

MINUTE ITEM

This Calendar Item No. ~~C58~~ was approved as Minute Item No. ~~58~~ by the California State Lands Commission by a vote of 3 to 0 at its 11/27/00 meeting.

**CALENDAR ITEM
C58**

A 1
S 2

11/27/00
PRC 5206.2
J. Adams

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN STATE GEOTHERMAL RESOURCE LEASE NO. PRC 5206.2,
THE GEYSERS GEOTHERMAL FIELD,
LAKE COUNTY**

ASSIGNOR:

Calpine Geysers Company, LP
c/o Calpine Corporation
Mr. Kevin Talkington
1421 Guerneville Road, Suite 108
Santa Rosa, CA 95403

ASSIGNEE:

Geysers Power Company, LLC
c/o Calpine Corporation
Mr. Kevin Talkington
1421 Guerneville Road, Suite 108
Santa Rosa, CA 95403

AREA, LAND TYPE, AND LOCATION:

Approximately 130 acres of State 100 percent reserved mineral interest School Land in The Geysers Geothermal Field, Lake County.

BACKGROUND:

State Geothermal Resource Lease No. PRC 5206.2 was issued to Davies Estate Trusts in 1976. Through a series of assignments and name changes, the present Lessee is Calpine Geysers Company, LP, a subsidiary of Calpine Corporation. Calpine is now requesting that the California State Lands Commission approve assignment of 100 percent interest in this lease to Geysers Power Company, LLC, another wholly-owned subsidiary of Calpine Corporation.

CALENDAR ITEM NO. C58 (CONT'D)

Geysers Power Company presently holds four other State Geothermal Resource leases totaling 4,400 acres at The Geysers. It also owns 19 of 23 power plants at The Geysers, which use geothermal resources from state, federal and private leaseholds to generate nearly 1,000 Mwe of electrical power. The subject assignment furthers Calpine's goal to consolidate its geothermal operations under a single subsidiary.

STATUTORY AND OTHER REFERENCES:

- A. Section 36 of Lease No. PRC 5206.2
- B. Public Resources Code section 6804

OTHER PERTINENT INFORMATION

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity 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, section 15378.

- 2. Assignment forms and prerequisite filing fees have been paid by Calpine Corporation.

EXHIBIT:

- A. Location Map for Lease No. PRC 5206.2

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION

CALENDAR ITEM NO. **C58** (CONT'D)

21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS,
SECTION 15378.

AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF 100 PERCENT INTEREST IN
STATE GEOTHERMAL RESOURCE LEASE NO. PRC 5206.2 FROM
CALPINE GEYSERS COMPANY, LP, TO GEYSERS POWER
COMPANY, LLC WITH THE ASSIGNEE TO BE BOUND BY ALL THE
TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO
EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THIS
ASSIGNMENT.

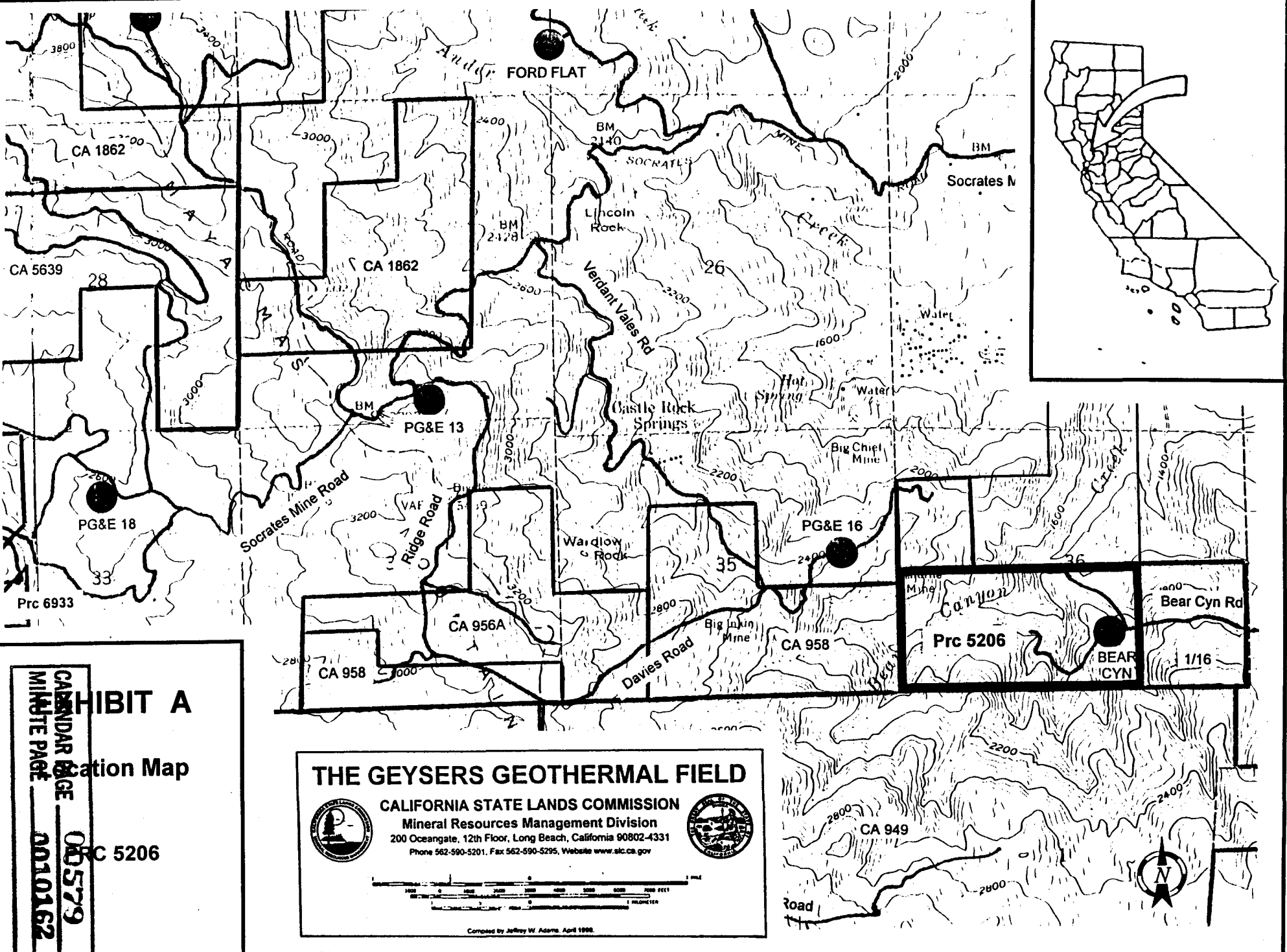


EXHIBIT A
Location Map
Prc 5206
 CALENDAR PAGE 00579
 MINUTE PAGE 0010162

THE GEYSERS GEOTHERMAL FIELD
CALIFORNIA STATE LANDS COMMISSION
 Mineral Resources Management Division
 200 Oceangate, 12th Floor, Long Beach, California 90802-4331
 Phone 562-590-5201, Fax 562-590-5295, Website www.slc.ca.gov

Composed by Jeffrey W. Adams, April 1996.