

**CALENDAR ITEM
C28**

A 15
S 5

06/28/10
W 26373
M. Clark

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Rosetta Resources Operating LP
1200 17th Street, Suite 770
Denver, Colorado 80202

AREA, LAND TYPE, AND LOCATION:

0.04 acre, more or less, of sovereign land in Sevenmile Slough, adjacent to Assessor's Parcel Numbers 157-0120-027 and 157-0140-020, near the town of Isleton, Sacramento County.

AUTHORIZED USE:

Retention, use, and maintenance of two three-inch diameter natural gas gathering lines encased within two existing eight-inch diameter steel pipelines.

LEASE TERM:

15 years, beginning June 28, 2010.

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:

Insurance:

Liability insurance with combined single limit coverage of no less than \$2,000,000.

Bond:

\$20,000

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.

CALENDAR ITEM NO. C28 (CONT'D)

2. On October 17, 1941, the U.S. Department of War authorized a permit to the Pacific Gas and Electric Company (PG&E) for the installation of two eight-inch diameter natural gas pipelines. On August 3, 2007, PG&E sold the pipelines to Rosetta Resources Operating LP, which is now applying for a General Lease – Right of Way Use.
3. The existing natural gas pipelines (pipelines) were installed in 1942 and built running parallel to each other across Sevenmile Slough from Twitchell Island to Brannan Island. The pipelines are approximately two feet apart and were trenched to a depth of approximately five feet. The dual pipelines surface on both island levees and connect to a single line. The pipelines have been unused since 1987, but since their purchase in 2007, the Applicant has pigged the pipelines and found no obstructions prior to inserting a new three-inch diameter flexible natural gas pipeline into both existing steel pipelines. The existing eight-inch diameter pipelines now act as a steel casing for the new flexible pipe and both are cathodically protected.
4. Staff is recommending that the Commission consider accepting rent in the amount of \$290 for the period from August 3, 2007 through June 27, 2010 and waive any penalty and interest that may have accrued.
5. 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 CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 14, California Code of Regulations, section 15301.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

6. 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.

EXHIBITS:

- A. Site and Location Map
- B. Legal Description

CALENDAR ITEM NO. **C28** (CONT'D)

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 1, Existing Facilities; Title 14, California Code Of Regulations, section 15301.

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:

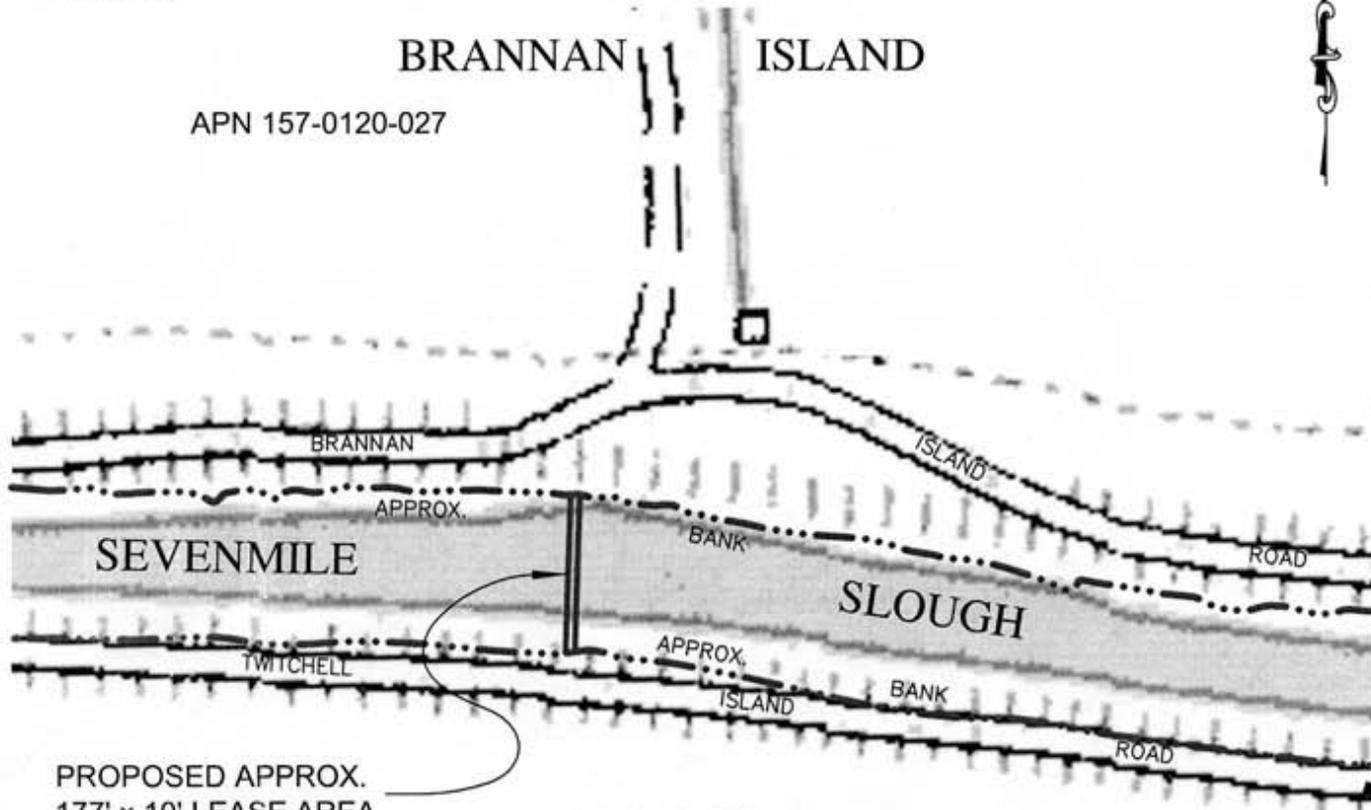
1. Authorize the acceptance of rent in the amount of \$290 for the period of August 3, 2007 to June 27, 2010, and waive any penalty and interest that may have accrued.
2. Authorize issuance of a General Lease – Right of Way Use to Rosetta Resources Operating LP beginning June 28, 2010, for a term of 15 years, for the retention, use, and maintenance of two three-inch existing diameter natural gas gathering lines each encased in an eight-inch diameter steel pipeline as shown on Exhibit A (for reference purposes only) and as described in Exhibit B 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 for combined single limit coverage of no less than \$2,000,000; and surety bond in the amount of \$20,000.

