

**CALENDAR ITEM  
C01**

A 74

07/12/13

G 09-02

S 37

S. Guerrieri

**CONSIDER APPROVAL OF THE PROPOSED RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF NEWPORT BEACH PURSUANT TO PUBLIC RESOURCES CODE  
SECTION 7060 AND 7061, TO ENTER INTO AN OPERATING AGREEMENT FOR  
THE MANAGEMENT OF OIL, GAS AND OTHER HYDROCARBONS IN THE CITY OF  
NEWPORT BEACH, ORANGE COUNTY**

**APPLICANT:**

City of Newport Beach  
3300 Newport Boulevard  
PO Box 1768  
Newport Beach, CA 92658

The City of Newport Beach (City) is a trustee of sovereign tide and submerged lands granted to it by the Legislature pursuant to Chapter 74, Statutes of 1978, as amended (Statutory Grant).

**BACKGROUND:**

Pursuant to the provisions of sections 7060 and 7061 of the Public Resources Code, the City, acting by and through its City Council, has submitted for approval by the State Lands Commission (Commission) a proposed resolution of its intent to enter into an operating agreement with a third party operator for the management of oil, gas, and other hydrocarbons, from tide and submerged lands in the City of Newport Beach, as shown in Exhibit A.

Section 7058.5 of the Public Resources Code provides in pertinent part:

“Before a lease or any operating agreement or other type of agreement for the production of oil, gas, or other hydrocarbons is entered into...the governing body of a city shall in open meeting adopt a resolution declaring its intention to take such action. The resolution shall describe the property involved in such manner as to identify it, specify the minimum rental, royalty, or other consideration, and the term of the lease or agreement, the form of the lease or agreement, and one variable, biddable factor, on which bids will be received, and fix a time not less than 30 days thereafter and place for a public meeting of said governing body, at

CALENDAR ITEM NO. **C01** (CONT'D)

which meeting sealed proposals to lease or contract will be received and considered.”

Section 7060, subdivision (a) of the Public Resources Code provides in pertinent part:

“No such lease or agreement shall be effective unless prior to adopting the resolution provided for by Section 7058.5 the city shall have petitioned the State Lands Commission for approval of the proposed resolution, and the proposed resolution shall have been approved by the State Lands Commission.”

**STAFF ANALYSIS:**

The City’s proposed resolution includes the substantive contents required under section 7058.5 of the Public Resources Code.

- The proposed resolution provides maps and legal descriptions that describe and identify the property.
- The minimum consideration for the operating agreement shall not be less than the net revenue derived from oil operations in Fiscal Year 2012, minus any future costs for improvements, operations or maintenance. This revenue may also be adjusted based upon the dwindling availability of, and fluctuating price of, oil, gas, and other hydrocarbon resources.
- The form of the agreement will be an operating agreement. The City is seeking an operating agreement with a third party to conduct oil field drilling, development and production operations for the City. Through the operating agreement, the City will seek to guarantee its current level of return on production, adjusted for future investment, operating and maintenance costs, and future oil and gas price changes. The third party will also share with the City the return on production generated by the third party’s additional investment to maximize production.
- The maximum lease term is 35 years or as otherwise allowed by law.
- The one biddable factor the City Council will utilize is the ability of the third-party to maximize oil production. Other variables, including, but not limited to, a combination of financial viability of the third-party, prior urban drilling experience and ability to maximize revenue will be used to determine if the bidder is responsible.
- The date, time, and location for the public opening of the bids will be determined if this proposed resolution is approved. The time for the public meeting to consider the proposals will be not less than 30 days after the adoption of the resolution, but has not been set at this time. Staff believes a reasonable approach is for the Executive Officer of the Commission to approve the time and place of the public meeting in the future and before the City adopts the resolution.

CALENDAR ITEM NO. **C01** (CONT'D)

**OTHER PERTINENT INFORMATION:**

The staff recommends that the Commission find that the subject approval of the proposed resolution does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378

**EXHIBITS:**

- A. Location and Site Map
- B. Proposed City Council Resolution

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the subject approval of the proposed resolution is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

Approve the proposed resolution of the City Council of the City of Newport Beach, substantially in the form of the attached Exhibit "B," and by reference made a part hereof, declaring its intent to enter into an operating agreement with a third party operator for the management of oil, gas, and other hydrocarbons from certain legislatively granted tide and submerged lands lying in the City of Newport Beach, Orange County, pursuant to sections 7060 and 7061 of the Public Resources Code.

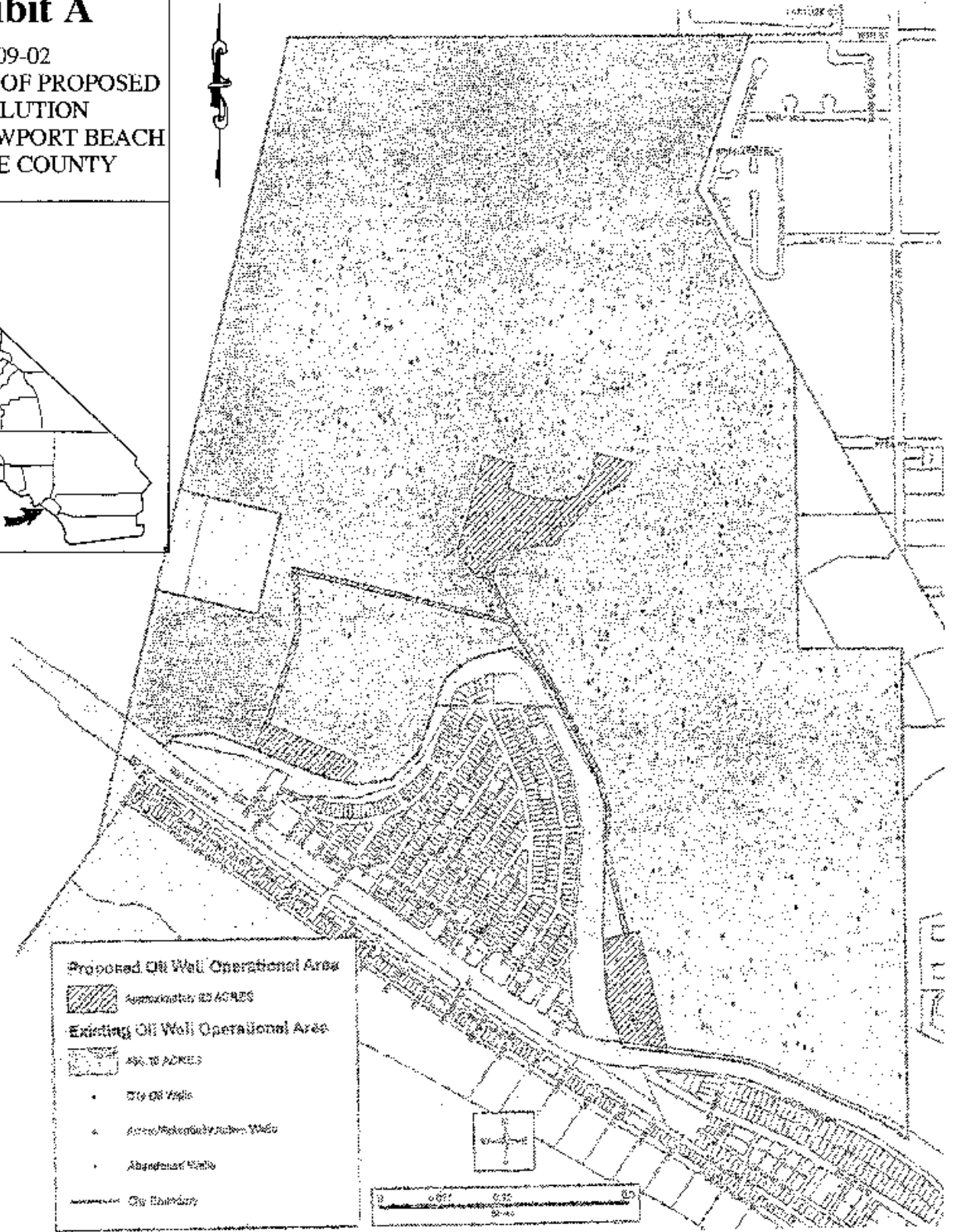
Delegate to the Executive Officer of the Commission the approval of the time and place for the public meeting to consider the proposals prior to the adoption of the resolution.

