MINUTE ITEM

This Calendar Item No. C24 was approved as Minute Item No. 24 by the California State Lands Commission by a vote of 3 to Ø at its 02/05/07 meeting.

CALENDAR ITEM
C24

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02/05/07
PRC 8379.1
J. McComas

CONSIDER ACCEPTANCE OF LEASE QUITCLAIM DEED AND TERMINATION OF GENERAL LEASE - RIGHT OF WAY USE

LESSEE:

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

AREA, LAND TYPE, AND LOCATION:

0.55 acres, more or less, of sovereign 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 six-inch diameter welded steel natural gas pipeline.

LEASE TERM:

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. Lessee had the right to use the uplands adjoining the lease premises.

2. On April 9, 2002, the Commission authorized a 20-year General Lease – Right of Way Use to Delta Gas Gathering, Inc. for the installation of a

horizontal directionally drilled six-inch diameter welded steel natural gas pipeline crossing underneath the San Joaquin River (Stockton Deep Water Ship Channel), between Roberts Island and Rindge Tract, near the city of Stockton, San Joaquin County.

3. The Lease contained the condition that the pipeline construction would be completed by April 9, 2005. However, the natural gas pipeline was never installed. Based on the economic infeasibility of proceeding with an amendment to the lease and other circumstances, Delta Gas Gathering, Inc., does not want an extension of the construction deadline and requests the termination of the Lease.

4. Pursuant to the Commission's delegation authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15060 (c)(3), the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

   Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

EXHIBIT:

A. Site Plan and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

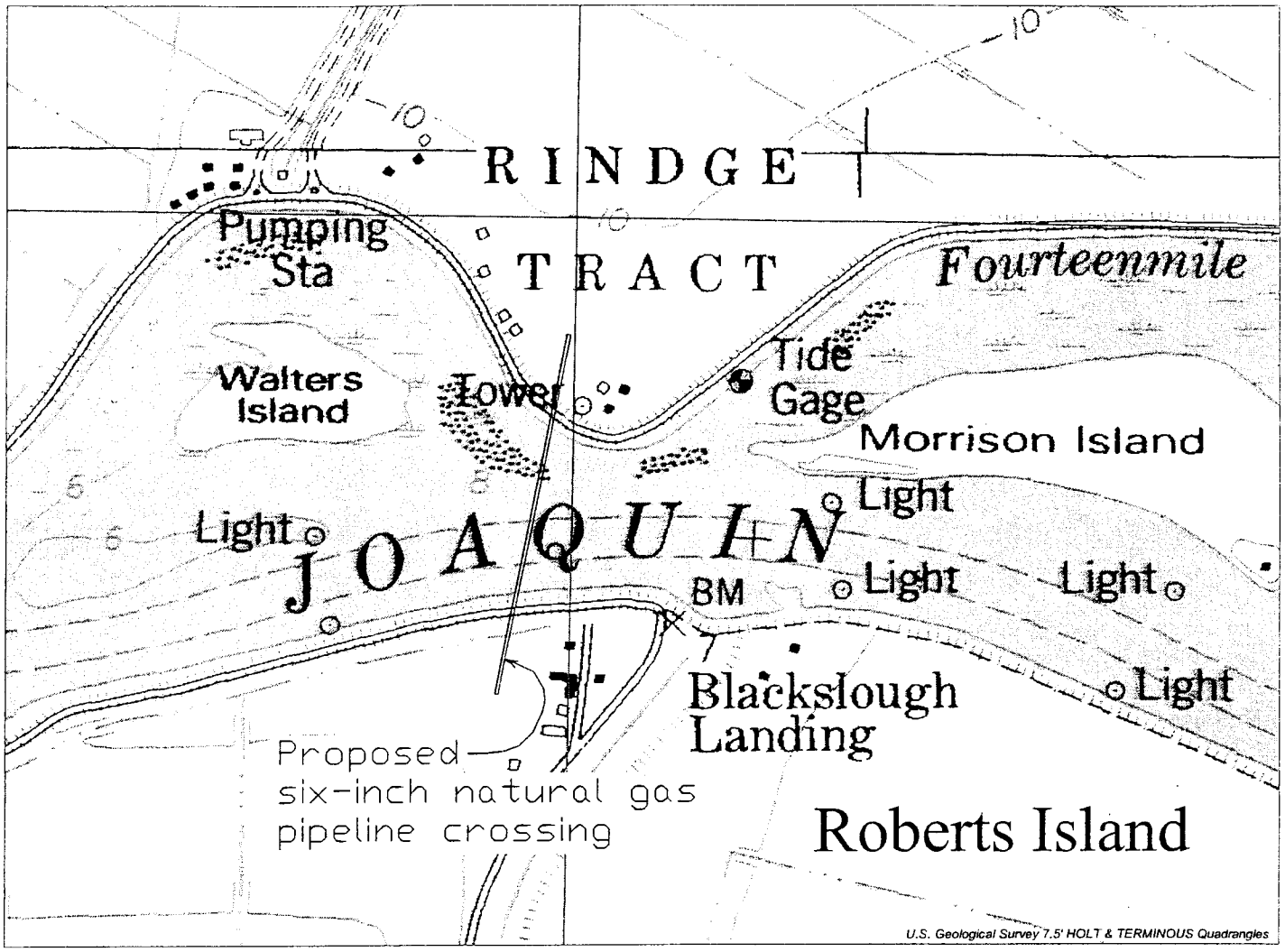
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060 (c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOUCE CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

