

MINUTE ITEM

This Calendar Item No. C03 was approved as Minute Item No. 03 by the California State Lands Commission by a vote of 3 to 0 at its 6-14-99 meeting.

**CALENDAR ITEM
C03**

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S 4

PRC8077

06/14/99
W 25535
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:

0.52 acres, more or less, of tide and submerged lands in Steamboat Slough, between Grand Island and Ryer Island, near the town of Walnut Grove, Sacramento and Solano counties.

AUTHORIZED USE:

Installation of a six-inch diameter directionally bored welded steel natural gas pipeline.

LEASE TERM:

20 years, beginning June 14, 1999.

CONSIDERATION:

\$130 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 coverage of no less than \$500,000.

Bond:

\$10,000

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.
2. This project will provide a pipeline connection point on Grand Island, which will provide a sales market for the natural gas from the Sheridan De Matei #1 natural gas well on Grand Island.

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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 Negative Declaration identified as CSLC ND 699, State Clearinghouse No. 99052076. Such Proposed Negative Declaration was prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed 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:

Reclamation District No. 3, Reclamation District 501, State Reclamation Board, United States Army Corps of Engineers, Sacramento County, Solano County, and California Department of Water Resources.

EXHIBITS:

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

PERMIT STREAMLINING ACT DEADLINE:

December, 8, 1999

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CERTIFY THAT A PROPOSED MITIGATED NEGATIVE DECLARATION, CSLC ND NO. 699 STATE CLEARINGHOUSE NO. 99052076 WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

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ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT "C" ATTACHED HERETO.

ADOPT THE PROPOSED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

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 JUNE 14, 1999, FOR A TERM OF 20 YEARS, FOR INSTALLATION OF A SIX-INCH DIAMETER WELDED STEEL NATURAL GAS PIPELINE ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; IN CONSIDERATION OF \$130 PER YEAR, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE COVERAGE OF NO LESS THAN \$500,000; SURETY IN THE AMOUNT OF \$10,000.

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May 24, 1999

LAND DESCRIPTION

A strip of tide and submerged lands, 50 feet wide, in the bed of Steamboat Slough lying northerly of Howard Landing, Grand Island, Sacramento County, California lying 25 feet on each side of the flowing described centerline:

BEGINNING at station 10+52, shown on Dec. 1998 Cross Section Map for Energy Operations management Grand Island - Steamboat Slough prepared by Laugenour and Meikle Civil Engineers and Land Surveyors based in Woodland, California, of centerline of directional bore under Steamboat Slough for 6 inch diameter gas line, being a rebar in top of Grand Island levee; thence along centerline 553 feet to station 4+99 of said centerline, being a rebar in top of Ryer Island levee and the end of herein described centerline.

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

END OF DESCRIPTION

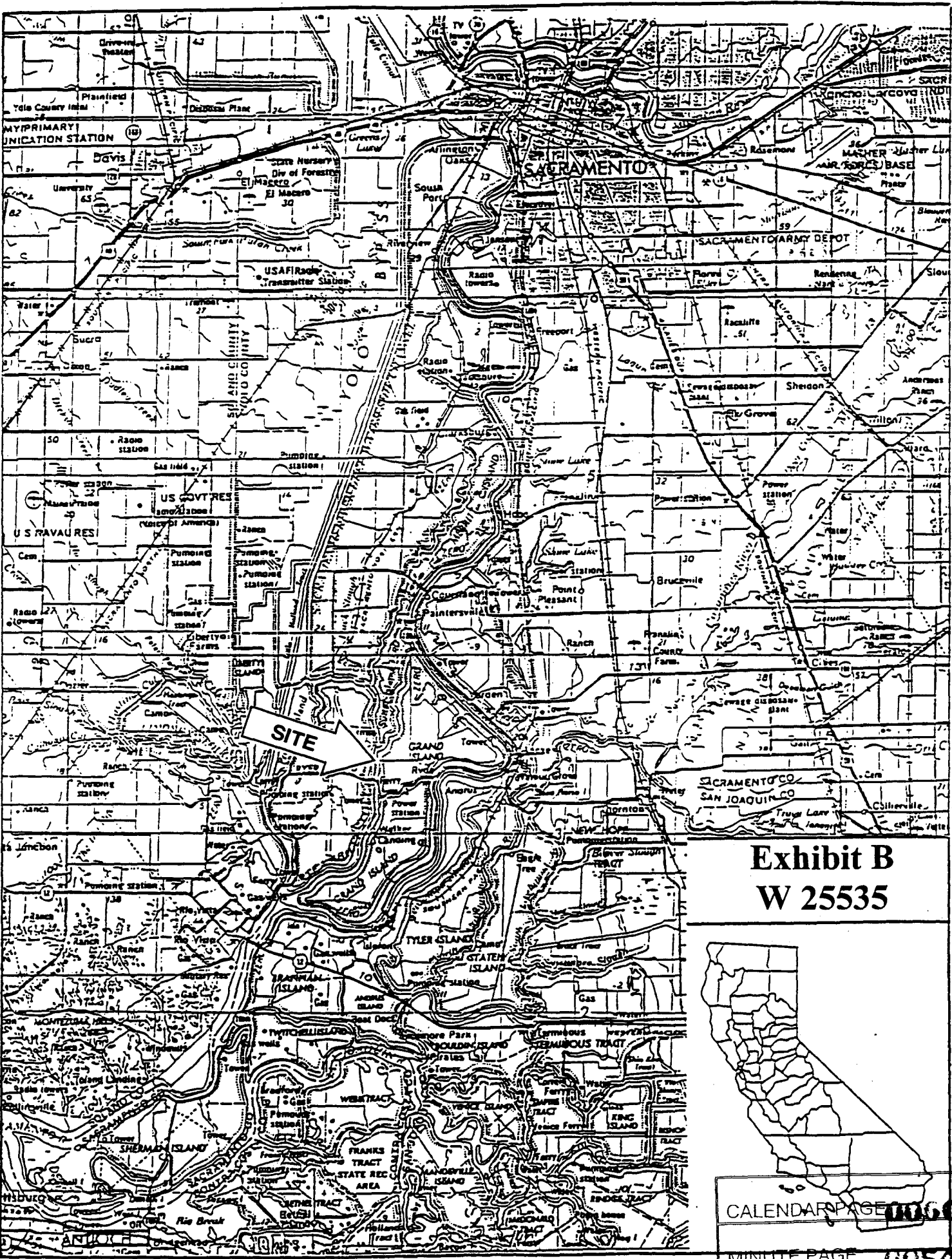
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This exhibit is solely for purposes of generally defining the area to be leased, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or other property.

