MINUTE ITEM 49
This Calendar Item No. 49
was approved as Minute Item
No. ___ by the State Lands
Commission by a vote of 2
to 0 at its 12/13/88
meeting.

CALENDAR ITEM

A 2

49

12/13/88
W 40571
Willard

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CONSIDERATION OF A REIMBURSEMENT AGREEMENT AND
AUTHORIZATION TO CONTRACT FOR PREPARATION OF AN EIR
FOR LEASING LANDS FOR DEVELOPMENT OF GEOTHERMAL RESOURCES

APPLICANT: Union Oil Company of California
Attn: Michael L. Shoaff,
District Land Manager
P. O. Box 6854
Santa Rosa, California 95406

AREA, TYPE OF LAND AND LOCATION:
Approximately 948 acres of reserved mineral land in the northwestern portion of the Geysers Geothermal Steam Field, Sonoma County.

BACKGROUND:

The subject lands were leased previously by the Commission as PRC 5819 and PRC 6114 on October 31, 1980 and April 20, 1982, respectively. An environmental impact report covering PRC 5819 was prepared and certified by Sonoma County on January 6, 1976 and an EIR was prepared and certified by the Commission for PRC 6114 on October 30, 1981. The leases were issued by competitive bid for 71 percent (PRC 5819) and 22.76 percent (PRC 6114) of net profits. Following several assignments, GRI Exploration Corporation and GRI Development Corporation became lessee of the subject leases.

On September 26, 1985, the Commission authorized cancellation of the leases for failure of the lessee to initiate drilling operations under the terms and conditions of the leases.

Union Oil Company has now requested that these lands be reoffered for lease. Although environmental documents were previously prepared regarding geothermal development on these lands, current information needs to be gathered. Therefore, Union Oil Company has agreed to enter into a State Reimbursement Agreement to fund preparation of an EIR for

leasing and development of the lands for geothermal resources. It is understood that this reimbursement agreement shall not affect the discretion of the Commission in determining if the lands should be leased and that Union will obtain no preferential rights to these lands. If the Commission authorizes the lands to be leased, the successful bidder will be required to reimburse Union. In the event no bids are received or the Commission determines not to lease the lands Union will pay for the EIR.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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. Code Regs. 15378.

EXHIBITS:

A. Land Description.
B. 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. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL CODE REGS. 15378.

2. AUTHORIZE THE EXECUTION OF A REIMBURSEMENT AGREEMENT WITH UNION OIL COMPANY SUBSTANTIALLY IN THE FORM ON FILE IN THE SACRAMENTO OFFICE OF THE STATE LANDS COMMISSION, TO PROVIDE FUNDING TO THE COMMISSION FOR COSTS NECESSARY TO CONTRACT FOR PREPARATION OF AN EIR FOR GEOTHERMAL LEASING OF LANDS DESCRIBED IN EXHIBIT "A". IF THE COMMISSION AUTHORIZES THE LANDS TO BE LEASED, THE SUCCESSFUL BIDDER WILL BE REQUIRED TO REIMBURSE UNION.

3. AUTHORIZE ISSUANCE OF REQUEST FOR PROPOSALS COVERING PREPARATION OF THE EIR.

EXHIBIT "A"

Township 11 North, Range 9 West MDB&M

Section 2: Lots 4, 6 and 11

Section 3: N 1/2 SE 1/4; N 1/2; Lots 1 and 2; E 1/2 SW 1/4; S 1/2 SE 1/4

Section 4: N 1/2 NE 1/4; Lots 6, 7, 8 and 9; SE 1/4 NE 1/4

Containing 948 more or less, Sonoma County, California.

