

MINUTE ITEM

Item No. C9  
Calendar meeting  
3/3/77

CALENDAR ITEM

C9.

3/77  
WP 4500  
AS  
PRC 4500

REVISION IN LEASE RENTAL AFTER ROUTINE REVIEW

This is a Right-of-Way Lease for a term of 49-years from August 1, 1970, with an existing annual rent of \$20, covering an 0.036 acre parcel of tide and submerged land in Middle River, San Joaquin County, for a natural gas pipeline.

The lease listed below provides that the State may adjust the annual rental at a different amount for the 5-year term following the fifth anniversary of the lease, effective on such anniversary date. The increase in annual rental for this lease was delayed for 18 months to allow time for the enactment of throughput regulations. During this time the lessee continued to pay annual rental of \$20 as provided in the original lease.

The value of the land covered by the lease has been considered and it has been determined that the minimum rental rate should apply. The lessee was notified of the amount within the time constraints set by his lease. Throughput information as supplied by lessee has been considered and the minimum rental rate is applicable based on pipe size, length of pipeline on State land and volume of commodity transported by the pipeline. Future 5-year rent reviews will allow staff to implement throughput should changes in the pipeline operation warrant basing annual rental on volume of commodities.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE ADJUSTING THE NEW ANNUAL RENTAL PER ANNUM INDICATED FOR THE FOLLOWING LEASE EFFECTIVE ON THE DATE SHOWN:

<u>PRG NO.</u>	<u>LESSEE/ADDRESS</u>	<u>PRIOR RENTAL</u>	<u>AMOUNT OF NEW RENTAL</u>	<u>EFFECTIVE DATE</u>
4500.1	Occidental Petroleum Corp. 5000 Stockdale Hwy. Bakersfield, CA 93309	\$20/annum	\$100/annum	August 1, 1977

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