

MINUTE ITEM

This Calendar Item No 18.  
was approved as Minute Item  
18 by the State Lands  
Commission by a vote of 3  
to 0 at its 6-22-79  
meeting.

PRC 5671

CALENDAR ITEM

18.

6/79  
W 40170  
Hoagland

APPLICATION FOR A GEOTHERMAL  
EXPLORATORY PERMIT

APPLICANT: Union Oil Company of California  
Geothermal Division  
2099 Range Avenue  
Santa Rosa, California 95406

TYPE OF LAND: Reserved mineral land.

AREA AND LOCATION: 40 acres in lot 4 of Section 7, T12N, R8W,  
MDB&M, Lake County. Site is south of Kelseyville  
and just west of Bottle Rock Road and adjoins  
Union's federal leasehold which it acquired  
in a competitive lease sale held in 1974.

PROPOSAL: To drill 1 temperature gradient hole to  
a maximum depth of 1,000 feet and to use  
that hole for tests at three 6-month intervals.  
The purpose of the testing will be to evaluate  
the potential for geothermal resources  
on State lands as well as adjacent federal  
and private leases held by Union. Three  
other temperature gradient holes will be  
drilled by Union outside State lands.

PREREQUISITE TERMS: The required processing fee has been deposited  
by the applicant.

OTHER PERTINENT INFORMATION:  
1. Section 6909 of the P.R.C. (Chapter 1139  
Statutes of 1978) provides the Commission  
may grant non-exclusive geological  
or geophysical exploration permits  
for geothermal resources, but any such  
permit shall not give the permittee  
any preferential right to a geothermal  
resources lease. This is the first  
such application for such an exploratory  
permit under the Geothermal Resources  
Act (P.R.C. Section 6901 et seq.).

A 2  
S 2

CALENDAR ITEM NO. 18. (CONTD)

2. Union Oil proposes, and the permit will provide, for the drilling of 1 temperature gradient hole to a maximum depth of 1,000 feet and will further provide that the drilling of the hole and proposed testing program will be for the purpose of information gathering only. Information gained pursuant to the permit will be available to the Commission on a confidential basis for the purposes of determining the existence of geothermal resources on State lands.
3. Union will also provide that the permit may be revoked at any time by the Commission for (a) breach of the permit, or (b) if the Commission decides to designate lands within the permit area for lease sale by competitive bidding.
4. The permit will provide that the permittee will abide by all applicable rules and regulations now or hereafter promulgated.
5. The term of the permit would be for 18 months.
6. This project is exempt from CEQA because it is within the purview of 2 Cal. Adm. Code 2907, Class 6 which exempts the collection of data for information purposes where minimal or no disturbance of State lands is involved.
7. The Division of Oil and Gas, pursuant to P.R.C. Section 3715.5, on May 5, 1979, issued categorical exemptions (No. 2-8/9-90-985-008) for the drilling of 4 temperature gradient holes.

EXHIBITS:

- A. Land Description.      B. Location Map.

CALENDAR PAGE 00085

MINUTE PAGE 1054

CALENDAR ITEM NO. 18. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISION OF P.R.C. 21085, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907 AND BASED ON THE NOTICE OF CATEGORICAL EXEMPTIONS ISSUED BY THE DIVISION OF OIL AND GAS ON MAY 5, 1979.
2. AUTHORIZE ISSUANCE OF A NON-EXCLUSIVE GEOLOGICAL EXPLORATION PERMIT OF 18 MONTHS DURATION TO UNION OIL COMPANY OF CALIFORNIA FOR THE DRILLING OF 1 TEMPERATURE GRADIENT HOLE TO A MAXIMUM DEPTH OF 1,000 FEET OF AND TESTING OF SAME. SAID PERMIT SHALL USE THE FORM CURRENTLY ON FILE IN THE OFFICE OF THE COMMISSION.

CALENDAR PAGE 00086  
MINUTE PAGE 1055

EXHIBIT "A"  
LAND DESCRIPTION

W 40170

A parcel of land in Lot 4 of the southwest quarter of the southwest quarter of Section 7, T12N, R8W, MDM, Lake County, State of California, consisting of 40 acres.

