

MINUTE ITEM

This Calendar Item No. 21
was approved as Minute Item
No. 21 by the State Lands
Commission by a vote of 3
to 0 at its 3/23/89
meeting

CALENDAR ITEM

21

A 80
S 37

03/23/89
PRC 6837
Tanner

**ASSIGNMENT OF INTERESTS IN
STATE GEOTHERMAL RESOURCES LEASE
PRC 6837, IMPERIAL COUNTY**

ASSIGNOR: Unocal Corporation
Unocal Geothermal Division
Attn: Vincent J. Signorotti
Area Landman
461 West Main Street
Brawley, California 95406-1279

ASSIGNEES: Freeport-McMoran Resource Partners,
Limited Partnership
Attn: Gerald A. Vaughan
Contract Agent
P.O. Box 11279
Santa Rosa, California 95406-1279

Santa Fe Pacific Realty Corporation
Attn: W. Welin
Vice President
201 Mission Street, Suite 250
San Francisco, California 94105

AREA, TYPE OF LAND AND LOCATION:

State Geothermal Resources Lease 6837 consists of approximately 3,082.00 acres of school land on the west side of the Salton Sea in Imperial County.

PREREQUISITES:

1. Assignment forms have been executed by the Assignor and Assignees.
2. Assignees are qualified to hold a State lease.
3. The statutory filing fees have been submitted.

CALENDAR ITEM NO. 21 (CONT'D)

PERTINENT INFORMATION:

State Geothermal Resources Lease 6837 was issued to Union Oil Company of California on June 1, 1985 for a term of 5 years or as long as the lessee is drilling or is producing commercial quantities of geothermal steam. The original lease consisted of 3,682 acres of school land. On June 4, 1986 Union quitclaimed 600, leaving 3,082 acres under lease.

Union requests Commission approval of the assignment of an undivided 50 percent interest in the lease to Freeport-McMoran Resource Partners, Limited Partnership and an undivided 25 percent interest to Santa Fe Pacific Realty Corporation.

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 it is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

STATUTORY AND OTHER REFERENCES:

- A. Assignment Section of the Lease.
- B. P.R.C.: Section 6804.

AB 884: N/A.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

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

CALENDAR ITEM NO. 21 (CONT'D)

2. CONSENT TO THE ASSIGNMENT OF 50% OF UNOCAL CORPORATION'S UNDIVIDED INTEREST IN STATE GEOTHERMAL RESOURCES LEASE PRC 6837, IMPERIAL COUNTY TO FREEPORT-MCMORAN RESOURCE PARTNERS LIMITED PARTNERSHIP AND ANOTHER UNDIVIDED 25 PERCENT INTEREST IN THIS LEASE TO SANTA FE PACIFIC REALTY CORPORATION WITH THE ASSIGNEES TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE, ANY CONDITIONS IN THE ASSIGNMENT DOCUMENTS NOTWITHSTANDING.

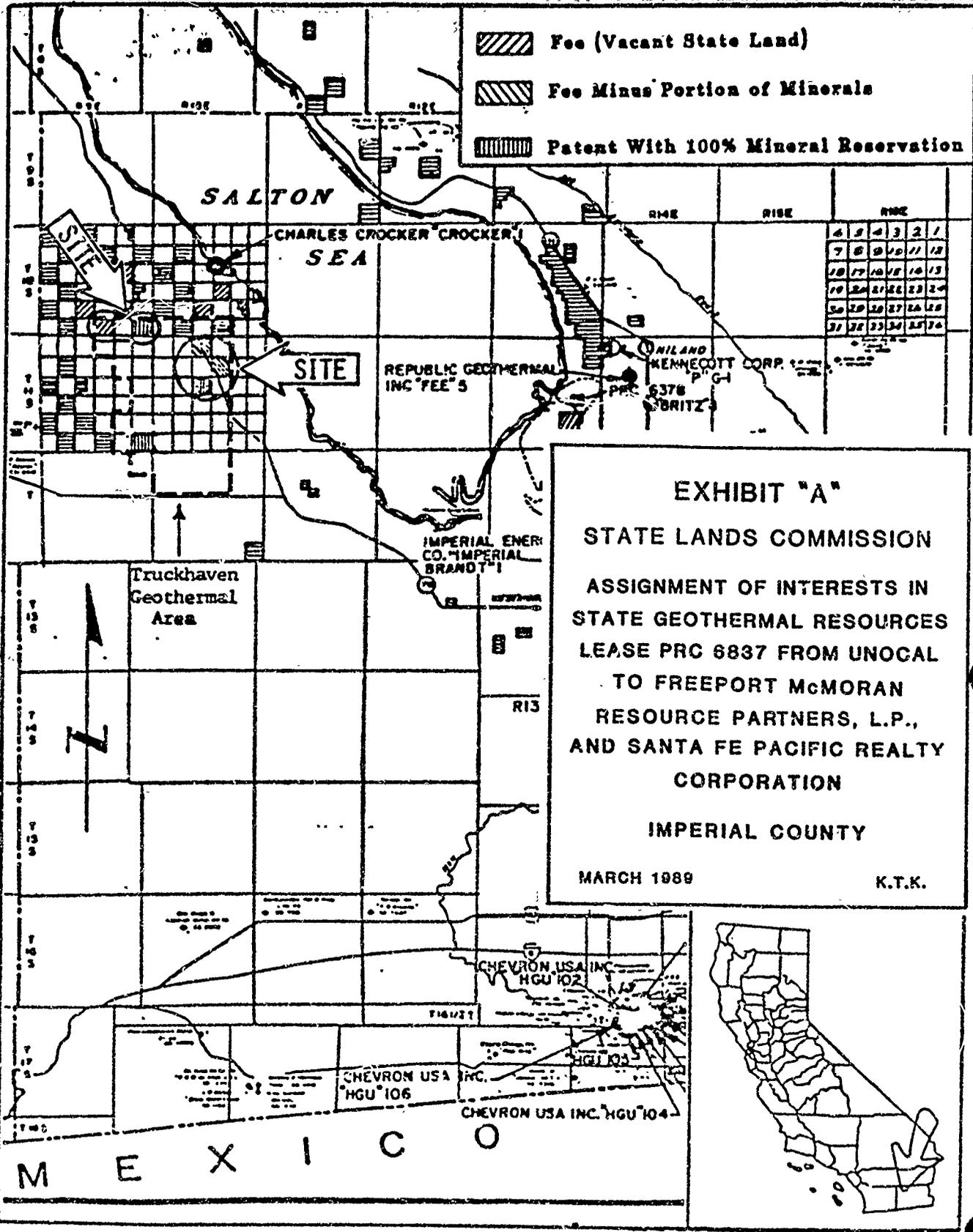


EXHIBIT "A"
STATE LANDS COMMISSION
ASSIGNMENT OF INTERESTS IN
STATE GEOTHERMAL RESOURCES
LEASE PRC 6837 FROM UNOCAL
TO FREEPORT McMORAN
RESOURCE PARTNERS, L.P.,
AND SANTA FE PACIFIC REALTY
CORPORATION
IMPERIAL COUNTY
MARCH 1989 **K.T.K.**