



**GENERAL SERVICES DEPARTMENT**  
**MEMORANDUM**

A-12

**Date:** December 11, 2017

**To:** Honorable Joan Hartmann, Chair, and Members of the Board of Supervisors  
Clerk of the Board of Supervisors

**From:** Janette D. Pell *Janette D. Pell*  
General Services Director

**Subject:** Consent to Assignment from Ellwood Pipeline Inc. to Chevron USA Inc., Assumption of Performance, and Fourth Amendment to Lease Agreement, for Oil and Gas Pipelines in County Submerged Lands, Offshore Carpinteria, First District, (R/P File No. 003657) Administrative Agenda Item A-12 for December 12, 2017

**cc:** Mona Miyasato, CEO  
Matthew P. Pontes, Assistant CEO  
Mike Ghizzoni, County Counsel  
Theodore A. Fallati, CPA  
Ray Aromatorio, County Risk Manager  
Don Grady, Real Property Division Manager

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COUNTY OF SANTA BARBARA  
CLERK OF THE  
BOARD OF SUPERVISORS

The item referenced in the Subject line above is currently docketed as Item A-12 on the Board's Administrative Agenda for Tuesday, December 12, 2017. Since docketing this item, Chevron USA Inc. requested certain revisions be made to the document prior to its execution. Staff approves of those revisions and recommends the Board approve the item on the Administrative Agenda.

Chevron will be executing a Purchase and Sale Agreement with Venoco LLC/Ellwood Pipeline Inc., in relation to Venoco's bankruptcy proceedings. The revisions requested by Chevron are intended to clarify the "Consent to Assignment, Assumption of Performance, and Fourth Amendment to Lease Agreement" between the County and Chevron USA Inc. will become effective upon the closing of Chevron's Purchase and Sale Agreement with Venoco/Ellwood Pipeline Inc. County staff responded with revisions intended to further clarify the effective date of the document, and to ensure the document is internally consistent.

The specific revisions made to the docketed Consent to Assignment, Assumption of Performance, and Fourth Amendment to Lease Agreement are:

Section 2. CONSENT TO ASSIGNMENT: The following designation of Chevron's local address was deleted: "having as its principal place of business at 6001 Bollinger Canyon Road, San Ramon, CA 94583, and local branch place of business at 6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013." Accurate contact information for Chevron is included in Section 5(c).

Section 3. ASSUMPTION OF PERFORMANCE OF ASSIGNEE: The following was added to the beginning of the section: "Effective upon the closing, as that term is defined in Section 3.01 of the 'Purchase and Sale Agreement for the Carpinteria Station Segment and Certain Pipeline Segments by and

among Venoco LLC Ellwood Pipeline, Inc., as Sellers, and Chevron U.S.A. Inc. as Purchaser', and LESSEE's acquisition of the Lease,".

Section 5. AMENDMENT OF LEASE: The following was added to the beginning of the section: "Effective upon the closing as defined above and LESSEE's acquisition of the Lease".

Section 5 was further revised to correct certain information so as to identify Platforms Gail and Grace as both being in the "Federal Santa Clara Unit", and include the term "decommissioning" to describe the plugging and abandonment activities Chevron will be undertaking.

Section 6: To clarify the timing of the conditions that Chevron must satisfy, staff requested the following be added to the end of Section 6: "LESSEE shall file the bond and provide the evidence of satisfaction of the insurance requirements on or before the closing as defined above."

A copy of the revised Consent to Assignment, Assumption of Performance, and Fourth Amendment to Lease Agreement, including Chevron's signature page is attached.

Please contact me if you have any questions.