

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

December 9, 2016

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Ref: 16OD-148

OAHU

After-the-Fact Consent to the Transfer of Grant of Easement recorded in Liber 9925, page 408 from Standard Oil Company of California, Assignor, to Chevron U.S.A. Inc., Assignee; Aiea, Oahu, Tax Map Key: (1) 9-9-003:061.

Consent to the Real Property Interest Assignment and Assumption Agreement (Recordable Rights of Way) and (Unrecordable Rights of Way) regarding Grant of Non-Exclusive Easement S-5931, Grant of Easement No. S-4692, Grant of Non-Exclusive Easement S-5638, and Grant of Easement recorded in Liber 9925, page 408; Chevron U.S.A. Inc., Assignor, to IES Downstream, LLC, Assignee; Honolulu, Kalaeloa, and Aiea, Oahu, Tax Map Key: (1) 1-2-025:011; 9-1-031:seaward of 002, (1) 1-1-003:239, and 9-9-003:061. (1) 1-1-003:239

APPLICANT:

Chevron U.S.A. Inc., a Pennsylvania Corporation, as Assignor, to IES Downstream, LLC, a Delaware limited liability company, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION/AREA:

		TMK	Area
1	GL 5931	(1) 1-2-025:011	4,702 square feet
2	GL 4692	(1) 9-1-031:seaward of 002	92.247 acres
3	GL 5638	(1) 1-1-003:239	2,339 square feet
4	Liber 9925 page 408	(1) 9-9-003:061	18,834 square feet

As shown on the attached maps labeled **Exhibit A1** to **A4**.

TRUST LAND STATUS:

Section 5(a) and 5(b) lands of the Hawaii Admission Act  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CHARACTER OF USE:

1. GL 5931 - Right privilege, and authority to construct, use, maintain, repair, replace, remove, survey, lay inspect, change the size of, increase the number of, idle or operate pipelines (including all surface and subsurface improvements, equipment, facilities, components and appurtenances related thereto) for transporting those materials permitted by and compliant with the U.S. code of Federal Regulations Title 49.
2. GL 4692 - Right, privilege and authority to construct, reconstruct, replace, repair, use, maintain and operate submerged pipelines, tanker mooring and on/off-loading facilities.
3. GL 5638 - Right, privilege, and authority for the installation, use, maintenance, repair, operation, replacement and relocation of subsurface pipelines for the transmission of oil, petroleum, gas, gasoline, water, and other substances.
4. Liber 9925 page 408 - To construct, install, maintain, operate, repair and remove pipelines for the transportation of gas, petroleum, oil, gasoline, water or other substances.

TERM OF EASEMENTS:

1. GL 5931 - 55 years, commencing on November 19, 2004 and expiring on November 18, 2059.
2. GL 4692 - 63 years, approximately, commencing on December 18, 1980 and expiring on November 2, 2043.
3. GL 5638 - 55 years, commencing on September 9, 2000 and expiring on September 8, 2055.
4. Liber 9925 page 408 - Perpetual, commencing from February 8, 1974.

ANNUAL RENTAL:

Not applicable. Consideration was paid previously.

CONSIDERATION and RECOMMENDED PREMIUM:

Not applicable. It is irrelevant under this request as the easements do not allow for any assignment premium.

DCCA VERIFICATION:

Assignor and Assignee

Place of business registration confirmed:	YES <u>x</u>	NO <u>__</u>
Registered business name confirmed:	YES <u>x</u>	NO <u>__</u>
Good standing confirmed:	YES <u>x</u>	NO <u>__</u>

REMARKS:

Assignor sold all of its refining, distribution, and retail assets in Hawaii to the Assignee pursuant to the Real Property Interest Assignment and Assumption Agreement (Recordable Rights of Way) and Real Property Interest Assignment and Assumption Agreement (Unrecordable Rights of Way). Parties request the Board consent to the assignment of the subject easements.<sup>1</sup>

There are no pertinent issues or concerns regarding the requested consent for easements under GL 5931, GL 4692, and GL 5638.

