



Meeting Date: 12/16/08

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Julie Doi, Deputy City Attorney *JD* Agenda Item No. I-1
 Reviewed By: City Manager *[Signature]* City Attorney *JD* Finance *[Signature]* Other (Specify) _____

DATE: December 8, 2008

TO: City Council

FROM: Martin Erickson *Martin Erickson*
City Manager's Office

SUBJECT: Consent to Transfer of Franchise for Operation of 2,000 Linear Feet of 8-Inch Oil Pipeline from ConocoPhillips Pipe Line Company ("Conoco") to Crimson California Pipeline Company ("Crimson")

RECOMMENDATION

That City Council adopt a resolution consenting to the transfer from Conoco to Crimson the rights of Conoco under Ordinance No. 1869 (effective June 4, 1981) to maintain, use, and operate an oil pipeline of approximately 2,000 feet in length in the City of Oxnard.

DISCUSSION

On May 5, 1981, the City of Oxnard, by Ordinance No. 1869, granted to Union Oil Company of California ("UNOCAL") the right to lay, maintain, and operate approximately 2,000 linear feet of 8-inch pipeline (the "Oxnard Pipeline") along Harbor Boulevard in Oxnard, for a period of forty years.

In January, 1992, UNOCAL transferred its rights to UNOCAL California Pipeline Company ("UNOCAP"). On April 4, 2000, the City formally consented to the transfer from UNOCAL to UNOCAP of all rights, title, and interest in the franchise concerning the operation of the Oxnard Pipeline under Ordinance No. 1869.

Effective February 1, 2005, UNOCAP merged into Conoco. On April 5, 2005, the City formally consented to the transfer from UNOCAP to Conoco of all rights, title, and interest in the franchise concerning the operation of the Oxnard Pipeline under Ordinance No. 1869.

On November 2, 2008, Crimson advised the City that it had entered into a Purchase and Sale Agreement with Conoco for pipeline assets covered under the franchise created by Ordinance No. 1869. The Bill of Sale transferring the pipeline assets from Conoco to Crimson became effective as of July 1, 2008.

Consent to Transfer of Franchise for Operation of 2,000 Linear Feet
of 8-Inch Oil Pipeline from ConocoPhillips Pipe Line Company
("Conoco") to Crimson California Pipeline Company ("Crimson")
December 8, 2008
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Ordinance No. 1869 requires that Conoco seek consent from the City to an assignment of the franchise.
California law requires that consent may not be unreasonably withheld.

FINANCIAL IMPACT

None

Attachment #1 - Resolution
#2 - Bill of Sale

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
CONSENTING TO SALE AND TRANSFER OF FRANCHISE BY
CONOCOPHILLIPS PIPE LINE COMPANY TO CRIMSON CALIFORNIA
PIPELINE L.P. OF THE RIGHTS GRANTED TO UNOCAL CALIFORNIA
PIPELINE COMPANY UNDER THAT CERTAIN FRANCHISE CREATED
BY CITY OF OXNARD ORDINANCE NO. 1869

WHEREAS, on May 5, 1981, the City of Oxnard, by Ordinance No. 1869 granted to Union Oil Company of California ("UNOCAL") a franchise to lay and operate approximately 2,000 linear feet of 8-inch pipe along Harbor Boulevard in the City of Oxnard; and

WHEREAS, UNOCAL laid the pipe and operated the pipeline; and

WHEREAS, on April 4, 2000, the City of Oxnard, by Resolution No. 11,798, consented to the assignment of the rights and privileges granted by the franchise to UNOCAL California Pipeline Company ("UNOCAP"); and

WHEREAS, section 8 of Ordinance No. 1869 provides:

"Grantee shall not permit any right or privilege granted by the franchise to be exercised by another, nor shall the franchise or any interest therein or any right or privilege hereunder be in whole or part sold, transferred, leased, assigned, or disposed of, except with the consent of the City expressed by resolution . . ."; and

WHEREAS, on February 1, 2005, UNOCAP transferred to ConocoPhillips Pipe Line Company ("CONOCO"), a related entity, all rights of UNOCAP under Ordinance No. 1869; and

