

19. APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE AND MENDOCINO COUNTIES; EUGENE SULLY HANCOCK, JR. - W.O. 5237, P.R.C. 3480.2.

After consideration of Calendar Item 5 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FINDS THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE TO EUGENE SULLY HANCOCK, JR., 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 1,040 ACRES OF LAND IN WHICH THE MINERALS ARE RESERVED TO THE STATE IN LAKE AND MENDOCINO COUNTIES, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT TO BE USED, INCLUDING THE ROYALTY SCHEDULE, IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON MARCH 31, 1966, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, 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 SHALL BE PAID TO THE STATE.

Attachment

Calendar Item 5 ( 4 pages)

5.

APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE AND MENDOCINO COUNTIES; EUGENE SULLY HANCOCK, JR. - W.O. 5237.

An application has been received from Eugene Sully Hancock, Jr., for a permit to prospect for geothermal energy, mineral waters, and all minerals other than oil and gas, on 10,040 acres of land in which the minerals are reserved to the State in portions of Sections 23, 24, and 26, T. 12 N., R. 9 W., M.D.B. & M., Lake and Mendocino counties.

The surface owner, who was notified of the pending application, failed to exercise his preferential right to file an application for a permit in the six-month period, as set forth in Section 6893 of the Public Resources Code.

Both the Department of Fish and Game and the Water Pollution Control Board have requested that certain provisions be included in the prospecting permit form, the substantive content of which has been met.

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.

The Geysers steam field is located four miles southerly of the proposed permit area, the Little Geysers steam field is eight miles southeast of the permit area, and the Sulphur Bank steam field is located three miles to the south of the property.

The applicant proposes to explore for geothermal energy by employing various geophysical methods, followed by drilling.

The applicant plans to use geothermal energy to produce electric energy and possibly for the dehydration of vegetables.

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 \$1,040 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.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FIND THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO EUGENE SULLY HANCOCK, JR., 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 1,040 ACRES OF LAND IN WHICH THE MINERALS ARE RESERVED TO THE STATE IN LAKE AND MENDOCINO COUNTIES, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT TO BE USED, INCLUDING THE ROYALTY SCHEDULE,

CALENDAR ITEM 5. (CONTD.)

IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON MARCH 31, 1966, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, 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 SHALL BE PAID TO THE STATE.

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.

EXHIBIT "B"

$\frac{1}{2}$  of  $\text{NW}\frac{1}{4}$ ,  $\text{SE}\frac{1}{4}$  of  $\text{NW}\frac{1}{4}$ ,  $\frac{1}{2}$  of  $\text{SW}\frac{1}{4}$ ,  $\text{NW}\frac{1}{4}$  of  $\text{SE}\frac{1}{4}$ ,  $\frac{1}{2}$  of  $\text{NE}\frac{1}{4}$ ,  $\frac{1}{2}$  of  $\text{S}\frac{1}{2}$ ,  
 $\text{NE}\frac{1}{4}$  of  $\text{SE}\frac{1}{4}$ , all in Section 23;  $\frac{1}{2}$  of  $\text{NW}\frac{1}{4}$ ,  $\frac{1}{2}$  of  $\text{SW}\frac{1}{4}$ ,  $\text{SW}\frac{1}{4}$  of  $\text{NE}\frac{1}{4}$ ,  
 $\frac{1}{2}$  of  $\text{SE}\frac{1}{4}$ , all in Section 24; and  $\frac{1}{2}$  of  $\text{SW}\frac{1}{4}$ , and  $\text{NW}\frac{1}{4}$  of Section 26;  
all in Township 12 North, Range 9 West, M.D.B. & M., Lake and Mendocino  
Counties, California.

Containing 1040 acres, more or less.