

**CALENDAR ITEM
C38**

A 11, 33

12/05/12
PRC 1449.1
PRC 7859.1
G. Kato

S 7, 15

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

ConocoPhillips Company (PRC 1449.1)
1232 Park Street, Suite 300
Paso Robles, CA 93446

ConocoPhillips Company (PRC 7859.1)
520H Plaza Office Bldg
315 S. Johnstone
Bartleville, OK 74005-7500

ASSIGNEE:

Phillips 66 Company
P.O. Box 4428
Houston, TX 77210

AREA, LAND TYPE, AND LOCATION:

PRC 1449.1: 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.

PRC 7859.1: a 352-square-foot parcel of sovereign land in Pacheco Slough, near the city of Martinez, Contra Costa County.

AUTHORIZED USE:

PRC 1449.1: Continued use and maintenance of an 18-inch-diameter wastewater outfall pipeline and retention of an existing abandoned 14-inch-diameter outfall pipeline.

PRC 7859.1: Continued use and maintenance of an existing 8-inch diameter pipeline used for the transportation of petroleum products.

CALENDAR ITEM NO. **C38** (CONT'D)

LEASE TERM:

PRC 1449.1: 25 years, beginning October 25, 2003

PRC 7859.1: 25 years, beginning September 20, 1995

CONSIDERATION:

PRC 1449.1: \$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.

PRC 7859.1: \$100 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. **PRC 1449.1:** On September 1, 2011, the Commission authorized a General Lease Right-of-Way Use to ConocoPhillips Company for a term of 25 years.
2. **PRC 7859.1:** On February 2, 2004, the Commission authorized an Assignment of Lease from Chevron U.S.A., Inc. to ConocoPhillips Company. PRC 7859.1 is a General Lease Right-of-Way Use with a term of 25 years, beginning September 20, 1995.

On July 14, 2011, the Board of Directors of ConocoPhillips Company (COP) announced that it would pursue the separation of COP's Refining & Marketing business and COP's Exploration & Production business into two separate stand-alone companies via a tax free spin off of the Refining & Marketing business. The newly formed and names Phillips 66 Company will be a global refining and marketing company headquartered in Houston, Texas.

3. The staff recommends that the Commission find that the subject assignment does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

EXHIBITS:

- A-1. Site and Location Map PRC 1449.1
- A-2. Site and Location Map PRC 7859.1

CALENDAR ITEM NO. **C38** (CONT'D)

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

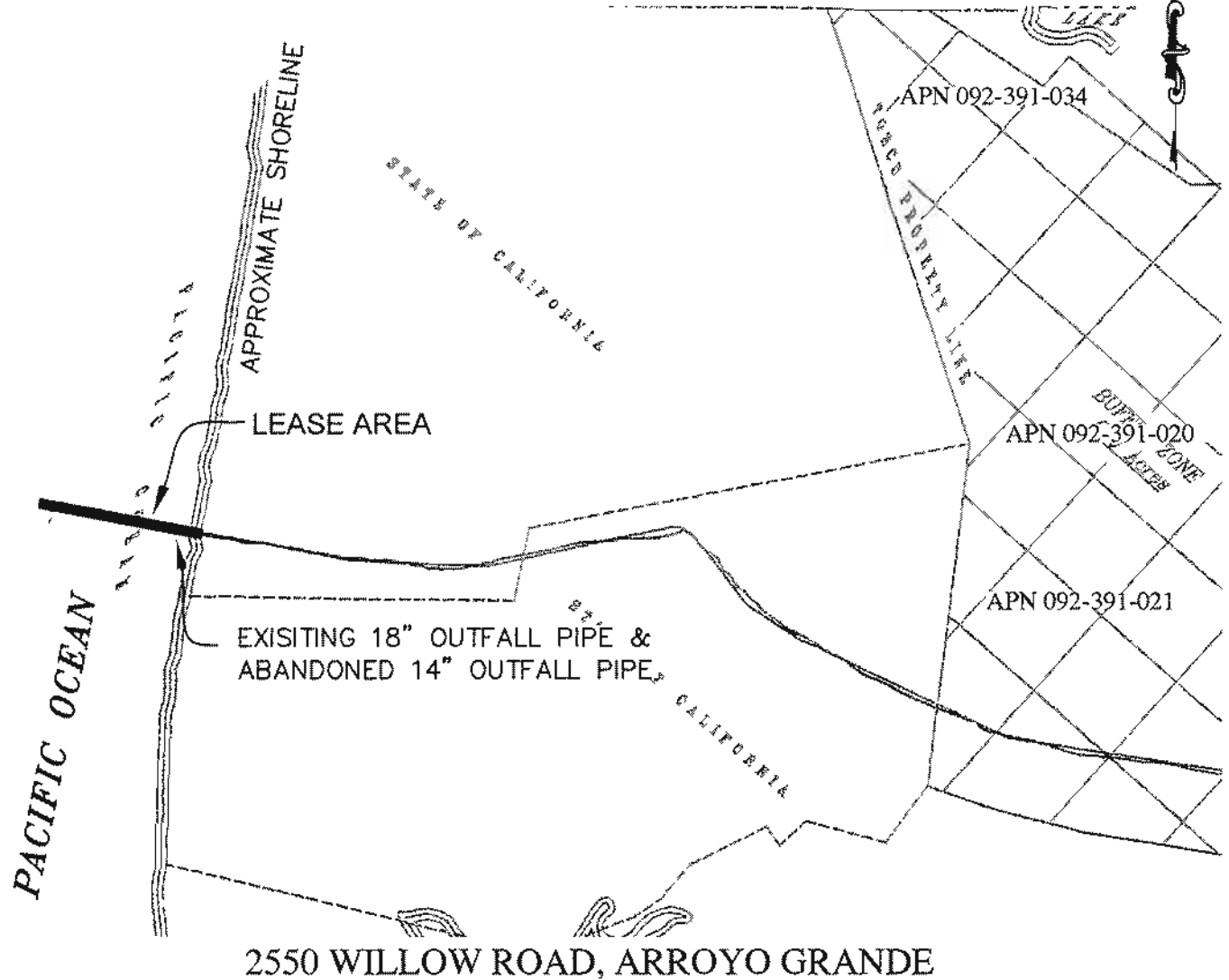
Find that the subject assignment is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Authorize the Assignment of Lease Nos. PRC 1449.1 and PRC 7859.1 from ConocoPhillips Company to Phillips 66 Company; effective December 5, 2012.

