MINUTE This Calendar Ite was approved as No. 20 by th Dramic lot by a lot artis a	m No. <u>C70</u> s Minute Item 2 Succe Lands		
ineeling.	CALE CALE	NDAR ITEM	
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. S 2, 4			08/29/85 W 23494 PRC 6882 Miller, D.
AG	REEMENT GRANTING REC	IPROCAL ROAD USE EASE	MENTS
APPLICANT:	2300 County Cer Santa Rosa, Cal		
AREA, TYPE	Who will receiv	receive 12.54± miles e from GEO Operator C e 2.14± miles of righ parcels of school la e Geysers in Lake, Me ties.	orporation,
LAND USE;	Road right-of-wa		
TERMS OF PRO	POSED AGREEMENT:		
	Initial period:	September 1, 1985.	
D		insurance: Combined limit coverage of \$	single 1,500,000
BASIS FOR CO	VSIDERATION:		
	rursuant to 2 Ca]	. Adm. Code 2003.	
APPLICANT STA	Applicant is Less projects,	ee of adjacent geothe	rmal
PREREQUISITE	CONDITIONS, FEES AND Filing fee and en received.	EXPENSES: vironmental costs hav	e been
			:

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CALENDAR PAGE	45
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CALENDAR ITEM NO. C 10 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
 - B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884: 09/28/85.

OTHER PERTINENT INFORMATION:

- State Lands Commission staff and GEO 1. Operator Corporation (GEOOC) have negotiated a mutually beneficial agreement providing for reciprocal use of roads in the Geysers area of Lake, Mendocino, and Sonoma counties. This agreement will provide for State access to five school land parcels recently acquired from BLM and other pre-existing reserved mineral parcels in return for GEOOC access across the State lands to facilitate geothermal development on adjacent leased lands. An existing access road, Seven-Mile Road, is also included in this reciprocal road use acreement along with the proposed Clearwater Creek Road and the proposed Pad 1-2.4 Access road.
- 2. The Clearwater Creek Road is designed to pass through two school parcels in Section 19, T12N R8W, MDB&M in Lake County and one parcel in Section 26, T12N R9W, MDB&M Mendocino County. The Seven-Mile Road passes through one school parcel in Sections 3, 4, 9, and 10, T11N R8W, MDB&M in Sonoma County. The Pad 1-2.4 Access Road is designed to pass through one school parcel in Section 2, T11N R9E, MDB&M in Sonoma County.
- 3. As to the Clearwater Creek Road, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has prepared a Proposed Negative Declaration identified as EIR ND 386, State Clearinghouse No. 85052110. Such Proposed Negative

-2-

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CALENDAR IT'M NO. CIA (CONT'D)

Declaration was prepared and circulated for public review pursuant to the provisions of CEQA.

Based upon the Initial Study, the Proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the Clearwater Creek Road construction project will have a significant effect on the environment. (14 Cal. Adm. Code 15074(b))

4. As to the Seven-Mile Road segment, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 1, Existing Facility, 2 Cal. Adm. Code 2905(a)(2).

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 2 Cal. Adm. Code 2905.

5. As to Pad 1-2.4 Access Road, an EIR was prepared and adopted for this project by the County of Sonoma. The State Lands Commission's staff has reviewed such document and have identified the following significant environmental effects which involve the part of the project that the Commission will be considering for approval. These are followed by changes, alterations, or permit conditions which should be required in or incorporated into the proposed project. In addition, a statement follows each mitigation measure explaining why or how such measure will accomplish its intended goal:

Impacts

a. On the north side of Squaw Creek, the road passes through or infringes on nine archeological sites.

-3-

CALENDAR PAGE 2328

CALENDAR ITEM NO. C. 10 (CONT'D)

- b. About 4.3 acres of Blue Oak Woodland, Digger Pine-Manzanita Woodland, grassland, and some Chamise would be lost.
- c. A road parallel to Squaw Creek will create a significant loss of riparian habitat and greatly increase risk of sedimentation and gully erosion.
- d. About 4.6 acres of Mixed Oak-Madrone, Douglas Fir-Black Oak-Madrone, and a small Deciduous Oak Woodland would be lost. This entire area has significant wildlife
- e. Two deeply incised perennial streams and several other steep-sided intermittent waterways would have to be crossed. The crossing at Squaw Creek will have a significant impact on the stream biota and riparian vegetation.
- f. Several unstable/landsli_ areas have to be crossed. There is a high potential for construction-induced landslides on high-cut slopes underlain by soil creep and landslide debris.
- 9. Much of the road cut and fill cannot be balanced, resulting in spoil. Spoil deposit areas are located some distance from this area, north of Caldwell Pines.

