

17, APPROVAL OF PROPOSED DRILLING OF NEW WELL "DX STATE 4596" 28, GEYSERS STEAM FIELD, SONOMA COUNTY; UNION OIL COMPANY OF CALIFORNIA, MAGMA POWER COMPANY - PRC 4596.

During consideration of Calendar Item 17 attached, Mr. N. Gregory Taylor, Deputy Attorney General, amended the first paragraph of the resolution to read as follows:

"IT IS RECOMMENDED THAT THE COMMISSION TAKE THE FOLLOWING ACTION SUBJECT TO THE CODDITION THAT UNION OIL COMPANY FOLLOW ANY ADDITIONAL MITIGATION MEASURES REQUIRED BY THE AIR RESOURCES BOARD AFTER THEIR-FINAL-REVIEW-OF COMMENCEMENT OF OPERATIONS AT THE PROJECT."

Mr. Taylor explained that the original language is ambiguous. The amended language is necessary in order that the Commission's action does not affect certain other projects of the State in connection with this matter.

Upon motion duly made and carried, the following resolution, as amended, was adopted:

THE COMMISSION TAKES THE FOLLOWING ACTION SUBJECT TO THE CONDITION THAT UNION OIL COMPANY FOLLOW ANY ADDITIONAL MITIGATION MEASURES REQUIRED BY THE AIR RESOURCES BOARD AFTER COMMENCEMENT OF OPERATIONS AT THE PROJECT:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT AND CERTIFIED BY THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT ON JULY 31, 1975.
2. CERTIFIES THAT THE INFORMATION CONTAINED IN THE ENVIRONMENTAL IMPACT REPORT OF THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT HAS BEEN REVIEWED AND CONSIDERED BY THE COMMISSION.
3. DETERMINES THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZES THE APPROVAL OF DRILLING WELL "DX STATE 4596" 28 IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL RESOURCES LEASE PRC 4596 AND THE RULES AND REGULATIONS OF THE COMMISSION.

Attachment:
Calendar Item 17 (3 pages)

CALENDAR ITEM

17.

8/75
CPP
PRC 4596

APPROVAL OF PROPOSED DRILLING OF NEW WELL
"DX STATE 4596" 28, GEYSERS STEAM FIELD,
SONOMA COUNTY

LEASE: PRC 4596.

LESSEE: Union Oil Company of California
Magma Power Company
Thermal Power Company
P. O. Box 6854
Santa Rosa, California 95406

COUNTY: Sonoma County.

AREA: Geysers Geothermal Field.

PERTINENT INFORMATION:

State Geothermal Resources Lease PRC 4596 was issued to Union Oil Company on May 27, 1971. On April 27, 1972, an undivided 25% interest in the lease was assigned to Magma Power Company and an undivided 25% interest was assigned to Thermal Power Company.

Section 6(e) of the lease provides, "No Lessee shall drill a geothermal resources well on or into State lands except on prior approval of the State Lands Division and subject to the terms of the enabling statute and lease". This Division recently requested informal advice from the Office of the Attorney General concerning duties and responsibilities pursuant to the California Environmental Quality Act, as amended, with regard to the approval of drilling geothermal wells in accordance with the above-mentioned section. On March 26, 1975, the Office of the Attorney General advised this Division that the granting of approvals to drill geothermal wells is discretionary. Since the activities contemplated and authorized by such approvals may have a significant environmental effect, each application submitted for approval to drill geothermal well or wells must comply with the provisions of the California Environmental Quality Act (CEQA).

Union Oil Company has requested authority to construct from the North Sonoma County Air

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Pollution Control District and the approval of the State Lands Commission to drill well "DX STATE 4596" 28. Such approvals must be consistent with the requirements of CEQA. The Air Pollution Control District has acted as lead agency for this project. An Environmental Impact Report covering the project has been prepared by Ecoview, a consulting firm, under contract to the County Air Pollution Control District.

A draft EIR was prepared and circulated by the Air Pollution Control District for Union Oil Company's geothermal operation in the Squaw Creek drainage area. The final Squaw Creek EIR was prepared and a Notice of Determination was issued on June 28, 1974. Site specific data covering the impact of drilling well "DX STATE 4596" 28 was prepared and circulated as a supplement to the Squaw Creek EIR. Both the Squaw Creek EIR and the supplemental data were combined into a final EIR for the drilling project. By Notice of Determination issued on July 31, 1975, the Air Pollution Control District certified that (1) the environmental impact report was prepared pursuant to the provisions of the California Environmental Quality Act of 1970, as amended; (2) the project will not have a significant effect on the environment; and (3) the project has been approved by the Air Pollution Control District. The Notice of Determination has been filed with the State Secretary for Resources, the State Lands Division, and the County Clerk for Sonoma County, wherein the project is to be undertaken.

The draft EIR was not circulated through the State Clearinghouse as required by the State EIR Guidelines (14 Cal. Adm. Code) but was circulated by the Air Pollution Control District to all responsible and interested State agencies. The draft was also circulated to conservation groups and made available to the public. The environmental documents have been reviewed by the staff, and it is the staff's opinion that the intent of the provisions of CEQA has been satisfied.

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On August 7, 1975, the State Lands Division received a mailgram from the State Clearinghouse which certifies that the State environmental review for the project is complete. Certification of the project by the Clearinghouse is, however, contingent upon (1) State Air Resources Board review of the project, and (2) Union Oil Company following any mitigation measures suggested by the Air Resources Board.

OTHER PERTINENT DATA:

1. The applicant has obtained a use permit from the County of Sonoma covering the project.
2. Drilling of the well has been approved by the California Division of Oil and Gas.
3. The proposed drilling and completion program has been reviewed by the Division and determined to be in accordance with good engineering practices and the rules and regulations of the Commission.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION TAKE THE FOLLOWING ACTION SUBJECT TO THE CONDITION THAT UNION OIL COMPANY FOLLOW ANY MITIGATION MEASURES REQUIRED BY THE AIR RESOURCES BOARD AFTER THEIR FINAL REVIEW OF THE PROJECT:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT AND CERTIFIED BY THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT ON JULY 31, 1975.
2. CERTIFY THAT THE INFORMATION CONTAINED IN THE ENVIRONMENTAL IMPACT REPORT OF THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT HAS BEEN REVIEWED AND CONSIDERED BY THE COMMISSION.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE APPROVAL OF DRILLING WELL "DX STATE 4596" 28 IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL RESOURCES LEASE PRC 4596 AND THE RULES AND REGULATIONS OF THE COMMISSION.