

Staff Report 58

APPLICANT:

DCOR, LLC

PROPOSED ACTION:

Acceptance of quitclaim deeds for Leases 3095 and 3394 and issuance of a General Lease – Industrial Use to DCOR, LLC for a period of maintenance and monitoring of Platform Esther and associated facilities while a plan for decommissioning is developed, pursuant to a legal settlement agreement between the Commission and DCOR, LLC.

AREA, LAND TYPE, AND LOCATION:

Parcel 1: Lease 3394, the corridor between Platform Esther and shore; 17.01 acres, a 50 feet wide strip of tide and submerged land lying in the bed of San Pedro Bay, Orange County, situated near the mouth of the San Gabriel River.

Parcel 2: Lease 3095, Platform Esther; 6.49 acres, a 50 feet wide parcel of tide and submerged land lying in the bed of San Pedro Bay, Orange County, situated near the mouth of the San Gabriel River.

Both leases are shown in Figures 1 and 2 (below) and described in Exhibit A.

These two parcels represent the existing lease areas that are being quitclaimed. The new lease consolidates and replaces these parcels with a single area, a corridor running between Platform Esther and shore.

AUTHORIZED USE:

Continued maintenance and monitoring of Platform Esther's associated pipeline bundle and electrical conduit between the platform and shore (as shown in Figure 2, below).

TERM:

10 years, beginning October 14, 2025; ending October 13, 2035, unless sooner terminated as provided under the lease.

CONSIDERATION:

\$36,500 annual rent, consistent with the terms of the legal settlement, with Lessee responsible for all costs associated with decommissioning activities.