NO SCALE

# SITE

## Exhibit A

G09-02  
APPROVAL OF PROPOSED  
RESOLUTION  
CITY OF NEWPORT BEACH  
ORANGE 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.

# EXHIBIT B

## RESOLUTION NO. 2013- \_\_

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH DECLARING ITS INTENTION TO ENTER INTO AN OPERATING AGREEMENT FOR THE MANAGEMENT OF THE CITY'S OIL, GAS AND OTHER HYDROCARBON RESOURCES

**WHEREAS**, the City of Newport Beach ("City") manages the tidelands within its boundaries on behalf of the State of California pursuant to the provisions of the Beacon Bay Bill (Chapter 74 of the Statutes of 1978, as amended);

**WHEREAS**, as part of its tidelands management responsibilities and consistent with Charter Section 1401, the City manages oil, gas and other hydrocarbon resources ("Oil Operations");

**WHEREAS**, the income earned from the City's Oil Operations is deposited into the City's tidelands funds as required by the Beacon Bay Bill to finance the improvement, maintenance and operation of the tidelands;

**WHEREAS**, the City desires to seek proposals and enter into an operating agreement with a third-party experienced in the management of Oil Operations to further increase efficiency and income derived from the City's Oil Operations;

**WHEREAS**, prior to entering into an operating agreement with a third-party for the management of the City's Oil Operations, the City is required by California Public Resources Code Section 7058.5 to adopt this resolution declaring its intent to enter into said operating agreement; and

**WHEREAS**, pursuant to California Public Resources Code Section 7060, the State Lands Commission has reviewed and approved this resolution.

**NOW, THEREFORE**, the City Council of the City of Newport Beach resolves as follows:

**Section 1:** The City Council declares its intent to enter into an operating agreement to manage the City's Oil Operations. Pursuant to California Public Resources Code Section 7058.5 the City provides the following information:

- (1) Consistent with Charter Section 1401, exploration, drilling, production or processing of oil, gas or other hydrocarbon substances by vertical, slant or other drilling method will originate from the land surface within the approximately twenty (20) acres of territory depicted and

specifically described in Exhibits "A" and "B", which are attached hereto and incorporated by this reference.

- (2) The minimum consideration for an operating agreement shall not be less than the net revenue derived from Oil Operations in Fiscal Year 2012, minus any future costs for improvements, operations or maintenance. This revenue may also be adjusted based upon the dwindling availability of, and fluctuating price of, oil, gas and other hydrocarbon resources.
- (3) The term of the operating agreement shall not exceed thirty-five (35) years, or as otherwise allowed by law.
- (4) The City is seeking an operating agreement with a third-party to conduct oil field drilling, development and production operations for the City. Through the operating agreement, the City will seek to guarantee its current level of return on production, adjusted for future investment, operating and maintenance costs, and future oil and gas price changes. The third-party will also share with the City the return on production generated by the third-party's additional investment to maximize production.
- (5) The one (1) biddable factor the City Council will utilize is the ability of a third-party to maximize Oil Production. Other variables and factors, including, but not limited to, a combination of financial viability of the third-party, ability to maximize revenue, and prior urban drilling experience will be used to determine if the third-party is qualified.
- (6) The date, time and location for the public opening of the proposals will be determined if this resolution is approved. The proposal opening will not occur earlier than thirty (30) calendar days after this resolution is approved. The City Council may reject any and all proposals.

**Section 2:** Pursuant to California Public Resources Code Section 7058.5, this resolution shall be published once a week for four (4) successive weeks in one (1) or more newspapers.

**Section 3:** The recitals provided in this resolution are true and correct and are hereby incorporated into the substantive portion of this resolution.

