

MINUTE ITEM
This Calendar Item No. C08 was approved as
Minute Item No. 08 by the California State Lands
Commission by a vote of 3 to 0 at its
06/28/07 meeting.

CALENDAR ITEM
C08

A 34 06/28/07
S 18 PRC 8411.2 and PRC 8412.2
B. Badeker

CONTINUATION OF RENT FOR TWO GENERAL LEASES - RIGHT OF WAY USE

LESSEE:

Kern River Gas Transmission Company
P.O. Box 71400
Salt Lake City, UT 84171

AREA, LAND TYPE, AND LOCATION:

One parcel of State school land located in Section 36, T14N, R6E, SBM and one
parcel of State school land located in Section 16, T17N, R14E, SBM, San
Bernardino County.

AUTHORIZED USE:

Continued use and maintenance of an existing 36-inch diameter natural gas
pipeline for the transport of natural gas.

LEASE TERM:

19 years, beginning August 1, 2002.

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 \$3,384 per year for
PRC 8411.2 and \$3,826 for PRC 8412.2, effective August 1, 2007.

OTHER PERTINENT INFORMATION:

1. On August 14, 2002, the Commission authorized two General Leases
Right-Of-Way Use to Kern River Gas Transmission Company for the
construction, use and maintenance of a 36-inch diameter natural gas
pipeline that crosses two parcels of State School land in San Bernardino
County. The leases were issued for a term of 19 years, beginning
August 1, 2002. The existing natural gas pipeline is an interstate pipeline
that begins in Wyoming and terminates at Daggett, California in San
Bernardino County. The pipeline is under the authority of the Federal

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Department of Transportation (DOT) pursuant to Title 49, Code of Federal Regulations, Part 192, and was last inspected on June 2004 with no deficiencies reported.

EXHIBITS:

- A. Site and Location Map, PRC 8411.2
- B. Site and Location Map, PRC 8412.2

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

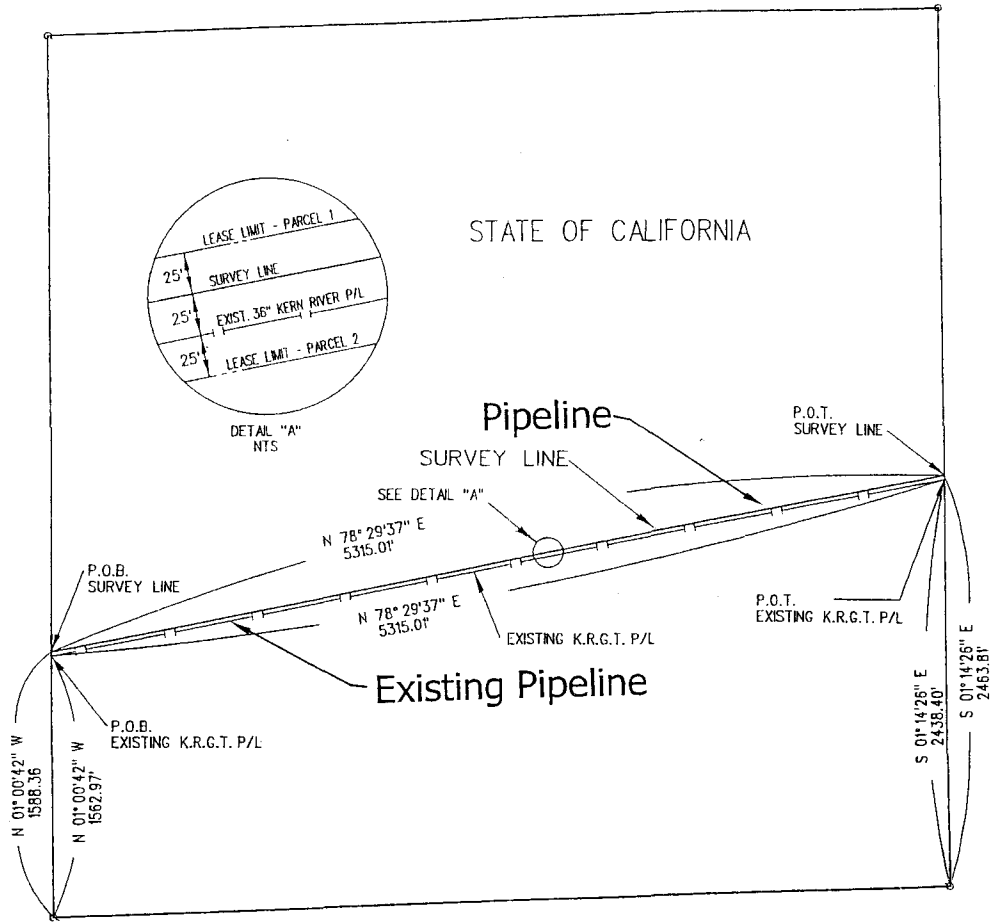
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 8411.1 AT \$3,384 PER YEAR AND FOR LEASE NO. PRC 8412.2 AT \$3,826 PER YEAR, EFFECTIVE AUGUST 1, 2007.

