

MINUTE ITEM

This Calendar Item No. 52  
was approved as Minute Item  
52 by the State Lands  
Commission by a vote of 7  
to 0 at its 7-24-81  
meeting.

CALENDAR ITEM

32

4/81  
W 40180  
Burnett  
PRC 5999

APPROVAL OF AWARD OF A  
GEOTHERMAL RESOURCES LEASE  
OF RESERVED MINERAL INTERESTS  
SONOMA COUNTY

The Commission, at its meeting on September 26, 1979, authorized the staff to offer for lease by competitive public bid for the extraction of geothermal resources, a parcel of land in which the State has a reserved mineral interest. The parcel, identified as Parcel W 40180, located in Sonoma County near The Geysers Steam Field and containing 200 acres, was subsequently offered for lease on the basis of a net profits bid factor. In addition to the net profits payment, the lease provided for the payment of a 12.5% royalty on gross revenue received from the sale of steam and an annual rental of \$1 per acre.

At the September 26, 1979 meeting the Commission also certified the EIR prepared for the proposed transaction by the Sonoma County Board of Zoning Adjustments pursuant to the California Environmental Quality Act and implementing regulations.

On May 16, 1980, the staff received four (4) bids in response to a Notice of Intention published March 17 and 24, 1980 in the Sonoma County Herald-Recorder. Three lower bids have been withdrawn, leaving the following high bid:

Geothermal Power Corporation 70.6%

After review of data submitted by the bidder, it is the staff's opinion that the bidder has met the qualifications of the Commission's lease proposal.

Section 6912(b) of the P.R.C. provides that the surface landowner may, within 10 days after notification by the Commission, submit a bid identical to the highest acceptable bid, in which case the Commission shall issue a lease to the surface landowner. If the surface landowner does not file such a bid, then the Commission may proceed with the award of the bid to other than such surface landowner.

EXHIBIT: A. Location Map.