**Section 4:** This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Keith D. Curry,  
Mayor

**ATTEST:**

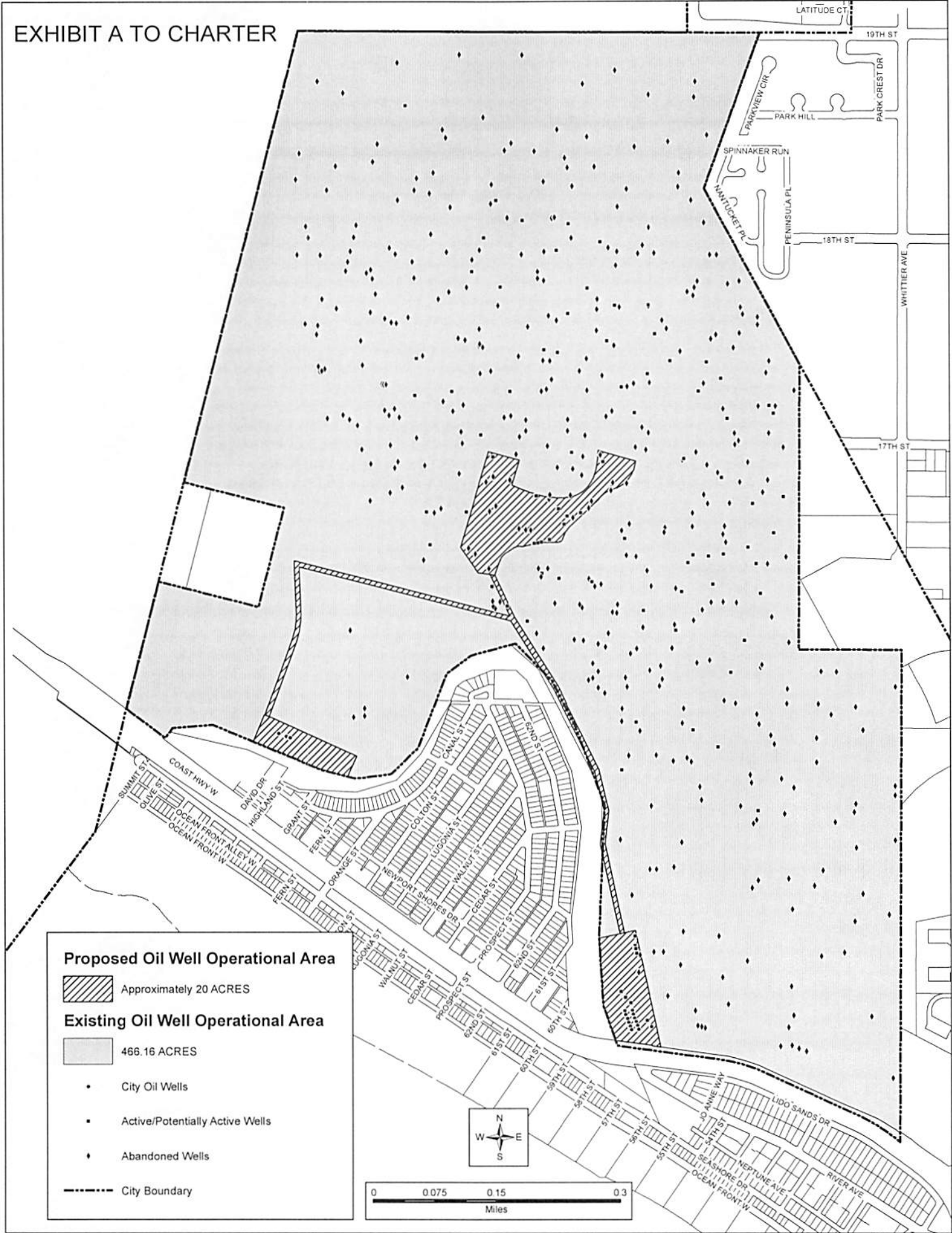
\_\_\_\_\_  
Leilani I. Brown,  
City Clerk

**Attachments: Exhibits "A" and "B"**


**Exhibit "A"**



# EXHIBIT A TO CHARTER




## Proposed Oil Well Operational Area

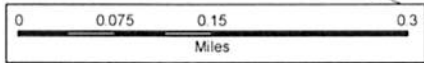
 Approximately 20 ACRES

## Existing Oil Well Operational Area

 466.16 ACRES

- City Oil Wells
- Active/Potentially Active Wells
- Abandoned Wells

 City Boundary



**EXHIBIT A  
LEGAL DESCRIPTION**

ALL THOSE CERTAIN LANDS SITUATED PARTLY IN THE CITY OF NEWPORT BEACH AND PARTLY IN THE UNINCORPORATED TERRITORY OF ORANGE COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**PARCEL 1:**

**BEGINNING AT A POINT IN THAT CERTAIN COURSE IN THE EXISTING NEWPORT BEACH CITY BOUNDARY SHOWN AS "SOUTH 68°22'45" EAST 756.00 FEET" ON A MAP FILED IN BOOK 65, PAGES 31 THROUGH 36 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT THEREON SOUTH 68°22'45" EAST 280.00 FEET FROM THE NORTHWESTERLY TERMINUS THEREOF; THENCE ALONG SAID NEWPORT BEACH CITY BOUNDARY SOUTH 68°22'45" EAST 476.00 FEET TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 76°51'00" EAST 171.96 FEET; THENCE LEAVING SAID BOUNDARY NORTH 23°17'40" EAST 144.41 FEET; THENCE NORTH 66°42'20" WEST 650.57 FEET TO A LINE WHICH BEARS NORTH 21°37'15" EAST FROM THE POINT OF BEGINNING; THENCE SOUTH 21°37'15" WEST 188.68 FEET TO THE POINT OF BEGINNING.**

CONTAINING 113,953 SQUARE FEET OR 2.616 ACRES MORE OR LESS.

AS SHOWN ON EXHIBIT B-PARCEL 1 ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**PARCEL 2:**

**BEGINNING AT THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE EXISTING NEWPORT BEACH CITY BOUNDARY SHOWN AS "SOUTH 4°31'33" EAST 439.65 FEET" ON SAID RECORD OF SURVEY, SAID POINT ALSO BEING ON THE NORTHWESTERLY LINE OF PARCEL "A" AS DESCRIBED IN QUITCLAIM DEED TO THE CITY OF NEWPORT BEACH, RECORDED APRIL 12, 1983 AS INSTRUMENT NO. 83-151675**

**EXHIBIT A  
LEGAL DESCRIPTION**

OF OFFICIAL RECORDS OF ORANGE COUNTY;  
THENCE ALONG SAID CITY BOUNDARY SOUTH 4°31'33" EAST 439.65 FEET AND  
SOUTH 20°11'42" EAST 233.33 FEET TO A POINT IN THE NORTHERLY LINE OF  
PARCEL 73170-1 IN THAT CERTAIN FINAL DECREE OF CONDEMNATION, SUPERIOR  
COURT CASE NO. 667539, A CERTIFIED COPY OF WHICH WAS RECORDED  
JANUARY 14, 1994 AS INSTRUMENT NO. 94-0032786 OF OFFICIAL RECORDS OF  
ORANGE COUNTY; THENCE ALONG SAID NORTHERLY LINE SOUTH 83°25'55" EAST  
241.16 FEET, SOUTH 6°42'45" WEST 5.00 FEET AND SOUTH 83°17'15" EAST 54.65 FEET  
TO THE INTERSECTION WITH THE NORTHEASTERLY LINE OF SAID PARCEL "A";  
THENCE ALONG SAID NORTHEASTERLY LINE AND ITS NORTHWESTERLY  
PROLONGATION NORTH 12°59'57" WEST 770.26 FEET TO ITS INTERSECTION WITH  
WITH THE NORTHEASTERLY PROLONGATION OF SAID NORTHWESTERLY LINE OF  
PARCEL "A";  
THENCE ALONG SAID PROLONGATION AND NORTHWESTERLY LINE  
SOUTH 77°00'03" WEST 241.44 FEET TO THE POINT OF BEGINNING.

CONTAINING 200,487 SQUARE FEET OR 4.603 ACRES MORE OR LESS.

AS SHOWN ON EXHIBIT B-PARCEL 2 ATTACHED HERETO AND BY THIS REFERENCE  
MADE A PART HEREOF.