WHEREAS, on April 5, 2005, the City of Oxnard, by Resolution No. 12,790, consented to the transfer from UNOCAP to CONOCO of all rights, title and interest in the franchise concerning operation of a pipeline granted by the City of Oxnard to UNOCAP under Ordinance No. 1869 and the assumption by CONOCO of all obligations imposed by Ordinance No. 1869; and

WHEREAS, on November 2, 2007, Crimson Pipeline L.P. ("CRIMSON") advised the City of Oxnard that it had entered into a Purchase and Sale Agreement with CONOCO for pipeline assets covered under the franchise created by Ordinance No. 1869; and

WHEREAS, the Bill of Sale transferring the pipeline assets covered under the franchise created by Ordinance No. 1869 from CONOCO to CRIMSON became effective as of July 1, 2008; and

WHEREAS, it is reasonable and proper for the City of Oxnard to grant consent to the sale and transfer of rights under Ordinance No. 1869 to CRIMSON.

NOW, THEREFORE, the City Council of the City of Oxnard does hereby resolve, by a vote of not less than two-thirds of its members, to:

1. Consent to the sale and transfer from CONOCO to CRIMSON all rights, title, and interest in the franchise concerning operation of a pipeline granted by the City of Oxnard to UNOCAP under Ordinance No. 1869 and the assumption by CRIMSON of all obligations imposed by Ordinance No. 1869.

2. Without a subsequent resolution, not consent to any subsequent transfer, waiver, or alteration of any rights which the City of Oxnard may have under Ordinance No. 1869 or any obligations of the franchisee under Ordinance No. 1869.

PASSED and ADOPTED this ____ day of _____, 2008, by the following vote:

AYES:

NOES:

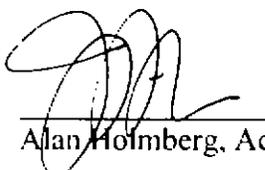
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Alan Holmberg, Acting City Attorney
12.8.08

ATTACHMENT NO. 1
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Bill of Sale

CONOCOPHILLIPS PIPE LINE COMPANY, a Delaware corporation having an office at 600 North Dairy Ashford, Houston, Texas 77079 ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, do hereby grant, bargain, sell, transfer and set over unto **CRIMSON CALIFORNIA PIPELINE, L.P.**, a California limited partnership having an office at 2459 Redondo Avenue, Long Beach, CA 90806 ("Buyer"), the Pipeline Gathering System described in Schedule 1 (the "Pipeline Gathering System"), Schedule 2 ("Idle and Abandoned Pipelines"), Schedule 3 ("Vehicles"), Schedule 4 ("IT Equipment") and Exhibit W ("Personal Property"), said Schedules and Exhibit being attached hereto and by this reference incorporated herein and made a part hereof.

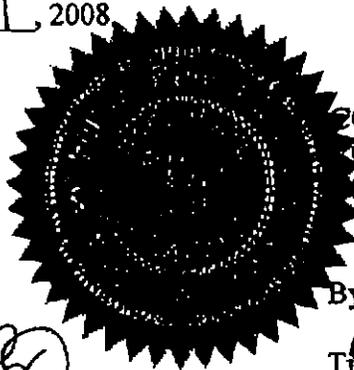
TO HAVE AND TO HOLD the same unto Buyer, its successors and assigns, forever.

Seller does hereby covenant, promise, and agree to and with Buyer, its successors and assigns, to warrant and forever defend the title to Seller's interest in and to the Pipeline Gathering System against any and all persons claiming by, through or under Seller, but not otherwise. Except as otherwise set forth herein and in that certain Asset Purchase and Sale Agreement between Seller and Buyer, dated the 31st day of August, 2007 (the "Sale Agreement"), there are no warranties, express or implied, in this Bill of Sale. Seller expressly disclaims and negates any representation or warranty, express, implied, at common law, by statute or otherwise, relating to the condition of the Pipeline Gathering System and the Idle and Abandoned Pipelines conveyed hereunder (including, without limitation, any implied or expressed warranty of merchantability or fitness for a particular purpose or use).

This Bill of Sale is subject to the terms and conditions of the Sale Agreement.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale effective as of

July 1, 2008



CONOCOPHILLIPS PIPE LINE COMPANY
("Seller")

ATTEST:

[Signature]
Vice President

By: [Signature]
Carl W. Eby
Title: Business Development Manager
Attorney-in-Fact

Approved as to Form
[Signature]
Legal Division

