

MINUTE ITEM

This Calendar Item No. 45
was approved as Minute Item
No. 45 by the State Lands
Commission by a vote of 2
to 0 at its 8-26-80
meeting.

CALENDAR ITEM

45.

8/80
PRC 4596
Priddy

DRILLING GEOTHERMAL LEASES

LEASE: PRC 4596.
LESSEE: Union Oil Company of California
Magma Power Company
Thermal Power Company
2900 Range Avenue
Santa Rosa, California 95401
COUNTY: Sonoma.
AREA: Geysers Geothermal Field.

PERTINENT INFORMATION:

State Geothermal Resources Lease PRC 4596 was issued to Union Oil Company in 1971. In April 1972, an undivided 25% interest in this lease was assigned to Magma Power Company, and an undivided 25% interest was assigned to Thermal Power Company. Pursuant to the terms of the lease, Union Oil Company of California, as field operator, has requested the Commission to approve, in principal, the preparation of a site and the drilling of 4 wells in Sonoma County. The wells will serve as make-up wells for Power Plant 11. Plant 11 generates 110 megawatts and produces State royalty revenue of approximately \$115,000 per month. All of the steam utilized by this plant is produced from State leases. Plans call for construction of the site this summer.

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CALENDAR ITEM NO. 45. (CONTD)

The lessee has been informed, and agrees, that these wells are approved in concept only and that the Commission, through its staff reserves the right to approve or disapprove the site and the proposed wells after completion of a geologic and engineering evaluation of the site and drilling programs.

ENVIRONMENTAL IMPACT:

The Sonoma County Board of Zoning Adjustments, acting as lead agency, prepared, circulated, and adopted Environmental Impact Reports titled "EIR for Geothermal Leaseholds on the Upper Portion of Squaw Creek Drainage at The Geysers, Sonoma County, California", and "Union Oil Company Leasehold at The Geysers". The State Lands Commission re-certified these documents at its meeting of August 1979 (Minute Item 40, Page 1575) in granting well approvals within the study areas covered by both EIRs. These documents cover the Unit 11 portions of the steamfield.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT EIRS PREPARED FOR THESE PROJECTS AND CERTIFIED BY THE SONOMA COUNTY BOARD OF ZONING ADJUSTMENTS WERE REVIEWED AND CONSIDERED BY THE COMMISSION AT ITS MEETING OF AUGUST 1979 (MINUTE ITEM 40, PAGE 1575).
2. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. APPROVE, IN PRINCIPAL, THE PREPARATION OF DRILL-SITE DX STATE 11-15.4 AND THE DRILLING OF 4 WELLS ON SAID SITE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL LEASE PRC 4596, AND THE RULES AND REGULATIONS OF THE COMMISSION, SUBJECT TO THE INSPECTION AND WRITTEN APPROVAL BY THE COMMISSION'S STAFF OF THE GEOLOGIC AND ENGINEERING ASPECTS OF THE DRILL-SITE CONSTRUCTION AND EXPANSION.

EXHIBIT "A"
PRC 4596.2

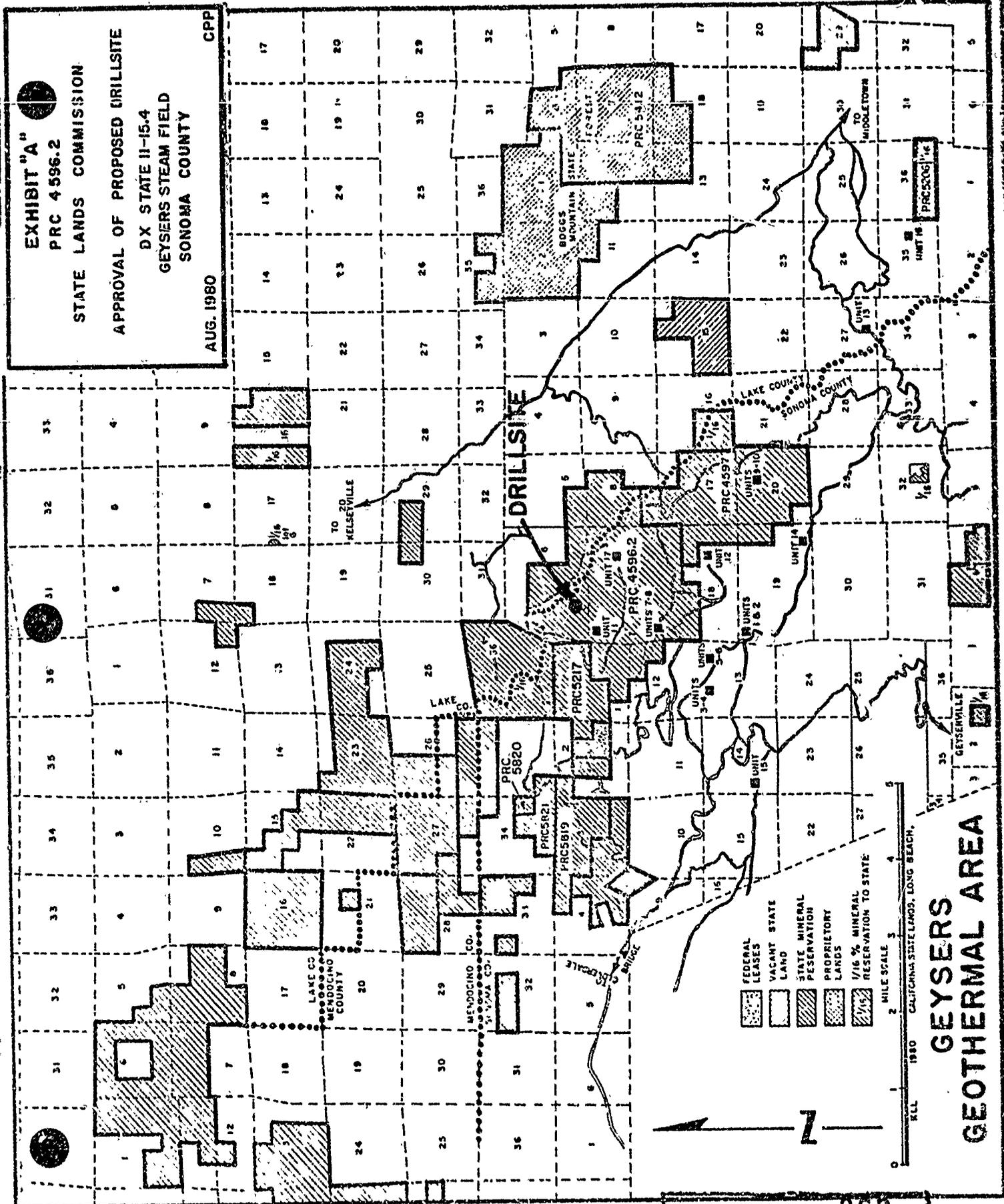
STATE LANDS COMMISSION

APPROVAL OF PROPOSED DRILLSITE

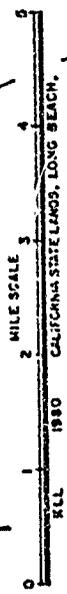
DX STATE II-15.4
 GEYSERS STEAM FIELD
 SONOMA COUNTY

AUG. 1980

CPP



- FEDERAL LEASES
- VACANT STATE LAND
- STATE MINERAL PRESERVATION LANDS
- PROPRIETARY LANDS
- 1/16 % MINERAL RESERVATION TO STATE



CALENDAR PAGE 262
 MINUTE PAGE 1926

**GEYSERS
 GEOTHERMAL AREA**