MINUTE ITEM
This Calendar Item No. C16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 3
to Ø at its 11-26-01
meeting

CALENDAR ITEM
C16

A 8

S 4

PRC 8354

11/26/01
W 25799
L. Burks

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:
Calpine Natural Gas Company
2692 Amerada Road
Rio Vista, California 94571

AREA, LAND TYPE, AND LOCATION:
Sovereign lands in Sevenmile Slough, between Twitchell and Brannan Islands, near the city of Rio Vista, Sacramento County.

AUTHORIZED USE:
Installation of a directionally drilled 8-inch diameter natural gas pipeline connecting the existing Rio Vista Gas Unit (RVGU) No. 226 gas well on Twitchell Island with the existing RVGU. No. 209 gas well on Brannan Island.

LEASE TERM:
Twenty (20) years, beginning November 1, 2001.

CONSIDERATION:
$100 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:
Liability insurance with coverage of no less than $1,000,000.

Bond: $10,000.

OTHER PERTINENT INFORMATION:
1. Applicant has the right to use the uplands adjoining the lease premises.

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2. Calpine Natural Gas Company (CNG) is engaged in an ongoing exploration-drilling program in the existing RVGU near Rio Vista, California. The purpose of the drilling program is to fully explore the field's potential for additional gas reserves and to increase current production rates both for CNG's benefit and to benefit the State of California's need for additional natural gas supply for the power generation industry. The proposed pipeline is being installed to facilitate this program by connecting the Rio Vista Gas Unit No. 226 gas well on Twitchell Island with the existing Rio Vista Gas Unit No. 209 gas well on Brannan Island.

3. The applicant has incorporated a number of modifications into the project description to protect the environment, including, but not limited to, a Contingency Plan for Horizontal Directional Drilling Inadvertent Returns, and an Abandonment Contingency Plan in the event of a failed bore. Provisions have been incorporated into the Lease which will provide for California State Lands Commission monitoring of the horizontal drilling process to ensure consistency with the above plans.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

   Authority: Title 14, California Code of Regulations, section 15061 (b) (3).

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 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.

APPROVALS OBTAINED:

Brannan-Andrus Levee Maintenance District; Reclamation District No. 1601; State Reclamation Board; County of Sacramento; California Department of Fish and Game; United States Army Corps of Engineers.

EXHIBIT:

A. Site Plan and Location Map

PERMIT STREAMLINING ACT DEADLINE:

December 30, 2001

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b) (3).

SIGNIFICANT LANDS INVENTORY FINDING:

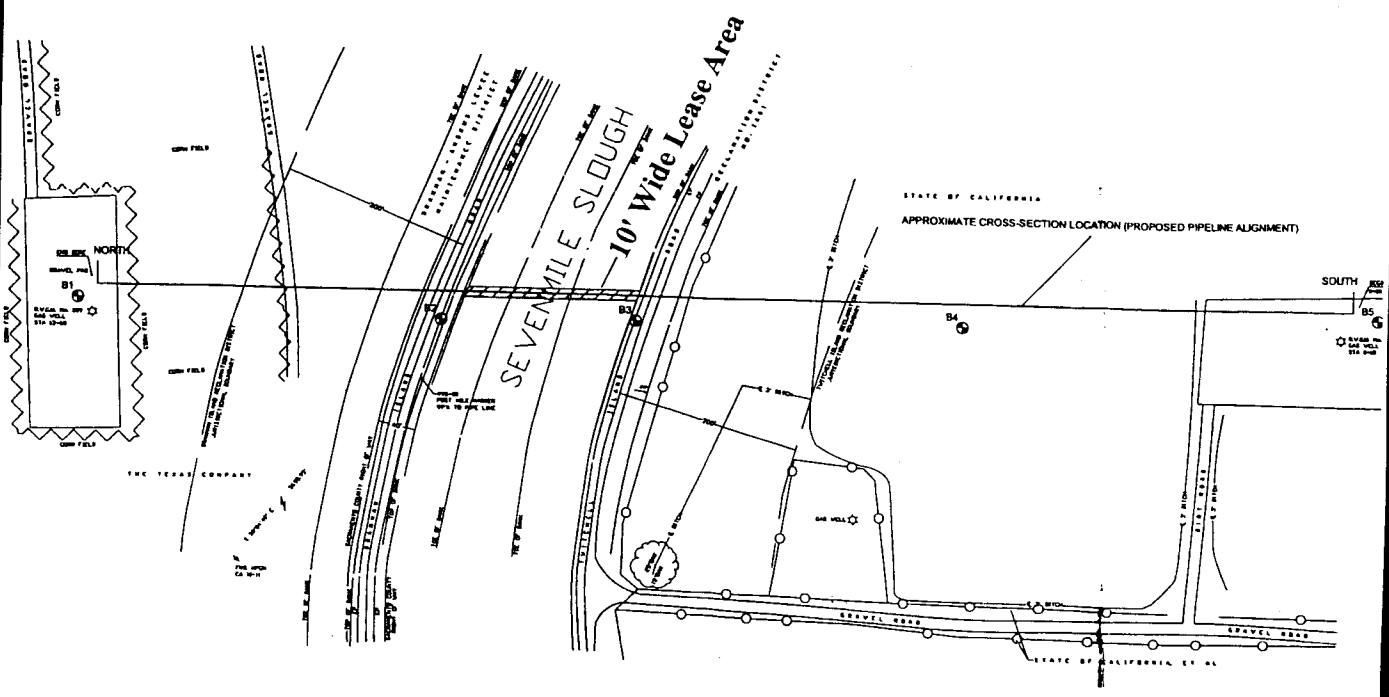
FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO CALPINE NATURAL GAS COMPANY OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING NOVEMBER 1, 2001, FOR A TERM OF TWENTY (20) YEARS, FOR PROPOSED INSTALLATION OF AN 8-INCH DIAMETER NATURAL GAS PIPELINE ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF $100, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN $1,000,000; SURETY IN THE AMOUNT OF $10,000.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

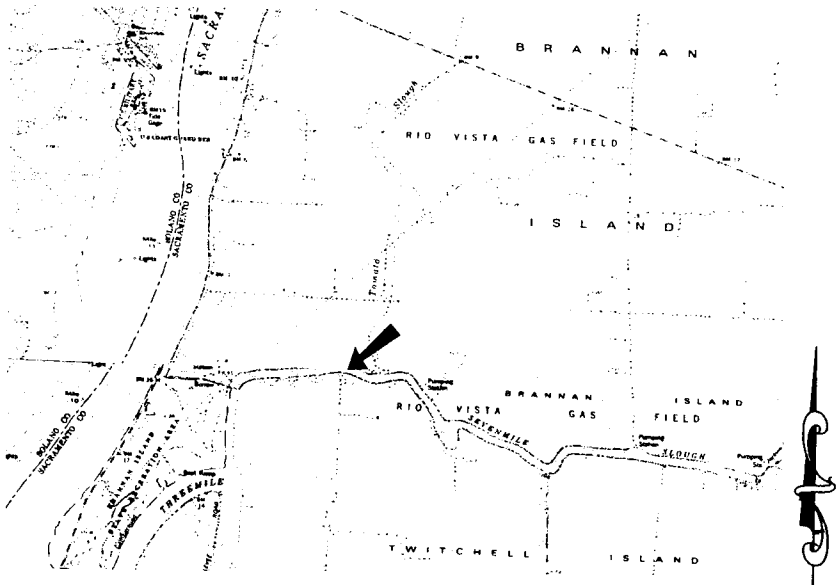
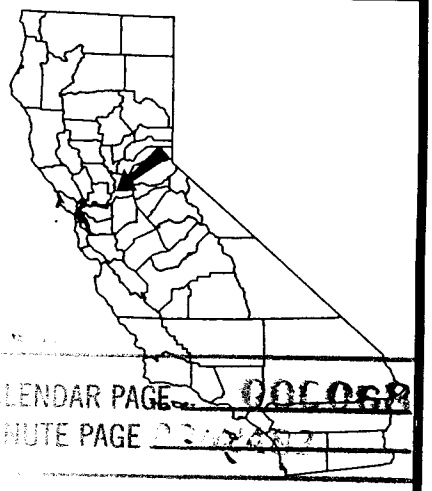


Exhibit A
W 25799

General Lease
8" Gas Pipeline
Sevenmile Slough
Sacramento County



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver of limitation of any state interest in the subject or any other property.

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