Figure 1. Location

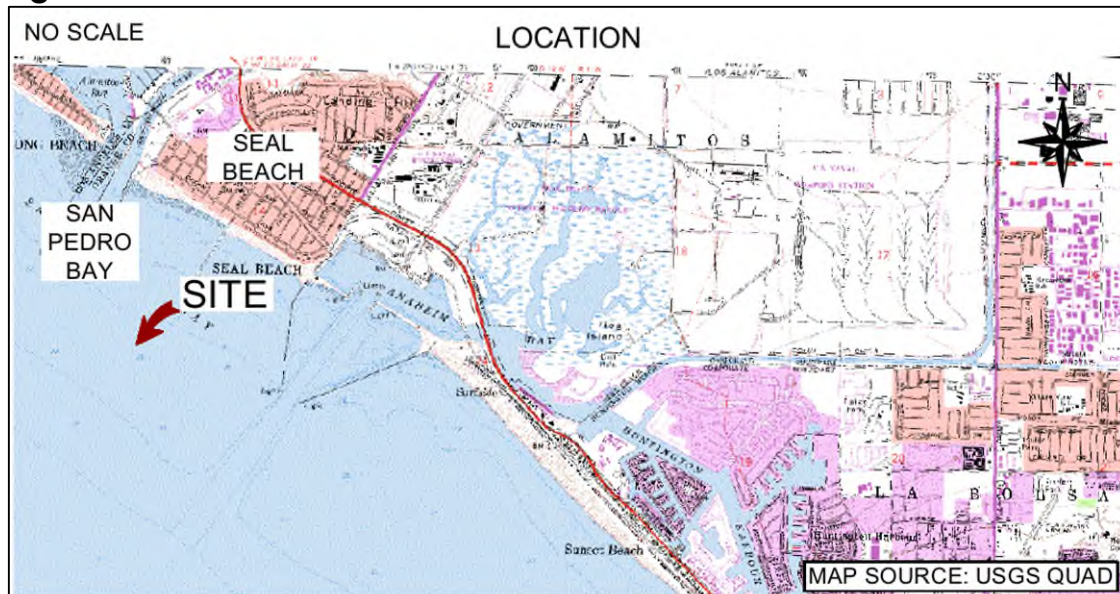
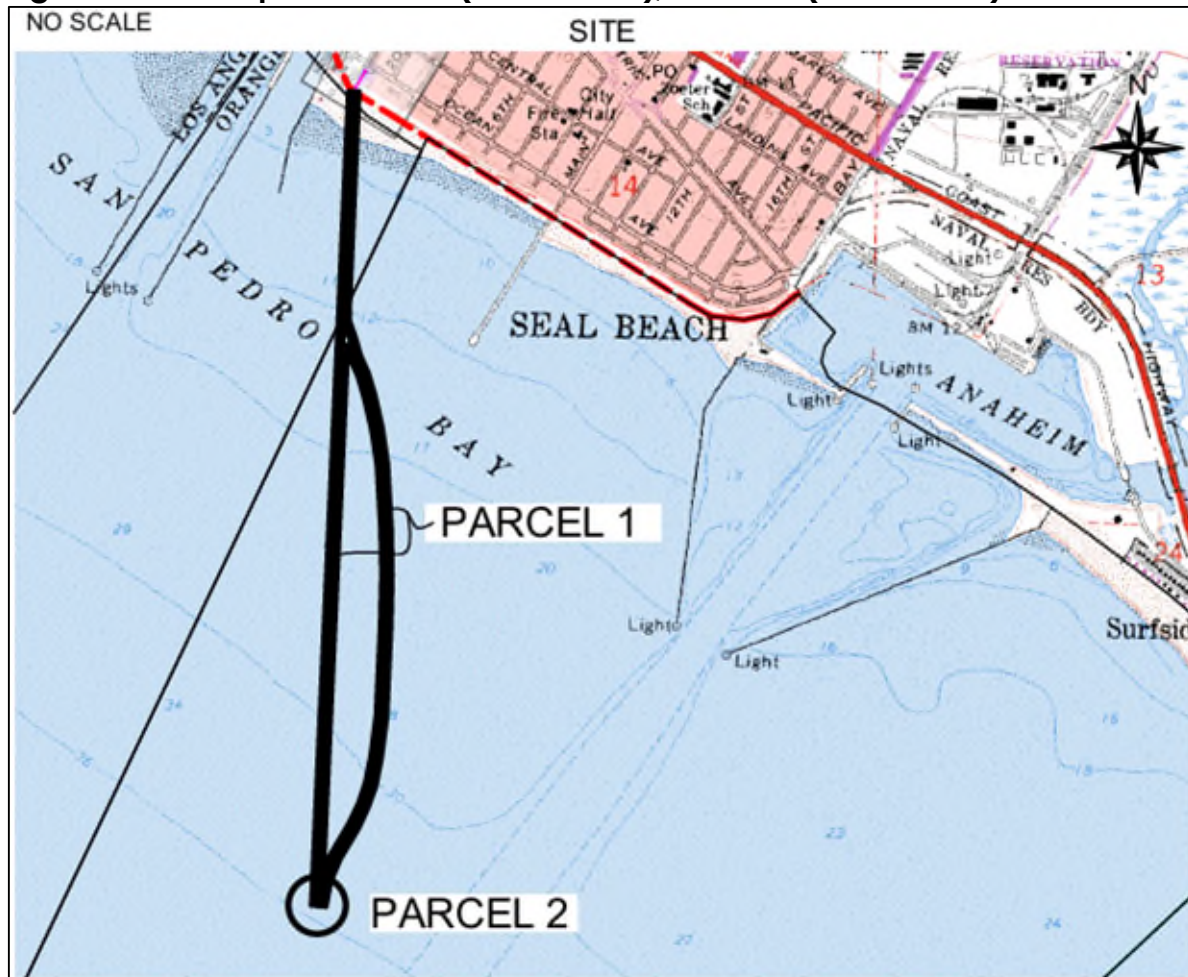


Figure 2. Site Map of Parcel 1 (Lease 3394), Parcel 2 (Lease 3095)

BACKGROUND:

On January 28, 2025, the Commission approved a Settlement, Mutual Release, and Lease Termination Agreement with DCOR, LLC (DCOR) to resolve litigation filed by DCOR, LLC in the action titled "*DCOR LLC. v. California State Lands Commission, et al.*", Case No. 24WM000055 in Sacramento County. The suit concerned the Commission's level of review and approval for DCOR to repurpose a gas pipeline from Platform Eva, in state waters operating under Commission Lease 3033, to ship oil to Platform Edith in federal waters, with subsequent shipment by pipeline to Long Beach for processing. As a part of the settlement, the Commission agreed that DCOR's proposed repurposing was allowable as a facilities alteration under the Commission's regulations ([tit. 2, C.C.R., sec. 2102](#)).

