MINUTE ITEM

This Calendar Item No. 19 was approved as Minute Item No. 19 by the State Lands Commission by a vote of 2 to 0 at its 3/6/86 meeting.

CALENDAR ITEM

A 2, 8

S 2, 4

19

02/27/86
PRC 5217
PRC 5819
PRC 5820
PRC 5821
PRC 6114
PRC 5862
PRC 5903
PRC 5999
PRC 6080
PRC 6081
PRC 6421
Hoagland

APPROVAL OF THE SUBSTITUTION OF
A BLANKET BOND OF $150,000 FOR THREE GEOTHERMAL LEASES
TO REPLACE A $500,000 BLANKET BOND COVERING LEASES
WHICH HAVE EXPIRED OR BEEN CANCELLED

APPLICANT: Geothermal Resources International, Inc.
Attn: Mr. P. A. Hansen
1825 South Grant Street, Suite 900
San Mateo, California 94402

AREA, TYPE LAND AND LOCATION:
Approximately 2,228 acres of reserved mineral land in the northwestern portion of The Geysers Geothermal Field, Lake, Mendocino and Sonoma Counties.

BACKGROUND INFORMATION:
State Geothermal leases PRC's 5217, 5819, 5820, 5821, 6114, 5862, 5999, 6080 and 6081 were leased by competitive bidding between 1980 and 1982 to Aminoil USA, Inc. and later assigned to Geothermal Resources International (GRI) and its subsidiary GRI Exploration Corporation in 1983. State Lease PRC 5903 was issued to MSR Public Power Agency, assigned to Aminoil and then assigned to GRI. State Lease PRC 6421 was

issued by the Bureau of Land Management to Thermogenics, Inc., a subsidiary of GRI in 1974 and acquired by the State as an indemnity selection in 1983. The term of PRC 6421 expired in 1984.

In order to facilitate management of the leases, the Commission in January 1983 approved acceptance of a $500,000 blanket bond for all eleven leases to replace the individual lease bonds.

On September 26, 1985, because of the lessee's failure to meet the drilling requirements of the lease, the Commission authorized cancellation of PRC's 5819, 6114, 5862, 5903, 5999, 6080 and 6081.

Because GRI now only holds three state leases, the firm has requested it be permitted to substitute a blanket bond of $150,000 for PRC's 5217, 5820 and 5821 (Individual lease bond requirement is $50,000) to replace the blanket bond. Since the number of leases to be covered by the blanket bond has been reduced, staff recommends acceptance of a blanket bond in the amount of $150,000.

PREREQUISITES: The blanket bond for geothermal leases PRC 5217, 5280 and 5821 in the amount of $150,000 has been submitted.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

   Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 884: N/A.

