

**STAFF REPORT
C68**

A 56
S 40

08/17/17
PRC 9116.0
V. Perez

**CONSIDER ACCEPTANCE OF A FULL QUITCLAIM DEED OF
STATE GEOTHERMAL RESOURCES LEASE NO. PRC 9116.0, NEAR NILAND,
IMPERIAL COUNTY, ADMINISTERED BY THE COMMISSION,
ON BEHALF OF THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE**

LESSEE:

Imperial Wells Power, LLC

AREA, LAND TYPE, AND LOCATION:

Approximately 1,325 acres of State proprietary land located within the Wister Waterfowl Management Area, Assessor's Parcel Numbers 003-220-011, 020-010,001, 020-010-041, and 020-010-042, within Township 10 South, Range 13 East, Township 11 South, Range 13 East, and Township 11 South, Range 14 East, SBM, about 3 miles southwest of the community of Niland, near the Salton Sea in Imperial County (see Exhibits A and B, attached).

BACKGROUND:

On February 21, 2014, the Commission authorized a no-surface occupancy State Geothermal Lease No. PRC 9116.0 (Lease) to Imperial Wells Power, LLC, (Lessee) for approximately 1,611 acres of proprietary fee-owned land ([Item C61, February 21, 2014](#)). The leased land is located within the Wister Waterfowl Management Area and managed by the California Department of Fish and Wildlife in Imperial County. On February 20, 2015, the Commission accepted a partial quitclaim deed, which reduced the leased land acreage by 246 acres ([Item C91, February 20, 2015](#)). Following the Commission's acceptance of the partial quitclaim deed, the leased lands include approximately 1,365 acres.

Under the terms of the Lease, the Lessee is required to pay an annual rental of \$25 per acre (\$34,125 for 1,365 total acres) and commence drilling operations on the leased lands within 2 years. On June 29, 2015, the Commission amended the drilling term (the time to initiate drilling) from 2 years to 5 years and reduced the bond amount from \$600,000 to \$100,000 that would satisfy coverage for the first geothermal well drilled ([Item C90, June 29, 2015](#)). To date, no wells have been drilled on 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

STAFF REPORT NO. **C68** (CONT'D)

of any portion of the leased lands comprising a 10-acre or multiple thereof, in a compact form. The quitclaim is 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 all wells drilled on the leased lands.

On June 22, 2017, staff received a full Quitclaim Deed for State Geothermal Lease No. PRC 9116.0 (Exhibit C, attached). This document was dated June 12, 2017, and quitclaims to the State, all of the Lessee's right, title and interest in the leased lands described in attached Exhibit A to State Geothermal Lease No. PRC 9116.0.

A review of the Commission's files reveals that the Lease is in good standing, and the Lessee has complied with all applicable Lease provisions, and has paid all rentals (no royalty is due as the leased lands have not been developed).

The Lease was approved as a no-surface-occupancy Lease, and there was no disturbance to the leased land. The Lessee attests that they did not conduct any surface or subsurface activities.

AUTHORITY:

- A. Public Resources Code section 6804.1
- B. Lease No. PRC 9116.0, Paragraph 37

OTHER PERTINENT INFORMATION:

- 1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
- 2. Acceptance of the quitclaim deed is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBITS:

- A. Land Description
- B. Location Map
- C. Lease Quitclaim Deed for State Geothermal Lease

STAFF REPORT NO. **C68** (CONT'D)

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

1. Accept from Imperial Wells Power, LLC, the full Quitclaim Deed for State Geothermal Lease No. PRC 9116.0 dated June 12, 2017, and consider the effective date as June 22, 2017, the date of receipt, wherein the Lessee quitclaims to the State all right, title and interest in the leased lands described in the attached Exhibit A.
2. Release Imperial Wells Power, LLC, from its obligations under State Geothermal Lease No. PRC 9116.0 accruing after June 22, 2017, the filing date of the quitclaim, 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 9116.0

LAND DESCRIPTION

Three (3) parcels of land situate in Township 10 South, Range 13 East, Township 11 South, Range 13 East, and Township 11 South, Range 14 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 West ½ of Section 36, Township 10 South, Range 13 East, SBM., Patented January 16, 1911 in Book 30 at Page 216, on file at the Sacramento Offices of the California State Lands Commission.