To facilitate settlement, DCOR agreed to cease oil production from nearby Platform Esther offshore Seal Beach, undertake the early plug and abandonment of

all wells on that platform, and to commence planning for the decommissioning of that structure and associated improvements. DCOR executed quitclaim deeds in April 2025 to surrender its interest and rights to leases 3095 (underlying Platform Esther) and 3394 (underlying the pipelines and conduits between Esther and shore). The Settlement is historic, as it commits an operator to eliminating its offshore production in a responsible manner, at its expense, years earlier than would otherwise be required. To assist in the transition and authorize DCOR's lawful occupation of the platform and pipelines during a caretaker period, the Commission now considers acceptance of the quitclaims and issuance of a General Lease – Industrial Use for maintenance and monitoring.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, and 6804.1; Title 2, California Code of Regulations sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Acceptance of the quitclaim deeds aligns with the State's objectives to retire aging offshore infrastructure while ensuring that decommissioning obligations are fully met. This action will enhance Public Trust resources by returning the lands under former oil and gas lease 3095 to the California Coastal Sanctuary, precluding them from future oil development (see Cal. Public Res. Code sec. 6242). Issuance of a General Lease – Industrial Use provides a framework for continued State oversight, safety assurance, and environmental compliance during the maintenance and facility shut-down process, as plans develop for the future decommissioning of platform infrastructure.

The Settlement, which is incorporated into the proposed lease, requires DCOR to submit a decommissioning plan within 36 months, permanently plug all wells on Platform Esther within 42 months, and notify the Commission and community of its plans and status for other oil and gas facilities in the area such as the Fort Apache Onshore Separation Facility in Orange County.

Issuance of a General Lease – Industrial Use as proposed focuses compliance efforts on safe maintenance, regular monitoring, and navigational safety of Platform Esther, the associated pipeline bundle, and the electrical conduit between the platform and shore. Issuance of the lease will not adversely affect the

Public Trust needs and values at this location. There will be no new development or placement of additional improvements on the lease premises; rather, the action involves ceasing oil and gas production earlier than economically necessary and the responsible retirement of these assets, at its initiative, and at its cost. Any future decommissioning plan will require future consideration by the Commission and environmental review under the California Environmental Quality Act (CEQA). Future decommissioning will also free the site for potential future Public Trust uses. This transition supports the State's long-term goal of retiring offshore oil and gas infrastructure while preserving and enhancing the site's potential for navigation, fisheries, recreation, and environmental stewardship.

The lease details State oversight and compliance requirements throughout the shut-down and decommissioning phases and advances the Public Trust Doctrine by promoting public safety, protecting environmental resources, and maintaining flexibility for future Trust-consistent uses. Consistent with Public Resources Code section 6804.1, staff recommends that the Commission accept the quitclaim deeds for Leases 3095 and 3394 and issue a 10-year General Lease – Industrial Use to DCOR, LLC.

CONCLUSION:

Acceptance of the quitclaim of the two leases and the issuance of a new General Lease – Industrial Use is consistent with Public Trust needs and values at this location and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is in furtherance of a legal settlement approved by the Commission on January 28, 2025.
2. The General Lease – Industrial Use does not authorize any activities until separate environmental reviews and decommissioning plan approval are considered at a future public Commission meeting.
3. The Lessee shall not extract minerals for commercial sale or disposal from Lease 3095, except as incidental to plugging and abandonment work as specified in the settlement.
4. The General Lease – Industrial use includes provisions requiring ongoing inspection, maintenance, and reporting during periods of inactivity to ensure

public safety and environmental protection, consistent with the State's oversight responsibilities.

5. This action is consistent with the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
6. Acceptance of the quitclaim deeds is not a project as defined by CEQA because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

7. Staff recommend that the Commission find that issuance of the lease 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 14, section 15301.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061.

EXHIBITS:

- A. Land Description
- B. Lease 3095 Quitclaim Deed
- C. Lease 3394 Quitclaim Deed

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that issuance of the lease 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 14, section 15301.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed action is consistent with the Public Trust Doctrine and in the best interests of the State.