Easement recorded in Liber 9925, page 408

This easement was originally issued to Standard Oil Company of California. The Department received a letter from the original grantee dated November 11, 1976 (**Exhibit B**) requesting the easement be transferred to its wholly owned subsidiary, Chevron U.S.A. Inc. (i.e. the current Assignor). For reasons unknown to the staff, such request for consent to assignment was never followed up. Meanwhile, staff brought the matter to the attention of the counsel representing the Assignor and received a certificate from the Assignor (**Exhibit C**) to document the completion of the transfer between Standard Oil Company of California. For housekeeping purpose, staff recommends the Board give its after-the-fact consent to the transfer between Standard Oil Company of California, as assignor, and Chevron U.S.A. Inc., as assignee described above.

Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

Staff did not solicit comments from other agencies as the request is for housekeeping purposes. There are no other pertinent issues or concerns, and staff recommends the Board consent to the assignments as described above.

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<sup>1</sup> The transaction, through the two agreements, covers multiple segments of the pipeline originated from Kalaeloa to Honolulu. The subject request only pertains to the segments under the management of the Department as requested by the Assignee's counsel.

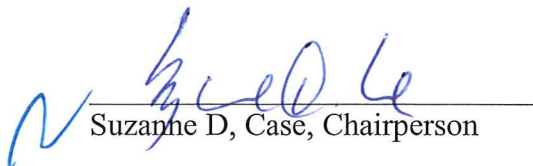
RECOMMENDATION: That the Board

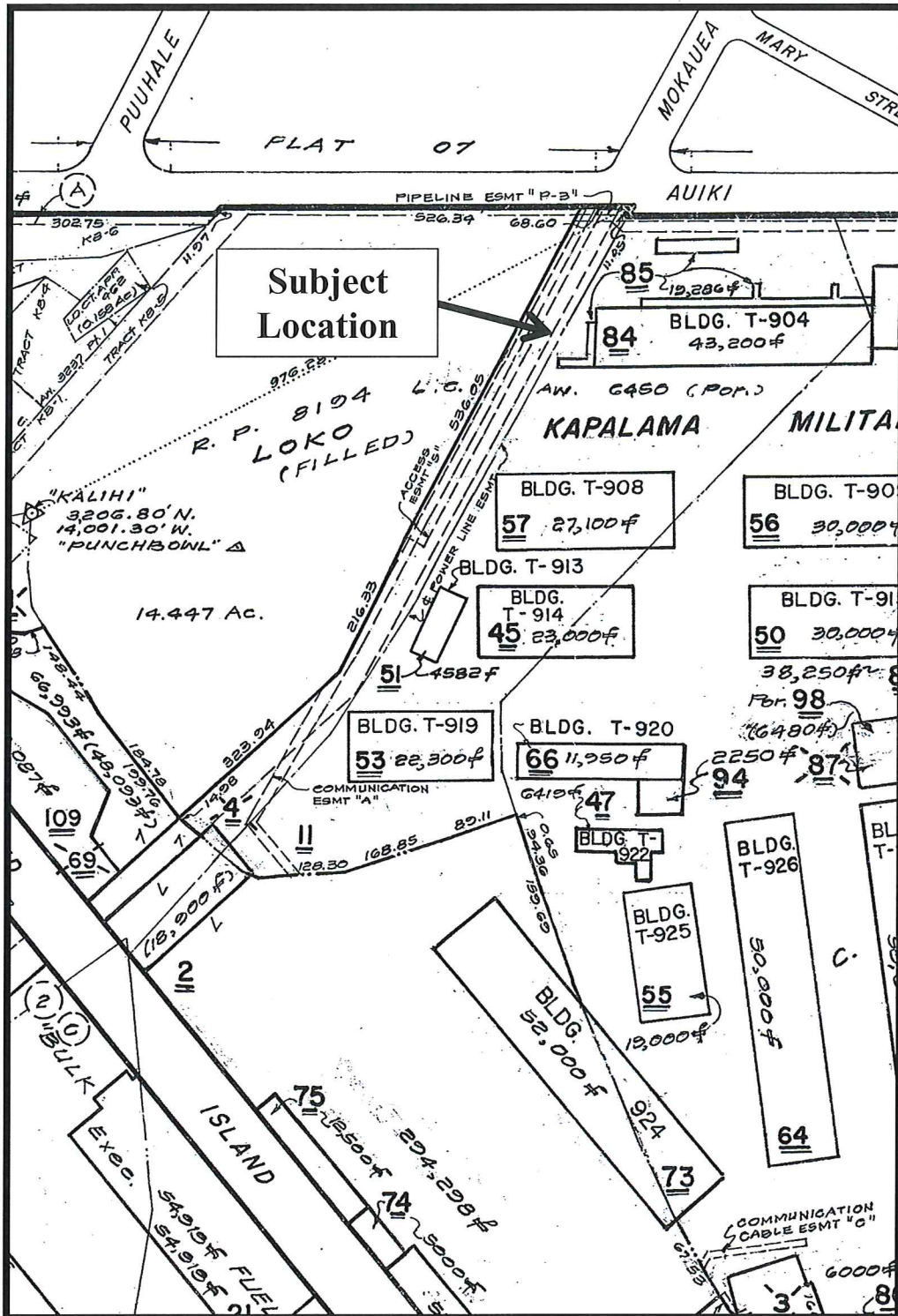
1. Consent after-the-fact to the transfer of Grant of Easement recorded in Liber 9925 page 408 from Standard Oil Company of California, as Assignor, to Chevron U.S.A. Inc., as Assignee, subject to the following:
  - A. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
  