Finding

Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant environmental effects thereof as identified in the Final EIR and site specific assessment. Such changes or alterations involve an alternative access road route.

Facts Supporting Finding

The proposed access road right-of-way being applied for and under Commission consideration, is the alternative access road route.

CALENDAR PAG	= <u>48</u>
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CALENDAR ITEM NO. C 1 0 (CONT'D)

APPROVALS OBTAINED:

Grading (road) and building (bridge) permits -Lake County Building Department. 1601 and 1603 permits (streambed alterations) - Department of Fish and Game.

EXHIBITS:

- Land Description. Α.
- 8. Location Map.
- Agreement Granting Reciprocal Road Use C. Easements. D.
- Proposed Negative Declaration. Ε.
- Findings

IT IS RECOMMENDED THAT THE COMMISSION:

- AS TO THE CLEAR CREEK ROAD, CERTIFY THAT A NEGATIVE 1. DECLARATION, EIR ND 386, STATE CLEARINGHOUSE NO. 85052110, WAS PREPARED FOR THE CLEARWATER CREEK RCAD CONSTRUCTION PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
- DETERMINE THAT THE CLEARWATER CREEK ROAD CONSTRUCTION 2. PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON
- AS TO THE SEVEN-MILE ROAD SEGMENT, FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 3. 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 1, EXISTING FACILITY, 2 CAL. ADM. CODE 2905(a)(2).
- AS TO PAD 1-2.4 ACCESS ROAD, MAKE THE FINDINGS AS SHOWN IN EXHIBIT "E". 4.
- FINDS THAT THE APPROVAL OF THIS AGREEMENT FOR RECIPROCAL 5. RIGHT-OF-WAYS IS NOT INTENDED, NOR SHALL IT BE CONSTRUED TO BE AN APPROVAL OR AGREEMENT TO CHARGE THE COSTS OF ROADS COUFRED BY THIS AGREEMENT TO THE NET PROFITS ACCOUNTS COVERING ANY STATE GFOTHERMAL LEASES HELD BY GEOTHERMAL RESOURCES INTERNATIONAL, INC. OR ANY OF ITS SUBSIDIARIES.

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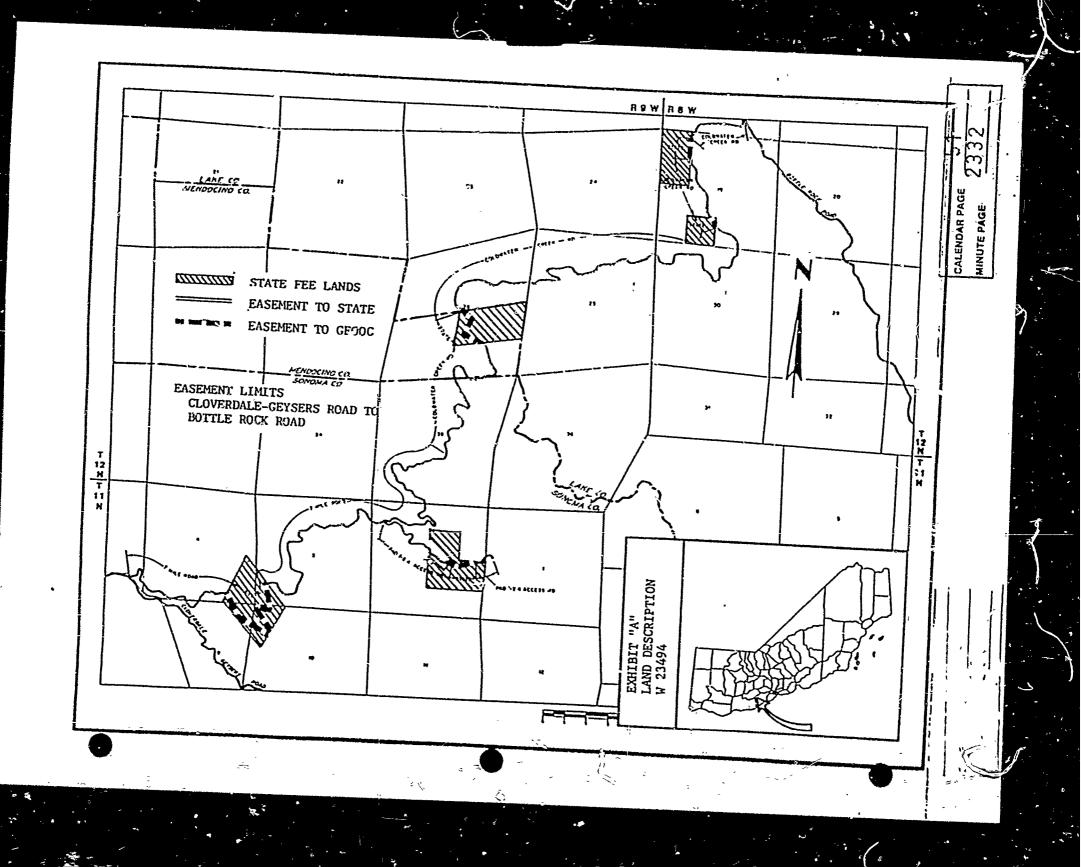
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CALENDAR ITEM NO. C 1 ((CONT'D)

6. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AN "AGREEMENT GRANTING RECIPROCAL ROAD USE EASEMENTS" WITH GEO OPERATOR CORPORATION TO PROVIDE ACCESS TO AND ACROSS LANDS AND/OR INTERESTS IN LANDS OWNED BY THE RESPECTIVE PARTIES IN LAKE, MENDOCINO, AND SONOMA COUNTIES ON THE LANDS OR INTERESTS AS DEPICTED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

-6--

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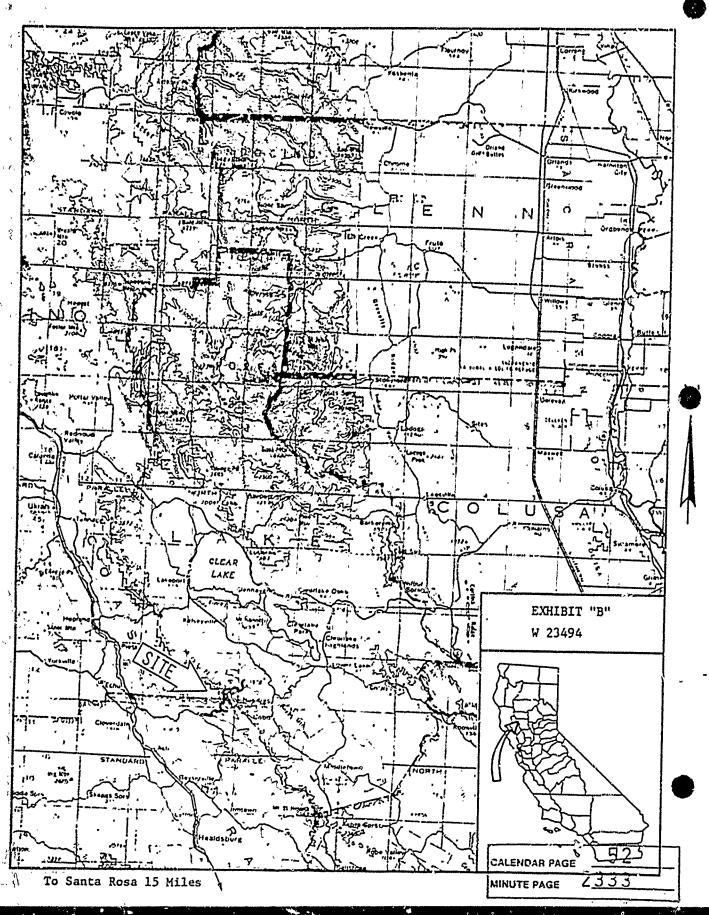


EXHIBIT "C"

AGREEMENT GRANTING RECIPROCAL ROAD USE EASEMENTS

THIS **AGREEMENT** is by and between GEOTHERMAL RESOURCES INTERNATIONAL, INC., its wholly-owned subsidiary companies, including GEO Operator Corporation, collectively referred to as "GEOOC", a corporation organized under the laws of the State of Delaware, and the STATE OF CALIFORNIA, acting by and through the State Lands Commission, hereinafter sometimes referred to

WITNESSETH

WEREAS, State is the owner of that certain real property described in Exhibit "A" attached hereto and by this reference expressly made a part hereof, hereinafter referred to as "State's property"; and

