

**CALENDAR ITEM
C23**

A	34, 65	10/29/10
		WP 1801.2
S	18	WP 1813.2
		WP 1826.2
		WP 1827.2
		WP 2530.2
		WP 2531.2
		C. Hudson

GENERAL LEASE – RIGHT OF WAY USE

APPLICANT:

Southern California Gas Company
Land and Right of Way
555 W. 5th Street, M.L. GT26C2
Los Angeles, CA 90013

AREA, LAND TYPE, AND LOCATION:

48.04 acres, more or less, on six parcels of State school land in portions of Section 36, Township 10 North, Range 13 East, SBM; Section 36, Township 10 North, Range 14 East, SBM; Section 16, Township 7 North, Range 1 East, SBM; Section 16, Township 7 North, Range 10 East, SBM; Section 16, Township 7 North, Range 13 East SBM; and Section 16, Township 7 North, Range 21 East, SBM; near Twenty Nine Palms, San Bernardino County

AUTHORIZED USE:

Operation, use, and maintenance of an existing 30-inch diameter natural gas pipeline (known as Lines 235 and 3000) and a 34-inch diameter natural gas pipeline (Line 235), as shown on the attached Exhibit A.

LEASE TERM:

25 years, beginning October 29, 2010.

CONSIDERATION:

\$16,794 per year, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease.

CALENDAR ITEM NO. **C23** (CONT'D)

SPECIFIC LEASE PROVISIONS:

Liability insurance with coverage of no less than \$2,000,000. Applicant may satisfy all or part of the insurance requirements through maintenance of a staff approved self-insurance program as outlined in the Lease.

OTHER PERTINENT INFORMATION:

1. Between October and November 1956, the Commission authorized four Right of Way Easements for the construction, maintenance, and use of a 30-inch diameter natural gas pipeline, now known as Lines 235 and 3000, to Southern California Gas Company and Southern Counties Gas Company of California. The two entities merged in 1970 to form Southern California Gas Company, the current lessee. The leases are Lease Nos. PRC 1801.2, 1813.2, 1826.2, and 1827.2. Each of the leases had 49-year terms, which expired between October and November 2005.
2. Between March and August 1960, the Commission authorized two Right of Way Easements for the construction, maintenance, and use of a 34-inch diameter natural gas pipeline, known as Line 235, to Pacific Gas Lighting Supply Company. In 1970, Pacific Gas Lighting Supply Company was merged into Southern California Gas Company, the current lessee. These leases are Lease Nos. PRC 2530.2 and 2531.2, and both had 49-year terms that expired in 2009.
3. Lines 235 and 3000 run roughly parallel to each other in an east to west direction and are located in the same general area near the Twenty Nine Palms Marine Corps Base in San Bernardino County. Because of their common use and proximity, it has long been the desire of both Commission staff and the Applicant to merge the six leases involving Lines 235 and 3000 into one lease. The Applicant is now applying for a new General Lease – Right of Way Use, which would be referenced as Lease No. PRC 1801.2.
4. Southern California Gas Company's Gas Control Department monitors gas flow rates and pressures in all lines and operates a 24-hour emergency shutdown system. Automatic line break controls exist on all main gas line valves located along the pipeline. The controls isolate a pipeline section in the event the pipeline loses pressure integrity. In addition, the gas line is protected by an impressed electrical current and is monitored according to 49 CFR 192 Subpart M.

Lines 235 and 3000 were pressure tested just prior to being placed in service. However, since the gas lines were placed into operation, routine inspections and maintenance have been conducted by the company's

CALENDAR ITEM NO. **C23** (CONT'D)

personnel in accordance with 49 CFR 192 Subpart M, along with the pipeline patrols and leak surveys that are completed annually. Southern California Gas Company also provides a pipeline aerial patrol over the pipeline rights of way once every two weeks. The aerial surveillance operation is performed in addition to pipeline ground patrols.

