

**CALENDAR ITEM  
C90**

A 56  
S 40

02/20/15  
PRC 9115.2  
V. Perez

**CONSIDER ACCEPTANCE OF A FULL QUITCLAIM DEED  
OF A STATE GEOTHERMAL RESOURCES LEASE FOR  
NON-SURFACE OCCUPANCY OF STATE PROPRIETARY LAND  
WITHIN THE WISTER WATERFOWL MANAGEMENT AREA,  
SALTON SEA GEOTHERMAL FIELD,  
IMPERIAL COUNTY**

**LESSEE:**

Imperial Wells Power, LLC  
Attn.: Mr. Vince Signorotti  
12250 El Camino Real, Suite 280  
San Diego, CA 92130

**AREA, LAND TYPE, AND LOCATION:**

State Geothermal Resources Lease No. PRC 9115.2 contains 40 acres of State 100 percent (100%) reserved mineral interest School Lands within the Wister Waterfowl Management Area managed by the California Department of Fish and Wildlife, Imperial County, California (Exhibit A and Exhibit B, attached hereto).

**BACKGROUND:**

A non-surface occupancy Geothermal Lease No. PRC 9115.2 (Lease) was issued to Imperial Wells Power, LLC (Lessee) on March 1, 2014, and contains approximately 40 acres of State reserved mineral interest school lands within the Wister Wildlife Management Area managed by the California Department of Fish and Wildlife in Imperial County, California (leased lands). Under the terms of the Lease, the lessee is required to pay an annual rental of \$50 per acre (\$2,000 for 40 acres). The lease did not contain a drilling term and no wells have been drilled into the leased lands.

Public Resources Code section 6804.1 and Lease Paragraph 37 permit the lessee to make, at any time, a written quitclaim of all rights under the lease, or of any portion of the leased lands comprising a ten-acre parcel or multiple thereof, in a compact form. The quitclaim will be effective when it is filed with the State subject to the continued obligation of the lessee and its surety to pay all accrued rentals and royalties, and to abandon any wells drilled on the leased lands.

CALENDAR ITEM NO. **C90** (CONT'D)

On January 15, 2015, the Commission's Long Beach office staff received the document for a full Quitclaim Deed for State Geothermal Resources Lease PRC 9115.2. This document was dated January 9, 2015, and quitclaims back to the State, all of the lessee's right, title, and interest in the leased lands described in Exhibit A (attached hereto) of Geothermal Lease No. PRC 9115.2 dated March 1, 2014.

A review of the Commission's files reveals that no default exists on the Lease, that the lessee has complied with all applicable laws and Lease provisions, and has paid all rentals that were due (no royalty is due as the leased lands were not developed).

**STATUTORY AND OTHER REFERENCES:**

- A. Public Resources Code section 6804.1
- B. PRC 9115.2, Lease Paragraph 37.

**OTHER PERTINENT INFORMATION:**

The staff recommends that the Commission find that the acceptance of a full Quitclaim Deed does not have a potential for resulting in either a direct, or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

**EXHIBITS:**

- A. Land Description
- B. Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the acceptance of the full Quitclaim Deed is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

CALENDAR ITEM NO. **C90** (CONT'D)

**AUTHORIZATION:**

1. Accept from Imperial Wells Power, LLC the full Quitclaim Deed for the Geothermal Lease dated January 9, 2015, and consider the effective filing date as January 15, 2015, the date of receipt, wherein the lessee quitclaims back to the State all right, title, and interest in the leased lands described in Exhibit A, attached hereto, of Geothermal Lease No. PRC 9115.1 dated March 1, 2014.
2. Release Imperial Wells Power, LLC from its obligations under Geothermal Lease No. PRC 9115.2 accruing after January 15, 2015, with exception to continuing obligations, if any, identified within Paragraph 37 of the lease.
3. Authorize the Executive Officer or her designee to execute any documents necessary to implement the Commission's action.

**EXHIBIT A**

**PRC 9115.2**

**LAND DESCRIPTION**

A parcel of land situate in Township 10 South, Range 13 East, SBM., County of Imperial, State of California, and more particularly described as follows:

