

MINUTE ITEM

This Calendar Item No. C32 was approved as Minute Item No. 32 by the California State Lands Commission by a vote of 3 to 0 at its 4-24-01 meeting.

**CALENDAR ITEM
C32**

A 35
S 18

04/24/01
M. Hays
PRC 4017 WP 4017.1

REVISION OF RENT

LESSEE:

Torch Operating Company
1221 Lamar, Suite 1600
Houston, TX 77010-3039

AREA, LAND TYPE, AND LOCATION:

5.39 acres, more or less, of sovereign lands in the Pacific Ocean, near Sea Cliff, Santa Barbara County and Ventura County.

AUTHORIZED USE:

Right of way use for two 12-inch oil and gas pipelines between the Rincon Operating Facility to offshore Platform "A".

LEASE TERM:

49 years, beginning August 28, 1968.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$23,755 per year to \$27,612 per year, effective August 28, 2001.

The recommended rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

OTHER PERTINENT INFORMATION:

1. The pipelines are in compliance with Mineral Management Service (MMS) regulations which require internal inspections every two years. The results of the last inspection performed on March 28, 2000 were in compliance with the American Society of Mechanical Engineers (ASME) code.

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EXHIBIT:

A. Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 4017.1 FROM \$23,755 PER YEAR TO \$27,612 PER YEAR, EFFECTIVE AUGUST 28, 2001.

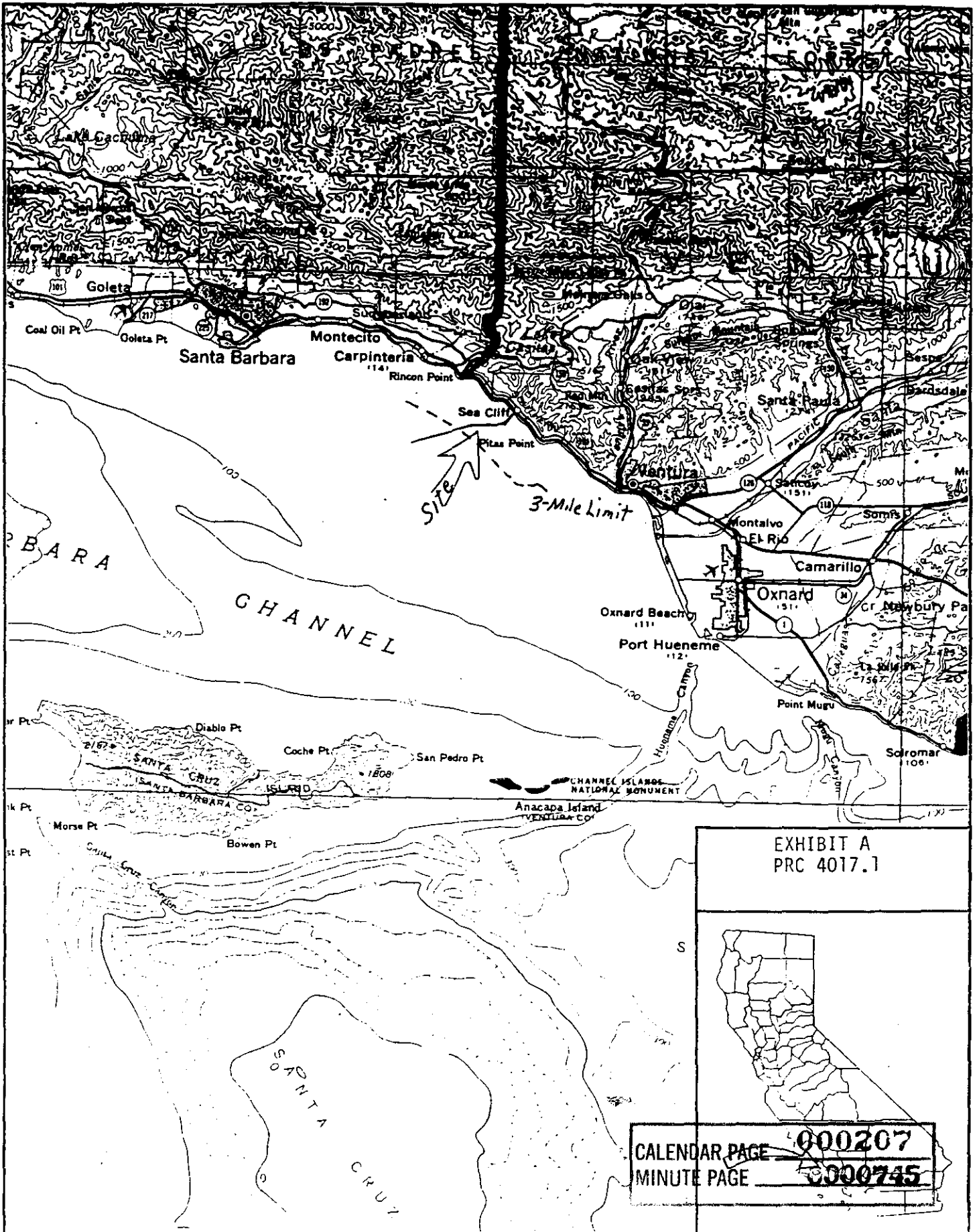


EXHIBIT A
 PRC 4017.1

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