MINUTE ITEM
This Calendar Item No. 34
was approved as Minute Item
No. 34 by the State Lands
Commission by a vote of 3
to 0 at its 10-29-79
meeting.

CALENDAR ITEM

34.

10/79
W 40087
Priddy
PRC 5217.2

ASSIGNMENT OF GEOTHERMAL RESOURCES LEASE

LEASE: PRC 5217.2

LOCATION: Geysers Area, Sonoma County

TYPE OF LAND: Reserved Mineral Interests

ACREAGE: 434.16 acres

ASSIGNEE: Edward V. Prati, John T. Sink, Peter H. Flood and Richard J. Wall, as Trustee.
One Embaracadero Center
Suite 2201
San Francisco, California 94111

ASSIGNEE: Aminoil U.S.A., Inc.
(Formerly Burmah Oil & Gas Company)
P.O. Box 11279
Santa Rosa, California 95406

PREREQUISITES:
1. Assignment forms have been executed.
2. Assignee is qualified to hold a State lease.
3. The statutory filing fee and expense deposit have been submitted.

OTHER PERTINENT INFORMATION:
State Geothermal Resources Lease PRC 5217.2 was issued to the surface owners Edward V. Prati, John T. Sink, Peter H. Flood and Richard J. Wall, as trustee, on February 25, 1977. The parcel was offered for lease by competitive bid th a net profits bid factor. The high bid of 47.77% was submitted by George P. Post. The bid was matched by surface owners. Aminoil has entered into a lease with the surface owners with respect to the surface owner's interests, if any, in the geothermal resources. Under this lease Aminoil has been granted whatever rights the surface owner may have to develop the geothermal resources including assignment of the State lease to Aminoil. In the interim, Aminoil has acted as operator on behalf of the Lessee and now proposed to drill a well within the lease area to evaluate the geothermal potential of the parcel.

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Section 36, of the lease, provides that the lessee may assign the lease subject to the written prior consent of the Commission.

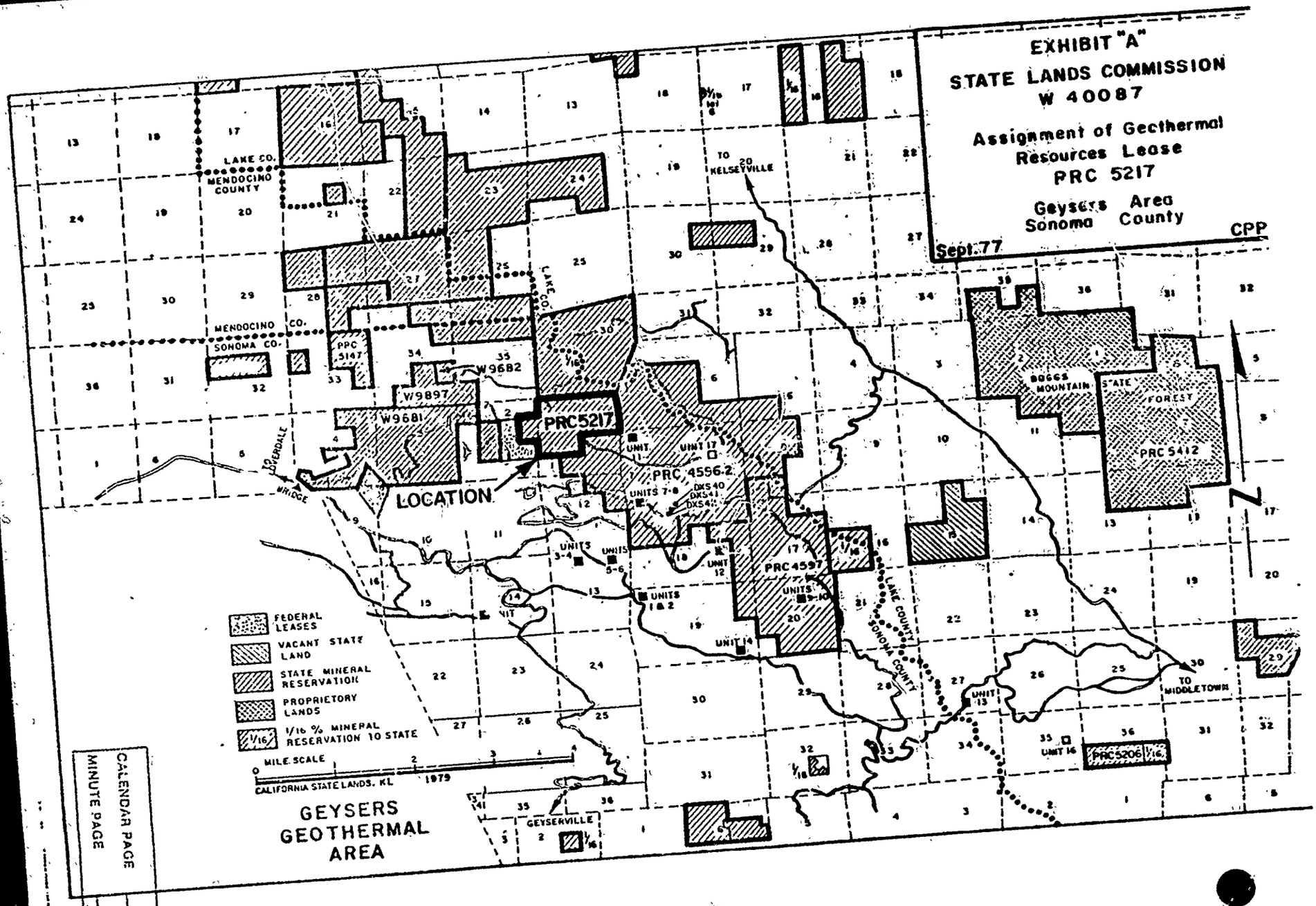
The proposed assigment will not have an environmental impact and is considered to be a ministerial project under the Guidelines for Implementation of the California Environmental Quality Act (Title 14, Cal. Adm. Code). An environmental impact report was prepared by the Sonoma County Board of Zoning Adjustments covering geothermal development in the area and was considered by the Commission prior to issuing the lease.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF TITLE 14, CAL. ADM. CODE 15073.

2. APPROVE THE ASSIGNMENT OF GEOTHERMAL RESOURCES LEASE PRC 5217.2, BY THE LESSEES, EDWARD V. PRATI, JOHN T. SINK, PETER H. FLOOD AND RICHARD J. WALL AS TRUSTEE, TO AMINOIL U.S.A., INC., ALL OTHER TERMS AND CONDITIONS OF THE PERMIT TO REMAIN IN FULL FORCE AND EFFECT. THE COMMISSION'S APPROVAL OF THIS ASSIGNMENT SHALL NOT BE DEEMED OR CONSTRUED IN ANY WAY TO AFFECT PREJUDICE OR WAIVE THE STATE'S POSITION OR ITS RIGHT TO ASSERT THAT THE STATE ALREADY POSSESSES THE LEGAL RIGHT TO UTILIZE THE SURFACE LANDS OVERLYING ITS RESERVED INTEREST IN GEOTHERMAL RESOURCES IN WHATEVER MANNER IS REASONABLE AND NECESSARY TO DEVELOP PROPERLY THOSE RESOURCES.



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