**PARCEL 3:**

COMMENCING AT THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN  
THE CENTERLINE OF A 30.00 FOOT EASEMENT FOR SEWER AND ROAD PURPOSES PER  
SUPERIOR COURT CASE NO. 24763 SHOWN AS "NORTH 76°32'23" WEST 1596.18 FEET"  
ON SAID RECORD OF SURVEY;  
THENCE NORTH 28°40'56" WEST 325.82 FEET TO THE POINT OF BEGINNING;  
THENCE SOUTH 82°37'16" EAST 43.30 FEET TO A POINT ON A NON-TANGENT CURVE  
CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 231.91 FEET, A RADIAL LINE TO

**EXHIBIT A  
LEGAL DESCRIPTION**

SAID POINT BEARS NORTH 76°16'11" WEST;  
THENCE NORTHEASTERLY ALONG SAID CURVE 118.37 FEET, THROUGH A CENTRAL ANGLE OF 29°14'39" TO A POINT OF NON-TANGENCY WITH A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 194.00 FEET, A RADIAL LINE FROM THE CENTER OF SAID 194.00 FOOT RADIUS CURVE BEARS NORTH 48°19'12" WEST;  
THENCE NORTHEASTERLY ALONG SAID CURVE 53.36 FEET, THROUGH A CENTRAL ANGLE OF 15°45'35" TO A POINT OF REVERSE CURVE, HAVING A RADIUS OF 258.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 32°33'37" EAST;  
THENCE NORTHEASTERLY 36.46 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°05'52" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 40.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 40°39'29" WEST;  
THENCE EASTERLY 36.09 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°41'45" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 73.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 11°02'16" WEST;  
THENCE EASTERLY 39.00 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30°36'35" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 432.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 19°34'19" WEST;  
THENCE EASTERLY 161.89 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21°28'18" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 245.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 01°53'59" WEST;  
THENCE EASTERLY 52.80 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°20'51" TO THE BEGINNING OF A COMPOUND CURVE, HAVING A RADIUS OF 54.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 10°26'52" EAST;  
THENCE NORTHEASTERLY 60.21 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 63°53'17" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 74°20'09" WEST;  
THENCE NORTHEASTERLY 89.85 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30°16'57";  
THENCE NORTH 45°56'48" EAST 203.87 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 740.00 FEET;

**EXHIBIT A  
LEGAL DESCRIPTION**

THENCE NORTHEASTERLY 70.14 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°25'51" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 86.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 49°29'03" WEST;  
THENCE NORTHEASTERLY 39.86 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°33'32";  
THENCE NORTH 67°04'29" EAST 61.05 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 211.00 FEET;  
THENCE NORTHEASTERLY 191.51 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 52°00'11";  
THENCE NORTH 15°04'18" EAST 50.45 FEET;  
THENCE NORTH 75°09'09" WEST 274.42 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 475.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 87°35'07" EAST;  
THENCE SOUTHERLY 159.68 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 19°15'41" TO THE BEGINNING OF A COMPOUND CURVE, HAVING A RADIUS OF 211.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 73°09'12" EAST;  
THENCE SOUTHWESTERLY 261.71 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71°03'58" TO THE BEGINNING OF A COMPOUND CURVE, HAVING A RADIUS OF 615.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 02°05'14" EAST;  
THENCE WESTERLY 258.77 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°06'29";  
THENCE NORTH 67°58'45" WEST 85.44 FEET;  
THENCE NORTH 14°50'32" EAST 165.94 FEET;  
THENCE NORTH 75°09'09" WEST 204.52 FEET;  
THENCE SOUTH 15°18'26" WEST 640.52 FEET;  
THENCE SOUTH 34°59'06" EAST 199.12 FEET;  
THENCE SOUTH 82°37'16" EAST 65.32 FEET TO THE POINT OF BEGINNING.

CONTAINING 400,572 SQUARE FEET OR 9.196 ACRES MORE OR LESS.

AS SHOWN ON EXHIBIT B-PARCEL 3 ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**EXHIBIT A  
LEGAL DESCRIPTION**

**PARCEL 4:**

**STRIP 1:**

A STRIP OF LAND 30.00 FEET IN WIDTH, THE CENTERLINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

**BEGINNING AT A POINT IN THAT CERTAIN COURSE IN THE CENTERLINE OF A 30.00 FOOT EASEMENT FOR SEWER AND ROAD PURPOSES PER SUPERIOR COURT CASE NO. 24769 SHOWN AS "NORTH 76°32'23" WEST, 1596.18 FEET" ON SAID RECORD OF SURVEY, DISTANT THEREON SOUTH 76°32'23" EAST 148.00 FEET FROM THE NORTHWESTERLY TERMINUS THEREOF;**

**THENCE ALONG SAID CENTERLINE SOUTH 76°32'23" EAST 20.16 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A";**

**THENCE CONTINUING ALONG SAID CENTERLINE THE FOLLOWING COURSES:**

**SOUTH 76°32'23" EAST 1428.02 FEET,**

**SOUTH 32°55'45" EAST 521.40 FEET,**

**SOUTH 27°15'15" EAST 595.00 FEET,**

**SOUTH 14°36'45" EAST 264.00 FEET,**

**SOUTH 5°33'45" WEST 217.00 FEET AND**

**SOUTH 12° 59' 57" EAST 585.03 FEET TO THE NORTHWESTERLY LINE OF THE  
HEREINABOVE DESCRIBED PARCEL 2.**

**THE SIDELINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED TO  
TERMINATE SOUTHERLY ON SAID NORTHWESTERLY LINE OF PARCEL 2.**

**CONTAINING 108,918 SQUARE FEET OR 2.500 ACRES MORE OR LESS.**

**EXHIBIT A  
LEGAL DESCRIPTION**

**STRIP 2:**

A STRIP OF LAND 30.00 FEET IN WIDTH, THE CENTERLINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

**BEGINNING AT HEREINBEFORE MENTIONED POINT "A";**  
THENCE SOUTH 03° 18' 27" EAST 303.61 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 515.00 FEET;  
THENCE SOUTHERLY ALONG SAID CURVE 202.03 FEET THROUGH A CENTRAL ANGLE OF 22° 28' 37";  
THENCE SOUTH 19° 10' 10" WEST 507.25 FEET TO THE NORTHEASTERLY LINE OF HEREINBEFORE DESCRIBED PARCEL 1.

THE SIDELINES OF SAID STRIP OF LAND SHALL BE LENGTHENED OR SHORTENED TO TERMINATE NORTHERLY IN THE SOUTHWESTERLY LINE OF SAID 30.00 FOOT EASEMENT FOR SEWER, AND SOUTHERLY IN THE NORTHEASTERLY LINE OF SAID PARCEL 1.

CONTAINING 29,917 SQUARE FEET OR 0.687 ACRES, MORE OR LESS.

