

**CALENDAR ITEM
C92**

A 1
S 2

10/14/14
PRC 8959.2
J. Porter

**AUTHORIZE ACCEPTANCE OF LEASE QUITCLAIM DEED FOR A GENERAL
LEASE – RIGHT-OF-WAY USE**

LESSEE:

Oski Energy, LLC
Attn: Frank Misseldine
PO Box 20418
Reno, NV 89515

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, 23, 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 one 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

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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 Lessee obtained a mineral prospecting permit from the Commission's Mineral Resources Management Division for the purposes of analyzing the feasibility of a geothermal power project on federal and private lands in the Geysers area of Mendocino County. In order to access the lands covered by the mineral prospecting permit, the Lessee needed to traverse fee-owned indemnity school lands under the jurisdiction of the Commission. On October 27, 2011, the Commission authorized the issuance of a General Lease – Right-of-Way Use, Lease No. PRC 8959.2, to the Lessee for the use and maintenance of the access road. The Lessee no longer has need of the access road and has submitted a lease quitclaim deed for the purposes of terminating the lease.
2. Staff has inspected the access road and found it to be in good condition. No repairs to the road are needed at this time.
3. The staff recommends that the Commission find that the subject acceptance of a lease 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.

EXHIBIT:

- A. Land Description

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject acceptance of lease 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 subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

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AUTHORIZATION:

Authorize acceptance of a lease quitclaim deed, effective October 14, 2014, for Lease No. PRC 8959.2, a General Lease – Right-of-Way Use to Oski Energy, LLC.

EXHIBIT A

PRC 8959.2

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

