While Mobil assures the public that the increased capacity will be offset by corresponding reductions in delivery of crude oil from other sources, the nation's most polluted air quality basin cannot accept this promise. What guarantee does the public have that Mobil will not increase its refinery operations? More detail must be given to Mobil's assertion that before any increase could take place, there would be "exhaustive construction and environmental reviews by local, state, regional and federal governments."

To eliminate the chance that Mobil might seek to increase their refinery operations, we must ensure that the supply of crude oil is not increased via the M-70 Pipeline. Restricting Mobil's M-70 Pipeline Replacement Project to a diameter of 12' will achieve this goal.

As an elected official representing an area featuring this nation's worst air quality, I am compelled to recommend the phasing-out of fossil fuel use. We should not be facilitating the increased refining of these fuels, but instead should be searching for less toxic alternatives. Thus, I urge this reviewing party to accept my opposition to the project in concept. However, if because of safety considerations the existing pipeline must be replaced, a uniform diameter of 12" must be employed.

Sincerely,

CURTIS R. TUCKER, JR.
Assemblyman, 50th District

CRT:gw

F18

coating on Mobil's new pipeline is state of the art. But some wonder if it can avoid leakage problems that made its predecessor a dismal performer.

By MYRON LEVIN
and TRACEY KAPLAN
TIMES STAFF WRITERS

After crude oil gushed from a ruptured pipeline into Bull Creek in Granada Hills in April, 1986, Mobil Oil Corp. sought to assure pipeline regulators that it had things well in hand.

In a letter to the State Fire Marshal's office, Mobil described the leak as an isolated incident caused by corrosion and blamed it on an ineffective pipe coating the company no longer used.

But in the next few years, more corrosion leaks occurred in pipe protected by coatings that were supposed to be better. The most recent was on Jan. 31, when 74,000 gallons of tarry crude flowed from broken pipe in Valencia, some of it befouling the Santa Clara River.

By then, Mobil, the country's second-biggest oil company, had given up on the existing pipeline. It had poured millions of dollars into oil-spill cleanup, and cleanup expenses seemed certain to remain high as long the badly corroded line remained in service. The company was well along with plans for a new $88-million, 92-mile pipeline to bring crude oil from Kern County to its Torrance refinery.

In the South Bay, the pipeline will run south through Inglewood, Hawthorne and into north Torrance, entering the Mobil refinery grounds at Prairie Avenue and 190th Street.

Although Mobil has won approval for the project from the city of Los Angeles, it still needs the consent of the three South Bay cities, whose approval appears likely. Officials in the three cities say the work would reduce the risk of spills and not cause undue traffic tie-ups.

But the endorsements will not be automatic. In Torrance, the City Council is delaying consideration of the issue to await the outcome of a legal challenge to the pipeline project filed by a citizens groups.

And in Hawthorne, approval of ... renewal of a pipeline franchise agreement between the city and Mobil. Mobil currently pays the city about $12,000 a year to use municipal right-of-way for its current oil line, but Hawthorne wants the oil company to pay a higher fee.

"If [the negotiations] culminate in a satisfactory franchise agreement, then the [city] staff will probably recommend approval," said city planning director Michael Goodson.

□

In making the case for the project, Mobil has said the new pipeline will feature a state-of-the-art coating system, as well as other safety improvements.

But with Mobil poised to start construction, it remains to be seen if the new pipeline will avoid the problems that have made the existing line a dismal performer. At times in the past, Mobil was overly optimistic about the coatings it used to stem corrosion. And human error seems to have been a factor in some accidents.

Since late 1985, the pipeline has suffered numerous leaks and ruptures—some of them small and some occurring during hydrostatic testing, when water is flushed through the pipe at abnormally high pressure to check for weak spots.

Counting only the seven leaks that exceeded a federal reporting threshold of 50 barrels—or 2,100 gallons—the risk of accidents during the five-year period was about 10 times higher than for the average crude oil line of similar age, according to data contained in the environmental impact report prepared for the new pipeline.

"The line's a chronic leaker," said Jim Wait, chief of the Los Angeles Fire Marshal's pipeline safety division, which regulates intrastate pipelines such as Mobil's.

Many petroleum pipelines crisscross Los Angeles, but Mobil's is unique for its "inordinate" number of spills, said Ken Cude, division engineer for that city's Department of Transportation.

In Torrance, the City Council is delaying consideration of the issue to await the outcome of a legal challenge to the pipeline project filed by a citizens groups.

Mobil spokesman Jim Carbonetti acknowledged the pipeline's problems, adding: "That's why we want to replace it."

Although the frequency of spills is an embarrassment to Mobil, it has made the new line easier to sell. Los Angeles' Fire Marshal and the city Transportation Department have been unabashed supporters, citing the repeated failures of the existing line.

Although opponents of the project, banded together as the Coalition Against the Pipeline, have filed suit to block construction, the continuing threat of spills from the existing line has almost surely cost them allies.

Portions of the pipeline are 50 years old—a fact officials of Mobil and the Fire Marshal's office are quick to mention. But other experts say age alone is no excuse—that a pipeline properly installed and maintained virtually lasts forever.

"There's something else that's going on, no question about it, because age itself is not a problem with the pipelines," said Richard Beam, deputy associate administrator of the federal Office of Pipeline Safety, a branch of the U.S. Department of Transportation.

"It's a question of how the line was designed, constructed and what its maintenance record is," Beam said.

In fact, three-fourths of the pipeline is 20 years old or less, and it is on these sections that most of the recent accidents have occurred.

Last January's spill in Valencia, another spill in Valencia of 1,040 gallons in May, 1990, a 132,000 gallon spill in Encino in September, 1988, and a 105,000 gallon spill in Lebec in June, 1987, occurred in pipe sections installed in 1971, 1972, 1975, and 1971, respectively.

External corrosion was blamed for each of these accidents. In each case, the protective pipe coating lining the outer wall of the pipe "disbonded"—or tore away—allowing moisture to corrode the steel.

There are a number of reasons why a coating may disbond. It may be improperly applied in the factory, or damaged during installation. Or it may simply be the wrong coating for the job at hand. It must be able to withstand "soil stress"—the beating it takes as the pipeline moves in the ground in response to changing temperature or pressure. And on certain pipelines, like Mobil's, it must be capable of surviving high temperatures. Mobil's is a "hot" oil line, in which the tarry crude is heated up to 180 degrees to keep it flowing.

Over the years, Mobil experimented unsuccessfully with a variety of coatings. Writing in the industry publication Oil & Gas Journal in May, 1987, James A. Nunn, corrosion manager for Mobil's pipeline subsidiary, told how Mobil had expected each coating it tried "to be superior to its predecessor." But coatings that were "expected to perform well under high-temperature conditions," Nunn wrote, "have failed to reach full expectations."

Along with coating failures, careless mistakes may have been a factor in some of the Mobil accidents. For example, after the 1988 Encino spill, officials discovered that the ruptured pipe had been laid on top of a steel water line. Experts say a steel pipe should never be placed against another metal line, as this may create corrosion currents between them. The city water line had been there long before the Mobil pipeline, but Mobil's construction records did not mention it, according to a report in the Los Angeles Fire Marshal's office.

Human error also may have caused the 105,000-gallon spill in Lebec in June, 1987. The break occurred next to a section of pipe that had been repaired in 1983. Protective tape had been wrapped around the area of repairs. "It is believed that the primary cause of the corrosion was from improper tape application," says a memo in the State Fire Marshal's files.

One important feature of the proposed new pipeline is its uniform, 16-inch diameter. The uniform width will allow Mobil to use a sophisticated inspection device, known as a "smart pig," that detects thinning of pipeline walls so repairs can be made before leaks occur.

Another much-touted improvement is a state-of-the-art coating developed for Mobil by Valspar Inc. and Du Pont Canada Inc. The coating is a blend of epoxy—which has great bonding properties but is somewhat vulnerable to moisture—and polypropylene, which provides great moisture protection but doesn't bond as well.

"We do not know, it is true, that in 50 years you will not spring any leaks," said Toni Pfaff, technical consultant to Valspar. But the hybrid coating is "the very best that the industry has been able to come up with," he said.

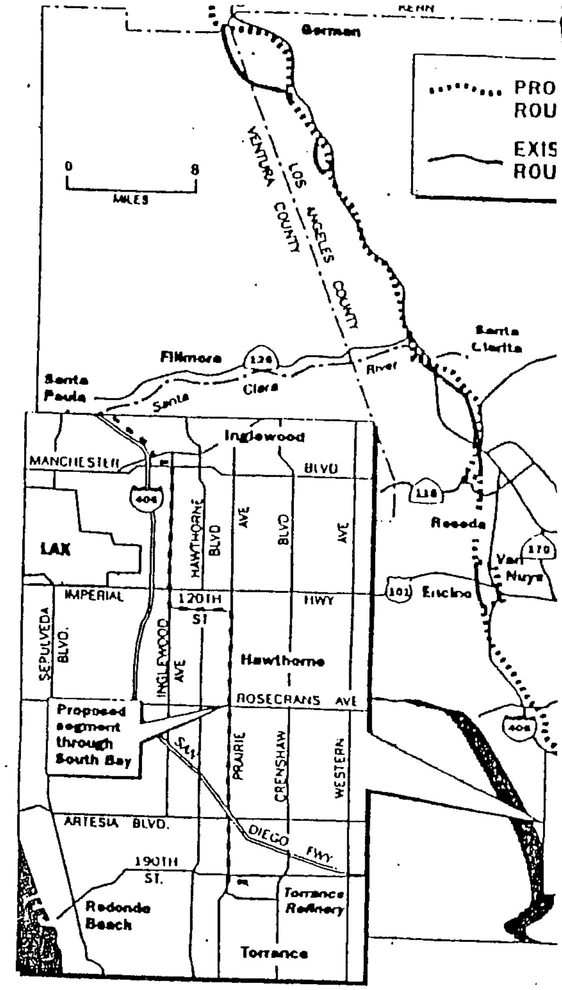
Larry Teeler, attorney for the Coalition Against the Pipeline, remains skeptical. "I don't think we should be confident about it unless we see the evidence, and I don't see the evidence," he said.

Although Mobil still needs approval from several cities, it has permission to build a 25-mile section through the Angeles National Forest and 26 miles in the city of Los Angeles. The 1... phase of the work cou... summer, as soon as t... proves a plan to ma... snarls from constructio...

The coalition law... against Los Angeles contends Los Angele... should be voided beca... based on a faulty env... impact report.

The existing pipel... 63,500 barrels per day half the crude requirem... Torrance refinery.

The new 16-inch dia... could carry twice as mu... opponents to charge it ... the door for more refi... area. But Mobil says i... increase production in T...



F19

F20

Judge Rejects Effort by Residents to Halt Oil Pipeline Construction

■ **Court:** But a demonstration by members of the coalition briefly stops work on a segment of the 92-mile Mobil project. They vow to appeal.

By MICHAEL CONNELLY
TIMES STAFF WRITER

9/5/91

An attempt by homeowners to halt construction of Mobil Oil's underground pipeline from Kern County to Torrance was rejected by a judge Wednesday, a day after the firm began work on a segment of the $90-million project in Granada Hills.