AS SHOWN ON EXHIBIT B-PARCEL 4 ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**PARCEL 5:**

**STRIP 1:**

A STRIP OF LAND 20.00 FEET IN WIDTH, THE SOUTHWESTERLY LINE OF SAID STRIP LYING 15.00 FEET NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

**BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF PARCEL "A" AS DESCRIBED IN QUITCLAIM DEED TO THE CITY OF NEWPORT BEACH RECORDED APRIL 12, 1983 AS INSTRUMENT NO. 83-151675, OF OFFICIAL RECORDS OF ORANGE COUNTY, WITH THE CENTERLINE OF A 30.00 FOOT EASEMENT FOR SEWER AND ROAD**

**EXHIBIT A  
LEGAL DESCRIPTION**

PURPOSES PER SUPERIOR COURT CASE NO. 24763 AS SHOWN ON SAID RECORD OF SURVEY;

THENCE ALONG SAID CENTERLINE THE FOLLOWING COURSES:

NORTH 12°59'57" WEST 585.03 FEET,  
NORTH 5°33'45" EAST 217.00 FEET,  
NORTH 14°36'45" WEST 264.00 FEET,  
NORTH 27°15'15" WEST 595.00 FEET AND  
NORTH 32°55'45" WEST 521.40 FEET TO A POINT HEREINAFTER REFERRED TO AS  
**POINT "B"**.

THE SIDELINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED TO TERMINATE SOUTHERLY IN THE NORTHWESTERLY LINE AND THE NORTHEASTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF SAID PARCEL "A" AND NORTHERLY IN A LINE HAVING A BEARING OF NORTH 57°04'15" EAST AND PASSING THROUGH SAID **POINT "B"**.

CONTAINING 43,823 SQUARE FEET OR 1.006 ACRES MORE OR LESS.

**STRIP 2:**

A STRIP OF LAND 30.00 FEET IN WIDTH, THE SOUTHWESTERLY LINE OF SAID STRIP LYING 5.00 FEET NORTHEASTERLY FROM THE FOLLOWING DESCRIBED LINE:

**BEGINNING AT** HEREINBEFORE MENTIONED **POINT "B"**;  
THENCE NORTH 28°40'56" WEST 325.82 FEET TO A POINT HEREINAFTER REFERRED TO AS **POINT "C"**.

THE SIDE LINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED TO TERMINATE NORTHWESTERLY IN A LINE HAVING A BEARING OF SOUTH 82°37'16" EAST AND PASSING THROUGH SAID **POINT "C"**, AND SOUTHEASTERLY IN A LINE HAVING A BEARING OF NORTH 57°04'15" EAST AND



**EXHIBIT A  
LEGAL DESCRIPTION**

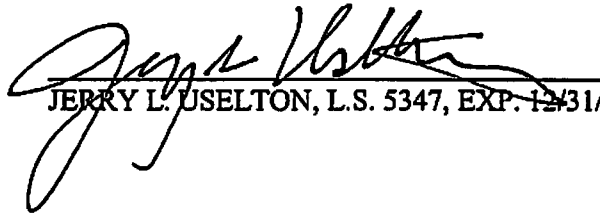
PASSING THROUGH SAID POINT "B".

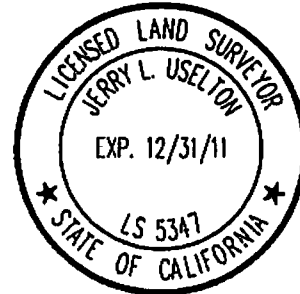
EXCEPT THEREFROM THAT PORTION LYING WITHIN PARCEL 4, STRIP 1 AS  
DESCRIBED ABOVE.

CONTAINING 9,190 SQUARE FEET OR 0.211 ACRES MORE OR LESS.

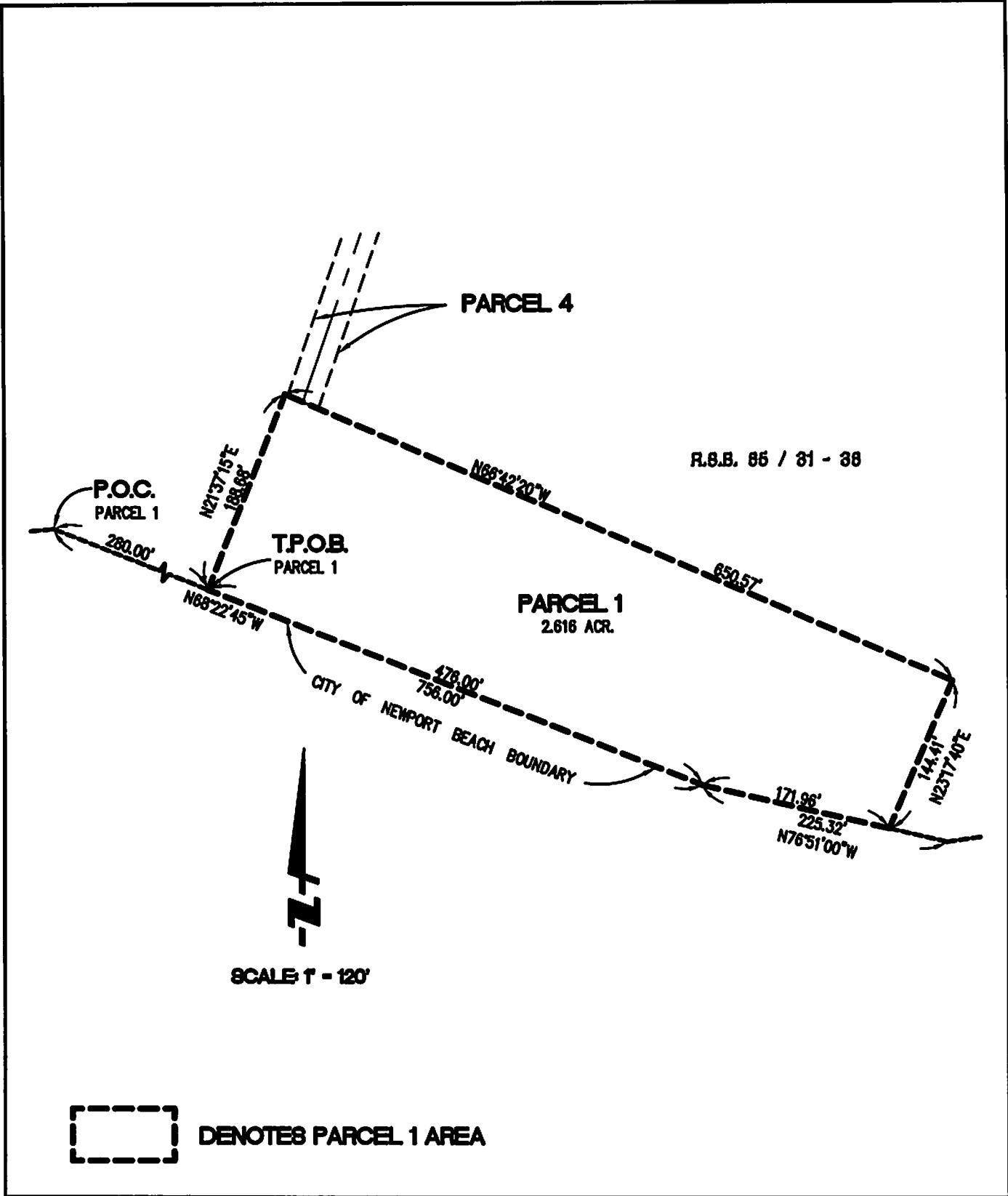
AS SHOWN ON EXHIBIT B-PARCEL 5 ATTACHED HERETO AND BY THIS REFERENCE  
MADE A PART HEREOF.

