

MINUTE ITEM

This Calendar Item No. C32 was approved as Minute Item No. 32 by the California State Lands Commission by a vote of 3 to 0 at its 4-17-06 meeting.

CALENDAR ITEM

C32

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PRC 7914.1

T.Lipscomb

REVISION OF RENT

LESSEE:

Tri-Valley Oil and Gas Company
5555 Business Park South, Suite 210
Bakersfield, California 93309

AREA, LAND TYPE, AND LOCATION:

1.75 acres, more or less, of tide and submerged lands in Piper Slough and False River across Frank's Tract 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 \$262 per year to \$315 per year, effective October 16, 2006.

OTHER PERTINENT INFORMATION:

1. On October 28, 1996, the Commission issued a 20 year General Lease-Right-of-Way Use to Tri-Valley Oil and Gas Company for the installation and use of a six-inch diameter welded steel natural gas gathering pipeline.
2. The California Department of Conservation, Division of Oil, Gas, and Geothermal Resources has jurisdiction over this pipeline. The latest

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inspection record shows that in December 1999 a review of Tri-Valley's Pipeline Management Plan was conducted and determined that the plan satisfied the requirements outlined in California Code of Regulations, Title 14, Division 2, Chapter 4, Section 1774.

EXHIBIT:

- A. Location 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 7914.1 FROM \$262 PER YEAR TO \$315 PER YEAR, EFFECTIVE OCTOBER 16, 2006.

Location Map

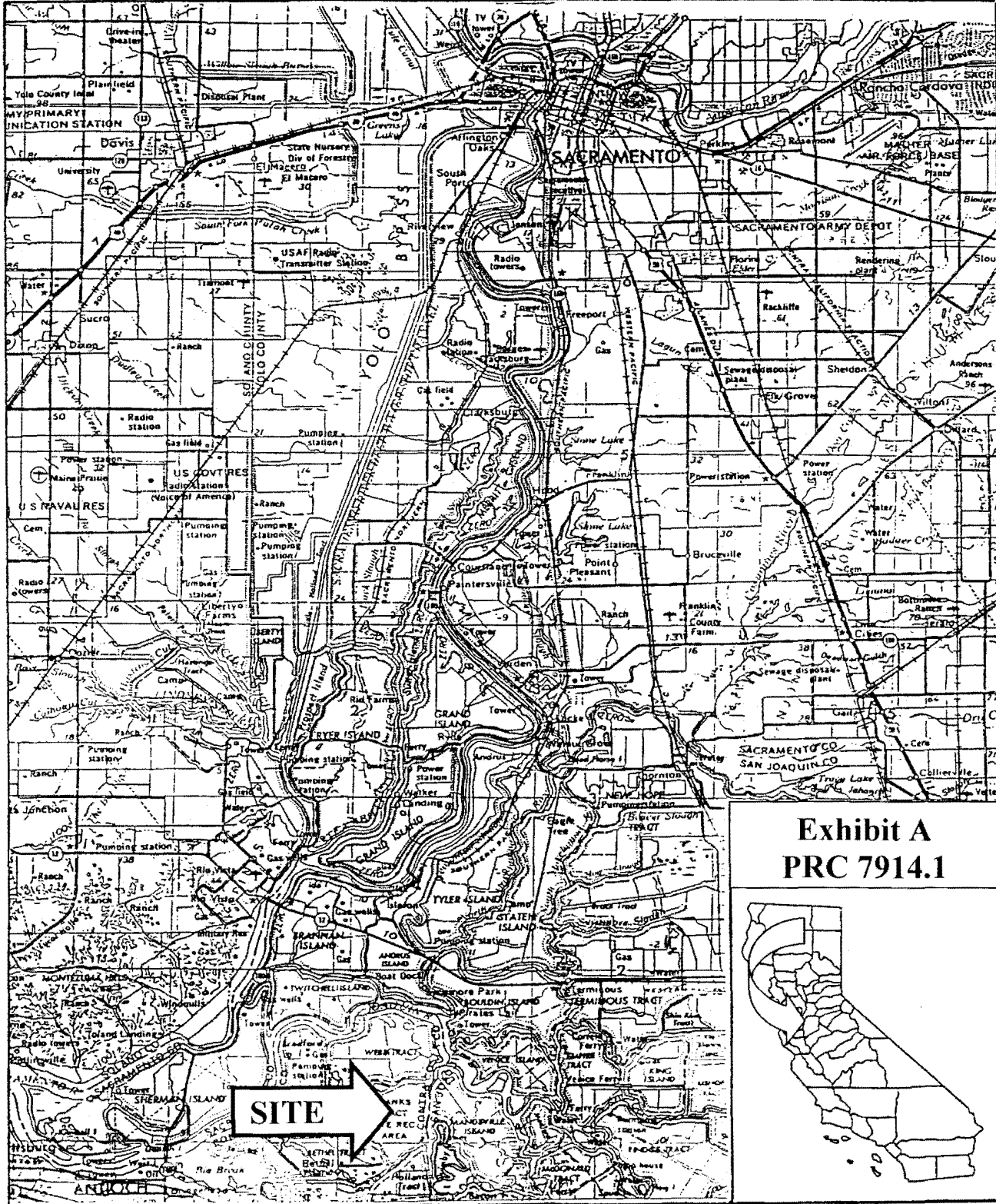


EXHIBIT CONSTRUCTED FROM USGS QUAD

This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by 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 other property.