

MINUTE ITEM

This Calendar Item No. 54 was approved as
Minute Item No. 54 by the California State Lands
Commission by a vote of 3 to 0 at its
4/13/99 meeting.

CALENDAR ITEM

C54

A 1

04/13/99
PRC 6793.2
PRC 6796.2
B. Young

S 2

ASSIGNMENT OF LEASES

LESSEE/ASSIGNOR:

Union Oil Company of California
1300 North Dutton Avenue
Santa Rosa, California 95401.

ASSIGNEE:

Thermal Power Company
c/o Calpine Corporation
50 West San Fernando Street
San Jose, California 95113

FURTHER ASSIGNEE:

Geysers Power Company, LLC
50 West San Fernando Street
San Jose, California 95113

AREA, LAND TYPE, AND LOCATION:

2.75 acres, more or less, of State school lands located at The Geysers in
Sonoma and Lake counties.

AUTHORIZED USE:

Assignment of Right of Way Leases PRC 6793.2 for an existing access road and
pipeline, and PRC 6796.2 for an existing access road.

LEASE TERM:

PRC 6793.2: 30 years, beginning March 20, 1980.
PRC 6796.2: 20 years, beginning August 7, 1980.

CONSIDERATION:

PRC 6793.2: \$230 per year
PRC 6796.2: \$45 per year

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OTHER PERTINENT INFORMATION:

1. Lease PRC 6793.2 was originally executed under Right of Way Grant, serial number CA 6042, between the U.S. Department of the Interior, Bureau of Land Management and the Union Oil Company of California, for the construction, operation and maintenance of an access road and pipeline, for a term of 30 years, effective March 20, 1980. The California State Lands Commission succeeded to the interest of the U.S. Department of the Interior, Bureau of Land Management on March 15, 1983.
2. Lease PRC 6796.2 was originally executed under Right of Way Grant, serial number CA 6638, between U.S. Department of the Interior, Bureau of Land Management and the Union Oil Company of California, for the construction, operation and maintenance of an access road, for a term of 20 years, effective August 7, 1980. The California State Lands Commission succeeded to the interest of the U.S. Department of the Interior, Bureau of Land Management on March 15, 1983.
3. Each of the foregoing Leases were issued for the purpose of providing access to steam fields and power generation plants in the Geysers geothermal field and are currently used to access State Geothermal Resource Lease Nos. PRC 4596.2, PRC 4597.2, PRC 6422.2 and PRC 6423.2 (The "Related Geothermal Leases"). The Related Geothermal Resource Leases are also the subject of a pending request by the Assignee for consent to assign. Please see Calendar Item Nos. C58 and C59 on the Commission's agenda for this meeting.
4. On March 19, 1999, the Thermal Power Company succeeded to the interests of the Union Oil Company of California, including the Geothermal Resource Leases listed above, and has requested that the California State Lands Commission consent to the assignment of the Right of Way leases PRC 6793.2 and PRC 6796.2 to the Thermal Power Company. Additionally, Thermal Power Company has transferred its interests to the Geysers Power Company, LLC, and has requested that the Commission consent to the assignment of the Right of Way leases to Geysers Power Company, LLC, a wholly-owned subsidiary of Calpine Corporation.
5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of

requirements of
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the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

EXHIBIT:

A. Site and Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

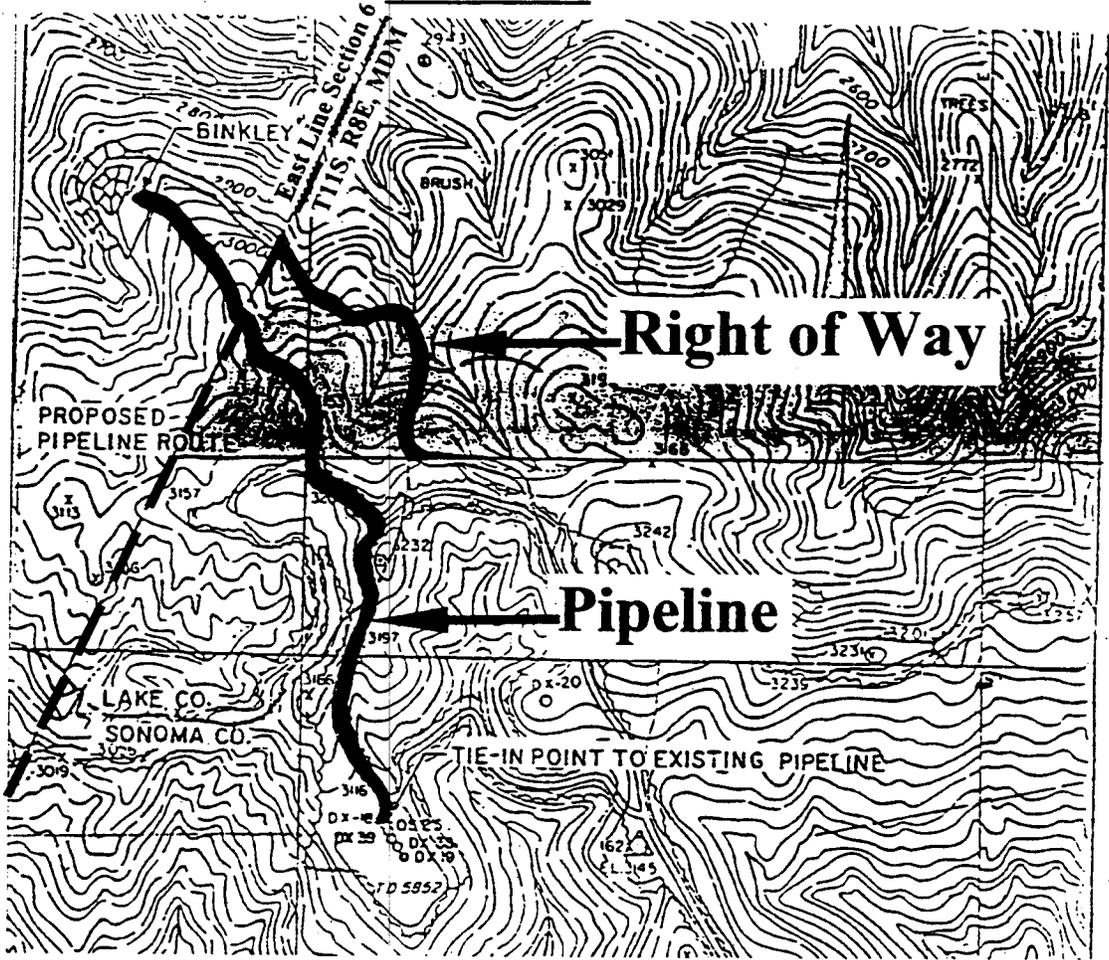
AUTHORIZE THE ASSIGNMENT OF LEASE NOS. PRC 6793.2 AND PRC 6796.2, GENERAL LEASES - RIGHT OF WAY USE, OF STATE SCHOOL LANDS SHOWN ON EXHIBIT A, ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; FROM UNION OIL COMPANY OF CALIFORNIA TO THERMAL POWER COMPANY, EFFECTIVE MARCH 19, 1999, AND FURTHER ASSIGNMENT TO THE GEYSERS POWER COMPANY, LLC, SUCH ASSIGNMENT TO BECOME EFFECTIVE UPON THE SAME DATE AS THE ASSIGNMENT OF THE RELATED GEOTHERMAL RESOURCE LEASES. ALL OTHER TERMS AND CONDITIONS OF THIS LEASE WILL REMAIN IN EFFECT WITHOUT CHANGE.

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NO SCALE

SITE MAP



NO SCALE

LOCATION MAP

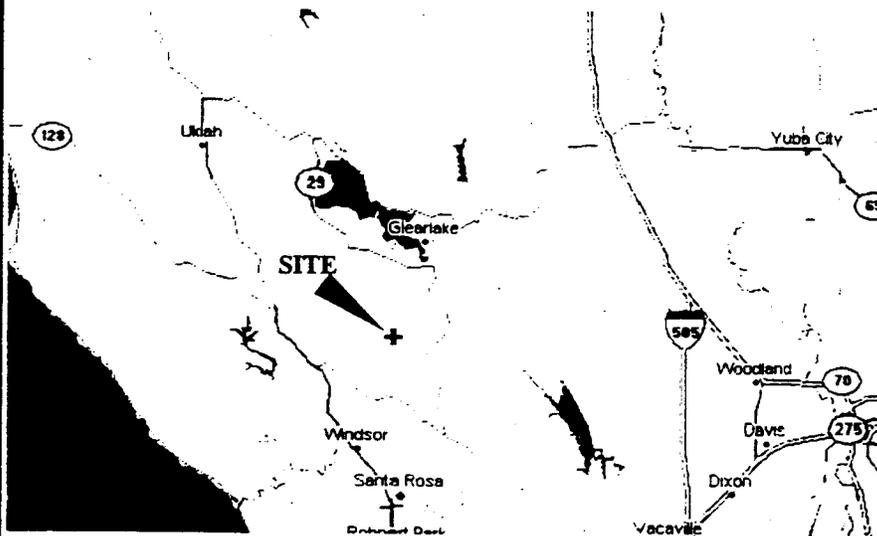


Exhibit A
PRC 6793.2
Pipeline
&
Rights of WAY
Geysers
LAKE COUNTY
SONOMA COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver of limitation of any state interest in the subject or any other property.

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