DATED THIS 6<sup>th</sup> DAY OF July, 2010.

  
JERRY L. USELTON, L.S. 5347, EXP. 12/31/11



**Exhibit "B"**

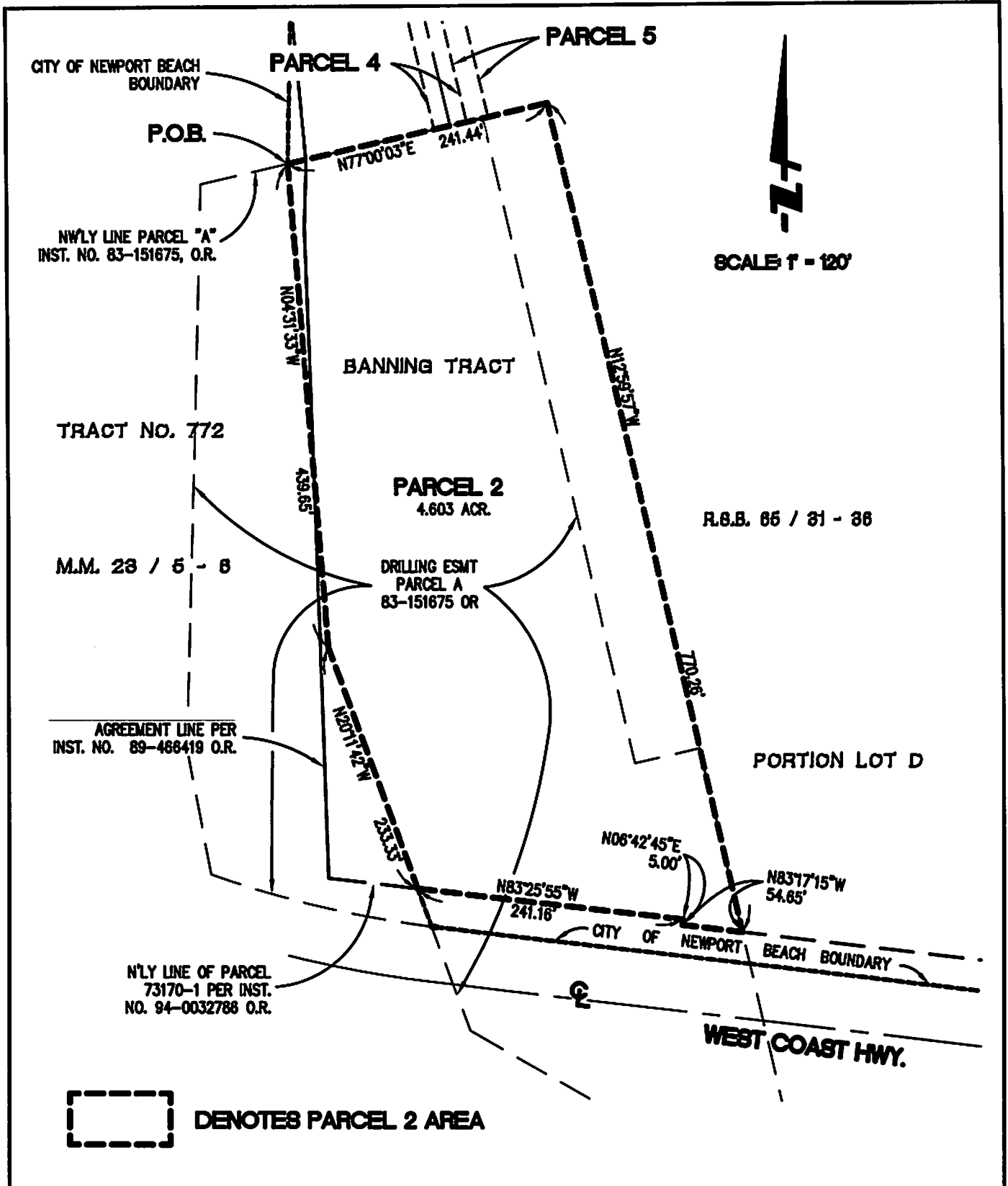


**FUSCOE**  
ENGINEERING

16795 Van Karman, Suite 100, Irvine, California 92606  
tel 949.474.1960 • fax 949.474.5315 • www.fuscoe.com

**EXHIBIT B-PARCEL 1**  
**OIL WELL OPERATIONAL AREA**  
**CITY OF NEWPORT BEACH &**  
**UNINCORPORATED TERRITORY OF ORANGE COUNTY,**  
**CALIFORNIA**

