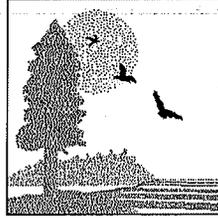


NOTICE OF PREPARATION

THIS PAGE IS INTENTIONALLY LEFT BLANK.

CALIFORNIA STATE LANDS COMMISSION
 100 Howe Avenue, Suite 100-South
 Sacramento, CA 95825-8202



CURTIS L. FOSSUM, Executive Officer
 (916) 574-1800 FAX (916) 574-1810
 California Relay Service From TDD Phone 1-800-735-2929
 from Voice Phone 1-800-735-2922

Contact Phone: (916) 574-1890
Contact FAX: (916) 574-1885

**NOTICE OF PREPARATION OF
 A DRAFT ENVIRONMENTAL IMPACT REPORT AND
 NOTICE OF PUBLIC SCOPING MEETING***

RECEIVED

MAY 10 2012

STATE CLEARING HOUSE

SCH# 2012052030

CSLC Ref Files: EIR No. 760; PRC 3453.1; W30068.17

May 10, 2012

To: Public Agencies and Interested Parties

Project Title: **Tesoro Amorcó Marine Oil Terminal Lease Consideration.**
 (New 30-year lease to Tesoro Refining and Marketing Company to continue current operations of the Amorcó Marine Oil Terminal.)

Applicant: Tesoro Refining and Marketing Company (Tesoro)
 150 Solano Way
 Martinez, CA 94553

Location: On the Carquinez Strait, approximately one-half mile west of the Benicia-Martinez Bridge, in the city of Martinez, Contra Costa County, California (see Figures 1-2 in Attachment 1).

Project Description:

Tesoro Refining and Marketing Company (Applicant or Tesoro), a wholly owned subsidiary of Tesoro Petroleum Corporation, leases 16.6 acres of sovereign public land from the California State Lands Commission (CSLC) for the Tesoro Amorcó Marine Oil Terminal (Amorcó MOT) (PRC 3453.1). The Applicant is seeking approval from the CSLC for a new 30-year lease to continue current operations of the Amorcó MOT, herein referred to as the "Project." The MOT exists (the Amorcó MOT and its associated Golden Eagle Refinery have operated at their current locations since 1923 and 1913, respectively) and is currently operating, and no changes to the facilities or operations are proposed; however, issuance of a new 30-year lease will require the preparation of an Environmental Impact Report (EIR) because, among other potentially significant impacts, there is an inherent risk of spills at any facility where petroleum product is routinely transferred over water.

A detailed Project description and information on the Project location and potential environmental effects of the proposed Project are presented in Attachment 1.

* This Notice is available online at www.slc.ca.gov (under the "Information" tab and "CEQA Updates" link).

PURPOSE OF PUBLIC SCOPING PROCESS

The CSLC will be the Lead Agency under the California Environmental Quality Act (CEQA) and will prepare an EIR for this proposed Project. The CSLC staff determined that an EIR will clearly be required for the Project and has not prepared an Initial Study as provided for in State CEQA Guidelines section 15063, subdivision (a). **

The purpose of this Notice of Preparation/Notice of Public Scoping Meeting (NOP) is to obtain agency and the public's views as to the scope and content of the environmental information and analysis, including the significant environmental issues, reasonable range of alternatives, and mitigation measures that should be included in the EIR. Applicable agencies will need to use the EIR when considering related permits or other approvals for the Project. In addition, as provided for in State CEQA Guidelines section 15125, subdivision (a), the CSLC will use the existing physical environmental conditions as they exist on the publication date of this NOP as the baseline setting by which the significance on impacts are determined.

HOW TO PROVIDE COMMENTS ON THIS NOP

Deadline for Written Comments

Written comments must be received or postmarked by June 11, 2012 (State CEQA Guidelines § 15103 requires that responses to a NOP must be provided within 30 days). Please send your comments at the earliest possible date to:

Sarah Mongano, Staff Environmental Scientist
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825
FAX: (916) 574-1885
Email: CEQAcomments@slc.ca.gov

*If written comments are sent by e-mail, please write the following in the subject line of your email: **Tesoro Amorco MOT NOP Comments.***

Scoping Meeting

Pursuant to State CEQA Guidelines sections 15082 and 15083, the CSLC will also conduct a public scoping meeting with two separate sessions for the proposed Project to receive oral or written testimony at the times and place listed below.

