

MINUTE ITEM

This Calendar Item No. ~~C36~~ was approved as Minute Item No. ~~36~~ by the California State Lands Commission by a vote of 3 to 0 at its 02/05/07 meeting.

CALENDAR ITEM
C36

A 34
S 18

02/05/07
PRC 8737 WP 8737.1
S.Young

AMENDMENT OF LEASE

LESSEE:

Pacific Gas & Electric Company
245 Market Street
San Francisco, CA 94105

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the bed of the Colorado River, southeast of the city of Needles, San Bernardino County and near the town of Topock, Mohave County, Arizona.

AUTHORIZED USE:

Installation, use and maintenance of two Mitigation Monitoring groundwater wells extending from the adjacent uplands of the Havasu National Wildlife Refuge and into the bed of the Colorado River.

LEASE TERM:

20 years, beginning December 14, 2006.

CONSIDERATION:

\$100 per annum with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Amend the authorized use and improvements to include the installation of two additional groundwater monitoring wells within the Lease Premises, as may be required by the California Department of Toxic Substances Control. All wells may be multi-level wells, completed with screens at several depths, depending on geologic conditions encountered during drilling.

Amend and delete the construction completion date of March 15th, 2007, to a date that may be required or established by the Havasu National Wildlife Refuge, in cooperation with the U.S. Fish and Wildlife Service (USFWS).

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All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Applicant is in the process of obtaining the right to use the uplands adjoining the lease premises.
2. In 2005, the California Department of Toxic Substances (DTSC) ordered the Pacific Gas and Electric Company (PG&E) to perform a pore water sampling and sediment sampling study in order to address hexavalent chromium found in groundwater at PG&E's Topock Compressor Station (Station).
3. On September 29, 2006, the DTSC issued a letter requiring that PG&E prepare a workplan for a slant drilling groundwater investigation to assess chromium concentrations in the fluvial sediments beneath the Colorado River. The purpose of the slant drilling is to evaluate the extent of hexavalent chromium in groundwater within the fluvial sediments beneath the Colorado River south of the Interstate 40 Bridge, and to investigate the thickness of the reductive zone immediately beneath the Colorado River at the site.
4. On December 14, 2006, the Commission approved the issuance of a 20-year General Lease – Right of Way Use to PG&E for the installation of two Mitigation Monitoring groundwater wells extending from the adjacent Havasu National Wildlife Refuge and into the bed of the Colorado River. If DTSC required contingency measures for the project are implemented, PG&E may need to install two additional groundwater monitoring wells within the existing Lease Premises. Accordingly, PG&E has applied for an amendment to the Lease that would provide for the additional wells. PG&E is also requesting that the lease be amended to delete the construction completion date of March 15th, 2007, previously approved by Commission. Accordingly, under the terms of the Lease Amendment, PG&E must comply with any constructing limiting dates as may be required or established by the Havasu National Wildlife Refuge, in cooperation with the USFWS.

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5. **Addition of Two Wells:**

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 6, Information Collection; Title 2, California Code of Regulations, section 2905 (e)(3).

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

6. **Revised Completion Construction Date:**

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c) (3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

Department of Toxic Substances Control (California EPA)

FURTHER APPROVALS REQUIRED:

Havasu National Wildlife Refuge, U.S. Fish and Wildlife Service
County of San Bernardino
California Department of Fish and Game
California Department of Transportation
California Office of Historic Preservation

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EXHIBITS:

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

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

ADDITION OF TWO WELLS:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (e)(3).

REVISED CONSTRUCTION COMPLETION DATE:

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.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTION 6370, ET SEQ.