AUTHORIZATION:

1. Authorize the acceptance of the lease quitclaim deeds for Leases 3095 and 3394.
2. Authorize the issuance of a General Lease – Industrial Use to DCOR, LLC for a term of 10 years for the maintenance and decommissioning of Platform Esther and associated facilities offshore Seal Beach, Orange County, as described in Exhibit A and shown on Exhibits B and C (for reference purposes only), attached and by this reference made a part hereof.

EXHIBIT A

Leases 3394/3095

LAND DESCRIPTION

PARCEL 1 – Lease 3394

A strip of tide and submerged land 50 feet wide lying in the bed San Pedro Bay, Orange County, situate near the mouth of the San Gabriel River; California, lying 25 feet on each side of the following described centerline.

BEGINNING at a point of the Ordinary High Water Mark of San Pedro Bay as shown on a map of a "Survey of the Ordinary High Water Mark" dated June 1950, and prepared under work order 416 by the California State Lands Commission which point bears S 29°28'44" W, 245.15 feet more or less from USC&GS triangulation station "Seal Beach 2 1937" shown the aforementioned map and having CCS27, Zone 6 coordinates of X(E)=1,433,965.13, Y(N)=578,684.49; thence leaving said Ordinary High Water Mark and proceeding across tide and submerged lands covered by State oil & gas lease PRC 186, S 2°35'56" W, 2327.33 feet more or less to the easterly boundary line of PRC 186, also being the westerly boundary line of State Oil and Gas Lease PRC 3095.

The sideline of said strip to be lengthened or shortened so as to terminate on the Ordinary High Water Mark at the northerly terminus and on the westerly boundary of PRC 3095 on the southerly terminus.

This description is based on CCS27, Zone 6. All distances are grid distances

PARCEL 2 – Lease 3095

A parcel of tide and submerged land lying in the bed San Pedro Bay, Orange County, situate near the mouth of the San Gabriel River; California and more particularly described as follows:

BEGINNING at the intersection of the Ordinary High Water Mark of San Pedro Bay as shown on a map of a "Survey of the Ordinary High Water Mark" dated June 1950, and prepared under work order 416 by the California State Lands Commission, with the northeasterly prolongation of the southeast boundary of the lease PRC 186, said point having CCS27, Zone 6 coordinates of X(E)=1,434,615.22, Y(N)=577,983.12; thence from said point of beginning southeasterly along the Ordinary High Water Mark and across the mouth of Anaheim Bay to a point having CCS27, Zone 6 coordinates of X(E)=1,444,140.26, Y(N)=571,438.38, and which point bears S 46°55'26" W, 158.86 feet from a 1 inch iron pipe located at the intersection of the south right-of-way line of the Pacific Electric Railway and the west line of Anderson Street on the aforementioned California State Lands Commission map; thence leaving the Ordinary High Water Mark and proceeding S 46°55'26" W, 18227.85 feet to a point in San Pedro Bay having

CCS27, Zone 6 coordinates of X(E)=1,430,825.78, Y(N)=558,989.32; thence proceeding northwesterly and parallel to the Ordinary High Water Mark to the intersection of the southeasterly prolongation of the southeast boundary line of lease PRC 186; thence northeasterly along said lease boundary to the POINT OF BEGINNING.

This description is based on CCS27, Zone 6. All distances are grid distances

END OF DESCRIPTION

PARCEL 1 BASED ON THAT ORIGINAL DESCRIPTION AS FOUND IN LEASE FILE 3394, CALENDAR ITEM 15, DATED OCTOBER 21ST, 1965.

PARCEL 2 BASED ON THAT ORIGINAL DESCRIPTION AS FOUND IN LEASE FILE 3095, CALENDAR ITEM 18, DATED NOVEMBER 6TH, 1963.

PREPARED 6/12/2025 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA

State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Title Unit

STATE OF CALIFORNIA

OFFICIAL BUSINESS

Document entitled to free recordation
pursuant to Government Code Section 27383

Exhibit B

Lease 3095

No Tax Due

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASE QUITCLAIM DEED FOR STATE OIL AND GAS LEASE

State Oil and Gas Lease No. 3095.1 (Lease), covering certain State lands located in Orange County, State of California, was issued by the State of California, acting through the California State Lands Commission (State), on January 30, 1964, as authorized by the State as Minute Item 27 at the January 30, 1964 meeting of the California State Lands Commission.

DCOR LLC (Lessee) is the present holder of the Lease.