WHEREAS, GEOOC is currently negotiating for certain rights-of-way or easements across those certain routes excluding Bottle Rock Road and the Cloverdale-Geysers Road, as shown on Exhibit "C" attached hereto and by this reference expressly maje a part hereof, hereingfter referred to as "GEOOC road

WHEREAS, State desires to obtain the grant of right-of-way easements for road purposes from GEOOC, to the extent GEOOC has, or hereafter acquires, the right to grant such right-of-way easements across GEOOC's road right-of-way in order to obtain access to and from the State's property for land management purposes; and

WHEREAS, GEOOC desires to obtain the grant of a right-of-way for road purposes across the State's property in order to obtain access to and from GEOOC's project areas for geothermal management purposes, as more specifically described herein; and

WHEREAS, Public Resources Code Section 6210.9 authorizes the State, under specified circumstances, to exchange easements across State lands for easements across adjoining lands.

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

 To the extent GEOOC has, or hereafter acquires, the right so to do, GEOOC grants unto State an easement for land management access purposes upon GEOOC's road rights-of-way along the route depicted on Exhibit "C" he eto which is by this reference expressly made a part hereof for all purposes deemed necessary or desirable in connection with the

CALENDAR PAGE 53	1
 MINUTE PAGE	

protection, administration, management and utilization of State lands or resources. In the event GEOOC obtains road rights-of-way easements without the right to grant such easements to the State, as provided herein, then, GEOOC shall allow the State, as provided herein, access to such rights of way or road use as GEOOC's invitee.

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- State grants unto GEOOC an easement for geothermal management road access purposes upon State's property as described in Exhibit "A" and as depicted on Exhibit "B" hereto which are, by this reference, expressly made a part hereof without cost for all purposes deemed necessary or desirable in connection with the protection, administration, management, and utilization of GEOOC-owned or operated lands or resources, and shall have the right, but not the obligation, to construct, reconstruct, and maintain This grant of road within the easement. easement by the State shall not be construed to include oil, gas, oil shale, coal, phosphate, sodium, gold, silver, or any other mineral deposits belonging to the State, as provided for in Public Resources Code Section 6401(a), or any other rights except as express granted hereby.
- Each party hereto shall not use the interest granted it for purposes which would unreasonably damage the 3. surface or the subsurface thereof.
- 4(a) Insurance Each party hereto shall have the right to require any user of the easement granted to the other party hereto to procure, to maintain, and to furnish satisfactory evidence of liability insurance in a form generally acceptable in the trade and customary in this area, insuring said party against liability arising out of its operation on the easement with combined single limit per occurrence of \$500,000 for bodily injury and property damage, plus umbrella liability insurance covering up to \$1,000,000 over and above the maximum limits of primary policy required above.
- 4(b) <u>Indemnification by GEOOC</u> State shall not be liable and GEOOC shall indemnify, hold harmless and, at the option of the State, defend the State, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, occurring on that portion of the GEOOC road right-of-way which crosses the State property or improvements thereon, which arise out of or are connected in any way with the exercise of

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rights granted to GEOOC under this Agreement. GEOOC shall give prompt notice to State in case of any accident, injury or casualty on the State's property.

- 4(c) Indemnification by State GEOOC shall not be liable and State shall indemnify, hold harmless and, at the option of GEOOC, defend GEOOC, its officers, agents, and employees, against and for any and all liability, claims, damages, or injuries of any kind and from any cause occurring on the GEOOC road right-of-way (other than that portion which crosses the State's property), or improvements thereon, which arise out of or are connected in any way with the exercise of rights granted to State under this agreement. State shall give prompt notice to GEOOC in case of any accident, injury, or casualty on the GEOOC road right-of-way.
- 5. If either party hereto maintains a locked gate or other impediment to the other party's use of the interest granted to said other party by this agreement, that party shall timely furnish said other party with a key or other instrument and/or information to enable said other party to use the interest granted it by this agreement.
- 6. Each interest granted by this agreement is granted without warranty of title and subject to all outstanding liens, encumbrances, claims of title and all other valid legal and/or equitable interest affecting the interest granted.
- The term of this agreement shall be for a period of forty-nine (49) years, commencing September 1, 1985 and terminating August 30, 2034.
- 8. Both parties reserve the right to lease, convey, grant easements across, or otherwise transfer or encumber their respective properties so long as said transfer or encumbrance or any use resulting therefrom does not unreasonably interfere with the interest granted to the other party by this agreement.
- 9. Each party hereto may assign, license, or otherwise permit the use of the easement granted to it under this agreement, so long as it first obtains the written consent of the other party. Each party hereby expressly consents to the other party's assignment, license, or other permit of use of rights hereunder to any of such other party's contractors, consultants, representatives, lessors, lessees, purchasers of geothermal resources (or forms of energy derived therefrom), including their respective

