

**CALENDAR ITEM
C68**

A 5, 31
S 12, 16

12/02/13
PRC 7681.1
R. Collins

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

California Gas Gathering, Inc.

AREA, LAND TYPE, AND LOCATION:

3,321.02 square feet, more or less, of sovereign land in the San Joaquin River, near Dos Palos, Fresno and Madera Counties.

AUTHORIZED USE:

Operation and maintenance of an existing 8-inch natural gas pipeline.

LEASE TERM:

20 years, beginning May 3, 2013.

CONSIDERATION:

\$140 per year, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$2,000,000 per occurrence.

Bond:

Surety bond or other security in the amount of \$10,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.
2. On April 28, 1993, the Commission authorized a General Lease – Right-of-Way Use to Shell Oil Company of California for the construction, operation, and maintenance of an eight-inch natural gas pipeline for a 20-year term beginning May 3, 1993, and ending May 2, 2013. On May 9, 1996, the Commission authorized the assignment of the lease to Torch Operating Company. On May 8, 2000, the Commission authorized the

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assignment of the lease to California Gas Gathering, Inc. and amended the lease to address operation and inspection of the pipeline. The lease expired on May 2, 2013, and the Applicant is requesting a new lease.

3. The pipeline is 8.5 miles in length and collects natural gas from wells located in Madera County and delivers it to a processing facility before being delivered to Pacific Gas and Electric Company. The pipeline is inspected annually and has not been modified, repaired, or replaced since it was first placed into service in 1994.
4. Staff recommends within one year of lease authorization, the Applicant be required to:
 - A. Conduct a pipeline burial survey of the pipeline crossing in the Lease Premises to determine the depth of cover, horizontal location, and establish baseline surveys for future bathymetric and burial surveys.
 - B. Submit a pipeline monitoring and maintenance program for Lessor's review and approval.
5. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to California Gas Gathering, Inc., beginning May 3, 2013, for a term of 20 years, for the continued operation and maintenance of an 8-inch natural gas pipeline as described on Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration to be \$140 per year, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; liability insurance in the amount of no less than \$2,000,000 per occurrence; surety bond or other security in the amount of \$10,000; and within one year of lease authorization, a pipeline burial survey shall be conducted and a pipeline monitoring and maintenance program be submitted for review and approval, both as provided in the lease.

EXHIBIT A

PRC 7681.1

LAND DESCRIPTION

A strip of submerged land 15 feet wide situate in the bed of the San Joaquin River, lying adjacent to protracted Section 1, Township 11 South, Range 13 East, Mount Diablo Meridian as shown on the Official U.S. Government Township Plat approved November 27, 1867, located in Counties of Fresno and Madera, State of California and lying 7.5 feet of each side of the following described center line:

COMMENCING at the South ¼ Corner of Section 36 Township 10 South, Range 13 East, Mount Diablo Meridian, said point being the easterly terminus of that certain course shown as North 89° 34' 52" East 2152.22 feet on that certain Record of Survey, filed January 21, 1993 in Book 40 of Record of Surveyor's at Pages 130-131 Madera County Recorder's Office; thence along the south line of said Section 36, South 89° 34' 52" West 639.20 feet to a point on the centerline of existing 8" natural gas pipeline; thence leaving said south line, and along said pipeline South 14° 12' 28" West 105.30 feet; thence South 0° 16' 28" West 1722.77 feet; thence South 25° 54' 34" West 16.78 feet; thence South 24° 44' 18" West 71.99 feet; thence South 12° 03' 09" West 38.47 feet; thence South 0° 47' 51" East 1513.46 feet; thence South 0° 03' 24" West 73.69 feet to the POINT OF BEGINNING; thence from said point of beginning, South 9° 28' 26" West 622.40 feet to the terminus of the centerline of said strip.

The sidelines of above described strip of land shall be extended and shortened to terminate at the low water marks of the right and left banks of San Joaquin River.

EXCEPTING THEREFROM any portion lying landward of the low water marks of the right and left banks of said river.

END OF DESCRIPTION

Prepared 09/04/13 by the California State Lands Commission Boundary Unit



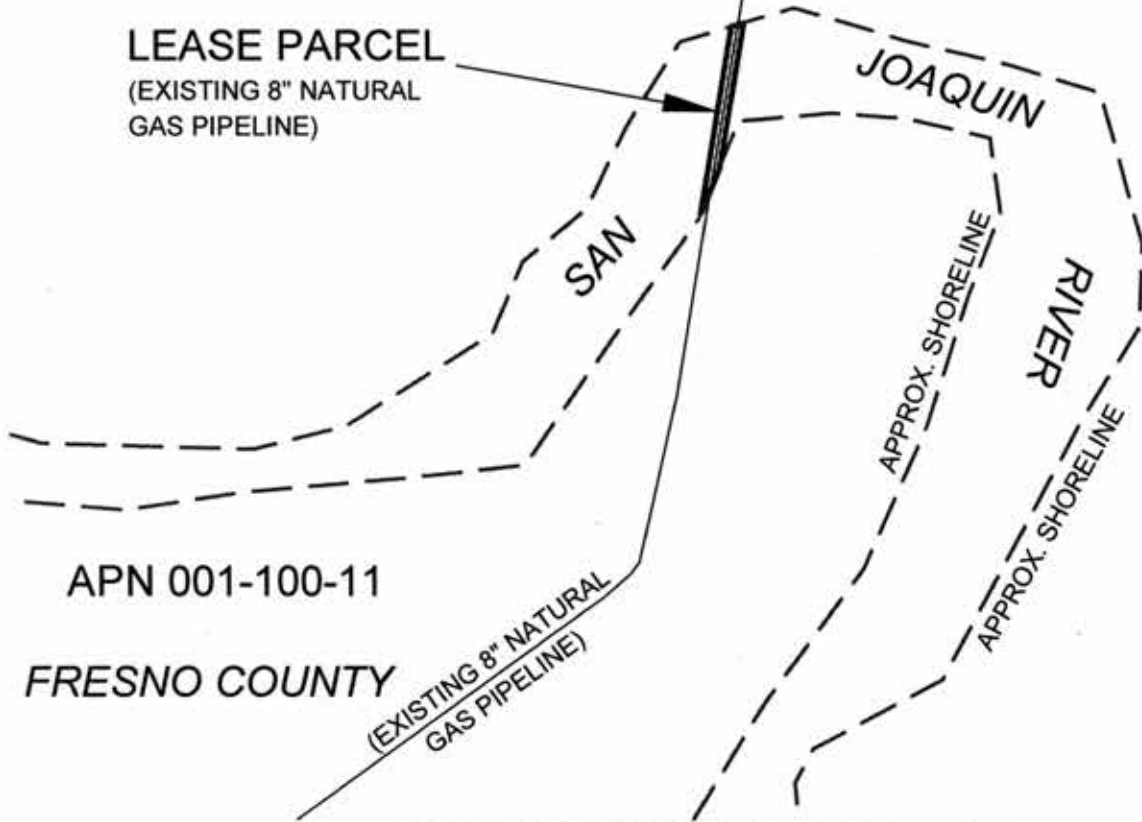
NO SCALE

SITE

APN 022-010-02

MADERA COUNTY

LEASE PARCEL
(EXISTING 8" NATURAL
GAS PIPELINE)



CROSSING SAN JOAQUIN RIVER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 7681.1
CALIFORNIA GAS
GATHERING, INC.
GENERAL LEASE-
RIGHT-OF-WAY USE
FRESNO & MADERA
COUNTIES



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.

TS 09/04/13