END OF DESCRIPTION

Prepared

Carlos Najera

Checked

Edward B. Zimmerman

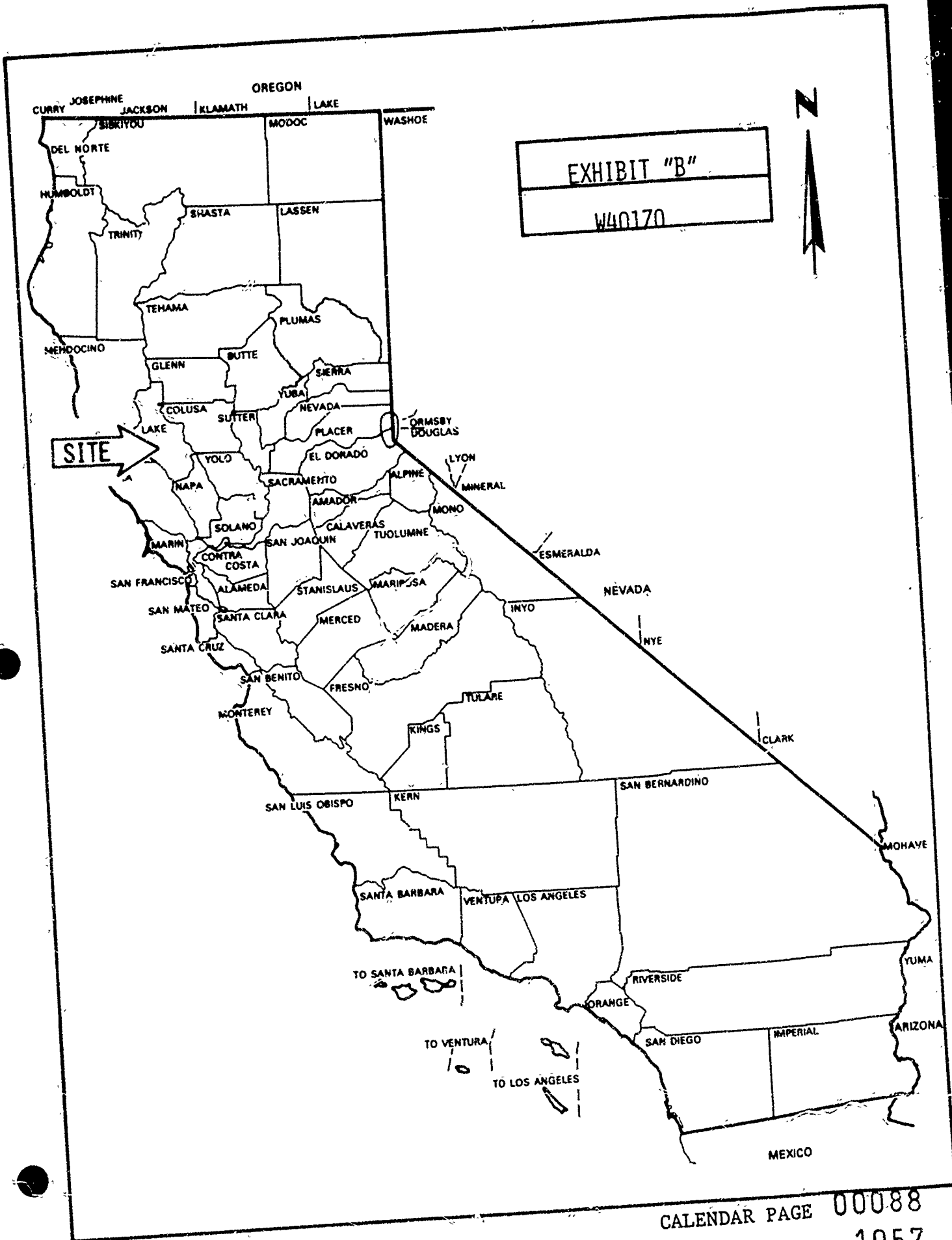
Reviewed

\_\_\_\_\_

Date

6/15/79

CALENDAR PAGE 00087  
MINUTE PAGE 1056



CALENDAR PAGE 00088  
MINUTE PAGE 1057