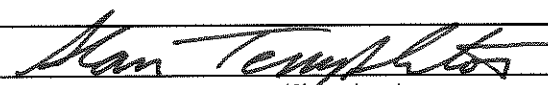
Pursuant to the terms of the Lease and Section 6804.1 of the Public Resources Code, the Lessee may at any time make and file with the State a written quitclaim or relinquishment of all rights under the Lease or of any portion of the Lease comprising a 10-acre parcel or multiple thereof in compact form, or of any separate or distinct zone or geological horizon thereof underlying such 10-acre parcel or multiple thereof.

Acting in accordance with such terms, the **Lessee** does hereby release, remise and forever quitclaim unto the **State of California** all of its right, title and interest in and to the State lands or that portion of the State lands held by virtue of the Lease, which lands are, or portion is described in the attached exhibit.

Such quitclaim and relinquishment is subject to the continued obligation of the Lessee to make payment of all rentals and royalties theretofore accrued, to place all wells on the lands, or in the zones or horizons to be quitclaimed or relinquished, in a condition of abandonment in accordance with the terms of the Lease and all applicable state, local, and federal regulations, and to comply with all other terms and obligations of the Lease. Such quitclaim and relinquishment does not release Lessee from any liability for breach of any obligation of the Lease with respect to which the Lessee is in default at the time of filing the quitclaim.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this 28th day of April.

LESSEE: DCOR LLC

By: 
(Signature)
Alan C. Templeton
(Name of Officer)
Chief Executive Officer
(Title)

Acknowledgment

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

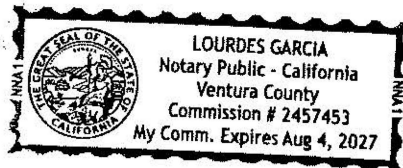
State of California

County of Ventura }

On April 28, 2025 before me, Lourdes Garcia, notary public
Date Here Insert Name and Title of the Officer

personally appeared Alan C. Templeton
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lourdes Garcia
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

A PARCEL OF TIDE AND SUBMERGED LAND IN SAN PEDRO BAY, ORANGE COUNTY, BEING ADJACENT TO, AND SOUTHEASTERLY OF, THE STATE OIL AND GAS LEASE DESIGNATED AS P.R.C. 186.1, SAID PARCEL BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE ORDINARY HIGH WATER MARK AS SHOWN ON A MAP OF THE SURVEY OF THE ORDINARY HIGH WATER MARK DATED JUNE 1950 PREPARED UNDER W.O. 416 BY THE STATE LANDS COMMISSION, WITH THE NORTHEASTERLY PROLONGATION OF THE SOUTHEAST BOUNDARY OF THE ABOVE-MENTIONED LEASE P.R.C. 186.1, SAID POINT HAVING CALIFORNIA ZONE 6 COORDINATES OF $X = 1,434,615.22$, $Y = 577,983.12$; THENCE FROM SAID POINT OF BEGINNING SOUTHEASTERLY ALONG THE ORDINARY HIGH WATER MARK AND ACROSS THE MOUTH OF ANAHEIM BAY TO A POINT HAVING CALIFORNIA ZONE 6 COORDINATES OF $X = 1,444,140.26$, $Y = 571,438.38$, AND WHICH POINT BEARS $S. 46^{\circ} 55' 26'' W.$, 158.86 FEET FROM A 1-INCH IRON PIPE LOCATED AT THE INTERSECTION OF THE SOUTH RIGHT-OF-WAY LINE OF THE PACIFIC ELECTRIC RAILWAY AND THE WEST LINE OF ANDERSON STREET AS SHOWN ON THE AFOREMENTIONED STATE LANDS COMMISSION MAP; THENCE LEAVING THE ORDINARY HIGH WATER MARK AND PROCEEDING $S. 46^{\circ} 55' 26'' W.$, 18,227.85 FEET TO A POINT IN SAN PEDRO BAY HAVING CALIFORNIA ZONE 6 COORDINATES OF $X = 1,430,825.78$, $Y = 558,989.32$; THENCE PROCEEDING NORTHWESTERLY AND PARALLEL TO THE ORDINARY HIGH WATER MARK TO THE INTERSECTION OF THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEAST BOUNDARY LINE OF LEASE P.R.C. 186.1; THENCE NORTHEASTERLY ALONG SAID LEASE BOUNDARY TO THE POINT OF BEGINNING; SAID PARCEL CONTAINING 3,360 ACRES MORE OR LESS.

