

**CALENDAR ITEM
C44**

A	1	10/27/11
S	2	W 26362 J. Porter

GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT:

Oski Energy, LLC
730 Sandhill Rd., Ste. 250
Reno, NV 89521

AREA, LAND TYPE, AND LOCATION:

32.544 acres, more or less, of State Indemnity school lands located east of Cloverdale in Sections 19, 30 and 31, Township 12 North, Range 8 West, MDM, Lake County; Sections 11, 12, 13, 14, 15, 24, and 25, Township 12 North, Range 9 West, MDM, Lake County; and Section 26, Township 12 North, Range 9 West, MDM, Mendocino County.

AUTHORIZED USE:

Non-exclusive use and maintenance of an existing access road.

LEASE TERM:

20 years, beginning October 27, 2011.

CONSIDERATION:

\$2,929 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in the amount of no less than \$1,000,000.

Bond:

\$10,000.

BACKGROUND:

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for

CALENDAR ITEM NO. **C44** (CONT'D)

public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity school lands or lieu lands.

OTHER PERTINENT INFORMATION:

1. The Applicant has filed a mineral prospecting permit with the Mineral Resources Management Division for the purposes of analyzing the feasibility of a geothermal power project on federal and private lands at the Geysers. In order to access the lands covered by the mineral prospecting permit, the Applicant needs to traverse fee-owned Indemnity school lands under the jurisdiction of the Commission.
2. The improvements within the lease premises consist of one existing access road. No additions or changes are proposed to the improvements within the lease premises.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Cal. Code Regs., tit. 14, section 15061), the staff has determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 14, California Code of Regulations, section 15301.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

4. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370, et. seq. However, the Commission has declared that all 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 section 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. Location and Site Map
- B. Land Description

CALENDAR ITEM NO. **C44** (CONT'D)

RECOMMENDED ACTION:

