MINUTE ITEM
This Calendar Item No. C51
was approved as Minute Item
No. 51 by the State Lands
Commission by a vote of 3
to Ø at its 12/17/92
meeting.

CALENDAR ITEM

C51

A 80

S 37

12/17/92
PRC 6837
Willard
Kruger

CONSENT TO UNITIZE THE LEASED LANDS
OF STATE GEOTHERMAL RESOURCES LEASE PRC 6837
INTO THE TRUCKHAVEN II GEOTHERMAL UNIT,
IMPERIAL COUNTY

LESSEE (OPERATOR):

Magma Power Company
Attn: Lou R. Hammond
4365 Executive Drive, Suite 900
San Diego, California 92121

AREA, TYPE LAND AND LOCATION:

State Geothermal Resources Lease PRC 6837 consists of approximately 3,081 acres of vacant, patented State school lands situated in western Imperial County, about five miles south of Salton City, California.

PROPOSED UNIT:

Magma, as operator under State Geothermal Resources Lease PRC 6837 (Magma 75% and Union 25%) has requested that the State lease be included in a geothermal unit designated "Truckhaven II". The unit includes federal, private and State lands for a total of 32,117 acres (see attached Exhibit "B"). Only lands under active geothermal lease within the unit boundaries will be committed to the unit. The participation of lands within the unit shall be on an acreage basis and, upon establishment of production, the Participating Area shall be determined for each pool or deposit of geothermal resources and production shall be deemed equal throughout the Participating Area.

Magma has proposed to drill a unit well on privately leased lands which will be within 1,000 feet of State leased land, meeting the drilling obligation under the State lease. It is anticipated that the well will be drilled before June 1993. Section 6923 of the P.R.C. and paragraph 13 of the lease provides that the Commission may approve a unit plan of development for the purpose of conserving the geothermal resources within the area. Staff has reviewed the Unit Agreement and recommends that the Commission authorize the commitment of State Lease PRC 6837 to the Truckhaven II Geothermal Unit.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

   Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

2. Copies of the land description of the proposed Truckhaven II Geothermal Unit and the Unit Agreement are on file in the Long Beach Office of the Commission.

EXHIBITS:

A. Location Map
B. Map of Proposed Unit

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY, CONSENT TO UNITIZE THE LEASED LANDS OF STATE GEOTHERMAL RESOURCES LEASE PRC 6837, IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE

REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.

2. CONSENT TO THE UNITIZATION OF THE LEASED LANDS CONTAINED WITHIN PRC 6837 WITH OTHER FEDERAL AND PRIVATE LEASED LANDS HELD BY MAGMA POWER COMPANY AND UNION OIL COMPANY TO FORM THE TRUCKHAVEN II GEOTHERMAL UNIT CONTAINING THE LANDS DESCRIBED IN EXHIBIT "A" (APPROXIMATELY 32,117 TOTAL ACRES).

