



FUGRO-McCLELLAND (WEST), INC.

Latham & Watkins  
 Ms. Deborah Siegel

February 13, 1991  
 Page 3

or, identifying areas that constituted the "best" habitat for these taxa. Our conclusion that surveys were being conducted with this extremely limited focus was corroborated in conversations with Uptain and Hansen. Concerns regarding specific resources are itemized below:

- Tehachapi slender salamander. The most striking fact concerning this organism is the near complete lack of documentation of populations, distribution and habitat requirements. The primary source of information on this taxon remains the Peterson Field Guide to Reptiles and Amphibians. As such the majority of information on the life history and requirements is anecdotal, largely derived from the few persons who have conducted research on them, including Mr. Hansen. Mr. Hansen indicated in the field that he estimated the best habitat for this species was located off the project site in the understory of a mixed woodland largely dominated by buckeye (*Aesculus californica*), on north-facing, shaded slopes trending into the canyon. When queried on the rationale for determining "best" habitat, the response was that this is where people had looked for the organism and found it. In addition, it was noted that these slopes contained sufficient area of mesic habitat that even with climatic fluctuation, the species could persist in reduced numbers. Our response to this is that these slopes were not surveyed except by binoculars from a distance of at least 200 meters and conditions at the surface could not be evaluated. For example, we do not know soil moisture or leaf litter accumulation on the slope.

If we assume (and we do not) that the slopes identified by Hansen do in fact constitute the best and largest habitat in the area, it still does not preclude the use of other areas, the canyon north of Jack Springs for example, by this animal. It is a fact that during times of environmental stress such as drought, organisms will persist in refugia of less than ideal habitat that contain essential elements for completion of their life cycle. The canyon under consideration for the alternative pipeline route contains all of the elements identified by Hansen and others consulted as habitat features for this salamander. Because of the size of the drainage, moisture still persists here on lower slopes although the general area is in prolonged drought conditions.

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**FUGRO-McCLELLAND (WEST), INC.**

Latham & Watkins  
Ms. Deborah Slagel

February 13, 1991  
Page 5.

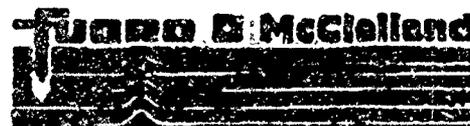
unlikely to be visible at this time, and even dead, standing material may not be in evidence owing to the prolonged drought.

The potential exists for many plants of varying sensitivity to occur in the area. The Tehachapi range is a zone of dynamic convergence for plant communities between the Sierra Nevada to the north and the transverse ranges to the south. In addition, plant species from the Mojave Desert and the San Joaquin Valley occur here. To conclude that there are no sensitivities other than one for which records exist does not serve the process of impact analysis. Very little research has been conducted in this area and even less has been published. Although the same concerns would apply to a number of alternative routes through the general area, we believe that it is not appropriate to approve this route or any route across the Suttons' property without extended studies over the appropriate seasons to document the flora of the route and evaluate impacts to sensitive plant species.

### 3. Conclusions

After review of the documentation for this project and assessment of the focus and level of detail for the surveys conducted, it is our conclusion that environmental documentation is not in compliance with the letter or intent of CEQA. The lack of effort to document and assess impacts to the resources on CZQ Ranch and the deferral of site-specific evaluation to later studies is inappropriate and not supportable. The deferral to future studies would not occur until such time as an alignment is adopted and options for avoidance and mitigation are limited.

We believe that the issues raised in our previous letter have not been resolved. Further, we believe that no discretionary action on this proposed pipeline should be taken until the full extent of biological impacts is assessed and precise mitigation is developed with complete assurance of implementation.



FUGRO-McCLELLAND (WEST), INC.

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Thank you for the opportunity to be of service regarding this project.

Sincerely,

FUGRO-McCLELLAND (WEST), INC.

A handwritten signature in cursive script, appearing to read "Tim".

Tim Laughlin  
Natural Resources Program Manager

cc: Mr. and Mrs. Robert Sutton

PHILIP A. SMITH  
City Attorney  
BOYLE ENGINEERING  
City Engineer  
TEX R. SHEHAN  
Public Works Superintendent  
A. A. ANTHONY  
Fire Chief  
CHRISTOPHER GRIMES  
City Planner  
ROSE B. CORD-FRENG  
City Treasurer



PHILIP A. SMITH  
Mayor  
LA VONNE D. BOOTH  
Councilwoman  
ALFRED M. DAMIAN  
Councilman  
KELCY OWENS  
Councilman  
WILLIAM BLAIR  
Councilman  
LAWRENCE M. COOK  
City Administrator  
KATHRYN L. KOSKI  
City Clerk

February 27, 1991

State of California  
State Lands Commission  
Att: Mary Griggs  
1807- 13th Street  
Sacramento, California  
95814

Dear Ms. Griggs

File: Pipelines SCH 90021170

I borrowed a copy of the Final EIR for the Mojave-Kern River Pipeline Project and have several concerns regarding this project. The City did not receive any information regarding this project from the State Clearinghouse or your agency during the early environmental analysis of the project therefore the EIR does not adequately address the concerns of this City.

The EIR does not include any analysis regarding risk to human life as a result of a pipeline accident. The risk of upset from pipeline accidents is very clear following the pipeline explosion in San Bernardino County. The pipeline route does pass through numerous residential parcels in the Sphere of Influence of this City. The pipeline route is very close to the City water reservoir.

Currently this City is processing an application for development of a 478 unit residential subdivision which appears to straddle the pipeline route. The EIR does not address the risk associated with this subdivision.

I have not received accurate maps of the pipeline route through the Sphere of Influence of this City. The State mandated Safety Element of the General Plan of the City of Tehachapi must address this pipeline therefore exact pipeline routes must be provided. I request that your agency provide accurate legal descriptions of the pipeline route through Township 32 South, Range 33 East, Mount Diablo Base and Meridian, County of Kern, State of California. If you are unable to provide accurate legal descriptions then a map prepared at a scale of 1" to 500" is requested.

CALENDAR PAGE \_\_\_\_\_  
MINUTE PAGE 654

115 SOUTH ROBINSON STREET  
MAILING: P. O. BOX 668

TEHACHAPI, CALIFORNIA 93561-0668  
TEHACHAPI, CALIFORNIA 93581-0668

(805) 822-2200  
FAX (805) 822-8559

State of California  
State Lands Commission  
February 27, 1991  
Page 2

In the future when your agency is involved in land use planning activities within the Tehachapi Valley please notify the City as soon as possible so that concerns of the City may be brought to your attention. Please send a copy of the Final EIR to me as well.

