

**CALENDAR ITEM
C04**

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04/09/02
W 25790
L. Burks

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Delta Gas Gathering, Inc.
2981 Gold Canal Drive
Rancho Cordova, California 95670

AREA, LAND TYPE, AND LOCATION:

0.55 acres, more or less, of tide and submerged lands in the San Joaquin River (Stockton Deep Water Ship Channel), between Roberts Island and Rindge Tract, near the city of Stockton, San Joaquin County.

AUTHORIZED USE:

Installation of a horizontal directionally drilled six-inch diameter welded steel natural gas pipeline. The proposed pipeline crossing will be part of a pipeline project that will transport natural gas from a new natural gas discovery on Rindge Tract to an existing pipeline on Roberts Island.

LEASE TERM:

Twenty (20) years, beginning April 9, 2002.

CONSIDERATION:

\$190 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: Combined single limit coverage of \$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. Delta Gas Gathering (DGG) plans to install a six-inch diameter welded steel natural gas pipeline on Rindge Tract to interconnect with an infield gathering pipeline constructed and operated by Occidental Resources California (OXY) to DGG's newly constructed pipeline from OXY Speckman #1-4 well on Roberts Island. The purpose of the project is to extend DGG's existing pipeline system from its current termination point at the Speckman #1-4 well.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15025), the staff has prepared a Proposed Mitigated Negative Declaration and Mitigation Monitoring Program identified as CSLC ND 713 , State Clearinghouse No. 2002012074. Such Proposed Mitigated Negative Declaration was prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed Mitigated Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment; Title 14, California Code of Regulations, section 15074 (b).

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

APPROVALS OBTAINED:

United States Army Corps of Engineers; State Reclamation Board; Reclamation District No. 2037; Reclamation District No. 684; Sacramento County Public Works Department; San Joaquin County Public Works Department; California Department of Fish and Game.

EXHIBITS:

- A. Site Plan and Location Map
- B. Mitigation Monitoring Program

PERMIT STREAMLINING ACT DEADLINE:

August 14, 2002.

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RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. CERTIFY THAT A PROPOSED MITIGATED NEGATIVE DECLARATION, CSLC ND NO. 713, STATE CLEARINGHOUSE NO. 2002012074 WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA, THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN AND IN THE COMMENTS RECEIVED IN RESPONSE THERETO AND THAT THE MITIGATED NEGATIVE DECLARATION REFLECTS THE COMMISSION'S INDEPENDENT JUDGMENT AND ANALYSIS.
2. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT C, ATTACHED HERETO.

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 DELTA GAS GATHERING, INC. OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING APRIL 9, 2002, FOR A TERM OF 20 YEARS, FOR INSTALLATION OF A HORIZONTALLY DRILLED SIX-INCH DIAMETER WELDED STEEL 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 \$190, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; SURETY IN THE AMOUNT OF \$10,000.