

MINUTE ITEM

This Calendar Item No. 37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 2
to 0 at its 11/29/84
meeting.

CALENDAR ITEM

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11/29/84
PRC 6378.1
Hoagland

AMENDMENT OF GEOTHERMAL PROSPECTING PERMIT

APPLICANT: Bear Creek Mining Company
2520 N. Huachuca Drive
Tucson, Arizona 85745

AREA, TYPE OF LAND AND LOCATION:
Approximately 40 acres of sovereign land
located about four miles west of Niland on the
southeastern shore of Salton Sea, Imperial
County.

AB 884: N/A.

PERTINENT INFORMATION:

State Geothermal Prospecting Permit PRC 6378.1
was issued to Bear Creek Mining Company on
March 1, 1983 for a period of two years with
the possibility of an additional two year
extension and carried with it a preferential
right to a lease upon the discovery of
geothermal resources in commercial quantities.

At the time the permit was issued there was an
industrial lease on the surface of the state
parcel and the geothermal prospecting permit
provided that geothermal resources from the
state land could only be developed by slant
drilling from adjoining private lands.

Earlier this year the lessee of the surface of
the state lands quitclaimed the lease back to
the state. This summer Bear Creek, Bechtel
National, Inc., and the U.S. Department of
Energy concluded an agreement under which Bear
Creek would supply a drillsite and certain

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support facilities, Bechtel would manage the project and the Department of Energy would supply the funding to drill a deep experimental geothermal well.

Bear Creek has requested that their prospecting permit be amended to remove the prohibition contained in Section 9 (e) against use of the surface for drilling a well and that they be allowed to move the location of the proposed State Well 2-14 approximately 400 feet south to a surface location covered by the permit.

ENVIRONMENTAL INFORMATION:

Prior to issuance of Geothermal Prospecting Permit, PRC 6378.1 for which this amendment is now being proposed, a Negative Declaration (SCH 83010250) was prepared and circulated by the County of Imperial and such document was reviewed, considered, and adopted by the State Lands Commission at its meeting of February 28, 1983 at which time it was determined that the project, as mitigated, would not have a significant effect on the environment.

After reviewing the currently proposed amendment, the County made a finding that it will not have any significant impacts on the environment, that the previously prepared Negative Declaration, supported by monthly updated site-specific wildlife surveys continuing to the satisfaction of the Department of Fish and Game, and the Salton Sea Master EIR adequately describe the amended project and that no additional environmental documentation is required.

Based on the finding made by the County of Imperial as lead agency, staff of the State Lands Commission has concluded that since adoption of the Negative Declaration there have been no significant changes in the project or the environment to indicate any possibility that the project may have a significant effect on the environment and that the document complies with the requirements of the CEQA.

CALENDAR ITEM NO. 17 (CONT'D)

APPROVALS REQUIRED:

Division of Oil and Gas, Regional Water Quality Control Board and the County of Imperial Planning Department.

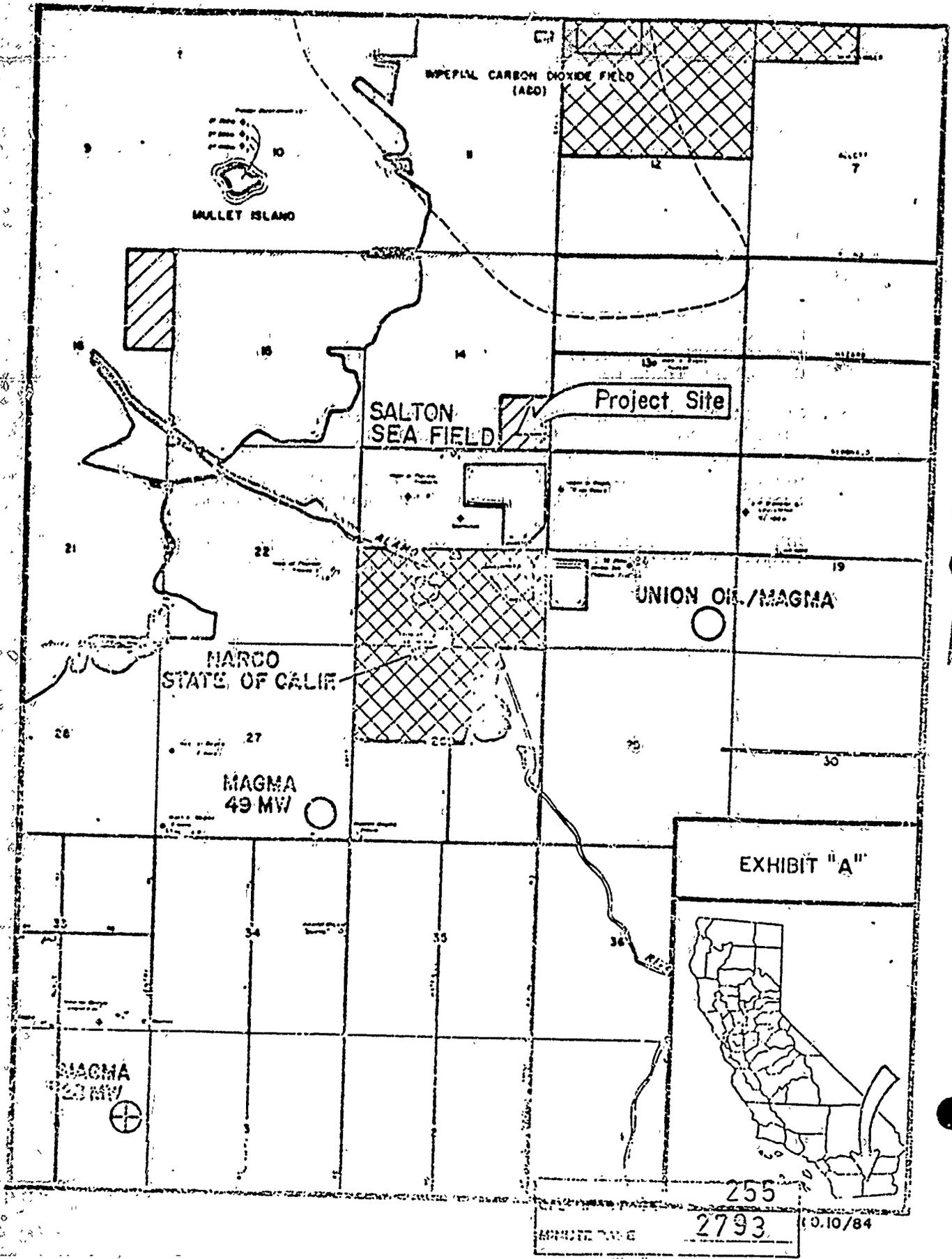
EXHIBITS:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT A NEGATIVE DECLARATION WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE COUNTY OF IMPERIAL AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. DETERMINE THAT THE PROJECT, AS APPROVED WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. APPROVE AMENDMENT OF THE LEASE TO ALLOW THE SURFACE OF STATE LANDS TO BE UTILIZED FOR EXPLORATORY DRILLING.
4. APPROVE CHANGING THE LOCATION OF THE DRILLSITE FROM PRIVATE LANDS APPROXIMATELY 400 FEET SOUTH ONTO STATE LANDS.

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7/10/84