Sincerely,

*Christopher Grimes*

Christopher Grimes  
City Planner

cg

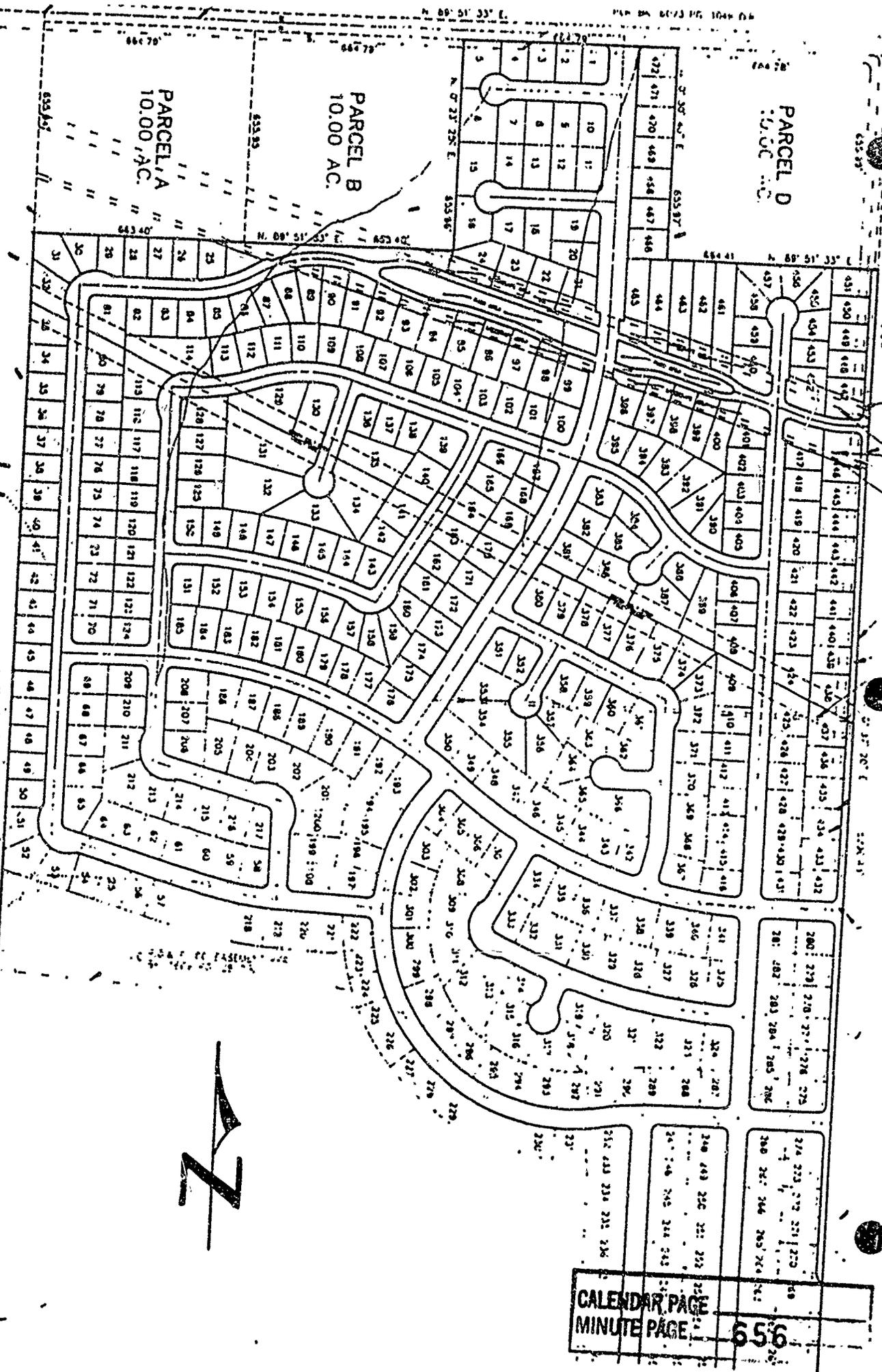
CALENDAR PAGE	
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TUCKER RD

PARCEL D  
10.00 AC.

PARCEL B  
10.00 AC.

PARCEL A  
10.00 AC.



P.M. 2077  
D.C. 10  
P.C. 53

P.M. 2064  
D.C. 10  
P.C. 107

N. 0° 00' 33" E. 5782.26'

GENERAL S&C  
31' 9"

CALENDAR PAGE  
MINUTE PAGE  
556

711-388-4244

711-388-4244  
P.C. 82

Neva Claflin  
820 River Oaks Drive  
Bakersfield, CA 93309  
Telephone: 805-398-0857

RECEIVED  
FEB 26 1991  
STATE LANDS COMMISSION

February 26, 1991

State Lands Commission  
1807 13th Street  
Sacramento, CA 95814

bkd  
Attention: Brenda Duncan

In re: Tract No. K4-084

Dear Ms. Duncan:

I have received notice of public hearing to be held March 6, 1991, of the State Lands Commission. Item No. 22 to be considered at this hearing concerns Mojave Pipeline Company, Kern River Gas Transmission Company and Mojave Pipeline and Kern River Gas Transmission Company.

The aforementioned companies are wanting to place a pipeline on my above referenced tract. I am using this means of bringing to the Commission my protest of this plan by said companies. Their proposed pipeline construction renders my property almost worthless if they are allowed to build on my property.

Yours truly,

*Neva Claflin*  
Neva Claflin

NC/rf

CALENDAR PAGE \_\_\_\_\_  
MINUTE PAGE 657

Jean Proel  
Star Route 1  
Box 2575  
Tehachapi, Ca  
93561

March 4, 1991

State Lands Commission  
Mary Griggs  
1807 13th St.  
Sacramento, Ca. 95814

Reference: Mojave Pipeline Co. Routing

Gentlemen:

The Mojave Pipeline Co. has proposed to construct a natural gas transmission pipeline crossing land in which I have a vested interest. The land is located in the Tehachapi area of California. Please see enclosed map for proposed routing and the preferred (by my family) route. The property ranges from meadow to moderate slope with oak trees. An existing 32" pipeline operated by PG & E crosses the property with a 15' wide easement.

The Mojave Pipeline Co. proposes a route which follows the PG & E easement for only a portion of the way through my property. The deviation of the route from PG & E easement enters steeper terrain and crosses a wooded ridge line which will result in the destruction of approximately 20 oak trees ranging in diameter from 8" to 36". The width of the proposed easement is 50' for the 42" pipeline.

I strongly object to this route through my property because the property is already devalued by a similar pipeline carrying the same product. If the additional capacity is absolutely necessary, the expansion line should follow the exact path of the existing line sharing the easement where possible to minimize damage to the property. The new route will destroy needlessly, about 20 oak trees which are not replaceable in a lifetime. The PG&E route has already cleared the trees for what appears to be adequate width to install another pipeline. The Mojave Pipeline is proposing an easement of 50' with a 100' temporary easement. I do not understand why PG&E can operate with only 15' and Mojave "needs" 50'.

On a more personal side, the proposed route will destroy several exceptional ridge line home sites, with commanding views and mature oak trees. My family has been holding this land as a long term investment for future development. The law allows the pipeline

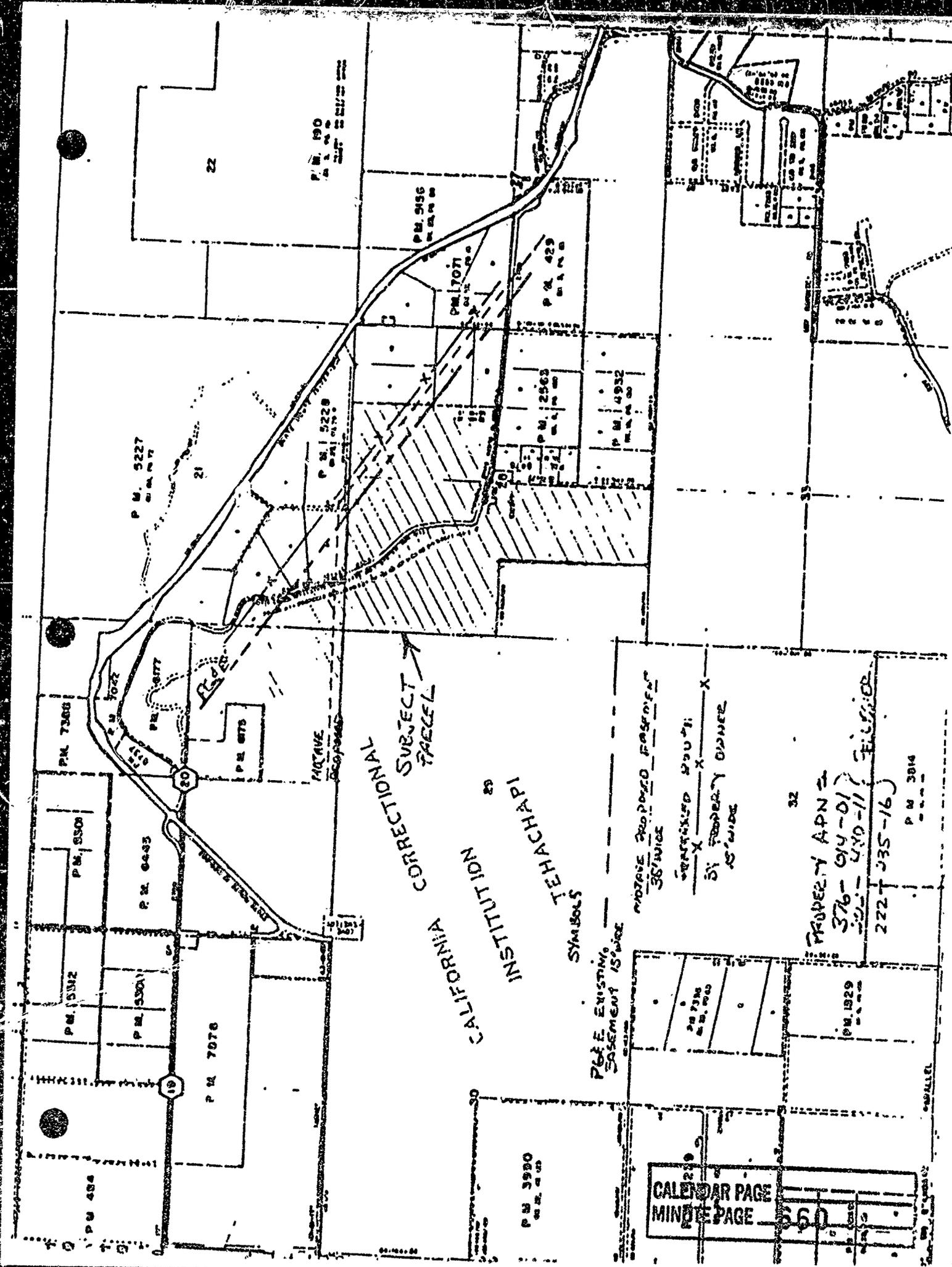
to disregard the intended future use in valuing the worth of the take. Now the value is based on the present use which has the appearance of being somewhat unfair to those who are invested in this property for the long term. Those lovely sites will be acquired at acreage price since they are not parceled out.