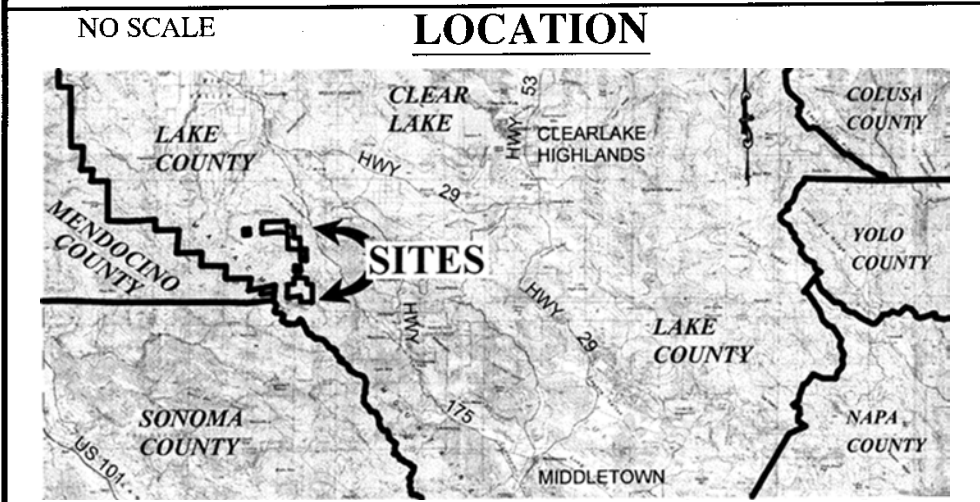
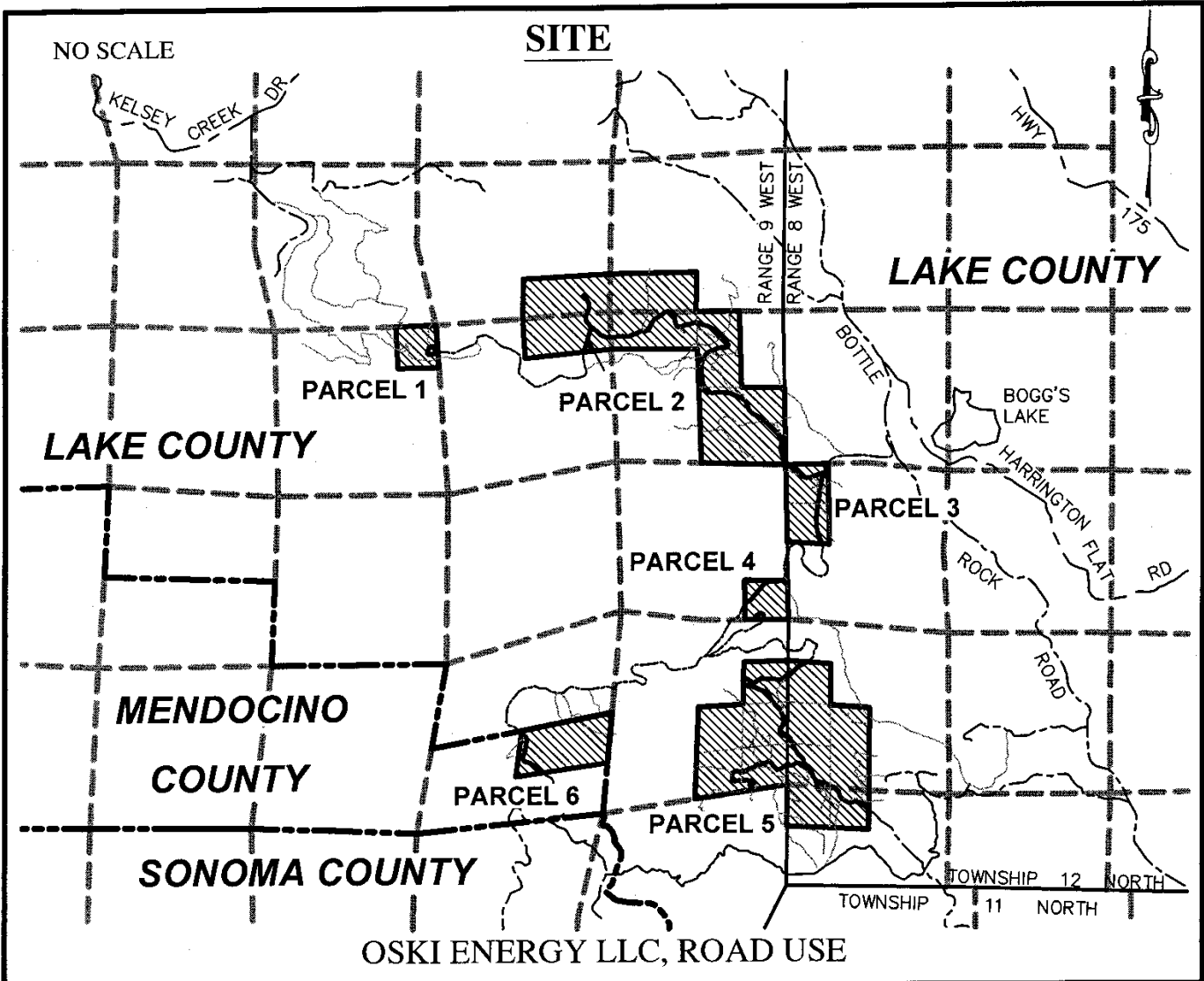
It is recommended that the Commission:

CEQA FINDING:

Find that this activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 1, Existing Facilities; Title 14, California Code of Regulations, section 15301.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to Oski Energy, LLC, beginning October 27, 2011, for a term of 20 years, for the continued use and maintenance of an existing access road, for the lands as shown on Exhibit A (for reference purposes only) and as described on Exhibit B, both attached and by this reference made a part hereof; annual rent in the amount of \$2,929 with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; liability insurance with coverage of no less than \$1,000,000, and surety in the amount of \$10,000.



MAP SOURCE: USGS QUAD

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 A

W 26362

OSKI ENERGY LLC

GENERAL LEASE-

RIGHT-OF-WAY USE

LAKE & MENDOCINO

COUNTIES

SITE

EAP 04/11

EXHIBIT B

W26362

LAND DESCRIPTION

PARCEL 1

A 40 foot wide strip of State fee-owned school lands centered over an existing road within Government Lot 1 of Section 15, Township 12 North, Range 9 West, MDM, in Lake County, California, containing approximately 950 feet of roadway as depicted on Page 1 of 6 of the Land Description Plat attached hereto, titled Parcel 1.

PARCEL 2

A 40 foot wide strip of State fee-owned school lands centered over three (3) existing roads within the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 12; the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$, the West $\frac{1}{2}$ of the Northeast $\frac{1}{4}$, and the Southeast $\frac{1}{4}$ of Section 13, the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 14, and the South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 11, Township 12 North, Range 9 West, MDM, in Lake County, California, containing approximately 13950 feet of roadway as depicted on Page 2 of 6 of the Land Description Plat attached hereto, titled Parcel 2.