EXCEPTING THEREFROM the Northwest ¼ of the Northwest ¼ of said Section 36, Patented February 21, 1958 in Book 57 at Page 204, on file at the Sacramento Offices of the California State Lands Commission.

Parcel 2 – Department of Fish and Wildlife, Portion of Section 1 and Section 12, T11 S, R13E, SBM., and a portion of Section 6, T11S, R14E, SBM.

All of Parcels 25, 26, 27, and 28 described in SCC No. 28118, Final Order and Decree of Condemnation as to Parcels Nos. 1, 25, 26, 27, and 28, filed July 19, 1955 in Book 915 at Page 107 Official Records of said County.

EXCEPTING THEREFROM the East ½ of the Northeast ¼ of said Section 1, Township 11 South, Range 13 East, SBM in addition to Lots 5, 6, 7 and the Southeast ¼ of the Northwest ¼ of Section 6, Township 11 South, Range 14 East, SBM.

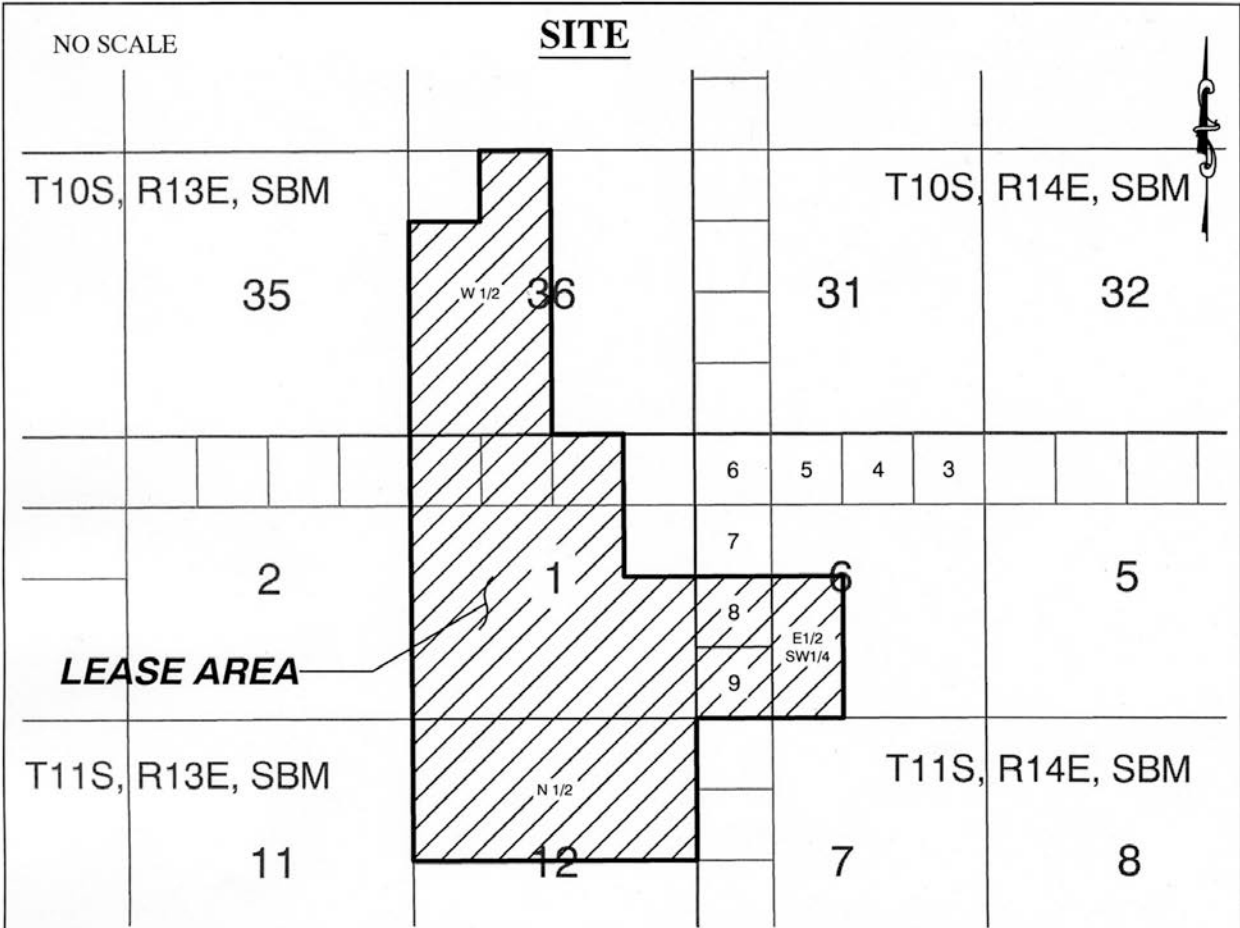
Parcel 3 – Department of Fish and Wildlife, Portion of Section 1, T11S, R13E, SBM.