2. Consent to the Real Property Interest Assignment and Assumption Agreement regarding Grant of Non-Exclusive Easement S-5931, Grant of Easement No. S-4692, Grant of Non-Exclusive Easement S-5638, and Grant of Easement recorded in Liber 9925 page 408, from Chevron U.S.A. Inc., as Assignor, to IES Downstream, LLC as Assignee, subject to the following:
  - A. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

  
Barry Cheung  
District Land Agent

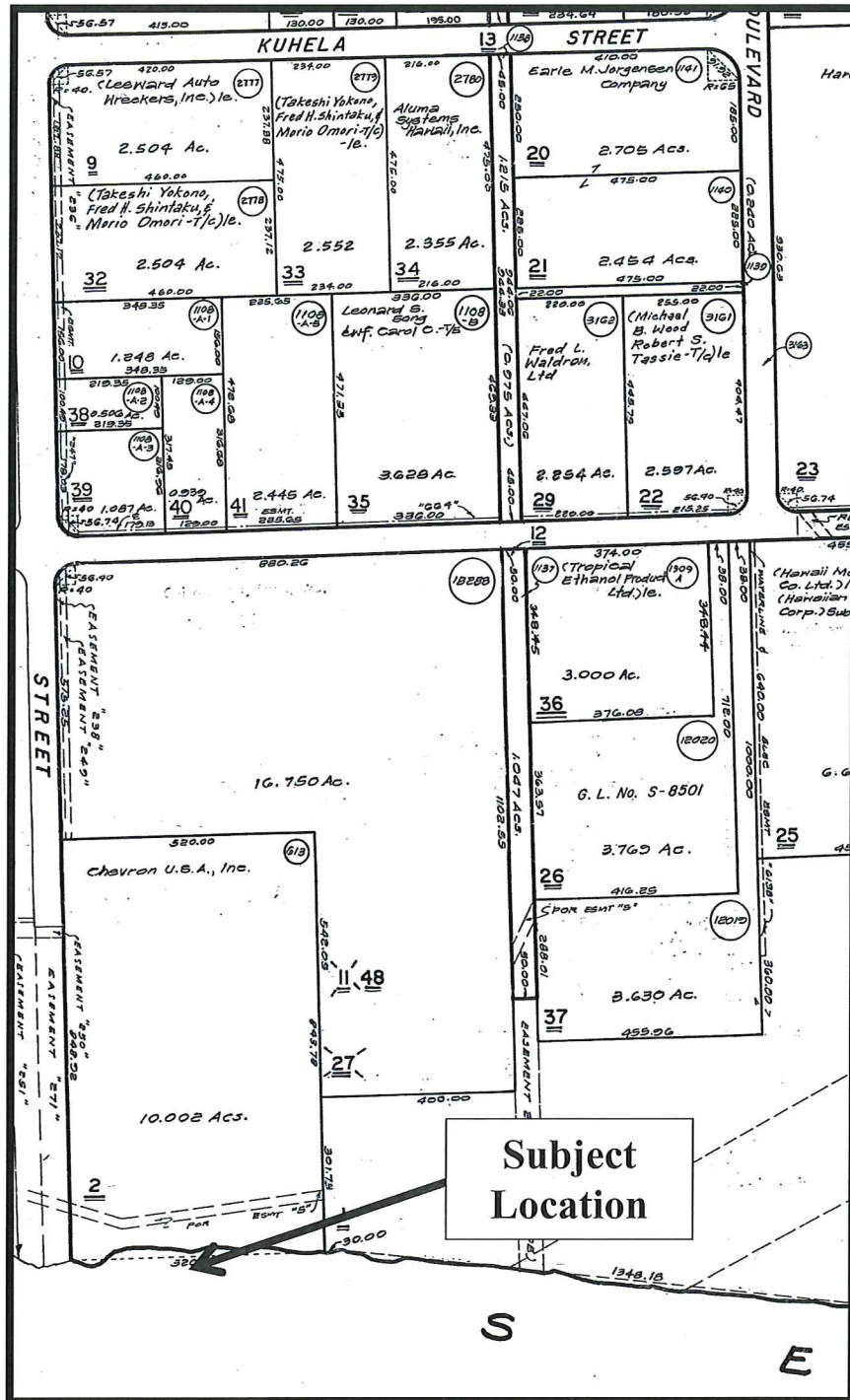
APPROVED FOR SUBMITTAL:

  
Suzanne D. Case, Chairperson



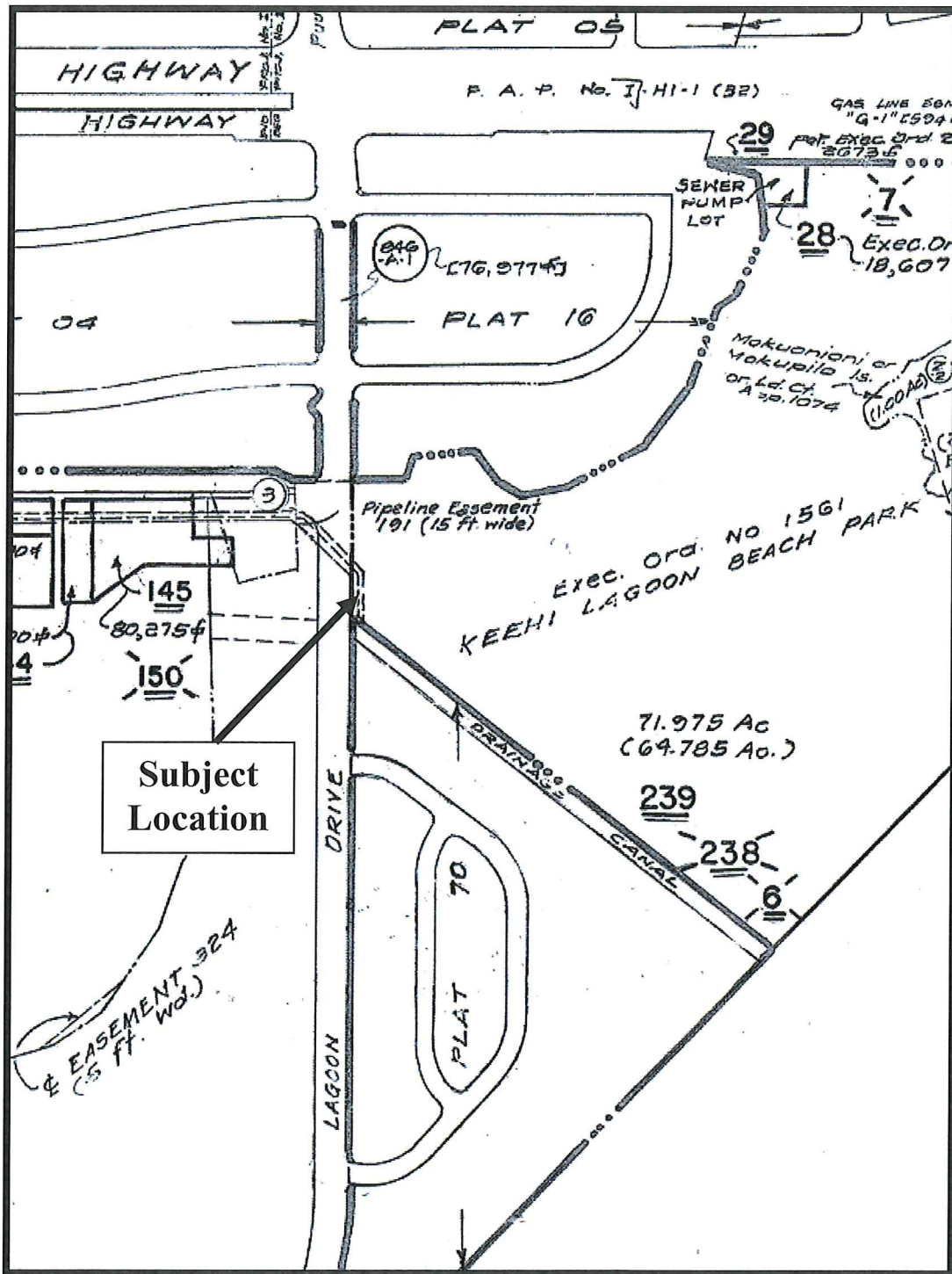
GL 5931 - TMK (1) 1-2-025:011