PARCEL 3

A 40 foot wide strip of State fee-owned school lands centered over two (2) existing roads within Government Lots 5 & 6 of Section 19, Township 12 North, Range 8 West, MDM, in Lake County, California, containing approximately 3650 feet of roadway as depicted on Page 3 of 6 of the Land Description Plat attached hereto, titled Parcel 3.

PARCEL 4

A 40 foot wide strip of State fee-owned school lands centered over two (2) existing roads within Government Lot 1 of Section 24, Township 12 North, Range 9 West, MDM, in Lake County, California, containing approximately 2000 feet of roadway as depicted on Page 4 of 6 of the Land Description Plat attached hereto, titled Parcel 4.

PARCEL 5

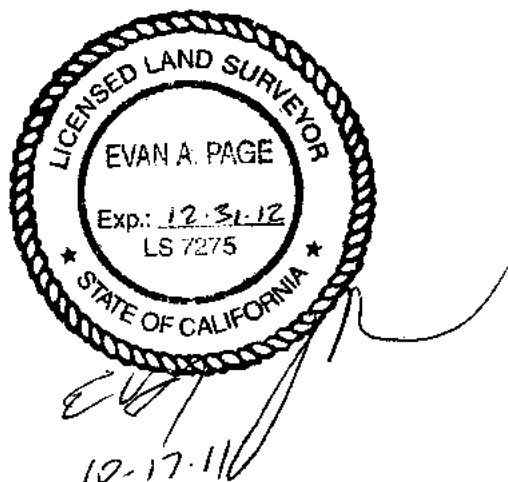
A 40 foot wide strip of State fee-owned school lands centered over four (4) existing roads within Government Lots 1, 2, 3, 8, & 9 of Section 25, Township 12 North, Range 9 West; Government Lots 2, 3, & 4, and the East ½ of the Southwest ¼ of Section 30, Township 12 North, Range 8 West, MDM; and Government Lots 1 & 7 of Section 31, Township 12 North, Range 8 West, MDM, in Lake County, California, containing approximately 13300 feet of roadway as depicted on Page 5 of 6 of the Land Description Plat attached hereto, titled Parcel 5.

