



DEPARTMENT OF THE NAVY
SOUTHWEST DIVISION
NAVAL FACILITIES ENGINEERING COMMAND
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132 - 5190

5094.4
Ser 06CM/1276
September 10, 2003

Mr. David J. O'Reilly
Chairman of the Board and
Chief Executive Officer
ChevronTexaco Corporation
6001 Bollinger Canyon Road
San Ramon, California 94583

Dear Mr. O'Reilly:

Your letter of August 25, 2003 to the Acting Secretary of the Navy, Mr. H.T. Johnson, regarding disposal of former Naval Fuel Depot (NFD) Point Molate, has been referred to this office for response. In your letter you requested that the Navy take appropriate steps to ensure a secure and safe continued operation of the Richmond Refinery prior to conveyance of NFD Point Molate.

You will be pleased to know that the upcoming conveyance of the majority of NFD Point Molate is the result of efforts by numerous stakeholders to forge a common vision for the reuse of NFD Point Molate. The City of Richmond, the community, environmental regulators, and other stakeholders, have made important contributions to this process. In February of 2002, informed by input from interested stakeholders, the Navy and the City issued the Environmental Impact Statement/Environmental Impact Report (EIS/EIR). This document, together with the Navy's Record of Decision, satisfied the applicable requirements of the National Environmental Policy Act. The City and Navy's preferred and selected alternative as described in the February 2002 EIS/EIR is a mixture of industrial, commercial and open space/recreational uses. After conveyance, if the City and/or its developers wish to conduct any development that is inconsistent with the preferred alternative, the City and/or its developers will need to comply with requirements of the California Environmental Quality Act.

The Navy does not have a role in establishing security restrictions on future use of the property related to the Richmond Refinery. We encourage you to address those concerns to the City of Richmond as they move forward with their plans for future development. If you have any further questions, please contact me at (619) 532-0993 or Mr. Alan Lee at (619) 532-0905.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly Kesler".

KIMBERLY KESLER

Director

Base Realignment and Closure Department
By direction of the Commander