CALENDAR PAGE	2336
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officers and employees, provided that each such recipient of rights first contacts GEOOC and agrees to pay to GEOOC such sum or sums as GEOOC, in its sole discretion, determines to be a fair share of construction and maintenance costs for any and all improvements on the GEOOC road right-of-way. The determination of the fair share of construction and maintenance costs shall be applied uniformly to all recipients of rights under this agreement regardless of whether those rights are obtained from GEOOC or from the State, except that recipients of rights under this agreement who share other rights-of-way with GEOOC in The Geysers Known Geothermal Resource Area may instead, in GEOOC's sole discretion, be required to pay, as their share of construction and maintenance costs, a sum or sums as may be calculated using the same, or a similar, method as is used by such other recipient in calculating GEOOC's share of any such charges under agreements applicable to such other rights-of-way.

- 10. This agreement shall inure to the benefit of and be binding upon the heirs, devisees, and successors to the parties hereto.
- 11. This agreement shall become effective on the date when it is duly executed by both GEOOC and the State.

GEOTHERMAL RESOURCES INTERNATIONAL INC. By

Title _____

Attest _____

Ву	
Title _	
Date	

STATE LANDS COMMISSION

The issuance of this agreement was authorized by the State Lands Commission on _____

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CALENDAR PAGE 2337

EXHIBIT "A"

	land of the State of California under the the State Lands Commission.
Parcel No. 1	Lots 5 & 6, Section 19, T12N R8W, MDB&M, Lake County
Parcel No. 2	Lot 7, Section 19, T12N R8W, MDB&M, Lake County
Parcel No. 3	N1/2SE1/4 Section 26, T12N R9W, Mendocino County
Parcel No. 4	Lots 17, 18, 19, 20 & 21, Section 2 T11N R9W, MDB&M, Sonoma County
Parcel No. 5	Portion of Lots 37, 45 & 46, Section 3, T11N R9W, MDB&M
	Portion of Lots 37, 45 & 47, Section 4, T11N R9W, MD8&M
	Portion of Lots 37, 47 & 48, Section 9, T11N R9W, MDB&M
	Portion of Lots 37, 46 & 48, Section 10, T11N R9W, MDB&M, Sonoma County

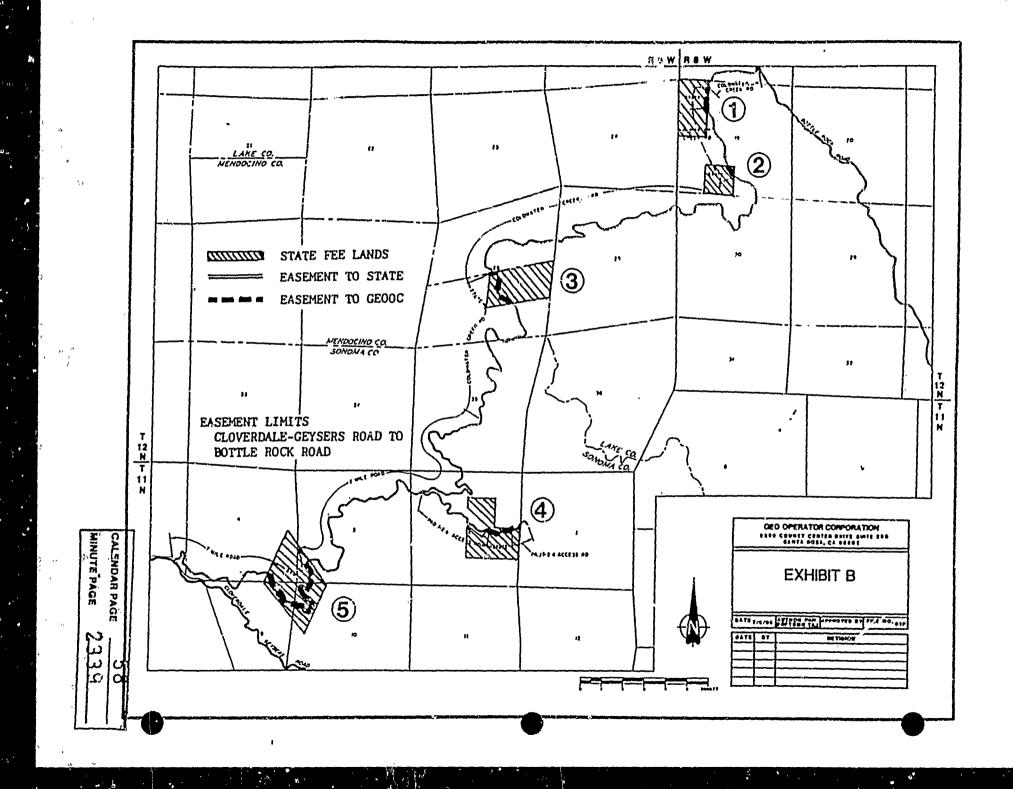
Said easements herein granted shall be (66) sixty-six feet in width, being (33) thirty-three feet on either side of the centerline of the proposed road, or more, as road maintenance may require and as necessary to accommodate cut and fill slopes and drainage structures.