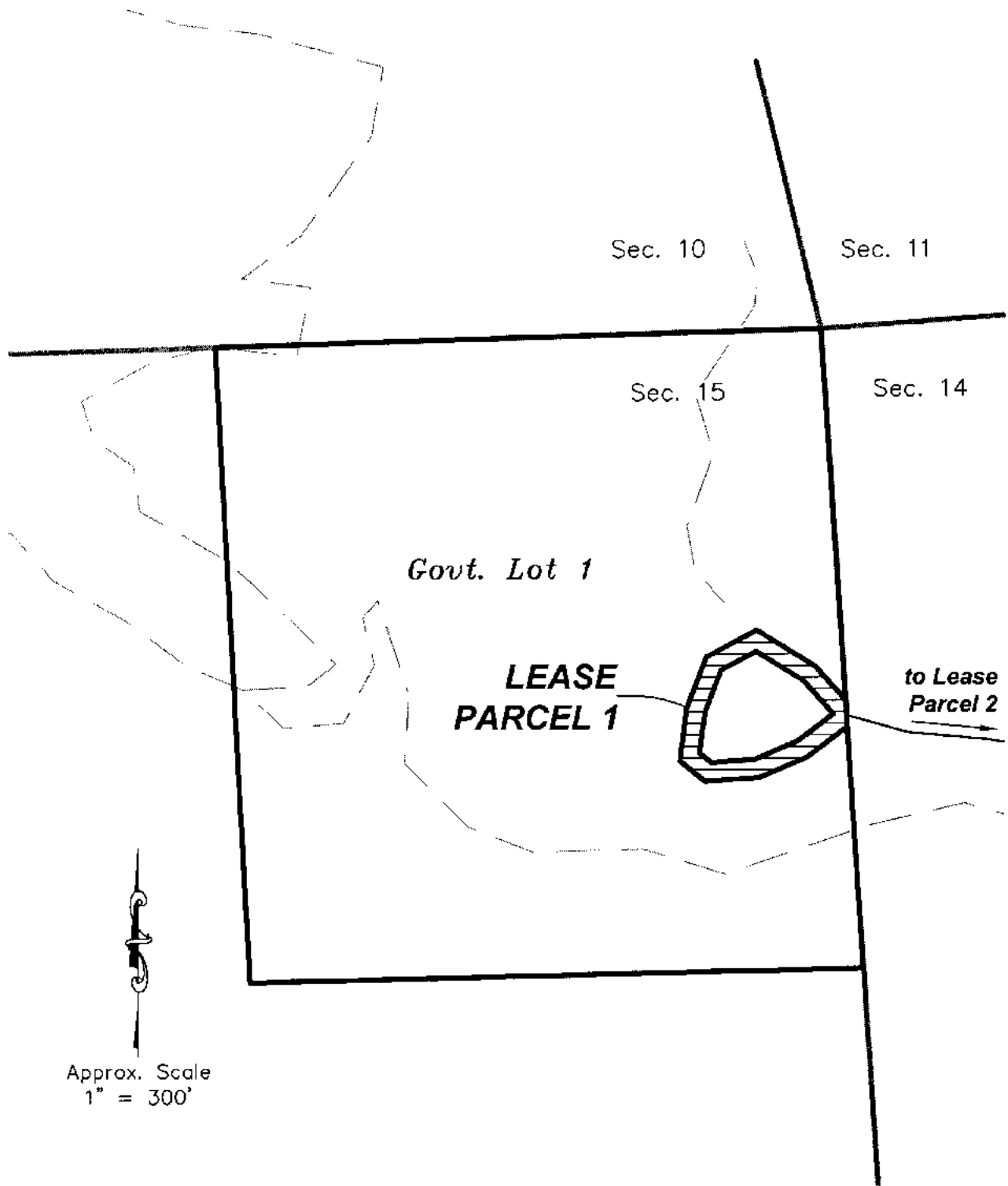
PARCEL 6

A 40 foot wide strip of State fee-owned school lands centered over an existing road within the North ½ of the Southeast ¼ of Section 26, Township 12 North, Range 9 West, MDM, in Mendocino County, California, containing approximately 1750 feet of roadway as depicted on Page 6 of 6 of the Land Description Plat attached hereto, titled Parcel 6.

The sidelines of all such strips being extended or shortened to begin or end at