

MINUTE ITEM

This Calendar Item No. 16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 3
to 0 at its 11/21/83
meeting.

CALENDAR ITEM

F 16

11/21/83
PRC 6096
Dorsey

APPROVAL OF A ONE-YEAR EXTENSION OF A
GEOTHERMAL PROSPECTING PERMIT

APPLICANT: Exploration Engineering, Inc.
2278 Market Street
San Francisco, California 94114

Attention: Mr. Larry T. Durkan
President

AREA, TYPE OF LAND AND LOCATION:
Approximately 1,670 acres of proprietary
land (Department of Developmental Services)
at Sonoma State Hospital, Eldridge, Sonoma
County.

LAND USE: Drill from one to three wells at locations
approved by hospital administration to
assess geothermal potential of area.

TERMS OF ORIGINAL PERMIT:
Initial period: Two years from December 20,
1981.

Renewal Options: One period of up to two years.

Surety bond: \$50,000.

Public liability insurance: Combined single
limit coverage of \$500,000.

A 8
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-1-

CALENDAR PAGE	<u>97</u>
MINUTE PAGE	<u>2651</u>

CALENDAR ITEM NO. 16 (CONTD)

Consideration: Rental of \$1 per acre per annum during first year, \$5 per acre per annum during the second year, and \$25 per acre per annum during any extension. In the event a preferential lease is executed, it will provide for rental of \$1 per acre per annum, and a royalty of ten percent of gross revenues received from the sale of geothermal resources, with a minimum royalty of \$2 per acre per annum.

Special: Upon discovery of geothermal resources in commercial quantities, permittee will be entitled to apply for a preferential lease upon notice of intention to exercise this right; subject, however, to the discretion of the Commission and review of environmental documentation pertaining to full field development of the resource.

TERMS OF PROPOSED PERMIT EXTENSION:

Period: One year commencing December 20, 1983. All other terms and conditions of the permit remain in full force and effect.

CONSIDERATION: Rental at the permit extension rate of \$25 per acre and royalties as indicated above in the event a lease is executed.

STATUTORY TERMS, FEES AND EXPENSES:

- A. P.R.C.: Div. 6, Part 1 and 2; Div. 13; Div. 20.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

CALENDAR PAGE	97.1
MINUTE PAGE	2652

CALENDAR ITEM NO. 76 (CONTD)

AE 884: N/A.

OTHER PERTINENT INFORMATION:

On December 17, 1981, the Commission authorized issuance of a geothermal prospecting permit to Larry T. Durkan covering the grounds of Sonoma State Hospital, an area of approximately 1,670 acres near Glen Ellen, Sonoma County. After a series of assignments, the permit is now assigned to Exploration Engineering, Inc.

A well was commenced in July 1982, and drilled to a depth of about 1,500 feet when it was suspended due to disagreement between the then parties over financing. The assignee now indicates that the dispute has been settled and he has the promise of adequate funding from another source. As a well was commenced during the primary term of the permit, it is considered extendable, in the Commission's discretion pursuant to P.R.C. 6910, for a period not exceeding two years; provided that the combination of the term and extension of any prospecting permit shall not exceed a total of four years. Permittee has requested extension for one year.

ENVIRONMENTAL INFORMATION:

1. This activity is exempt from CEQA as it is not a project which may have a significant effect on the environment pursuant to P.R.C. 21065, 14 Cal. Adm. Code 15378.
2. At the outset of the proposed project, a Negative Declaration was prepared and circulated by the California Division of Oil and Gas, which Declaration was reviewed and considered by the State Lands Commission at its meeting of December 17, 1981, at which time it was determined that the project would not have a significant effect on the environment. Since adoption of that Negative Declaration, there have been no changes in the project or the environment to indicate any possibility that the project may have a significant effect.

CALENDAR ITEM NO. 16 (CONTD)

EXHIBITS: A. Land Description.
 B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT CEQA IS NOT APPLICABLE TO THIS ACTION AS IT IS NOT A "PROJECT WHICH MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT", AS DEFINED IN THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ITS IMPLEMENTING GUIDELINES.
2. AUTHORIZE THE EXTENSION OF GEOTHERMAL PROSPECTING PERMIT PRC 6096 FOR ONE YEAR FROM DECEMBER 20, 1983, TO EXPLORATION ENGINEERING, INC., WITH THE OPTION TO APPLY FOR A PREFERENTIAL LEASE, SUBJECT TO THE COMMISSION'S DISCRETION IF A COMMERCIAL RESOURCE IS DISCOVERED. RENTAL DURING THE EXTENSION PERIOD SHALL BE \$25 PER ACRE PER ANNUM. ALL OTHER TERMS AND CONDITIONS OF THE PERMIT SHALL REMAIN IN EFFECT.

