

MINUTE ITEM

This Calendar Item No. 19
was presented as Minute Item
No. 19 by the State Lands
Commission by a vote of 3
to 0 at its 10/26/78
meeting.

MINUTE ITEM

10/78 PRC 426.1
Trout PRC 425.1
E 392.1
PRC 5663

- 19. APPROVAL OF TRANSFER OF EASEMENT IN GROSS, RIGHT-OF-WAY FOR PIPELINE AND APPURTENANCES, FROM DEPARTMENT OF PARKS AND RECREATION AND CONSENT TO USE BY AMOINOIL USA FOR PRODUCTION OF STATE LEASE PRC 426.1

During consideration of Calendar Item 19, attached, the Commission approved the following resolution as amended by a vote of 3-0:

THE COMMISSION:

- 1. FINDS THAT FINAL EIR NO. 206, CERTIFIED BY THE COMMISSION AT ITS MEETING ON JANUARY 26, 1977 ADEQUATELY ADDRESSES THE ENVIRONMENTAL IMPACTS ASSOCIATED WITH THIS PROJECT AND THAT NO SUBSEQUENT OR SUPPLEMENTAL EIR IS REQUIRED PURSUANT TO SECTION 21166 OF THE P.R.C.
- 2. DETERMINES THAT THIS ACTIVITY IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503, OF TITLE 2, OF THE CAL. ADM. CODE AND SECTION 30105 OF THE P.R.C. AND THAT THE PROVISIONS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE DO NOT APPLY.
- 3. APPROVES THE ACCEPTANCE OF TRANSFER OF CONTROL AND POSSESSION OF AN EASEMENT IN GROSS FROM THE DEPARTMENT OF PARKS AND RECREATION SUBSTANTIALLY IN THE FORM OF EXHIBIT "B", FOR PIPELINE AND APPURTENANT FACILITIES RELATED TO PRODUCTION OF STATE OFFSHORE OIL AND GAS LEASES, WITHOUT MONETARY CONSIDERATIONS.
- 4. CONSENTS TO USE OF SAID EASEMENT, PIPELINES AND FACILITIES BY AMOINOIL USA FOR PRODUCTION AND RELATED OPERATIONS OF STATE LEASE PRC 426.1 FROM PLATFORM EMMY.
- 5. AUTHORIZES THE STAFF AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING LITIGATION, TO IMPLEMENT THIS ACTION.

Attachment: Calendar Item 19 (5 pages)

A 73

S 36

CALENDAR ITEM

19.

10/78
W 21905
Trout

APPROVAL OF TRANSFER OF EASEMENT IN GROSS,
RIGHT-OF-WAY FOR PIPELINE AND APPURTENANCES,
FROM DEPARTMENT OF PARKS AND RECREATION
AND
CONSENT TO USE BY AMINOIL USA FOR PRODUCTION OF
STATE LEASE PRC 426.1

Aminoil USA has requested consent to use of an existing pipeline for additional State oil and gas production. With the development some years ago of the State's offshore oil and gas reserves in Southern California, the State's lessees obtained various rights-of-way from offshore areas to upland processing sites. These easements or agreements go back as far as the late 1930's. Two particular agreements at Bolsa Chica cover operations under State leases 392 and 425. The first is dated August 25, 1938 for lease 392 and shows up on page 3, fourth item, of Exhibit 1 to the 1974 Grant Deed whereby the Department of Parks and Recreation acquired the beach area. The deed is document 23504, Recorded July 12, 1974, Book 11151, Page 556, Official Records of Orange County. Lease 425 operations are covered by Agreement dated November 28, 1949, shown at the bottom of page 6 of Exhibit 1 to the grant deed.

Operations under leases 392 and 425 have utilized drilling platform EMMY with production moving ashore through pipelines and related facilities crossing the beach as provided in the above agreements. The State's lessee, Aminoil USA, now wants to develop a portion of another lease (No. 426) also using platform EMMY and the existing pipelines. Since the prior agreements specifically relate to leases 392 and 425, Aminoil USA is seeking consent to also use the right-of-way and existing facilities for operations under Lease 426.

No construction will be done in the beach area nor will there be any change in operating procedures. Externally, there will be no evidence of the proposed additional use. Lease 426 production will simply be commingled with 392 and 425 production and brought ashore in the same manner. This activity is covered by an EIR (EIR 206) prepared by the State Lands Commission and certified on January 26, 1977 (SCH 76092081). The Commission found that the project, including the new offshore wells from platform EMMY, will not have a significant adverse effect on the environment.

