

MINUTE ITEM

This Calendar Item No. 23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 2
0 at its 4/28/83
meeting.

CALENDAR ITEM

23

4/28/83
W 22872
Lipphardt
Louie
PRC 6417

RATIFICATION OF
GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT: Chevron, USA, Inc.
2120 Diamond Boulevard
Concord, California 94520

BACKGROUND: On December 16, 1982, the State Lands Commission certified final EIR No. 323 and approved a General Lease to Chevron, USA, Inc., with the terms of said lease being subject to Executive Officer negotiation of the rental fee and subsequent ratification by the Commission.

AREA, TYPE LAND AND LOCATION: Two parcels of tide and submerged land totalling 12.064 acres in the Gulf of Santa Catalina, Orange County.

LAND USE: Construction and maintenance of a submarine gas pipeline and power cable and maintenance of an existing outfall pipeline.

PROPOSED TERMS OF LEASE:
Initial period: 25 years from December 1, 1982.
Surety bond: \$50,000.
Public liability insurance: \$1,000,000 combined single limit coverage.

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CONSIDERATION: Annual rental for Parcel 1 (existing outfall pipeline and electric cable): \$1,638.18 per annum.

Annual rental for Parcel 2 (gas pipeline):
The annual rental for Parcel 2 shall be computed by multiplying each thousand standard cubic feet of gas passing over the State's land by \$.00675.

The minimum annual rental for Parcel 2 shall be \$960 per annum.

Special: Rental Impound: Provides that rentals in excess of the minimum annual rental shall be paid into a special deposit account in the State Treasury pending the outcome of pending litigation challenging the Commission's volumetric rental regulations. Should the regulations be declared invalid, the impounded rentals shall be refunded and a new reasonable rental will be determined by the Commission.

The State reserves the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of upland.

Filing fee has been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

9/7/83.

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OTHER PERTINENT INFORMATION:

1. This project is situated on land identified as possessing environmental values in that the State Lands Commission stated all waterways under the Commission's jurisdiction have environmental significance. Staff finds this project to be compatible with Commission policy.

APPROVALS OBTAINED:

Federal Communications Commission; Federal Aviation Administration; U. S. Coast Guard; Federal Minerals Management Service (portion approved); California Coastal Commission, and United States Army Corps of Engineers.

FURTHER APPROVALS REQUIRED:

Federal Minerals Management Service.

EXHIBITS:

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE LEASE TERMS FOR A PREVIOUSLY APPROVED GENERAL LEASE AS SET FORTH BELOW:
 - (a) A 25-YEAR GENERAL LEASE - RIGHT-OF-WAY USE, IN THE FORM ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF, FROM DECEMBER 1, 1982; IN CONSIDERATION OF ANNUAL RENTAL TO BE PAID AS FOLLOWS:
 - (1) ANNUAL RENTAL FOR PARCEL 1 (EXISTING OUTFALL PIPELINE AND ELECTRIC CABLE) IN THE AMOUNT OF \$1,638.18.
 - (2) ANNUAL RENTAL FOR PARCEL 2 (GAS PIPELINE) SHALL BE COMPUTED BY MULTIPLYING EACH THOUSAND STANDARD CUBIC FEET OF GAS PASSING OVER STATE'S LAND BY \$0.00675. THE MINIMUM ANNUAL RENTAL FOR PARCEL 2 SHALL BE \$960 PER ANNUM.
2. THE STATE RESERVES THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.
3. PROVIDE IN THE LEASE A REQUIREMENT FOR PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 COMBINED SINGLE

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LIMIT COVERAGE; AND PROVISION OF A SURETY BOND IN THE AMOUNT OF \$50,000; FOR THE CONSTRUCTION AND MAINTENANCE OF A SUBMARINE GAS PIPELINE AND POWER CABLE AND MAINTENANCE OF AN EXISTING OUTFALL PIPELINE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

4. PROVIDE IN THE LEASE FOR PAYMENT OF RENTAL IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY, PENDING A FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED.
5. FIND THAT THE PROVISIONS OF CEQA HAVE BEEN SATISFIED BY THE CERTIFICATION OF FINAL EIR NO. 323 BY THE STATE LANDS COMMISSION ON DECEMBER 16, 1982.
6. FIND THAT THIS ACTIVITY IS SITUATED ON LAND IDENTIFIED AS POSSESSING ENVIRONMENTAL VALUES IN THAT THE STATE LANDS COMMISSION FOUND ALL WATERWAYS UNDER THE COMMISSION'S JURISDICTION HAVE ENVIRONMENTAL SIGNIFICANCE, AND THAT THIS ACTIVITY IS DESIGNED IN SUCH A MANNER AS TO BE CONSISTENT WITH THAT FINDING AS IT APPLIES TO THE SUBJECT LAND.

