

**CALENDAR ITEM
C75**

A 30
S 17

12/02/13
PRC 5538.1
D. Simpkin

GENERAL LEASE – RIGHT-OF-WAY USE

LESSEE:

ExxonMobil Oil Corporation
12851 East 166th Street
Cerritos, CA 90703

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Salinas River, five miles northwest of the town of Bradley, Monterey County.

AUTHORIZED USE:

The continued maintenance of an existing non-operational 6-inch-diameter steel natural gas pipeline.

LEASE TERM:

10 years, beginning December 2, 2013.

CONSIDERATION:

Annual rent in the amount of \$210 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 PROVISIONS:

Surety bond or other security in the amount of \$20,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the upland adjoining the lease premises.
2. On February 8, 2011, the Commission authorized the issuance of a General Lease – Right-of-Way Use, PRC 5538.1, to ExxonMobil Oil Corporation (ExxonMobil) for a 5-year term, effective September 28, 2008. The lease expired on September 27, 2013.
3. The Applicant maintains a separate General Lease - Right-of-Way Use, Lease No. PRC 7772.1, for two existing non-operational steel filtered

CALENDAR ITEM NO. C75 (CONT'D)

production water pipelines (one 12-inch-diameter and one 4-inch-diameter) under a subsidiary company (Mobil Pacific Pipelines Company). The lease premises are adjacent to each other in the bed of the Salinas River. The Applicant would like to keep the leases separate but make the lease terms coincide. Pursuant to that request, the lease term for both leases will start on December 2, 2013.

4. The pipeline was formerly used to transport natural gas purchased from Southern California Gas Company at its plant in San Luis Obispo County to ExxonMobil's San Ardo and San Antonio pump station and production facilities. In 1998, the use of the pipeline was discontinued. The pipeline was subsequently taken out of service and is currently non-operational.
5. Prior to being taken out of service, this pipeline was cleaned of all hazardous liquids. A poly pig pushed by nitrogen was utilized to displace all liquid to ensure the pipeline was taken out of service pursuant to State and/or federal requirements. A block valve was placed at the end of the pipeline system. The pipeline is buried five feet below the mean river bottom.
6. The new lease will allow ExxonMobil's continued maintenance of the facilities until it is determined if and when the facilities may be returned to service.
7. The staff recommends that the Commission find that this activity is exempt from the requirements of 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.

EXHIBITS:

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

CALENDAR ITEM NO. **C75** (CONT'D)

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 issuance of a General Lease – Right-of-Way Use to ExxonMobil Oil Corporation, beginning December 2, 2013, for a term of 10 years, for continued maintenance of an existing non-operational 6-inch-diameter steel natural gas pipeline as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$210 with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and liability insurance with coverage in an amount no less than \$1,000,000 per occurrence; Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the lease; and surety bond in the amount of \$20,000.

EXHIBIT A

PRC 5538.1

LAND DESCRIPTION

A parcel of submerged land situate in the bed of the Salinas River, lying adjacent to Section 23, Township 23 South, Range 10 East, Mount Diablo Meridian as shown on the Official U.S. Government Plat approved December 3, 1880, located in County of Monterey, State of California, and being more particularly described as follows:

A 10 foot wide strip of land lying 5 feet on each side of the following described centerline:

COMMENCING at the northeast corner of said Section 23, as shown on that certain map filed in Volume 4 of Surveys at Page 102, Records of Monterey County; thence North 89°31'47" West 55.57 feet along the northerly line of said Section 23; thence leaving said northerly line of said Section 23, South 13°10'26" West 115.08 feet; thence South 12°05'00" West 155.44 feet; thence South 13°34'52" West 153.00 feet; thence South 23°53'08" West 106.96 feet to the POINT OF BEGINNING; said point being on the centerline of an existing non-operational six-inch diameter steel natural gas pipeline; thence from said point of beginning along said natural gas pipeline the following ten (10) courses:

- (1) South 25°57'56" West 24.80 feet,
- (2) South 32°23'15" West 147.57 feet,
- (3) South 26°58'21" West 95.12 feet,
- (4) South 08°39'22" West 927.67 feet,
- (5) South 68°43'44" East 113.87 feet,
- (6) South 21°05'04" East 599.57 feet,
- (7) South 27°31'12" West 93.68 feet,
- (8) South 20°07'20" East 165.73 feet,
- (9) South 21°11'31" East 166.02 feet, and
- (10) South 20°35'07" East 171.97 feet to the TERMINUS of the centerline of said strip.

EXCEPTING THEREFROM any portions lying landward of the low water marks of the Salinas River.

The sidelines of said strip to be lengthened or shortened as to terminate at the low water marks on the right and left banks of the Salinas River.