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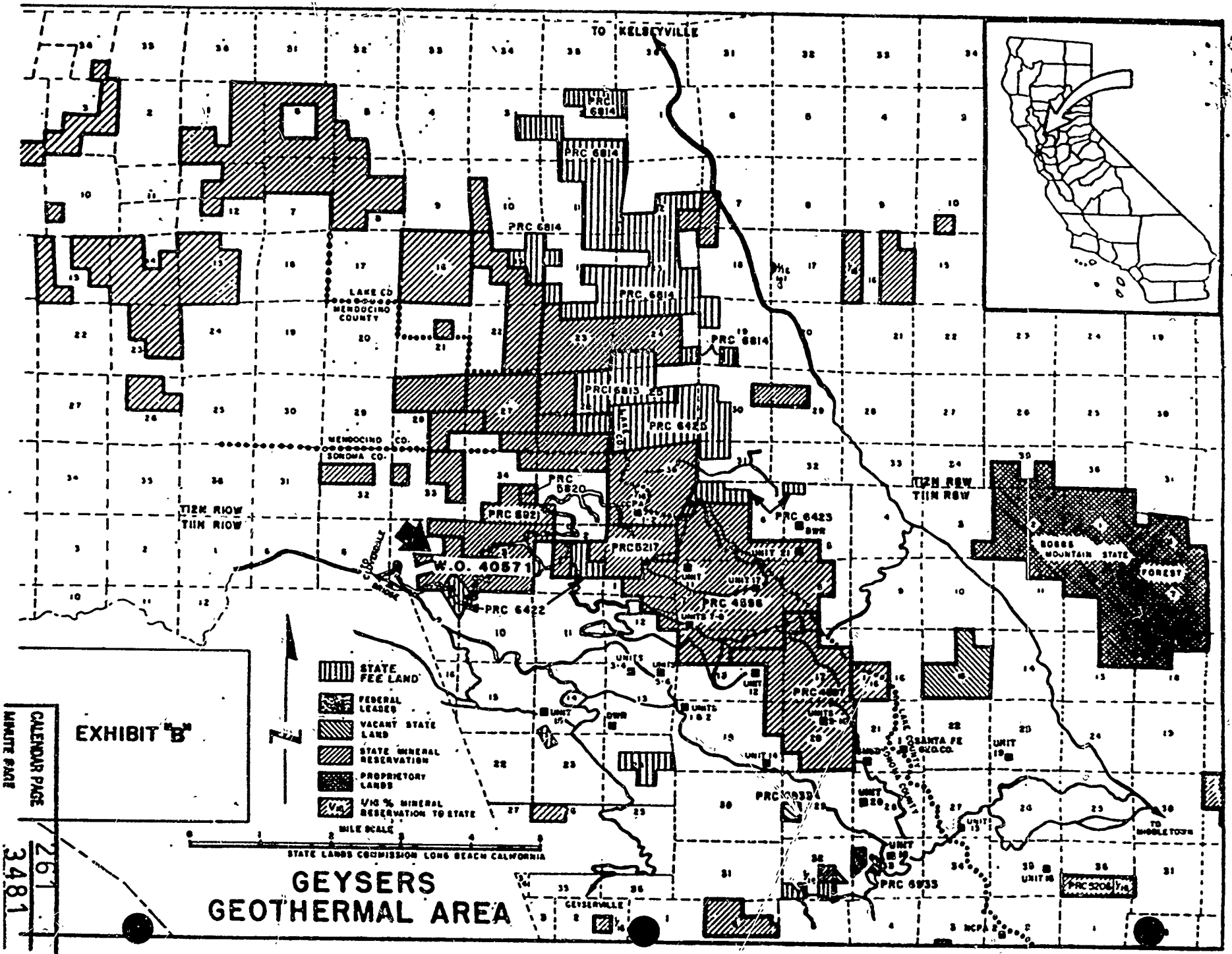
TO KELSEYVILLE
PRC 6814
LAKE CO
MENDOCINO COUNTY
MENDOCINO CO.
SONOMA CO.
T12N R10W
T11N R10W
T12N R9W
T11N R9W
PRC 6820
PRC 6821
PRC 6217
W.O. 40571
PRC 6422
PRC 6423
PRC 4896
PRC 6425
PRC 6813
BOBBS MOUNTAIN STATE FOREST
SANTA FE SYS. CO.
TO HOBLE TOWN
GEYSERVILLE
STATE FEE LAND
FEDERAL LEASES
VACANT STATE LAND
STATE MINERAL RESERVATION
PROPRIETORY LANDS
1/16 % MINERAL RESERVATION TO STATE
MILE SCALE
STATE LANDS COMMISSION LONG BEACH CALIFORNIA
EXHIBIT "B"
GEYSERS
GEOTHERMAL AREA
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