

APPLICANT ITEM NO.
APPROVED

CALENDAR ITEM

17.

1/76

HAM

WP 731

WP 1558

WP 331

WP 2757

WP 2869

WP 3453

WP 3454

CONSENT TO ASSIGNMENT OF INDUSTRIAL LEASES
PRC 731, 1558, 331, 2757, 2869, 3453 and 3454

ASSIGNOR: Phillips Petroleum Company
155 Bovet Road, Suite 675
San Mateo, California 94402

ASSIGNEE: The Oil Shale Corporation
10100 Santa Monica Boulevard
Los Angeles, California 90067

<u>Lease No.</u>	<u>Location</u>	<u>Use</u>
PRC 731	Contra Costa County	Pipeline Crossing Pacheco Creek
PRC 1558	Contra Costa County	Cooling Water Channel from Pacheco Creek
PRC 331	Contra Costa County	Pipelines Crossing Pacheco Creek
PRC 2757	Contra Costa County	Marine Terminal at Pittsburg
PRC 2869	Contra Costa County	Wharf at Port Costa
PRC 3453	Contra Costa County	Amorco Marine Terminal at Martinez
PRC 3454	Contra Costa County	Wharf at Avon Refinery

PERTINENT INFORMATION:

In compliance with an action in the United States District Court, for the Central District of California, Civil No. 66-1154-WJF, Phillips Petroleum Corporation is in the process of assigning certain of its leases and interest to the Oil Shale Corporation, hereinafter referred to as "TOSCO".

Leases previously issued by the State Lands Commission are affected by the Court's order. The State leases so affected are those identified above. Applicant, Phillips Petroleum, has requested that said leases be assigned to "TOSCO" or to one of its wholly-owned subsidiaries. The staff has reviewed the applicant's request and recommends Commission consent to these assignments.

This transaction is not a project within the meaning defined in Section 15037 of Title 14, of the California Administrative Code and Section 21065 of the Public Resources Code.

A 10, 11
S 7

CALENDAR ITEM NO. 17. (CONTD)

Accordingly, an environmental assessment for this transaction is not required.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONSENT TO THE ASSIGNMENT BY PHILLIPS PETROLEUM COMPANY TO TOSCO, OR A CORPORATION DESIGNATED AND CONTROLLED BY TOSCO, OF THE LEASES AND INTERESTS IDENTIFIED AS PRC 731, 1558, 331, 2757, 2869, 3453, AND 3454 SUBJECT TO THE FOLLOWING CONDITIONS:
 - a. SUCH CONSENT SHALL CONTAIN THE RESERVATION THAT "SUCH CONSENT IS MADE UPON THE EXPRESS CONDITION THAT SUCH ASSIGNMENT DOES NOT AND SHALL NOT RELEASE OR RELIEVE THE ASSIGNOR FROM ANY OBLIGATION TO THE STATE UNDER THE TERMS OF SAID LEASE, AND THAT THE STATE MAY HOLD THE ASSIGNOR LIABLE FOR THE FAITHFUL PERFORMANCE OF ANY AND ALL OBLIGATION OF THE LESSEE UNDER SAID LEASE; AND FURTHER THAT THE ASSIGNEE SHALL BE BOUND BY THE TERMS OF SAID LEASE TO THE SAME EXTENT AS IF SUCH ASSIGNEE WERE THE ORIGINAL LESSEE, ANY CONDITIONS IN THE ASSIGNMENT AGREEMENT TO THE CONTRARY, NOTWITHSTANDING."
 - b. AN ASSIGNMENT AND ACCEPTANCE OF ASSIGNMENT, FORM 51.11(a), WILL BE COMPLETED, EXECUTED AND ACKNOWLEDGED BY THE ASSIGNOR AND ASSIGNEE IN RESPECT OF EACH LEASE AND EASEMENT AND A FULLY EXECUTED AND ACKNOWLEDGED COPY OF EACH ONE WILL BE DELIVERED TO THE COMMISSION.
 - c. THE COMMISSION SHALL HAVE RECEIVED A CERTIFICATE OF GOOD STANDING FROM THE CALIFORNIA SECRETARY OF STATE AS TO THE ASSIGNEE.
 - d. THE COMMISSION'S CONSENT IS CONTINGENT UPON CONSUMMATION OF THE SALE OF THE ASSETS THAT ARE THE SUBJECT OF THE JUNE 3, 1975 AGREEMENT BETWEEN PHILLIPS AND TOSCO.
 - e. PHILLIPS AND TOSCO SHALL NOTIFY THE COMMISSION OF THE EFFECTIVE DATE OF EACH ASSIGNMENT.
2. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT NEED NOT BE PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21065, 14 CAL. ADM. CODE 15037.
3. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE APPROPRIATE DOCUMENTS TO EFFECTUATE SAID CONSENT.