

MINUTE ITEM

This Calendar Item No. C74 was approved as Minute Item No. 74 by the California State Lands Commission by a vote of 2 to 0 at its 12-08-05 meeting.

CALENDAR ITEM
C74

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12/08/05
PRC 7845.2
D. Dudak

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CONSIDER APPROVAL OF AN ASSIGNMENT OF
100 PERCENT INTEREST IN STATE
GEOTHERMAL RESOURCES LEASE NO. PRC 7845.2,
THE GEYSERS GEOTHERMAL FIELD,
LAKE COUNTY

ASSIGNOR:

Silverado Geothermal Resources, Inc.
Attn: Mr. Kevin Talkington
10350 Socrates Mine Road
Middletown, CA 95461

ASSIGNEE:

Geysers Power Company, LLC
Attn: Mr. Kevin Talkington
10350 Socrates Mine Road
Middletown, CA 95461

AREA, LAND TYPE, AND LOCATION:

Approximately 440.00 acres of State 100 percent (100%) fee interest School Lands at The Geysers Geothermal Field, Lake County, as described in Exhibit A, attached hereto.

BACKGROUND:

State Geothermal Resources Lease No. PRC 7845.2 (Lease) was issued to Santa Fe Geothermal, Inc., in July 1995, as a negotiated subsurface (no surface use) lease. In April 1997, Santa Fe was purchased by ESI Energy, Inc., and its name was changed to Silverado Geothermal Resources, Inc. (Silverado). In October 1999, Silverado was purchased by Calpine Corporation. Calpine is also the parent of Geysers Power Company, LLC, holder of six of the State's seven geothermal leases at The Geysers. The subject assignment will complete Calpine's efforts to consolidate its geothermal leaseholds under a single subsidiary.

CALENDAR ITEM NO. C74 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. Paragraph 34 of Lease No. PRC 7845.2.
- B. Public Resources Code sections 6804 and 6925.

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, Section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it 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, Sections 15060(c)(3) and 15378.

- 2. Assignment forms and prerequisite filing fees have been paid by Geysers Power Company, LLC.
- 3. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all state school lands and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

EXHIBITS:

- A. Land Description
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CALENDAR ITEM NO. C74 (CONT'D)

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060 (c) (3) 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:

1. CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN STATE GEOTHERMAL RESOURCES LEASE NO. PRC 7845.2 FROM SILVERADO GEOTHERMAL RESOURCES, INC., TO GEYSERS POWER COMPANY, LLC, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS NECESSARY TO IMPLEMENT THE COMMISSION'S ACTION.

