

MINUTE ITEM  
This Calendar Item No. C 22  
was approved as Minute Item  
No. 22 by the State Lands  
Commission by a vote of 3  
to 0 at its 11-26-01  
meeting.

CALENDAR ITEM  
**C22**

A 67

S 35

11/26/01  
PRC 6417.1  
M. Hays

**REVISION OF RENT**

**LESSEE:**

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

**AREA, LAND TYPE, AND LOCATION:**

12 acres, more or less, of sovereign lands in the Pacific Ocean, near Huntington Beach, Orange County.

**AUTHORIZED USE:**

Right of way use for one 24-inch outfall pipeline to route two power cables from shore to Platform Edith and Platform Eva and one six-inch natural gas pipeline between Platform Edith and Platform Eva.

**LEASE TERM:**

25 years, beginning December 1, 1982.

**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 \$28,836 per year to \$43,394 per year, effective December 1, 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. **C22** (CONT'D)

**OTHER PERTINENT INFORMATION:**

1. The natural gas pipeline is in compliance with Mineral Management Service (MMS) regulations that require internal inspections every two years. The results of the last inspection performed on September 8, 2000 were in compliance with the American Society of Mechanical Engineers (ASME) code.

**EXHIBIT:**

- A. Site Map

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

**CEQA FINDING:**

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) 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 6417.1 FROM \$28,836 PER YEAR TO \$43,394 PER YEAR, EFFECTIVE DECEMBER 1, 2001.