AUTHORIZATION:

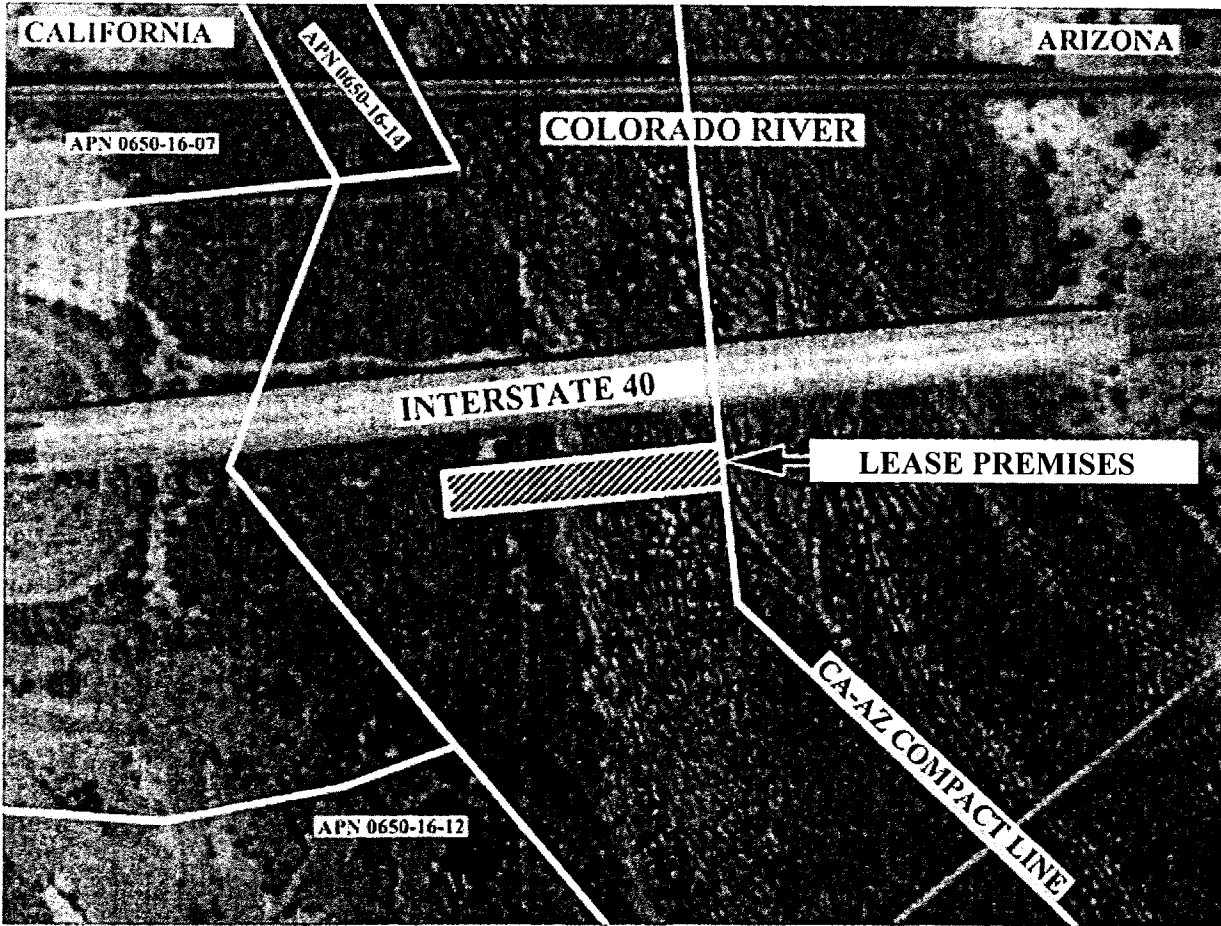
AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 8737.1, A GENERAL LEASE – RIGHT OF WAY USE, OF LANDS AS SHOWN ON EXHIBIT A ATTACHED AND AS DESCRIBED ON EXHIBIT B AND BY THIS REFERENCE MADE A PART HEREOF; EFFECTIVE FEBRUARY 5, 2007, TO AMEND THE AUTHORIZED USE AND IMPROVEMENTS TO INCLUDE THE INSTALLATION OF TWO ADDITIONAL GROUNDWATER MONITORING WELLS AS MAY BE REQUIRED BY THE DEPARTMENT OF TOXIC SUBSTANCES CONTROL; TO DELETE THE CONSTRUCTION COMPLETION DATE OF MARCH 15, 2007 AND AMEND THE CONSTRUCTION