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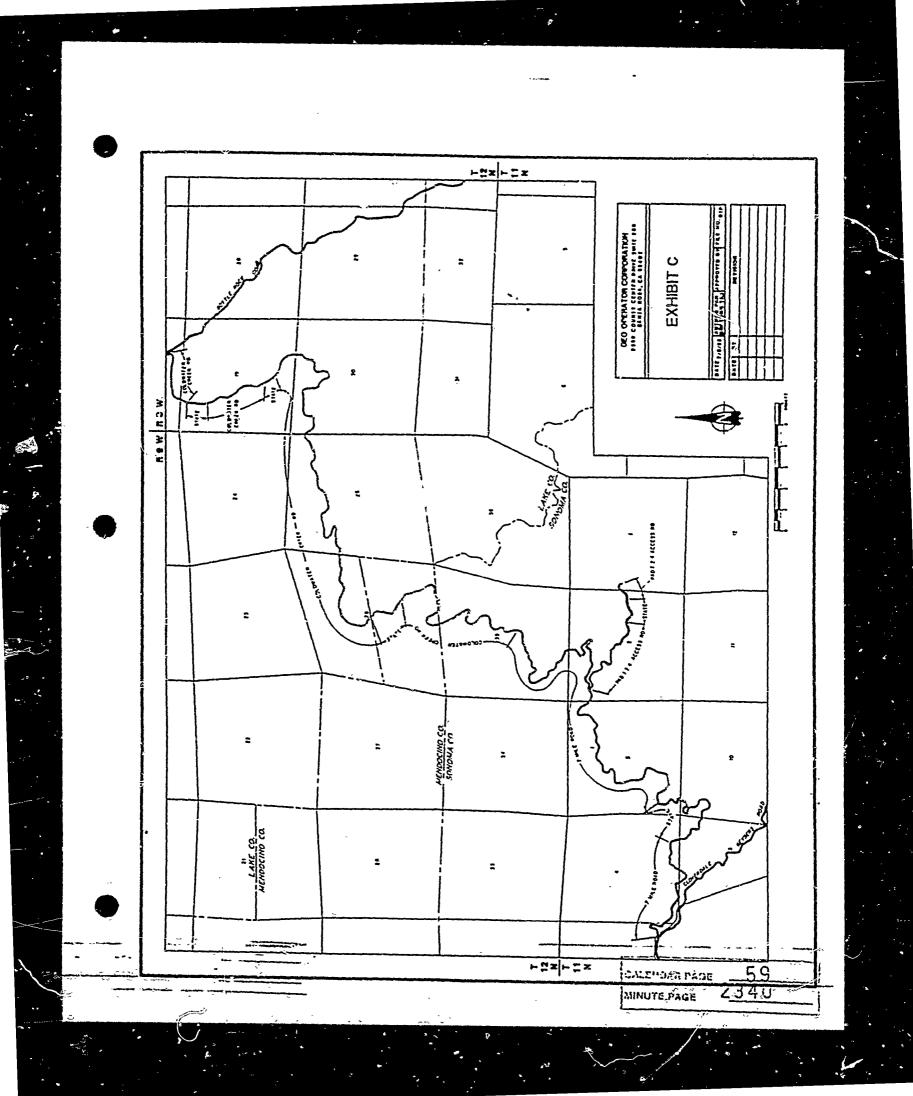
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STATE OF CALIFORNIA-STATE LANDS COMMISSION