In July 2005, Line 235 was internally inspected between Newberry Compressor Station and Main Line Valve 17. The inspection was performed using an in-line inspection device (smart pig). The remaining sections of Line 235 and Line 3000 in its entirety have not been internally inspected with a smart pig, but are scheduled for in-line inspections in late 2010.

5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

6. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

EXHIBITS:

- A. Site and Location Map
- B. Land Description

CALENDAR ITEM NO. **C23** (CONT'D)

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

AUTHORIZATION:

Authorize issuance of a General Lease – Right of Way Use to Southern California Gas Company beginning October 29, 2010, for a term of 25 years, for operation, use, and maintenance of an existing 30-inch diameter natural gas pipeline (Line 235) and a 34-inch diameter natural gas pipeline (Line 3000) as shown on Exhibit A (for reference purposes only) and as described on Exhibit B attached and by this reference made a part hereof; annual rent in the amount of \$16,794 with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and General Liability insurance with coverage of no less than \$2,000,000; Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the lease.

NO SCALE

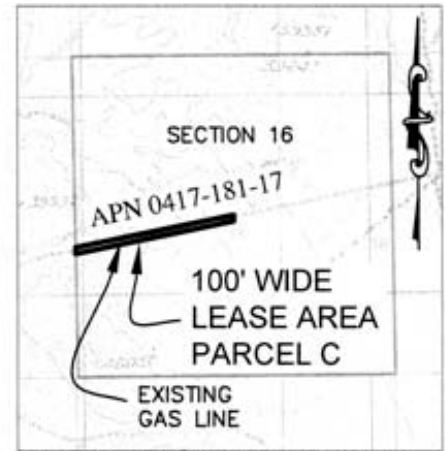


SECTION 36, TOWNSHIP 10 NORTH, RANGE 13 EAST S.B.M.

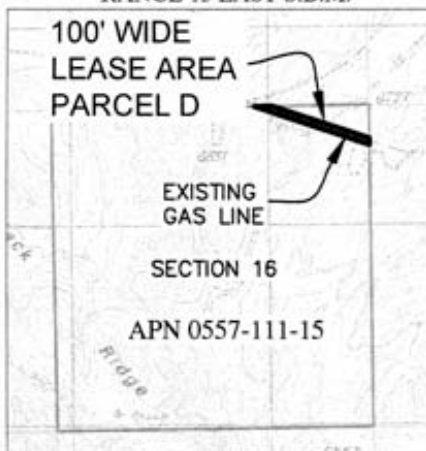
SITE



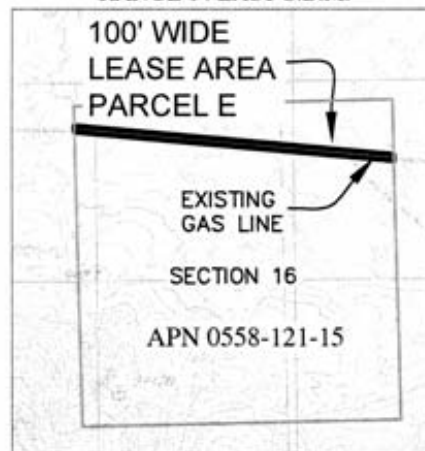
SECTION 36, TOWNSHIP 10 NORTH, RANGE 14 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 1 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 10 EAST S.B.M.



SECTION 16, TOWNSHIP 7 NORTH, RANGE 13 EAST S.B.M.