EXHIBIT A1



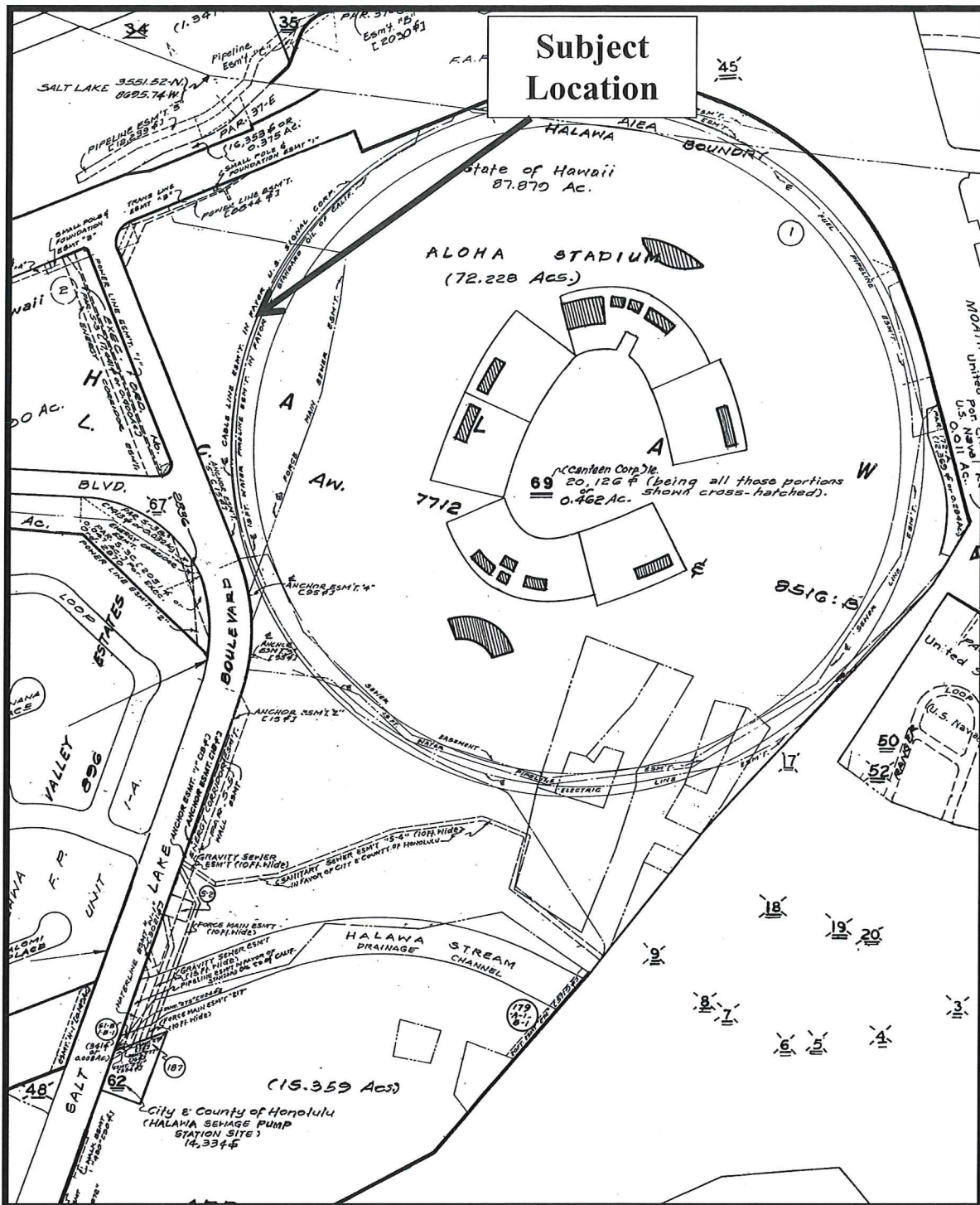
GL 4692 - TMK (1) 9-1-013:seaward of 002