the boundaries of the previously described parcels at those locations where the existing roads cross said boundaries. Otherwise, sidelines begin at the sideline of the 40 foot wide strip for the road that they intersect and end at the end of the existing road.

END DESCRIPTION





Approx. Scale
1" = 300'

W 26362 - PARCEL 1

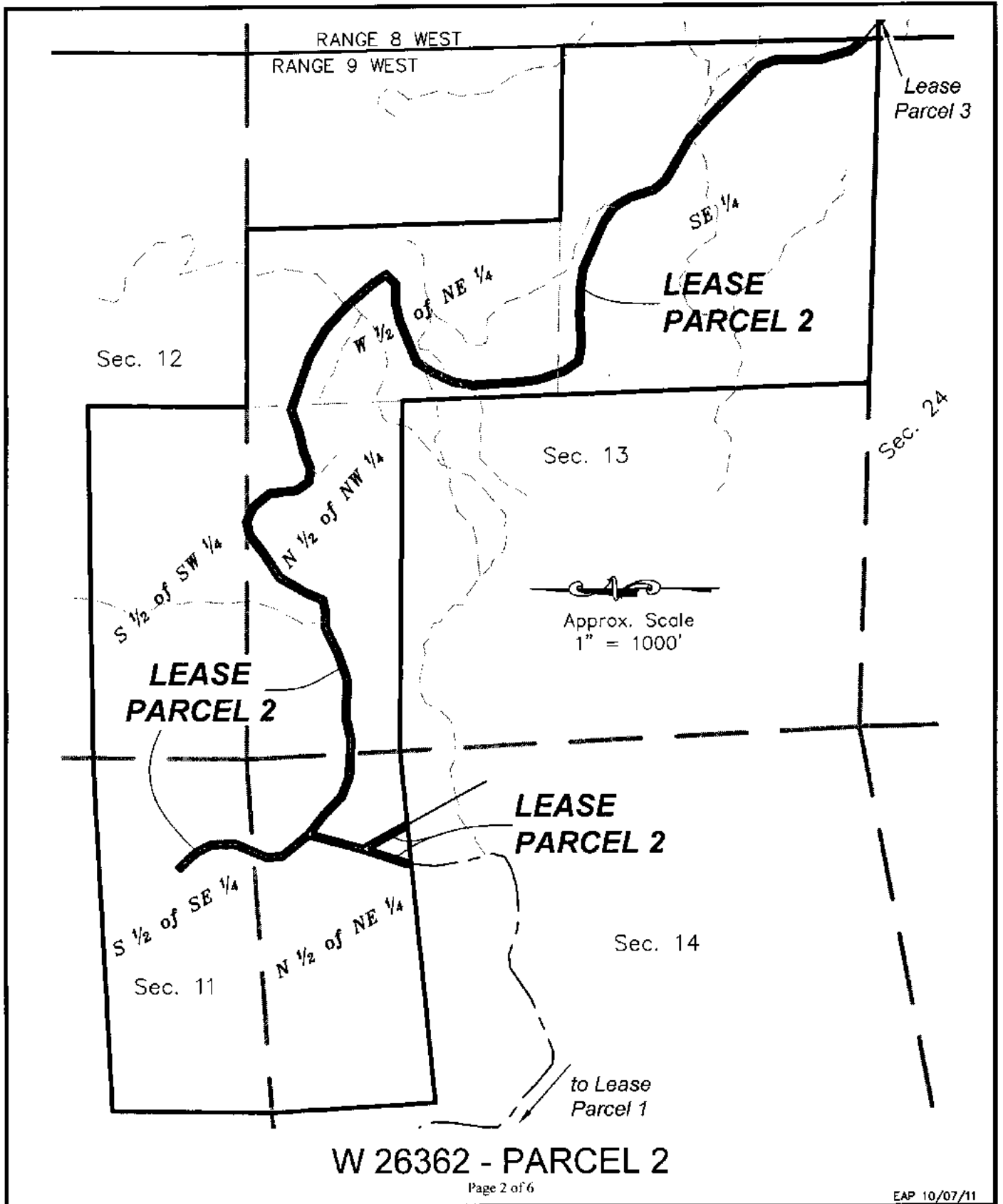
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*Land Description Plat
Oski Energy LLC
Lake County*

