

**STAFF REPORT  
C47**

A 14  
S 3

08/17/17  
PRC 7859.1  
N. Lavoie

**REVISION OF RENT**

**LESSEE:**

Phillips 66 Company

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

Sovereign land in Pacheco Slough, near Martinez, Contra Costa County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing 8-inch-diameter pipeline used for the transportation of petroleum products.

**LEASE TERM:**

15 years, beginning September 20, 1995.

**CONSIDERATION:**

This lease provides that the Commission 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 rent be revised from \$100 per year to \$450 per year, effective September 20, 2017.

**OTHER PERTINENT INFORMATION:**

1. On October 17, 1995, the Commission authorized a General Lease – Right-of-Way Use to Chevron U.S.A., Inc. ([Item 55, October 17, 1995](#)) On February 2, 2004, the Commission authorized an assignment of the lease to ConocoPhillips Company ([Item 28, February, 2, 2004](#)) and then on December 5, 2012 the Commission authorized another assignment to Phillips 66 Company ([Item 38, December 5, 2012](#)). The lease will expire on September 19, 2020.
  
2. Commission staff requested burial depth reports, cathodic protection results, leak surveys, and any other reports demonstrating the integrity of the pipeline. Staff will review the reports and based on the results take any and all actions necessary to ensure the safety of the pipeline consistent with the Commission's jurisdiction and authority.

STAFF REPORT NO. **C47** (CONT'D)

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:**

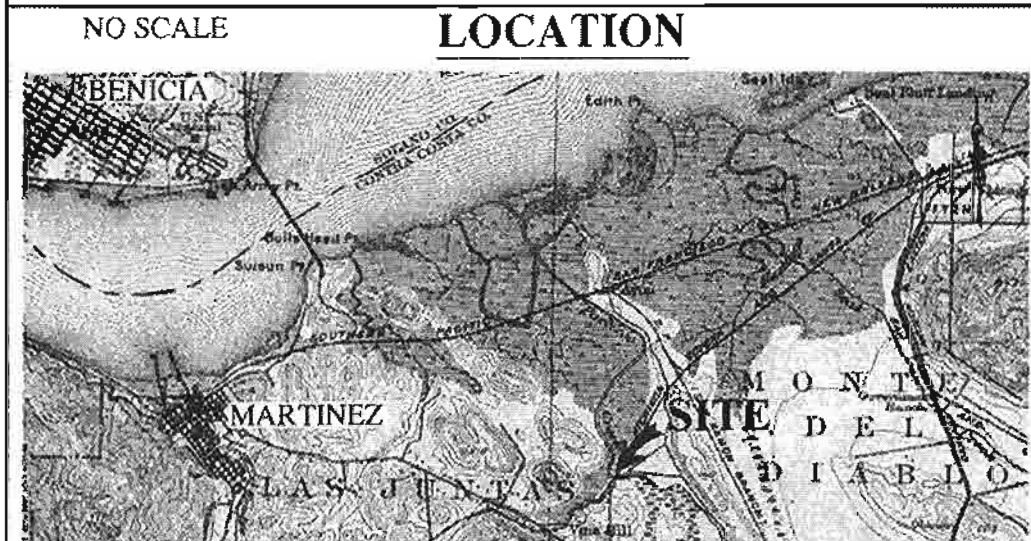
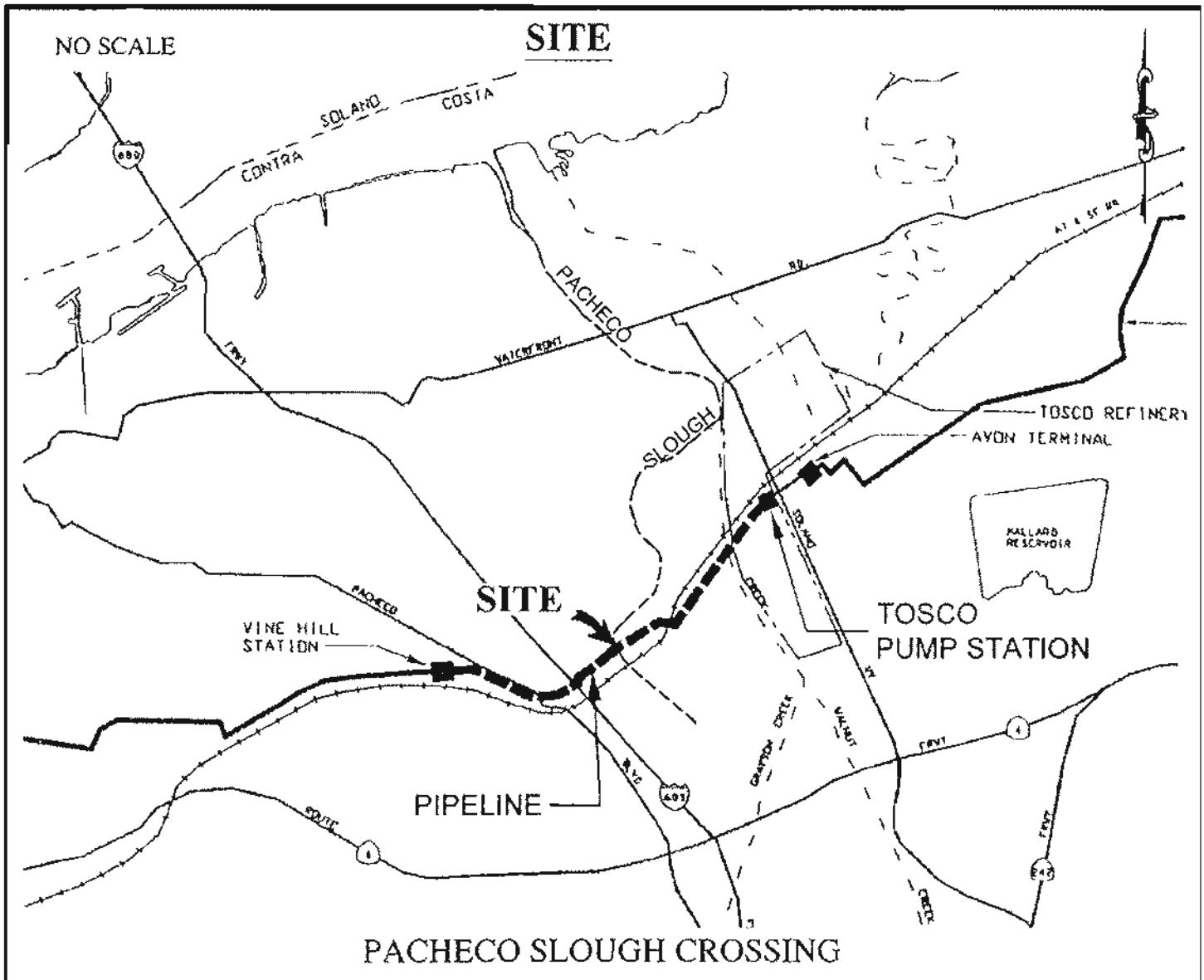
- A. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 7859.1 from \$100 per year to \$450 per year, effective September 20, 2017.



MAP SOURCE: USGS 1896 QUAD

**Exhibit A**

PRC 7859.1  
 PHILLIPS 66 COMPANY  
 GENERAL LEASE -  
 RIGHT-OF-WAY USE  
 CONTRA COSTA COUNTY



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.