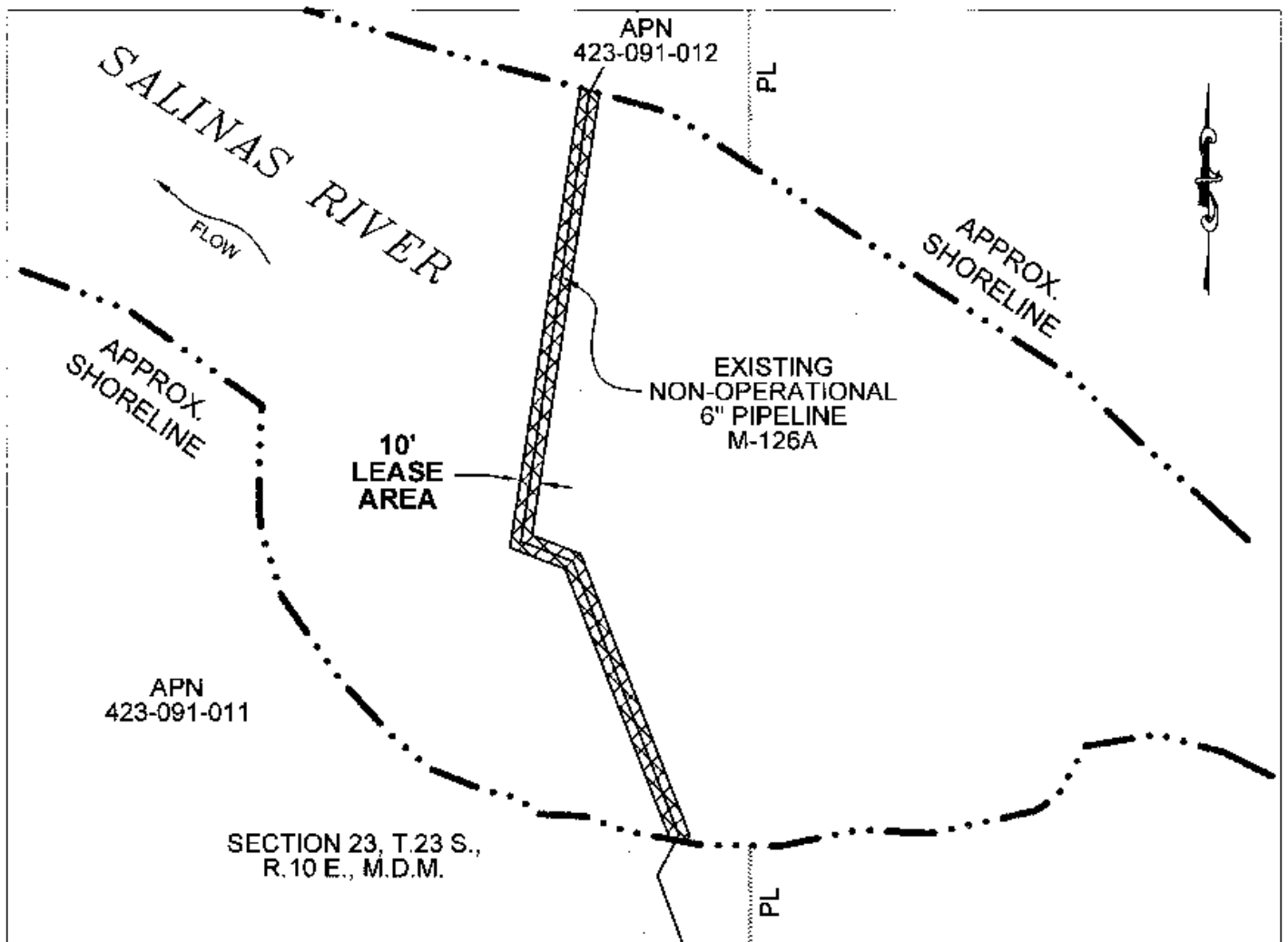
END OF DESCRIPTION

Prepared 05/11/2010 by the California State Lands Commission Boundary Unit.



NO SCALE

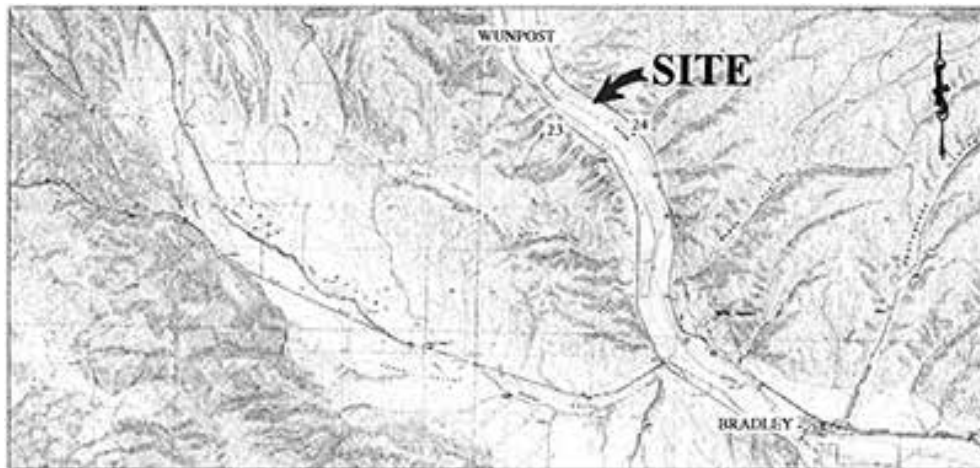
SITE



SALINAS RIVER, 5 MILES NORTHWEST OF BRADLEY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 5538.1
 MOBIL OIL
 CORPORATION
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 MONTEREY COUNTY



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.