

**CALENDAR ITEM
C73**

A 52

06/21/13
PRC 628.1
PRC 5574.1
A. Scott

S 28

LEASE TERMINATION AGREEMENT

APPLICANT:

Chevron U.S.A. Inc.
324 West El Segundo Boulevard
El Segundo, CA 90245

AREA, LAND TYPE, AND LOCATION:

0.877 acre, more or less, of sovereign land in Santa Monica Bay, Pacific Ocean, near El Segundo, Los Angeles County.

AUTHORIZED USE:

Retain in place an existing 42-inch salt water intake pipeline serving Chevron's El Segundo Refinery.

SPECIFIC LEASE PROVISIONS:

Insurance: Liability insurance in an amount not less than \$1,000,000 per occurrence.

Bond: \$1,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant owns the upland adjoining the lease premises.
2. The pipeline right-of-way has been under lease from the Commission since 1951. On December 16, 1998, the Commission authorized the most recent lease, a General Lease – Right of Way use with a 15-year term. That lease expired on February 14, 2013.
3. This is an existing pipeline serving Chevron's El Segundo Refinery that will be abandoned in place. It is located within the same area as an existing, operating offshore marine oil terminal covered by Lease No. PRC 5574.1. Because the pipeline is located in the same area as the petroleum product pipelines serving the oil terminal it is believed that removal of the pipeline

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at this time could cause a rupture resulting in an environmental hazard. Commission staff therefore recommends entering into a Lease Termination Agreement with the Applicant.

4. The Lease Termination Agreement contains a provision that requires removal of this pipeline in the future should the offshore marine oil terminal authorized under Lease No. PRC 5574.1 be removed.
5. The offshore end of the pipeline will be screened with a mammal barrier screen to prohibit access to the pipeline by unauthorized divers and large marine mammals.
6. **Lease Termination:**
The staff recommends that the Commission find that the subject lease termination 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

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

7. **Pipeline Abandonment:**
The staff recommends that the Commission find that this activity is exempt from the requirements of the 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.

8. 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.

EXHIBIT:

- A. Site and Location Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Lease Termination:

Find that the subject lease termination 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.

Pipeline Abandonment:

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:

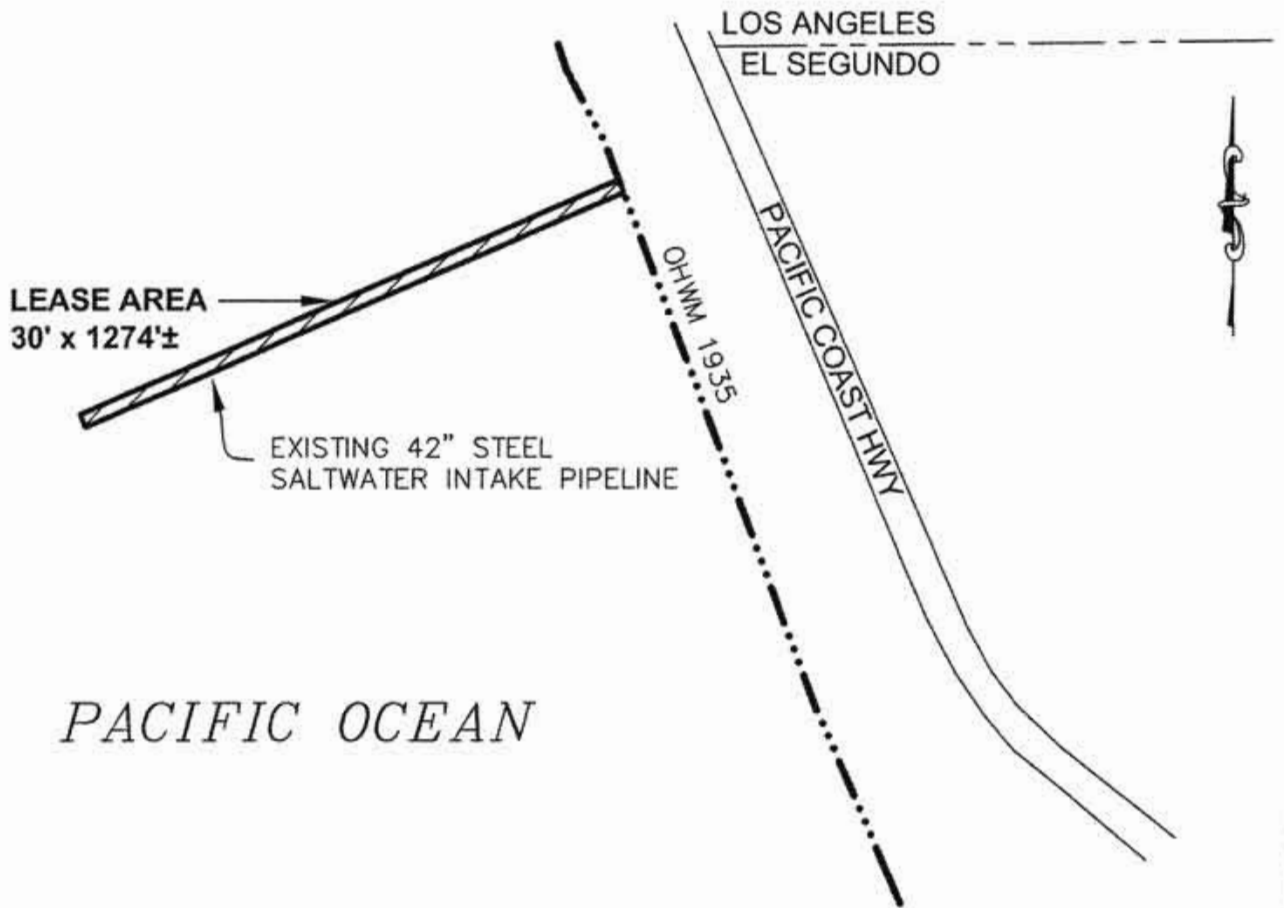
Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize issuance of a Lease Termination Agreement to Chevron U.S.A. Inc. covering an existing 42-inch-diameter pipeline as shown on Exhibit A attached and by this reference made a part hereof.

NO SCALE

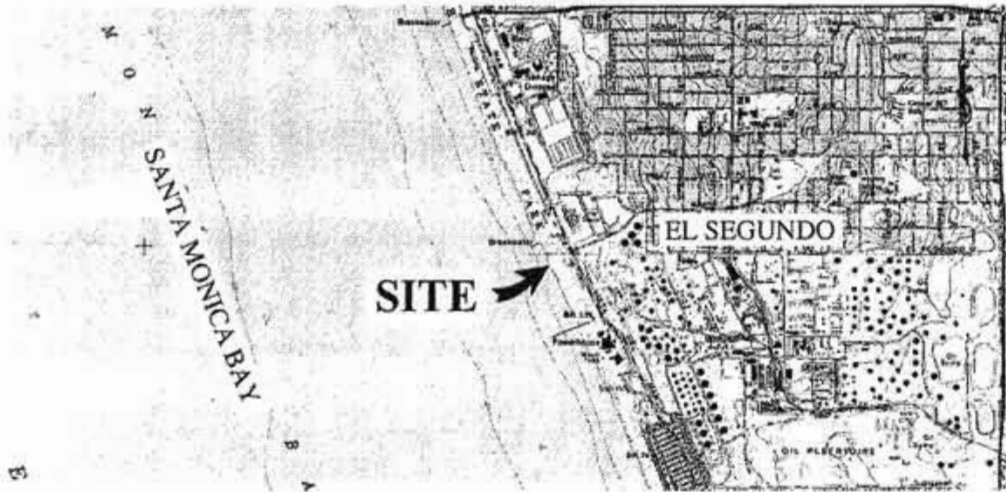
SITE



EL SEGUNDO REFINERY, SANTA MONICA BAY

NO SCALE

LOCATION



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 A

PRC 628.1
CHEVRON USA, INC.
LEASE TERMINATION
AGREEMENT
LOS ANGELES COUNTY



DIF 08/09/10