

MINUTE ITEM
This Calendar Item No. C15 was approved as
Minute Item No. 15 by the California State Lands
Commission by a vote of 3 to 0 at its
2-21-03 meeting.

**CALENDAR ITEM
C15**

A 2
S 4

PRC 8443

02/21/03
W 25830
L. Burks

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Wild Goose Storage, Inc.
3900, 421 Seventh Avenue, SW
Calgary, Alberta, Canada T2P 4K9

AREA, LAND TYPE, AND LOCATION:

0.10 acres, more or less, of submerged lands in the Sacramento River, east of
the town of Delevan, Colusa County.

AUTHORIZED USE:

Installation of a horizontal directionally drilled 36-inch diameter natural gas
pipeline and two fiber optic cables.

LEASE TERM:

20 years, beginning February 21, 2003.

CONSIDERATION:

\$250 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 Limits of \$250,000,000.

Guarantee: Corporate Guarantee of \$5,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.
2. The California Public Utilities Commission (CPUC) initially granted Wild
Goose Storage, Inc. (WGS) a Certificate of Public Convenience and
Necessity (CPCN) on June 25, 1997, to develop, construct and operate an

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underground natural gas storage facility in Butte County, California and to provide firm and interruptible storage services at market-based rates. On June 18, 2001, WSGI filed an application with the CPUC for an amended CPCN to expand the permitted storage and operational capacity of the WSGI storage field located in Butte County. WSGI also sought approval to construct a 25.6-mile pipeline from the WSGI Remote Facility Site to the Pacific Gas and Electric Company (PG&E) Line 400/401 transmission pipeline in Colusa County. The purpose of the Expansion Project is to maximize the storage, injection, and withdrawal capacity of the natural gas storage reservoir with a connection to the PG&E Line 400/401 to meet customer demands into the foreseeable future.

3. WSGI proposes to install a horizontal directionally drilled 36-inch diameter natural gas pipeline 50 feet below the Sacramento River for a total length of 344 feet. In addition, two fiber optic cables, one primary and one back-up, will be installed to provide operational control of valves and other monitoring equipment along the pipeline route and throughout the proposed Delevan Interconnect Facility. A 4-inch diameter steel casing will be installed along with the gas pipeline to provide conduit for the fiber optic cable.
4. Alenco, Inc. has provided a Guarantee for the performance of the lease obligations of its subsidiary, Wild Goose Storage, Inc.
5. An EIR was prepared and certified for this project by the California Public Utilities Commission. The California State Lands Commission staff has reviewed such document and Mitigation Monitoring Program adopted by the lead agency.
6. Findings made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, sections 15091 and 15096) are on file in the Sacramento Office of the California State Lands Commission.
7. A Statement of Overriding Considerations made in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, section 15093) is on file in the Sacramento Office of the California State Lands Commission.

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The Statement of Overriding Considerations is required due to the potential for permanent conversion of Prime Farmland to other uses at the Remote Facility and at the valve lots. The impacts identified would be significant and unavoidable, and would not occur on or be generated from the State-owned land.

APPROVALS OBTAINED:

United States Army Corps of Engineers; California Public Utilities Commission; California Department of Fish and Game; State Reclamation Board; Regional Water Quality Control Board; California Department of Transportation; Division of Oil, Gas & Geothermal Resources; Butte and Colusa counties; Reclamation Districts 816, 833, 1004 and 2047.

EXHIBIT:

A. Site Plan and Location Map

PERMIT STREAMLINING ACT DEADLINE:

June 21, 2003

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. FIND THAT AN EIR WAS PREPARED AND CERTIFIED FOR THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE FINDINGS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15091 AND 15096 (h), AS CONTAINED IN THE COMMISSION'S FILES IN SACRAMENTO.
3. ADOPT THE MITIGATION MONITORING PROGRAM, AS FOUND IN THE COMMISSION'S FILES IN ITS SACRAMENTO OFFICE.
4. ADOPT THE STATEMENT OF OVERRIDING CONSIDERATIONS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15093, AS FOUND IN THE COMMISSION'S FILES IN ITS SACRAMENTO OFFICE.