Los Angeles Superior Court Judge Ronald M. Sohigian ruled against the Coalition Against the Pipeline, which filed a lawsuit against the city of Los Angeles and Mobil earlier this year.

Members of the coalition, who briefly halted work on the pipeline with a protest, said they would appeal the ruling.

Mobil wants to build the 92-mile, 16-inch-wide pipeline to carry hot crude oil from San Joaquin Valley oil fields to its Torrance refinery, replacing an existing pipeline that is six inches thinner in some areas and has ruptured eight times in the past five years. The pipeline would go through the Santa Clarita and San Fernando valleys, West Los Angeles and the South Bay.

The citizens group contended that Mobil secured construction approval for the project from Los Angeles because the environmental impact report on the project did not alert officials of potential hazards. The city's Department of Transportation was the lead agency in overseeing the environmental review process for the project.

The opponents said the environmental report did not properly consider the alternatives of repairing the existing pipeline or building a new line the same size of the existing one. The suit also questioned whether a conflict of interest existed because the EIR was prepared by an independent engineering firm hired by Mobil.

But in a ruling released Wednesday, Sohigian said the concerns of the opponents were satisfactorily addressed during the environmental review and that the environmental impact report was only obligated to consider a reasonable range of alternatives—which it did. The ruling also said that there was no misconduct by allowing Mobil to retain the firm that prepared the environmental report.

James Carbonetti, a spokesman for Mobil, praised the ruling.

"The decision affirms that the Los Angeles Department of Transportation properly approved the EIR, exercising independent judgment and addressing all comments made by interested parties," Carbonetti said. "Mobil looks forward to replacing the pipeline as quickly as possible."

Lawrence Teeter, an attorney representing the coalition, was unavailable for comment, but in an earlier interview he said the coalition would appeal any adverse ruling by Sohigian.

John Aubuchon, a member of the coalition who lives in Los Angeles, vowed the group would continue to fight the pipeline in court.

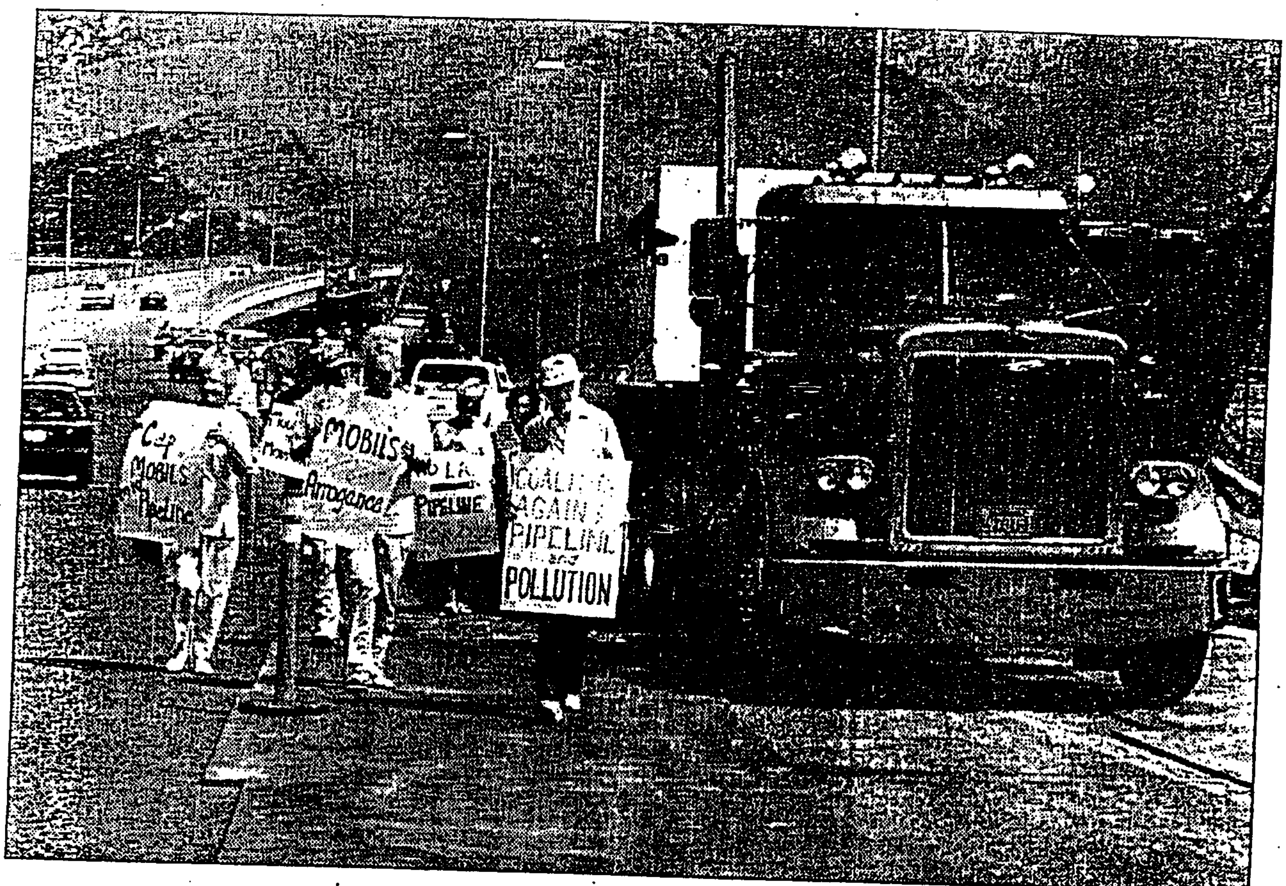
"This is very sad to see that the EIR, apparently in the judge's view, passed muster," Aubuchon said. "This was not a critical, analytical document."

Mobil is still seeking approval for the new pipeline from several government agencies outside Los Angeles, Carbonetti said. Many of those agencies, including the cities of Culver City, Hawthorne, Inglewood and Torrance, have held off on taking up the issue until a ruling was made in the coalition's lawsuit.

What the coalition members did not achieve in court, they did accomplish—for about an hour—when they protested Wednesday morning at the Granada Hills construction site where Mobil con-

Please see MOBIL, B9

HYUNGWON KANG Los Angeles Times
Members of the Coalition Against the Pipeline picket a Mobil Oil work site in Granada Hills.



HYUNGWON KANG / Los Angeles Times

About 25 people marched on Balboa Boulevard Wednesday in protest of plans for a pipeline from the San Joaquin Valley to Torrance. The protest halted work at the site for about 90 minutes.

MOBIL: Oil Pipeline Foes Thwarted

Continued from B3

tractors have begun digging trenches for the new pipeline.

Mobil officials shut down work in the area along Balboa Boulevard south of the Golden State Freeway overpass when about 25 members of the coalition began picketing in the construction zone.

The coalition members walked alongside parked trucks that held 55-foot pipe segments that will be placed beneath the street. They held signs that said, "Earthquakes Break Pipelines," and "Mobil Pipeline Means More Pollution."

"We just feel like we have to do something," said Mary Edwards of Granada Hills. "We feel like we have to rage because it is important to speak out against the environmental danger."

Carbonetti said the project was temporarily shut down as a safety precaution until police arrived and instructed the protesters to leave the construction area and continue their march across the street. The protest lasted about 90 minutes.

Michele Grumet, a coalition member who organized the protest, expressed disappointment when she later learned of the judge's ruling.

"You can't always count on the courts," she said. "We still question the integrity of the environmental review process."

Times staff writer Tracey Kaplan contributed to this report.

New York Times Aug. 5 '91

U.S. Finds Lax Regulation of Alaska Oil Pip

By TIMOTHY EGAN

Special to The New York Times

SEATTLE, Aug. 4 — The Trans-Alaska Pipeline, the main artery for 25 percent of the nation's domestic oil supply, has been so poorly regulated that the oil companies in Alaska have essentially been allowed to police themselves, a new Government report has concluded.

Also, more than two years after the 11-million-gallon spill from the Exxon Valdez fouled 1,100 miles of Alaskan shoreline, the companies that control the oil operation have still not shown that they are prepared to clean up a major spill, said the report by the General Accounting Office, an investigative arm of Congress.

Officials with the Alyeska Pipeline Service Company, the consortium of seven oil companies that produce North Slope crude oil and own the pipeline, said they were confident they could clean up any big spill, and they disputed the major findings of the audit.

The report, scheduled to be issued Monday, is the result of a 22-month investigation by the accounting office. It was requested by Representative George Miller, Democrat of California, chairman of the House Interior Committee.

Likely to Fuel Debate

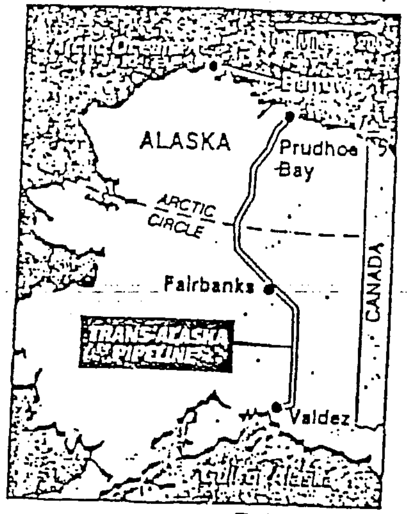
The audit findings are likely to be a factor in the Congressional debate on whether the Arctic National Wildlife Refuge should be opened to oil drilling. President Bush wants development restrictions lifted from a portion of the 19-million-acre refuge. If oil is pumped from the refuge, it will run through the Trans-Alaska Pipeline, which now carries more than 1.5 million barrels a day from Prudhoe Bay to the Port of Valdez.

Government auditors cited corrosion problems along critical sections of the 800-mile pipeline, but Alyeska officials said most of those rust spots have since been repaired.

The pipeline, which is 48 inches wide and crosses three mountain ranges, more than 800 rivers and three seismic-fault zones, is "an efficiently run, safe and environmentally sound" system, James B. Hermiller, Alyeska president, said in a letter to the G.A.O.

The audit acknowledged that many of the problems it cited have been corrected, but the investigation said several areas of concern remained. The major findings include the following points:

¶The regulators — three Federal agencies and two Alaska state offices — did not know early that the pipeline was corroding because they did no independent testing or monitoring of their own. Twelve years after the $7.7 billion pipeline was completed, it was already starting to corrode. "During this time, Federal and state regulators



The New York Times

The pipeline each day moves 1.5 million gallons of oil 800 miles.

A Congressional office finds too much self-policing.

¶The computer system that is supposed to detect leaks in the pipeline has failed for more than a decade. Since the pipeline was opened in 1977, there have been 14 spills along the line, ranging from a single barrel leak to a 15,000-barrel spill from a hole blown open by a saboteur. One barrel equals 42 gallons of oil. The computer system was designed to set off an alarm for any spill above 750 barrels. But none of the six spills that exceeded that threshold set off the alarm, the report said.

¶Alyeska's ability to clean up a major oil spill is in doubt b[...] company has never condu[...] test drill. The oil compan[...] posed to such a drill, the [...] because it would require t[...] shutting down the pipeline. [...] have been limited to such p[...] hiding a piece of black plast[...] supposed to simulate oil, an[...] ing the drill once the plastic [...]

¶Government officials hav[...] strict enough with the comp[...] are supposed to regulate. "T[...] cies relied on Alyeska to pol[...] the auditors said.