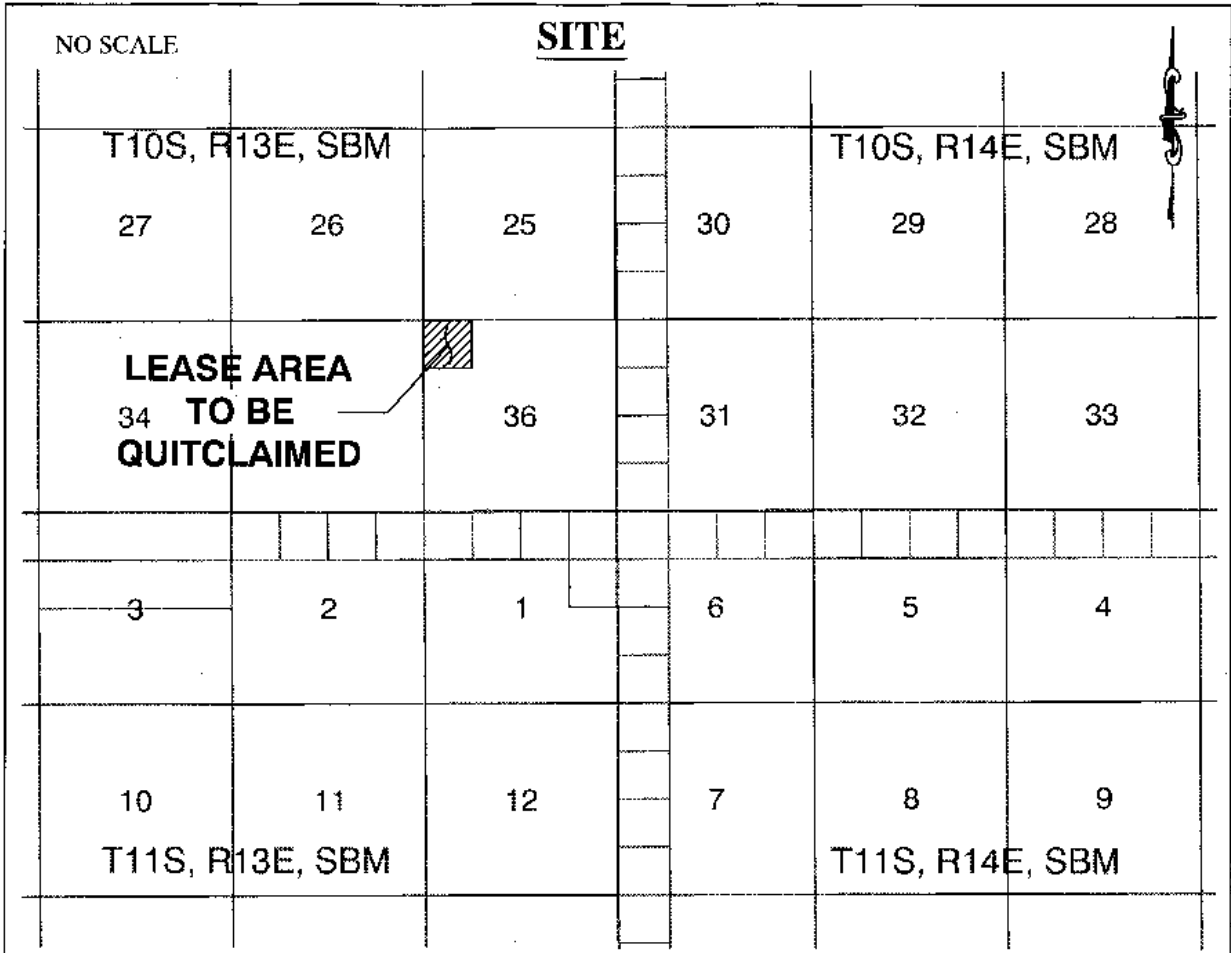
Parcel 1 -- Patented School Lands, Portion of Section 36, T10S, R13E, SBM.

The Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 36, Township 10 South, Range 13 East, SBM., Patented February 21, 1958 in Book 57 at Page 204, on file at the Sacramento Offices of the California State Lands Commission.

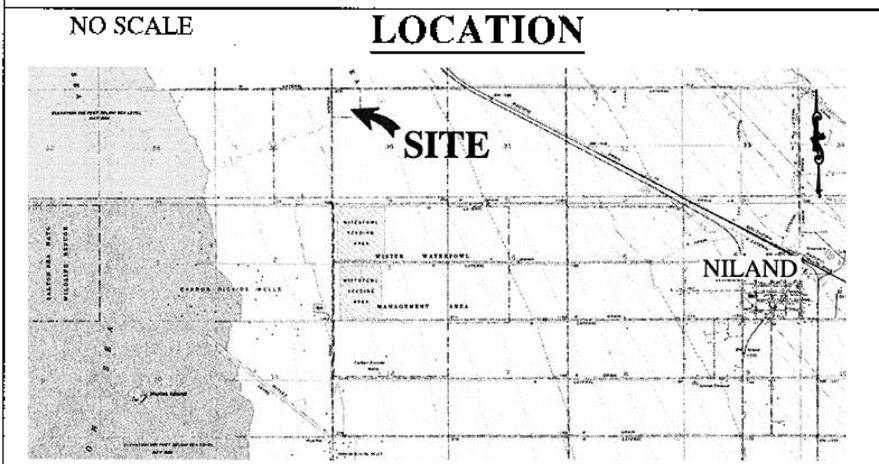
**END OF DESCRIPTION**

Prepared January 28, 2015 by the California State Lands Commission Boundary Unit.





**WISTER WATERFOWL AREA**



MAP SOURCE: USGS QUAD

**Exhibit B**  
 PRC 9115.2  
 IMPERIAL WELLS  
 POWER LLC  
 QUITCLAIM  
 IMPERIAL COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties 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.