DATE:	May 31, 2012 (Thursday)
TIME:	Sessions begin at 2:00 p.m. and 6:00 p.m.
LOCATION:	City of Martinez City Council Chambers 525 Henrietta Street Martinez, CA 94553

** The State "CEQA Guidelines" are found in California Code of Regulations, Title 14, section 15000 et seq.

Notice of Preparation of a Draft EIR/Notice of Public Scoping Meeting
May 10, 2012

The purpose of the scoping meeting is to receive public comment on the Project and ensure that all oral comments are recorded, typically by a court reporter, in a transcript for the public record. Each session of the scoping meeting will begin with a brief presentation describing the proposed Project. The session will end after all persons present who wish to provide oral comments have done so. If oral comments are still being taken 30 minutes before the scheduled start of the second session, CSLC staff may suspend the first session but will continue to take oral comments after the start of the second session. A three-minute oral comment limit may need to be imposed.

Important Notes to Commenters

1. You are encouraged to submit electronic copies of your written comments. If written comments are sent by e-mail, please send the comments to CEQAcomments@slc.ca.gov and write the following in the subject line of your email: **Tesoro Amorco MOT NOP Comments**. If written comments are faxed, please also mail a copy to ensure that a clean copy is received by this office.
2. A sign language interpreter will be provided at the scoping meeting upon advance notification of need by a hard-of-hearing person. Such notification should be made as soon as possible prior to date of the scoping meeting. If you need reasonable accommodation to conduct business with CSLC staff conducting the scoping meeting for a disability as defined by the Federal Americans with Disabilities Act and the California Fair Employment and Housing Act, please contact Sarah Mongano at (916) 574-1889 in advance of the scoping meeting to arrange for such accommodation.
3. Before including your mailing or email address, telephone number, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may become publicly available, including in the EIR and posted on the Internet. While you may ask the CSLC (prominently at the beginning of your submission) to withhold your personal identifying information from public review, the CSLC cannot guarantee that it will be able to do so. The CSLC will make available for inspection, in their entirety, all comments submitted by organizations, businesses, or individuals identifying themselves as representatives of organizations or businesses.
4. If you represent a public agency, please provide the name, email address, and telephone number for the contact person in your agency for this EIR.

CONTACT PERSON

If you have any questions or to request a copy of this Notice and Attachment, please contact Sarah Mongano, Staff Environmental Scientist, at the address listed above, by phone at (916) 574-1889, or by email at sarah.mongano@slc.ca.gov.

Signature: 
Sarah Mongano, Staff Environmental Scientist

Date: 5/10/12

ATTACHMENT 1
PROJECT DESCRIPTION
TESORO AMORCO MARINE OIL TERMINAL LEASE CONSIDERATION

1. PROJECT DESCRIPTION AND LOCATION

The proposed Tesoro Amorco Marine Oil Terminal Lease Consideration Project (Project) involves Tesoro Refining and Marketing Company (Applicant or Tesoro), a wholly owned subsidiary of Tesoro Petroleum Corporation, entering into a new 30-year lease of State sovereign land with the California State Lands Commission (CSLC) to continue operating the Amorco Marine Oil Terminal (MOT). The Amorco MOT is located on the Carquinez Strait, approximately one-half mile west of the Benicia-Martinez Bridge, in the city of Martinez, Contra Costa County. The vicinity and location of the Amorco MOT are shown in Figures 1 and 2.

Tesoro also leases sovereign public land from the CSLC for the Tesoro Avon MOT, located approximately 2 miles to the east of the Amorco MOT (approximately 1.5 miles east of the Benicia-Martinez Bridge). The Avon MOT will also be considered for a new 30-year lease, under a separate but parallel environmental review that will require the preparation of a separate EIR.