The future use of the land will require the construction of access roads which will cross the pipeline. The Mojave Pipeline is proposing a depth of cover to be 36". This depth will no doubt cause extra expense for the construction of access roads in a future development. I believe that the Mojave Pipeline Co. should cover their pipeline with 60" to minimize my future expense in dealing with this unwanted intrusion and for maximum safety for those using this land.

My property lies in a natural pass which will no doubt be the target for future transmission lines and pipelines. If each line is allowed to consume a 50' separate easement without paralleling its predecessors the property will become worthless. It would seem that this is the time to require these projects to be coordinated in an effort to minimize the losses to the public in selecting the routes.

Please consider my objections to the Mojave Pipeline Co. proposed route and assist in minimizing the impact of this project upon me and my family.

Sincerely, *Jean Paul*  
*For Marie Jeanne Pellesier*



← SUBJECT PARCEL

CALIFORNIA CORRECTIONAL INSTITUTION

TETACHAPI

PLATE EXISTING ROSEMENT 15' WIDE

MORAY PROPOSED PARKWAY 35' WIDE

SYMBOLS  
 X PROPERTY OWNER  
 X TRANSFERRED PROPERTY

CALENDAR PAGE  
 MINUTE PAGE 360

PROPERTY APN = 376-014-01  
 222-430-11  
 222-035-16

P.M. 3814

32

FIELD

PARALLEL

**MINUTE ITEM**

This Calendar Item No. 22  
was approved as Minute Item  
No. 22 by the State Lands  
Commission by a vote of 2  
0 at its 3/16/91  
meeting.

**CALENDAR ITEM**

**22**

A 33, 34, 61

S 16, 25

PRC 7510  
PRC 7511  
PRC 7512  
PRC 7515

03/06/91 PRC 7508  
W 23658 PRC 7509  
W 23621 PRC 7516  
Fong  
Griggs  
Meier  
Small

**CERTIFY AN ENVIRONMENTAL IMPACT REPORT,  
APPROVE LEASES FOR RIGHT-OF-WAY USE AND INDUSTRIAL USE,  
APPROVE DELEGATION OF AUTHORITY**

**APPLICANTS:**

Kern River Gas Transmission Company,  
a General Partnership  
P.O. Box 58900  
Salt Lake City, Utah 84158-0900

Mojave Pipeline Company, a General Partnership  
P. O. Box 1492  
El Paso, Texas 79978

Mojave Pipeline Company, a General Partnership and Kern  
River Gas Transmission Company, a General Partnership, as  
co-lessees  
P. O. Box 1492  
El Paso, Texas 79978

**AREA, TYPE LAND AND LOCATION:**

Three (3) parcels of school land and two (2) parcels of  
sovereign land.

**LAND USE:**

Installation, operation, and maintenance of a natural gas  
pipeline system and the installation, operation, and  
maintenance of metering and maintenance stations.

**TERMS OF PROPOSED LEASES:**

The proposed pipeline project will require the issuance of  
the following five leases:

- (1) Kern River Gas Transmission Company lease of school  
lands located in San Bernardino County.

CALENDAR ITEM NO. 22 (CONT'D)

- (2) Mojave Pipeline Company lease of sovereign lands at the Colorado River near Topock, Arizona.
- (3) Mojave Pipeline Company lease of school lands at Daggett located east of Barstow.
- (4) Mojave Pipeline Company and Kern River Gas Transmission Company as co-lessees of school lands located near Daggett.
- (5) Mojave Pipeline Company and Kern River Gas Transmission Company as co-lessees of sovereign lands at the Kern River in the city of Bakersfield.

**Initial period:**

Thirty (30) years beginning March 7, 1991.

**Surety bond:**

\$5,000,000 for each lease, to be reduced to \$50,000 after full compliance with all mitigation measures and compensation agreements.

**Public liability insurance:**

Combined single limit coverage of \$5,000,000 during construction to be reduced to \$1,000,000 after the completion of construction.

**Special Lease Provisions:**

1. The following conditions have been added to the Lease and the lease shall be found to be in default if any are not met:

(a) Lessee shall comply with all mitigation measures and the mitigation monitoring plan adopted by the Commission or any other governmental agency pursuant to the CEQA.

(b) Lessee shall enter into a legally binding agreement with the Department of Fish and Game prior to the start of construction which requires acquisition and transfer to the Department of Fish and Game, or to an agency or land conservation organization acceptable

to the Department of Fish and Game of desert tortoise habitat in the eastern Mojave desert, Mojave ground squirrel habitat in the western Mojave desert, and habitat for listed wildlife species in the San Joaquin Valley.

(c) Lessee shall deposit with the Department of Fish and Game letters of credit for the acquisition of compensation lands and funds for habitat improvement and long term maintenance on the acquired lands.

(d) Lessee shall comply with the approved Cultural Resources Management Plan and Historic Properties Treatment Plan.

2. No construction will be allowed until the Habitat Mitigation and Acquisition agreement with the Department of Fish and Game, Bureau of Land Management and the State Lands Commission has been executed by all the parties involved.
4. Lessee shall provide Lessor with "as-built" plans within one year after completion of construction of the authorized improvements.

**CONSIDERATION:**

KERN (School Lands): \$ 8,300 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

MOJAVE (Sovereign Lands): \$190 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

MOJAVE (School Lands): \$250 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

KERN/MOJAVE (Sovereign Lands): \$230 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

CALENDAR ITEM NO. 22 (CONT'D)

KERN/MOJAVE (School Lands): \$556 per annum; with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

**BASIS FOR CONSIDERATION:**

Pursuant to 2 Cal. Code Reg. 2003.

**APPLICANT STATUS:**

Applicants are common carriers.

**PREREQUISITE CONDITIONS, FEES AND EXPENSES:**

Filing fee and environmental costs have been received.

**STATUTORY AND OTHER REFERENCES:**

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Reg.: Title 2, Div. 3; Title 14, Div. 6.

**AB 884:**

MOJAVE - 03-18-91

KERN - 12-17-91

**OTHER PERTINENT INFORMATION:**

1. The proposed project will transport natural gas supplies from various sources outside of California to the Bakersfield, California, area for use in enhanced oil recovery (EOR) and non-EOR projects. Producers of crude oil in the San Joaquin Valley would use the natural gas as boiler fuel to create steam which would be injected into the oil fields to produce crude oil not recoverable by primary methods. The producers currently use crude oil and a limited amount of natural gas for steam generation.

The project proponents, Mojave Pipeline Company (MOJAVE) and Kern River Gas Transmission Company (KERN RIVER), have proposed to construct and operate a new interstate system made up of components of both systems which they had previously proposed individually. This proposal would result in a merger between MOJAVE and KERN RIVER into a joined project with common facilities that both applicants would use to transport natural gas to Kern County.

CALENDAR ITEM NO. 22 (CONT'D)

The Federal Energy Regulatory Commission (FERC) as the federal Lead Agency under the National Environmental Policy Act (NEPA) has already approved and certified the pipeline routes for the KERN and MOJAVE projects. .

The proposed Mojave facilities consist of approximately 159 miles of 30-inch diameter pipeline extending from the area near Topock, Arizona to the point of interconnection with the KERN RIVER facilities near Daggett, California.

KERN RIVER is constructing a 676 mile long 36-inch diameter pipeline from Wyoming to the interconnection point at Daggett.

The jointly owned facilities consist of approximately 225 miles of 42-inch diameter pipeline extending westerly from the Daggett interconnection point to the Bakersfield area.

The State lands involved in this proposed project consist of crossings at the Colorado and Kern Rivers, 1.92 miles of right of way on three parcels of state school lands, and a metering and maintenance facility approximately 3 acres in size at Daggett.

2. Although staff is recommending the issuance of leases for the pipeline rights of way and the metering station, staff is currently negotiating the sales of easements across the school land parcels to the pipeline companies. Staff also proposes to sell in fee the school land parcel occupied by the metering stations at the interconnection point. When staff and the pipeline companies agree upon suitable terms for these sales, staff will return to the Commission for its approval.

