

MINUTE ITEM

This Calendar Item No. 18
was approved as Minute Item
No. 18 by the State Lands
Commission by a vote of 3
to 0 at its 9-25-76
meeting.

MINUTE ITEM

3/25/76
HAM

18. INDUSTRIAL LEASE FOR PIPELINE PURPOSES, SOVEREIGN LAND
IN SACRAMENTO, YOLO, CONTRA COSTA AND SOLANO COUNTIES; SHELL
OIL COMPANY - W 20991, PRC 5107.

During consideration of Calendar Item 18, Mr. William F.
Northrop, Executive Officer, commended the cooperation shown
by Shell during negotiations of the alternate pipeline route.

Mr. Northrop reported that in previous discussions with
members of the Commission, it was suggested the item be
deferred pending the outcome of the Executive Session of the
Commission, immediately following this regular meeting. He
stated the Division's throughput concept would be the subject
of the Executive Session.

In light of the cooperation displayed by Shell, Acting
Chairman Roy M. Bell requested assurance that deferment of the
item would not cause damage to Shell.

Mr. Leslie Hood, representing the California Natural Areas
Coordinating Council, appeared. Mr. Hood expressed support
of the item based on the new alternate pipeline route which
resulted from the subject negotiations. In summary, Mr. Hood
expressed the following points:

1. He hoped Shell's new alternate pipeline route would
establish a precedent since the pipeline was
rerouted to avoid an environmentally significant
area.
2. However, because of the long-term, eventual
effects the alternate route might cause to the
area, he hoped the route would not be the major
pipeline corridor.
3. Mr. Hood commended the Division's staff and Shell
for their help and cooperation during the negotiations.

Mr. William Holliman, attorney representing Shell Oil Company,
appeared in support of the item. Mr. Holliman also commended
the Division staff on the time spent concerning the significant
comments which were received in connection with the original
EIR.

With respect to deferring the item, Mr. Holliman requested that
the Commission at this meeting 1) certify that the EIR is
adequate according to CEQA (Staff Recommendation #2); and
2) determine that there are no significant environmental
effects (Staff Recommendation #3). He stated these approvals
were necessary based on the fact that Shell cannot file

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applications with the San Francisco Bay Conservation and Development Commission or the U. S. Army Corps of Engineers until these findings have been made by the Commission. He also indicated there is a limited period in which to apply for the above permits after certification by the Commission.

With regard to the throughput concept, Mr. Hollimar stated Shell has reviewed the staff report, and agrees with the concept. He further stated that because the proposed lease includes a provision to incorporate the throughput charge--should it be established--he hoped the Commission would approve the item.

In answer to Acting Chairman Bell's question concerning the damage to Shell if the item were deferred, Mr. Holliman stated damage would result mainly due to the necessity of starting construction during the dry period to avoid the environmental problems which were pointed out in the EIR. Acting Chairman Bell stated he personally agreed with Mr. Holliman's bases for not deferring the item. However, since the other members did not agree, he suggested, as an alternative, the Commission just approve the first three staff recommendations dealing with the EIR, and defer acting on No. 4--authorizing the issuance of the lease--until the following meeting. Acting Chairman Bell also wanted the record to be clear that the EIR on which the Commission is presently acting covers the alternate pipeline route; Mr. Holliman so clarified.

After consultation with counsel from the Division, the Office of the Attorney General, and Shell Oil Company, it was agreed the Commission could act on the first three recommendations and defer action on No. 4 until the next meeting, at which time appropriate language regarding throughput would be inserted in the lease.

The Commission unanimously approved the following resolution, as amended:

THE COMMISSION:

1. DETERMINES THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFIES THAT THE FINAL ENVIRONMENTAL IMPACT REPORT #186 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINES THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

CALNDAR ITEM

18

3/76
HAM
W 20991

INDUSTRIAL LEASE FOR PIPELINE PURPOSES

APPLICANT: Shell Oil Company
c/o R. G. Ryman, Attorney-in-Fact
P. O. Box 2648
2 Shell Plaza
Houston, Texas 77001

AREA, TYPE LAND AND LOCATION:
10.901 acres of submerged sovereign land, in
Sacramento, Yolo, Contra Costa and Solano
Counties.

LAND USE: Industrial, natural gas pipeline for the
installation, use and maintenance of a gas
pipeline from Sacramento to the Shell Oil
Company refinery in Martinez.

TERMS OF PROPOSED LEASE:

Initial period: 15 years from April 1, 1976.

