

THE EXECUTIVE OFFICER IS AUTHORIZED TO AMEND LEASE P.R.C. 600.1, ISSUED TO THE UNION OIL COMPANY OF CALIFORNIA ON APRIL 6, 1951, AND AMENDED ON AUGUST 29, 1951, BY REVISING THE DESCRIPTION OF PARCEL 2, INCREASING THE AREA FROM 3,261 ACRES TO 8.842 ACRES; BY INCREASING THE ANNUAL RENTAL FROM \$1,233.60 TO \$1,690.43; BY INCREASING THE AMOUNT OF THE PERFORMANCE BOND FROM \$35,000 TO \$80,000. THIS SECOND AMENDMENT IS TO BECOME EFFECTIVE ON THE ANNIVERSARY DATE OF APRIL 6, 1954, ALL OTHER TERMS AND CONDITIONS TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

7. (APPLICATION FOR AMENDMENT OF LEASE P.R.C. 187.1, TIDE AND SUBMERGED LANDS, SUISUN BAY, CONTRA COSTA COUNTY, TIDE WATER ASSOCIATED OIL COMPANY - W.O. 1629.) Tide Water Associated Oil Company has applied for an amendment of its Lease P.R.C. 187.1, issued on December 19, 1946. The amendment is to enable the company to enlarge its existing Amorco Wharf at Martinez in Suisun Bay, Contra Costa County, so as to facilitate handling of deep-draft tankers, and to provide for the deposit of dredger spoils and the occupancy of certain tide and submerged lands in Suisun Bay, Contra Costa County, immediately adjacent to its refinery at Martinez, said area to be used for storage in conjunction with the operation of the afore-mentioned wharf. The existing wharf occupies 6.18 acres, the enlarged wharf will occupy 12.49 acres, and the filled tidelands will cover 26.56 acres. Rental at the present time amounts to \$407.88 annually. The increased area of the wharf, at the same appraised value as established in 1946 (\$1,000 per acre), and the additional filled tidelands (estimated value \$100 per acre) will require an increase in the annual rental to \$999.64. Since this amendment will be effective January 19, 1954, the pro rata increase for the current year will be \$542.45. Performance bond in the amount of \$5,000, heretofore furnished, should be increased to \$8,000, due to the increased size of the wharf. No filing fee is required.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO AMEND LEASE P.R.C. 187.1, ISSUED TO TIDE WATER ASSOCIATED OIL COMPANY ON DECEMBER 19, 1946, BY INCREASING THE AREA FROM 6.18 ACRES TO TWO PARCELS OF 12.49 ACRES AND 26.56 ACRES RESPECTIVELY; BY INCREASING THE ANNUAL RENTAL FROM \$407.88 TO \$999.64; AND BY INCREASING THE AMOUNT OF PERFORMANCE BOND FROM \$5,000 TO \$8,000; THE EFFECTIVE DATE OF THE AMENDMENT TO BE JANUARY 19, 1954. ALL OTHER TERMS AND CONDITIONS OF LEASE P.R.C. 187.1 ARE TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

8. (TERMINATION OF LEASE NO. P.R.C. 541.6, TIDE AND SUBMERGED LANDS, CRESCENT CITY HARBOR, DEL NORTE COUNTY, OIL TERMINALS CO.) On January 27, 1950, an application was received from the Oil Terminals Co. for a right-of-way easement across tide and submerged lands in Crescent City Harbor, Del Norte County, for the installation and maintenance of a pipe line and two dolphins. On March 18, 1950, a large portion of the State lands within Crescent City Harbor was leased to the Crescent City Harbor District. The Oil Terminals Co. application was held in abeyance pending negotiation between the applicant and the Harbor District for a right-of-way easement.

Upon the above parties' reaching an impasse in their negotiations on August 29, 1950, the Commission authorized the Executive Officer to issue to the applicant a right-of-way easement across tide and submerged lands in Crescent City Harbor for the installation of said dolphins and pipe line, for a term of fifteen years, with right of renewal for an additional period of ten years, at an annual rental of \$100, performance bond in the amount of \$1,000 to be furnished, said agreement to be without prejudice to any rights of the Crescent City Harbor District; provided that a forthcoming informal opinion of the Attorney General would advise that such action would not be contrary to the terms of Lease P.R.C. 502.6 issued by the State to the Crescent City Harbor District on March 18, 1950. The informal opinion of the Attorney General subsequently received upheld the authority of the Commission to issue an easement to the Oil Terminals Co.

On November 20, 1950, the Commission affirmed the action taken on August 29, 1950, subject to the following amendment: That said lease to be issued to Oil Terminals Co. would be subject to revocation by the State on thirty days' notice after the Crescent City Harbor District has made a firm proposal for a lease between the District and the applicant upon terms acceptable to the Commission. Accordingly, Lease No. P.R.C. 541.6, with the above terms and conditions therein, was issued to the Oil Terminals Co.

During the period from November 20, 1950, to the present, at the request of the Commission, the parties (Oil Terminals Co. and the Harbor District) continued negotiations in an effort to resolve their differences. On January 7, 1954, an agreement was entered into between the parties for a lease of the area occupied by the Oil Terminals Co.'s facilities in Crescent City Harbor, Del Norte County, for a term of twelve years and four months, beginning November 12, 1953, at the annual rental of \$1,000. In accordance with the terms of P.R.C. 502.6, the Board of Harbor Commissioners for Crescent City has requested the State Lands Commission to approve the sublease as of January 7, 1954, that they entered into with the Oil Terminals Co. It is the Staff's opinion that the terms and conditions of this agreement are fair and reasonable, and in accordance with the requirements of P.R.C. 502.6.

The Harbor Commission and the Oil Terminals Co. have now reached an amicable agreement with respect to the use of the lands leased by the State to the Harbor District; and, in accordance with the action of the State Lands Commission of November 20, 1950, the Oil Terminals Co.'s lease with the State should now be revoked. On January 21, 1954, Oil Terminals Co., pursuant to the provisions of Paragraph 15, requested that Lease No. P.R.C. 541.6 be terminated in favor of the agreement between Oil Terminals Co. and the Harbor District. The rental for the fourth year (November 20, 1953, to November 18, 1954) and for the last year has been paid in advance. Under the provisions of Paragraph 2 of Lease No. P.R.C. 541.6, no part of any payment made in advance shall be refundable upon prior termination of the lease as provided for in Paragraphs 15 and 19 therein.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE STATE LANDS COMMISSION APPROVES A SUBLEASE, DATED JANUARY 7, 1954, BETWEEN THE CRESCENT CITY HARBOR DISTRICT AND THE OIL TERMINALS CO., PURSUANT TO THE TERMS OF P.R.C. 502.6; AND FURTHER APPROVES THE TERMINATION OF LEASE P.R.C. 541.6, ISSUED TO OIL TERMINALS CO., AND RELEASES THE COVERING TREASURY BONDS IN THE AMOUNT OF \$1,000 ON CONDITION THAT A SATISFACTORY QUITCLAIM BE FURNISHED, THE STATE TO RETAIN THE 1953-54 AND THE LAST YEARS' RENTAL, A TOTAL OF \$200, AS CONSIDERATION FOR THE MUTUAL TERMINATION OF LEASE P.R.C. 541.6.