EXHIBIT A

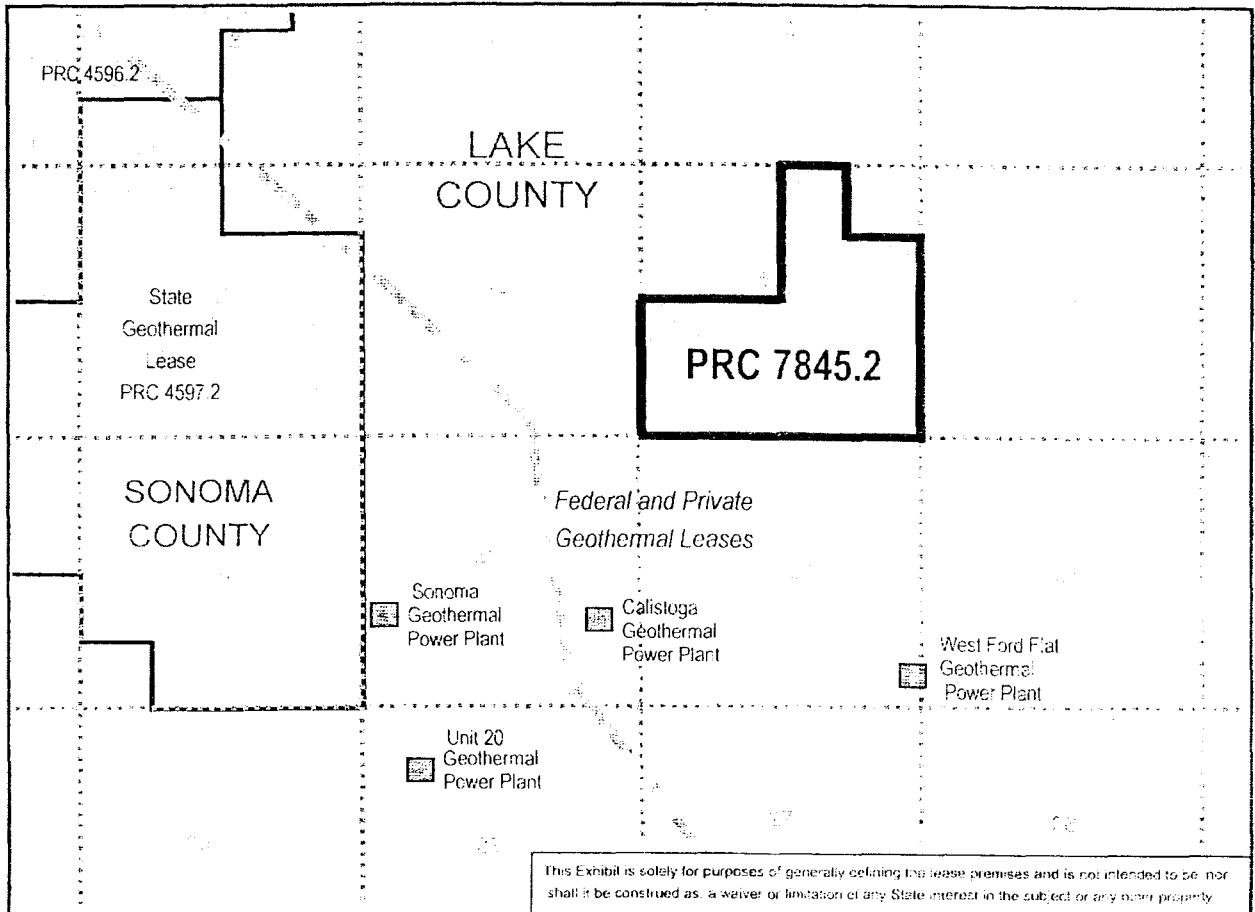
PRC 7845.2

LAND DESCRIPTION

South Half, West Half of Northeast Quarter, and Southeast Quarter of Northeast Quarter, all in Section 15, Township 11 North, Range 8 West, Mount Diablo Base and Meridian, Lake County, containing 440 acres, more or less.

END OF DESCRIPTION

EXHIBIT B



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 or limitation of any State interest in the subject or any other property.

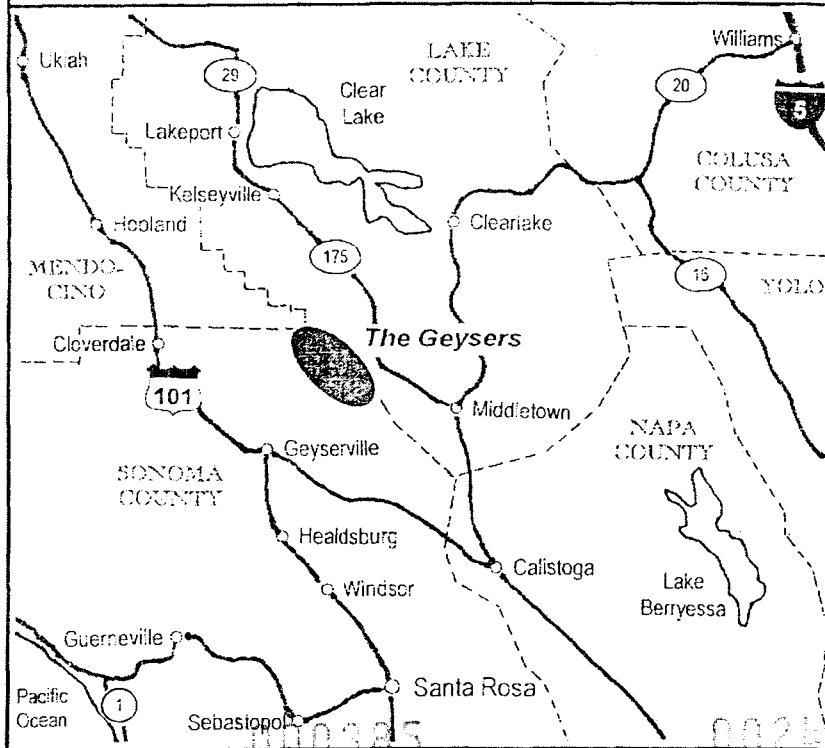


EXHIBIT B
PRC 7845.2
LOCATION MAP
The Geysers Geothermal Field
LAKE COUNTY



SITE