STATE LANDS COMMISSION 1807 ISTH STREET SACRAMENTO, CALIFORNIA 95814

EXHIBIT "D"





PROPOSED NEGATIVE DECLARATION

EIR ND 386

File Ref.: W 23494

SCH#: 8505 2110

Project Title:

Coldwater Creek Road

Project Propohent: GEO Operator Corporation

Project Location: Lake County, California

Project Description:

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6.0 mile road improvement and new construction linking Sonoma County steam fields to Bottle Rock Road in Lake County. Road width will be 30 feet. An existing bridge over Kelsey creek will be replaced.

Contact Person: Goodyear K. Walker

15 15:

Telephone: (916) 322-0530

This document is prepared pursuant to the requirements of the California Environmental Quality Act(Section 21000 et seq., Public Resources Code), the State CEQA Guidelines(Section 15000 et seg., Title 14, California Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Administrative Code).

Based upon the attached Initial Study, it has been found that:

T the project will not have a significant effect on the environment.

X mitigation measures included in the project will avoid potentially significant effects,

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Form 13.17 (5/85)

1. Project Title: Coldy	der Creek Ro	λ	
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Ja. Street Addressi: 1907			
Sc. DOWERY: Saicymant			Poor. (416) 322-053 LI
MOTET LOCATION 4. County:		te. City/Community:	< <u>0.0.7</u>
4b. Amount's Parcel No			
54. Crosse Streets:	w/A	Sb. For Rural, Neurost	Kelsey ville
6. Within 2 miles: A. Bwy -	175 0. Mr. Ne.	c. Nail-	d. Bater-
7. DOCUMENT TYPE	S. LOCAL ACTION TOPE	9. DEVELOPMENT TYP	r.
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14Final Document	13Cancel Ag Preserv	r 11Other'	7, 0
15Other	14. Other		
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2. PROJECT ISSUES DISCUSSED IN	DOCUMENT	15Septic Systems	23. X Pater Quality
11. X Seatheric/Visual	06Flooding/Drainage	16Sever Capacity	24Water Supply
2Agricultural Land	09. X Geologic/Seismic	17Social	25. Wetland/Ripariso
D. K LIT QUALITY -	10Jobs/Housing Balance	18. X Soil Erosico	26. X Vildlife
H. <u>X</u> irchaelogical/Mistorical	11Minerais	19Solid Maste	27Growth Inducing
6Constal Zone	12. <u>X</u> Noise	20Toric/Bazardous	28Incompatible Landuse
6Economic	13Public Services	21%Traffic/Circulatico	29Camulative Effects
7. X Pire Bazard	14Schools	22. X Vegetatico	30Other
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EXHIBIT "E"

The following findings relate to each of the potential significant effects identified in the Environmental Impact Report (EIR) prepared for the project affecting the State Lands Commission decision:

WELL PAD 1-2.4 ACCESS ROAD

IMPACTS

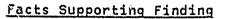
- b. About 4.3 acres of Blue Oak Woodland, Digger Pine-Manzanita Woodland, grassland, and some Chamise would be lost.
- c. A road parallel to Squaw Creek will create a significant loss of riparian habitat and greatly increase risk of sedimentation and gully erosion.
- d. About 4.6 acres of Mixed Oak-Madrone, Douglas Fir-Black Oak-Madrone, and a small Deciduous Oak Woodland would be lost. This entire area has significant wildlife habitat
- e. Two deeply incised perennial streams and several other steep-sided intermittent waterways would have to be crossed. The crossing at Squaw Creek will have a significant impact on the stream biota and riparian vegetation.
- f. Several unstable/landslide areas have to be crossed. There is a high potential for construction-induced landslides on high-cut slopes underlair by coil creep and landslide debris.
- g. Much of the road cut and fill cannot be balanced, resulting in spoil. Spoil deposit areas are located some distance from this area, north of Caldwell Pines.

Finding

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Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant environmental effects thereof as identified in the Final EIR and site specific assessment. Such changes or alterations involve an alternative access road route.

> CALENDAR PAGE MINUTE PAGE



The proposed access road right-of-way being applied for and under Commission consideration, is the alternative access road route

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