

MINUTE ITEM

This Calendar Item No. C19
was approved as Minute Item
No. C19 by the State Lands
Commission by a vote of 2
to 0 at its 3/16/91
meeting.

CALENDAR ITEM

C 1 9

A 2, 8

S 4, 5

03/06/91
PRC 5217
PRC 5820
PRC 5821
Willard

APPROVE A CONFIDENTIALITY AGREEMENT
WITH THE COLDWATER CREEK OPERATOR CORPORATION
FOR EXCHANGE OF PROPRIETARY INFORMATION

APPLICANT:

Coldwater Creek Operator Corporation (CCOC)
Attn: Mr. Steve Ponder
1400 North Dutton Avenue, Suite 23
Santa Rosa, California 95401

State Geothermal Resources leases PRCs 5217, 5820, and 5821 were issued by competitive bid and are presently held by GRI Exploration Corporation and GRI Development Corporation. On May 31, 1989, the Commission notified the lessees that they were in default under the terms of the leases and requested compliance with the specified lease provisions. On June 23, 1989, the lessees filed under Chapter 11 of the Bankruptcy Code. The Bankruptcy Court has authorized the CCOC to act on behalf of the lessees pending an approved reorganization plan.

Since the discovery of geothermal resources on these leases, staff has been conducting ongoing negotiations with GRI over a number of issues which arise under the terms and conditions of the geothermal leases. Resolution of some of the disputes may be facilitated by the exchange of certain proprietary information. The State and CCOC are exploring the potential for new leases and areas that may be pooled or unitized for equitable valuation and

CALENDAR ITEM NO. 019 (CONT'D)

conservation of the resource. The exchange of proprietary and confidential data will assist both parties in evaluation and negotiation of these matters.

The agreement is for the purpose of expediting an exchange of information without first having to resolve whether either party is otherwise legally entitled to such data. The agreement provides that the confidential information provided to the State shall be deemed to have been "obtained in confidence" for the purposes of Government Code 6254(a), and shall not be deemed to be subject to disclosure under the California Public Records Act. In return for data provided by CCOC the State will provide certain interpretative information regarding the State leases and adjacent privately leased land held by GRI. All information provided by either party and marked "Confidential" shall be held in confidence, and all such information shall be returned to the providing party at the parties' request, or upon the failure of negotiations.

The Confidentiality Agreement has been reviewed and approved by the Office of the Attorney General and staff counsel.

AB 884:
N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority, and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA under the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes there is no possibility that this project may have a significant effect on the environment.

Authority: 14 Cal. Code Regs. 15061(b)(3).

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THERE IS NO POSSIBILITY THAT IT MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT [14 CAL. CODE REGS. 15061 (b)(3)]

CALENDAR ITEM NO. C 1 9 (CONT'D)

2. APPROVE THE CONFIDENTIALITY AGREEMENT, SUBSTANTIALLY IN THE FORM ON FILE IN THE COMMISSION'S LONG BEACH OFFICE, WITH THE COLDWATER CREEK OPERATOR CORPORATION FOR THE EXCHANGE OF CERTAIN PROPRIETARY INFORMATION.