Renewal options: 2 successive periods of 10
years each.

Surety bond: \$100,000

Public liability insurance: \$1,000,000 per
occurrence for bodily injury
and property damage.

Special: The pipeline shall be used
solely for the transportation
of natural gas for process
feed and process fuel at Lessee's
refinery in Martinez.

CONSIDERATION: \$2,676.88 per annum, with the State reserving
the right to fix a different rental on each
fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

1 1/2 cents per diameter inch of pipeline or
conduit, per lineal foot as to the crossing
at Suisun-Honker Bay (Solano County and Contra
Costa County) and \$1.00 minimum rentals each
as to the balance of the crossings.

A 4, 5, 10

S 3, 4, 7

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PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of most upland parcels, and is in the process of completing its right of way acquisition.

Filing fee and \$200 environmental costs has been received. Staff has incurred substantial expense in EIR evaluation and circulation and will bill the applicant for expenses exceeding the \$200 previously received.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code: Div. 6, Parts 1 & 2.
- B. Administrative Code: Title 2, Div. 3, Arts. 1, 2, 10 & 11.

OTHER PERTINENT INFORMATION:

1. This project is partially situated on State land identified as environmentally significant, pursuant to Public Resources Code 6370.1, and is classified in a significant use category, Class B: Limited Use and Class C: Multiple Use. The project is determined to be a compatible use consistent with identified significant environmental values. Staff has consulted nominating agencies as to these lands and is satisfied that adequate protective measures will be taken to preserve the environmental values therein.
2. A final environmental impact report was prepared by the Division pursuant to CEQA and implementing regulations.
3. A pipeline will be 10 3/4 inches in diameter in its crossing of Suisun Bay, Roaring River Slough, Grizzly Slough and Montezuma Slough. At the Sacramento River (Elkhorn) crossing, the pipe will be 8 5/8 inches in diameter, and 6 5/8 inches in diameter as it crosses the Sacramento (north) River.

EXHIBITS: A. Land Description. B. Location Map.
C. Summary of Final Environmental Impact Report.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.

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2. CERTIFY THAT THE FINAL ENVIRONMENTAL IMPACT REPORT #186 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE ISSUANCE TO SHELL OIL COMPANY OF A 15-YEAR LEASE FROM APRIL 1, 1976, WITH LESSEE'S OPTION TO RENEW FOR 2 SUCCESSIVE PERIODS OF 10 YEARS EACH; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$2,676.88 WITH STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE, AND WITH THE RIGHT TO FIX A DIFFERENT RENTAL DURING THE FIRST YEAR OF THIS LEASE RETROACTIVE TO APRIL 1, 1976; PROVIDED THAT ANY CHANGE IN THE RENTAL SHALL BE TO THE APPLICABLE RATE, OR BY FOLLOWING THE PROCEDURE FOR DETERMINING THE APPLICABLE RATE OF RENTAL SET FORTH IN TITLE 2 OF THE CALIFORNIA ADMINISTRATIVE CODE; PROVISION THAT THE PIPELINE SHALL BE USED SOLELY FOR THE TRANSPORTATION OF NATURAL GAS FOR PROCESS FEED AND PROCESS FUEL AT SHELL'S REFINERY IN MARTINEZ; PROVISION OF A \$100,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$1,000,000 PER OCCURRENCE FOR BODILY INJURY AND PROPERTY DAMAGE, FOR THE INSTALLATION, USE AND MAINTENANCE OF A NATURAL GAS PIPELINE ON THE LAND DESCRIBED ON EXHIBITS A, A-1, A-2, A-3, A-4, A-5, and A-6, ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment: Exhibit "A" thru "A-6"

EXHIBIT "A"

W 20991

A parcel of tide and submerged land 30 feet wide in the State owned bed of Suisun Bay and Honker Bay, within protracted Section 2, T2N, R1W, and protracted Section 35, T3N, R1W, M.D.M., situate in the Counties of Contra Costa and Solano, State of California, lying 15.00 feet on each side of the following described centerline:

COMMENCING at a 2" iron pipe tagged LS-3169 shown as marking the intersection of the northerly line of the Atchison, Topeka and Santa Fe Railroad with the east line of the W $\frac{1}{2}$ of Section 11 on that map titled "Record of Survey Portion of the SE $\frac{1}{4}$ of Section 10, W $\frac{1}{2}$ of Section 11, T2N, R1W, M.D.M., and Swamp and Overflow Lands Survey No. 67, State of California, County of Contra Costa", filed in the office of the recorder of said county on June 15, 1971, in Licensed Surveyors Map Book 53, page 42; thence from said point of commencement along said northerly line of the Atchison, Topeka and Santa Fe Railroad, S 72° 13' 03" E, 15.74 feet; thence leaving said line, N 00° 01' 00" E, 4661.20 feet to the POINT OF BEGINNING of the herein described centerline; thence N 19° 26' 20" E, 4000.00 feet, more or less, to an intersection with the southerly line of those lands patented by the State of California as Tideland Location No. 42 and the end of said centerline.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared Pat Blake Checked J. J. Gunn, C.E.
Reviewed Donald B. Burtner Date 2/26/76

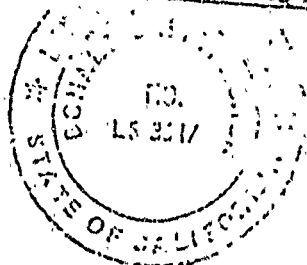


EXHIBIT "A-1"

N 20991

A strip of land 30.00 feet in width lying within the lands described in Tideland Locations No. 42 and No. 43 in protracted Sections 9, 10 and 11, T2N, R1W, M.D.M., situate in Honker Bay, Solano County, California, being 15 feet on each side of the following described centerline:

COMMENCING at a 2" iron pipe tagged L-3169 shown as marking the intersection of the northerly line of the Atchison, Topeka and Santa Fe Railroad with the east line of the W₂ of Section 11 on that map titled "Record of Survey portion of the SW₄ of Section 10, W₂ of Section 11", T2N, R1W, M.D.M., as Swamp and Overflow Survey No. 15, State of California, County of Contra Costa, filed in the office of the recorder of said county on June 15, 1971, in Licensed Surveyors Map Book 53, Page 43; thence from said commencement point along said northerly line of the Atchison, Topeka and Santa Fe Railroad, S 72° 13' 03" E, 15.74 feet; thence leaving said line N 00° 01' 00" E, 4661.90 feet; thence S 18° 26' 20" E, 4000.00 feet; more or less; to an intersection with the southerly described line of said Tideland Location No. 42 and the POINT OF BEGINNING of the herein described centerline; thence N 18° 26' 20" E, 8800 feet, more or less, to the northerly described line of said Tideland Location No. 42 and the end of said centerline.

END OF DESCRIPTION

Prepared R. L. Blake Checked J. A. Runnecke
Reviewed Donald B. Bittner Date 2/26/76
Rev. 3/25/76 XJB

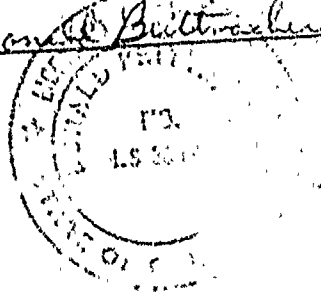


EXHIBIT "A-2"

W 20991

A strip of land 30.00 feet wide in the State owned bed of Roaring River Slough in protracted Section 24, T3N, R1W, M.D.M., County of Solano, State of California, lying 15.00 feet on each side of the following described centerline:

COMMENCING at a 10" diameter iron pipe filled with concrete encasing a 2" iron pipe tagged R.C.E. 11208 which bears N 28° 11' 00" W, 441.91 feet from the most southeasterly corner of Parcel 1 as shown on that certain Parcel Map filed in Book 9 of Parcel Maps, Page 58, in the office of the Solano County Recorder; thence N 35° 36' 33" E, 4966.54 feet to a 5/8" rebar; thence S 20° 22' W, 130.00 feet to the POINT OF BEGINNING of the herein described centerline; thence N 28° 22' E, 200.00 feet to the end of said centerline.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared R. L. Blake Checked J. J. [Signature]
Reviewed [Signature] Date 2/24/76

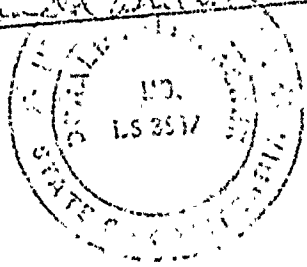


EXHIBIT "A-3"

W 20991

A strip of land 30.00 feet in width, lying in the State owned bed of Grizzly Slough in protracted Section 13, T3N, R1W, M.D.M., County of Solano, State of California, lying 15.00 feet on each side of the following described centerline:

COMMENCING at a 10" diameter iron pipe filled with concrete encasing a 2" iron pipe tagged R.C.E. 11208 which bears N 28° 11' 00" W, 461.91 feet from the most southeasterly corner of Parcel 1 as shown on that certain Parcel Map filed in Book 9 of Parcel Maps, Page 58, in the office of the Solano County Recorder; thence N 30° 31' 52" E, 8069.48 feet to a 5/8" rebar; thence N 25° 22' E, 165.00 feet to the POINT OF BEGINNING of the herein described centerline; thence S 28° 22' 00" W, 400.00 feet to the end of said centerline.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared B. L. Blake Checked A. J. K. K. K.
Reviewed Donald D. K. K. Date 2/26/70

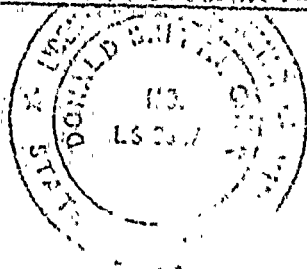


EXHIBIT "A-1"

W 20991

A strip of land 30.00 feet in width, lying in the State owned bed of Montezuma Slough in protracted Section 7, T3N, R1E, M.D.M., Solano County, California; lying 15.00 feet on each side of the following described centerline:

COMMENCING at a 1 1/2" diameter iron pipe marking the most northeasterly corner of the A. W. Ward parcel as shown on Record of Surveys Map - portions of the McDougal Livestock Co. property in Sections 5, 8, and 17, T3N, R1E, M.D.M., recorded in Book of Surveys volume 4, at Page 25, Solano County Records; thence from said point of commencement along the centerline of County Road No. 249 (known as Birds Landing Road), the following two (2) courses: (1) S 66° 40' 17" W, 1923.20 feet and (2) N 84° 38' 43" W, 87.76 feet to a point distant 40.00 feet easterly measured at right angles from an existing Standard Oil Company pipeline; thence parallel with said pipeline, the following two (2) courses: (1) S 09° 52' 00" W, 27.50 feet and (2) S 27° 28' 00" W, 5306.80 feet to the POINT OF BEGINNING of the herein described centerline; thence S 07° 57' 00" E, 495.00 feet to the end of said centerline.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared

R. L. Blake

Checked

H. J. Kannecke

Reviewed

L. O. Smith

Date 2/26/76

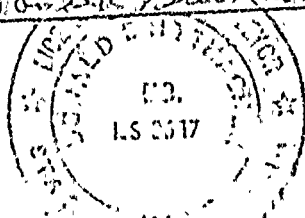


EXHIBIT "A-5"

W 20991

A strip of land 30.00 feet in width, lying in the State owned bed of the Sacramento River, Sacramento and Yolo Counties, State of California, located at River Mile 71.5, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southeast corner of Lot 75 as shown on Map of Natomas Elkhorn Subdivision recorded in Book 15 of Maps, Map No. 42, in the Sacramento County Recorder's Office; thence along the south line of said Lot 75, S 89° 46' 50" W, 1901.33 feet; thence leaving said line N 00° 13' 10" W, 10.00 feet to the POINT OF BEGINNING of the herein described centerline; thence S 7° 13' 10" W, 520.00 feet to the end of said centerline.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared R. L. Blake Checked W. R. R. R. R.
Reviewed Donald J. R. R. R. Date 2/25/76

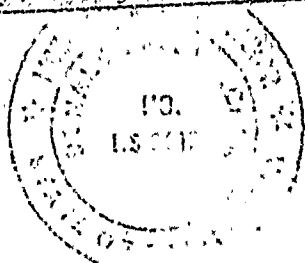


EXHIBIT "A-F"

W 20991

A strip of land 25.00 feet in width, lying in the State owned bed of the Sacramento River, Sacramento and Yolo Counties, State of California, located at river Mile 74.8 approximately 0.8 mile northerly from Elverta Road, lying 12.50 feet on each side of the following described centerline;

COMMENCING at the southeast corner of Lot 181, as shown on Map of Natomas Elberta Subdivision filed in Book 15 of Maps, Map No. 42, in the Sacramento County Recorder's Office; thence N 00° 04' 00" E, 12.50 feet along the east line of said Lot 181; thence leaving said line S 89° 44' 20" W, 2582.00 feet, parallel with the south line of said Lot 181, to the POINT OF BEGINNING of the herein described centerline; thence S 89° 44' 20" W, 615.00 feet to the end of said centerline.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark.

END OF DESCRIPTION

Prepared R. L. Blake Checked A. J. Kummick
Reviewed David B. Birtcher Date 2/26/76

