

MINUTE ITEM  
This Calendar Item No. C23  
was approved as Minute Item  
No. 23 by the State Lands  
Commission by a vote of 3  
to 0 at its 11-26-01  
meeting.

**CALENDAR ITEM  
C23**

A 37  
S 18

11/26/01  
PRC 5967.1  
M. Hays

**REVISION OF RENT**

**LESSEE:**

Torch Operating Company  
1221 Lamar, Suite 1600  
Houston, TX 77010-3039

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

24 acres, more or less, of sovereign lands in the Pacific Ocean, near Oxnard,  
Ventura County.

**AUTHORIZED USE:**

Right of way use for two bundled pipeline systems to convey crude oil, natural  
gas, water and cable between the onshore treatment facility down coast of the  
Mandalay Generating Station and Platforms Gina and Gilda, located in federal  
waters.

**LEASE TERM:**

25 years, beginning April 1, 1981.

**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 \$39,251.83 per year to  
\$54,752 per year, effective April 1, 2002.

The recommended rent is based on adjustment of the prior rent by application of  
the Gross National Product Implicit Price Deflator (GNPIP).

**EXHIBIT:**

A. Location Map

CALENDAR ITEM NO. C23 (CONT'D)

**OTHER PERTINENT INFORMATION:**

1. The pipelines are in compliance with the federal Mineral Management Service (MMS) regulations that require internal inspections every two years. The results of the last inspections for Platform Gina Gas Pipeline (December 2000) and for Platform Gilda Oil and Gas Pipeline (April 2000 and January 2001 respectively) were in compliance with the American Society of Mechanical Engineers (ASME) code.

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

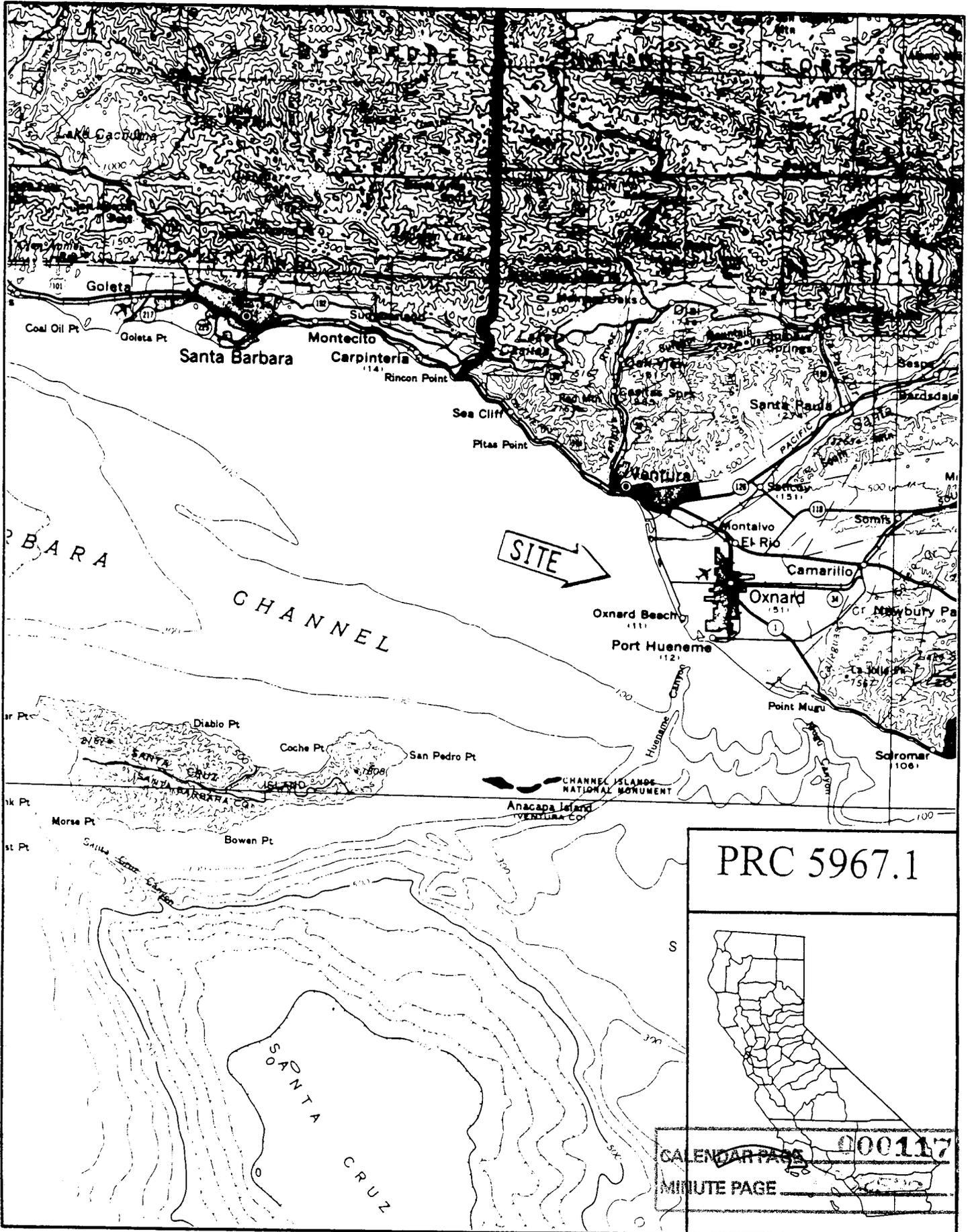
**CEQA FINDING:**

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 5967.1 FROM \$39,251.83 PER YEAR TO \$54,752 PER YEAR, EFFECTIVE APRIL 1, 2002.

# EXHIBIT "A"



PRC 5967.1



CALENDAR PAGE 000117  
MINUTE PAGE