In response to the audit, Federal regulatory agencies [...] partment of Transportation, [...] ronmental Protection Agenc[...] Bureau of Land Manageme[...] they have changed many of [...] tices that came under critic[...] they said they lack enough e[...] to do all the independent testi[...] for by the G.A.O. One way to [...] power, the auditors suggeste[...] be to have Alyeska pay for th[...] hiring additional regulators.

Were Promises Betraye[...]

Mr. Miller said the report i[...] that many of the promises ma[...] the pipeline was being built, an[...] to pledges that tough regulator[...] ards would be adhered to, h[...] been followed. "Now, we have [...] that the Government turned its [...] sibility over to the industry, [...] industry betrayed its promise[...] public," Mr. Miller said.

"This is the same laissez-fa[...] tude that contributed to the [...] disaster, the savings and loan [...] and the H.U.D. scandal," he sa[...]

Mr. Hermiller, the Alyeska [...] dent, said the company had [...] safety record and had steppe[...] spill prevention program sin[...] Exxon Valdez accident. The co[...] is not complacent, he said.

Man Sought in California Slaying Is Arre[...]

CAGLIARI, Sardinia, Aug. 4 (AP) — The police here have arrested a man wanted in California on murder, conspiracy and insurance fraud charges.

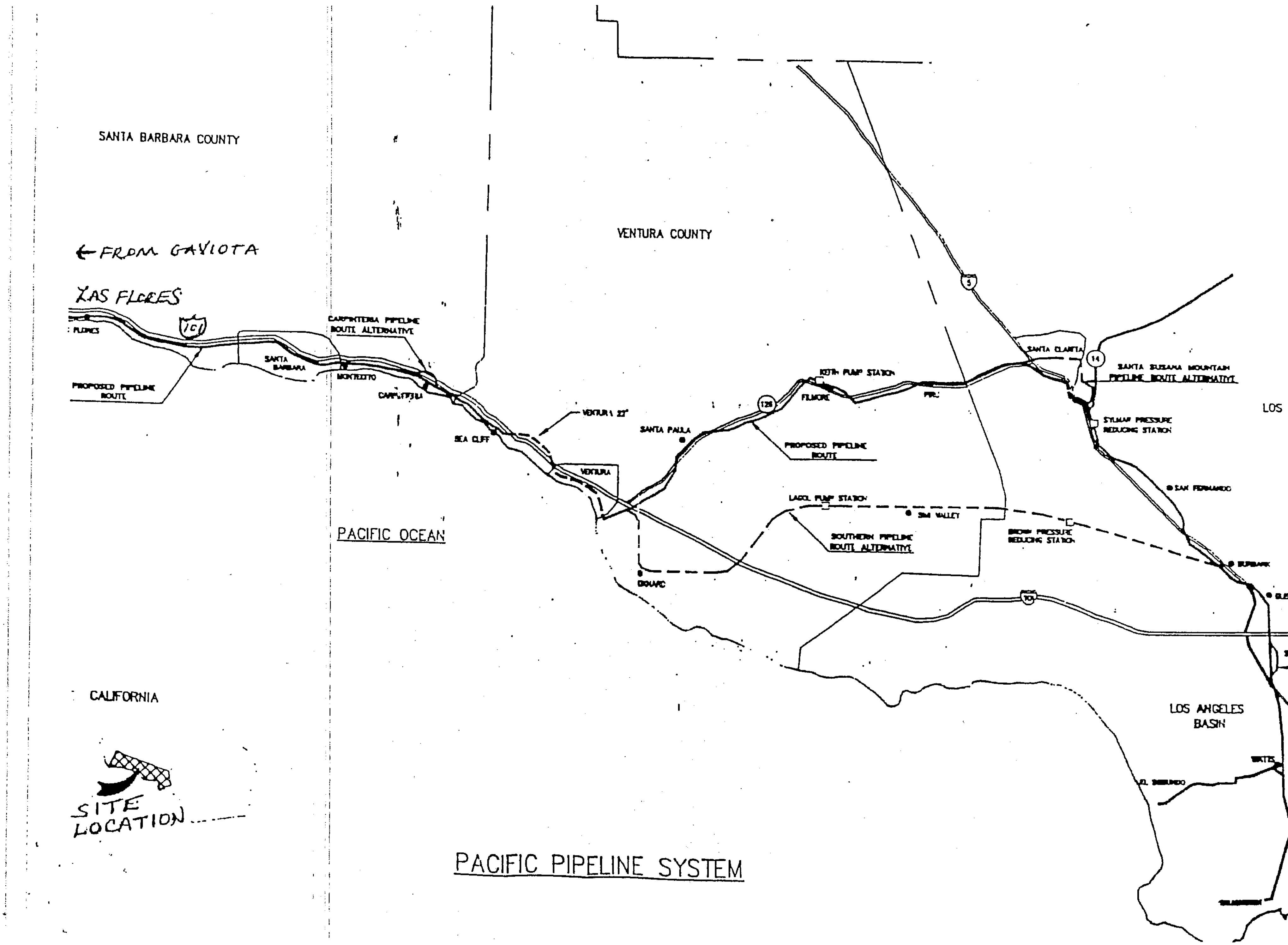
The man, John Barrett Hawkins, is wanted in the 1988 slaying of Ellis Henry Greene, who the authorities said was murdered in a $1.5 million insurance swindle in which the dead man was deliberately misidentified. Mr. Hawkins was arrested Friday night after he docked his 15-foot catamaran at a resort on the northwestern Sardinian coast, said a spokesman for the police, Maresciallo Mele Albertino.

Mr. Albertino said today that Mr. Hawkins, imprisoned in this Sardinian city, was identified by military police officials from the nearby American [...] ers aboard the vessel. Each pa[...] had Mr. Hawkins's picture with [...] a different length and color.

California prosecutors allege [...] Mr. Hawkins and his former bu[...] partner, Melvin E. Hanson, con[...] with Dr. Richard Boggs of Gle[...] Calif., to kill Mr. Greene, identi[...] body as that of Mr. Hanson and c[...] $1.5 million in insurance benefits.

A Los Angeles Superior Court [...] convicted Dr. Boggs in July 19[...] murder, grand theft, assault and [...] ance fraud. Jurors recommende[...] he serve life in prison without pos[...] ty of parole.

Mr. Hanson, who had plastic su[...] on his face, fled to Mexico but [...] captured when he returned to Dall[...]



PACIFIC PIPELINE SYSTEM

E23

JULIAN C. DIXON
28TH DISTRICT, CALIFORNIA

COMMITTEES:
APPROPRIATIONS
CHAIRMAN,
SUBCOMMITTEE ON THE
DISTRICT OF COLUMBIA
MEMBER,
SUBCOMMITTEE ON
DEFENSE

Congress of the United States
House of Representatives
Washington, DC 20515

2400 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-7084
FAX (202) 225-4081
ANDREA TRACY HOLMES
ADMINISTRATIVE ASSISTANT

DISTRICT OFFICE:
LA CIENEGA SLAUSON BUSINESS P
5100 WEST GOLDLEAF CIRCLE, #2
LOS ANGELES, CALIFORNIA 9005
(213) 678-5424
FAX (213) 678 6026
PATRICIA MILLER
ADMINISTRATIVE ASSISTANT

April 25, 1991

RECEIVED
1991 OCT 24 PM 4:41
ENGINEERING DIVISION
CITY OF CULVER CITY

Mrs. Sebie S. Brown
Ms. Virginia Adams
Coalition Against the Pipeline
2335 Gatewood Place
Los Angeles, CA 90031

Dear Friends:

Thank you for writing to express your opposition to Mobil Oil Corporation's M-70 Pipeline Replacement project. I share your concerns about the effects that the pipeline may have on our neighborhoods and the environment.

As you are aware, there are several matters regarding the pipeline issue which need to be resolved including the effects of construction on surrounding communities, "common carrier" status and clean air laws. It is my understanding that the new, expanded pipeline would have the capacity to carry more crude oil, leading to increased refining, and could thereby have an adverse affect on the air quality in Los Angeles.

The City of Los Angeles recently approved Mobil's pipeline plans, but Hawthorne, Torrance, Santa Clarita, and Culver City must also approve the plans before Mobil can move ahead with the pipeline.

Again, thank you for writing. Rest assured that I will monitor the pipeline plans, and relevant federal issues which may ensue.

Sincerely,

Julian Dixon

JULIAN C. DIXON
Member of Congress

JCD:et

ExxonMobil Pipeline Company
12851 East166th Street
Cerritos, CA 90703-2103
(310) 212-1761 Telephone
(310) 212-1788 Facsimile

ExxonMobil
Pipeline

January 19, 2007

RECEIVED
07 JAN 22 AM 10: 53
CITY TREASURER
CULVER CITY, CALIF

Ms. Crystal Alexander
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: City Ordinance Nos. 2003-16 and #92-14
Our File: R/W 5531-11

Dear Ms. Alexander:

In compliance with the terms and conditions of Culver City Ordinance No. 92-14 and subsequent Amendment Ordinance No. 2003-16, specifically Mitigation Measures CC-22 and CC-23, enclosed is ExxonMobil Oil Corporation's (EMOC) Annual M-70 Pipeline Throughput Report for the calendar year 2006. The annual average throughput for the M-70 pipeline system in 2006 was 81,916 thousand barrels per day (TBD). Since the annual average throughput was less than 95 TBD, no additional payment is due the City of Culver City.

In response to your correspondence of December 21, 2006 requesting an audit of EMOC's M-70 pipeline throughput reports, please be advised that EMOC intends to comply with your request. In this regard, pursuant to U.S. Department of Transportation Regulation 49 CFR 195.404, EMOC is required to maintain pipeline operating records for a period of three (3) years. Therefore, consistent with federal law, the daily throughput records for the M-70 pipeline system are available for audit for the years 2004, 2005 and 2006. We are in discussion with Ernst & Young LLP, an internationally recognized accounting firm with significant crude oil accounting experience, to perform said audit. Once our contract with Ernst & Young has been established we will contact you and advise you of the anticipated date of completion of the audit and submission to Culver City.

Should you have any questions or require additional information, please do not hesitate to contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Manager
West Coast/Rockies Right of Way Dept.
for ExxonMobil Oil Corporation

Enclosure

An ExxonMobil Subsidiary

F25

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

January 12, 2007

City of Culver City
City Engineer
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: ANNUAL THROUGHPUT REPORT

Pursuant to City Ordinance NO. 92-014, specifically Exhibit "C", Mitigation Measure "CC-22", attached you will find the annual throughput report for the **2006** operating year. This report reflects 60°F net barrels (NSV) delivered to ExxonMobil, Torrance CA. Refinery.

Should you have any questions, I can be contacted at (310) 212-1762.

Sincerely,

Ralph L. Mixon

Ralph L. Mixon
ExxonMobil Pipeline, West Coast

cc: Jim Rose
R.L.Cronin-Fruitt
Rick MacDonald
Shane Holecek

M-70 / Quarterly Report - Deliveries to Torrance - ExxonMobil Oil Corp.