NO SCALE

SITE

BRANNAN ISLAND

APN 157-0120-027



PROPOSED APPROX.
177' x 10' LEASE AREA
OVER EXISTING
PIPELINE CROSSING

157-0140-020

TWITCHELL ISLAND

ROSETTA RESOURCES GAS LINE CROSSING

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

W 26373
ROSETTA RESOURCES
APN 157-0120-026,
157-140-020
GENERAL LEASE
RIGHT OF WAY USE
SACRAMENTO 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.

**EXHIBIT B
LAND DESCRIPTION**

A parcel of tide and submerged land situate in the unincorporated area of the County of Sacramento, State of California, and being a portion of Township 3 North, Range 3 East, Mount Diablo Base and Meridian, being more particularly described as follows:

A strip of land being ten (10.00) feet wide in the bed of Seven Mile Slough and lying five (5.00) feet on each side of the following described centerline:

BEGINNING at the intersection North bank of Seven Mile Slough with said centerline; said point being distant from National Geodetic Survey designation "HPGN D CA 10 MRB" (PID-JS4846), the following two (2) courses and distances: (1) North $84^{\circ}55'37''$ West 30,214.10 feet to National Geodetic Survey designation "HPGN CA 10 11" (PID-JS4672); and (2) South $65^{\circ}27'03''$ East 13,740.94 feet; thence, from said POINT OF BEGINNING and along said centerline, South $01^{\circ}47'50''$ West 176.67 feet to a point on the South bank of Seven Mile Slough.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of Seven Mile Slough.

Sidelines of said strip to be lengthened or shortened as to terminate at the ordinary high water mark on the North and South bank of Seven Mile Slough.

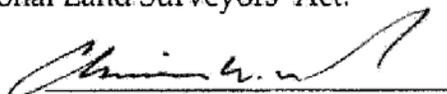
Containing 1,767 square feet of land, more or less.

All bearings and coordinates shown herein are grid and are based on the California Coordinate System of 1983, Zone 2, with an epoch date of 2007.00. All distances are grid and shown in United States survey feet (sft). To obtain ground distances, divided grid distances by the combination factor of 1.000056465.

The basis of bearings for this description is the grid bearing of North $84^{\circ}55'37''$ West between said National Geodetic Survey designation "HPGN D CA 10 MRB" and "HPGN CA 10 11". Said "HPGN D CA 10 MRB" having coordinates of North (Y) 1,808,265.32 sft and East (X) 6,682,012.93 sft. Said "HPGN CA 10 11" having coordinates of North (Y) 1,810,937.00 sft and East (X) 6,651,917.18 sft.

This description was prepared by me or under my direction in accordance with Section 8761 of the Professional Land Surveyors' Act.

End of description.



Christopher W. Lerch



2-10-2010
Date