The Commission, as the CEQA Lead Agency, is required to monitor the lessee's compliance with the mitigation measures. The FERC has also requested the SLC to monitor the applicant's compliance with environmental mitigation measures required by the FERC. Currently,

the Habitat Mitigation and Acquisition agreements are being finalized with the pipeline companies, the Department of Fish and Game, and the Bureau of Land Management. Staff is requesting authority from the Commission for a delegation of authority for the Executive Officer to enter into the Habitat Mitigation/Acquisition agreements. Being a signatory to the Habitat Mitigation and Acquisition Agreements will allow staff to coordinate its monitoring activities associated with construction and post construction with the Department of Fish and Game and the Bureau of Land Management.

Pursuant to the Habitat Mitigation/Acquisition Plan, the pipeline companies will be required to acquire desert tortoise habitat to compensate for the related, unavoidable impacts of their proposed project. Staff has identified numerous State School Land parcels as being located in areas of high density desert tortoise habitat. As indicated previously, staff is negotiating with the pipeline companies for the sales of the school land parcels having desert tortoise habitat. Additionally, staff is in consultation with the Department of Fish and Game to determine which of these parcels will be acceptable for acquisition pursuant to the Habitat Mitigation/Acquisition Plan. Upon identification of such school land parcels and upon agreement with the pipeline companies, staff will present the terms of the sale to the Commission for consideration and request approval of the sale, and issuance of patents in conformance with all applicable laws, rules, and regulations. The monies to be received from these sales would be deposited into the School Land Bank Fund to benefit the State Teachers Retirement System (STRS). It is anticipated that negotiations with the pipeline companies will benefit both the applicants and the STRS.

3. History of Environmental Document Preparation

The document discussed below is a Joint EIR/EIS prepared by the Federal Energy Regulatory Commission (FERC) pursuant to the National Environmental Policy

Act (NEPA) and the State Lands Commission (SLC) pursuant to California Environmental Quality Act (CEQA). The required Notice of Preparation (NOP) dated August 25, 1985 was sent, as specified in the CEQA Guidelines, to responsible agencies and other interested federal, state and local agencies, and jurisdictions.

During February, 1986, six scoping meetings were held in cities in the general vicinity of the proposed pipeline route, in California and the other affected states. These meetings were used to identify major issues and concerns. Comments were received through the NOP process and through these scoping meetings and were subsequently addressed in the Draft EIR/EIS (DEIR/EIS).

On January 23, 1987, copies of the DEIR/EIS were submitted to the State Clearinghouse (OPR). Approximately thirteen hundred copies of the document were mailed to responsible agencies, local, State and federal agencies, environmental groups, and interested parties.

The comment period for the DEIR/EIS ended April 24, 1987. Public meetings were held during the week of March 23, 1987 in four locations both within and without California along the proposed pipeline routes.

All comments to the document, both in letter form and by written and/or verbal testimony at the public meetings, are addressed in the Final EIR/EIS (FEIR/EIS), which was distributed on December 18, 1987.

The FEIR/EIS was supplemented in 1988 to include information associated with the inclusion of the Wyoming-California Pipeline Project (WYCAL) into the proceedings of both the SLC and the FERC. FERC and SLC issued a Notice of Intent/Notice of Preparation to supplement the FEIR/EIS on December 14, 1987. The Supplement primarily addressed areas in Wyoming, Utah, and Nevada. Scoping meetings were held out-of-state.

CALENDAR ITEM NO. 22 (CONT'D)

The Draft Supplement was released on July 29, 1988. Public meetings were held out of state in August, 1988. The Final Supplement was issued on October 3, 1988.

The SLC prepared another NOP on November 7, 1989 to announce preparation of a Joint Environmental Amendment/Assessment to analyze additionally proposed project changes to the FEIR/EIS projects. This NOP resulted in the preparation of the FERC Environmental Assessment and the SLC Amendment. The Draft Amendment was released on December 4, 1990 and the Final Amendment released on February 18, 1991.

4. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. 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.
5. As indicated, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15025), the staff has caused to be prepared an EIR identified as EIR No. 400, State Clearinghouse No. 85081912. Such EIR was prepared and circulated for public review pursuant to the provisions of the CEQA.

**APPROVALS OBTAINED:**

Federal Energy Regulatory Commission certification.

**FURTHER APPROVALS REQUIRED:**

Bureau of Land Management, Bureau of Indian Affairs, United States Air Force, United States Army Corps of Engineers, Environmental Protection Agency, Department of Fish and Game, Department of Transportation, Air Resources Board, State Water Resources Control Board, Department of Water Resources, Reclamation Board, and Office of Historic Preservation.

CALENDAR ITEM NO. 22 (CONT'D)

**EXHIBITS:**

- A-1 through A-3.  
Land Description and Location maps for Kern River Gas Transmission Company lease of school lands located in San Bernardino County.
- B-1 - B-2.  
Land Description and Location maps for Mojave Pipeline Company lease of sovereign lands at the Colorado River near Topock, Arizona.
- C-1 - C-2.  
Land Description and Location maps for Mojave Pipeline Company lease of school lands at Daggett, located east of Barstow.
- D-1 - D-2.  
Land Description and Location maps for Mojave Pipeline Company and Kern River Gas Transmission Company as co-lessees of school lands at Daggett.
- E-1 - E-2.  
Land Description and Location maps for Mojave Pipeline Company and Kern River Gas Transmission Company as co-lessees of sovereign lands at the Kern River in Bakersfield.
- F. EIR/EIS Executive Summary
- G. CEQA Findings
- H. Mitigation Monitoring and Reporting Plan

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. CERTIFY THAT AN EIR, NO. 400, STATE CLEARINGHOUSE NO. 85081912, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE CEQA FINDINGS ATTACHED AS EXHIBIT "G".

3. ADOPT THE FOLLOWING STATEMENT OF OVERRIDING CONSIDERATIONS:

STATEMENT OF OVERRIDING CONSIDERATIONS

THE CALIFORNIA STATE LANDS COMMISSION ADOPTS THIS STATEMENT OF OVERRIDING CONSIDERATIONS WITH RESPECT TO THE RESIDUAL, SIGNIFICANT IMPACTS REMAINING AFTER THE APPLICATION OF ALL FEASIBLE MITIGATION AS IDENTIFIED IN THE EIR, SPECIFICALLY THOSE IMPACTS ASSOCIATED WITH SOILS, VEGETATION AND WILDLIFE.

THE COMMISSION HEREBY FINDS THAT THE PROJECTS WILL PROVIDE NUMEROUS BENEFITS TO THE STATE. THESE BENEFITS INCLUDE A REDUCTION IN AIR QUALITY IMPACTS IN THE KERN COUNTY AIR BASIN AND ECONOMIC BENEFITS TO SAN BERNARDINO COUNTY DURING THE CONSTRUCTION PHASES OF THE PROJECT. THE MAJOR BENEFITS WOULD OCCUR WITH REGARD TO THE AVAILABILITY OF NATURAL GAS TO THE ENHANCED OIL RECOVERY (EOR) OPERATORS IN THE SOUTHERN SAN JOAQUIN VALLEY. THE ADDITION OF NEW INTERSTATE NATURAL GAS SUPPLIES WILL ALLEVIATE WHAT THE EOR OPERATORS PERCEIVE AS THREE BASIC FLAWS WITH THE CALIFORNIA GAS DISTRIBUTION COMPANIES. THESE FLAWS ARE: 1) LOW PRIORITY OF SERVICE; WITH THE EOR MARKET OF THE LOWEST PRIORITY (SUBJECT TO FIRST CURTAILMENT) AND SUBJECT TO INTERRUPTION OR DISCONTINUANCE WITH LITTLE OR NO NOTICE; 2) THE SHORT-TERM NATURE OF THE EXISTING RATES, WITH RATE SUBJECT TO MONTH-TO MONTH CHANGE YET OPERATIONS ARE DEPENDENT UPON LONG-TERM CAPITAL COMMITMENT AND EQUIPMENT INSTALLATION; AND 3) CURRENT RATES WERE ONLY marginally competitive. BOTH MOJAVE AND KERN RIVER EOR PRODUCERS BY PROVIDING A DEDICATED, NON-INTERRUPTABLE, AND FIRM TRANSPORTATION SERVICE AT A COST COMPETITIVE PRICE. THE PROOF OF THIS LIES IN THE FACT THAT THE FULL CAPACITY OF BOTH THE KERN RIVER AND MOJAVE PIPELINES IS COMMITTED TO SUCH SERVICE.