EXHIBIT "A"
LAND DESCRIPTION

TRC 6096
W 40248

All that certain piece parcel or tract of land, situated in the County of Sonoma, State of California, bounded and described as follows:

Beginning at a stake in a mound of rocks, on the summit of Sonoma Mountain, said mound of rocks being the same as that mentioned in the deed from P. Monahan Sr. and P. Monahan Jr., to Wm. McPherson Hill, dated September 19, 1877 and recorded on page 95 of Book 61 of deeds in the office of the County Recorder of Sonoma County; thence North 67° East 79.15 chains to a stake on the West line of the land of Patrick Monahan; thence along the land of said Patrick Monahan North 19° West 3.75 chains; thence North 67° East 8.40 chains; thence North 17° West 1.23 chains; thence North 2° 30' West 4.20 chains; thence North 24° 30' East 2.64 chains; thence North 62° 30' East 1.68 chains; thence South 73° 15' East 2.15 chains; thence South 63° 30' East 4.18 chains; thence South 72° 45' East 2.16 chains; thence South 76° 30' East 1.71 chains to a young fir tree marked with 3 notches and standing in Patrick Monahan's yard; thence South 86° East 0.48 chains to a corner under Patrick Monahan's wagon shed from which corner a Madrona tree marked with three notches bears North 32° East 0.85 chains distant thence North 67° 30' East 36.94 chains; thence South 20° East 3.37 chains to an old redwood stake marked "H I L" and standing in the corner of a picket fence; thence North 67° East 73.56 chains to the middle of Sonoma Creek; thence meandering in the middle of said creek North 25° 15' West 3.73 chains; thence North 42° 15' West 4.77 chains; thence North 68° 45' West 1.08 chains; thence North 56° 45' West 2.73 chains, North 42° 45' West 4.25 chains; thence leaving said Sonoma Creek, North 66° 36' East 59.06 chains to the middle of the public road leading from Glen Ellen to Sonoma; thence following the meanderings of said public road North 27° 45' West 10.00 chains, North 47° 45' West 3.00 chains, North 22° 15' West 16.00 chains, North 37° 45' West 20.00 chains, North 33° 45' West 15.55 chains to a point in the middle of said public road, which is opposite to a rock marked "W.H.C." planted in the Westerly edge of said road; thence North 37° 15' West 25.49 chains to the Northeast corner of the land of F. G. Thierkoff; thence leaving said public road South 57° 45' West 54.55 chains along the land of said F. G. Thierkoff; thence South 13° 45' East 12.00 chains to a stake; thence South 57° 45' West 13.14 chains along the land of said Thierkoff to the middle of Sonoma Creek; thence meandering in the middle of said Sonoma Creek South 7° 15' West 6.00 chains; thence South 16° 15' West 2.70 chains; thence South 20° 30' East 10.00 chains; thence South 29° 37' East 7.53 chains; thence leaving said creek South 67° 30' West 17.66 chains along the land of J. Chauvet; thence North 23° 45' West 8.00 chains along the land of said J. Chauvet to a stake in Ashbury Canyon; thence following the meanderings of said Ashbury Canyon to the summit of Sonoma Mountain, according to the following bearings and distances; South 26° 45' East 1.12 chains; South 14° 45' East 1.15 chains; South 26° 45' West 0.46 chains; South 82° 15' West 1.57 chains; South 60° 15' West 2.1 chains; South 51° 45' West 2.78 chains; South 9° 15' West 1.41 chains; South 51° 45' West 1.32 chains;

CALENDAR PAGE	97.4
MINUTE PAGE	2655

EXHIBIT "A"

