

**CALENDAR ITEM
C94**

A 35
S 18

09/20/13
PRC 3914.1
D. Oetzel

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Signal Hill Service, Inc.
205 E. Carrillo Street, Ste. 200
Santa Barbara, CA 93101

AREA, LAND TYPE, AND LOCATION:

13.1 acres, more or less, of sovereign lands in the Santa Barbara Channel, near Rincon Point, Santa Barbara and Ventura counties.

AUTHORIZED USE:

The use and maintenance of four pipelines from federal Platform Hogan to an onshore point: one 4-inch water pipeline, two 10-inch oil pipelines, one 12-inch gas pipeline; and one 8-inch non-operational outfall pipeline from shore.

LEASE TERM:

10 years, beginning March 1, 2013.

CONSIDERATION:

\$57,575 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISION:

Insurance: Liability insurance in an amount no less than \$1,000,000 per occurrence; the State may, at any time, require an increase in the amount of liability insurance to reflect economic inflation and to cover any additionally authorized improvements or alterations.

Bond: Surety Bond or other security no less than \$50,000.

OTHER PERTINENT INFORMATION:

1. On February 29, 1968, the Commission authorized a submarine right-of-way lease to Phillips Petroleum Company for four pipelines and one outfall pipeline for a period of 15 years, with three renewal periods of 10 years

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each. On January 27, 1983, the Commission authorized the renewal and amendment of the pipeline right-of-way lease for a period of 15 years, commencing March 1, 1983, with three renewal periods of 10 years each. On February 12, 1997, the Commission authorized the assignment of the lease to Signal Hill Service, Inc., and the commencement of a 20-year lease beginning March 1, 1993. That lease expired on February 28, 2013. The Applicant is applying for a new 10-year lease.

2. Not including the outfall line, the pipelines extend from shore to offshore Platform Hogan in federal waters. The outfall pipeline extends approximately 500 feet from the shoreline. Only a portion of the four pipelines (excluding the outfall) are on ungranted sovereign land in the Pacific Ocean. The remaining portion of the route of the pipelines to Platform Hogan extend onto lands granted to the County of Santa Barbara pursuant to Chapter 846, Statutes of 1931, minerals reserved, and lands granted to the city of Carpinteria pursuant to Chapter 1044, Statutes of 1968, and as amended, minerals reserved. The lease application is for those portions of the pipelines that are located within ungranted sovereign land within the Pacific Ocean.
3. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 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 the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

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APPROVALS OBTAINED:

Ventura County Air Pollution Control District
Santa Barbara County Air Pollution Control District
U.S. Environmental Protection Agency National Pollutant Discharge Elimination
System Compliance Monitoring
Ventura County Conditional Use Permit

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

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 section 6370 et seq.

AUTHORIZATION:

Authorize the issuance of a General Lease – Right-of-Way Use to Signal Hill Service, Inc., for a term of 10 years, beginning March 1, 2013, for the use and maintenance of four pipelines from Platform Hogan to an onshore point: one 4-inch water pipeline, two 10-inch oil pipelines, one 12-inch gas pipeline; and one 8-inch non-operational outfall pipeline from shore, as described on Exhibit A attached and by this reference made a part hereof, and as shown on Exhibit B (for reference purposes only); annual rent of \$57,575 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease, and liability insurance of no less than \$1,000,000 per occurrence. Such permitted activity is contingent upon the Applicant's compliance with applicable permits, recommendations, or limitations issued by federal, State, and local governments.

EXHIBIT A

PRC 3914.1

LAND DESCRIPTION

A strip of tide and submerged land fifty (50) feet wide, lying in the Pacific Ocean, Counties of Ventura and Santa Barbara, State of California, the centerline of which is described as follows:

BEGINNING at a point having CCS27, Zone 5 coordinates of East (X) = 1,516,525 feet and North (Y) = 319,420 feet; thence S 54°30'00" W 14,010 feet to the easterly boundary of the lands granted in trust to the County of Santa Barbara pursuant to Chapter 846, California Statutes of 1931, and the terminus of said centerline.

EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the Pacific Ocean.