NO SCALE

SITE



Sec.16 T17N R14E, SBM

NO SCALE

LOCATION

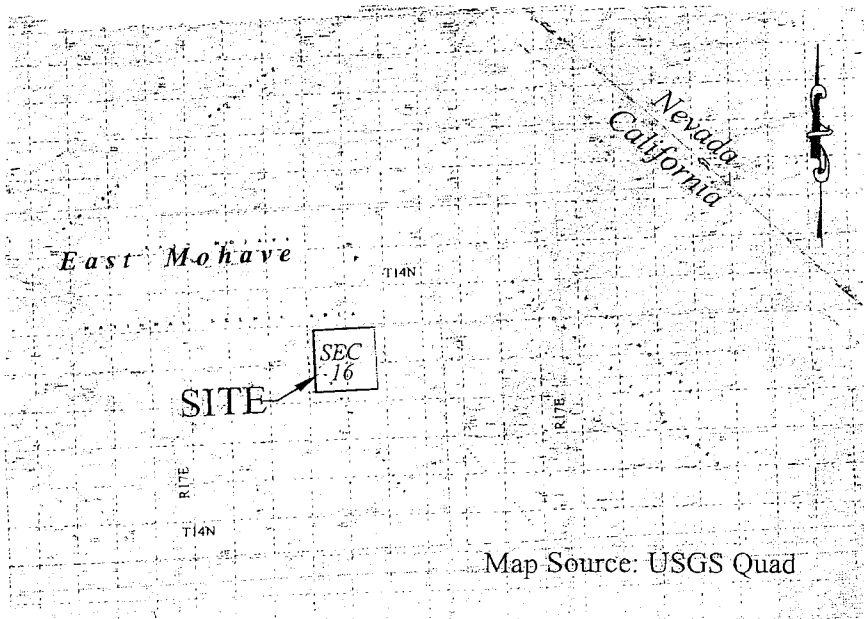


Exhibit B

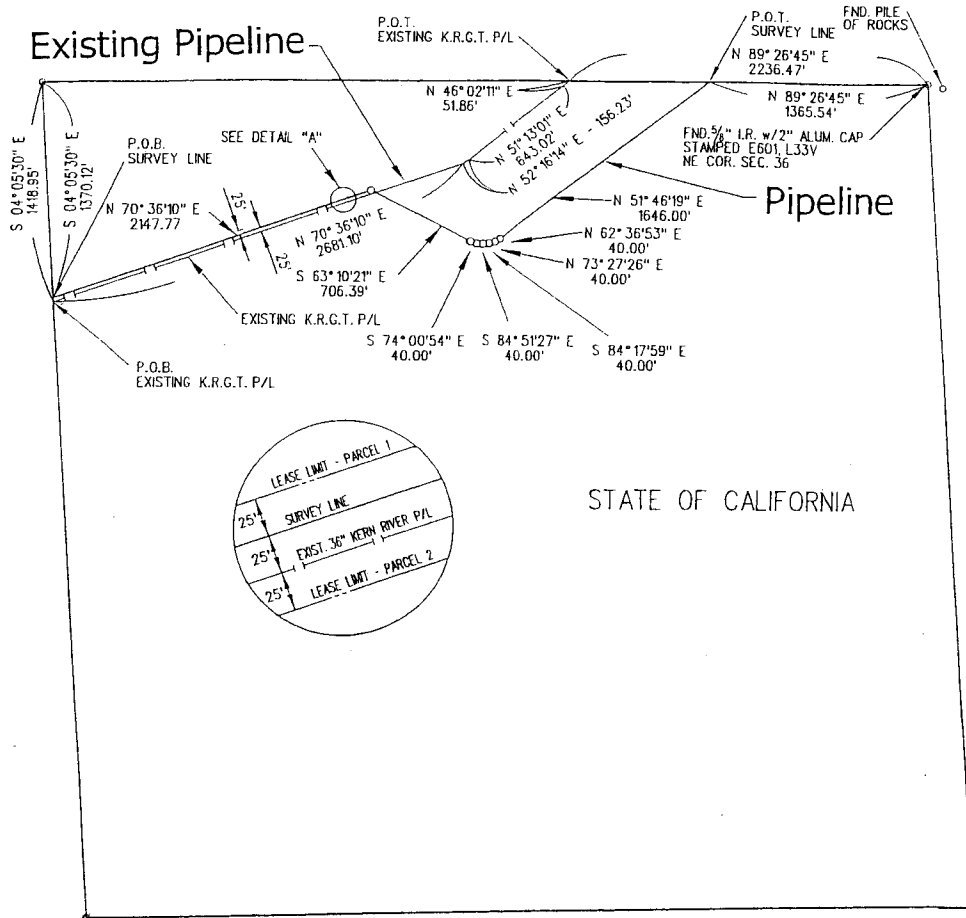
PRC 8412.2
 KERN RIVER GAS TRANSMISSION CO.
 GENERAL LEASE-RIGHT OF WAY USE
 SCHOOL LANDS
 SAN BERNARDINO COUNTY



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.

