

MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 27 by the State Lands
Commission by a vote of 2
to 0 at its 7/24/86
meeting.

CALENDAR ITEM

27

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07/24/86
PRC 6398
Hoagland

AUTHORIZATION TO ACCEPT A QUITCLAIM DEED
FOR GEOTHERMAL LEASE PRC 6398
THE GEYSERS, MENDOCINO COUNTY

APPLICATION: M-S-R Public Power Agency
Attn: Greg Pohl
P. O. Box 4060
Modesto, California 95352

AREA, TYPE LAND AND LOCATION:
Approximately a 320-acre parcel of school lands
in the north half, Section 28, T12N R9W, MDM,
Mendocino County.

BACKGROUND INFORMATION:

On March 24, 1983 the State Lands Commission
approved the issuance to M-S-R Public Power
Agency of a geothermal lease by competitive
public bid in the northwest portion of the
Geysers Geothermal Field, Mendocino County.

The lease was for a primary term of ten years,
in addition to paying a royalty of 12.5 percent
of the gross revenue received, the Lessee also
agreed to pay 12 percent of the net profits
derived from the lease.

Other terms of the Lease required that the
Lessee:

1. Drill an exploratory well to evaluate the
geothermal resources within three years of
the lease issue date (March 24, 1983).
2. Submit annually a plan of development and
operation.

The Lessee did not drill an exploratory well or file an application to drill a well. M-S-R also did not file an annual plan of operations and development as required under the lease.

On March 6, 1986, a representative of SAI Geothermal, Inc. was present to testify in favor of an extension of the drill-by date for PRC 6398, but the request was denied.

On March 27, 1986, the Commission approved the staff recommendation authorizing notification of default and the notice was mailed March 27. On May 29, 1986, the Commission authorized cancellation of lease. M-S-R has now submitted a quitclaim deed for PRC 6398 and staff recommends acceptance.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (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. 21080(a), P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 884: N/A.

EXHIBIT: A. Site Map.

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 THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PRC 21065 AND 14 CAL. ADM. CODE 15378.
2. ACCEPT THE QUITCLAIM DEED FOR SURRENDER OF GEOTHERMAL LEASE PRC 6398 EFFECTIVE JUNE 19, 1986 AND AUTHORIZE EXECUTION OF NECESSARY FORMS TO REFLECT THIS ACCEPTANCE AND AUTHORIZE STAFF TO RECORD THESE DOCUMENTS IF NECESSARY.