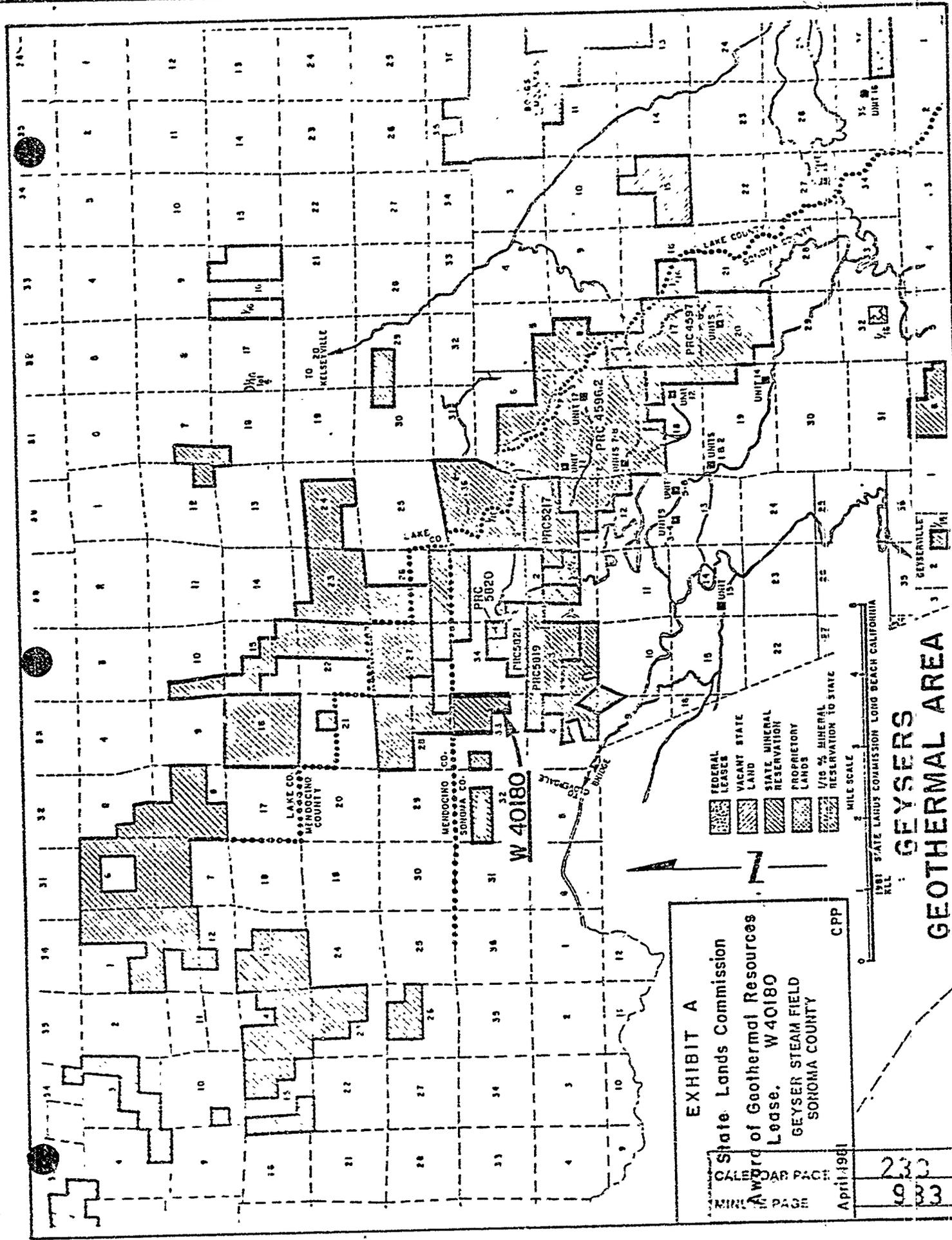
A 1

S 2

CALENDAR ITEM NO. 32 (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. ACCEPT THE BID FOR THE LEASE OF THE STATE'S GEOTHERMAL RESOURCES UNDERLYING THE SUBJECT PARCEL OF LAND MADE BY GEOTHERMAL POWER CORPORATION AT 70.6% OF NET PROFITS.
2. REJECT ALL OTHER BIDS.
3. AUTHORIZE NOTIFICATION OF THE SURFACE LANDOWNER OF SUCH BID IN ACCORDANCE WITH SECTION 6912 OF THE P.R.C.
4. AUTHORIZE EXECUTION OF A LEASE WITH THE SURFACE LANDOWNER IN THE EVENT THE SURFACE LANDOWNER MATCHES THE HIGHEST QUALIFIED BID WITHIN THE TIME PRESCRIBED BY P.R.C. SECTION 6912; OR, IN THE ALTERNATIVE, IF THE SURFACE LANDOWNER FAILS TO FILE THE BID WITHIN THE TIME PRESCRIBED BY P.R.C. SECTION 6912, AUTHORIZE EXECUTION OF THE SUBJECT LEASE WITH GEOTHERMAL POWER CORPORATION.
5. DETERMINE THAT AN EIF FOR THIS TRANSACTION WAS CERTIFIED BY THE STATE LANDS COMMISSION ON SEPTEMBER 26, 1979 AND A FINDING WAS MADE THAT THE PROPOSED TRANSACTION WOULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.



- FEDERAL LEASER LAND
- VACANT STATE LAND
- STATE MINERAL RESERVATION
- PROPRIETARY LANDS
- 1/18 % MINERAL RESERVATION TO STATE

MILE SCALE  
 0 1 2  
 1981 STATE LANDS COMMISSION LONG BEACH CALIFORNIA  
 KLL

**EXHIBIT A**  
 State Lands Commission  
 Award of Geothermal Resources  
 Lease, W 40180  
 GEYSER STEAM FIELD  
 SOROMIA COUNTY  
 CPP

SALES PAGE: 232  
 MINUTE PAGE: 933  
 April 1981

**GEYSERS  
 GEOTHERMAL AREA**