

STAFF REPORT

51

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08/23/19
PRC 6911.1
K. Foster

CONTINUATION OF RENT

LESSEE:

Freeport-McMoRan Oil & Gas, LLC
5640 S. Fairfax Avenue
Los Angeles, CA 90056

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, near Point Pedernales, Santa Barbara County.

AUTHORIZED USE:

Continued use and maintenance of an existing crude oil pipeline, gas pipeline, wastewater pipeline, and a power cable serving Platform Irene in federal waters.

LEASE TERM:

13 years, beginning November 1, 2009.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be continued at \$129,285 per year, effective November 1, 2019.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the continuation of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a continuation of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. Upon expiration or prior termination of the lease, the lessee also has no right to a new lease or to renewal of any previous lease.
2. On April 9, 2009, the Commission authorized a General Lease – Right-of-Way Use to Plains Exploration & Pipeline Company (PXP), for a term of 13 years, beginning November 1, 2009 ([Item C30, April 9, 2009](#)). The lease expires on October 31, 2022.

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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 continuation 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:

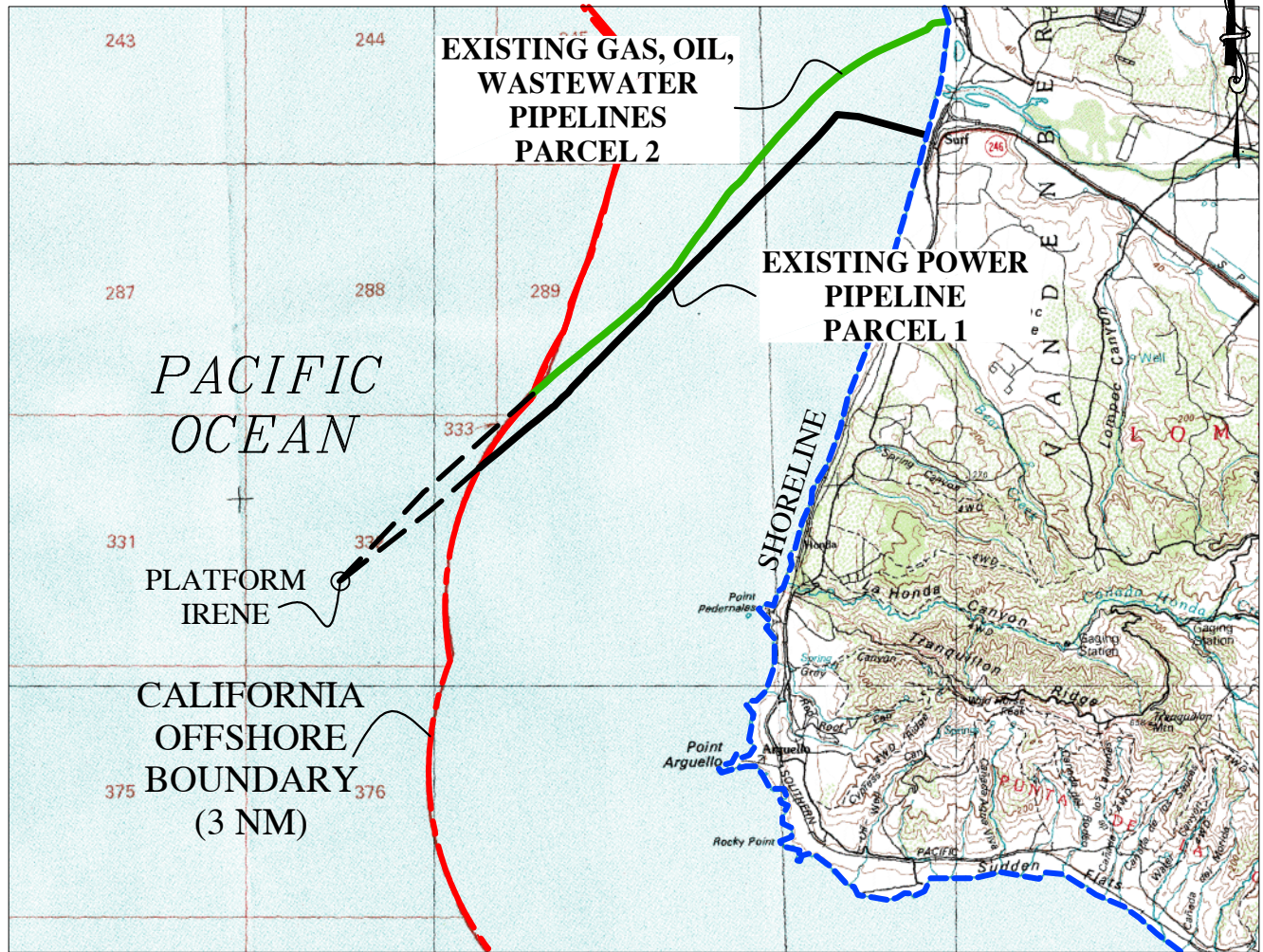
It is recommended that the Commission:

AUTHORIZATION:

Approve the continuation of rent for Lease No. PRC 6911.1 at \$129,285 per year, effective November 1, 2019.

NO SCALE

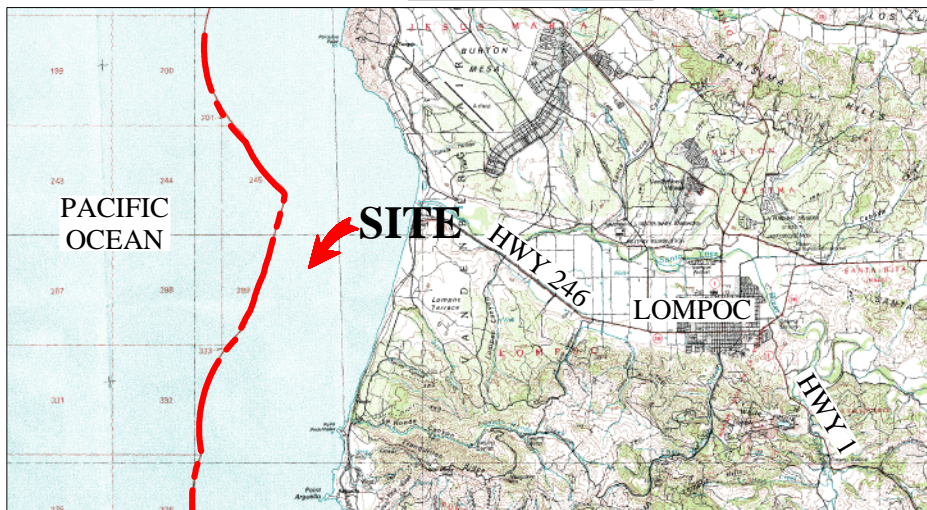
SITE



PACIFIC OCEAN
8 miles west of Lompoc

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 6911.1
 FREEPORT-MCMORAN OIL
 & GAS LLC
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SANTA BARBARA 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.