Ist	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2006	January	2797207	90,232		
	February	1652553	59,020		
	March	929246	29,976		
	TOTAL	5,379,006		5,379,006	14,737

2nd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2006	April	1,892,853	63,095		
	May	3,008,376	97,044		
	June	2,874,597	95,820		
	TOTAL	7,775,826		13,154,832	36,041

3rd	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2006	July	2,646,714	85,378		
	August	2,512,283	81,041		
	September	2,679,739	89,325		
	TOTAL	7,838,736		20,993,568	57,517

4th	Month	Total Delivered	Average	Year To Date Total	Annualized Average
2006	October	2,769,685	89,345		
	November	3,055,752	101,858		
	December	3,080,442	99,369		
	TOTAL	8,905,879		29,899,447	81,916

F27

9770 CULVER BOULEVARD CULVER CITY, CA 90232-0507 www.culvercity.org

Culver CITY

December 21, 20006

Ms Ruth Cronin-Fruitt
Regional Manager,
West Coast / Rockies Right of Way Dept.
12851 East 166 Street
Cerritos, CA 90703-2103

Dear Ms. Cronin-Fruitt:

We refer to the City of Culver City's Ordinance number 92-014 which granted a non-exclusive franchise to Mobil Oil (Exxon Mobil's predecessor-in – interest) to construct, operate and maintain the M-70 pipeline system under the City of Culver City. This was updated by Ordinance number 2003-016 which dealt with Mitigation Measure CC-23.

The Franchise agreement outlined in the City's Ordinance 92-014, specifically Exhibit "C" Mitigation Measure CC-22 states:

"Mobil shall provide the City on a quarterly basis, no later than 60 days after the end of any quarter, with throughput reports of the amount of crude transported through the M-70 Pipeline within Culver City. Such reports shall be based on the figures developed at the Torrance terminus of the M-70 Pipeline. At the City's request, Mobil shall provide an audit of such throughput reports by an independent internationally recognized accounting firm with significant crude oil accounting experience".

Since the last audit was performed in 2002 for the years ended December 31, 1999, 2000, and 2001, we would like to request for an audit of the subsequent periods.

Should you have any questions, please do not hesitate to call the undersigned at (310) 253 5865.

Sincerely,

Crystal C Alexander

Crystal C. Alexander
City Treasurer

cc: Mayor and City Council
Jerry Fulwood, City Manager
Carol Schwab, City Attorney

CRYSTAL C. ALEXANDER CITY TREASURER
CITY TREASURER'S OFFICE TEL 310.253.5865 FAX 310.253.5880

Ordinance No. 92-014 contains a provision, Mitigation Measure CC-23, that limits the M-70 pipeline throughput to an annual average of 95,000 barrels per day based on the findings in the 1991 Final Environmental Impact Report/Statement. Because the basis for this mitigation measure has now been modified, we believe it is appropriate and supportable for the City of Culver City to also modify Mitigation Measure CC-23 to be consistent with the increased throughput allowance in the amended Final Environmental Impact Report/Statement. We therefore would appreciate you advising us of the process to effectuate such a modification to Mitigation Measure CC-23 found in Ordinance No. 92-014 to increase the allowable annual average throughput of the M-70 pipeline from 95,000 barrels per day to 115,000 barrels per day.

We look forward to hearing from you on the modification to Mitigation Measure CC-23 of Ordinance No. 92-014. In the meantime, if you have any questions or require additional information, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Rights of Way Dept.

Enclosures

cc: Mr. Joel Larkin – w/o encl.
Mr. Joseph Perez – w/o encl.
Mr. Steve McDaniel – w/o encl.

CulverCity01

F29

R|W 4711-B

City of Los Angeles
Department of Transportati

Los Angeles, California

ENSR INTERNATIONAL®

First Addendum to the Final Environmental Impact Report / Statement for the Mobil M-70 Replacement and Optimization Project

ENSR

February 2001

Document Number 4700-166-000

F30

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

March 18, 2003

RECEIVED
03 MAR 18 AM 10:16
CITY TREASURER
CULVER CITY, CALIF

Ms. Carol A. Schwab – City Attorney
Mr. Mark A. Ambrozich – City Attorney
City of Culver City
9770 Culver Blvd.
Culver City, CA. 90232-0507

RE: Ordinance No. 92-014

Dear Ms. Schwab and Mr. Ambrozich:

In compliance with the current terms and conditions of Culver City Ordinance No. 92-014, specifically Mitigation Measure CC-23, enclosed is ExxonMobil Oil Corporation's Check No. 2500028486, issued to the City of Culver City in the amount of $949,091.25.

As stated in our previous correspondence, we request your consideration to modify condition CC-23 of said Ordinance in order to be consistent with the increased throughput allowance approved and authorized by the City of Los Angeles, pursuant to the First Addendum to the Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project.

Your response to our request to discuss the modification of Mitigation Measure CC-23 will be appreciated. Please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Enclosure
cc: Mr. Joel Larkin

F31

CODE	OUR REFERENCE	DATE	YOUR REFERENCE	NET AMOUNT
0160	1900031409	02/27/03	49301133	949,091.25

PYMT 2002 M-70 ANNUAL AVG. T-PUT, ORD 92-014

Payment made per agreement with ExxonMobil contracting entity.

REFER ANY INQUIRIES TO 1-800-833-1510

* INCLUDE WITH EACH INQUIRY	PAYEE ID NUMBER	CHECK NUMBER	CHECK DATE	CHECK AMOUNT
	6007015	2500028486	03/06/03	949,091.25

EXXON MOBIL CORPORATION OR AN AFFILIATED COMPANY

62-20/311

P O BOX 2519
HOUSTON TX 77252-2519

CHECK NUMBER 2500028486

6007015 DATE 03/06/03

*******$949,091.25*

PAY TO THE ORDER OF
CULVER CITY CA CITY OF
BUSINESS TAX COLLECTOR
9770 CULVER BLVD
CULVER CITY CA 90230-0507

VOID AFTER SIX MONTHS

CITIBANK
NEW CASTLE, DE 19720-2408

F32

CITY OF CULVER CITY

INTER-OFFICE CORRESPONDENCE

Date: February 24, 2003

To: Honorable Mayor and Council Members

From: Mark A. Ambrozich, City Treasurer
Carol A. Schwab. City Attorney

Subject: ExxonMobil Pipeline Company (ExxonMobil) Use of Pipeline

As a follow-up to our memo dated January 29, 2003, please be advised for the 2002 calendar year ExxonMobil has permitted its throughput for the M-70 pipeline system to exceed the 95,000 average barrels per day limitation set forth in Ordinance No. 94-014. The actual throughput was 108,401 barrels per day. Based on that ExxonMobil owns the City a penalty payment of $949,091.25.[1] By the attached letter dated February 13, 2003, ExxonMobil forthrightly acknowledges that overuse and penalty due. ExxonMobil will be submitting a check in that amount to the City by March 31, 2003. We will let you know when the check has been received.

As a reminder, ExxonMobil was recently granted permission, by Los Angeles, to transport 115,000 barrels per day. ExxonMobil has requested the City likewise to modify our franchise to allow that increased flow. We will return to you with that item on an upcoming agenda.

c: Mike Thompson, Chief Administrative Officer
Eric Shapiro, City Controller
Ruth Cronin-Fruitt, Regional Manager ExxonMobil Pipeline Company

---

[1] That amount is based on the formula set forth in Ordinance 94-014 as shown below:

(108,401 – 95,000) x $.10 x 365 = $489,136.50
+
(108,401 – 100,000) x $.15 x 365 = $459,954.75

Total Due = $949,091.25

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

RECEIVED

03 FEB 14 AM 10:39

CITY ATTORNEY-RISK MGMT
CITY OF CULVER CITY

ExxonMobil
Pipeline

VIA UPS DELIVERY

February 13, 2003

Ms. Carol A. Schwab – City Attorney
Mr. Mark A. Ambrozich, City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: Ordinance No. 92-014

Dear Ms. Schwab and Mr. Ambrozich:

Pursuant to City of Culver City Ordinance No. 92-014, specifically Mitigation Measure CC-22, please find enclosed the 2002 Annual Average Throughput Report for ExxonMobil Oil Corporation's M-70 Pipeline. Annualized average throughput for the M-70 pipeline system equates to 108,401 barrels per day.

With respect to the above, and pursuant to Mitigation Measure CC-23 of above referenced Ordinance, a payment in the amount $949,091.25 is due the City of Culver City. Payment will be submitted under a separate letter by the March 31, 2003 due date.

While ExxonMobil is committed to complying with the terms of Ordinance No. 92-014, we would like to discuss with the City of Culver City amending the Ordinance. As discussed in our previous communications with the City, we request your consideration to modify condition CC-23 of said Ordinance in order to be consistent with the increased throughput allowance approved and authorized by the City of Los Angeles, pursuant to the First Addendum to the Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project.

We look forward to your response pertaining to modification of Mitigation Measure CC-23 of Ordinance No. 92-014. Should you have any questions, please contact me at (310) 212-1761.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Mgr.
West Coast Right of Way Dept.

Enclosure
cc: Mr. Joel Larkin

F34

M-70 / Quarterly Report - Deliveries to Torrance - ExxonMobil Oil Corp.

Ist 2002	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	January	3,423,286	110428.58		
	February	2,965,195	105899.82		
	March	3,529,288	113848.00		
	TOTAL	9,917,769		9,917,769	27171.97

2nd 2002	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	April	3,332,285	111076.17		
	May	3,518,399	113496.74		
	June	3,280,266	109342.20		
	TOTAL	10,130,950		20,048,719	54928.00

3rd 2002	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	July	3,374,096	108841.81		
	August	3,361,709	108442.23		
	September	3,323,839	110794.63		
	TOTAL	10,059,644		30,108,363	82488.67

4th 2002	Month	Total Delivered	Average	Year To Date Total	Annualized Average
	October	3,496,450	112788.71		
	November	3,015,902	100530.07		
	December	2,945,801	95025.84		
	TOTAL	9,458,153		39,566,516	108,401.41

The annualized average numbers for the first three quarters have been corrected from the previous report.

F35

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

02 DEC 30 REC'D CITY TREASURER CULVER CITY, CAL.

VIA UPS DELIVERY

December 26, 2002

Mr. Mark A. Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RE: Ordinance No. 92-014

Dear Mr. Ambrozich:

Pursuant to your request of September 5, 2002 and my subsequent correspondence to you dated October 11, 2002, enclosed please find the audit report for the crude oil throughput volumes transported via ExxonMobil Oil Corporation's M-70 pipeline for the years 1999, 2000 and 2001. PRICEWATERHOUSECOOPERS LLP an internationally recognized accounting firm with significant crude oil accounting experience conducted said report.

Once you have had an opportunity to review said report, should you have any questions or require additional information, please contact me at (310) 212-1761.

In addition, I would appreciate the opportunity to discuss with you and the City Attorney, our request to modify Mitigation Measure CC-23 of City Ordinance No. 92-014 to be consistent with the increased throughput allowance for the M-70 pipeline as authorized in the First Addendum to the 1991 Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project.

I look forward to meeting you in early 2003 to discuss these issues.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Regional Manager
West Coast Right of Way Dept.