**DATE: 07/01/10**  
**SCALE: 1"=120'**  
**JN: 821.0102**  
**1 OF 5**



**FUSCOE**  
ENGINEERING

14795 Von Karman, Suite 100, Irvine, California 92606  
tel 949.474.1960 • fax 949.474.5315 • www.fuscoe.com

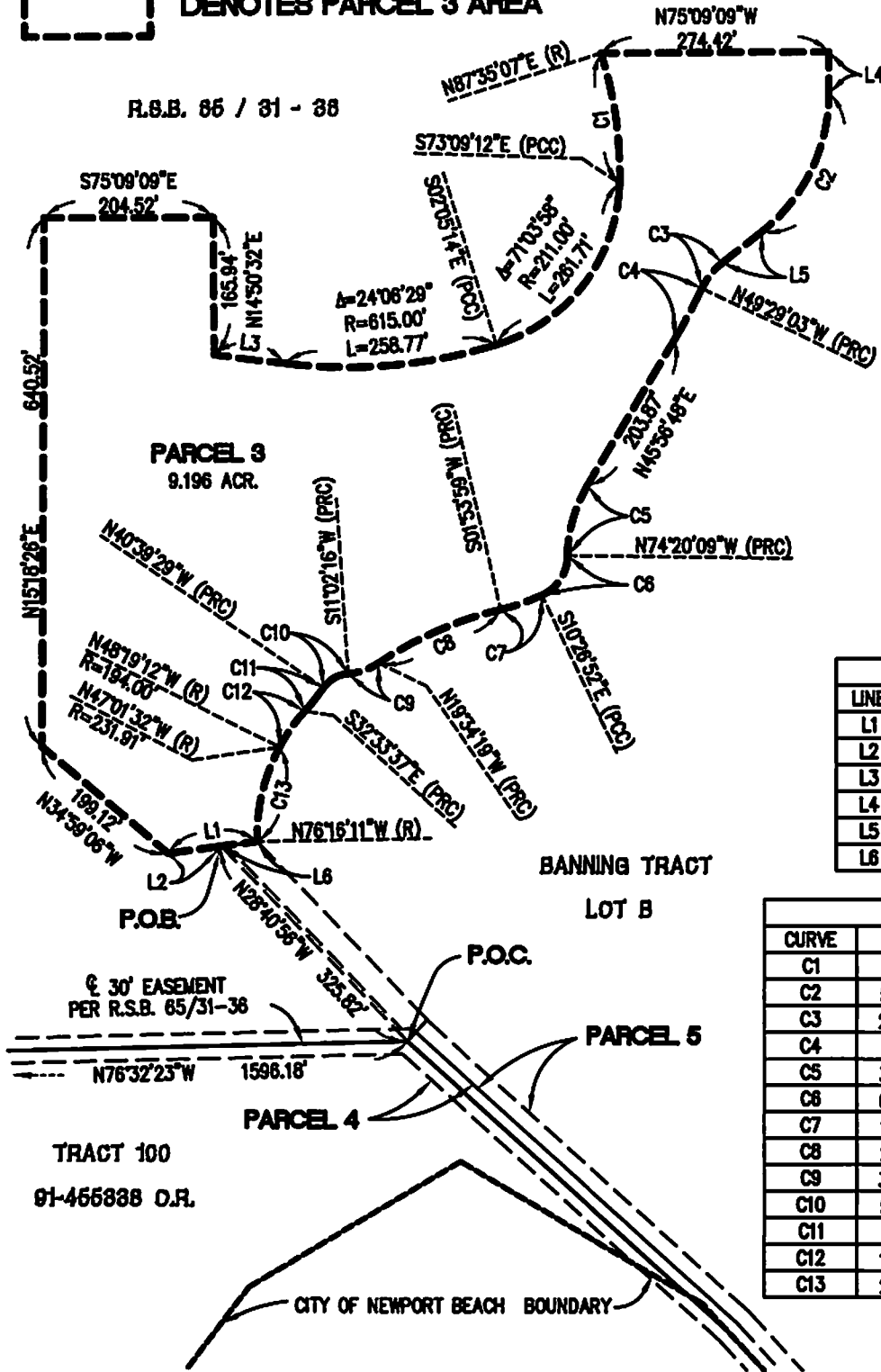
**EXHIBIT B-PARCEL 2**  
**OIL WELL OPERATIONAL AREA**  
**CITY OF NEWPORT BEACH &**  
**UNINCORPORATED TERRITORY OF ORANGE COUNTY,**  
**CALIFORNIA**

**DATE: 07/01/10**  
**SCALE: 1"=120'**  
**JN: 821.0102**  
**2 OF 5**



DENOTES PARCEL 3 AREA

R.S.B. 86 / 31 - 38



SCALE: 1"=200'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N82°37'18"W	108.62'
L2	N82°37'18"W	85.32'
L3	N67°58'45"W	85.44'
L4	N15°04'18"E	50.45'
L5	N67°04'29"E	61.05'
L6	N82°37'18"W	43.30'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	19°15'41"	475.00'	159.88'
C2	52°00'11"	211.00'	191.51'
C3	26°33'32"	86.00'	39.88'
C4	5°25'51"	740.00'	70.14'
C5	30°16'57"	170.00'	89.85'
C6	63°53'17"	54.00'	60.21'
C7	12°20'51"	245.00'	52.80'
C8	21°28'18"	432.00'	161.89'
C9	30°36'35"	73.00'	39.00'
C10	51°41'45"	40.00'	36.09'
C11	8°05'52"	258.00'	36.46'
C12	15°45'35"	194.00'	53.36'
C13	29°14'39"	231.91'	118.37'