W 40248

North 82° 45' West 2.43 chains, South 79° 15' West 1.28 chains, South
6° 30' East 1.19 chains, South 4° 15' West 1.91 chains South 68° 45'
West 1.70 chains, North 43° 45' West 2.57 chains, South 51° West 1.66
chains, South 42° West 0.80 chains, North 82° 15' West 1.22 chains,
South 30° 45' West 1.32 chains, South 50° 15' West 2.12 chains, South
83° 30' West 1.67 chains, South 43° 30' West 1.99 chains North 68° 45'
West 0.33 chains, South 40° 15' West 0.91 chains, North 68° 30' West
1.08 chains, South 55° 30' West 1.36 chains, South 87° 45' West 1.40
chains, North 87° 25' West 1.20 chains, North 54° 45' West 1.03 chains,
South 80° 45' West 1.45 chains, North 87° 45' West 1.64 chains South
89° 30' West 0.83 chains, South 57° 15' West 1.77 chains, North 72° 45'
West 2.09 chains, North 85° 15' West 0.67 chains, South 72° 15' West
1.75 chains, North 34° West 0.61 chains, South 80° 45' West 1.39 chains,
South 67° West 1.35 chains, North 44° West 0.70 chains, South 51° 15'
West 2.00 chains, South 65° West 1.29 chains, North 69° 45' West 1.25
chains, South 74° West 0.65 chains, North 78° West 1.41 chains, South
34° 45' West 1.24 chains, South 53° 15' West 1.49 chains, South 55°
West 3.36 chains, North 76° West 0.87 chains, South 2° 45' West 1.78
chains, South 86° 15' West 1.51 chains, South 86° 45' West 1.32 chains,
South 78° 15' West 0.87 chains, South 38° 45' West 1.22 chains, South
88° 15' West 0.93 chains, South 67° 15' West 1.53 chains, South 40° 15'
West 1.05 chains, South 64° 15' West 1.10 chains South 17° 15' West
1.88 chains, South 19° 25' East 0.88 chains, South 4° 45' West 1.67
chains, South 68° West 1.32 chains, North 72° West 2.11 chains, South
76° 30' West 1.95 chains, South 41° 45' West 0.64 chains, South 6° 45'
West 1.27 chains, South 56° 15' West 2.36 chains South 77° 45' West
1.67 chains, South 47° 15' West 1.94 chains, South 64° 45' West 0.78
chains, South 44° 30' West 1.64 chains, South 76° 50' West 2.15 chains,
South 72° 15' West 1.43 chains, South 69° West 1.52 chains, South 49°
15' West 1.35 chains, South 79° 15' West 1.39 chains, South 46° 45'
West 1.24 chains, South 78° 15' West 1.52 chains, South 23° 30' West
2.22 chains, South 38° West 1.15 chains, South 62° West 1.18 chains,
South 37° 45' West 1.33 chains, South 57° 30' West 1.52 chains, South
82° West 0.78 chains, South 52° 15' West 1.76 chains, South 72° 45'
West 2.25 chains, South 51° West 1.32 chains, South 60° West 0.76
chains, South 21° 15' West 0.67 chains, South 77° 15' West 2.10 chains
North 87° 30' West 1.33 chains, North 76° West 2.15 chains, South 84° 15'
West 1.03 chains, South 43° 30' West 1.33 chains, South 78° 30' West
0.56 chains, South 33° 15' West 0.84 chains, North 41° 45' West 2.13
chains, North 82° 45' West 1.31 chains, North 45° 15' West 1.18 chains,
North 66° 15' West 1.60 chains, North 62° 45' West 1.24 chains, North
57° 45' West 1.09 chains, North 88° West 0.96 chains, North 82° West
1.33 chains, North 77° West 1.24 chains, North 46° West 1.36 chains,
South 85° 30' West 1.55 chains, North 65° West 1.62 chains, North 45°
45' West 0.82 chains, North 61° 15' West 1.49 chains, South 55° 45' West
1.93 chains, North 57° 30' West 2.20 chains, North 78° West 2.36
chains, South 74° 15' West 1.26 chains, South 10° West 1.43 chains,
South 39° 45' West 0.87 chains, South 37° 45' West 1.19 chains, South
7° 15' West 1.07 chains, South 47° 45' West 1.60 chains, South 60° 45'
West 1.40 chains, South 36° 30' West 1.42 chains, South 45° 15' West
1.17 chains, South 3° East 1.02 chains, South 12° 30' East 1.20 chains,
South 10° 45' East, 1.40 chains, South 36° 15' West 1.03 chains, South
17° 15' West 2.17 chains, South 21° 45' West 0.87 chains, South 12°
15' West 1.16 chains, South 57° 15' West 1.17 chains,

South 51°	3097.5
CALENDAR PAGE	
MINUTE PAGE	2656

EXHIBIT "A"

W 40248,

West, 0.64 chains, South 54° West 0.83 chains, South 47° 45' West 1.26 chains, South 17° 15' West 1.03 chains, South 16° 45' West 1.73 chains, South 21° 15' West 1.79 chains, South 14° 15' East 1.95 chains, South 38° 15' East 1.88 chains, South 52° East 1.60 chains, South 74° 30' East 1.53 chains, South 44° 15' East 1.20 chains South 38° 45' East 2.00 chains, South 43° 15' East 1.57 chains, South 15° 15' East 1.62 chains, South 21° 45' East 2.00 chains, South 50° 45' East 1.68 chains, South 19° East 2.13 chains, South 6° 15' East 3.18 chains, South 19° West 4.48 chains, South 2° 15' East 3.43 chains, South 18° 45' East 17.58 chains, South 38° 30' East 2.57 chains to an old black oak tree on summit of Sonoma Mountain; thence on said summit, South 21° East 9.22 chains to a stake in a mound of rocks, the place of beginning, containing one thousand six hundred and sixty nine and 93/100ths . (1669.93) acres. Bearings true, Magnetic Variation 17-1/4° East as surveyed by L. E. Ricksecker, Surveyor.