THE CALIFORNIA ENERGY COMMISSION (CEC), IN ITS BIENNIAL REPORT ENTITLED CALIFORNIA'S ENERGY OUTLOOK, EMPHASIZES THAT ONE OF THE KEY POLICY GOALS IN CALIFORNIA IS TO INCREASE COMPETITION IN THE PROVISION OF ENERGY TO CALIFORNIA CUSTOMERS. THE REPORT SPECIFICALLY RECOMMENDS THAT MARKET FORCES SHOULD BE ALLOWED TO DETERMINE WHETHER AN INTERSTATE

PIPELINE BE BUILT TO SERVE EOR CUSTOMERS. THE REPORT STATES THAT AN INTERSTATE PIPELINE IN CALIFORNIA WOULD PROVIDE SIGNIFICANT COMPETITION FOR BULK TRANSPORTATION OF NATURAL GAS, WHICH CURRENTLY DOES NOT EXIST IN THE STATE.

FINALLY, A CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) INVESTIGATION (1.88-12-0277) AN INTERSTATE GAS CAPACITY BEGAN ON DECEMBER 19, 1988, AND CONCLUDED WITH A DECISION ISSUED ON FEBRUARY 7, 1990, EXPRESSED THE POSITION THAT CALIFORNIA HAS A NEAR-TERM NEED FOR 900 MMCFD OF NEW NATURAL GAS CAPACITY, AND A LONGER-TERM NEED FOR SOMEWHERE BETWEEN 1.6 AND 2.1 BILLION CUBIC FEET PER DAY. (BCFD). NEAR-TERM AND LONG-TERM CORRESPOND TO THE YEARS 1995 AND 2005, RESPECTIVELY. EMBODIED IN THE CPUC'S NEED PROJECTIONS IS AN ACKNOWLEDGEMENT OF THE NEED FOR NEW GAS SUPPLIES FOR AIR QUALITY REASONS TO OFFSET THE NEED FOR BURNING OIL. THE MOJAVE AND KERN RIVER PIPELINE PROJECTS ADDRESS THESE NEEDS WITH MINIMAL ADVERSE ENVIRONMENTAL EFFECTS.

THE COMMISSION FURTHER FINDS THAT ALL MITIGATION MEASURES IDENTIFIED IN THE EIR HAVE BEEN IMPOSED TO THE MAXIMUM EXTENT POSSIBLE TO LESSEN IMPACTS, AND FURTHERMORE FINDS THAT, NO ACTION ALTERNATIVE, NO PROJECT ALTERNATIVE, PGT/PG&E ALTERNATIVE, AND ALTERNATIVE ENERGY SOURCES ARE INFEASIBLE BECAUSE THEY HAVE GREATER ENVIRONMENTAL IMPACTS, DO NOT PROVIDE THE BENEFITS DESCRIBED HEREIN OR ARE SOCIALLY OR ECONOMICALLY INFEASIBLE.

BASED ON THE ABOVE DISCUSSION, THE COMMISSION FINDS THAT THE BENEFITS OF THE PROPOSED PROJECT OUTWEIGH THE UNAVOIDABLE ADVERSE ENVIRONMENTAL EFFECTS AND FINDS THAT SUCH RESIDUAL EFFECTS ARE CONSIDERED ACCEPTABLE.

4. ADOPT, PURSUANT TO SECTION 21081.6 OF THE P.R.C., THE MONITORING PROGRAM CONTAINED IN EXHIBIT "H", FOR THE PROJECT TO INSURE COMPLIANCE WITH THE REQUIRED MITIGATION MEASURES.
5. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.

6. AUTHORIZE THE DELEGATION OF AUTHORITY TO THE EXECUTIVE OFFICER TO EXECUTE, ON BEHALF OF THE STATE LANDS COMMISSION, THE HABITAT MITIGATION AND ACQUISITION AGREEMENTS WITH THE DEPARTMENT OF FISH AND GAME, BUREAU OF LAND MANAGEMENT, KERN RIVER GAS TRANSMISSION COMPANY, AND MOJAVE PIPELINE COMPANY.

7. AUTHORIZE ISSUANCE OF THE FOLLOWING LEASES:

TO KERN RIVER TRANSMISSION COMPANY OF A GENERAL LEASE - INDUSTRIAL USE ON STATE SCHOOL LANDS; FOR A 30-YEAR TERM BEGINNING MARCH 7, 1991; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF \$8,800; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$5,000,000 SURETY BOND TO BE REDUCED TO \$50,000 AFTER ALL MITIGATION MEASURES ARE CARRIED OUT AND COMPLIED WITH; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$5,000,000 DURING CONSTRUCTION TO BE REDUCED TO \$1,000,000 UPON COMPLETION OF CONSTRUCTION; FOR THE INSTALLATION, OPERATION AND MAINTENANCE OF A NATURAL GAS PIPELINE AND THE INSTALLATION, OPERATION AND MAINTENANCE OF A METERING FACILITY ON THE LANDS DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

TO MOJAVE PIPELINE COMPANY OF 1) GENERAL LEASE - RIGHT OF WAY USE FOR SOVEREIGN LANDS AND 2) GENERAL LEASE - RIGHT OF WAY USE FOR SCHOOL LANDS; FOR A 30-YEAR TERM BEGINNING MARCH 7, 1991; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF \$190 FOR THE SOVEREIGN LANDS LEASE AND \$250 FOR THE SCHOOL LANDS LEASE; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$5,000,000 SURETY BOND TO BE REDUCED TO \$50,000 AFTER ALL MITIGATION MEASURES ARE CARRIED OUT AND COMPLIED WITH; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$5,000,000 DURING CONSTRUCTION TO REDUCED TO \$1,000,000 UPON COMPLETION OF CONSTRUCTION; FOR THE INSTALLATION, OPERATION AND MAINTENANCE OF A NATURAL GAS PIPELINE AND THE INSTALLATION, OPERATION AND MAINTENANCE OF A METERING STATION ON THE LANDS DESCRIBED ON EXHIBITS "B" AND "C", RESPECTIVELY, ATTACHED AND BY REFERENCE MADE A PART HEREOF.

CALENDAR ITEM NO. 2.2 (CONT'D)

TO MOJAVE PIPELINE COMPANY AND KERN RIVER TRANSMISSION COMPANY AS CO-LESSEES OF 1) GENERAL LEASE - RIGHT OF WAY USE FOR SCHOOL LANDS AND 2) GENERAL LEASE - RIGHT OF WAY USE FOR SOVEREIGN LANDS; FOR A 30-YEAR TERM BEGINNING MARCH 7, 1991; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF \$230 FOR THE SOVEREIGN LANDS LEASE AND \$556 FOR THE SCHOOL LANDS LEASE; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$5,000,000 SURETY BOND TO BE REDUCED TO \$50,000 AFTER ALL MITIGATION MEASURES ARE CARRIED OUT AND COMPLIED WITH; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$5,000,000 DURING CONSTRUCTION TO REDUCED TO \$1,000,000 UPON COMPLETION OF CONSTRUCTION; FOR THE INSTALLATION, OPERATION AND MAINTENANCE OF A NATURAL GAS PIPELINE AND THE INSTALLATION, OPERATION AND MAINTENANCE OF A METERING STATION ON THE LANDS DESCRIBED ON EXHIBITS "D" AND "E", RESPECTIVELY, ATTACHED AND BY REFERENCE MADE A PART HEREOF.

**EXHIBIT "A-1"**

W 23658

**LAND DESCRIPTION**

Those four parcels of state-owned land situated in San Bernardino County, California, more particularly described as follows:

**Parcel 1**

COMMENCING at the southwest corner of Section 23, T9N, R1E, SBM; thence along the section line between Sections 23 and 26, N 89° 48' 10" E, 1813.31 feet; thence leaving said section line N 08° 54' 48" E, 15.61 feet to the POINT OF BEGINNING; thence N 08° 54' 48" E, 235.0 feet; thence S 81° 05' 12" E 397.5 feet; thence N 08° 54' 48" E, 298.28 feet to the south right -of-way line of the National Trails Highway; thence S 67° 43' 03" E along said right-of-way line 154.18 feet; thence S 08° 54' 48" W, 262.63 feet; thence S 81° 05' 12" E, 102.5 feet; thence S 08° 54' 48" W 235.0 feet; thence N 81° 05' 12" W, 650.0 feet to the point of beginning.

EXCEPTING THEREFROM any portion lying within Section 26, T9N, R1E, SBM.