Exhibit C

Lease 3394

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:

STATE OF CALIFORNIA

State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Title Unit

STATE OF CALIFORNIA**OFFICIAL BUSINESS**

Document entitled to free recordation
pursuant to Government Code Section 27383

No Tax Due

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASE QUITCLAIM DEED FOR RIGHT OF WAY LEASE

State Right of Way Lease No. 3394.1 (Lease), covering certain State lands located in Orange County, State of California, was issued by the State of California, acting through the California State Lands Commission (State), on October 21, 1965, as authorized by the State as Minute Item 15 at the October 21, 1965 meeting of the California State Lands Commission.

DCOR LLC (Lessee) is the present holder of the Lease.


Pursuant to the terms of the Lease and Section 6220 of the Public Resources Code, the Lessee may file, and the Commission may accept, a quitclaim deed.

Acting in accordance with such terms, the Lessee does hereby release, remise and forever quitclaim unto the State of California all of its right, title and interest in and to the State lands or that portion of the State lands held by virtue of the Lease, which lands are, or portion is described in the attached exhibit.

Such quitclaim and relinquishment is subject to the continued obligation of the Lessee to make payment of all rentals theretofore accrued and to place all improvements within the lease area in a condition of abandonment in accordance with the terms of the Lease and all applicable state, local, and federal regulations, and to comply with all other terms and obligations of the Lease. Such quitclaim and relinquishment does not release Lessee from any liability for breach of any obligation of the Lease with respect to which the Lessee is in default at the time of filing the quitclaim.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this 28th day of April.

LESSEE: DCOR LLC

By: 
(Signature)
Alan C. Templeton
(Name of Officer)
Chief Executive Officer
(Title)

Acknowledgment

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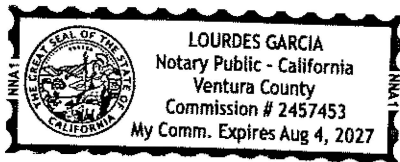
State of California

County of Ventura }

On April 28, 2025 before me, Lourdes Garcia, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Alan C. Templeton
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lourdes Garcia
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

PRC 3394.1

A STRIP OF TIDE AND SUBMERGED LAND 50 FEET WIDE IN SAN PEDRO BAY, ORANGE COUNTY, SITUATE NEAR THE MOUTH OF THE SAN GABRIEL RIVER; BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE ORDINARY HIGH WATER MARK OF SAN PEDRO BAY AS SAID ORDINARY HIGH WATER MARK IS SHOWN ON A MAP OF A "SURVEY OF THE ORDINARY HIGH WATER MARK" DATED JUNE 1950, AND PREPARED UNDER WORK ORDER 416 BY THE STATE LANDS COMMISSION WHICH POINT BEARS S. 29° 28' 44" W., 246.15 FEET MORE OR LESS FROM U.S.C. & G.S. TRIANGULATION STATION SEAL BEACH 2 1937 SHOWN ON THE AFOREMENTIONED MAP AND HAVING CALIFORNIA ZONE 6 COORDINATES OF X = 1,433,965.13, Y = 578,684.49; THENCE LEAVING THE ORDINARY HIGH WATER MARK AND PROCEEDING ACROSS TIDE AND SUBMERGED LANDS COVERED BY STATE OIL AND GAS LEASE P.R.C. 186, S. 2° 35' 56" W., 2,327.23 FEET MORE OR LESS TO THE EASTERLY BOUNDARY LINE OF P.R.C. 186, ALSO BEING THE WESTERLY BOUNDARY LINE OF STATE OIL AND GAS LEASE P.R.C. 3095; CONTAINING 2.671 ACRES MORE OR LESS.

THE SIDELINES OF SAID STRIP ARE TO BE SHORTENED OR EXTENDED TO TERMINATE ON THE ORDINARY HIGH WATER MARK AT THE NORTHERLY TERMINUS AND ON THE WESTERLY BOUNDARY OF P.R.C. 3095 ON THE SOUTHERLY TERMINUS. THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED UPON THE CALIFORNIA COORDINATE SYSTEM ZONE 6.