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COMPLETION DATE TO THAT WHICH MAY BE REQUIRED OR ESTABLISHED BY THE HAVASU NATIONAL WILDLIFE REFUGE, IN COOPERATION WITH THE U.S.FISH AND WILDLIFE SERVICE; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

NO SCALE

SITE

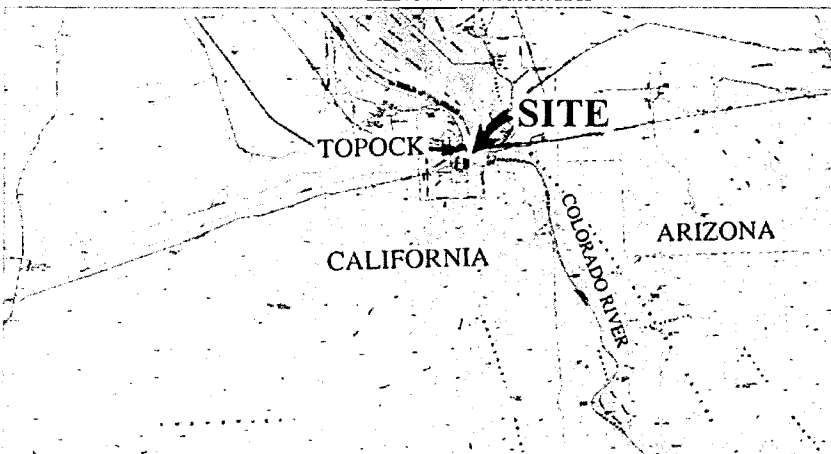


**PG&E TOPOCK COMPRESSOR STATION
PROPOSED SLANT BORINGS TOPOCK, AZ**

MAP SOURCE: DOQ

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A
PRC 8737.1
PG&E
GENERAL LEASE
RIGHT OF WAY USE
NEAR NEEDLES, CA
SAN BERNARDINO COUNTY



HUSTEAD 11/30/2006

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.

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Exhibit B

PRC 8737.1

LAND DESCRIPTION

A strip of land of the uniform width of 50 feet of the submerged lands in the bed of the Colorado River lying in the northeast quarter of Section 8, Township 7 North, Range 24 East, San Bernardino Base & Meridian lying 25 feet on each side of the line described as follows:

COMMENCING at the found U.S. Cadastral Survey 3-inch brass cap on a 2 1/2-inch iron pipe marking the north quarter corner of said Section 8 as shown on the BLM Dependent Resurvey dated 12/3/1962, from which the found U.S. Cadastral Survey 3-inch brass cap on a 2 1/2-inch iron pipe marking the northwest corner of said Section 8 as shown on the BLM Dependent Resurvey dated 12/3/1962, bears south 87°54'28" west 2624.57 feet and running,

- (a) south 57°16'26" east 2377.63 feet to the TRUE POINT OF BEGINNING of said strip of land (N2101696.23, E7616712.66; CCS Zone 5, NAD 83, 1991.35 Epoch); thence
- (1) north 84°11'22" east 330.00 feet;

The sidelines of said strip shall begin and terminate at a point lying perpendicular to the beginning and termination of said strip of land.

EXCEPTING THEREFROM the portion thereof lying easterly of the Interstate Compact line dated 1963; also EXCEPTING THEREFROM the portion lying landward of the ordinary low-water mark of the Colorado River.

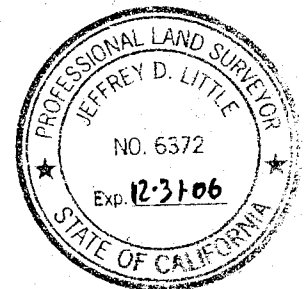
END OF DESCRIPTION

APPROVED AS TO DESCRIPTION

Jeffrey D. Little
Jeffrey D. Little

PLS 6372 Expires 12-31-06

Area, Region or Location: 4
Land Service Office Fresno
Operating Department: Gas Trans.
County: San Bernardino
OR 8061116
Dwg. JL-423
T7N, R24E, SBB&M
Sec. 8: E1/2 of NE1/4
JCN 03-06-088
Prepared By: MAV
Checked By: JDL7
Revision: 2



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