Enclosures
cc: Mr. Joe Perez- w/enclosure
Mr. Joel Larkin – w/o enclosure

F36

ExxonMobil Oil Corporation
Schedule of Crude Oil Transported through the M-70 Pipeline within Culver City, California
Years Ended December 31, 2001, 2000 and 1999

(in barrels of oil)

Month	2001	2000	1999
January	3,008,336	2,886,783	2,542,024
February	2,592,381	2,725,510	2,137,250
March	2,842,320	2,744,236	2,828,444
April	2,539,001	2,768,088	2,918,949
May	2,630,808	3,124,523	3,025,129
June	2,612,797	3,052,827	2,865,279
July	2,920,593	3,175,659	2,778,892
August	2,914,408	3,168,271	2,697,109
September	3,111,360	3,093,118	2,475,379
October	3,117,335	2,210,650	2,647,885
November	2,920,393	2,756,882	2,593,873
December	3,213,418	2,950,324	2,827,819
Total	34,423,150	34,656,871	32,338,032

The accompanying notes are an integral part of this schedule.

ExxonMobil Oil Corporation
Notes to the Schedule of Crude Oil Transported through the M70 Pipeline within Culver City, California
December 31, 2001, 2000 and 1999

1. **Basis of Presentation**

The Schedule of Crude Oil Transported through the M-70 Pipeline within Culver City, California (the "Schedule"), as required by Culver City Ordinance No. 92-014 Mitigation Measure CC-22, details M-70 Pipeline throughput volumes required to be reported by ExxonMobil Oil Corporation ("ExxonMobil") to the city of Culver City, California. Mitigation Measure CC-22 requires that such report shall be based on the figures developed at the Torrance, California terminus of the M-70 Pipeline. The crude oil volumes in the Schedule reflect 60°F net barrels delivered at the Torrance, California terminus, measured in accordance with the ExxonMobil Pipeline Company Measurement Manual.

On November 30, 1999, Exxon Corporation (Exxon) merged with Mobil Corporation (Mobil) so that Mobil became a wholly-owned subsidiary of Exxon (the Merger). At the same time, Exxon changed its name to Exxon Mobil Corporation. All references to former Exxon and Mobil affiliates have been changed to give effect to the Merger.

2. **Comparison with Volumes Previously Reported**

A comparison of the volumes in the Schedule with those previously reported by ExxonMobil to the city of Culver City, California under Mitigation Measure CC-22 for the years ended December 31, 2001, 2000 and 1999 follows:

(in barrels of oil)

2001

Month	**Volumes per schedule**	**Volumes as previously reported**	**Difference**
January	3,008,336	3,016,064	(7,728)
February	2,592,381	2,598,539	(6,158)
March	2,842,320	2,854,521	(12,201)
April	2,539,001	2,426,224	112,777
May	2,630,808	2,630,032	776
June	2,612,797	2,612,798	(1)
July	2,920,593	2,920,586	7
August	2,914,408	2,914,408	
September	3,111,360	3,111,360	
October	3,117,335	3,117,335	
November	2,920,393	2,920,393	
December	3,213,418	3,213,417	1
Total	34,423,150	34,335,677	87,473

F38

ExxonMobil Oil Corporation
Notes to the Schedule of Crude Oil Transported through the M70 Pipeline within Culver City, California
December 31, 2001, 2000 and 1999

(in barrels of oil)

2000

Month	**Volumes per schedule**	**Volumes as previously reported**	**Difference**
January	2,886,783	2,886,766	17
February	2,725,510	2,725,505	5
March	2,744,236	2,745,400	(1,164)
April	2,768,088	2,768,087	1
May	3,124,523	3,120,210	4,313
June	3,052,827	3,052,829	(2)
July	3,175,659	3,175,660	(1)
August	3,168,271	3,168,267	4
September	3,093,118	3,093,109	9
October	2,210,650	2,210,647	3
November	2,756,882	2,756,872	10
December	2,950,324	2,950,327	(3)
Total	34,656,871	34,653,679	3,192

(in barrels of oil)

1999

Month	**Volumes per schedule**	**Volumes as previously reported**	**Difference**
January	2,542,024	2,542,036	(12)
February	2,137,250	2,137,241	9
March	2,828,444	2,828,430	14
April	2,918,949	2,885,411	33,538
May	3,025,129	3,023,749	1,380
June	2,865,279	2,865,819	(540)
July	2,778,892	2,778,891	1
August	2,697,109	2,697,223	(114)
September	2,475,379	2,475,367	12
October	2,647,885	2,647,891	(6)
November	2,593,873	2,593,877	(4)
December	2,827,819	2,827,819	
Total	32,338,032	32,303,754	34,278

F39

ExxonMobil Pipeline Company
12851 East 166th Street
Cerritos, California 90703-2103

ExxonMobil
Pipeline

VIA UPS DELIVERY

October 11, 2002

Mr. Mark A. Ambrozich
City Treasurer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

RECEIVED
02 OCT 14 PM 3:14
CITY TREASURER
CULVER CITY, CALIF.

RE: Ordinance No. 92-014

Dear Mr. Ambrozich:

In response to your request of September 5, 2002, pertaining to ExxonMobil Oil Corporation's (ExxonMobil) compliance with the City of Culver City's (City) Ordinance No. 92-014, specifically Mitigation Measure CC-22, please be advised that we are prepared to comply with said audit request.

With respect to the above, and pursuant to U.S. Department of Transportation Regulation 195.404, ExxonMobil is required to maintain pipeline operating records for a period of three (3) years. Therefore, consistent with federal law, the daily throughput records of the M-70 pipeline are available for audit for the years 1999, 2000 and 2001. We have selected Price Waterhouse Cooper, an internationally recognized accounting firm with significant crude oil accounting experience, to conduct the audit of the M-70 Pipeline throughput records for the above mentioned years. We anticipate the final audit findings report will be provided to you by mid-December, 2002.

We would like to take this opportunity to advise you that the First Addendum to the Final Environmental Impact Report/Statement for the M-70 Pipeline Replacement and Optimization Project was approved by the City of Los Angeles Department of Transportation (LADOT) on April 12, 2001. The First Addendum allows ExxonMobil to increase the annual average throughput of the M-70 pipeline from 95,000 barrels per day to 115,000 barrels per day (annual average). This increase was approved based on findings that the increased throughput would not present any new or additional significant environmental impacts beyond what was considered in the 1991 Final Environmental Impact Report/Statement. You will recall LADOT is the California Environmental Quality Act (CEQA) lead agency for the project identified above. A copy of the First Addendum along with LADOT's Board Report (dated April 12, 2001) and LADOT's notification to the CA. State Clearinghouse (dated June 28, 2001) is enclosed for your reference.

F40

CITY OF CULVER CITY
9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507
(310) 253-5870
FAX (310) 253-5880

September 05, 2002

Mr. M. Steve Brett, Field Supervisor Pipeline Operations
Exxon Mobil Pipeline Company
Torrance Meters
20225 South Van Ness Avenue
Torrance, California 90503

Dear Mr. Brett:

We have been reviewing the City's various agreements and franchises. The franchise agreement outlined in the City Ordinance 92-014, specifically Exhibit "C", Mitigation Measure "CC-22" states:

"Mobil shall provide the City on a quarterly basis, no later than 60 days after the end of any quarter, with throughput reports of the amount of crude oil transported through the M-70 Pipeline within Culver City. Such reports shall be based on the figures developed at the Torrance terminal of the M-70 Pipeline. <u>At the City's request, Mobil shall provide an audit of such throughput reports by an independent internationally recognized accounting firm with significant crude oil accounting experience</u>".

We believe that it is in the City's best interest to request an audit of all periods since the adoption of Ordinance 92-014 as outlined in Mitigation Measure CC-22.

Should you have any questions, please don't hesitate to call me at 310/253-5860.

Sincerely,

Mark A. Ambrozich
City Treasurer

MA/sp

Cc: Mayor and City Council
Mike Thompson, Chief Administrative Officer
Carol Schwab, City Attorney

M-70 / Quarterly Report - Deliveries to Torrance Refinery - ExxonMobil Oil Corp.

Ist 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	January	3,423,285.72	110428.57		
	February	2,965,194.93	102248.10		
	March	3,529,287.86	113848.00		
	TOTAL	9,917,768.51		9,917,769	27097.73

2nd 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	April	3,332,285.23	111076.17		
	May	3,518,399.00	113496.74		
	June	3,280,266.00	109342.20		
	TOTAL	10,130,950.23		20,048,719	54777.92

3rd 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	July		0.00		
	August		0.00		
	September		0.00		
	TOTAL	-		20,048,719	54777.92

4th 2002	Month	Total Delivered	Average	Year To Date Total	Anualized Average
	October		0.00		
	November		0.00		
	December		0.00		
	TOTAL	-		20,048,719	54,777.92

F42

Mobil Oil Corporation

WEST COAST PIPE LINES
3020 OLD RANCH PARKWAY
SUITE 200
SEAL BEACH, CALIFORNIA 90740-2751

RECEIVED
93 MAR -9 PM 8:47
CITY CLERK
CULVER CITY, CALIF.

March 5, 1993

City of Culver City
4095 Overland Ave.
Culver City, CA 90232-0507

RE: FRANCHISE AGMT. 6-17-77 FEE, YEAR ENDING 12-31-92

Our File: R/W 5341

The enclosed Mobil Check, No. P202-871122 in the amount of $6,023.57, represents full payment of fees for the above referenced franchise for period ending 12-31-92. Supporting this total is a detailed statement (also enclosed) indicating the size and length of pipe included under the authority of said franchise, as well as the method of fee calculation.

Should you have any questions, or require any additional information, please contact me at (310) 493-7229.

Very truly yours,

Terry James
Rights of Way and Claims

Enclosures
TJ/ms

(L5341)

3-9-93
ORIGINAL TO
CLERK-

F43

STATEMENT OF PIPE LINES FRANCHISE FEES DUE CITY OF CULVER CITY UNDER FRANCHISE AGMT. dtd. 6-17-77

LINE	SIZE	LENGTH/FEET	RATE/FT.
M-70	10-inch	13,769.00	$0.2755

BASE: $0.2755 (X) 13,769.00 = $3,793.36

ADJUSTMENT FOR "PPI - CRUDE PETROLEUM":

January 1993 PPI	= 52.4 (1982=100)
Rebasing Factor	= 0.13635965 (per BLS)
Rebased PPI	= 384.2779004 (1967=100)

CALCULATION: $\dfrac{3{,}793.36\ (X)\ 384.2779004}{242\ [\text{BASE PPI 1967=100}]}$ = $6,023.57

ADJUSTED PAYMENT DUE: **$6,023.57**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5

State of CALIFORNIA
County of LOS ANGELES

On 3-2-93 before me Helen Hetzler, Notary Public
DATE — NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared B.C. McDonald
NAME(S) OF SIGNER(S)

☒ personally known to me - OR - ☐ 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.

OFFICIAL SEAL
HELEN HETZLER
Notary Public-California
LOS ANGELES COUNTY
My Commission Expires
August 5, 1994

WITNESS my hand and official seal.

[signature]
SIGNATURE OF NOTARY

OPTIONAL SECTION

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- ☐ INDIVIDUAL
- ☐ CORPORATE OFFICER(S)
  TITLE(S)
- ☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
- ☒ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/CONSERVATOR
- ☐ OTHER:

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

TITLE OR TYPE OF DOCUMENT Statement

NUMBER OF PAGES 1 DATE OF DOCUMENT 6-17-77

Though the data requested here is not required by law, it could prevent fraudulent...

