MINUTE ITEM

This Calendar Item No. C42 was approved as Minute Item No. 42 by the California State Lands Commission by a vote of 3 to 0 at its 06/26/06 meeting.

CALENDAR ITEM
C42

A 2

S 4

06/26/06
PRC 7913.1
T. Lipscomb

REVISION OF RENT

LESSEE:

Slawson Exploration Company, Incorporated
P.O. Box 2907
Wichita, Kansas 67201-2907

AREA, LAND TYPE, AND LOCATION:

0.46 acres, more or less, of sovereign lands in the Sacramento River, near the town of Grimes, Colusa and Sutter counties.

AUTHORIZED USE:

Continued use and maintenance of an existing four-inch natural gas pipeline that connects the gas gathering system in Sutter County across the Sacramento River to the Browning #4 gas gathering system near Wilson Bend Road in Colusa County.

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 $120 per year to $166 per year, effective October 1, 2006.

OTHER PERTINENT INFORMATION:

This pipeline crossing is part of a rural gas gathering system and is not under the jurisdiction of any federal or state agency. However, the Operation, Maintenance, and Emergency Response Plan for the pipeline, which is kept on file with the State Lands Commission, states that "the pipeline is to be operated in accordance with the specific requirements of the California Public Utilities Commission General Order 112-D and the United States Department of

Transportation, Title 49, Part 142, as these regulations may apply." No violations have been reported.

EXHIBIT:

A. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

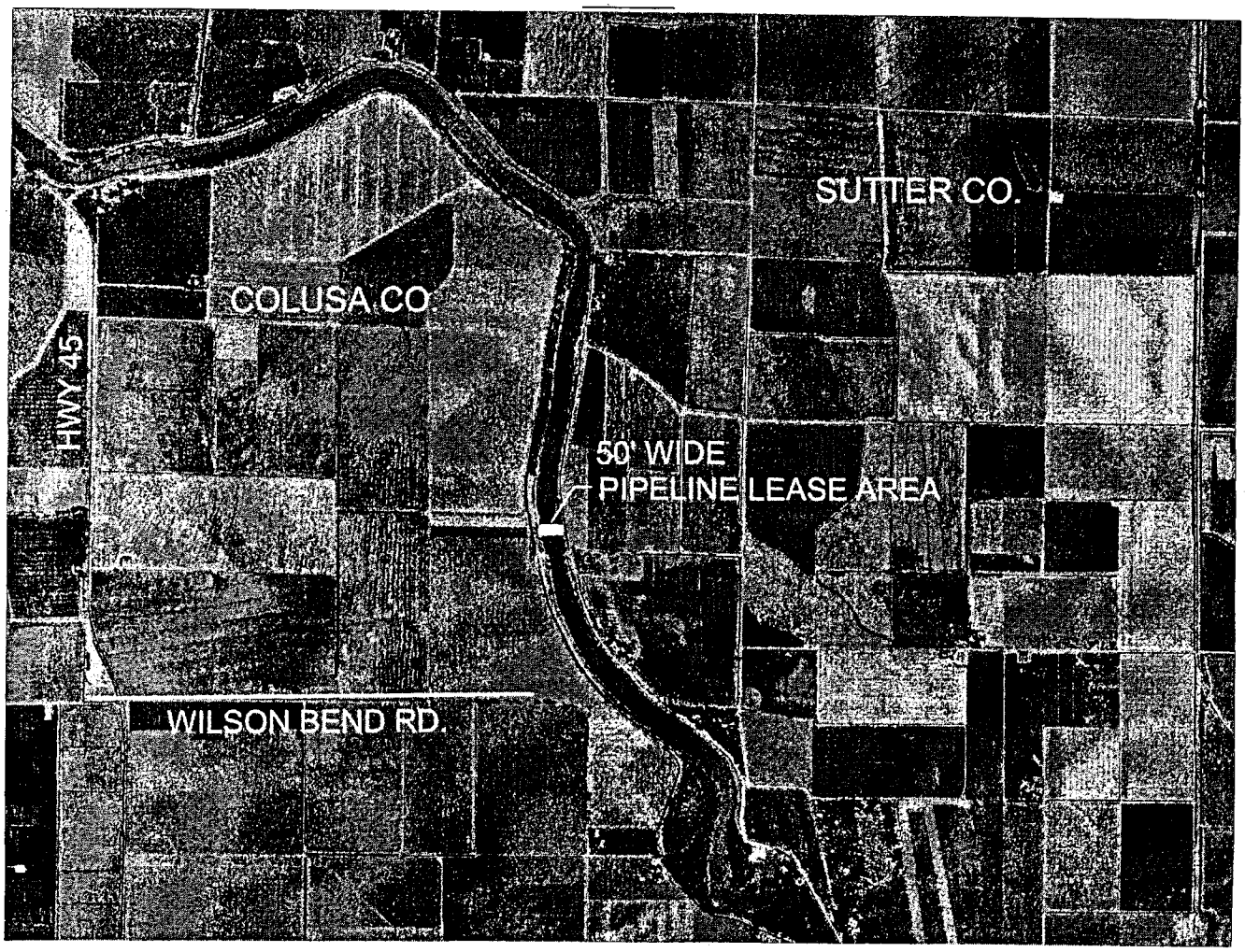
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 7913.1 FROM $120 PER YEAR TO $166 PER YEAR, EFFECTIVE OCTOBER 1, 2006.

NO SCALE

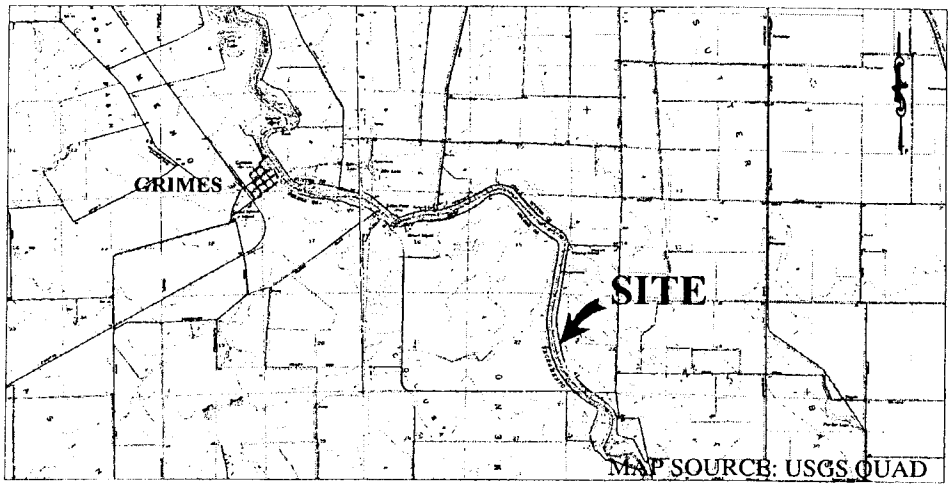
SITE



SECTION 22, T 14N R1E MDM . NEAR GRIMES

NO SCALE

LOCATION



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.

Exhibit A

PRC 7913.1
SLAWSON EXPLORATION CO., INC
GENERAL LEASE
RIGHT OF WAY USE
SACRAMENTO RIVER
COLUSA & SUTTER CO.

JAK 05/02