CALIFORNIA STATE LANDS COMMISSION 100 Howe Avenue, Suite 100-South Sacramento, CA 95825-8202



PAUL D. THAYER, Executive Officer (916) 574-1800 FAX (916) 574-1810 California Relay Service from TDD Phone 1-800-735-2929 from Voice Phone 1-800-735-2922

> Contact Phone: (916) 574-1940 Contact FAX: (916) 574-1925

March 10, 2010

File Ref: W 25978, W 30151.3, W 40852.2, W 9777.284

Paul Soanes, President NorthernStar Natural Gas First City Tower 1001 Fannin, Suite 1700 Houston, TX 77002

Dear Mr. Soanes:

SUBJECT: Clearwater Port, LLC - Application for a General Lease — Right of Way
Use for a Proposed Natural Gas Pipeline Associated with the Clearwater
Port Offshore LNG Terminal Project, Located Offshore in the Pacific Ocean,
Ventura County

This letter is to inform you that Clearwater Port, LLC's application for a General Lease – Right of Way Use, for the above-mentioned project has been terminated as of March 4, 2010. The termination is a result of a lack of activity on the application by Clearwater Port, LLC as noted in our December 3, 2009 letter (see enclosed) and pursuant to the Commission's application guidelines.

Our Accounting Office will be notifying you regarding a refund of any application processing funds remaining in the reimbursement account within ten days of the date of the termination of the application.

If you have any questions concerning this matter, please feel free to contact me at (916) 574-1940 or Mary Hays, Public Land Manager, at (916) 574-1812.

Sincerely,

Colin Connor, Assistant Chief Land Management Division

Enclosure

cc: See next page.

Paul Soanes Page 2

cc:

Mark Prescott, USCG
Keith Lesnick, MARAD
Linden Houston, MARAD
Ray Martin, USCG
Simon A. Poulter, Padre and Associates
Mark Meier, CSLC
Mary Hays, CSLC
Marina Brand, CSLC
Crystal Spurr, CSLC