**CALIFORNIA STATE
LANDS COMMISSION**

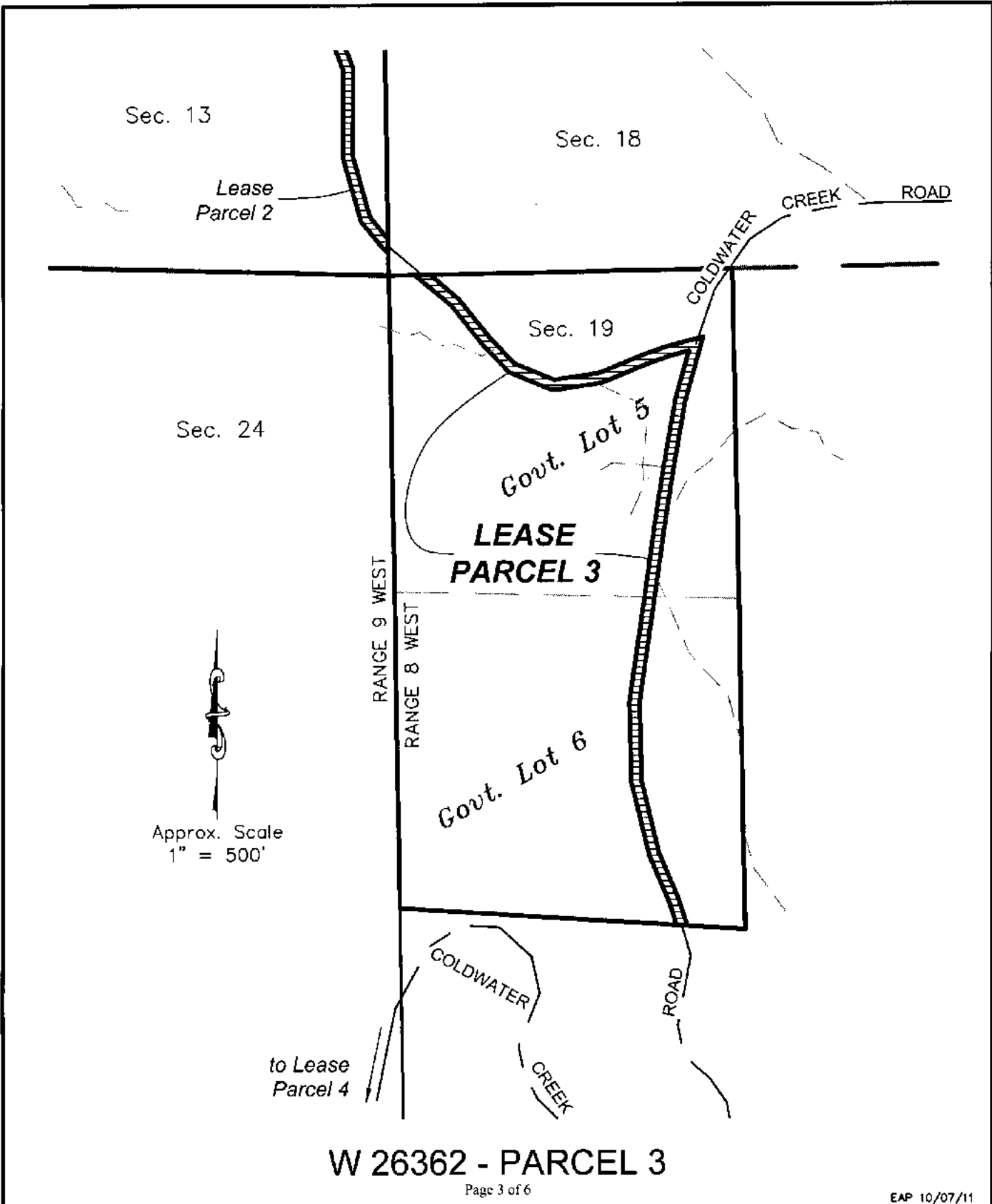




*Land Description Plat
Oski Energy LLC
Lake County*

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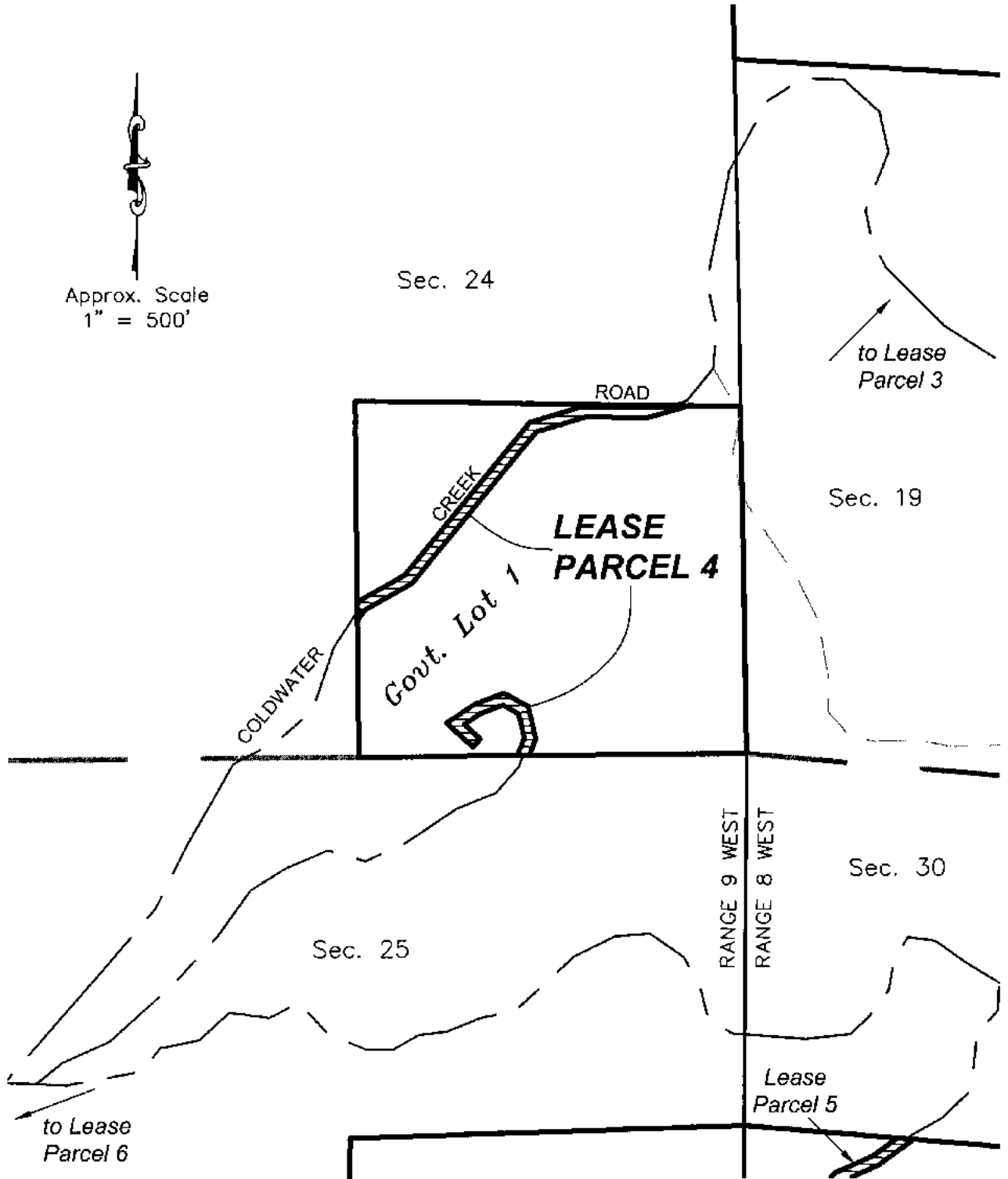
*Land Description Plat
Oski Energy LLC
Lake County*

