

MINUTE ITEM

This Calendar Item No. C02 was approved as
Minute Item No. 02 by the California State Lands
Commission by a vote of 3 to 0 at its
9-17-01 meeting.

CALENDAR ITEM

C02

A 2

S 4

09/17/01
PRC 7602.1
L. Burks

CONTINUATION OF RENT

LESSEE:

CPN Pipeline Company
50 West San Fernando Street
San Jose, California 95113

AREA, LAND TYPE, AND LOCATION:

0.166 acres, more or less, of submerged lands in the Sacramento River, near
Knights Landing, Sutter County.

AUTHORIZED USE:

Continued use and maintenance of an existing eight-inch diameter natural gas
pipeline which constructed the Knights Landing Eastside Gathering System,
which is an extension of the existing Knights Landing natural gas pipeline. The
construction of this Eastside System brought four additional wells into production
and increased the delivery capability of the Knights Landing pipeline.

LEASE TERM:

20 years, beginning January 1, 1992.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease
term. Pursuant to this provision, staff has conducted a review of the rent under
this lease, and recommends that the rent be continued at \$250 per year, effective
January 1, 2002.

OTHER PERTINENT INFORMATION:

1. This lease was originally issued to Chevron USA in 1992. In 1993
Chevron USA assigned lease to Montis Niger who assigned to Calpine
Corporation, who subsequently assigned to CPN Pipeline.

CALENDAR PAGE	0000007
MINUTE PAGE	0001359

CALENDAR ITEM NO. **C02** (CONT'D)

2. CPN Pipeline Company has not experienced any incidents with this pipeline. This pipeline is regulated by the Department of Transportation, Federal Office of Pipeline Safety. The cathodic protection system was last inspected on November 27, 2000.

EXHIBITS:

- A. Land Description
B. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 7602.1 AT \$250 PER YEAR, EFFECTIVE JANUARY 1, 2002.

CALENDAR PAGE	0000008
MINUTE PAGE	0001360

EXHIBIT "A"

PRC 7602.1

LAND DESCRIPTION

A strip of land 12 feet in width crossing a portion of the Sacramento River within Sec. 30, T 11 N, R 3 E, MDM, located in Sutter and Yolo Counties, California. The centerline of said strip is more directly described as follows:

COMMENCING at a point that bears S 80° 47' 34" E 864.72 feet from the southwest corner of Section 30; thence N 43° 42' 41" E 82.51 feet; thence N 17° 02' 27" E 288.44 feet to a point located at the southerly toe of the Sacramento River access levee and the TRUE POINT OF BEGINNING; thence continuing N 17° 02' 27" E 599.59 feet crossing the Sacramento River to a point at the northerly toe of the Sacramento River access levee and the end of the herein described strip of land. Said point of ending is S 39° 36' 14" W 2523.41 feet from the center of said Section 30.

EXCEPTING THEREFROM any portion lying landward of the ordinary low water mark of the Sacramento River.

END OF DESCRIPTION

PREPARED AUGUST, 1991 BY LLB

SEQUENCE PAGE	0000009
DATE PAGE	0001361

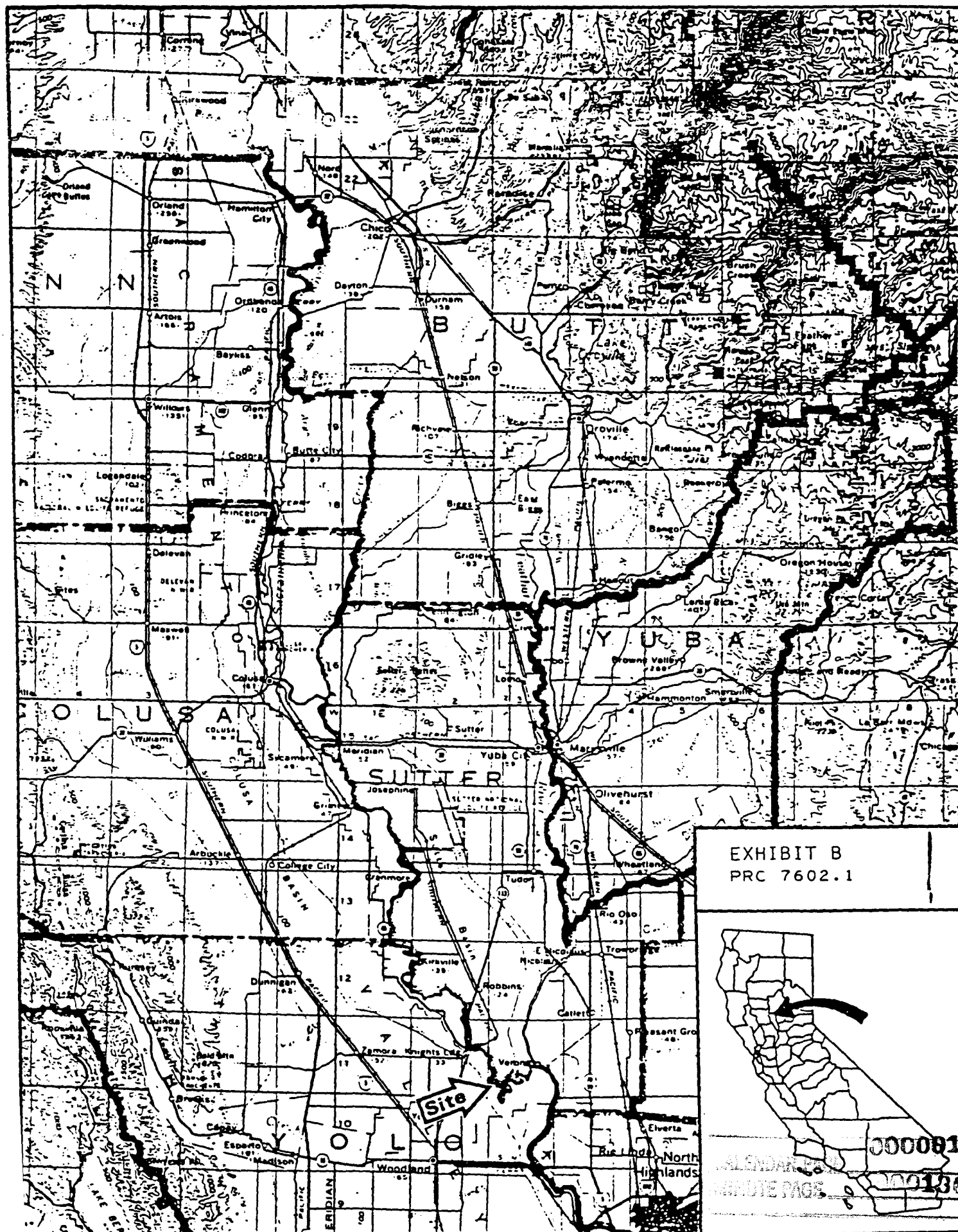
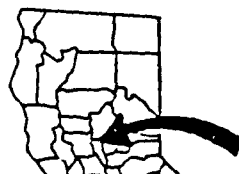


EXHIBIT B
PRC 7602.1



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CALENDAR FOR
MINUTE PAGE 8 0001382