

MINUTE ITEM

This Calendar Item No. C37 was approved as Minute Item No. 37 by the California State Lands Commission by a vote of 3 to 0 at its 06/26/06 meeting.

CALENDAR ITEM
C37

A 2
S 4

06/26/06
PRC 7602.1
T. Lipscomb

CONTINUATION OF RENT

LESSEE:

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

AREA, LAND TYPE, AND LOCATION:

0.166 acres, more or less, of sovereign lands in the Sacramento River, near Knights Landing, Yolo and counties.

AUTHORIZED USE:

Continued use and maintenance of an existiing 8-inch diameter natural gas pipeline which is part of the Knights Landing Eastside Gathering System.

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, 2007.

OTHER PERTINENT INFORMATION:

1. This lease was originally issued to Chevron USA in 1992. In 1993, Chevron USA assigned the lease to Montis Niger, who later assigned the lease to Calpine Corporation, who subsequently assigned the lease to CPN Pipeline Company.
2. CPN Pipeline Company operates this pipeline system under the guidelines of CPN's Pipeline Integrity Management System and has not experienced any incidents within this pipeline crossing. This pipeline is regulated by the Department of Transportation (DOT), Office of Pipeline Safety; the last

CALENDAR ITEM NO. C37 (CONT'D)

DOT audit was conducted in 2005 with no violations reported. The cathodic protection system is inspected annually.

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 CONTINUATION OF RENT FOR LEASE NO. PRC 7602.1 AT \$250 PER YEAR, EFFECTIVE JANUARY 1, 2007.

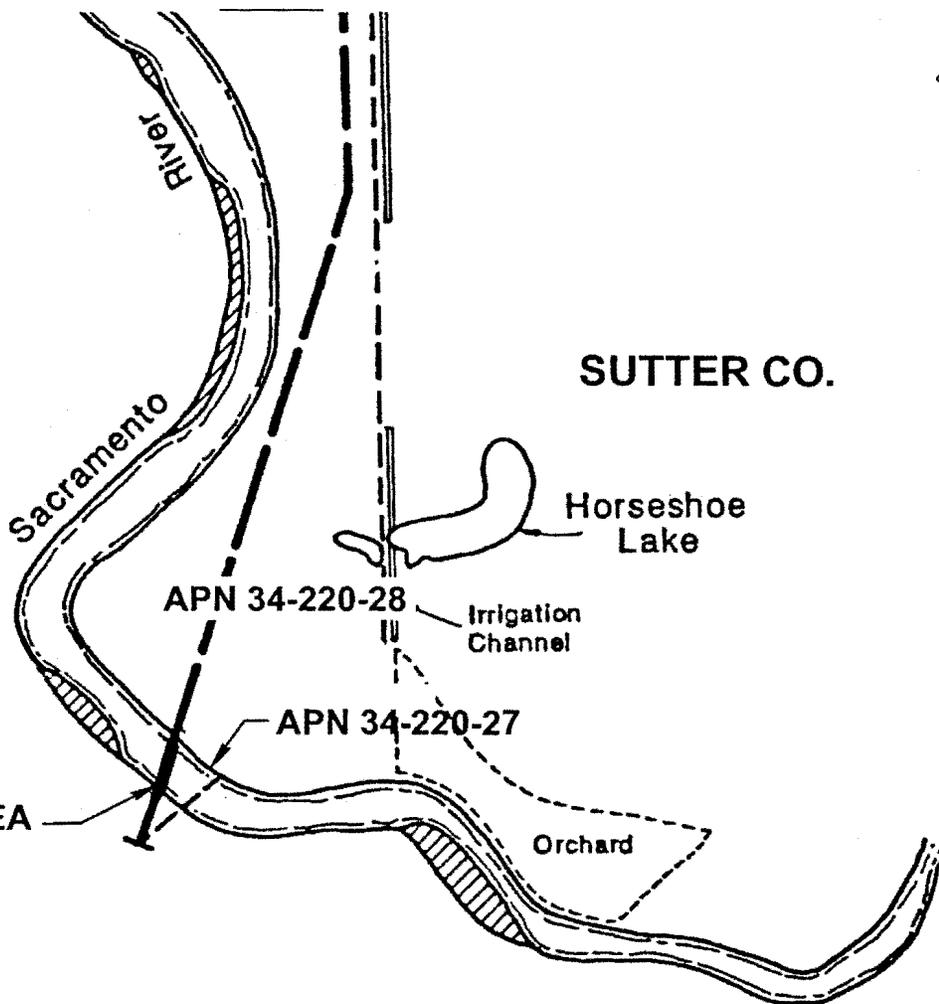
NO SCALE

SITE

YOLO CO.

SUTTER CO.

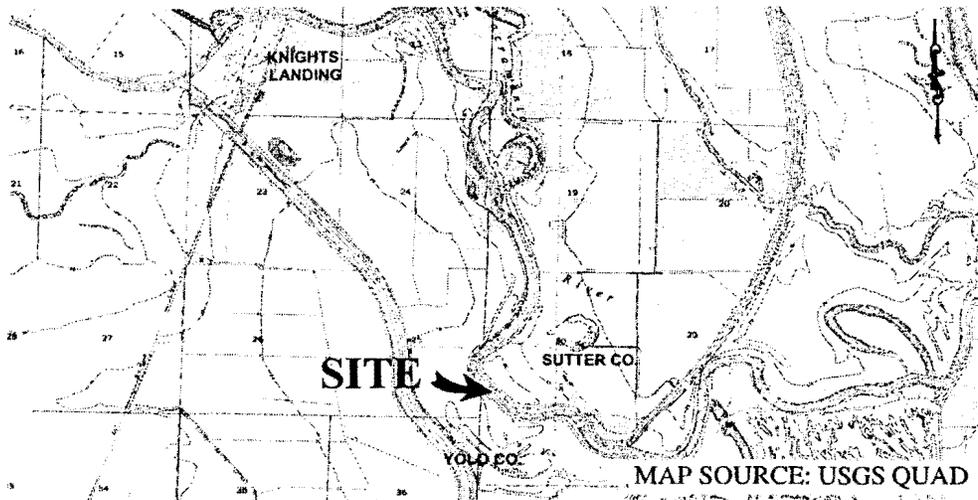
APN 56-230-07



SACRAMENTO RIVER, NEAR KNIGHT'S LANDING

NO SCALE

LOCATION



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 A
CPN PIPELINE CO.
PRC 7602.1
GENERAL LEASE
RIGHT OF WAY USE
SACRAMENTO RIVER
SUTTER/YOLO CO,S



MJ 06/06

000165

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