

**CALENDAR ITEM  
C34**

A 8  
S 2

09/01/11  
PRC 7914.1  
N. Lavoie

**REVISION OF RENT**

**LESSEE:**

Tri-Valley Oil and Gas Co.

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

Sovereign land located in Piper Slough and False River, near the town of Bethel Island, Contra Costa County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing six-inch diameter welded steel natural gas pipeline as shown on the attached Exhibit A.

**LEASE TERM:**

20 years, beginning October 16, 1996.

**CONSIDERATION:**

This lease provides that Lessor 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 rent be revised from \$315 per year to \$551 per year, effective October 16, 2011.

**OTHER PERTINENT INFORMATION:**

1. On October 28, 1996, the Commission authorized a General Lease – Right-of-Way Use to the Tri-Valley Oil and Gas Co. for the construction of a six-inch diameter welded steel natural gas pipeline buried beneath the bed of Piper Slough and False River using horizontal direction drill construction. This pipeline connected Tri-Valley's existing Webb Tract #1 gas well to Tri-Valley's existing Martins-Serverin gas gathering system near Bethel Island Road.
  
2. The pipeline underwent a Cathodic Protection Test in March 2010 and, as a result, no repairs or modifications were made within the lease area.

CALENDAR ITEM NO. **C34** (CONT'D)

**EXHIBIT:**

- A. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is not subject to the requirements of 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 7914.1 from \$315 per year to \$551 per year, effective October 16, 2011.