ALSO SUBJECT TO a 30 foot right-of-way or easement for the purpose of ingress and egress, lying 15 feet on each side of the following described centerline:

BEGINNING at a point that is N 89° 48' 10" W, 2291.85 feet from the southwest corner of Section 23, T 9 N, R 1 E, SBM; thence N 08° 54' 48" E, 455.30 feet to the south right-of-way line of the National Trails Highway.

**Parcel 2**

A strip of land 50 feet wide situated in Section 23, T 9 N, R 1 E, SBM, lying 25 feet on each side of the following described centerline:

BEGINNING at a point on the east line of the SW 1/4 of the SE 1/4 of said section, said point being N 60° 26' 13" W, 1545 feet, more or less, from the southeast corner of said section; thence S 82° 13' 22" W, 911.21 feet; thence S 53° 58' 22" W, 878.01 feet; thence N 81° 01' 38" W, 132.00 feet to a point that bears N 84° 51' 51" E, 2222.14 feet, more or less, from the southwest corner of said Section 23, said point being the end of the herein described centerline.

EXCEPTING THEREFROM any portion lying within the National Trails Highway.

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ARIZONA PAGE	674

**Parcel 3**

A strip of land 50 feet wide situated in Section 36, T 14 N, R 6 E, SBM, lying 25 feet on each side of the following described centerline:

BEGINNING at a point on the north line of said Section 36, said point being N 89° 38' 50" E, 2154 feet, more or less, from the northwest corner of said section; thence S 52° 15' 42" W, 227.36 feet; thence S 62° 30' 34" W, 214.00 feet; thence S 73° 13' 47" W, 1610.00 feet; thence N 83° 52' 50" W, 1610.00 feet to a point on the west line of said section that bears S 00° 46' 32" E, 644 feet, more or less, from the northwest corner of said Section 36, said point being the end of the herein described centerline.

EXCEPTING THEREFROM any portion lying within that 13.5 acres described in Patent recorded in Instrument No. 85-112532 in the Official Records of San Bernardino County.

**Parcel 4**

A strip of land 50 feet wide situated in Section 16, T 17 N, R 14 E, SBM, lying 25 feet on each side of the following described centerline:

BEGINNING at a point on the east line of said Section 16, said point being N 01° 08' 11" W, 2548 feet, more or less, from the southeast corner of said section; thence S 78° 29' 59" W, 5294.27 feet to a point on the west line of said section that bears N 00° 58' 50" W, 1654 feet, more or less, from the southwest corner of said Section 16, said point being the end of the herein described centerline.

EXCEPTING THEREFROM any portion lying within that 24.29 acres described under Parcel 4 in Patent in Intermountain Power Agency recorded in Instrument No. 85-112533 in the Official Records of San Bernardino County.

**END OF DESCRIPTION**

PREPARED JANUARY, 1991 BY LLB

CALNDAR PAGE	280
MINUTE PAGE	675

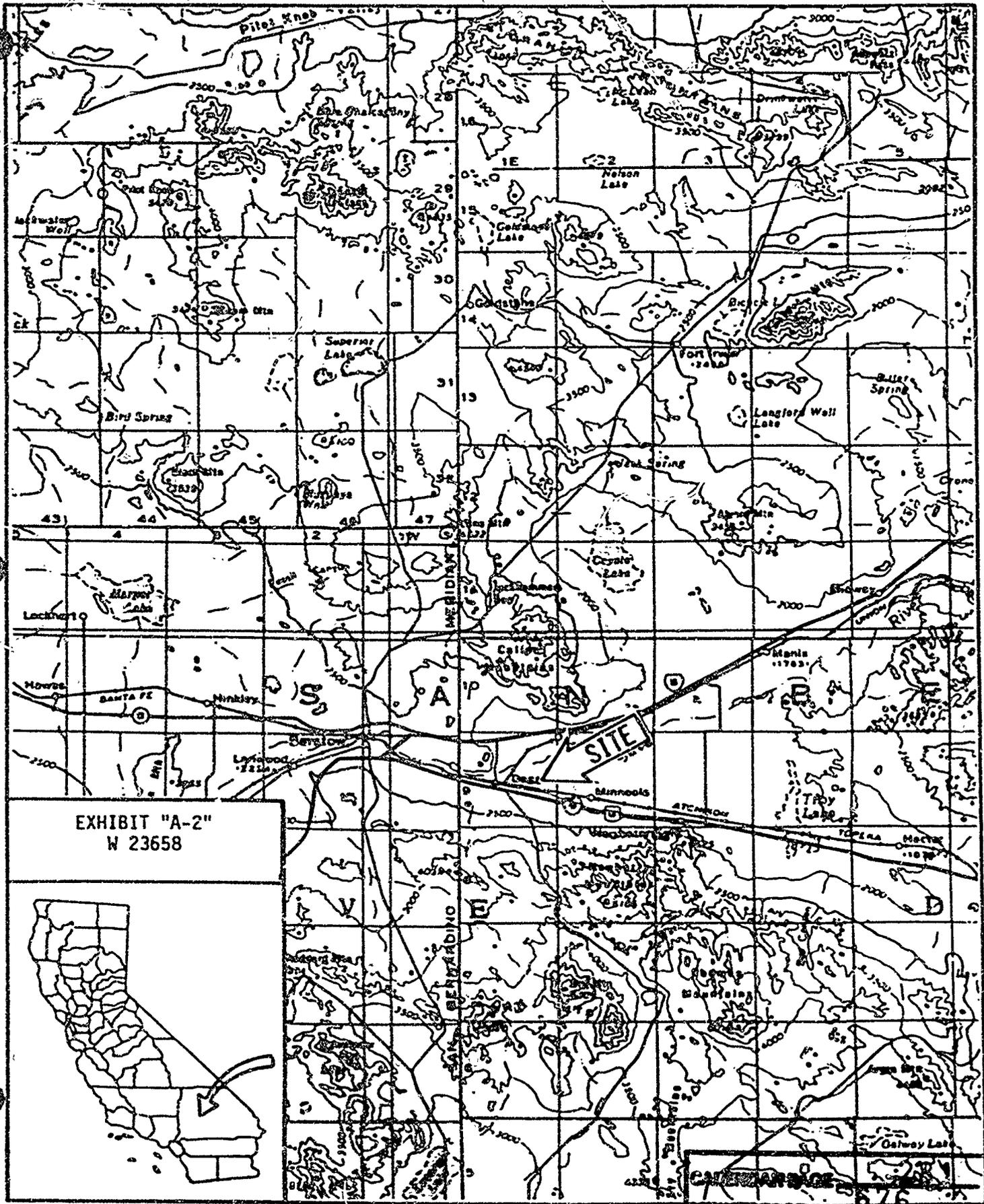


EXHIBIT "A-2"  
W 23658



CALIFORNIA  
PARROTTE PAGE 876



**EXHIBIT "B-1"**

W 23621

**LAND DESCRIPTION**

A strip of submerged land 50 feet wide in the bed of the Colorado River situated within the projected Section 8, T 7 N, R 24 E, SBM, San Bernardino County, California, as shown in Dwg. No. 231-001-A-9500, Sheet 2 and 3, by the Mojave Pipeline Company, said strip having a length of approximately 381.00 feet.

