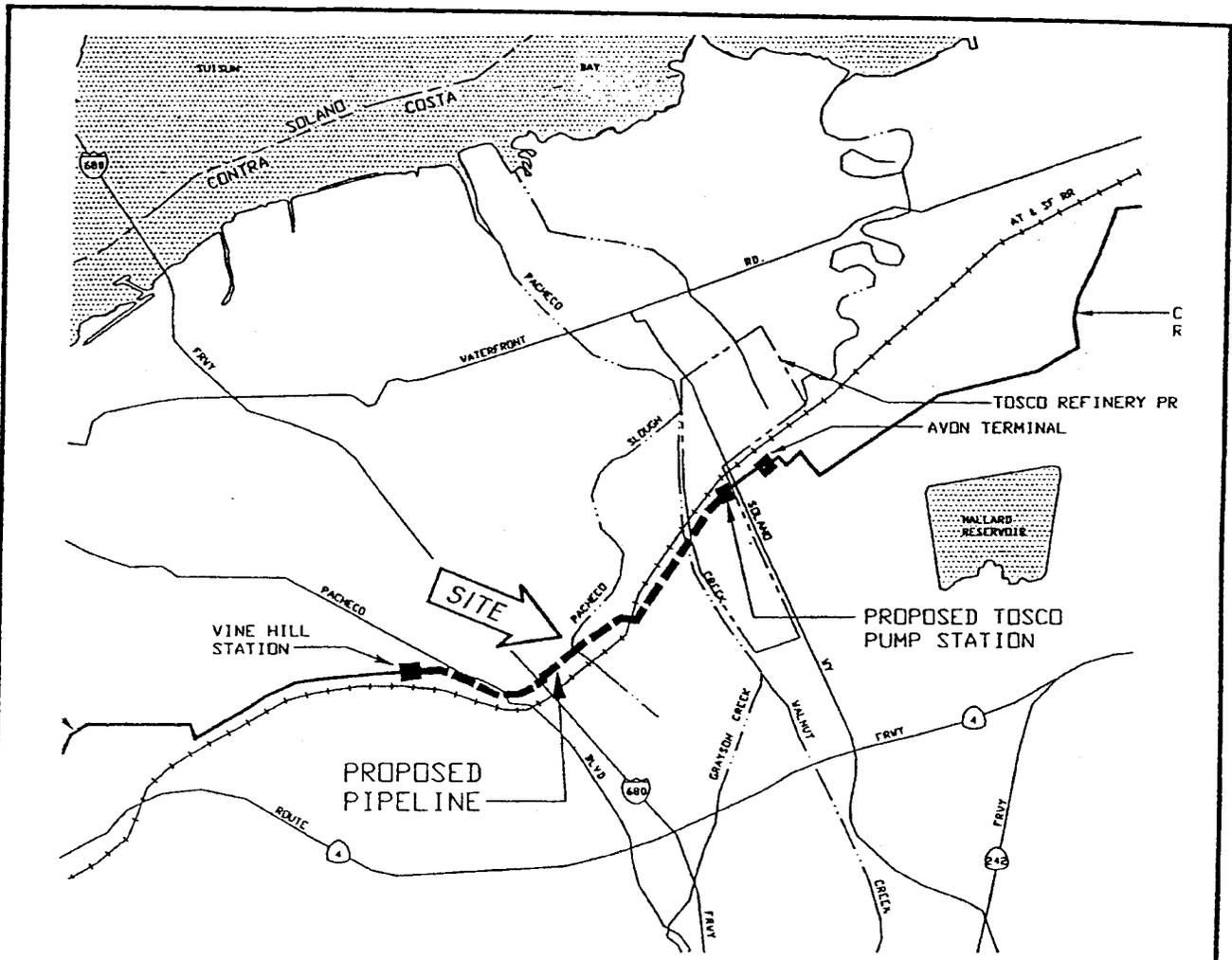


EXHIBIT A
WP 7859
 Chevron Pipeline
 Pacheco Slough
 Contra Costa County



This Exhibit is solely for purpose of generally defining the lease premise, 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.