

17. APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE COUNTY;
CLEAR LAKE POWER COMPANY - W.O. 5610, P.R.C. 3306.1.

Following presentation of Calendar Item 18 attached, Commissioner Cranston questioned the possible effect on recreational uses if the requested two-year prospecting permit for geothermal energy was authorized.

The Executive Officer reported that certain provisions requested by the Department of Fish and Game and by the Regional Water Pollution Control Board will be included in the permit form to insure protection of marine life and water clarity. The Division of Beaches and Parks has submitted a letter of nonobjection based on the fact that the operations to be conducted will not be detrimental to recreational activities in Clear Lake. Drillsites are prohibited on Clear Lake. Wells will be directionally drilled from onshore drillsites. Additionally, before a lease is issued for geothermal steam production, the lease terms will be reviewed again by the Commission. Adjacent cities and counties have been apprised of the proposed operations, as have State Assembly and Senate members from the Clear Lake district. No questions have been raised by local governments. In the adjoining County of Sonoma, the development of geothermal energy in The Geysers area is considered an economic asset to the county. Lake County also considers the potential development arising from this permit to be an economic asset. There have been local press reports concerning the proposed operations and no local residents have protested.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO CLEAR LAKE POWER COMPANY A TWO-YEAR PROSPECTING PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS, IN 394 ACRES OF SUBMERGED LAND UNDERLYING CLEAR LAKE, LAKE COUNTY, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT, INCLUDING THE ROYALTY SCHEDULE, TO BE USED IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE, UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, A PAYMENT OF 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS.

Attachment

Calendar Item 18 (4 pages)

*Absent action recorded
by Item 15, pg. 12, 013,
Minutes of 12/16/65.*

CALENDAR ITEM

18.

APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE COUNTY;
CLEAR LAKE POWER COMPANY - W.O. 5610.

An application has been received from the Clear Lake Power Company, a California corporation, for a permit to prospect for geothermal energy, for all minerals other than oil and gas, and for mineral waters on 394 acres more or less of submerged lands underlying Clear Lake in portions of Section 6 of T. 13 N., R. 7 W., and Section 1 of T. 13 N., R. 8 W., M.D.B. & M., Lake County.

The Department of Fish and Game and the Water Pollution Control Board each have requested that certain provisions be included in the prospecting permit form. The substantive content of these requests has been met. The Division of Beaches and Parks was contacted in connection with the application, and has submitted a letter of nonobjection.

Section 6891 of the Public Resources Code provides for the issuance to a qualified applicant of a prospecting permit for lands which are not known mineral lands.

Two exploratory wells for geothermal steam have been drilled in Section 5, T. 13 N., R. 7 W., M.D.B. & M.; one was abandoned and the other suspended pending further testing. An active campaign to lease steam rights has been under way in this area.

The Geysers steam field, the Sulphur Bank steam field, and the Little Geysers steam field have been discovered in the past few years in the area approximately 16 miles southwesterly of this proposed permit area. Pacific Gas and Electric Company has recently expanded its steam plant at The Geysers. It has been reported that the capacity of the expanded plant is 27,500 KW, and that Pacific Gas and Electric Company plans to construct a 12,500 KW plant in the vicinity of the Sulphur Bank field.

The applicant proposes to prospect for geothermal steam, to be used to produce electric energy; as a by-product of this operation, some minerals and fresh water may be produced.

The subject parcel lies in the bed of Clear Lake adjacent to the shore line. The applicant proposes to drill an exploratory well by slant drilling from a drillsite located on adjacent uplands which it has under lease.

A field reconnaissance of the area has established that the land sought is not known to contain commercially valuable deposits of mineral. The statutory filing fee of \$5 has been paid, and the permit fee of \$394 has been deposited by the applicant.

The office of the Attorney General has advised that the permit complies with the applicable provisions of law and the rules and regulations of the Commission.

CALENDAR ITEM 18. (CONTD.)

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO CLEAR LAKE POWER COMPANY A TWO-YEAR PROSPECTING PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS, IN 394 ACRES OF SUBMERGED LAND UNDERLYING CLEAR LAKE, LAKE COUNTY, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT, INCLUDING THE ROYALTY SCHEDULE, TO BE USED IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE, UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, A PAYMENT OF 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS.

Attachment

Exhibits "A" and "B"

EXHIBIT 'A'

1. Permittee shall contact the Regional Water Pollution Control Board and submit a report on proposed waste discharge in accordance with Section 13054 of the California Water Code. Permittee shall comply with any waste discharge requirements established by the Regional Water Pollution Control Board.
2. All waste discharges resulting from geothermal operations shall be confined to land and not be permitted to enter State surface waters.
3. Any land disposal operation of said wastes must be conducted in a manner that will not adversely affect wildlife resources. The Permittee shall consult with the Department of Fish and Game prior to and during operations.
4. Drillsites are prohibited on Clear Lake. Any wells drilled into the submerged lands of Clear Lake shall be directionally drilled from approved upland drillsites. Permittee shall consult with the Department of Fish and Game prior to and during operations.

EXHIBIT "B"

That portion of Clear Lake in Section 1, T. 13 N., R. 8 W., and Section 6, T. 13 N., R. 7 W., Lake County, California, described as follows: Beginning at the southwest corner of said Section 1, thence north along the west line of said Section prolongation 2460 feet, thence east parallel with the south line of said Section 1 and said Section 6 to the east line of said Section 6, then south on said east line to the southeast corner of said Section 6, thence west along the south line of said Section 6 and said Section 1 to the point of beginning, except that portion of said land included within said Sections 1 and 6 above the line of mean low water. Said submerged lands contain 394 or less, acres.