

MINUTE ITEM

This Calendar Item No. C05
was approved as Minute Item
No. 5 by the State Lands
Commission by a vote of 2
to 0 at its 11-5-91
meeting.

CALENDAR ITEM

C 0 5

A 4, 8, 10, 11

S 1, 2, 5, 6, 7

11/05/91
PRC 5107
Maricle

RENEWAL OF GENERAL LEASE -- RIGHT-OF-WAY USE

(LESSEE):

Shell Western E&P Inc.
Shell Pipeline Corporation
c/o Norman Vaughn
P. O. Box 4848
511 North Brookhurst Street
Anaheim, California 92803

AREA, TYPE LAND AND LOCATION:

A 10.901 acre parcel of tide and submerged lands in
W. Sacramento, Yolo, Contra Costa, and Solano counties.

LAND USE:

Existing natural gas transmission line from Sacramento to
the Shell Oil Company refinery in Martinez.

TERMS OF ORIGINAL LEASE:

Initial period:

Fifteen (15) years beginning April 1, 1976.

Renewal options:

Two (2) successive periods of ten (10) years each.

Surety bond:

\$100,000.

Public liability insurance:

\$1,000,000 per occurrence for bodily injury and
property damage.

Consideration:

\$2,676.88 per annum; five-year rent review.

TERMS OF PROPOSED LEASE RENEWAL:

Initial period:

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Ten (10) years beginning April 1, 1991.

Surety bond:
\$100,000.

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

CONSIDERATION:

\$3,186 per annum; with the State reserving the right to fix
a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

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

Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and
2 Cal. Code Regs. 2905.

2. Lease PRC 5107 was issued to the Shell Oil Company
pursuant to Commission authorization of April 28, 1976,
Minute Item No. 13. It was later assigned to Shell
California Production, Inc., a wholly owned subsidiary,
effective June 1, 1982, following Commission approval
dated May 27, 1982, Minute Item No. 39. The rental was
adjusted to \$3,186 per annum, effective April 1, 1986,
pursuant to Minute Item No. 2 on November 21, 1985.

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3. By notice dated April 24, 1987, Shell California Production Inc. was merged into Shell Western E&P Inc. (SWEPI), another subsidiary of Shell Oil Company, effective April 1, 1987. SWEPI is a Delaware corporation and is the present user of the pipeline system covered under PRC 5107.
4. There is no assignment of record of the lease to Shell Western E&P Inc. The proposed lease renewal agreement therefore (a) acknowledges that Shell California Production Inc. was merged into Shell Western E&P Inc., effective April 1, 1987; (b) that the latter organization continues as Lessee under lease PRC 5107; and (c) that the lease is renewed, effective April 1, 1991.
5. The constructed facilities include gathering pipelines in the Sacramento area, connecting with Shell's pipeline system in West Pittsburg, California, for the transportation of low energy content natural gas from the Sacramento basin to Shell's Martinez refinery. According to the Department of Water Resources, the pipelines are at a minimum depth of 10 feet beneath the bottom of the Sacramento River and Suisun Bay, and at a minimum depth of 5 feet beneath all canal and slough crossings. In a separate report (1975), the Bechtel Corporation advised that the pipeline would be buried along its entire length.
6. Commission review of the pipeline project included an examination of specifications by a staff Supervising Mineral Resources Engineer who found, on March 9, 1975, that the pipeline design was satisfactory. The original lease to Shell did not require any special monitoring, and no problems have been reported in connection with the existing facilities. In addition, Shell has verbally reported that the pipelines are in full compliance with the requirements of 49 CFR 192.

APPROVALS OBTAINED:

None.

FURTHER APPROVALS REQUIRED:

None.