**EXCEPTING THEREFROM** any portion lying within the State of Arizona.

**END OF DESCRIPTION**

**PREPARED FEBRUARY, 1991 BY LLB**

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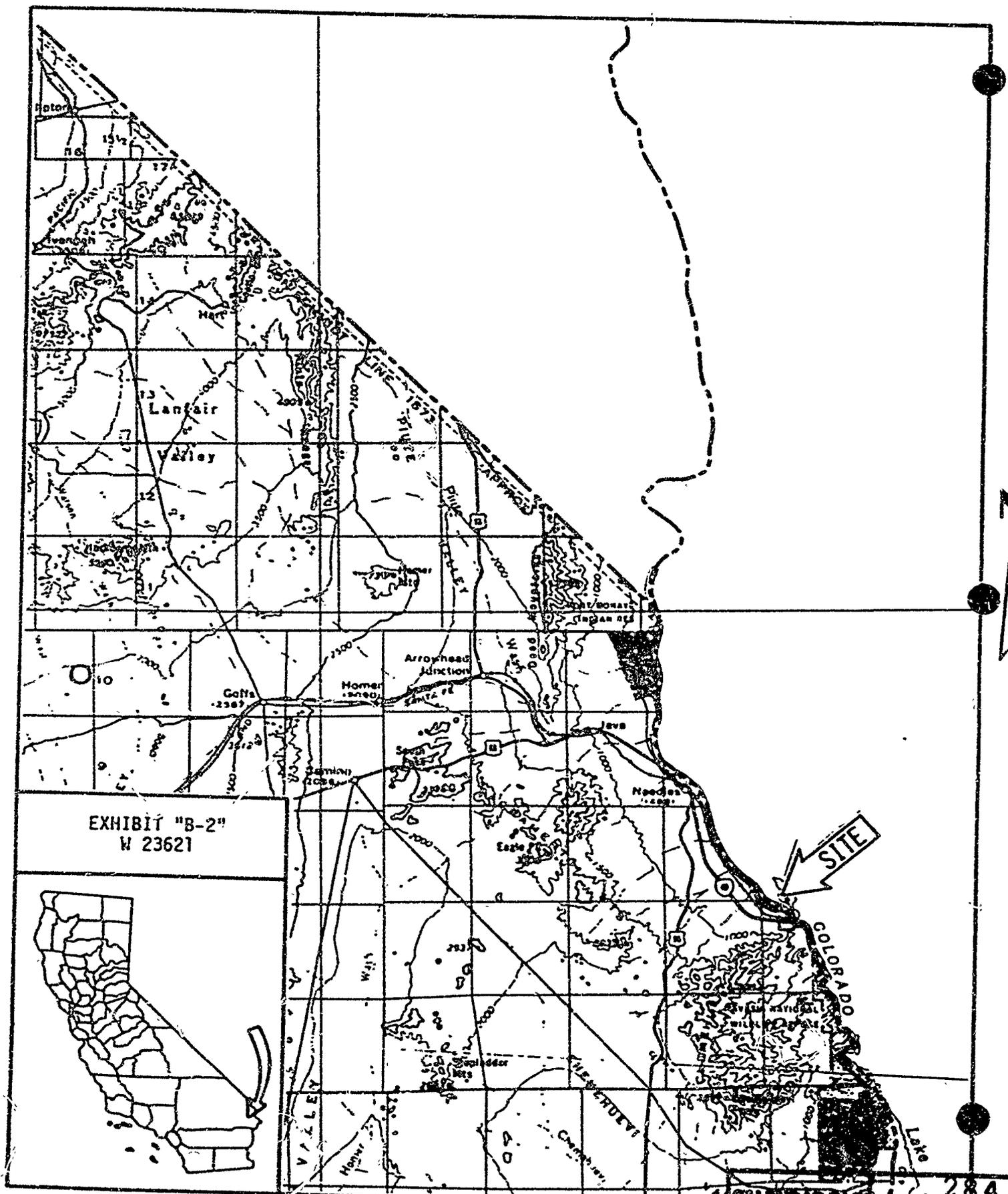


EXHIBIT "B-2"  
W 23621

**EXHIBIT "C-1"**

W 23621

**LAND DESCRIPTION**

Those two parcels of state-owned land situated in Section 23, T 9 N, R 1 E, S B M, San Bernardino County, California, more particularly described as follows:

**PARCEL 1**

**COMMENCING** at the southwest corner of said section, thence along the section line between Sections 23 and 26, N 89° 48' 10" E, 1813.31 feet; thence leaving said section line N 08° 54' 48" E, 15.61 feet to the POINT OF BEGINNING; thence S 81° 05' 12" E, 650.00 feet; thence S 08° 54' 48" W, 225.00 feet; thence N 81° 05' 12" W, 650.00 feet; thence S 08° 54' 48" W, 225.00 feet to the point of beginning.

**EXCEPTING THEREFROM** any portion lying within Section 26, T 9 N, R 1 E, S B M.

**PARCEL 2**

A strip of land 30 feet wide for the purpose of ingress and egress lying 15 feet on each side of the following described centerline:

**BEGINNING** at a point that is N 89° 48' 10" W, 2291.85 feet from the southwest corner of said Section 23; thence N 08° 54' 48" E, 455.30 feet to the south right-of-way line of the National Trails Highway.

**END OF DESCRIPTION**

**PREPARED FEBRUARY, 1991 BY LLB**

CALENDAR PAGE	285
MINUTE PAGE	680

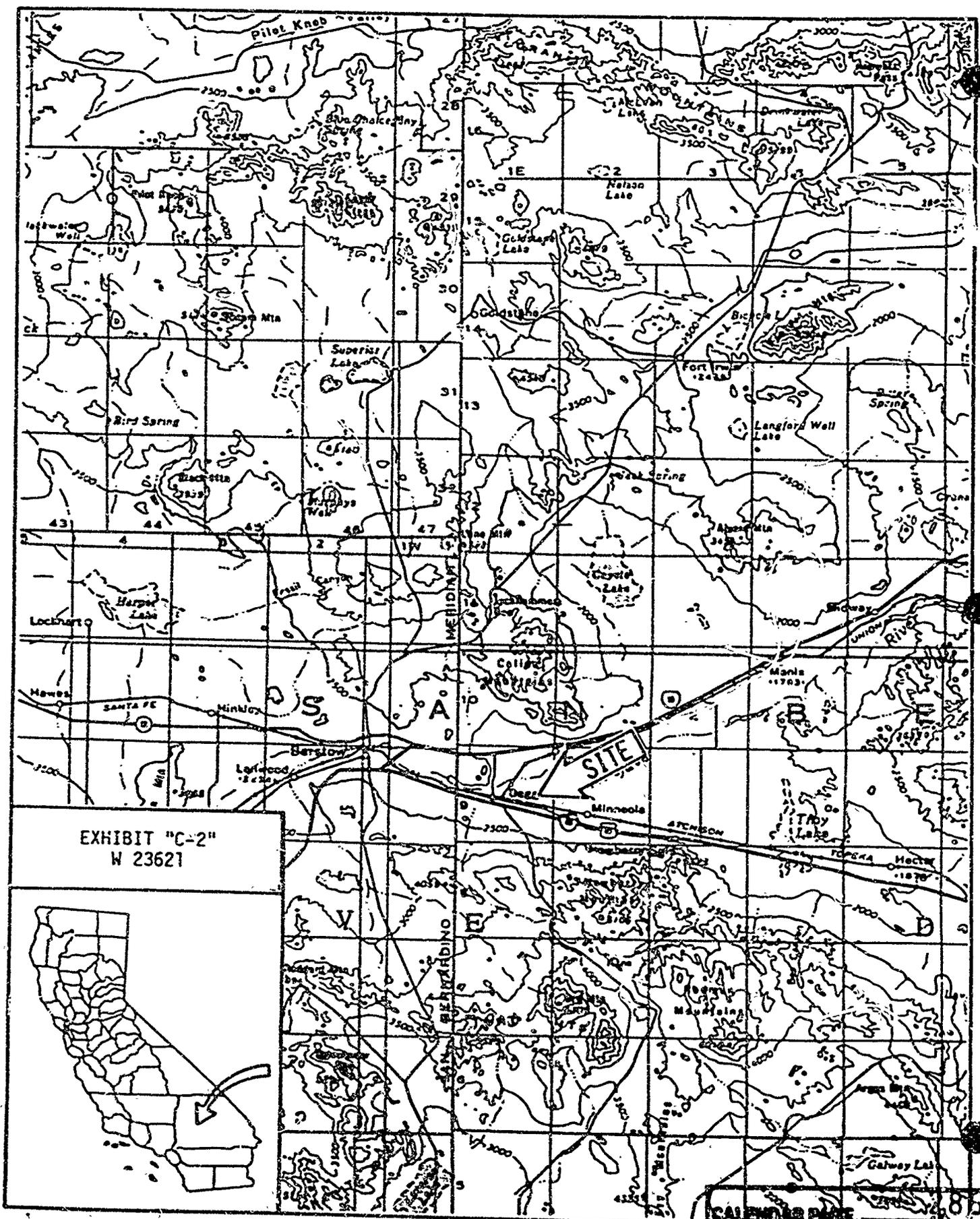


EXHIBIT "C-2"  
W 23621



CALENDAR PAGE 685  
MINUTE PAGE 681

**EXHIBIT "D-1"**

W 23621  
W 23658

**LAND DESCRIPTION**

A strip of submerged land 50 feet wide in the bed of the Kern River situated within the projected Section 10, T 29 S, R 28 E, MDM, Kern County, California, as shown in Dwg. No. 231-001-A-9508, Sheet 2, by the Mojave Pipeline Company, said strip having a length of approximately 382.00 feet.

