

STAFF REPORT

23

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06/23/20
PRC 8874.1
D. Tutov

REVISION OF RENT

LESSEE:

California Resources Petroleum Corporation

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Sevenmile Slough, adjacent to Assessor's Parcel Numbers 157-0120-027 and 157-0140-020, near Isleton, Sacramento County.

AUTHORIZED USE:

Continued use and maintenance of two 3-inch-diameter natural gas gathering lines cased in two 8-inch-diameter natural gas pipelines.

LEASE TERM:

15 years, beginning June 28, 2010.

CONSIDERATION:

This lease provides that the Commission 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 rent be revised from \$450 per year to \$503 per year, effective June 28, 2020.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision 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 has no right to a new lease or to renewal of any previous lease.
2. On June 28, 2010, the Commission authorized a General Lease – Right-of-Way Use to Rosetta Resources Operating LP for a term of 15 years beginning June 28, 2010 ([Item C28, June 28, 2010](#)). The lease was assigned to Vintage Petroleum, LLC, on June 23, 2011 ([Item C59, June 23, 2011](#)). Pursuant to a letter dated December 5, 2014, the lessee requested that its name be changed, due to an internal reorganization, to

STAFF REPORT NO. **23** (CONT'D)

California Resources Petroleum Corporation. The lease will expire on June 27, 2025.

3. The 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 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:

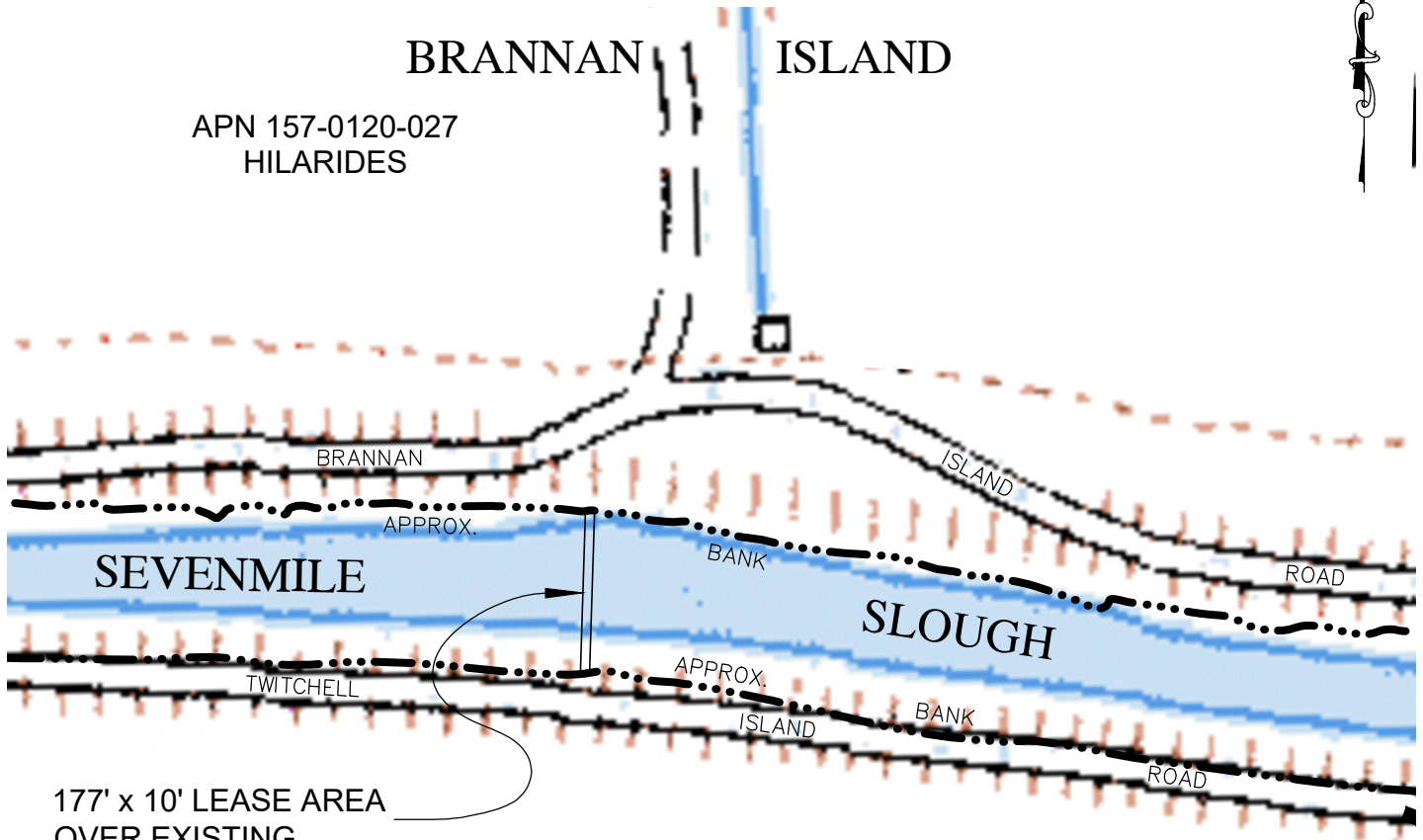
Approve the revision of rent for Lease No. PRC 8874.1 from \$450 per year to \$503 per year, effective June 28, 2020.

NO SCALE

SITE

BRANNAN ISLAND

APN 157-0120-027
HILARIDES



177' x 10' LEASE AREA
OVER EXISTING
PIPELINE CROSSING

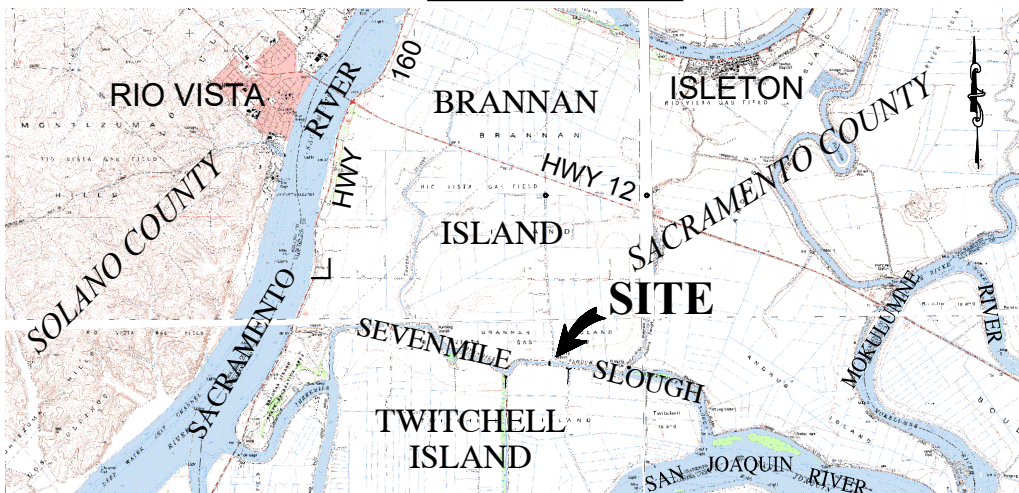
157-0140-020
STATE OF CALIFORNIA
DWR

TWICHELL ISLAND

SEVENMILE SLOUGH NEAR ISLETON

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8874.1

CALIFORNIA RESOURCES
PETROLEUM CORPORATION
APN 157-0120-027, 157-0140-020
GENERAL LEASE
RIGHT-OF-WAY USE
SACRAMENTO 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.