EXHIBIT A2



GL 5638 - TMK (1) 1-1-003:portion of 239

# EXHIBIT A3



Liber 9925 page 408 - TMK (1) 9-9-003:061

# EXHIBIT A4





**Standard Oil Company of California**  
575 Market Street, San Francisco, CA 94105  
Mail Address: P.O. Box 7643, San Francisco, CA 94120

November 11, 1976

RECEIVED  
DIVISION OF  
LAND MANAGEMENT  
NOV 15 10 25 AM '76

State of Hawaii  
Department of Land and  
Natural Resources  
P. O. Box 621  
Honolulu, Hawaii 96809

Attention: Mr. James J. Detor

Gentlemen:

On or about January 1, 1977, Standard Oil Company of California, in order to consolidate its domestic oil and gas activities on a nationwide basis, plans to transfer and convey various properties and assets, both real and personal, to a wholly owned subsidiary corporation, Chevron U.S.A. Inc. By the transfer and conveyance, Chevron will succeed to and assume all of Standard's rights and obligations arising out of or pertaining to any of the transferred properties and assets. Standard will, of course, continue to be responsible for the performance of all of its obligations with respect to the properties and assets so transferred.

Standard and the State of Hawaii entered into a Grant of Easement dated February 8, 1974, recorded in the Office of the Bureau of Conveyances on May 24, 1974, in Liber 9925 at Page 408, which requires your consent to the transfer and conveyance thereof to Chevron. Accordingly, we respectfully request that you give your consent to such transfer and conveyance by signing the duplicate copy of this letter in the space provided and thereafter returning such duplicate copy to us in the enclosed envelope.

Very truly yours,

STANDARD OIL COMPANY OF CALIFORNIA

By S. E. Jensen  
Manager, Property Management Division,  
Land Department, Standard Oil Company  
of California, Western Operations,  
Inc., a division of said corporation

SEJ:jc  
Enclosure

CONSENT GIVEN THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_, 1976.

STATE OF HAWAII

By \_\_\_\_\_  
Chairman and Member  
Board of Land and Natural Resources

By \_\_\_\_\_  
Member  
Board of Land and Natural Resources

EXHIBIT B



CHEVRON U.S.A. INC.  
CERTIFICATE OF ASSISTANT SECRETARY


I, GRACE P. NERONA, Assistant Secretary of CHEVRON U.S.A. INC., a corporation duly organized under the laws of the Commonwealth of Pennsylvania (the "Corporation"), DO HEREBY CERTIFY that the following are full, true and correct statements of fact:

- 1) That effective January 1, 1977, Standard Oil Company of California ("SoCal") transferred and conveyed various properties and assets, both real and personal, to Chevron U.S.A. Inc., a California corporation ("CUSA-CA"), a direct, wholly-owned subsidiary of SoCal (the "Conveyance").
- 2) That the Conveyance included a Grant of Easement dated February 8, 1974, recorded with the State of Hawaii, Bureau of Conveyances on May 24, 1974, in Liber 9925 at Page 408 (the "Grant of Easement").
- 3) That effective July 1, 1985, CUSA-CA merged into Gulf Oil Corporation, a Pennsylvania corporation, with Gulf Oil Corporation as the surviving company that immediately changed its name to Chevron U.S.A. Inc., the current name of this Corporation.
- 4) That the Corporation is the successor-in-interest to the Grant of Easement as a result of the above.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Corporation this 25<sup>th</sup> day of October, 2016.

CHEVRON U.S.A. INC.



  
\_\_\_\_\_  
Grace P. Nerona  
Assistant Secretary

**EXHIBIT C**