**END OF DESCRIPTION**

**PREPARED FEBRUARY, 1991 BY LLB**

CALENDAR PAGE	287
MINUTE PAGE	682

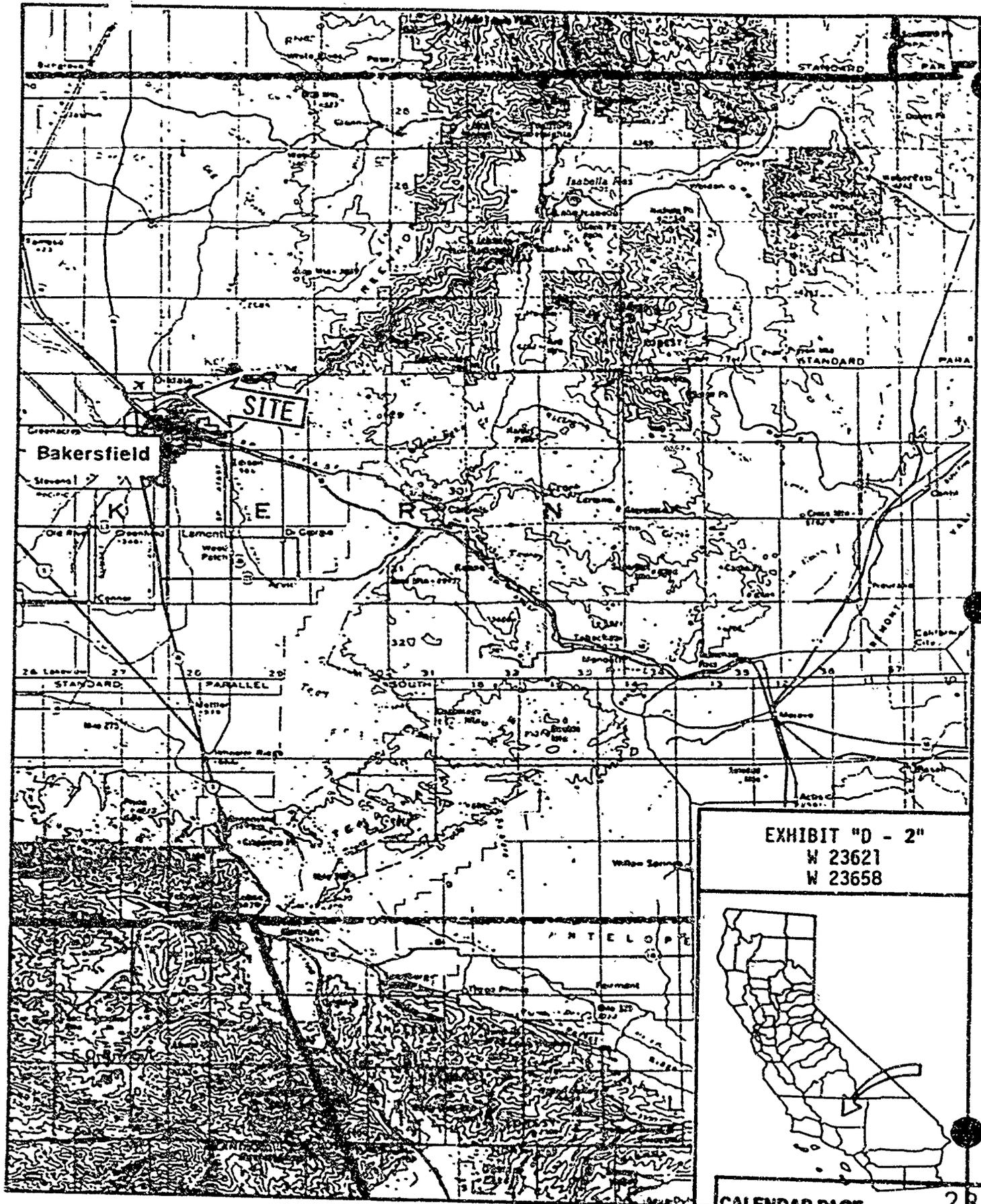


EXHIBIT "D - 2"  
 W 23621  
 W 23658



**EXHIBIT "E-1"**

W 23621  
W 23658

**LAND DESCRIPTION**

A strip of state-owned land 50 feet wide situated in Section 23, T 9 N, R 1 E, S B M, San Bernardino County, California, lying 25 feet on each side of the following described centerline:

**COMMENCING** at the southwest corner of said section, thence along the section line between Sections 22 and 23, North 103.00 feet to the **POINT OF BEGINNING**; thence leaving said section line S 81° 04' 52" E, 548.00 feet; thence S 81° 05' 12" E, 650.00 feet; thence S 81° 03' 37" E, 114.00 feet to the south line of said Section 23 and the end herein described centerline.

**END OF DESCRIPTION**

**PREPARED FEBRUARY, 1991 BY LLB**

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MINUTE PAGE	684



EXHIBIT F

EIR/EIS and EIR AMENDMENT EXECUTIVE SUMMARY

**INTRODUCTION**

The Mojave-Kern River-El Dorado Natural Gas Pipeline Project EIR/EIS (FEIR/S) is a joint document prepared by the California State Lands Commission and the Federal Energy Regulatory Commission to fulfill the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). These two agencies in coordination with the Bureau of Land Management, the USDA Forest Service and other federal agencies have directed the preparation of the joint state and federal document.

The proposed pipeline projects would transport natural gas supplies from various sources outside of California to the Bakersfield, California area for use in the enhanced oil recovery and related cogeneration projects as well as a supply to local distribution companies. In each case, producers of crude oil in the San Joaquin Valley would use the natural gas as boiler fuel to create steam which would be injected into the oil fields to produce crude oil not recoverable by primary methods. The producers currently use crude oil and a limited amount of natural gas for steam generation.

The Mojave-Kern River Pipeline Projects Environmental Impact Report (EIR) Amendment is a document prepared by the California State Lands Commission to fulfill requirements of the California Environmental Quality Act. The purpose of the EIR Amendment was to review the changes made to both the Mojave Pipeline and Kern River Pipeline projects since the completion of the December 1987 Mojave-Kern River-El Dorado Natural Gas Pipelines Projects Final Environmental Impact Report/Statement (FEIR/S) issued jointly by the California State Lands Commission and the Federal Energy Regulatory Commission (see Figure S-1). This document, and a subsequent Supplement issued in October 1988 to cover the addition of the another proposed WyCal pipeline project (Mojave-Kern River-El Dorado Natural Gas Pipeline Projects Final Supplement to the Final Environmental Impact Report/Statement) were used as the basis for EIR Amendment and thus were utilized to produce the Findings.

The FEIR/S originally analyzed the environmental impacts associated with the construction of interstate natural gas pipelines from a number of different areas. Three main proposals were under consideration: Mojave Pipeline Company, El Dorado Interstate Transmission Company, and Kern River Gas Transmission Company. In August, 1987, Wyoming-California Pipeline Company also filed an application with the FERC. This project was considered mutually exclusive of the other three projects but since the routes were similar to those analyzed in the FEIR/S, the WyCal project was considered with the Mojave and Kern River projects.

Following the issuance of both the FEIR/S and the Supplement, Mojave, Kern River, and WyCal subsequently applied to the SLC and FERC to amend their applications. Mojave and Kern River proposed minor route changes which fell outside of the one-mile wide corridor analyzed in the FEIR/S and also proposed to construct and operate a new interstate system made up of the components of both systems which they had previously proposed individually. This proposal would result in a merger between Mojave and Kern River into a joint project with common facilities that both applicants would use to transport natural gas to Kern County. This document analyses these changes to the Mojave and Kern River proposals.

#### Mojave Facilities

The proposed Mojave facilities consist of approximately 159 miles of 24- and 30-inch pipeline extending along Mojave's FERC certificated route from the area near Topock, Arizona to the point of interconnection with the Kern River facilities and the Common Facilities near Daggett, California. Additional facilities include the FERC certificated Topock Compressor Station and appurtenant facilities including metering stations.

The first segment of the Mojave Facility would consist of an approximately 17-mile long, 24-inch diameter pipeline (Mojave Transfer Line) to be constructed from a tap on an existing 30-inch pipeline owned by Transwestern in Mohave County, Arizona, to a proposed compressor station located near Topock, Arizona, and an interconnection from a tap on an existing El Paso pipeline immediately south of the proposed Topock Compressor Station.

The second segment of the Mojave Facility would consist of approximately 142 miles of 30-inch diameter pipeline (Mojave Mainline) commencing at the Topock Compressor Station, crossing the Colorado River into California on an aerial suspension bridge, and extending to the Interconnection Point with the Kern River facilities.

A single compressor station would be constructed at the point where the Mojave Transfer Line and the Mainline intersect. This compressor station would have a site-rated capacity of 14,080 horsepower.

Meter stations would be located at the points of interconnection between the Mojave, Transwestern, and El Paso pipelines to measure the deliveries of gas. These meter stations would encompass approximately four acres each. A new meter station would be located