All of Parcel 24 described in SCC No. 28118, Final Order and Decree of Condemnation as to Parcels Nos. 6, 8, 9, 11, 16, 21, and 24, filed June 29, 1954 in Book 888 at page 584 Official Records of said County.

END OF DESCRIPTION

Prepared May 15, 2015 by the California
State Lands Commission Boundary Unit.





WISTER WATERFOWL AREA, 2.5 MILES WEST AND SOUTHWEST OF NILAND



MAP SOURCE: USGS QUAD

Exhibit B
 PRC 9116.0
 IMPERIAL WELLS POWER LLC
 APNs: MULTIPLE
 NEGOTIATED
 GEOTHERMAL LEASE
 IMPERIAL COUNTY



TS 05/15/15

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.

EXHIBIT C

PRC 9116.0

RECORDED AT THE REQUEST OF
AND WHEN RECORDED MAIL TO:
STATE OF CALIFORNIA
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Attn: Title Unit

STATE OF CALIFORNIA
OFFICIAL BUSINESS
Document entitled to free recordation
pursuant to Government Code Section 27383

No Tax Due

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**LEASE QUITCLAIM DEED
FOR STATE GEOTHERMAL LEASE**

State Geothermal Lease No. PRC 9116.0 (Lease), covering certain State lands located in Imperial County, State of California, was issued by the State of California, acting through the California State Lands Commission (Commission), on March 1, 2014. At its February 20, 2015 meeting, the Commission accepted a partial Quitclaim Deed. Approximately 246 acres of the original 1571 acres were quitclaimed at that meeting. At its June 29, 2015 meeting, the Commission approved an amendment to reduce the financial security and extend the drilling term. Imperial Wells Power, LLC (Lessee) is the present holder of the Lease.

Pursuant to the terms of the Lease and Section 6804.1 of the Public Resources Code, the Lessee may at any time make and file with the Commission a written quitclaim or relinquishment of all rights under the Lease or of any portion of the Lease comprising a 10-acre parcel or multiple thereof in compact form, or of any separate or distinct zone or geological horizon thereof underlying such 10-acre parcel or multiple thereof.

Acting in accordance with such terms, the Lessee does hereby release, remise and forever quitclaim unto the State of California all of its right, title and interest in and to the State lands or that portion of the State lands held by virtue of the Lease, which contains approximately 1,325 acres and are described in Exhibit A attached hereto.

IN WITNESS WHEREOF, this Quitclaim Deed was filed in the offices of the Commission on the 12th day of June, 2017

LESSEE: Imperial Wells Power, LLC

By: 
Vincent J. Signoretti, Vice President

Acknowledgment

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

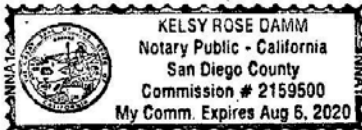
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On June 12th 2017 before me, Kelsy Rose Damm, A Notary
Date Here Insert Name and Title of the Officer
personally appeared Vincent J. Signorotti
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lease Quitclaim Deed For state Geothermal Lease
Document Date: _____ Number of Pages: 1
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

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