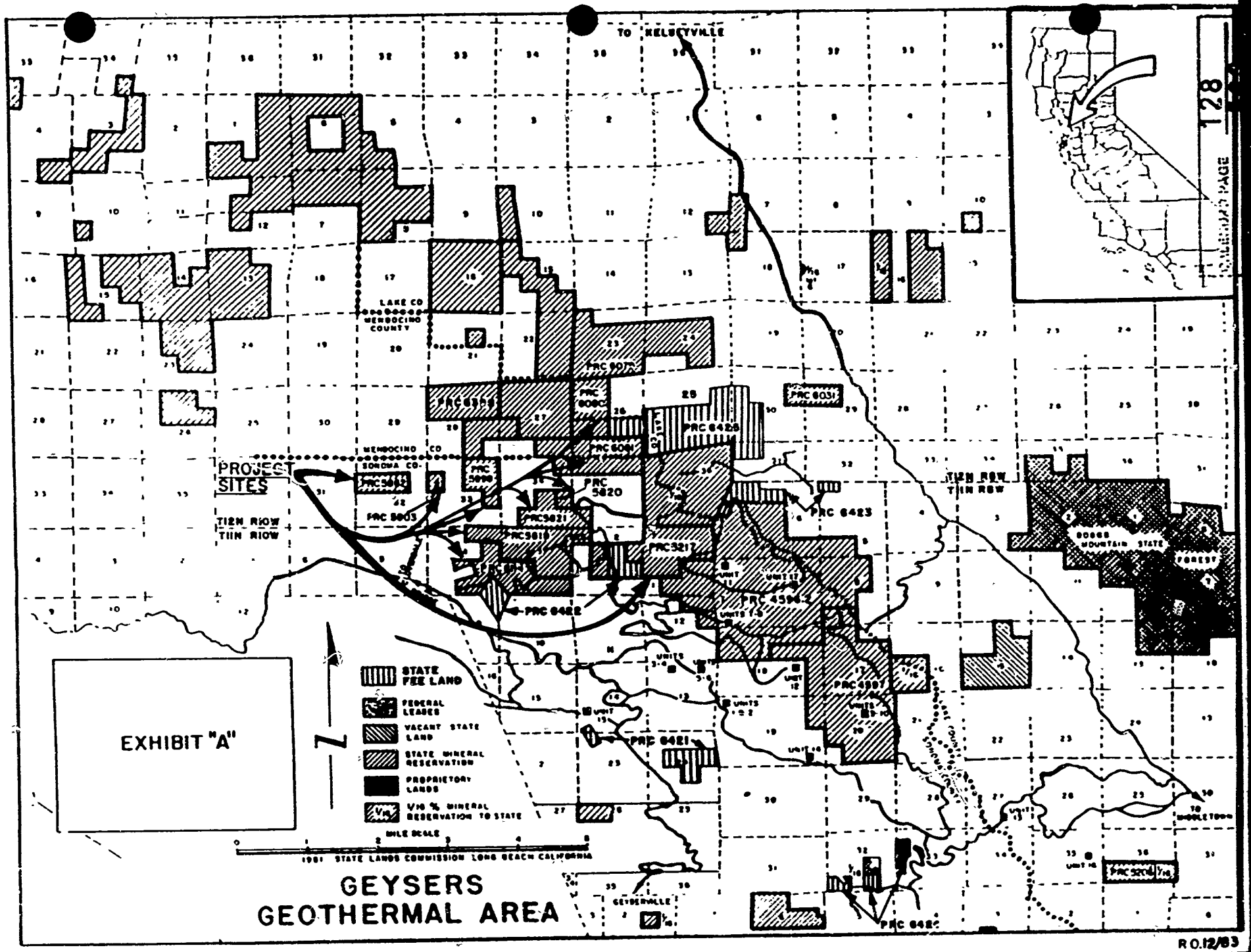
EXHIBIT: A. Location Map.

126
560

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

2. APPROVE THE ACCEPTANCE OF A BLANKET BOND IN THE AMOUNT OF $150,000 FOR STATE GEOTHERMAL LEASES PRC'S 5217, 5820 AND 5821 AS REPLACEMENT FOR A BLANKET BOND OF $500,000.


TO KELSEYVILLE
LAKE CO
MENDOCINO COUNTY
MENDOCINO CO
SONOMA CO
PROJECT SITES
T12N R10W
T11N R10W
T12N R8W
T11N R8W
PRC 5820
PRC 6423
PRC 6422
PRC 6421
PRC 6031
PRC 5803
PRC 5821
PRC 5217
PRC 4596.2
PRC 4597
PRC 5204
BOGGS MOUNTAIN STATE FOREST
GEYSERVILLE
TO MIDDLETOWN
EXHIBIT "A"
STATE FEE LAND
FEDERAL LEASES
VACANT STATE LAND
STATE MINERAL RESERVATION
PROPRIETORY LANDS
1/16 % MINERAL RESERVATION TO STATE
MILE SCALE
1981 STATE LANDS COMMISSION LONG BEACH CALIFORNIA
GEYSERS
GEOTHERMAL AREA
R.O.12/83