AUTHORIZE THE ACCEPTANCE OF A LEASE QUITCLAIM DEED AND THE TERMINATION OF LEASE NO. PRC 8379.1, A GENERAL LEASE – RIGHT OF WAY, EFFECTIVE MARCH 1, 2007.

NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

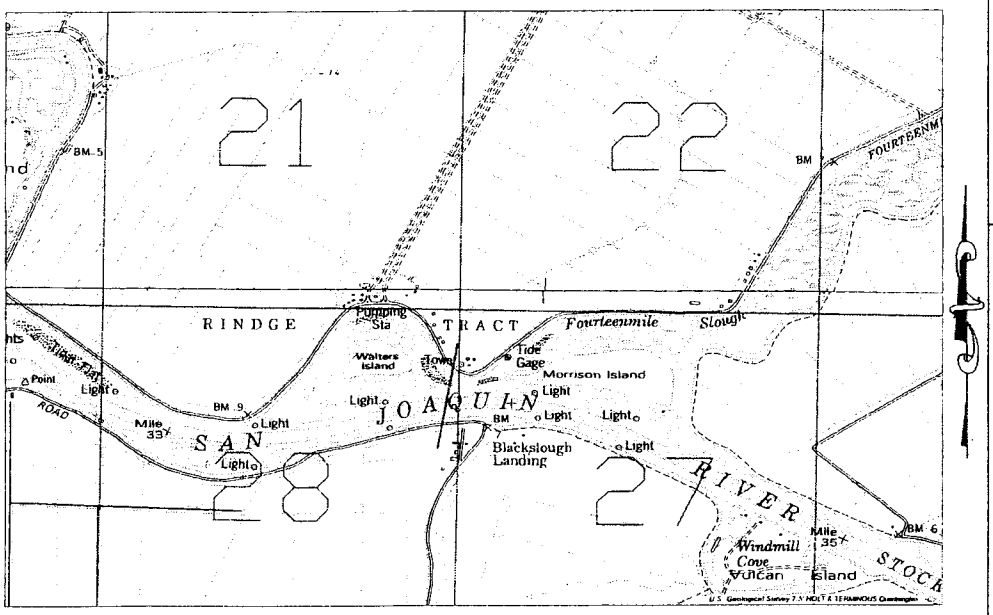


EXHIBIT A

PRC 8379.1

APN 071-050-13
Delta Gas Gathering, Inc.
General Lease - R/W
San Joaquin County

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by 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.

CALENDAR PAGE

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DWC 03/11/2002