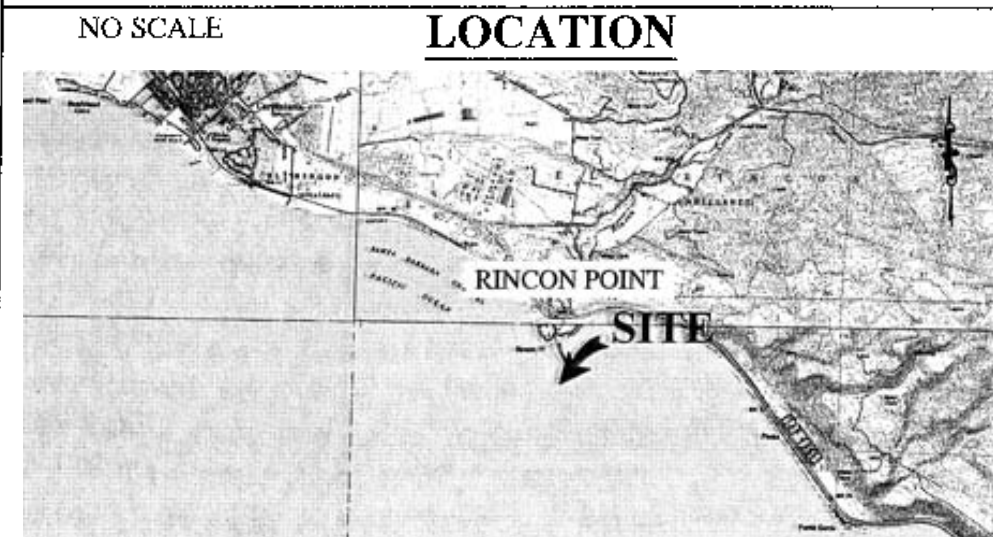
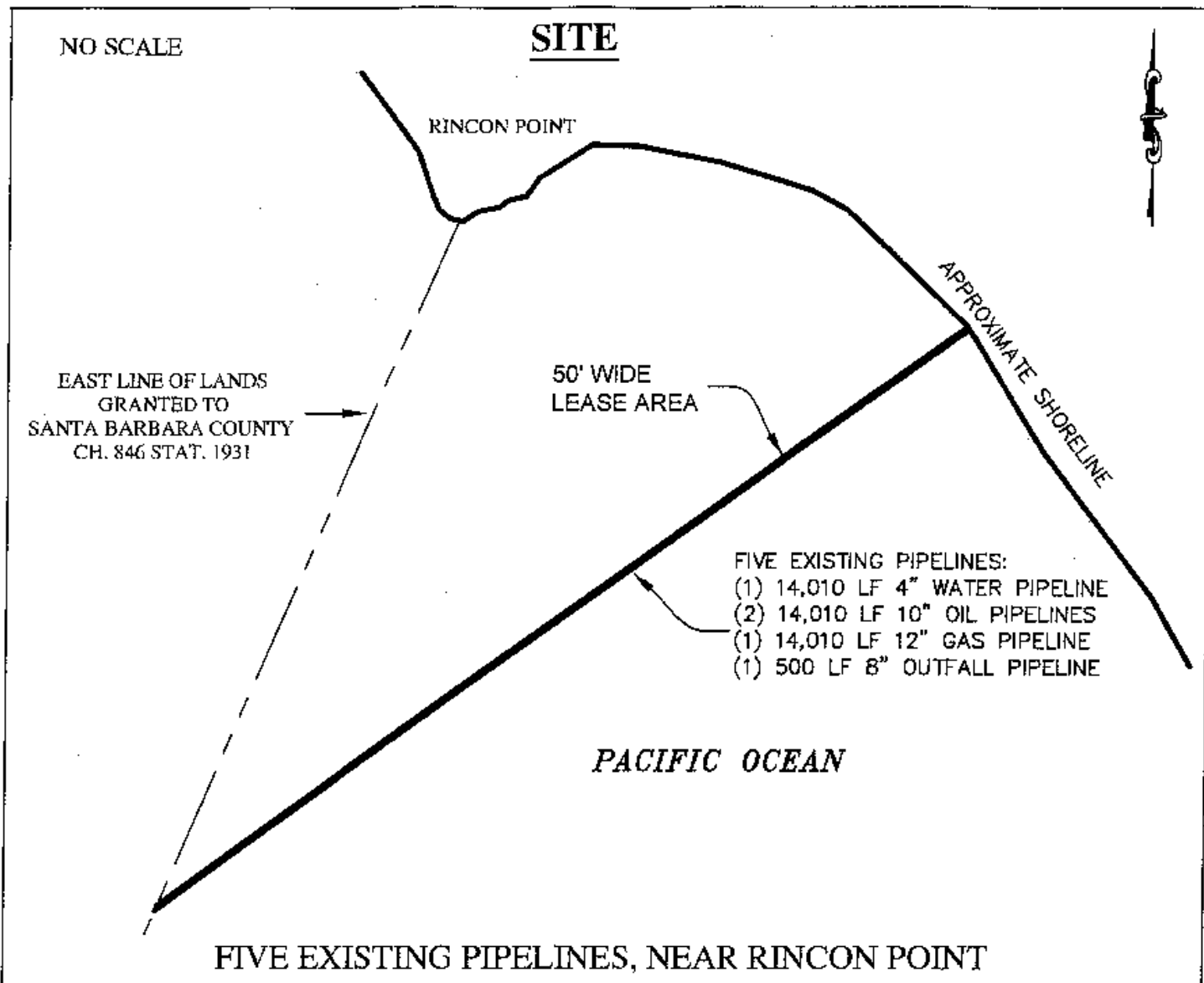
The sidelines of said strip shall be prolonged or shortened so as to commence at the Ordinary High Water Mark of the Pacific Ocean, and terminate at the easterly line of said grant.

This description is based on the California Coordinate System of 1927, Zone 5. All distances are grid distances.

END OF DESCRIPTION

Prepared 4/19/2012 by the California State Lands Commission Boundary Unit.





MAP SOURCE: USGS QUAD

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

PRC 3914.1
 SIGNAL HILL SERVICE, INC.
 GENERAL LEASE -
 RIGHT - OF - WAY USE
 SANTA BARBARA &
 VENTURA COUNTIES



DJP 04/18/2012