

**CALENDAR ITEM  
C36**

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6/23/11  
PRC 7913.1  
R. Boggiano

**REVISION OF RENT**

**LESSEE:**

Slawson Exploration Company, Inc.

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

0.46 acres, more or less, of sovereign land in the Sacramento River, Section 22, Township 14 North, Range 1 East, MDM, near the town of Grimes, Colusa and Sutter Counties.

**AUTHORIZED USE:**

Maintenance of an existing four-inch diameter welded steel natural gas pipeline as shown on Exhibit A.

**LEASE TERM:**

20 years, beginning October 1, 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 \$166 per year to \$290 per year, effective October 1, 2011.

**OTHER PERTINENT INFORMATION:**

1. On October 28, 1996, the Commission authorized a General Lease – Right-of-Way Use to Slawson Exploration Company, Inc. for the construction of a natural gas pipeline. The lease will expire September 30, 2016.
2. The pipeline was constructed using directional boring and is buried to a depth of 35 feet below the riverbed. Staff was later notified that the Lessee had abandoned the pipeline in place in 1999 by cutting the pipe on the upland on either side of the river, purged the line with treated water, and plugged and welded the pipe ends with a steel cap. Lessee has

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requested to continue leasing the pipeline easement due to possible future use.

**EXHIBIT:**

- A. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is not subject to the requirements of 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 7913.1 from \$166 per year to \$290 per year, effective October 1, 2011.