

**CALENDAR ITEM  
C45**

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S 15

09/01/11  
WP 1449.1  
G.Kato

**GENERAL LEASE - RIGHT-OF-WAY USE**

**APPLICANT:**

ConocoPhillips  
1232 Park Street, Suite 300  
Paso Robles, CA

**AREA, LAND TYPE, AND LOCATION:**

4.5 acres, more or less, of tide and submerged land in the Pacific Ocean, offshore of Oceano Dunes State Vehicular Recreation Area, near the city of Santa Maria, San Luis Obispo County.

**AUTHORIZED USE:**

Continued use and maintenance of a 18-inch diameter wastewater outfall pipeline and retention of an existing abandoned 14-inch diameter outfall pipeline.

**LEASE TERM:**

25 years, beginning October 25, 2003.

**CONSIDERATION:**

\$5,275 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:**

**Insurance:** Liability coverage of not less than \$1,000,000 or equivalent staff-approved self-insurance program

**Surety:** \$100,000

**OTHER PERTINENT INFORMATION:**

1. Applicant has the right to use the upland adjoining the lease premises.
2. On January 21, 1955, the Commission authorized a right-of-way easement to Union Oil Company of California for a term of 49 years. The

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wastewater pipelines service the upland Santa Maria Oil Refinery Facility located three miles inland.

3. On July 11, 1997, the Commission approved and Assignment of Lease No. PRC 1449.1 from Union Oil Company to Tosco Corporation. PRC 1449.1 expired on October 24, 2003. ConocoPhillips is now applying for a new General Lease - Right-of-Way Use.
4. Applicant has agreed to pay additional rent in the amount of \$27,480 for the period from October 25, 2003, to October 24, 2011 to cover the difference between what was paid and what would have been paid had negotiations concluded in a timely manner.
5. The outfall line is inspected and monitored by air flight twice a week and facility maintenance personnel drive the line once a week. In October 2009, during a routine inspection, a crack was discovered on the top of the outfall line. The fiberglass line was repaired and reburied.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

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

**RECOMMENDED ACTION:**

It is recommended the Commission:

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**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, Section 15061 as a categorically exempt project, Class 1, Existing Facilities, Title 2, California Code of Regulations, section 2905 (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:**

1. Authorize acceptance of additional rent in the amount of \$27,480 for the period of October 25, 2003 to October 24, 2011.
  
2. Authorize Issuance of a General Lease – Right-of-Way Use to ConocoPhillips beginning October 25, 2003, for a term of 25 years, for the continued use and maintenance of one 18-inch diameter wastewater outfall pipeline and the retention of one existing abandoned 14-inch diameter wastewater outfall pipeline as shown on Exhibit A (for reference purposes only) and described on Exhibit B attached and by this reference made a part hereof; annual rent in the amount of \$5,275 with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; liability insurance with coverage of no less than \$1,000,000; Lessee may satisfy all or part of the insurance requirements through maintenance of an equivalent staff-approved self-insurance program as outlined in the lease; and surety in the amount of \$100,000.