

MINUTE ITEM

9/29/75
CPP
W 9867

26. QUITCLAIM OF PERMITS TO PROSPECT FOR GEOTHERMAL RESOURCES, PRC 4863, PRC 4957, PRC 4958, AND PRC 4959, LASSEN AND MODOC COUNTIES; GULF ENERGY AND MINERAL COMPANY - W 9867, PRC 4863, PRC 4957, PRC 4958, AND PRC 4959.

After consideration of Calendar Item 24 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ACCEPTANCE OF QUITCLAIMS TO TERMINATE PERMITS TO PROSPECT FOR GEOTHERMAL RESOURCES PRC 4863, PRC 4957, PRC 4958, AND PRC 4959, LASSEN AND MODOC COUNTIES, EFFECTIVE JUNE 19, '975, IN ACCORDANCE WITH SECTION 29 OF THE PERMITS, AS REQUESTED BY THE PERMITTEE, GULF ENERGY AND MINERAL COMPANY.

Attachment:
Calendar Item 24 (2 pages)

A 1
S 3

CALENDAR ITEM

24.

9/75
CPP
W 9867

QUITCLAIM OF PERMITS TO PROSPECT FOR
GEOHERMAL RESOURCES, PRC 4863, PRC 4957, PRC 4958,
AND PRC 4959, LASSEN AND MODOC COUNTIES

PERMITTEE: Gulf Energy and Mineral Company
1720 South Bellaire Street
Denver, Colorado 80222

LOCATIONS: PRC 4863 - Near Honey Lake, Lassen County.
PRC 4957 - Bed of Upper Alkali Lake, Modoc County.
PRC 4958 - Bed of Middle Alkali Lake, Modoc County.
PRC 4959 - Bed of Upper Alkali Lake, Modoc County.

ACREAGE: PRC 4863 - 640 acres.
PRC 4957 - 5150 acres.
PRC 4958 - 5620 acres.
PRC 4959 - 3508 acres.

DATE OF ISSUANCE:
PRC 4863 - January 31, 1974.
PRC 4957 - October 3, 1974.
PRC 4958 - October 3, 1974.
PRC 4959 - October 3, 1974.

REASON FOR QUITCLAIM:

Gulf drilled two wells in 1973 near the area of PRC 4863 (Exhibit "B") in the vicinity of Honey Lake. The wells were later evaluated and determined to be uneconomical. Gulf with American Thermal drilled a well in Surprise Valley in 1974 near permits PRC 4957, PRC 4958, and PRC 4959 (Exhibit "A"). No geothermal resources were encountered and the well was abandoned. The Bureau of Land Management recently offered 16 leases in the Surprise Valley area and bids were only received on 5 of the parcels. The bids ranged from \$3.15 to \$21.53 per acre. Gulf feels that additional exploration is unwarranted and has quitclaimed the permits.

PREREQUISITE TERMS:

- a. Quitclaims submitted by permittee, dated June 17, 1975.
- b. Compliance with terms and conditions of permits through June 19, 1975.

A 1
S 3

CALENDAR ITEM NO. 24. (CONTD)

STATUTORY REFERENCES:

Section 29 of the permits.

EXHIBITS:

A. Location Map. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ACCEPTANCE OF QUITCLAIMS TO TERMINATE PERMITS TO PROSPECT FOR GEOTHERMAL RESOURCES PRC 4863, PRC 4957, PRC 4958, AND PRC 4959, LASSEN AND MODOC COUNTIES, EFFECTIVE JUNE 19, 1975, IN ACCORDANCE WITH SECTION 29 OF THE PERMITS, AS REQUESTED BY THE PERMITTEE, GULF ENERGY AND MINERAL COMPANY.