The above description includes Lots No's. 14, 15, 21, 23, 24, 25, 26 and 28 of Section No. 15 and Lots No's. 1, 2 and 5 of Section No. 22 in Township 6, North of Range Six West, Mount Diablo Meridian and portions of the Ranchos "Petaluma" and Agua Caliente.

Saving and excepting therefrom that portion thereof conveyed to Charles J. Pagan, by deed dated January 28, 1948 recorded May 26, 1948 under Sonoma County Recorder's Serial No. C-68235.

END OF DESCRIPTION

REVIEWED NOVEMBER 2, 1981 BY TECHNICAL SERVICES UNIT, ROY HINNICK, SUPERVISOR.

CALENDAR PAGE	97.6
MINUTE PAGE	2657

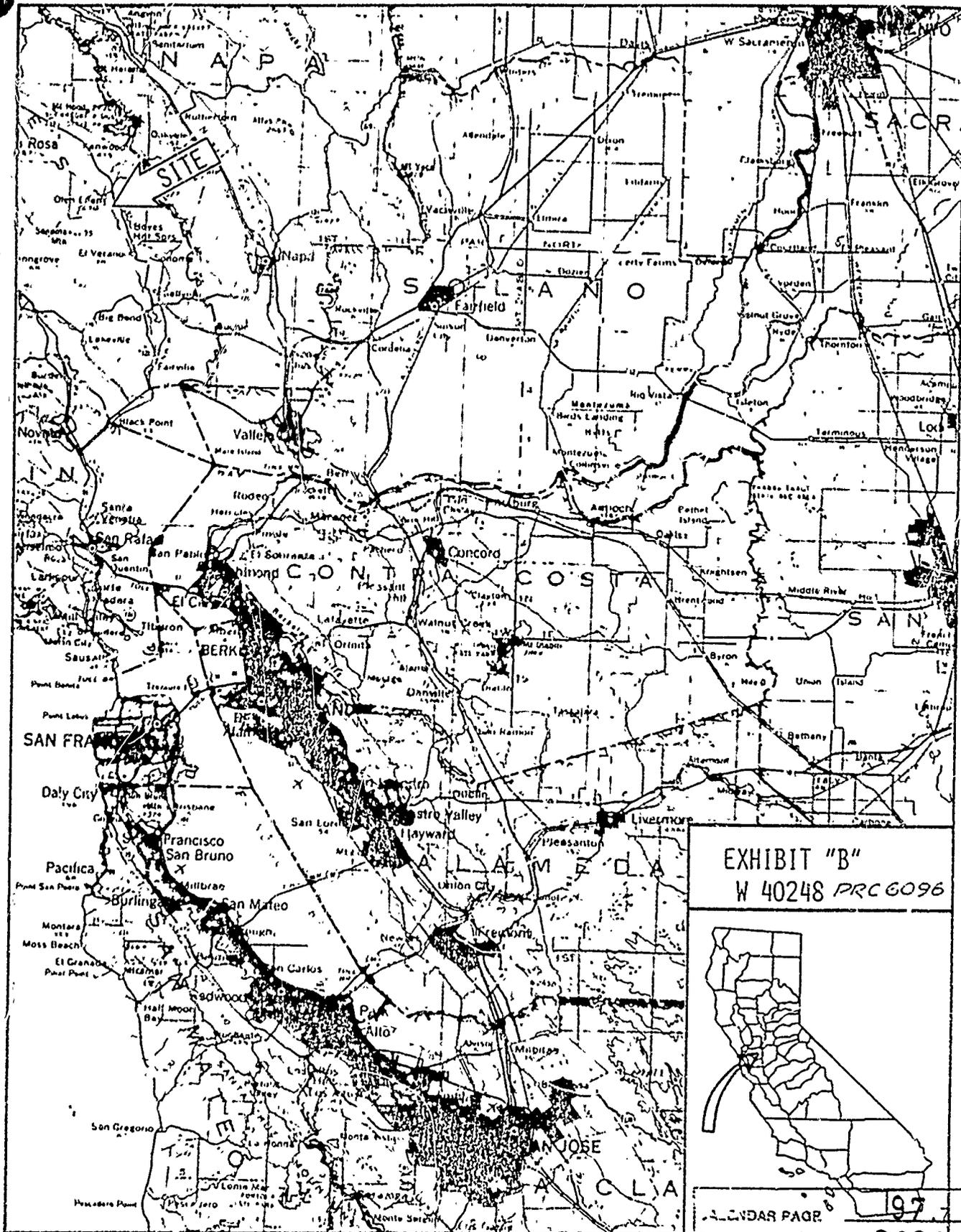


EXHIBIT "B"
 W 40248 PRC 6096



LENDAR PAGE	97
MINUTE PAGE	2658