CALENDAR ITEM NO.19. (CONTD)

The Department of Parks and Recreation has proposed an agreement for the transfer of control and possession of State owned real property from that department to the State Lands Commission. In turn, the Commission would consent to the use by Aminoil USA of the existing easement and pipelines/conduit for production operations of State Lease PRC 426.1 from platform EMMY. No monetary consideration is proposed for either transaction. Aminoil is and will be using the easement and pipelines for transporting oil from State leases to upland sites and for necessary water, power and communications associated therewith.

EXHIBITS: A. Site Map.
 B. Transfer of Control & Possession.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT FINAL EIR NO. 206, CERTIFIED BY THE COMMISSION AT ITS MEETING ON JANUARY 26, 1977 ADEQUATELY ADDRESSES THE ENVIRONMENTAL IMPACTS ASSOCIATED WITH THIS PROJECT AND THAT NO SUBSEQUENT OR SUPPLEMENTAL EIR IS REQUIRED PURSUANT TO SECTION 21166 OF THE P.R.C.
2. DETERMINE THAT THIS ACTIVITY IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503, OF TITLE 2, OF THE CAL. ADM. CODE AND SECTION 30105 OF THE P.R.C. AND THAT THE PROVISIONS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE DO NOT APPLY.
3. APPROVE THE ACCEPTANCE OF TRANSFER OF CONTROL AND POSSESSION OF AN EASEMENT IN GROSS FROM THE DEPARTMENT OF PARKS AND RECREATION SUBSTANTIALLY IN THE FORM OF EXHIBIT "B", FOR PIPELINE AND APPURTENANT FACILITIES RELATED TO PRODUCTION OF STATE OFFSHORE OIL AND GAS LEASES, WITHOUT MONETARY CONSIDERATIONS.
4. CONSENT TO USE OF SAID EASEMENT, PIPELINES AND FACILITIES BY AMINOIL USA FOR PRODUCTION AND RELATED OPERATIONS OF STATE LEASE PRC 426.1 FROM PLATFORM EMMY.