3. AUTHORIZE THE EXECUTION OF ANY DOCUMENT NECESSARY TO EFFECT THE COMMISSION'S ACTION.

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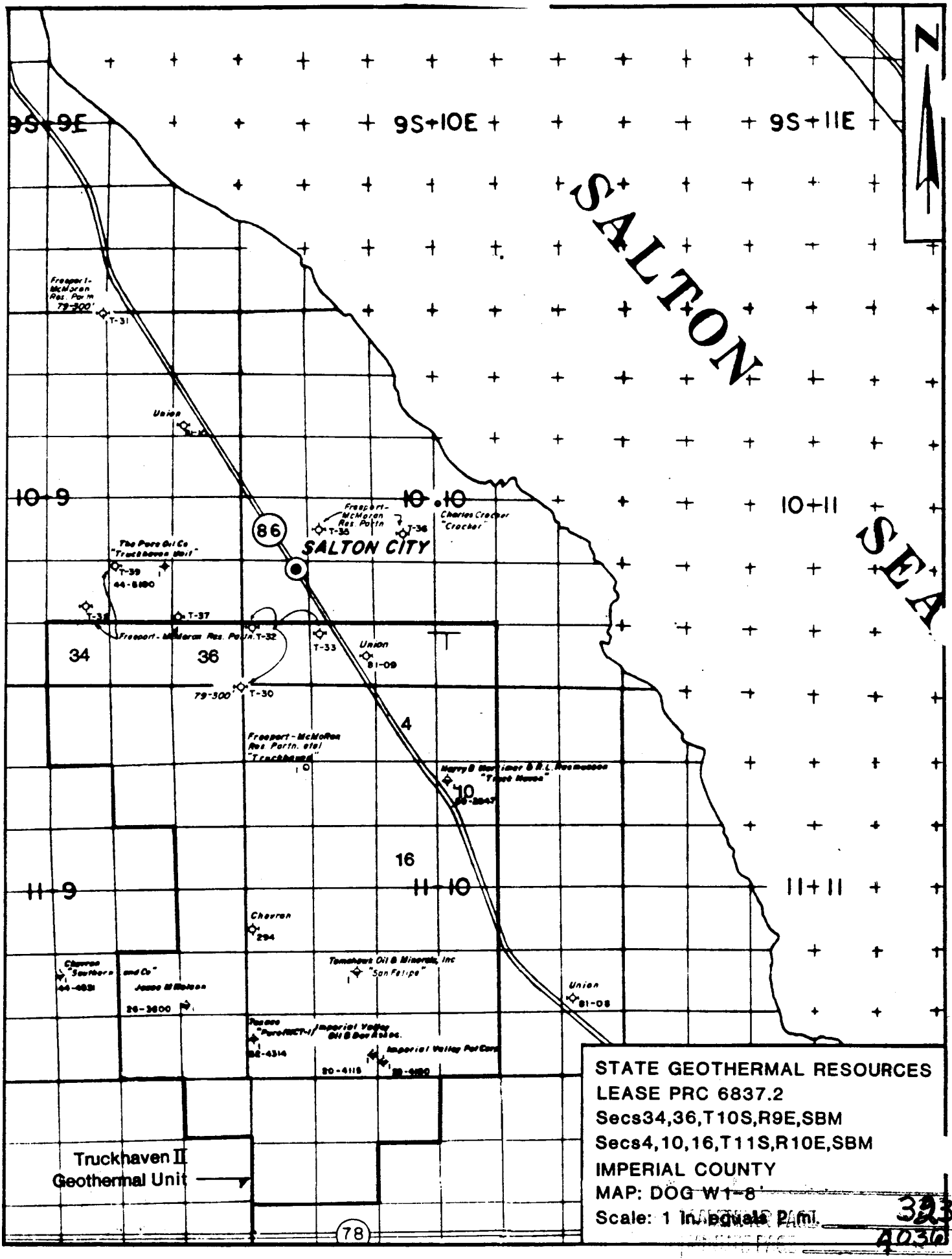
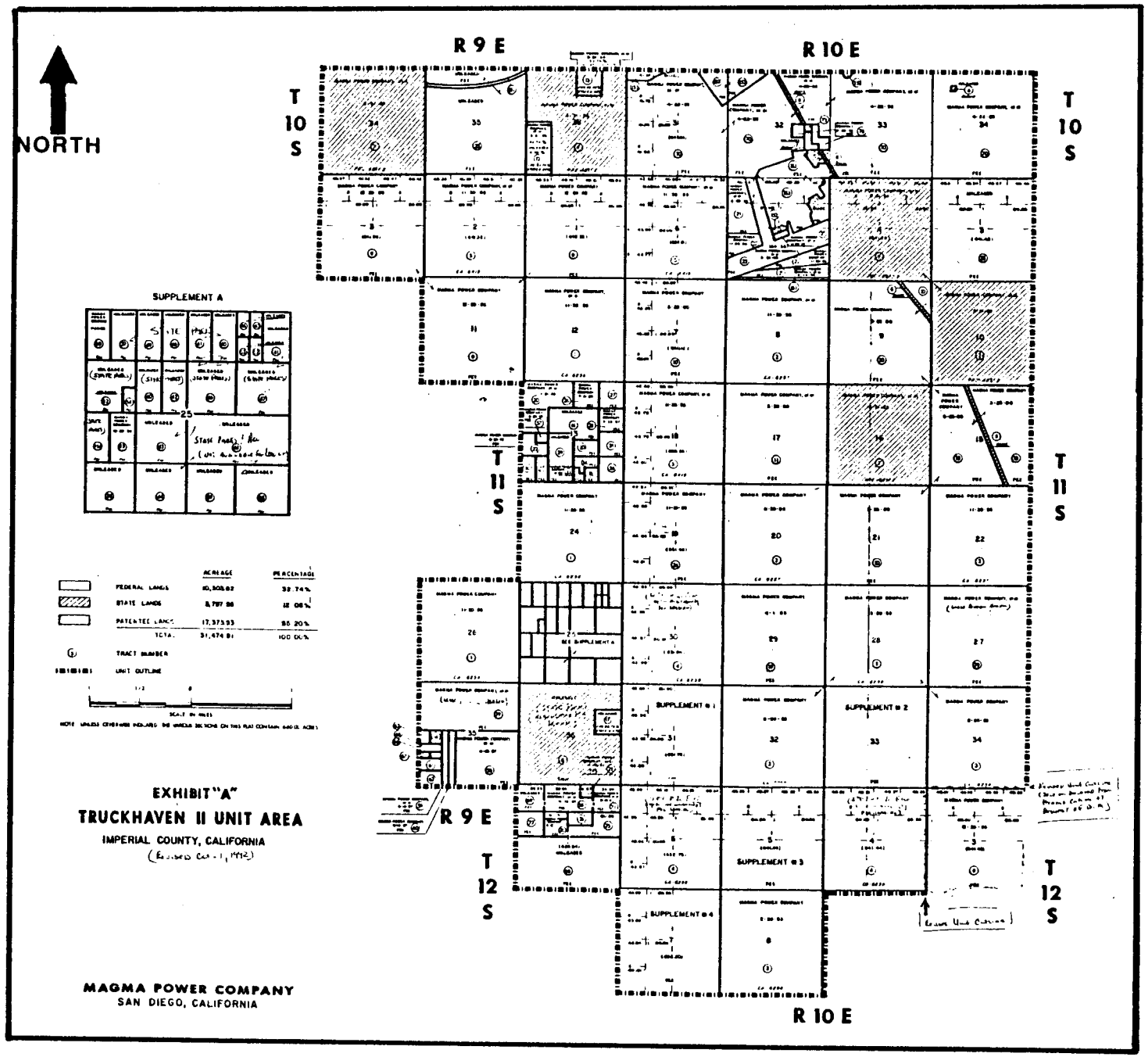
EXHIBIT "A"



STATE GEOTHERMAL RESOURCES
LEASE PRC 6837.2
Secs34,36,T10S,R9E,SBM
Secs4,10,16,T11S,R10E,SBM
IMPERIAL COUNTY
MAP: DOG W1-8'
Scale: 1 In. equals 2 mi.

323
4030

PRC 6837



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