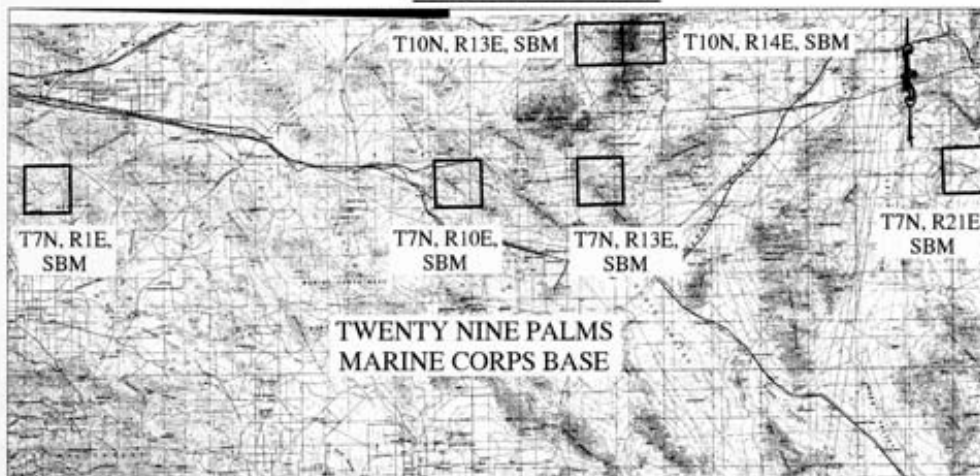


SECTION 16, TOWNSHIP 7 NORTH, RANGE 21 EAST S.B.M.

SCHOOL LANDS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

WP 1801.2
 SOUTHERN CALIFORNIA
 GAS COMPANY
 GENERAL LEASE -
 RIGHT OF WAY USE
 SAN BERNARDINO COUNTY



DJF 07/10

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 B

WP 1801.2

LAND DESCRIPTION

Six Parcels of State owned School Lands situate in the County of San Bernardino, State of California, more particularly described as follows:

PARCEL A

A strip of land 50 feet in width, being a portion of Section 36, T. 10 N., R. 13 E., S.B.B.&M., San Bernardino County, the centerline of which is described as follows:

Beginning at a point in the east line of said Section 36, from which point the northeast corner of said section bears North $1^{\circ}23'45''$ W., 1771.19 feet; thence from said point of beginning:

1. North $65^{\circ}28'42''$ W., 687.55 feet; thence
2. South $87^{\circ}30'44''$ W., 1537.57 feet; thence
3. South $62^{\circ}12'47''$ W., 579.04 feet; thence
4. South $59^{\circ}47'12''$ W., 1559.97 feet; thence
5. South $74^{\circ}36'44''$ W., 1271.27 feet to a point in the west line of said Section 36 which bears South $1^{\circ}23'45''$ E., 2779.42 feet from the northwest corner thereof, containing 6.47 acres, more or less.

The basis of bearings of the hereinabove described land is the Lambert Coordinate System of the State of California, Zone 5.

The above described Parcel A was based on that original description as found in PRC file 2530.2 under the signed lease document Rev. 2/58.

PARCEL B

A strip of land 50 feet in width, being a portion of Section 36, T. 10 N., R. 14 E., S.B.B.&M., the centerline of which is described as follows:

Beginning at a point in the east line of said Section 36, T. 10 N., R. 14 E., S.B.B. & M., distant thereon North $1^{\circ}30'30''$ W. 1173.33 feet from the southeast corner of said Section 36; thence North $88^{\circ}37'10''$ W. 5279.16 feet to a point in the west line of said Section 36, containing 6.060 acres, more or less.

The basis of bearings of the hereinabove described land is the Lambert Coordinate System of the State of California, Zone 5.

The above described Parcel B was based on that original description as found in PRC file 2531.2 under the signed lease document Rev. 2/58.

PARCEL C

That portion of the West half of Section 16, Township 7 North, Range 1 East, San Bernardino Base and Meridian, being a strip of land 100 feet in width, lying 37.50 feet southerly of and 62.50 feet northerly of the following described line:

Beginning at the southwest corner of Section 17, Township 7 North, Range 1 East, San Bernardino Base and Meridian; thence North 89°28'17" East, along the southerly line of said Section 17, a distance of 260.63 feet; thence North 65°40'25" East, 4828.73 feet; thence North 78°27'02" East, 550 feet to the true point of beginning, which is a point in the westerly line of said west half of Section 16; thence continuing North 78°27'02" East, 2798 feet to the easterly line of said west half of Section 16.

The side lines of the above described right of way shall be prolonged or shortened so as to terminate in said easterly and westerly lines of the west half of Section 16.

