

**MINUTE ITEM**  
This Calendar Item No. C22 was approved as  
Minute Item No. 22 by the California State Lands  
Commission by a vote of 2 to 0 at its  
06/07/04 meeting.

**CALENDAR ITEM**  
**C22**

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S 5

06/07/04  
PRC 8077.1  
T. Lipscomb

**REVISION OF RENT**

**LESSEE:**

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,  
near Walnut Grove, Sacramento and Solano Counties.

**AUTHORIZED USE:**

Continued use and maintenance of an existing six-inch diameter, directionally  
bored, welded steel, natural gas pipeline.

**LEASE TERM:**

20 years, beginning June 14, 1999.

**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 revised from \$130.00 per year to  
\$187.00 per year, effective June 14, 2004.

**SPECIFIC LEASE PROVISIONS:**

Insurance:  
\$500,000 Combined Single Limit.  
Bond:  
\$10,000

**OTHER PERTINENT INFORMATION:**

1. On June 14, 1999, the Commission issued a twenty-year General Lease-  
Right of Way Use to Delta Gas Gathering, Inc. for the installation of a six-  
inch diameter, directionally bored, welded steel, natural gas pipeline.

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CALENDAR ITEM NO. C22 (CONT'D)

2. This pipeline was hydro-tested just after construction was completed in 1999. The pipeline's cathodic corrosion protection system uses magnesium anodes at intervals along the pipeline corridor. The annual CP test was performed October 30, 2003, and all pipe-to-soil potentials were normal and consistent with the prior year's reading. The Regional Water Quality Control Board and the Air Resources Board indicated no violations or citations have been levied in the past five years.

**EXHIBIT:**

- A. Location Map

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

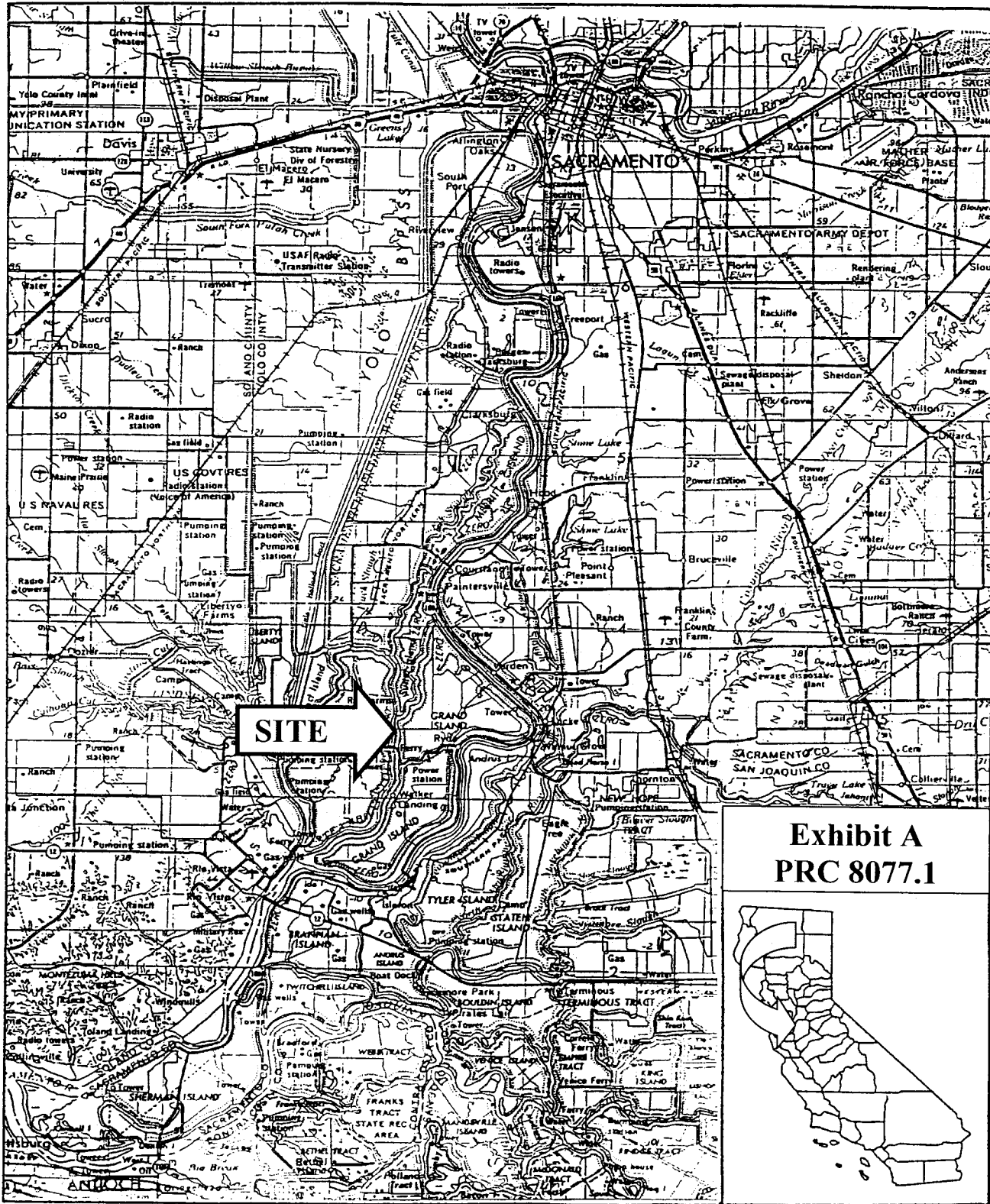
**CEQA FINDING:**

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 RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

**AUTHORIZATION:**

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 8077.1 FROM \$130.00 PER YEAR TO \$187.00 PER YEAR, EFFECTIVE JUNE 14, 2004.

# Location Map



**Exhibit A  
PRC 8077.1**



EXHIBIT CONSTRUCTED FROM USGS QUAD

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 other property.