NO SCALE

SITE



Sec.36, T14N, R6E, SBM

NO SCALE

LOCATION

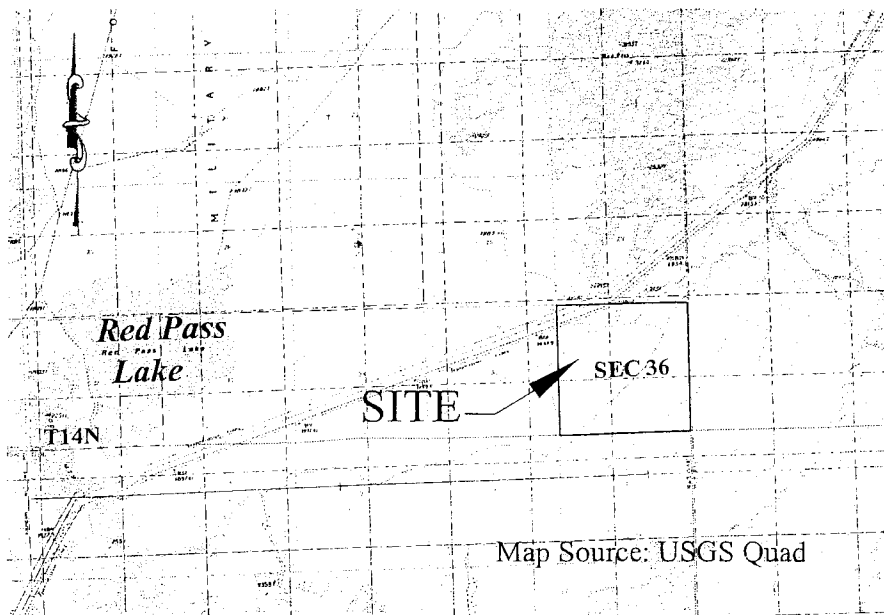


Exhibit A

PRC 8411.2
 KERN RIVER GAS TRANSMISSION CO.
 GENERAL LEASE-RIGHT OF WAY USE
 SCHOOL LANDS
 SAN BERNARDINO COUNTY



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