

MINUTE ITEM

This Calendar Item No. C33 was approved as Minute Item No. 33 by the California State Lands Commission by a vote of 3 to 0 at its 2/8/00 meeting.

**CALENDAR ITEM
C33**

A 30
S 16

PRC 7681

02/08/00
WP 7681.1
J. Smith

ASSIGNMENT AND AMENDMENT OF LEASE

LESSEE/ASSIGNOR:

Torch Operating Company
1800 30th Street, Suite 200
Bakersfield, California 93301

ASSIGNEE:

California Gas Gathering, Inc.
2981 Gold Canal Drive
Rancho Cordova, California 95670

AREA, LAND TYPE, AND LOCATION:

0.0689-acres, more or less, of sovereign lands in the San Joaquin River, near Dos Palos, Fresno and Madera Counties.

AUTHORIZED USE:

Operation and maintenance of an eight-inch natural gas pipeline.

LEASE TERM:

20 years, beginning May 3, 1993.

CONSIDERATION:

\$100 per year

OTHER PERTINENT INFORMATION:

1. Assignee has a right to use the uplands adjoining the lease premises.
2. Torch Operating Company is the current Lessee of Lease No. PRC 7681.1. Torch became the Lessee pursuant to an assignment and amendment of the lease that was authorized by the Commission on May 9, 1996. Torch now proposes to assign all of its interest in this lease to California Gas Gathering, Inc. The assignment will require Torch to remain liable for obligations under the lease.

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3. An amendment of the lease is being proposed to provide for certain modifications to the provisions of the lease addressing operation and inspection of the pipelines. Staff is recommending the lease be amended to provide that the pipeline will be operated in compliance with Title 49 of the Code of Federal Regulations, Part 192 and that duplicate copies of all inspection reports prepared will be provided to Commission staff.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBIT:

- A. Location and Site Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

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:

AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 7681.1, A GENERAL LEASE - RIGHT OF WAY USE, OF SOVEREIGN LANDS DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM TORCH OPERATING COMPANY TO CALIFORNIA GAS GATHERING, INC.; EFFECTIVE MARCH 22, 1999.

CALENDAR ITEM NO. C33 (CONT'D)

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 7681.1 TO
MODIFY CERTAIN PROVISIONS OF THE LEASE ADDRESSING
OPERATION AND INSPECTION OF THE PIPELINES. ALL OTHER
TERMS AND CONDITIONS OF THE LEASE REMAIN UNCHANGED
AND IN FULL FORCE AND EFFECT.

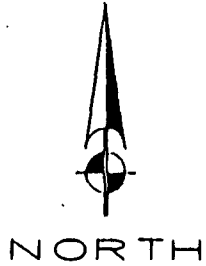
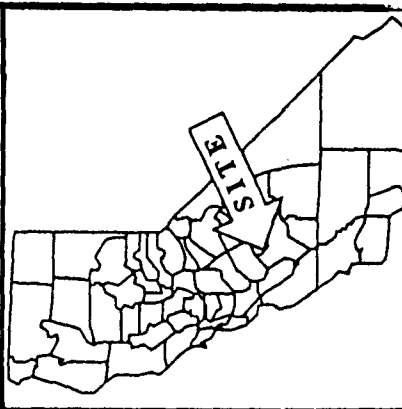
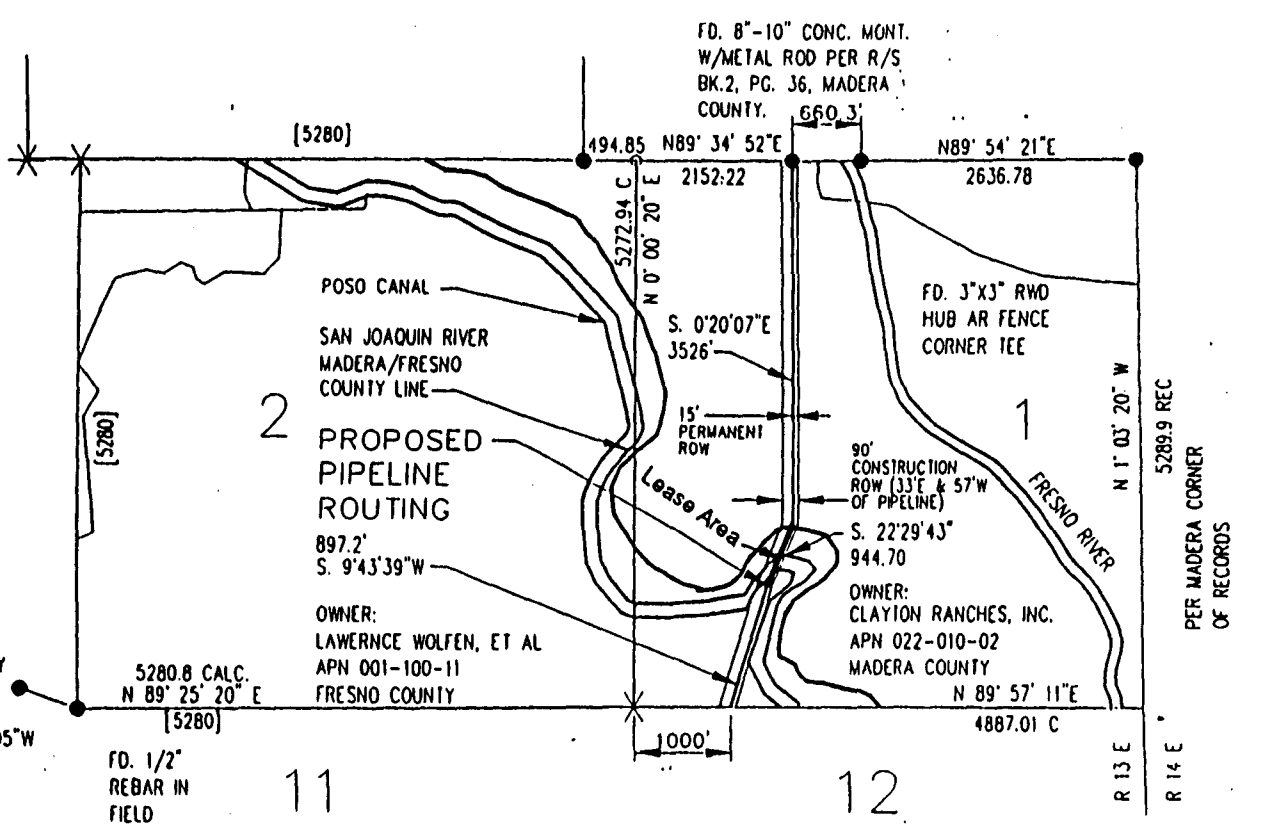


EXHIBIT "A"
 PRC 7681
 San Joaquin River
 FRESNO & MADERA COUNTIES



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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 any other property.