F44

Mobil

DALLAS, TEXAS

62-20/311

MOBIL OIL CORPORATION
DALLAS, TEXAS

CHECK NUMBER

DATE 03/04/93

P202-871122

V0000536490-011 P202-871122

AMOUNT

PAY TO THE ORDER OF

CITY OF CULVER CITY
CITY TREASURER
4095 OVERLAND AVE
CULVER CITY CA 90232-3731

*********$6,023.!

VOID AFTER 180 DAYS

CITIBANK (DELAWARE)
ONE PENN'S WAY
NEW CASTLE, DE 19720

⑈871122⑈ ⑆031100209⑆ 38715247⑈

001

MOBIL OIL CORPORATION
DALLAS, TEXAS

OUR REFERENCE	YOUR REFERENCE DATE	YOUR REFERENCE NUMBER OR DESCRIPTION	NET AMOUNT
0037 C 5171-002	03/01/93	RE0231022006	6,023.57
FRANCHISE AGMT	6-17-77	FEE, Y/E 12/31/92 R/W	
5341			

*INCLUDE WITH EACH INQUIRY	PAYEE IDENTIFICATION* NUMBER	ADD.	CHECK NUMBER*	CHECK DATE*	AMOUNT OF CHECK*
	V0000536490	011	P202-871122	03/04/93	6,023.57

IF INCORRECT, RETURN INTACT TO ACCOUNTS PAYABLE
3020 OLD RANCH PARKWAY - SUITE 200 SEAL BEACH, CA 90740-2751

F45

5. DISCUSSION (CONTINUED)

I. Direction From the City Council Regarding Oil Pipeline Franchises and Permits. (City Attorney - Egan).

City Council direction is needed in the matter of granting permission to oil pipeline companies to lay and maintain their pipelines in the City streets and other rights-of-way. The current situation is described in the April 12, 1990 memo from City Attorney Egan and the attachments thereto. The decision to be made is whether to grant such permission at all and, if so, for how long a period. In most cases, if not all, the amount of money involved for a short-term license is less than $10,000 and could fall within the general authority of the Chief Administrative Officer to extend the contract.

All companies currently maintaining oil pipelines in City rights-of-way have been notified that this matter will be on your agenda this evening.

RECOMMENDED MOTION:

Approved Unanimous

That the City Council direct City Attorney to negotiate and prepare license agreements for use of City rights-of-way for oil pipelines, for one-year periods, terminable upon six months' notice, at the maximum rates allowed by law.

J. Introduction and Adoption of An Ordinance To Amend the Interim Pole Sign Regulations Relating To the Hardship Exception. (City Attorney - Egan/Keller).

At the City Council meeting of April 2, 1990, the City Council directed the City Attorney to prepare an amendment to the current interim pole sign ordinance to permit an applicant to seek a "hardship" exception from the interim regulations. An ordinance has been prepared and is presented to you for introduction and adoption this evening.

F46

Meeting Date: 9/22/97

Agenda Item Title:
Approval and Adoption of a Resolution Accepting the Extension of the Pipeline Franchise Held by Mobil Oil Corporation for a Second Five-Year Term With the Same Terms and Provisions as the Current Five-Year Term of the Pipeline Franchise

Department/Division City Attorney's Office	**Report Researched By / Date** David M. McCarthy 8/22/97	**Public Hearing** .... [x] **Discussion/Action Item** [ ]
Fiscal Impact: No .. [x] Yes [ ] **General Fund** [ ] **Enterprise** [ ]	**Reviewed By / Date**	**Consent Item** .... [ ] **Other** .... [ ]
Grant/RDA [ ] **Budgeted Item** [ ] **Transfer of Funds Required** .... [ ]	**CAO Approval / Date**	**Packet Enclosure(s)** .. [ ]

Public Notification:
Notice has been provided to the Office of the State Fire Marshal and to Mobil Oil Corporation
Notice of Public Hearing has been published in the Outlook.

ISSUE

Shall the City Council adopt a resolution accepting the extension of the term of the pipeline franchise held by Mobil Oil Corporation for a second five-year term with the same terms and provisions as the initial five-year term now in effect.

For more information regarding this item, contact David M. McCarthy at 253-5660.

BACKGROUND

On October 26, 1992, the City Council adopted Ordinance No. 92-014, which granted a Pipeline Franchise to Mobil Oil Corporation. Under the terms of the franchise, an initial term of five years was specified, expiring on November 25, 1997. Mobil Oil Corporation retained the option to extend the franchise for three additional five-year terms, providing Mobil has complied with all of the terms and conditions of the franchise. The fees for each successive five year term are agreed to by Mobil and the City, and are determined to be reasonable in light of franchise fees being charged by jurisdictions for rights-of-way of similar size and type. In addition, under the terms of the franchise, to exercise its right to extend the franchise, Mobil must notify the City in writing not less than ninety days prior to the expiration of the then current term. Mobil has provided this notice of intent to the City to extend the term of the franchise for a second five-year term in a timely manner.

Mobil has been in compliance with all of the terms and conditions of the franchise, and has proposed that the franchise fees for this second term be maintained as provided in the Franchise Ordinance, subject to the annual increases to the specified base rate, which are in direct proportion to changes in the Producer Price Index. The second five-year term will expire, unless extended by Mobil for a third five-year term, on November 25, 2001

Staff has discussed the status of the Mobil pipeline with a Pipeline Safety Engineer for the Office of the State Fire Marshal of the California Department of Forestry and Fire Protection, who revealed that Mobil's pipeline is a relatively new pipeline which has been, and continues to be, continuously monitored and tested. This Pipeline Safety Engineer characterized Mobil's pipeline as the best line in the County.

RECOMMENDATION

Staff recommends that the City Council discuss and accept Mobil Oil Corporation's exercise of its option for a second, five-year term for the Pipeline Franchise with the franchise fees for the second term maintained as provided in the initial five-year term now in effect, subject to the annual increases to the specified base rate, in direct proportion to changes in the Producer Price Index.

Staff recommends that the City Council approve and adopt the resolution extending the pipeline franchise held by Mobil for a second five-year term with the same terms and provisions as the initial five-year term now in effect.

MOTION:

That the City Council approve and adopt the resolution accepting the extension of the pipeline franchise held by Mobil Oil Corporation for a second five-year term with the same terms and provisions as the current five-year term now in effect.

Mobil

Pursuant to our previous discussions and correspondence regarding our project, it is our desire to negotiate a mutually agreeable franchise agreement as soon as possible, in order that we can proceed with permit approvals and issuance by the end of the 1989 calendar year. To facilitate matters, we have taken the liberty to prepare a suggested franchise agreement format which has been patterned after the Shell/Santa Monica Franchise and other recently acquired franchise ordinances. This draft document is submitted for the purpose of your review and comments only.

In closing, we kindly request the opportunity to meet with you to discuss your recommendations regarding Mobil's franchise. Please contact me at (213) 212-2965, at your earliest convenience, to schedule an available meeting date.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt
Rights of Way Coordinator

RCF:acp

Enclosure

CC: J. R. Jeffries
W. E. Ham
W. L. Grissom
J. S. Davis-Culver City Engineering
S. Roller

F49

Mobil Oil Corporation

WEST COAST PIPE LINES

3700 WEST 190TH STREET
TORRANCE, CALIFORNIA 90509-2929

January 25, 1989

RECEIVED
JAN 30 1989
CITY ATTORNEY'S OFFICE

City of Culver City
9770 Culver Blvd.
Culver City, CA 90232-0507

Attn: Mr. Joseph W. Pannone
City Attorney

Our File: R/W 5341-2

Dear Mr. Pannone:

Pursuant to Section 18 of an Agreement for Permit for Crude Oil Pipeline dated June 17, 1977, between the City of Culver City and Mobil Oil Corporation, please find enclosed the original Certificate of Insurance, under policy No. SCG G1 2463649, and #02-0023-89, for the 1989 calendar year.

Should you have any specific questions related to insurance coverage, please contact Mobil's Insurance Broker, Mr. Tom Martin of Marsh & McLennan, Inc. at (212) 997-4264.

Very truly yours,

Ruth Cronin-Fruitt

Ruth Cronin-Fruitt, Manager
Rights of Way & Claims

RCF:ca
Enclosure

F: Mobil Franchise K -
JJ

F50

acord

CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY): 1/19/89

PRODUCER

Marsh & McLennan, Inc
1221 Avenue of the Americas
New York, New York 10020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A Insurance Company of North America
COMPANY LETTER B Lloyds and British Companies
COMPANY LETTER C
COMPANY LETTER D
COMPANY LETTER E

INSURED

Mobil Oil Corporation
150 East 42nd Street
New York, New York 10017

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCURRENCE OWNER'S & CONTRACTORS PROTECTIVE X Elevators	SCG G1 2463649	1/1/89	1/1/90	GENERAL AGGREGATE	$4,750.
					PRODUCTS-COMP/OPS AGGREGATE	$
					PERSONAL & ADVERTISING INJURY	$
					EACH OCCURRENCE	$4,750.
					FIRE DAMAGE (ANY ONE FIRE)	$
					MEDICAL EXPENSE (ANY ONE PERSON)	$
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY	SCG G1 2463649	1/1/89	1/1/90	CSL	$ 4,750.*
					BODILY INJURY (PER PERSON)	$
					BODILY INJURY (PER ACCIDENT)	$
					PROPERTY DAMAGE	$
B	EXCESS LIABILITY X OTHER THAN UMBRELLA FORM	02-0023-89	1/1/89	1/1/90	EACH OCCURRENCE $ 20,000	AGGREGATE $ 20,000
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY	
					$ (EACH ACCIDENT)	
					$ (DISEASE-POLICY LIMIT)	
					$ (DISEASE-EACH EMPLOYEE)	
A	OTHER *Excess of $250,000 Self-Insured Retention $4,750,000 Limit Shown Above Represents Total Policy Aggregate Limit (GL & AL All Claims Against Above Policies Must be Made By January 1, 1991					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

See Attached.

CERTIFICATE HOLDER

City of Culver City
City Attorney
P..O. Box 507
Culver City, CA 90230

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Thomas E. Martin Tom Martin

ACORD 25-S (11/85)

F51

Mobil Oil

ORDINANCE NO. 426

AN ORDINANCE OF THE CITY OF CULVER CITY, CALIFORNIA, GRANTING TO THE GENERAL PIPE LINE COMPANY OF CALIFORNIA, A CALIFORNIA CORPORATION, A FRANCHISE TO LAY ONE PIPE LINE FOR THE PURPOSE OF TRANSPORTING AND DISTRIBUTING MINERAL OILS AND THE PRODUCTS THEREOF.

THE CITY COUNCIL OF THE CITY OF CULVER CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. A franchise is hereby granted to the General Pipe Line Company of California, a California Corporation, to con-struct and for a period of forty (40) years to maintain, operate, repair, renew and remove a single line of pipe, as hereinafter described, under, upon, along and across certain highways and portions of highways in Culver City, California, which said pipe line is described as follows, to-wit:

Pipe Line shall not exceed twelve (12) inches in internal diameter, for mineral oils and the products thereof.

