CALENDAR ITEM

C25

A 34 | 10/16/08
WP 8255.2
S 18 | J. Porter

AMENDMENT OF LEASE

LESSEE:

Questar Southern Trails Pipeline
P.O. Box 45360
Salt Lake City, UT 84145-0433

AREA, LAND TYPE, AND LOCATION:

Six parcels of school lands totaling 40 acres, more or less, located in Section 16, Township 9 North, Range 21 East; Section 36, Township 9 North, Range 20 East; Section 16, Township 8 North, Range 20 East; Section 16, Township 7 North, Range 18 East; Section 16, Township 5 North, Range 15 East; and Section 36, Township 3 North, Range 12 East, SBM, San Bernardino County.

AUTHORIZED USE:

Use and maintenance of an existing 16-inch pipeline used to transport natural gas and two cathodic protection units.

LEASE TERM:

20 years years, beginning December 1, 2000.

CONSIDERATION:

$9,272 per year, subject to modification by Lessor as specified in the Lease.

PROPOSED AMENDMENT:

Authorized improvements are amended to include the construction, use and maintenance of one cathodic protection deep well anode bed. All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Lease No. PRC 8255.2, a General Lease - Right of Way Use, issued to Questar Southern Trails Pipeline (Lessee) by the Commission on November 27, 2000, for a term of 20 years, beginning December 1, 2000.

2. The lease permitted the construction and use of a cathodic protection deep well anode bed, which is used on steel pipelines to protect the pipeline from corrosion by re-directing natural corrosive forces to wires imbedded deep within the ground. These wires eventually wear out and must be replaced. The existing anode bed is reaching the end of its useful life, so the Lessee has applied to amend the lease to authorize the construction, use and maintenance of one new cathodic protection deep well anode bed within the existing lease premises. The existing anode bed will continue to be used for as long as is technologically feasible, at which time the Lessee will apply for a new lease amendment to authorize its abandonment.

3. An EIR (SLC EIR # 696, SCH #1999041103) was prepared and certified for this project and a Mitigation Monitoring Program was adopted by the California State Lands Commission on November 27, 2000.

4. Findings were made by the California State Lands Commission in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, Sections 15901 and 15096) on November 27, 2000.

5. A Statement of Overriding Considerations was made and adopted by the California State Lands Commission in conformance with the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15093) on November 27, 2000.

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 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 the use classification.

EXHIBIT:

A**.** Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT AN EIR WAS PREPARED AND CERTIFIED FOR THIS PROJECT ON NOVEMBER 27, 2000, BY THE CALIFORNIA STATE LANDS COMMISSION.

FIND THAT FINDINGS WERE MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15091 AND 15096(h) ON NOVEMBER 27, 2000.

FIND THAT THE CALIFORNIA STATE LANDS COMMISSION ADOPTED THE STATEMENT OF OVERRIDING CONSIDERATIONS MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15093, ON NOVEMBER 27, 2000.

FIND THAT THE CALIFORNIA STATE LANDS COMMISSION ADOPTED THE MITIGATION MONITORING PROGAM ON NOVEMBER 27, 2000.

SIGNIFICANT LANDS INVENTORY FINDING:

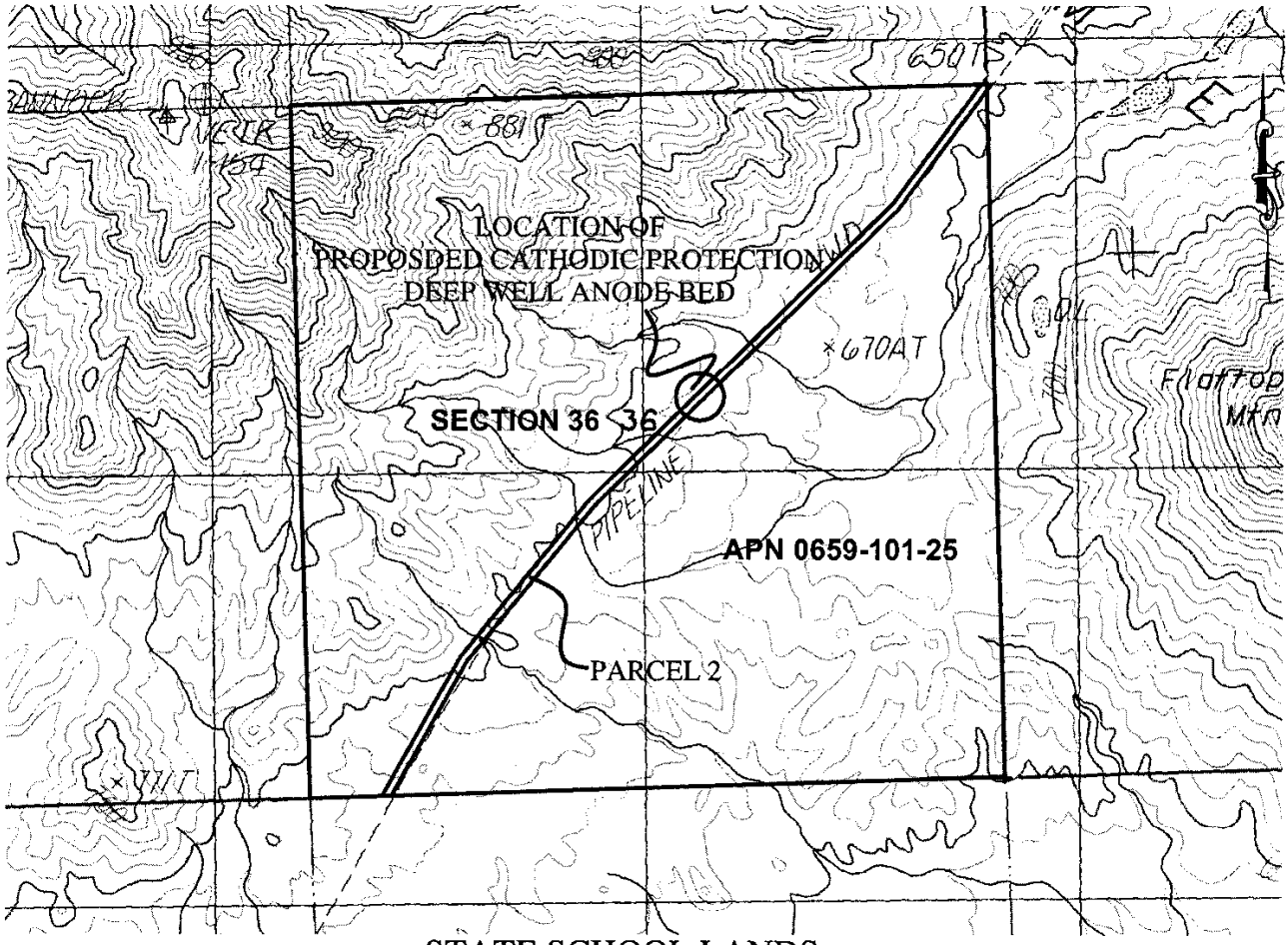
FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8255.2, A GENERAL LEASE – RIGHT OF WAY USE, OF SCHOOL LANDS AS SHOWN ON EXHIBIT A (FOR REFERENCE PURPOSES ONLY), ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE OCTOBER 16, 2008, FOR THE CONSTRUCTION, USE AND MAINTENANCE OF ONE CATHODIC PROTECTION DEEP WELL ANODE BED; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

NO SCALE

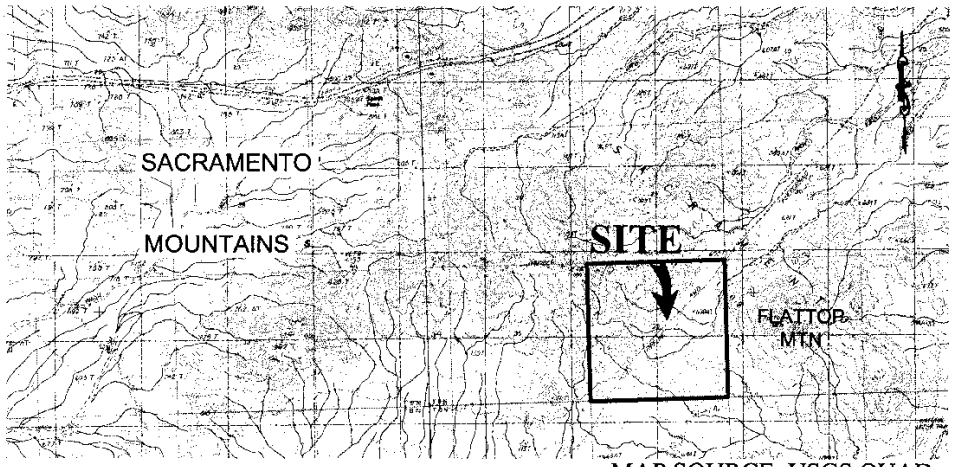
SITE



STATE SCHOOL LANDS
PORTION OF SECTION 36, TOWNSHIP 9 NORTH,
RANGE 20 EAST, SAN BERNARDINO MERIDIAN

NO SCALE

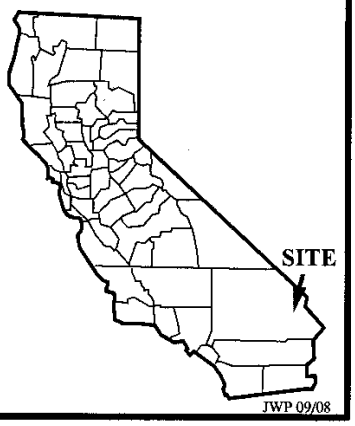
LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8255.2
QUESTAR SOUTHERN
TRAILS PIPELINE
APN 0659-101-25
LEASE AMENDMENT
SAN BERNARDINO
COUNTY



JWP 09/08

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.