

**CALENDAR ITEM
C34**

A 67
S 35

10/29/10
PRC 3116.1
A. Scott

AMENDMENT OF LEASE

LESSEE:

Dos Cuadras Offshore Resources (DCOR), LLC
290 Maple Court, Suite 290
Ventura, CA 93003

AREA, LAND TYPE, AND LOCATION:

16.552 acres, more or less, of sovereign lands in San Pedro Bay, Pacific Ocean, near Huntington Beach, Orange County.

AUTHORIZED USE:

Continued operation and maintenance of existing submarine pipelines and power cable.

LEASE TERM:

26 years, beginning March 26, 1983.

CONSIDERATION:

\$137,500 per annum

PROPOSED AMENDMENT:

Extend the lease term to 46 years to expire March 25, 2029 and change the rent from \$137,500 per annum to \$145,800 per annum effective March 26, 2011. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.
2. On December 22, 1983, the Commission authorized the issuance of General Lease-Industrial Use to Union Oil Company of California and Chevron USA, Inc. The Commission approved the assignment of the lease to DCOR, LLC on October 20, 2005. The lease is for existing oil, gas, and water pipelines, and a power cable that serve Platform Eva. The extension of the lease is necessary to support the continued oil and gas

CALENDAR ITEM NO. **C34** (CONT'D)

operations on the associated State mineral lease. (Lease No. PRC 3033.1)

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined this activity is exempt from the requirements of 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., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of 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).

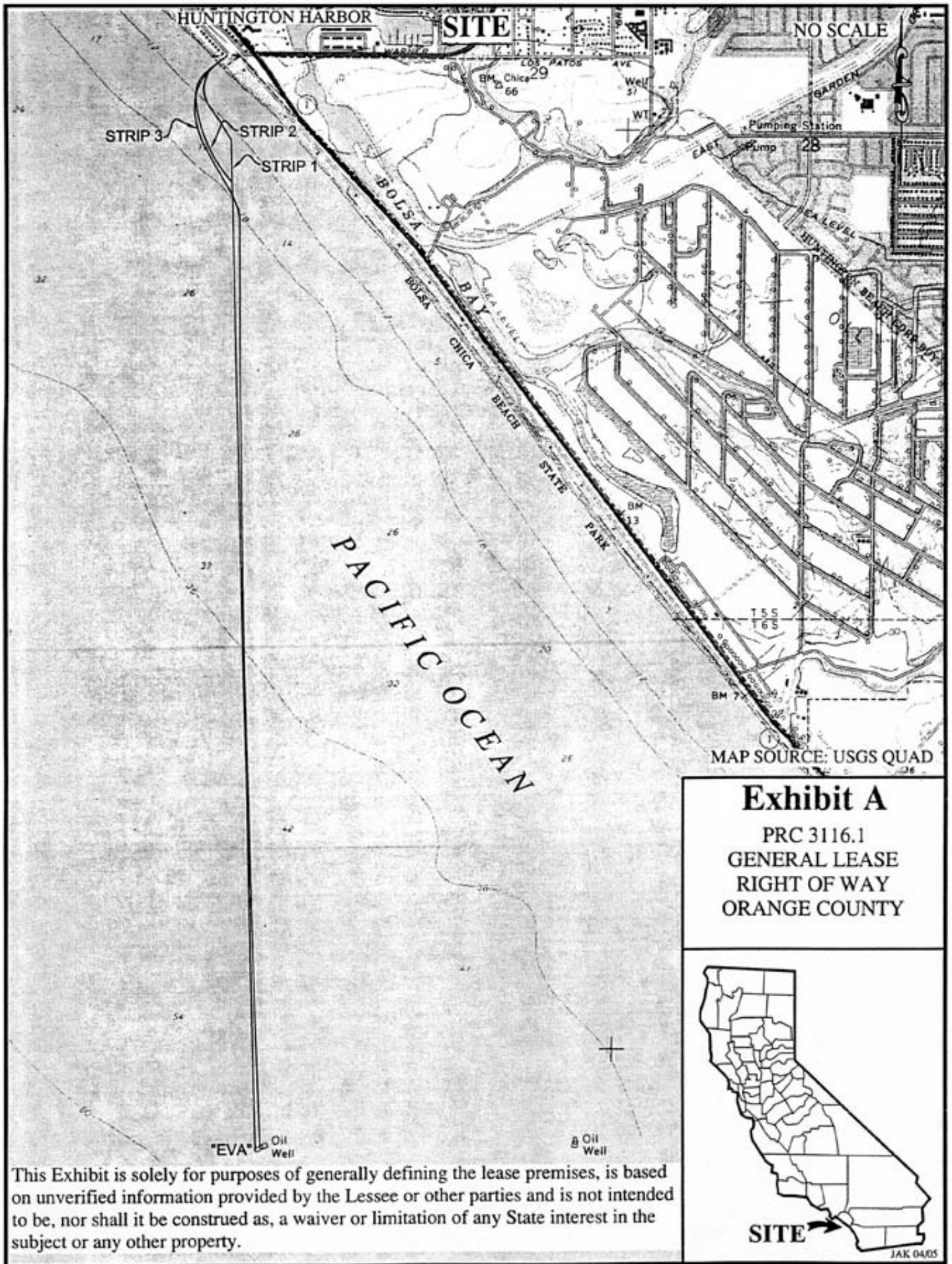
Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

AUTHORIZATION:

Authorize the amendment of lease no. PRC 3116.1, a General Lease-Industrial Use, of lands shown on Exhibit "A" attached and by this reference made a part hereof, effective March 26, 2009, to extend the term of the lease for an additional period ending March 25, 2029, and to

CALENDAR ITEM NO. **C34** (CONT'D)

change the rent to \$145,800 per annum effective March 26, 2011; all other terms and conditions of the lease will remain in effect without amendment.



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.