The highways and portions of highways in Culver City, California, on and under which said pipe line shall be constructed are more particularly described as follows, to-wit:

> Beginning at the intersection of Jefferson Boulevard with the southerly City Boundary; thence northerly along Jefferson Boulevard to Overland Avenue; thence northwesterly along Overland Avenue to Farragut Drive; thence southerly along Farragut Drive to Elenda Street; thence northwesterly along Elenda Street to Washington Boulevard; thence northeasterly along Washington Boulevard to Girard Avenue; thence northwesterly along Girard Avenue to the northwesterly City Boundary.

SECTION 2. That the said franchise shall be granted, held and enjoyed only upon the terms and conditions herein contained, and the said grantee must, within thirty (30) days after the passage of the ordinance granting such franchise, file with the City Clerk of Culver City, California, a written acceptance of the terms and conditions therein expressed.

SECTION 3. The terms "grantee" whenever used herein shall be held to include the grantee or its successors or assigns.

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SECTION . That the grantee shall have the right to construct and maintain such traps, manholes, appliances and attachments as may be necessary properly to maintain the pipe line or conduit laid or constructed under said franchise, and said traps, manholes, appliances and attachments shall at all times be kept flush with the surface of the highway and so located as to conform to any order of the City Council in regard thereto, and not to interfere with the use of the highway for travel. The grantee shall have the right, subject to such regulations as are now or may hereafter be in force, to make all necessary excavations in said highways for the construction and repair of said pipe line, conduit, appliances and attachments.

SECTION 5. That if the said pipe line or conduit shall be laid along any macadam highway in Culver City, California, they shall be placed at the edge of the highway so as not to disturb the macadam surface, and in no event shall any pipe or conduit be laid across the macadam highway without a special permit from the City Council so to do, which permit shall specify the manner in which the pipe or conduit shall be laid across the highway, and may provide for the repair of the highways after the pipe or conduit have been laid by the officers of the city at the expense of the grantee, and upon the presentation of a bill therefor, the grantee shall pay the same at once, or in the event of its failure so to do, this franchise shall thereupon be forfeited.

SECTION 6. That the pipe, pipe line, conduits, traps, manholes, attachments and appliances constructed, erected or maintained under the provisions of this franchise shall be constructed, erected and maintained in accordance to and in conformity with all the ordinances, rules or regulations now or hereafter adopted or prescribed by the City Council of Culver City, California; provided that the pipe line laid under said franchise shall be of first-class material and subject to the approval of said City Council; provided

that the pipe line laid under said franchise shall be of first-class material and subject to the approval of said City Council; provided

(12) inches in internal diameter.

SECTION , That the work of laying or repairing the pipe, pipe line, conduits, traps, manholes, attachments and appliances shall be conducted with the least possible hindrance to the use of the highways for purposes of travel and as soon as the laying, constructing, erecting or repairing of any pipe, conduit, traps, manholes, attachments or appliances is completed, all portions of the highways which have been excavated or otherwise injured thereby shall be placed in as good condition as the same were before the laying, constructing, erecting or repairing of any pipe, pipe line, conduit, traps, manholes, attachments or appliances, to the satisfaction of the City Council of said city, and that any damage or injury suffered by any person by reason of any excavation or obstacle being improperly guarded during said work shall be borne by the grantee of this franchise.

SECTION 8. That Culver City, California, reserves the right to change the grade of any highway over which this franchise is granted and the grantee of said franchise shall, within thirty (30) days, change the location of the pipe, conduits, traps, manholes, appliances and attachments laid, constructed or erected hereunder so as to conform to such change of grade.

SECTION 9. That if any portion of any highway shall be damaged by reason of breaks or leaks in the pipe line or any conduit laid or constructed under this franchise, the grantee thereof shall, at its own expense, repair any such damage and put such highway in as good condition as it was before such break or leak, to the satisfaction of the City Council of said city.

SECTION 10. That if said grantee shall fail to comply with the instructions of said City Council with respect to the location of said pipe, pipe line, conduits, traps, manholes, appliances or attachments, or the repair of any damage to highways within ten (10) days after the service of written notice upon said grantee requiring compliance therewith, then said City Council may immediately do whatever work is necessary to carry out said instructions at the cost and expense of said grantee, which cost, by the acceptance of this franchise, said grantee agrees to pay upon demand.

SECTION 11. The grantee shall not commence the construction of the pipe line or conduits under the provisions of this franchise until it shall first have obtained a permit from the City Council so to do. Such permit shall be granted upon application of the grantee, which application shall show the following facts: The highways upon which it is proposed to construct or lay the pipe or conduits, the length of pipe line or conduits proposed to be constructed or laid upon the highways, the size and description of the pipe or conduits intended to be used in the construction of the pipe line or conduits, and such other facts as the City Council may require. On the first day of July and January of each year after the date of the granting of this franchise, the grantee shall render a statement to Culver City, California, showing in detail the permits issued and the total length of pipe line for the construction of which, under the terms of this franchise, permits have been taken out during the preceding six months, and if the total length of pipe line actually laid during said six months is less than that permitted under the permits issued, such statement shall, in addition to the above, show in detail the total length of pipe line actually laid under said permits, and in the event the grantee shall have failed to pay the sum of Two Dollars ($2.00) for each rod of said pipe line so constructed under said permits issued, then grantee shall accompany said report with the payment of Two Dollars ($2.00) for each rod of pipe line which has been actually constructed under the permits taken out during the preceding six months under the provisions of said franchise.

SECTION 12. The grantee hereof shall also file with the City Council on or about the 15th day of January of each year during the life of this franchise a map or set of maps showing in

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detail the exact location and size of all mains, laterals and service pipes installed beneath the surface of the public highways herein above described, belonging to, used by, or under the control of such grantee or its successors or assigns. Whenever any pipe, conduit, tunnel or other structure located under the surface of said highways is abandoned, the grantee shall within thirty (30) days after such abandonment file with said City Council a statement in writing giving in detail the location of all such pipe, conduits, tunnels or other structures which shall be laid, constructed, or abandoned subsequent to the filing of the last preceding map or set of maps. Each map shall be accompanied by an affidavit endorsed thereon "Subscribed and sworn to by the grantee hereof."

SECTION 13. The said grantee shall also within thirty (30) days after the granting of this franchise, file with the City Council of Culver City, California, a detailed statement showing the location and length in lineal feet of any pipe line constructed by it on any public highway in Culver City, California, within the district described in this franchise, and for which no franchise has been obtained, if any such there be, and shall accompany such statement with the payment of Six Hundred Forty ($640.00) Dollars for each mile or major fraction thereof of pipe line shown therein.

SECTION 14. The grantee of this franchise, by accepting the conditions thereof, stipulates and agrees that at any proceeding for the purpose of regulating the rates of the grantee, no greater value shall be placed upon this franchise than the actual cash paid therefore by the grantee, and any violation of this provision shall ipso facto work a forfeiture hereof and render this franchise null and void; provided that in calculating the value of this franchise, the original purchase price paid at the time the franchise is sold and the total amount of mileage then paid at the rate of Six Hundred and Forty ($ 640.00) Dollars a mile hereinbefore mentioned shall be considered the purchase price.

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SECTION 15. That the grantee of said franchise shall have the right, during the period for which the said franchise is granted, to transport, furnish and distribute mineral oils and the products thereof through said pipe line.

SECTION 16. That the said grantee shall, during the life of this franchise, pay to Culver City, California, in lawful money of the United States two per cent (2%) of the gross annual receipts of such grantee arising from the operation, use or possession of said franchise. No percentage shall be paid for the first five (5) years succeeding the date of such franchise, but thereafter such percentage shall be paid annually. If the above provision providing for payments of two per cent (2%) of gross annual receipts, as required under Act 2720, approved March 22, 1905, Statutes of 1905, page 777, as amended, is amended by subsequent legislation, then the City of Culver City shall be entitled to, and Grantee agrees to pay to said City any and all additional or increased compensation which legislation may provide. Regardless of any subsequent legislation which may be enacted, grantee herein shall pay a minimum of two per cent (2%) of gross receipts annually to Culver City after the first five years succeeding the date of said franchise.

SECTION 17. Grantor shall have the advantage of any legislation which may hereafter be enacted covering the subject matter hereof whereby municipalities may receive a greater return for the use of franchises of the character covered hereby or wherein the same may be granted by the municipalities under conditions more favorable to them than at present obtains, and should subsequent legislation provide that payments for the use of said franchise shall commence immediately upon the granting thereof, then payments to the City of Culver City shall commence in accordance with said provisions from the effective date hereof, notwithstanding any other provisions to the contrary herein contained.

SECTION 18. It shall be the duty of the grantee of said

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franchise to file with the City Clerk of Culver Ci[illegible], California, at the expiration of six years from the date of the granting of said franchise,or at such time as payments for the use, operation, and possession of this franchise are required to be made as provided in Section 17 hereof, and at the expiration of each and every year thereafter, a statement verified by oath of said grantee, or by the oath of the manager or presiding officer of said grantee, showing in detail the total gross receipts or gross earnings collected or received by the said grantee during the preceding twelve (12) months from the furnishing and distribution of mineral oils and the products thereof through any part of the system, for the construction and operation of which said franchise is granted, and within ten (10) days after the filing of the aforesaid statement, it shall be the duty of said grantee to pay to the City Treasurer of Culver City, California, the aggregate sum of said two per cent (2%) of the amount of gross annual receipts arising from the use, operation or possession of said franchise, or such additional amount as subsequent legislation may provide, and if the amount paid is incorrect in the judgement of the City Council, they may order the payment of such additional sum as they may find due hereunder, and any and all sums due under said franchise, if not paid, may be collected by suit.

SECTION 19. The said grantee shall not sell, transfer or assign said franchise or the rights or privileges granted thereby without the consent of the City Council nor shall said franchise or rights or privileges be sold, transferred or assigned, except by duly executed instrument in writing filed in the office of the City Council of Culver City, California, and nothing in said franchise contained shall be construed to grant to said grantee any right to sell, transfer or assign said franchise or any rights or privileges thereby granted, except in the manner aforesaid.

SECTION 20. That any neglect, failure or refusal to comply

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with any of the conditions of said franchise shall thereupon immediately ipso facto effect a forfeiture thereof, and the said City, by its City Council, may thereupon declare said franchise forfeited, and may exclude said grantee from further use of the highways of the said City under said franchise, and said grantee shall thereupon and immediately surrender all rights in and to the same, and said franchise shall be deemed and shall remain null and void and of no effect.

SECTION 21. The grantor or any municipal corporation now existing or hereafter formed shall have the right, at any time after five (5) years from the taking effect of the Ordinance granting said franchise, to acquire the works, property and rights of the grantee; or any portion thereof, constructed, acquired or operated under the franchise upon making reasonable compensation therefor.

SECTION 22. This franchise is granted subject to the further condition that the grantee has now and shall at all times during the life of this franchise keep on file with the said City Council a bond running to said City in the penal sum of One Thousand ($1000.00) Dollars, executed by a corporation authorized by the laws of this State to become a surety upon bonds or undertakings required by law and satisfactory to the said City of Culver City, California, conditioned that the said grantee shall well and truly observe, fulfill and perform each and every term and condition of this franchise, and that in case of any breach of condition of said bond the whole amount of the penal sum therein named shall be taken and deemed to be liquidated damages and shall be recoverable from the principal and from the sureties upon said bond.

