

STATE OF CALIFORNIA

Minutes of the meeting of November 21, 1985  
of the State Lands Commission  
Sacramento, California

APPEARANCES

Commissioners Present

Kenneth Cory, State Controller, Chairman  
Jesse R Huff, Director of Finance, Member  
Laura Schlichtmann, Commission-Alternate for Leo T.  
McCarthy, Lieutenant Governor

Staff Members in Attendance

Claire T. Dedrick, Executive Officer  
James F. Trout, Assistant Executive Officer  
R. C. Hight, Chief Counsel  
Lance Kiley, Chief, Division of Land Management  
and Conservation  
W. M. Thompson, Chief, Extractive Development  
Program  
D. J. Everitts, Assistant Chief, Extractive Development  
Program  
A. D. Willard, Supervisor Mineral Resources Engineer

Representing the Office of the Attorney General

Dave Judson, Deputy Attorney General

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Regarding Minute Item 33:

Honorable Dave Elder  
Member of the Assembly.

Regarding Minute Item 35:

- 1) Mr. Gary Brutsch  
Councilman, City of Hermosa Beach.
- 2) Mr. Gregory Meyer  
City Manager, City of Hermosa Beach.

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MINUTES OF THE STATE LANDS COMMISSION  
MEETING OF NOVEMBER 21, 1985

The regular meeting of the State Lands Commission was called to order by Chairman Kenneth Cory at 10:35 a.m. in Room 447 of the State Capitol, Sacramento, California.

Also present were Jesse Huff, Director of Finance and Laura Schlichtmann, Commission-Alternate for Leo T. McCarthy, Lieutenant Governor.

The minutes of the meetings of October 24 and October 28, 1985 were approved as presented.

EXECUTIVE OFFICER'S REPORT:

Attached as Exhibit "A".

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EXHIBIT A  
EXECUTIVE OFFICER'S REPORT  
BY  
CLAIRE T. DEDRICK

11/21/85

GEOHERMAL TEST WELL - SALTON SEA PRC 6378

THE DEEP EXPERIMENTAL GEOHERMAL TEST WELL C PARCEL OF STATE LAND IN IMPERIAL COUNTY WAS SPUDDED ON OCTOBER 23 ACCORDING TO OFFICIALS OF KENNECOTT CORPORATION, HOLDER OF THE STATE GEOHERMAL PROSPECTING PERMIT.

KENNECOTT HOLDS THE PERMIT ON A 40-ACRE PARCEL OF STATE LAND ABOUT FOUR MILES EAST OF NILAND ON THE SOUTHEASTERN SHORE OF THE SALTON SEA. KENNECOTT IS PROVIDING THE LAND FOR TEST FACILITIES. THE PROJECT WILL BE MANAGED BY BECHTEL CORPORATION UNDER A \$5.3 MILLION CONTRACT FROM THE U.S. DEPARTMENT OF ENERGY.

THE SALTON SEA SCIENTIFIC DRILLING PROGRAM WAS ORGANIZED AS A JOINT EFFORT OF DOE, THE U.S. GEOLOGICAL SURVEY AND THE NATIONAL SCIENCE FOUNDATION TO STUDY THE DEEPER THERMAL REGIME OF THE SALTON SEA GEOHERMAL SYSTEM THAT UNDERLIES CURRENTLY PRODUCING RESERVOIRS. THE PROGRAM WAS CONCEIVED BY UNIVERSITY AND INDUSTRY SCIENTISTS AS A FRONTIER EXPLORATION PROJECT TO DRILL DEEPER INTO THE SALTON SEA HYDROTHERMAL SYSTEM INTO MUCH HIGHER TEMPERATURE REGIONS THAN HAD BEEN PENETRATED BY INDUSTRY WELLS.

THE WELL, WHICH WILL BE DRILLED TO 10,000 FEET OR MORE TO ENCOUNTER HOT HEAVY BRINES WITH TEMPERATURES PROBABLY IN EXCESS OF 600° FARENHEIT, IS DESIGNED TO ADD TO THE SCIENTIFIC BODY OF KNOWLEDGE ABOUT THE EARTH'S THERMAL PROCESSES AND RELATED PHENOMENA AND TO TEST THE UNKNOWN REGIONS BELOW THE KNOWN PART OF THE SALTON SEA HYDROTHERMAL SYSTEM. IT IS AN ATTEMPT TO BETTER CHARACTERIZE THE

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ENERGY POTENTIAL OF THE SYSTEM. A VARIETY OF TESTS WILL BE PERFORMED DURING DRILLING AND AFTER COMPLETION OF THE WELL FOR A PERIOD OF ABOUT ONE YEAR. CURRENTLY, THE WELL IS BEING DRILLED BELOW 3,700 FEET. NUMEROUS CORES WERE TAKEN WHILE DRILLING TO THIS DEPTH. PRIOR TO RUNNING AND CEMENTING 13 3/8" CASING AT A DEPTH OF 3,500 FEET, ELECTRICAL AND OTHER TYPES OF LOGS WERE RUN. TEMPERATURES OF UP TO 369° FAHRENHEIT HAVE BEEN ENCOUNTERED. IF A COMMERCIAL RESOURCE IS DISCOVERED, KENNECOTT, UNDER THE TERMS OF ITS PROSPECTING PERMIT, WILL HAVE A PREFERENTIAL RIGHT TO A GEOTHERMAL LEASE.

LONG BEACH UNIT TRACT 1 NET PROFITS W 17087

THE NOVEMBER NET PROFITS PAYMENT FROM THE FIELD CONTRACTOR'S 80% SHARE OF TRACT 1 IN THE LONG BEACH UNIT ON THE LONG BEACH TIDELANDS BRINGS THE TOTAL NET PROFITS PAYMENTS BY THE FIELD CONTRACTOR TO OVER \$2 BILLION. TOTAL NET PROFITS PAYMENT FROM TRACT 1 NOW EXCEEDS \$2 1/2 BILLION.

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RECORD OF ACTION TAKEN BY THE  
STATE LANDS COMMISSION  
AT ITS MEETING OF NOVEMBER 21, 1985

During the meeting, the recommendation of the staff relative to Calendar Items C1, C2, C4-C17, C19-C24, 25, 26, 28-32, 36-41 were adopted as resolutions of the Commission by unanimous vote.

Commission action on Calendar Items C18, 33 and 35 are set forth on pages 3226, 3325, 3334.

Calendar Items C3, 34 and 42 were withdrawn from the agenda prior to the meeting.

Calendar Item 27 was submitted for information only.

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