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SIGNIFICANT LANDS INVENTORY FINDING:

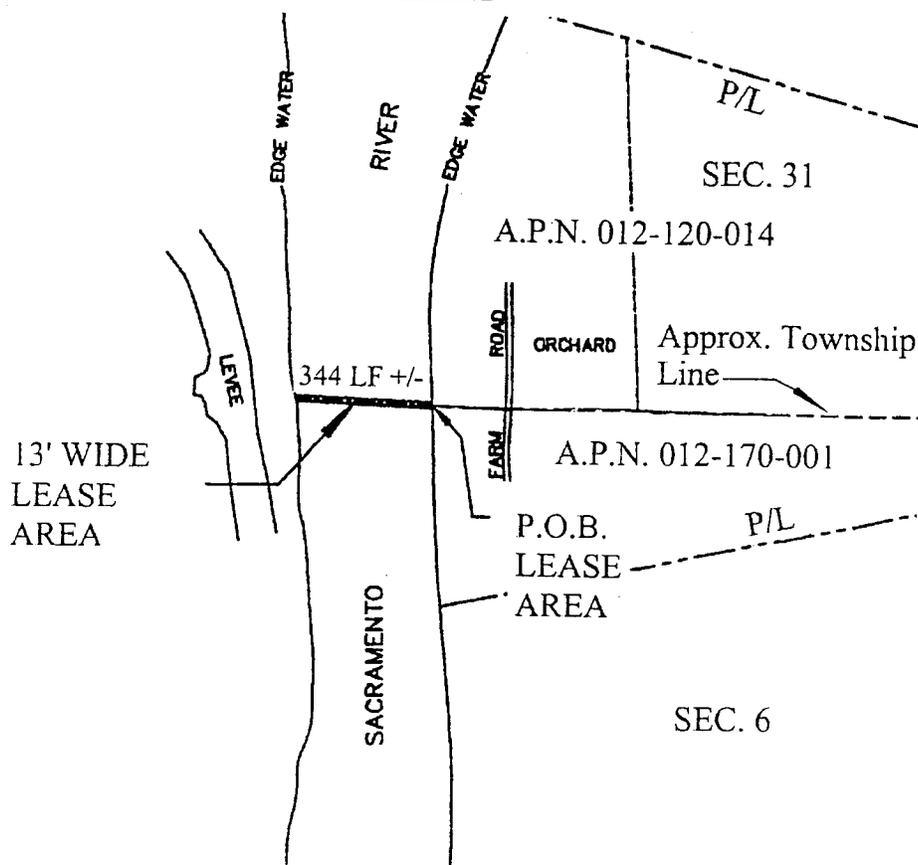
FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO WILD GOOSE STORAGE, INC. OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING FEBRUARY 21, 2003, FOR A TERM OF 20 YEARS, FOR INSTALLATION OF A HORIZONTAL DIRECTIONALLY DRILLED NATURAL GAS PIPELINE AND TWO FIBER OPTIC CABLES ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$250, 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 \$250,000,000 PER OCCURRENCE FOR BODILY INJURY AND FOR PROPERTY DAMAGE; AND A CORPORATE GUARANTEE OF \$5,000,000.

NO SCALE

SITE MAP



Sacramento River Crossing, Colusa County
 Being a portion of Section 6, T.17N., R.1W. and Sec.31, T.18N., R.1W.

LOCATION MAP NO SCALE

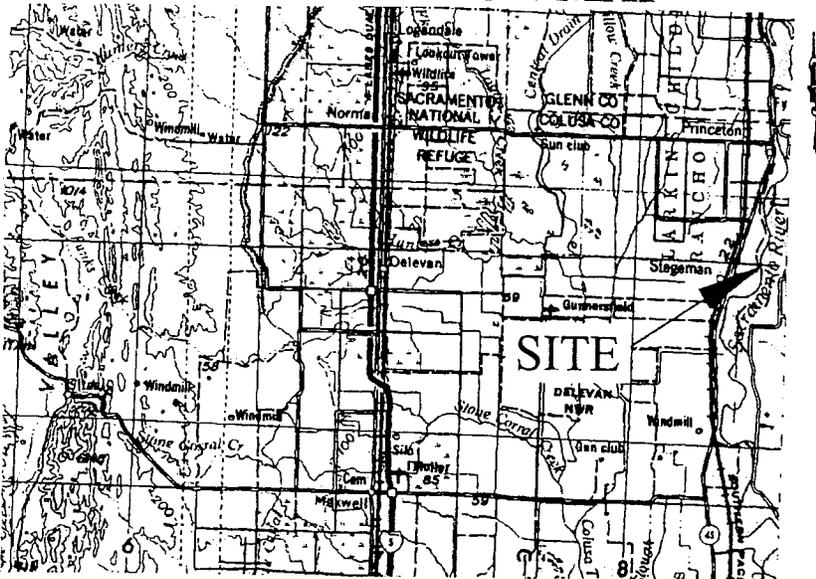


Exhibit A
 W 25830
 APN 012-160-062
 and APN 012-170-001
 Wild Goose Storage, Inc.
 Colusa County



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.
 MAP SOURCE: USGS QUAD

RAB 01-03

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