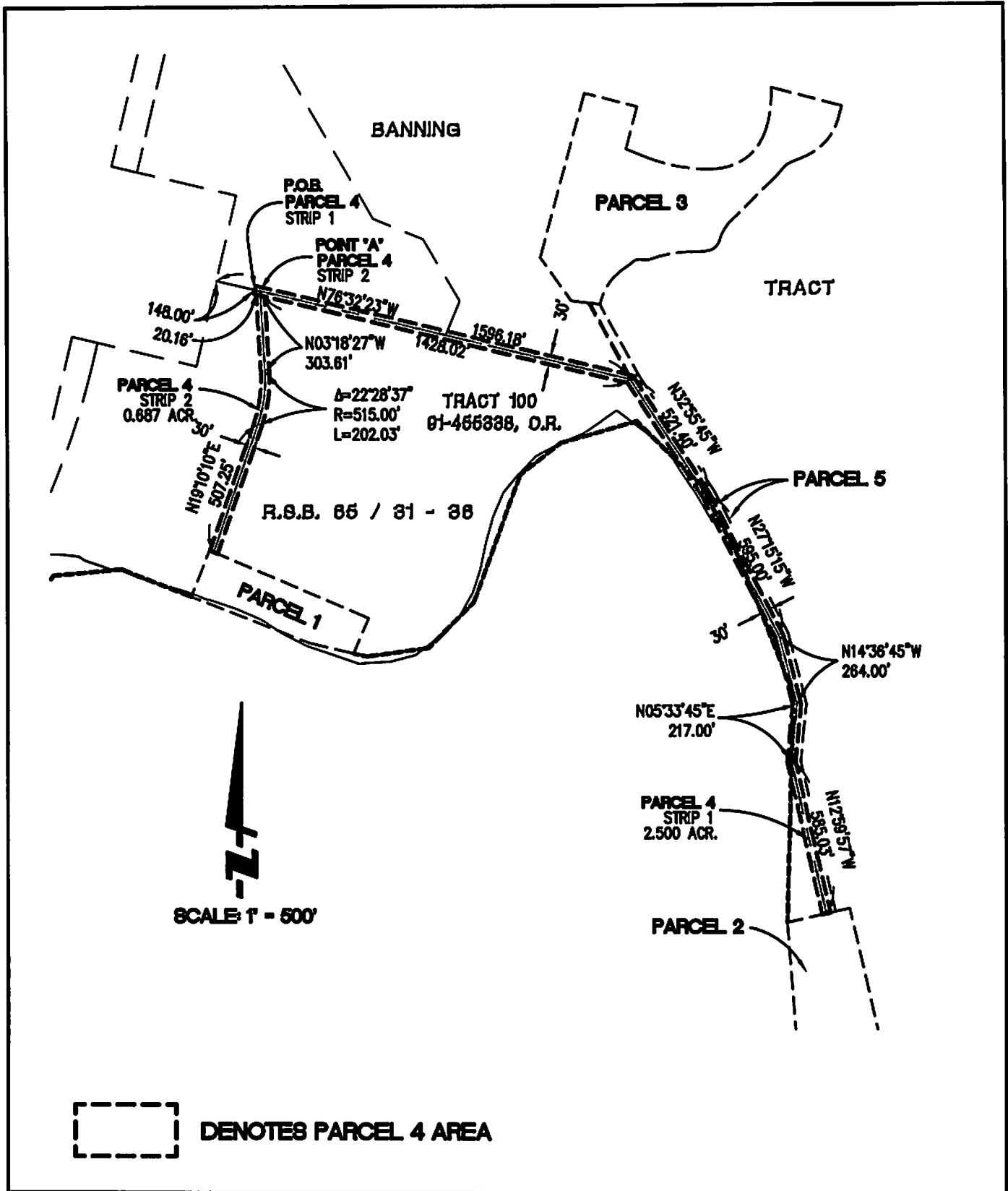


14795 Von Karman, Suite 100, Irvine, California 92606  
tel 949.474.1960 • fax 949.474.5315 • www.fuscoe.com

**EXHIBIT B-PARCEL 3**  
**OIL WELL OPERATIONAL AREA**  
CITY OF NEWPORT BEACH &  
UNINCORPORATED TERRITORY OF ORANGE COUNTY,  
CALIFORNIA

DATE: 07/01/10  
SCALE: 1"=200'  
JN: 821.0102

**3 OF 5**

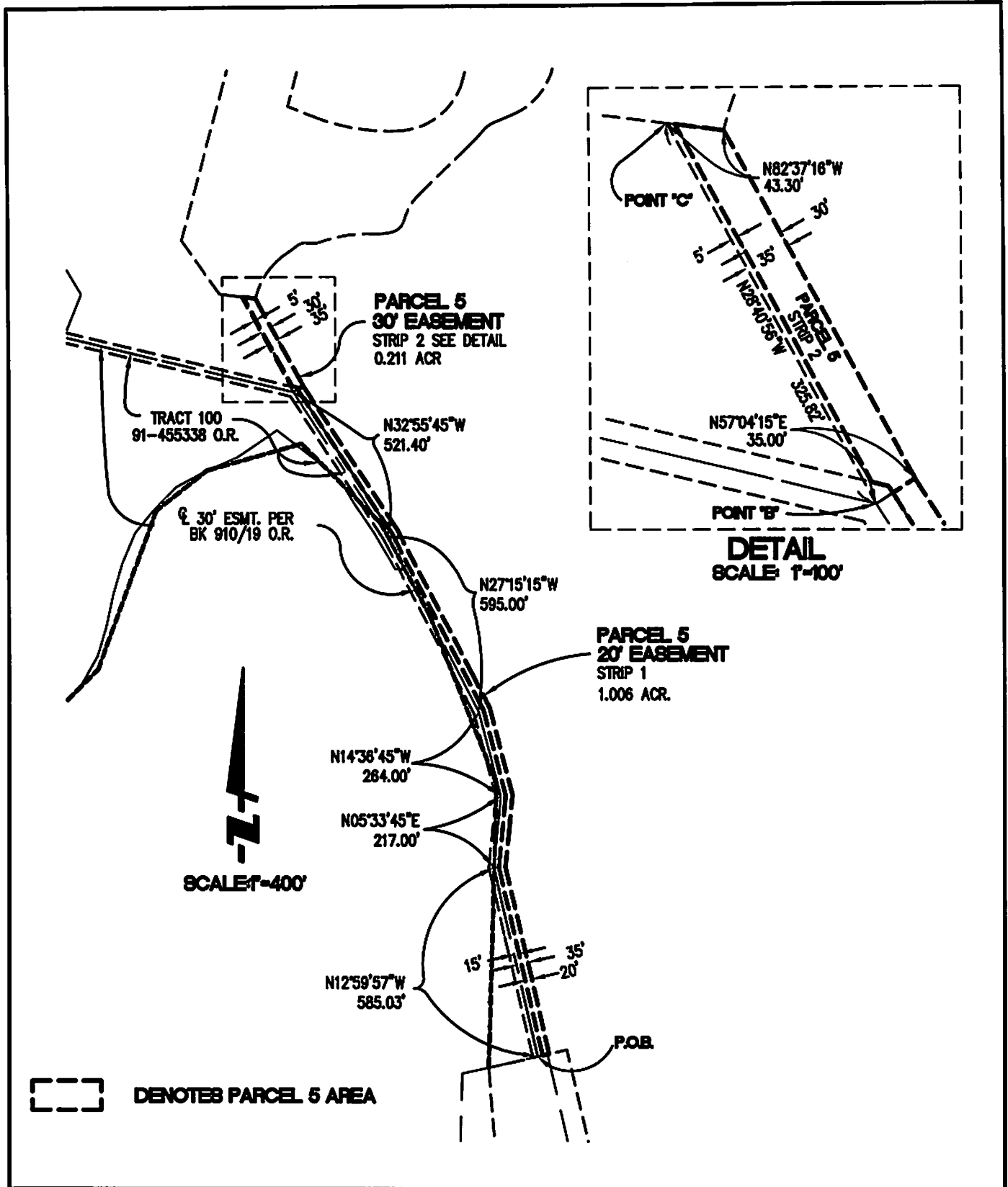


**FUSCOE**  
ENGINEERING

16795 Von Karman, Suite 100, Irvine, California 92606  
tel 949.474.1960 • fax 949.474.5315 • www.fuscoe.com

**EXHIBIT B-PARCEL 4**  
**OIL WELL OPERATIONAL AREA**  
**CITY OF NEWPORT BEACH &**  
**UNINCORPORATED TERRITORY OF ORANGE COUNTY,**  
**CALIFORNIA**

**DATE: 07/01/10**  
**SCALE: 1"=120'**  
**JN: 821.0102**  
**4 OF 5**



**FUSCOE**  
ENGINEERING

16795 Von Karman, Suite 100, Irvine, California 92606  
tel 949.474.1940 • fax 949.474.5315 • www.fuscoe.com

**EXHIBIT B-PARCEL 5**  
**OIL WELL OPERATIONAL AREA**  
 CITY OF NEWPORT BEACH &  
 UNINCORPORATED TERRITORY OF ORANGE,  
 CALIFORNIA

DATE: 07/01/10  
 SCALE: 1"=400'  
 JN: 821.0102  
**5 OF 5**