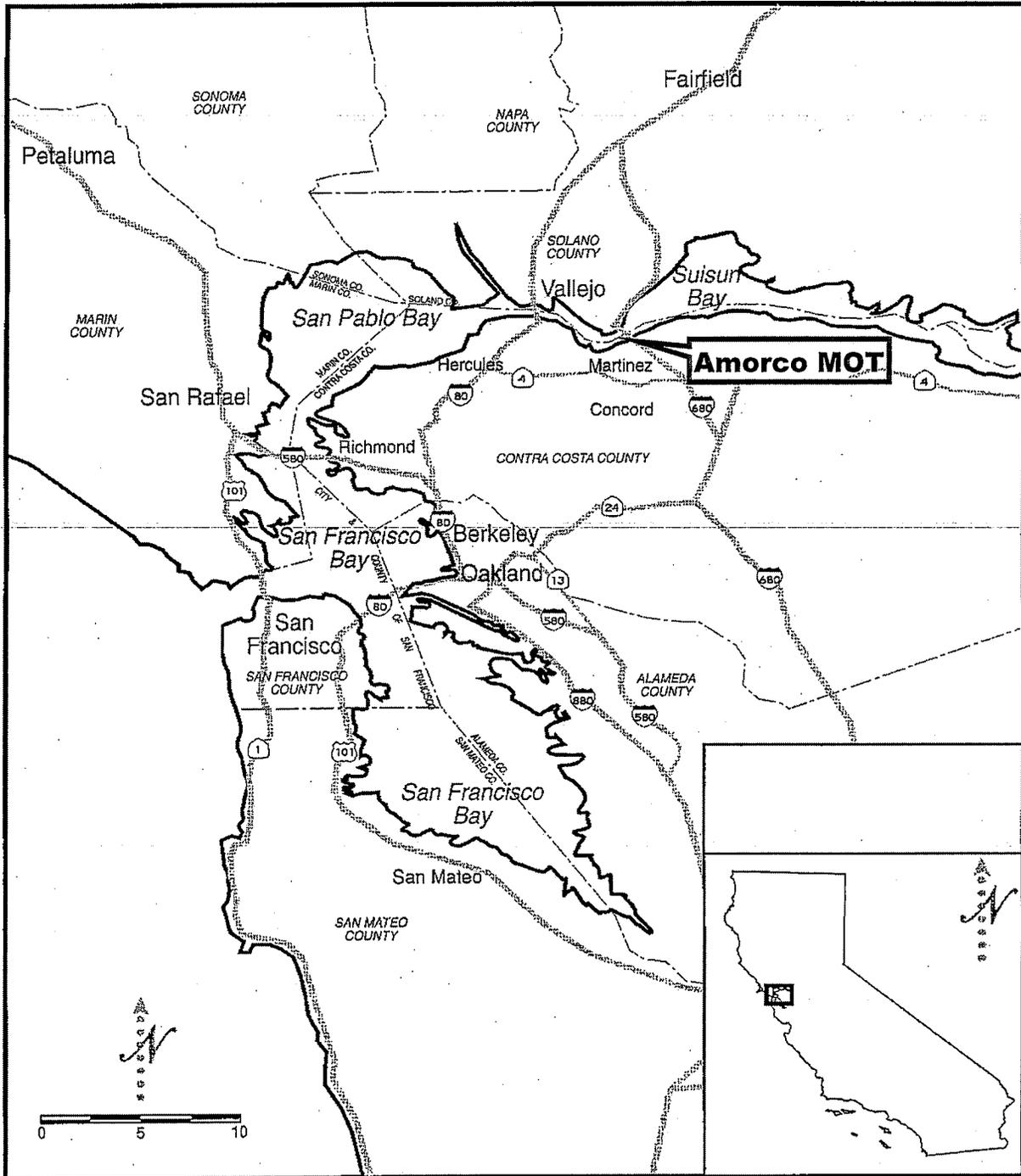
The Project objective, as stated by the Applicant, is to maintain the operational viability of the adjacent Golden Eagle Refinery, located approximately one-half mile from the MOT, by continuing current Amorco MOT operations through which the refinery receives its petroleum crude oil products. The Project also involves periodic dredging activities to maintain approximately 48 feet depth below mean lower low water (MLLW). Tesoro currently has no plans to expand either the operations or the equipment on the Amorco wharf. Golden Eagle Refinery operations upland from the wharf, as well as Avon MOT operations, are separate from Amorco MOT operations, and are not part of the proposed Amorco lease. Refinery operations are not under the jurisdiction of the CSLC and are addressed only as they pertain to Amorco MOT operations or to alternatives to the proposed Project.

1.1 Lease History

On March 1, 1966, the CSLC authorized the issuance of a General Lease-Industrial Use to Tidewater Oil Company for the Golden Eagle MOT, with several amendments and assignments occurring through the years. In 2002, the CSLC assigned the lease to Ultramar, Inc. On May 17, 2002, Ultramar sold the Golden Eagle MOT to Tesoro, and the CSLC accepted a reassignment of the lease. Tesoro currently leases 16.6 acres of sovereign public land from the CSLC for what is now known as the Amorco MOT. The term of this lease (CSLC Lease PRC 3453.1) expired in 2008 and Tesoro is presently in a holdover month-to-month tenancy.¹ In the current application process, Tesoro has requested that the CSLC issue a new 30-year lease.

¹ Holdover status means that the MOT is continuing to operate under the terms of its old lease while a decision on a new lease is pending.

FIGURE 1. Project Vicinity Map – Tesoro-Amorco Marine Oil Terminal



**FIGURE 2. Project Location Map – Tesoro Amorco Marine Oil Terminal,
CSLC Lease Boundaries**