Exhibit A

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**Exhibit B
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EXHIBIT "C"
GRAND ISLAND NATURAL GAS PIPELINE PROJECT
MITIGATION MONITORING PROGRAM

Impact	Project Modifications	Agency Responsible for Overseeing Implementation	Implementation
Air Quality – There is a potential to generate dust from construction activity on dirt roads and cultivated agricultural land.	The applicant will use water trucks as needed to water construction area and dirt roads.	Sacramento Air Quality Management District/Yolo Solano Air Quality Management District	Applies to the duration of the construction activity.
Biological Resources - There is a potential to impact Giant Garter Snake aquatic habitat that occurs in agricultural ditches; and a potential for loss of wetland vegetation.	The project proponent would construct the pipeline in existing roads and bore under ditches and the slough crossings.	California Department of Fish and Game	Applies to the duration of the construction activity.
Cultural Resources – The potential exists for construction crews to encounter subsurface resources during trenching and boring operations.	If any cultural resources, such as structural features, unusual amounts of bone or shell, artifacts, human remains, or architectural remains are encountered during construction, all work would be suspended and the State Lands Commission Project Manager will be notified. Construction activity will not resume until the find has been evaluated by a qualified archaeologist and the construction site has been cleared for continued work. If human remains are found and determined to be of Native American origin, the requirement for discovery outlined in the Native American Graves Protection and Repatriation Act shall apply.	Staff of the California State Lands Commission in Cooperation with the Office of Historic Preservation and the Native American Heritage Commission, if applicable.	Applies to the duration of the construction activity.

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<p>Geology and Soils – Because of the high peat content of the soils in the Delta region, land subsidence could occur from the proposed boring of the pipeline under the waterways.</p>	<p>The pipeline will be bored to a minimum depth of 35 feet below Steamboat Slough and 15 feet below the Elkhorn Slough bed. Raney Geotechnical of Sacramento will take two soil exploration borings at both entry and exit points of the project and confirm the suitability and stability of the soil for a bore at these locations.</p>	<p>Staff of the California State Lands Commission, or its designated representative.</p>	<p>Applies to the duration of the waterway crossing construction activity.</p>
<p>Hazards and Hazardous Materials – Use and storage of diesel and petroleum-based lubricants will be used on site for the construction vehicles.</p>	<p>Diesel fuel and petroleum-based lubricants will be stored in approved containers and handled in a safe manner. Fuels and lubricants will be kept at a safe distance from any potential ignition sources. A hazardous material contingency plan will be implemented (Refer to Exhibit 3.)</p>	<p>Staff of the California State Lands Commission, or its designated representative.</p>	<p>Applies to the duration of the construction activity.</p>
<p>Noise – The project is located in a sparsely populated rural area with relatively low levels of ambient noise. The proposed project will generate noise from construction equipment.</p>	<p>The construction activity noise would be temporary, lasting approximately three weeks and will be conducted during daylight hours only.</p>	<p>Staff of the California State Lands Commission, or its designated representative.</p>	<p>Applies to the duration of the construction activity.</p>
<p>Water – During the construction boring of the pipeline beneath Steamboat Slough and Elkhorn Slough, there is a potential for a subsurface rupture, or seepage of bentonite slurry into the waterways.</p>	<p>The applicant has developed a “Directionally Drilled River Crossing Subsurface Rupture Contingency Plan”, which will be implemented during the waterway subsurface crossings.</p>	<p>Staff of the California State Lands Commission or its designated representative.</p>	<p>Applies to the duration of the construction activity of the waterway subsurface crossings.</p>

<p>Utilities and Service Systems – The project will generate solid waste in the form of cuttings from the borehole, including bentonite clay slurry.</p>	<p>Solid waste materials will be hauled from the site and disposed of at an approved landfill.</p>	<p>Staff of the California State Lands Commission, or its designated representative.</p>	<p>Applies to the duration of the construction activity.</p>
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