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Approx. Scale
1" = 500'



W 26362 - PARCEL 4

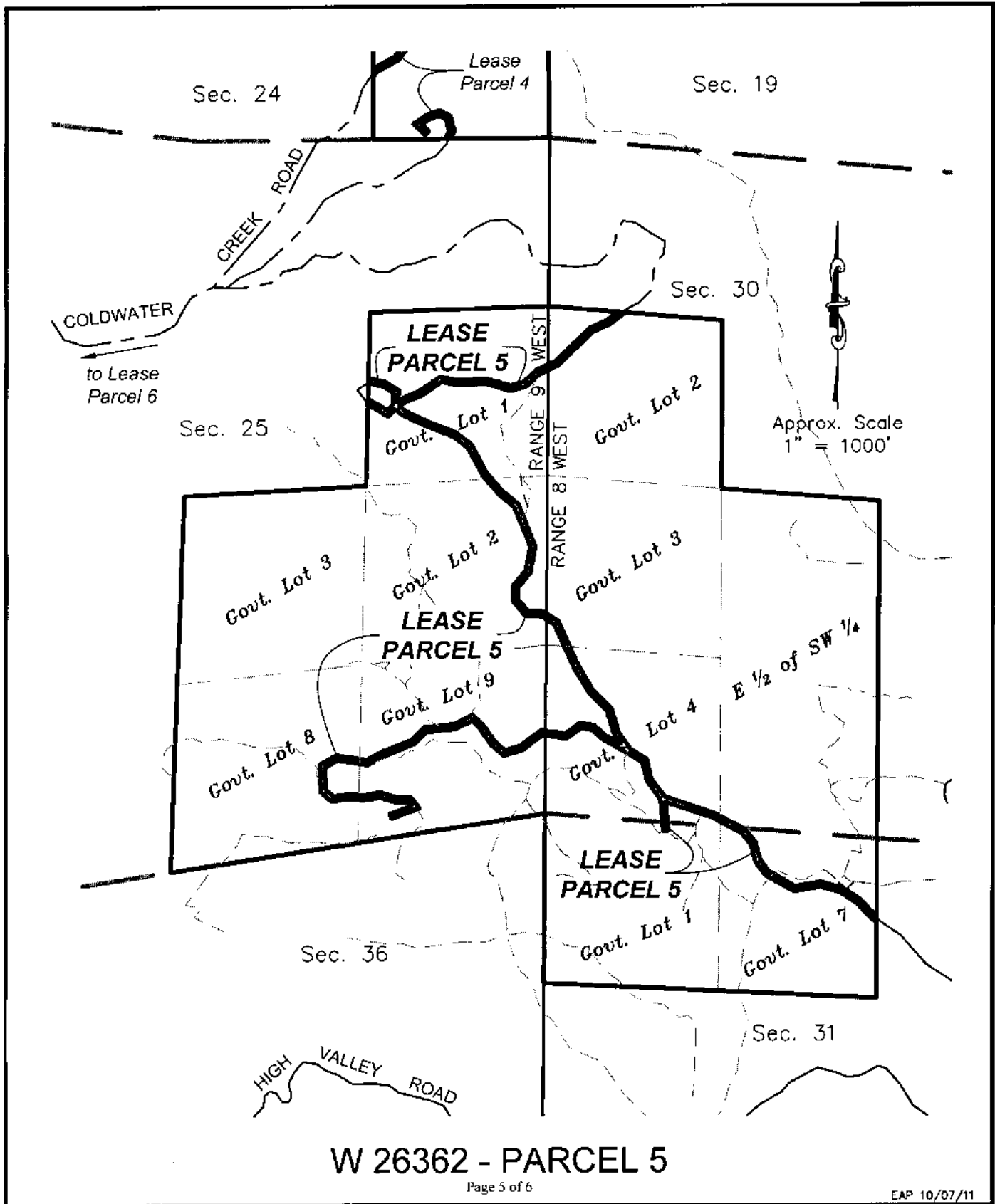
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*Land Description Plat
Oski Energy LLC
Lake County*

