

MINUTE ITEM

This Calendar Item No. C10 was approved as Minute Item No. 10 by the California State Lands Commission by a vote of 3 to 0 at its 9-17-01 meeting.

**CALENDAR ITEM
C10**

A 15
S 7

09/17/01
PRC 7914.1
L. Burks

REVISION OF RENT

LESSEE:

Tri Valley Oil and Gas Company
230 South Montclair, Suite 101
Bakersfield, California 93309

AREA, LAND TYPE, AND LOCATION:

1.75 acres, more or less, of tide and submerged lands in Piper Slough, Frank's Tract, and False River between Bethel Island and Webb Tract, Contra Costa County.

AUTHORIZED USE:

Continued use and maintenance of a six-inch diameter welded steel natural gas pipeline to provide a pipeline connection for Tri Valley's existing Webb Tract No. 1 gas well on Webb Tract connecting to Tri Valley's existing Martins-Severin gas gathering system near Bethel Island.

LEASE TERM:

20 years, beginning October 16, 1996.

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 \$221 per year to \$262 per year, effective October 16, 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.

CALENDAR ITEM NO. **C10** (CONT'D)

OTHER PERTINENT INFORMATION:

1. Tri Valley Oil and Gas Company has not experienced any incidents since it was first placed into service in November 1997. They inspect their pipelines yearly, the most recent cathodic protection of the pipeline done on June 29, 2001.

EXHIBIT:

- A. Land Description

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, 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 7914.1 FROM \$221 PER YEAR TO \$262 PER YEAR, EFFECTIVE OCTOBER 16, 2001.

LAUGENOUR AND MEIKLE
CIVIL ENGINEERS

2095-78
Revised October 22, 1996
July 2, 1996
P.J.A.

DESCRIPTION
for
AA PRODUCTION SERVICES, INC.
WEBB TRACT PIPELINE
PROPOSED BORE LOCATION
PIPER SLOUGH

A portion of projected Sections 3 and 4, Township 2 North, Range 3 East, Mount Diablo Meridian, Contra Costa County, California, being more particularly described as follows:

A strip of land fifty (50) feet wide, lying twenty-five (25) feet on each side of the following described centerline:

Beginning at a point in the South Levee of Piper Slough on Bethel Island, that is distant North 10° 28' 39" West 288.53 feet from the standard Contra Costa County street monument marking the intersection of the centerlines of Bethel Island Road and Willow Road West, as said monument appears on that Record of Survey, filed February 21, 1995, in Book 107 of L.S.M., at Pages 17 and 18, Contra Costa County Records; thence, from said POINT OF BEGINNING, North 07° 52' 26" East 429.40 feet, more or less, to the North Levee of Piper Slough, being also the South Levee of Franks Tract and the end of this strip of land.

EXCEPTING THEREFROM any portion lying above the Ordinary High Tide Line.



This exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or other property.

EXHIBIT "A" 0054
CALENDAR PAGE
MAY 19 1996
PRC 7914.1 01400

LAUGENOUR AND MEIKLE
CIVIL ENGINEERS

2088-78
Revised October 22, 1996
July 2, 1996
P.J.A.

**DESCRIPTION
for
AA PRODUCTION SERVICES, INC.
WEBB TRACT PIPELINE
PROPOSED BORE LOCATION
FALSE RIVER**

A portion of projected Sections 3 and 4, Township 2 North, Range 3 East, Mount Diablo Meridian, Contra Costa County, California, being more particularly described as follows:

A strip of land fifty (50) feet wide, lying twenty-five (25) feet on each side of the following described centerline:

Beginning at a point in the South Levee of False River, that is distant North 10°28'39" West 288.53, North 07°52'26" East 429.40 feet, more or less, and North 07°52'26" East 1771.75 feet, more or less, from the standard Contra Costa County street monument marking the intersection of the centerlines of Bethel Island Road and Willow Road West, as said monument appears on that Record of Survey, filed February 21, 1995, in Book 107 of L.S.M., at Pages 17 and 18, Contra Costa County Records; thence, from said POINT OF BEGINNING, North 07°52'26" East 829.35 feet, more or less, to the North Levee of False River being also the South Levee of Webb Tract and the end of this strip of land.

EXCEPTING THEREFROM any portion lying above the Ordinary High Tide Line.



This exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or other property.

CALENDAR PAGE 100000
EXHIBIT "A" 0140
PRC 7914.1