

**CALENDAR ITEM
C52**

A 56
S 40

12/06/16
PRC 8378.2
C. Hudson

REVISION OF RENT

LESSEE:

North Baja Pipeline, LLC

AREA, LAND TYPE, AND LOCATION:

1.15 acres, more or less, of State-owned school land located within Section 16, Township 12 South, Range 20 East, SBM, near State Highway 78, Imperial County.

AUTHORIZED USE:

Use and maintenance of an existing 30-inch-diameter natural gas pipeline.

LEASE TERM:

20 years, beginning February 1, 2002.

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 revised from \$655 per year to \$1,638 per year, effective February 1, 2017.

OTHER PERTINENT INFORMATION:

1. On January 20, 2002, the Commission authorized a General Lease – Right-of-Way Use for the construction, use, and maintenance of a 30-inch-diameter natural gas pipeline. ([Calendar Item 48, January 30, 2002](#)). The lease will expire on January 31, 2022.
2. On July 13, 2007, the Commission authorized an amendment to the lease to expand the lease area for the construction of an additional 48-inch-diameter natural gas pipeline ([Calendar Item 3, July 13, 2007](#)). The Lessee subsequently informed the Commission that they do not intend to construct the additional 48-inch-diameter natural gas pipeline. The Commission then authorized rescission of the authorization for the amendment on October 27, 2011 ([Calendar Item C42, October 27, 2011](#)).

CALENDAR ITEM NO. **C52** (CONT'D)

3. North Baja Pipeline, LLC, inspects its natural gas pipeline for leaks every 5 years and last inspected the pipeline for leaks in March 2012. In addition, a cathodic protection survey is performed annually. The last cathodic inspection was performed in March 2016. Both surveys determined the pipeline to be in good condition.
4. 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.
5. Approving the revision 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:

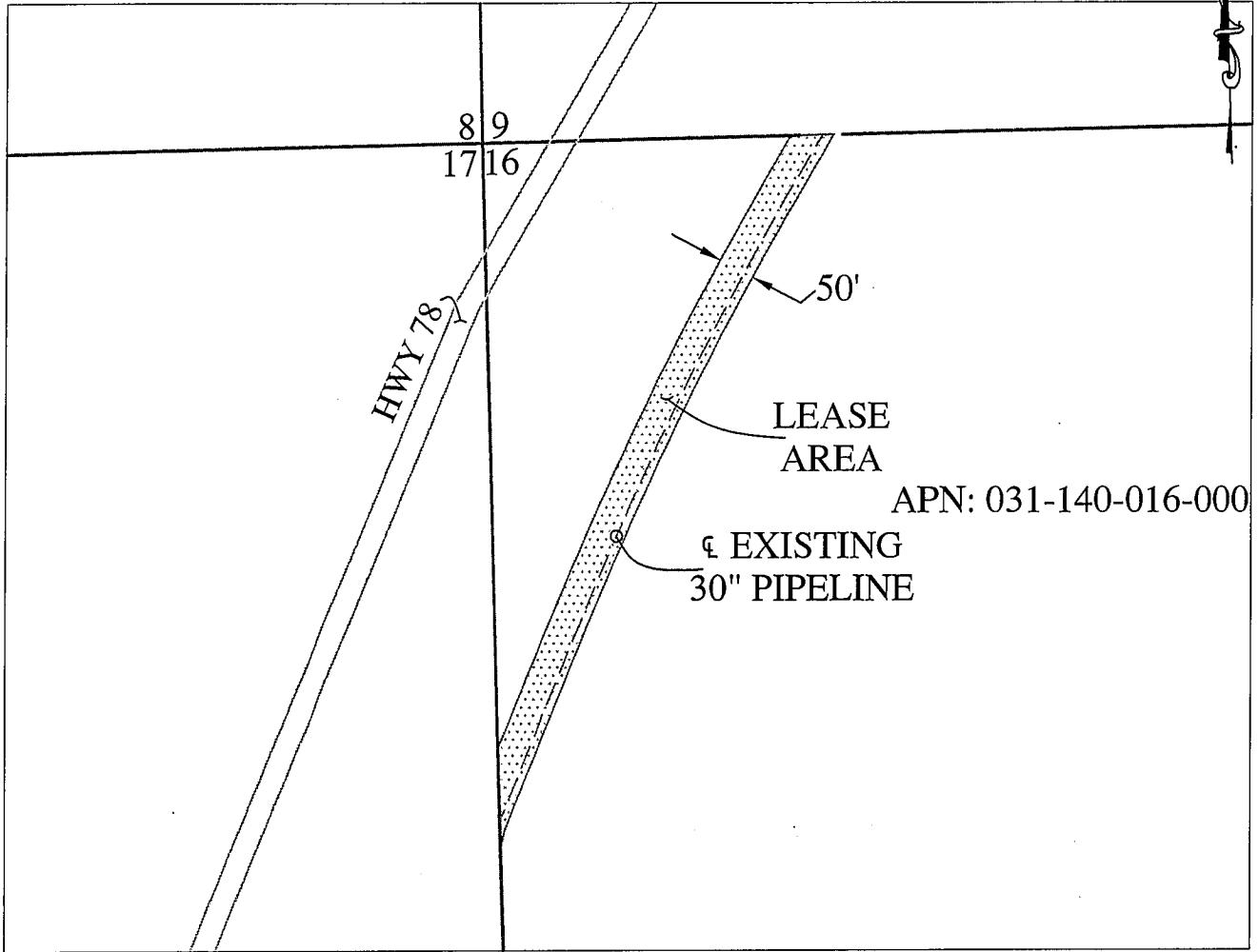
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8378.2 from \$655 per year to \$1,638 per year, effective February 1, 2017.

NO SCALE

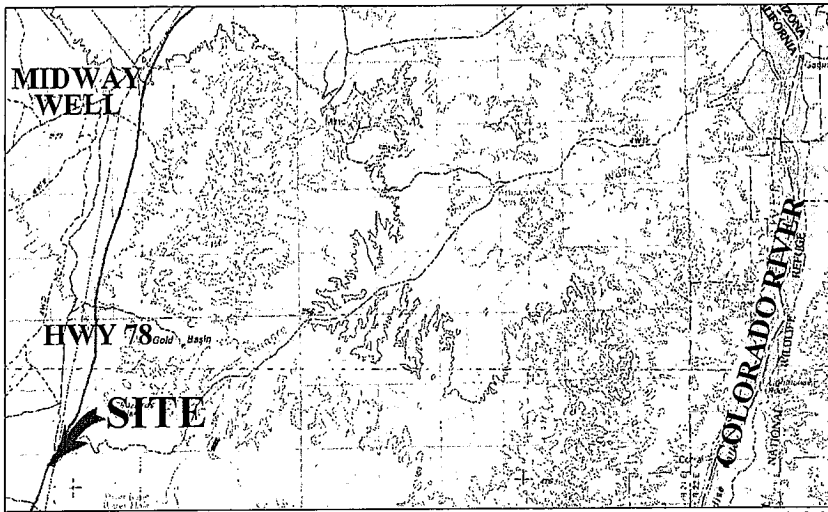
SITE



Section 16, T12S, R20E, S.B.M.

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8378.2
 NORTH BAJA PIPELINE, LLC
 APN 031-140-016-000
 GENERAL LEASE -
 RIGHT OF WAY USE
 IMPERIAL COUNTY



MJF 10/18/16

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.