The above described Parcel C was based on that original description as found in PRC file 1801.2 under the signed lease document Rev. 8/49.

PARCEL D

That portion of the northwest quarter of Section 16, T. 7 N., R. 10 E., S.B.B. & M., being a strip of land 100 feet in width, lying 37.50 feet southerly of and 62.50 feet northerly of the following described line:

Beginning at the southwest corner of Section 7, T. 7 N., R. 10 E., S.B.B. & M.; thence North 0°30'02" West, along the westerly line of said Section 7, a distance of 1539.88 feet; thence South 89°46'02" East, 5670.14 feet; thence South 82°43'02" East, 6509.77 feet; thence South 71°43'17" East, 1932 feet to the true point of beginning, which is a point in the northerly line of said northeast quarter of Section 16; thence continuing South 71°43'17" East, 1635.82 feet to a point which bears South 22°13'13" West, 569.30 feet from the northeast corner of said Section 16; thence continuing South 71°43'17" East, 235.18 feet to the easterly line of said northeast quarter of Section 16.

The side lines of the above described right of way shall be prolonged or shortened so as to terminate in said northerly and easterly lines of the northeast quarter of Section 16.

The above described Parcel D was based on that original description as found in PRC file 1827.2 under the signed lease document Rev. 8/49.

PARCEL E

That portion of the north half of Section 16, T. 7 N., R. 13 E., S.B.B. & M., being a strip of land 100 feet in width, lying 37.50 feet southerly of and 62.50 feet northerly of the following described line:

Beginning at the northeast corner of Section 25, T. 7 N., R. 14 E., S.B.B. & M., thence South $1^{\circ}09'48''$ West, along the easterly line of said Section 25, a distance of 356.91 feet; thence South $88^{\circ}24'48''$ West, 4751.47 feet; thence North $75^{\circ}47'35''$ West, 3666.75 feet; thence North $57^{\circ}17'35''$ West, 1828.00 feet; thence North $79^{\circ}23'43''$ West, 16782.22 feet; thence North $77^{\circ}51'50''$ West, 16158.30 feet, thence North $78^{\circ}38'20''$ West, 5663.01 feet; thence North $84^{\circ}21'05''$ West, 505 feet to the true point of beginning, which is a point in the easterly line of said north half of Section 16; thence continuing North $84^{\circ}21'05''$ West, 5330 feet to the westerly line of said north half of Section 16.

The side lines of the above described right of way shall be prolonged or shortened so as to terminate in said easterly and westerly lines of said North half of Section 16.

The above described Parcel E was based on that original description as found in PRC file 1826.2 under the signed lease document Rev. 8/49.

PARCEL F

That portion of the north half of Section 16, Township 7 North, Range 21 East, San Bernardino Base Meridian, being a strip of land 100 feet in width, lying 37.50 feet southerly of and 62.50 feet northerly of the following described line:

Beginning at the southeast corner of Section 24, Township 7 North, Range 21 East, San Bernardino Base and Meridian; thence North $1^{\circ}09'31''$ West, along the easterly line of said Section 24, a distance of 939.70 feet; thence North $70^{\circ}07'46''$ West, 5837.70 feet to a point hereinafter referred to as Point "A", which bears North $4^{\circ}18'16''$ West, 2966.90 feet from the southwest corner of said Section 24; thence continuing North $70^{\circ}07'46''$ West, 11186 feet to the true point of beginning, which is a point in the easterly line of said Section 16; thence continuing North

70°07'46" West, 5621 feet to a point in the westerly line of said Section 16, which bears North 70°07'46" West, 16807.44 feet from the hereinbefore mentioned Point "A".

The side lines of the above described right of way shall be prolonged or shortened so as to terminate in said easterly and westerly lines of Section 16.

The above described Parcel F was based on that original description as found in PRC file 1813.2 under the signed lease document Rev. 8/49.

END OF DESCRIPTION

Prepared on 07/27/2010 by the California State Lands Commission Boundary Unit.