**CALIFORNIA STATE
LANDS COMMISSION**





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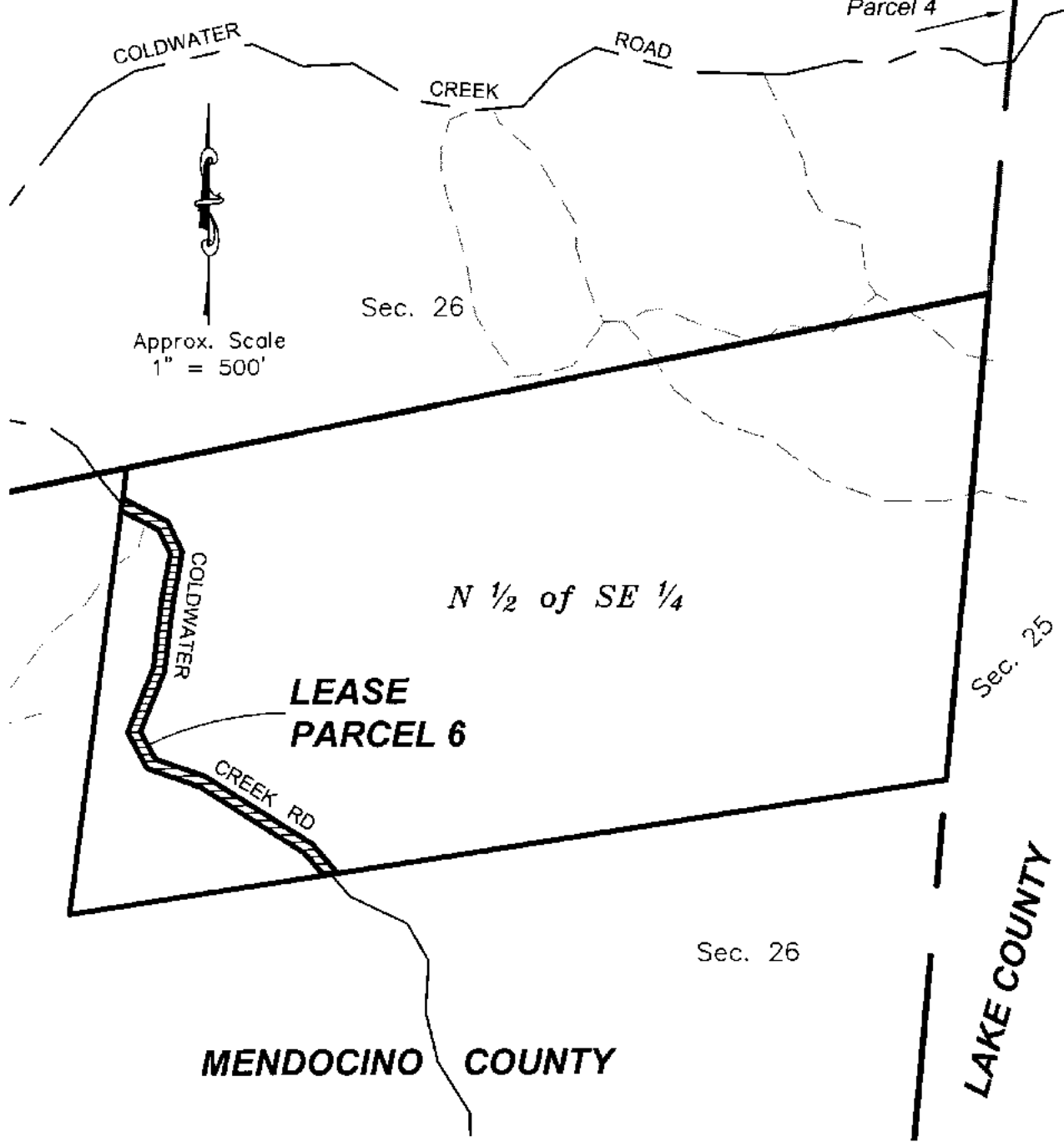
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*Land Description Plat
Oski Energy LLC
Lake County*

**CALIFORNIA STATE
LANDS COMMISSION**



LAKE COUNTY



Approx. Scale
1" = 500'

Sec. 26

N 1/2 of SE 1/4

**LEASE
PARCEL 6**

Sec. 25

Sec. 26

MENDOCINO COUNTY

LAKE COUNTY

W 26362 - PARCEL 6

*Land Description Plat
Oski Energy LLC
Mendocino County*

**CALIFORNIA STATE
LANDS COMMISSION**