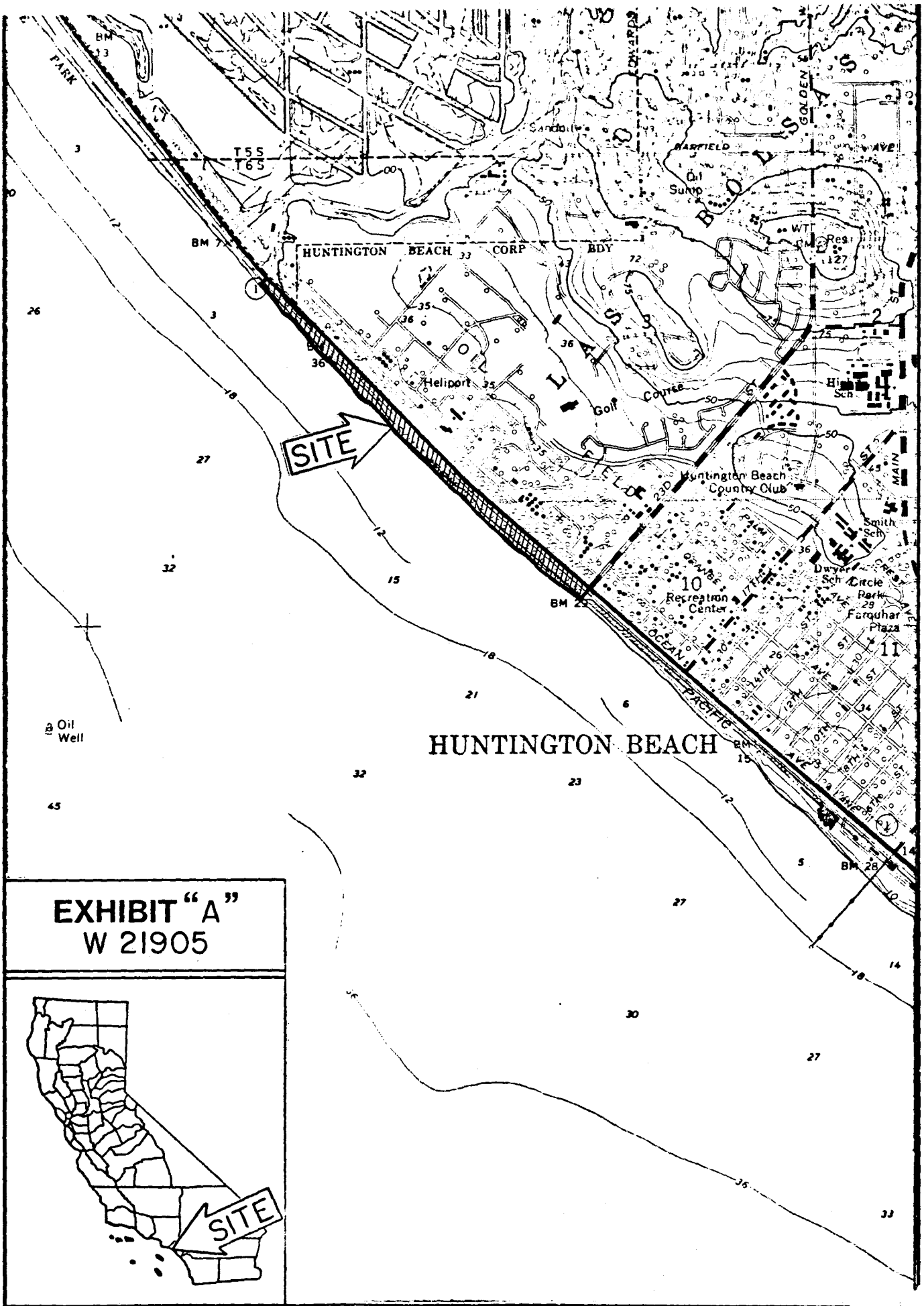


EXHIBIT "A"
W 21905



EXHIBIT "B"

AGREEMENT FOR THE TRANSFER OF CONTROL
AND POSSESSION OF STATE-OWNED REAL PROPERTY

BY THIS AGREEMENT entered into this _____ day of _____, 19____, by and between the Department of Parks and Recreation, hereinafter called Transferor, and the State Lands Commission, hereinafter called Transferee, with the approval of the Director of General Services,

W I T N E S S E T H:

WHEREAS, Transferor has control and possession of the hereinafter described real property at Bolsa Chica State Beach, and

WHEREAS, Transferee desires to acquire the interest, as hereinafter described, in said real property and Transferor is willing to transfer said interest;

NOW THEREFORE, pursuant to the provisions of Section 14673 of the Government Code of the State of California, Transferor hereby transfers unto Transferee an easement in gross for the use of underground pipelines and appurtenances for the transmission of oil, gas and other hydrocarbon substances, water, power and communications, and Transferee accepts said easement in gross, subject to all valid and existing contracts, permits, leases, encumbrances and claims of title which may affect said easement, over the real property situated in the County of Orange, State of California, described as follows:

That certain parcel of land bounded on the Northeast by the Southwesterly edge of the Pacific Coast Highway, on the Southeast by the northwesterly line of that certain 75-foot wide strip of land described in deed of easement to the City of Huntington Beach, recorded

on February 8, 1912, in Book 209, page 231 of said deeds, on the Southwest by the ordinary high water mark of the Pacific Ocean, as described in that certain Boundary Agreement between the State of California acting by and through the State Lands Commission, and Huntington Pacific Corporation, recorded on February 23, 1967 in Book 8183, page 3 of Official Records of Orange County, California, and on the Northwest by the North-South quarter section line of said Section 4, T. 6 S., R. 11 W., S.B.B.&M.

In the event Transferee enters into any lease, license, permit, contract or agreement relating to the use of the interest herein transferred, Transferee, agrees to include in and make a part of such lease, license, permit, contract or agreement the following indemnification clause:

"GRANTEE hereby waives all claims and recourse against the STATE for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this agreement. GRANTEE agrees to indemnify, save harmless and defend the STATE, its officers, agents, and employees against any and all claims, demands or causes of action that may be brought against the STATE, its officers, agents, and employees arising out of, or in any way connected with or incident to the use or occupancy of said premises by the GRANTEE or the exercise by GRANTEE of the rights or privileges herein granted"

IN WITNESS WHEREOF, the parties hereto have executed this agreement the date first above written.

TRANSFEROR

TRANSFEE

By _____

By _____

APPROVED:

Director of General Services

By _____

MINUTE ITEM

10/78
Mills

20. AUTHORIZATION FOR LITIGATION - W 503.967

The attached Calendar Item 20 was pulled prior to this meeting at the request of Yuba Goldfields, the prospective defendant. However, Mr. Jan Stevens, Assistant Attorney General, clarified the following points with respect to this matter:

1. Preliminary indications show there are serious questions which have to be resolved with respect to the State's interest in this matter.
2. After reviewing the allegations which were made by Yuba Goldfields concerning the conduct of staff counsel and others during their investigation, it is his opinion the staff acted properly.
3. Contrary to their allegations, Proposition 13 had nothing to do with the question of ownership of the Yuba River by Yuba Goldfields.

Attachment: Calendar Item 20 (5 pages)

A 3

S 1