NO SCALE

SITE



NO SCALE

LOCATION

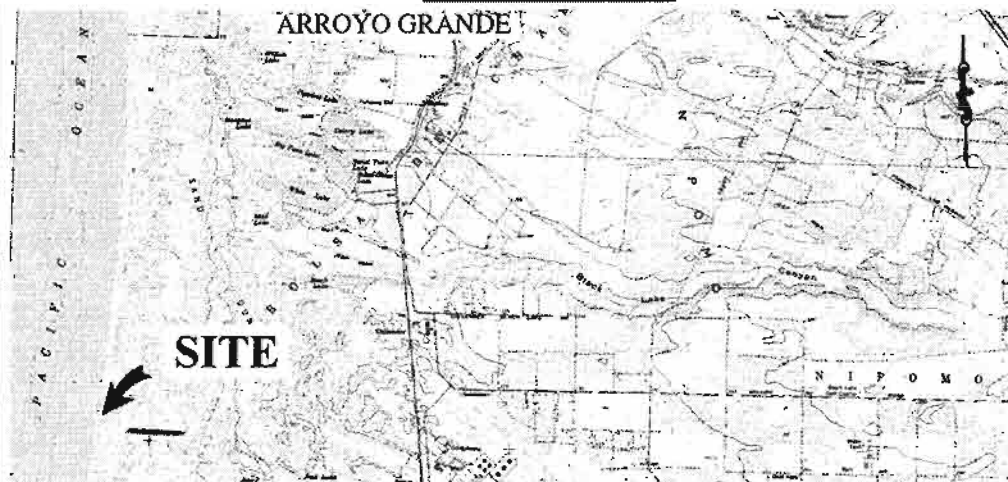


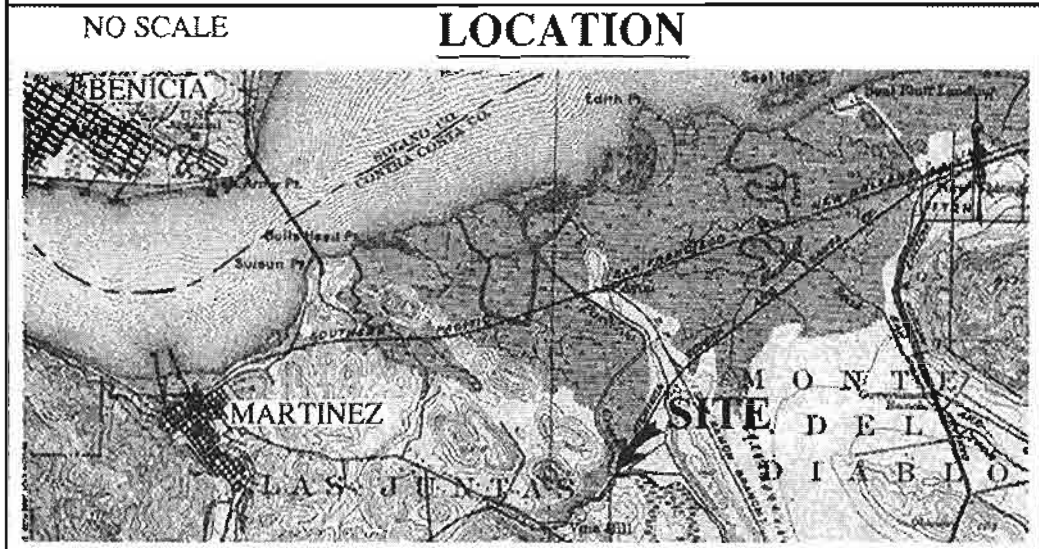
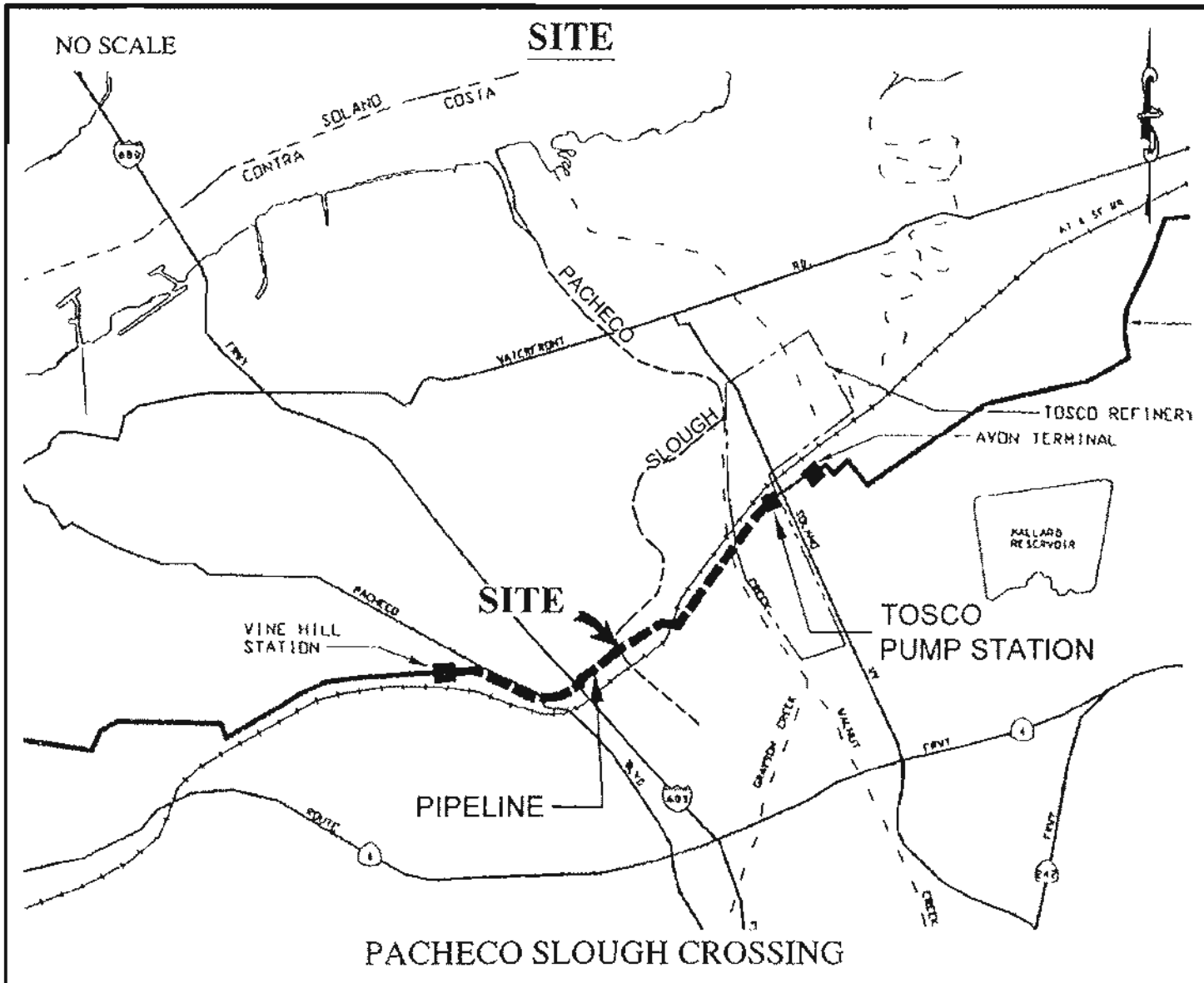
Exhibit A-1

PRC 1449.1
 CONOCO PHILLIPS
 APN 092-391-034, 092-391-020,
 092-391-021
 GENERAL LEASE -
 RIGHT - OF - WAY USE
 SAN LUIS OBISPO COUNTY



DJP 11/14/12

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.



MAP SOURCE: USGS 1896 QUAD

Exhibit A-2

PRC 7859.1
 PHILLIPS 66 COMPANY
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 CONTRA COSTA COUNTY



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