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EXHIBIT "A"

LAND DESCRIPTION

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Two strips of tide and submerged land off the City of Huntington Beach, County of Orange, State of California, each strip being 20 feet in width and lying 10 feet on each side of the following described lines:

Parcel 1

COMMENCING at a 2" iron pipe marked L.S. 2387 at the northerly terminous of that certain course shown as "N 44° 37' 00" W 3535.83 feet" on a map filed in Book 59, Page 2 of Record of Surveys, Official Records, Orange County; said iron pipe bears N 33° 24' 38" W 924.02 feet from a C.S.L.C monument with Brass Cap marked "Stolco R.M. No. 3, 1950 having coordinates of N = 554,540.24 and E = 1,458,636.79; thence from said point of commencement S 43° 34' 48" E 1328.08 feet; thence S 44° 50' 24" W 250 feet, more or less, to a point on the ordinary high water mark of the Gulf of Santa Catalina and the TRUE POINT OF BEGINNING: thence S 44° 50' 24" W 1046.77 feet to the end of a 24" waste water outfall pipeline; thence S 50° 06' 53" W 15250.32 feet; thence S 50° 12' 31" W 2062.67 feet to a point designated "A", having coordinates of N = 542330.58 and E = 1444842.18, and the end of the herein described line.

Parcel 2

COMMENCING at the point designated "A" in Parcel 1 above; thence N 39° 47' 29" W 50.00 feet to the TRUE POINT OF BEGINNING: thence N 50° 12' 31" E 2062.67 feet to a tangent curve concave to the north having a radius of 7020.22 feet; thence through a central angle of 47° 45' 26" along the arc of said curve 5851.48 feet to Platform Eva and the end of the herein described line.

Coordinates, bearings, and distances in the above description are based on the California Coordinate System, Zone 6.

END OF DESCRIPTION

PREPARED SEPTEMBER 20, 1982 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR

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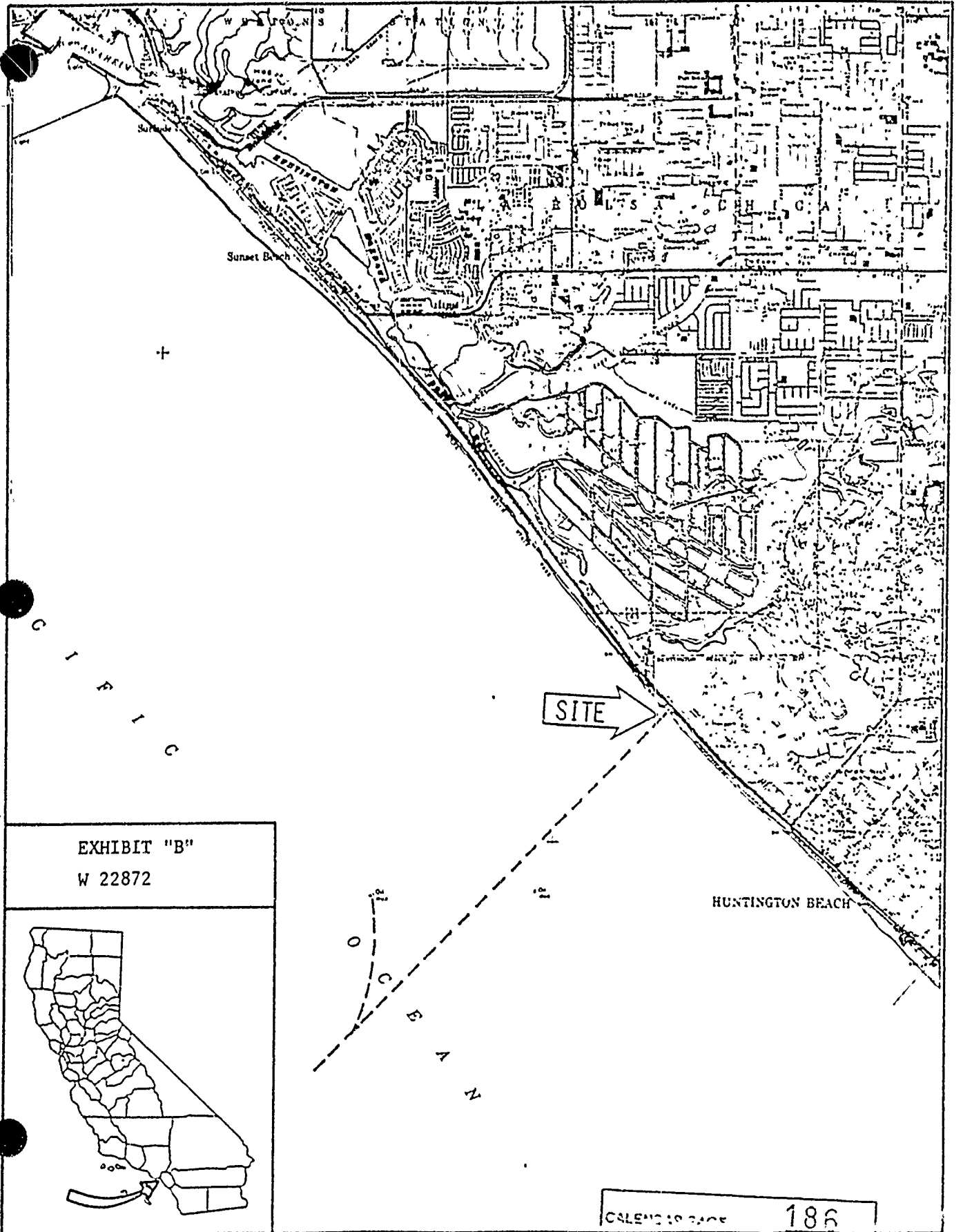


EXHIBIT "B"
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