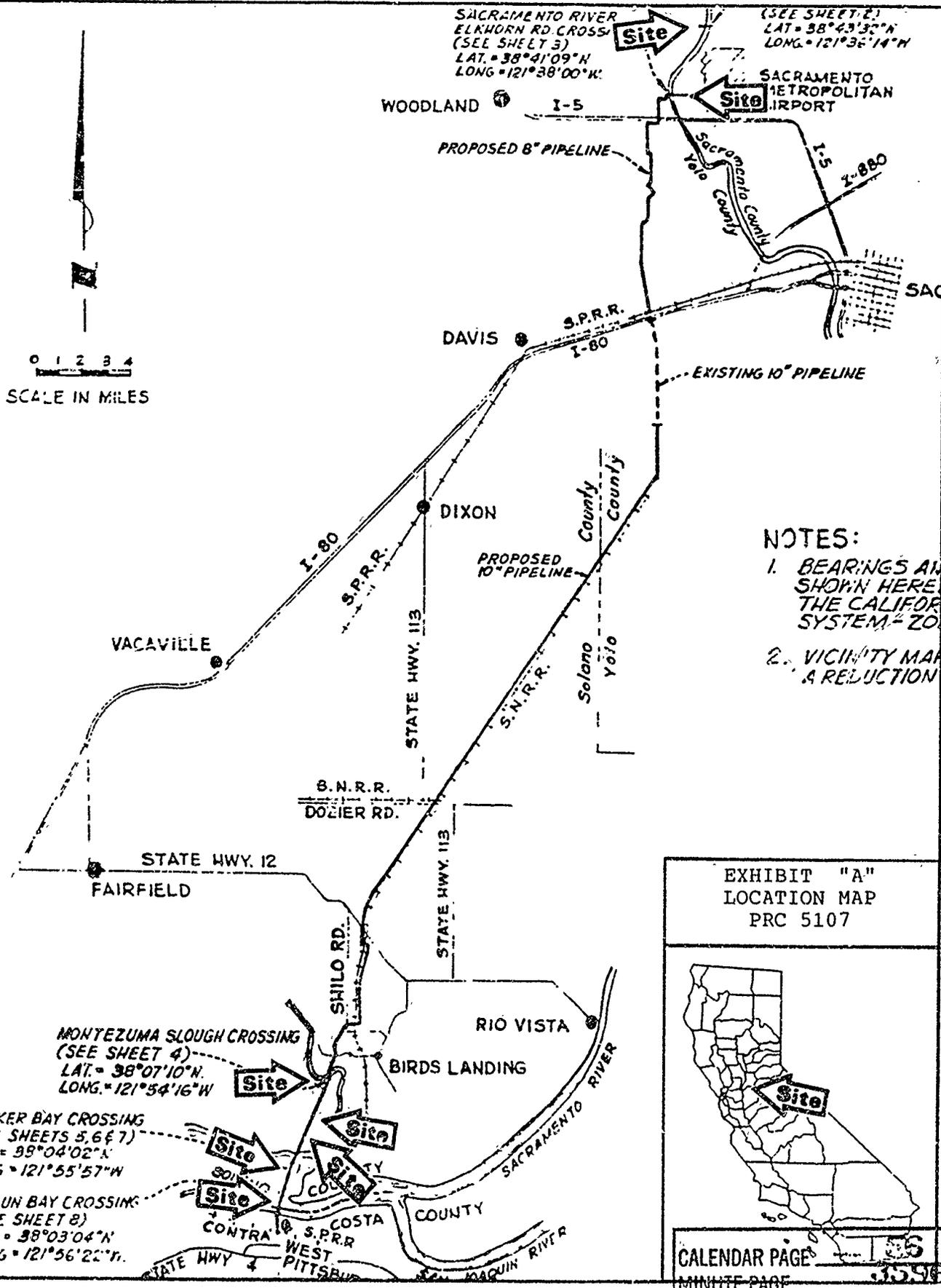
EXHIBIT:

A. Location Maps

CALENDAR ITEM NO. 005 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 2 CAL. CODE REGS. 2905(a)(2).
2. AUTHORIZE ISSUANCE TO SHELL WESTERN E&P INC. OF A TEN-YEAR RENEWAL OF LEASE PRC 5107, ACKNOWLEDGING THEREIN; (A) THAT SHELL CALIFORNIA PRODUCTION INC. WAS MERGED INTO SHELL WESTERN E&P INC., EFFECTIVE APRIL 1, 1987; (B) THAT THE LATTER ORGANIZATION CONTINUES AS LESSEE UNDER SAID LEASE; AND (C) THAT SAID LEASE IS RENEWED, EFFECTIVE APRIL 1, 1991; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$3,186.00, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$100,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 PER OCCURRENCE FOR BODILY INJURY AND PROPERTY DAMAGE FOR THE CONTINUED USE OF THE NATURAL GAS PIPELINE FACILITIES ON THE LAND DESCRIBED IN SAID LEASE.



SACRAMENTO RIVER
ELKHORN RD. CROSSING
(SEE SHEET 3)
LAT. = 38°41'09"N
LONG. = 121°38'00"W

(SEE SHEET 2)
LAT. = 38°43'30"N
LONG. = 121°36'14"W

SACRAMENTO METROPOLITAN AIRPORT

0 1 2 3 4
SCALE IN MILES

- NOTES:
1. BEARINGS AND DISTANCES SHOWN HEREIN ARE FOR THE CALIFORNIA SYSTEM - ZONE.
 2. VICINITY MAP IS A REDUCTION.

EXHIBIT "A"
LOCATION MAP
PRC 5107



CALENDAR PAGE 156
MINUTE PAGE 1556

MONTEZUMA SLOUGH CROSSING
(SEE SHEET 4)
LAT. = 38°07'10"N
LONG. = 121°54'16"W

CONKER BAY CROSSING
(SEE SHEETS 5, 6 & 7)
LAT. = 38°04'02"N
LONG. = 121°55'57"W

MUSUN BAY CROSSING
(SEE SHEET 8)
LAT. = 38°03'04"N
LONG. = 121°56'22"W