

MINUTE ITEM

This Calendar Item No. 34  
was approved as Minute Item  
No. 34 by the State Lands  
Commission by a vote of 3  
to 0 at its 11/31/85  
meeting.

CALENDAR ITEM

A 80  
S 37

34

01/31/85  
PRC 6378  
Hoagland

EXTENSION OF A  
GEOTHERMAL PROSPECTING PERMIT

APPLICANT: Bear Creek Mining Company  
2502 North Huachuca Drive  
Tucson, Arizona 85745  
Attn: Larry L. Grogan,  
Geothermal Project Supervisor

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

LAND USE: Geophysical, geological and geochemical  
exploration to target drillsites for  
exploration drilling to assess geothermal  
potential of the area and to drill at least one  
geothermal well.

TERMS OF THE PROPOSED PERMIT EXTENSION:  
Renewal Period: Two years.

Surety bond: \$10,000.

Special: Upon discovery of geothermal  
resources in commercial  
quantities within the permit  
area, permittee will be  
entitled to 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  
resources.

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CONSIDERATION: Rental of \$25 per acre per annum during any period of extension, unless a well has been drilled.

In case 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 steam or heat and five percent of gross revenues received from the sale of mineral products or chemical compounds, with a minimum royalty of \$2 per acre per annum.

PREREQUISITE TERMS, FEES AND EXPENSES:  
Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

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

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. In March 1983 Bear Creek Mining Company was issued a Geothermal Prospecting Permit to explore for geothermal resources beneath the State parcel near the south end of Salton Sea, Imperial County, to determine the availability, quantity, and quality of geothermal resources. The use to be made of any resources discovered will depend upon its temperature, pressure, volume and mineral content; but the applicant is seeking a resource suitable for the generation of electricity.
2. This summer Bear Creek, Bechtel National, Inc., and the United States Department of Energy concluded an agreement under which Bear Creek would supply a drillsite and certain support facilities, Bechtel would manage the project and the Department of

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Energy would provide \$5.3 million to drill a deep experimental well on the State parcel under permit to Bear Creek. Drill pad construction will commence in February and drilling of the experimental test well on State lands and an injection well on adjacent lands under lease to Bear Creek is expected to commence in the spring. Because of the time necessary to drill and test the wells, Bear Creek has requested that its prospecting permit be extended for two years as provided for by law.

**ENVIRONMENTAL INFORMATION:**

Prior to issuance of Geothermal Prospecting Permit, PRC 6379.1 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 Bear Creek's proposal to drill a deep test well on State land, 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 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.

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APPROVALS REQUIRED:

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

EXHIBITS:

- A. Land Description.
- B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION WAS PREPARED BY IMPERIAL COUNTY PURSUANT TO THE PROVISIONS OF THE CEQA AND SUCH DOCUMENT WAS REVIEWED AND CONSIDERED (CAL. ADM. CODE 15083, 15085).
2. FIND THAT CHANGES OR ALTERATIONS HAVE BEEN REQUIRED IN, OR INCORPORATED INTO THE PROPOSED PROJECT WHICH MITIGATE OR AVOID THE SIGNIFICANT ENVIRONMENTAL EFFECTS THEREOF AS IDENTIFIED IN THE COMPLETED NEGATIVE DECLARATION.
3. AUTHORIZE THE EXTENSION OF PRC 6378.1 FOR TWO YEARS FROM MARCH 1, 1985 TO FEBRUARY 28, 1987.

EXHIBIT "A"

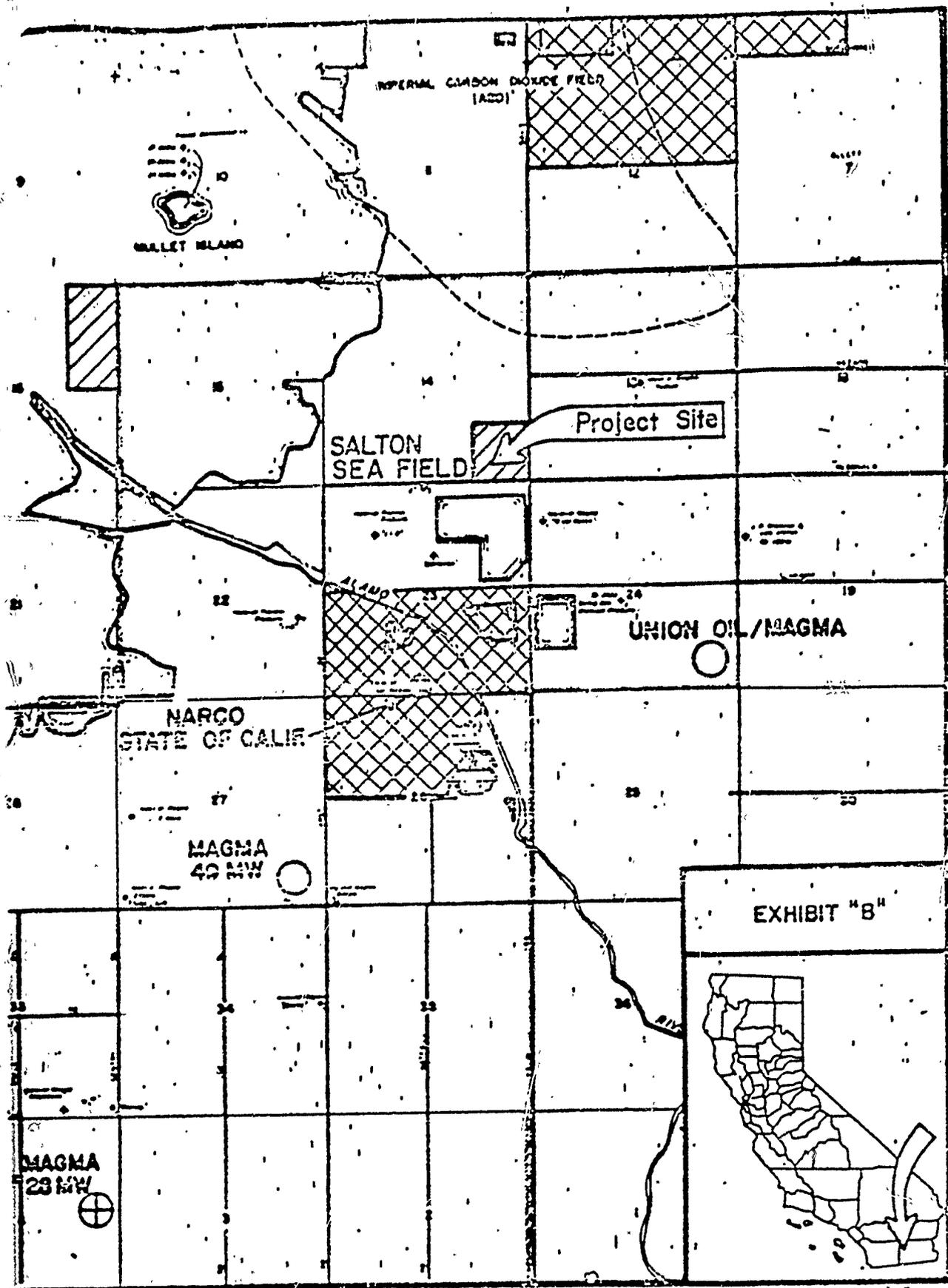
LAND DESCRIPTION

W 22962

A parcel of California State sovereign lands in Imperial County, California, described as follows:

SE $\frac{1}{4}$  of SE $\frac{1}{4}$  of Section 14, T11S, R13E, SBM.

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