SECTION 23. The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be published by one insertion in the Citizen, a newspaper of general circulation, printed, published, and circulated in the City of Culver City, and it shall take effect and be in full force and effect on the 30th day after its passage.

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PASSED and ADOPTED this 15th day of April 1935.

PRESIDENT of the City Council and
MAYOR of the City of Culver City,
California.

ATTEST:

City Clerk

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AMENDMENT TO AGREEMENT

THIS AMENDMENT is made and entered into by and between the City of Culver City, hereinafter "City", and Mobil Oil Corporation, hereinafter "Mobil."

WHEREAS, City and Mobil entered into an agreement, hereinafter "the Agreement", effective June 17, 1977, granting Mobil a permit to install, operate, maintain, repair, replace and remove an oil pipeline in certain public streets of City;

WHEREAS, Mobil has requested an amendment to the Agreement to decrease the amount of lineal footage authorized under the agreement to reflect the actual footage being used by Mobil; and

WHEREAS, at its meeting of April 6, 1987, the City Council approved the request from Mobil to amend the Agreement to decrease the amount of footage authorized under the Agreement pursuant to Mobil's request;

NOW THEREFORE, the parties agree as follows:

1. The second paragraph of Section 6 of the Agreement is amended to read as follows:

   6. <u>COMPENSATION TO CITY.</u>

   Commencing May 1,1987, Mobil shall pay to City each May 1st a fee computed at $0.2755 per lineal foot of pipeline, which footage is agreed to be 13,769 feet, for a total of $3,793.36 annually.

2. Unless otherwise expressly amended herein, all other terms and conditions of the Agreement are in full force and effect.

3. The effective date of the Amendment is May 1,1987.

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MOBIL OIL CORPORATION

Dated: April 24, 1987

By: ______________________
Attorney-in Fact

CITY OF CULVER CITY, CALIFORNIA

Dated: ______________________

By: ______________________
RICHARD R. BRUNDO, MAYOR

ATTEST:

____
PAULINE C. DOLCE, City Clerk

APPROVED AS TO FORM:

____
JOSEPH W. PANNONE,
City Attorney

AGR/AMEND/MOBIL/OIL

State of California,
COUNTY OF LOS ANGELES } ss.

CO 8328-1 (5-66)

On .... April 24 ...., 19 87 ....,

before me, the undersigned, a Notary Public in and for said County and State, personally appeared .... R. E. Robbins .... personally known to me to be the person whose name is subscribed to the within instrument as an attorney in fact of MOBIL OIL CORPORATION, and acknowledged to me that ~~he subscribed the name of MOBIL OIL CORPORATION thereto as principal and his own name as attorney in fact~~ the Corporation executed it.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

OFFICIAL SEAL
MARJORIE MINTEER
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. Apr. 20, 1990

My Commission Expires .... 4-20-90 ....

....
Notary Public in and for said County and State

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A G R E E M E N T

(Permit for Mobil Oil Crude Oil Pipeline)

This is an Agreement between the CITY OF CULVER CITY, a municipal corporation of the State of California, hereinafter referred to as "City", and MOBIL OIL CORPORATION, a New York corporation, hereinafter referred to as "Mobil."

IT IS AGREED:

1. PERMIT FOR CRUDE OIL PIPELINE. Mobil is hereby given a permit to install, operate, maintain, repair, and replace (any such replacement not to exceed 10.75 inches, O.D. Approximately) and remove a 10.75 inch O.D. crude oil pipeline in certain public streets of City.

Said new pipeline will be a portion of Mobil's existing main crude line from the Bakersfield area to Torrance and shall be located as shown in detail on Drawings D3199-C through D3206-C and D3208-C, copies of which have been furnished to City by Mobil and are on file in the office of the City Engineer. The street route is as follows:

> Beginning at the intersection of Girard Avenue with the northwesterly City boundary of Culver City;
> Thence, southeasterly along Girard Avenue to Washington Boulevard;
> Thence, southwesterly along Washington Boulevard to Elenda Street;
> Thence, southeasterly along Elenda Street to Culver Boulevard (North of S.P.R.R. Right of Way);
> Thence, southwesterly along Culver Boulevard to Sawtelle Boulevard;
> Thence, southeasterly along Sawtelle Boulevard to the City of Culver City's boundary at Braddock Drive;
> Beginning at a point in Sawtelle Boulevard said point being the southerly boundary of Ballona Creek;
> Thence, southeasterly along Sawtelle Boulevard to its intersection with the alley southeasterly of Segrell Way;
> Thence, southerly along said alley to its intersection with Slauson Avenue;
> Thence, southeasterly along Slauson Avenue to Sepulveda Boulevard;
> Beginning at the intersection of Sepulveda Boulevard and Centinela Avenue;
> Thence, easterly along Centinela Avenue to a point 1,592 feet more or less easterly of Sepulveda Boulevard to its intersection with the northeasterly line of the Southern Pacific Transportation Company's right of way (50 feet in width).

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2. DURATION OF PERMIT. This permit shall be effective upon its execution and shall continue through April 30, 1997, at which time it shall terminate.

3. BACKGROUND. Mobil presently operates an oil pipeline in certain City streets, a section of which line was installed pursuant to City Ordinance No. 426 (1935), the term of which expired on May 15, 1975, and a section of which was installed pursuant to Los Angeles County Ordinance No. 3293 (1939), which is scheduled to expire by its terms in 1979 (City is the successor to the County's interest by virtue of a completed annexation of territory). Mobil will continue to operate both of said sections until the new pipeline is installed and in operation at which time both of said old sections shall be abandoned in accordance with the terms hereof. (There is another section of pipeline, which is not subject to this Agreement, in the State Highway on Sepulveda, between Slauson and Centinela).

Since the expiration of said City Ordinance No. 426 on May 15, 1975, Mobil has continued to operate the section of pipeline thereby authorized pursuant to an agreement whereby Mobil pays to City the sum of $1,000 per year, payable each November 15th, which payments were made in 1975 and 1976; said payments also are in satisfaction of the payments due for the section of pipe covered by County Ordinance No. 3293.

4. TERMINATION OF COUNTY PERMIT AND OTHER AGREEMENT. The permit granted by said County ordinance is hereby terminated effective upon execution hereof and any obligations thereunder are satisfied by execution hereof.

The agreement whereby Mobil pays to City the sum of $1,000 per year for operation of said two sections of existing pipeline is hereby terminated and any obligations thereunder are satisfied by execution hereof.

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5. OLD LINE MAY CONTINUE UNTIL NEW LINE OPERATIONAL. Mobil may continue to operate and maintain said two sections of pipeline in accordance with the terms hereof until the new pipeline is put into operation, at which time the existing pipeline shall be abandoned in accordance with the terms hereof.

6. COMPENSATION TO CITY. As consideration for the execution hereof, Mobil shall pay to City upon execution hereof $10,974.55.

Commencing May 1, 1977, Mobil shall pay to City each May 1st a fee computed at $0.2755 per lineal foot of pipeline, which footage is agreed to be 15,934 feet, for a total of $4,389.82 annually.

The above compensation shall be in addition to Mobil's payment of City's cost for services and work in connection with any particular project undertaken by Mobil pursuant hereto, more particularly referred to hereinafter.

7. REVISION OF ANNUAL FEE. The amount of each annual payment shall be subject to revision in accordance with the following formula:

A. If the final "Wholesale (Primary Market) Price Index, for crude petroleum" prepared by the United States Bureau of Labor Statistics, Department of Labor, for the one calendar month ending more than ninety (90) days prior to the date on which an annual payment to the City shall be due shall stand at 242.0 (using prices prevailing during the year 1967 as a base of 100), then payment to City shall be made at the rate hereinabove specified.

B. If the said index for said calendar month shall stand higher than 242.0, then the rate of payment to City shall increase from said hereinabove rate in direct proportion as said index has increased from 242.0.

8. ENGINEER TO ESTABLISH CONDITIONS OF WORK. Any work, including street work, performed for the installation, operation, maintenance, repair or replacement of the pipeline, and any appurtenances thereof, shall be performed in accordance with conditions which shall be established both in advance of and during the work by the City Engineer ("City Engineer" shall include any City employee

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designated by City to act in place of the Engineer for the purposes of this Agreement). The purpose of said conditions shall be to eliminate or minimize interference with the safe, normal public use of the streets and the private use of property adjacent to the streets, expedite the completion of the work, guarantee performance of the work in accordance with good engineering practices and in a good workmanlike manner and to restore the streets to a condition and appearance as reasonably good as before the work commenced. Except in the case of an emergency, Mobil shall not commence, or cause to commence, any work without first notifying the City Engineer and receiving his written approval and executing an agreement to perform the conditions established by the City Engineer. Mobil agrees that any employee designated to pick up the permit shall be authorized to execute on behalf of Mobil the agreement to perform the conditions established by the City Engineer. The conditions established by the City Engineer may, by way of example and without limitation, include:

A. Mobil to furnish, reasonably in advance of the work, plans and specifications for the work, including, all underground structures which may be affected, proposed commencement and completion dates, hours of work, traffic safety controls, safety controls, and the manner and methods of the work, all of which shall be subject to modification at the request of the City Engineer made for the purposes of achieving the purposes listed above.

B. Restrictions on the time when and the hours during which any work is performed.

C. Requirements for the removal and stockpiling or disposal of excavated material and for special backfill.

D. Requirements for the use of trench cover plates.

E. Restrictions on the limits of excavation at any particular time and the limits of unpaved backfill.

F. Requirements for the installation of traffic regulation and safety controls.

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G. Requirements that private driveways remain continuously open.

H. Requirements for slurry sealing all or part of street surfaces where excavations have been made.

EMERGENCY WORK. Emergency work shall be subject to all of the conditions of this Agreement, except as to prior notice and written approval of the City Engineer before any work is commenced. Such work shall not proceed beyond that required to meet the emergency without first obtaining approval of the City Engineer. Mobil shall notify City of any emergency affecting the pipeline as soon as it has notice thereof.

REIMBURSEMENT OF CITY EXPENSES. At the time the City Engineer issues his written approval and permit for any work to commence he shall establish conditions for reimbursement to City by Mobil of expenses estimated to be incurred by City as a result of the work. For example, it is estimated that the installation of the new pipeline will result in inspection costs of $2,500, $11,499 for slurry seal to restore the streets and $5,034 for restriping after the slurry seal. The permit issued by the City Engineer will provide for reimbursement of such costs.

9. OPERATION OF PIPELINES. At any time during the term of this permit, the City Engineer shall have the right to require Mobil to test any sections of the pipeline and shall have the right to prescribe any reasonable test method and to witness the entire test procedure, to inspect the pumping machinery that may be used for forcing the oil through said pipes, and to measure or ascertain the pressure to which said pipe is being subjected at the time of the inspection. All tests shall be at the expense of Mobil.

Adequate facilities, including valves or other control devices, shall be provided on the pipeline to promptly localize operating troubles and minimize the effects thereof on City streets or on their use by the public. If at any time during the term of this

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