MINUTE ITEM

3/80 Burnett PRC 4596.2 PRC 4597.2

24. Amendment of Geothermal Leases

Calendar Item 24 attached was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 24

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CALENDAR ITEM

24.

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3/80 PRC 4596.2 PRC 4597.2 Burnett

AMENDMENT OF GEOTHERMAL LEASES PRC 4596.2 AND PRC 4597.2

Prior to passage of Senate Bill 1027 in 1978 (Chapter 1139, Statutes of 1978), the law provided that geothermal leases were subject to renegotiation of royalty after 20 years. This bill amends that period for leases in existence prior to January 1, 1979, to subject such leases to renegotiation 30 years from the effective date of the lease and at 10-year intervals thereafter.

Union Oil Company of California, Magma Power Company and Thermal Power Company are the lessees of two State geothermal leases, PRC 4596.2 and PRC 4597.2, issued in May, 1971. Union Oil Company has requested that the time period for renegotiation of royalty in these leases be amended to conform to the provisions of Chapter 1139. This amendment is on file in the office of the State Lands Commission.

The proposed amendment will have no environmental impact and is considered to be a ministerial project, under the Guidelines for Implementation of CEQA (Title 14, Cal. Adm. Code Section 15073).

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED BECAUSE THIS ACTION QUALIFIES AS A MINISTERIAL ACT PURSUANT TO TITLE 14, CAL. ADM. CODE 15073.
- 2. AUTHORIZE APPROVAL OF THE AMENDMENT OF GEOTHERMAL LEASES PRC 4596.2 AND PRC 4597.2, ON FILE IN THE OFFICE OF THE COMMISSION, AND BY THIS REFERENCE MADE A PART HEREOF. ALL OTHER TERMS AND CONDITIONS OF GEOTHERMAL LEASES PRC 4596.2 AND PRC 4597.2 EXCEPT AS MODIFIED BY SAID AMENDMENT SHALL REMAIN IN FULL FORCE AND EFFECT.
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