

**CALENDAR ITEM
C47**

A 72
S 34

02/07/17
PRC 3116.1
R. Collins

REVISION OF RENT

LESSEE:

Dos Cuadras Offshore Resources (DCOR), LLC

LAND, TYPE, AND LOCATION:

16.552 acres, more or less, of sovereign land in San Pedro Bay, Pacific Ocean, near Huntington Beach, Orange County.

AUTHORIZED USE:

The continued operation and maintenance of existing submarine pipelines and a power cable.

LEASE TERM:

46 years, beginning March 26, 1983.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be revised from \$145,800 per year to \$160,574 per year, effective March 26, 2017.

OTHER PERTINENT INFORMATION:

1. On December 22, 1983, the Commission authorized the issuance of a General Lease – Industrial Use to Union Oil Company of California and Chevron USA, Inc. ([Calendar Item C05, December 22, 1983](#)) for the operation and maintenance of existing submarine pipelines and a power cable that serve oil platform Eva. On October 20, 2005, the Commission approved the assignment of the lease to DCOR, LLC ([Calendar Item C41, October 20, 2005](#)). On October 29, 2010, the Commission authorized an amendment of the lease to extend the lease term to 46 years ([Calendar Item C34, October 29, 2010](#)). The lease will expire on March 25, 2029.

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2. The lease includes a condition requiring the Lessee to maintain records of all inspections, repairs, testing and maintenance activities, in accordance with the minimum federal safety standards contained in the Code of Federal Regulations title 49, parts 192 and 195. The lease includes multiple oil, gas, and water pipelines. The Lessee reports some pipelines have been recently inspected and other inspections are in process. Staff has requested copies of the inspection reports and will review these reports when received from the Lessee.
3. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
4. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

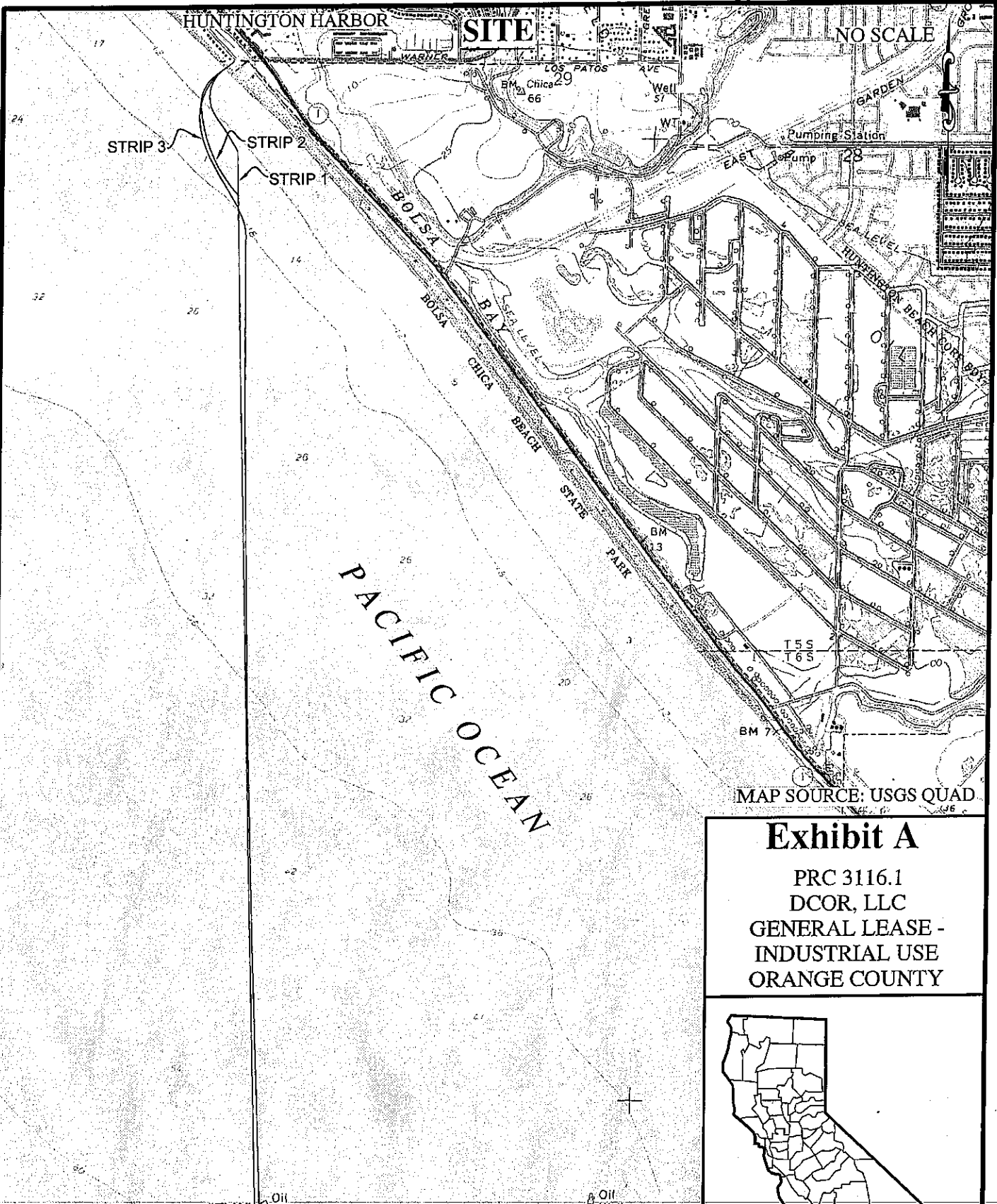
- A. Site And Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 3116.1 from \$145,800 per year to \$160,574 per year, effective March 26, 2017.



NO SCALE

SITE

STRIP 3

STRIP 2

STRIP 1

PACIFIC OCEAN

MAP SOURCE: USGS QUAD

Exhibit A

PRC 3116.1
 DCOR, LLC
 GENERAL LEASE -
 INDUSTRIAL USE
 ORANGE COUNTY



SITE

JAK 08/15

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.