

MINUTE ITEM

This Calendar Item No. 31
was approved as 'Minute Item'
No. 31 by the State Lands
Commission by a vote of 2
to 0 at its 2-22-72
meeting.

CALENDAR ITEM

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PRC 4597

APPROVAL OF PROPOSED DRILLING OF NEW WELL
"L. F. HORNER STATE 4597" 2
GEYSERS STEAM FIELD, SONOMA COUNTY

LEASE: PRC 4597.
LESSEE: Union Oil Company of California
Magma Power Company
Thermal Power Company
P. O. Box 6854
Santa Rosa, California 95406
COUNTY: Sonoma.
AREA: Geysers Geothermal Field.

PERTINENT INFORMATION:

State Geothermal Resources Lease PRC 4597 was issued to Union Oil Company on May 27, 1971. The lease was issued preferentially under terms of a geothermal prospecting permit, upon the discovery of commercial resources, and upon being classified by the Commission as known geothermal resources lands. The lease covers 1,445 acres of land in which the State has 100% reserved mineral interests. On April 27, 1972, an undivided 25% interest in the lease was assigned to Magma Power Company and an undivided 25% interest in the lease was assigned to Thermal Power Company.

Section 6(e) of the lease provides, "No Lessee shall drill a geothermal resources well on or into State lands except on prior approval of the State Lands Division and subject to the terms of the enabling statute and lease". This Division recently requested informal advice from the Office of the Attorney General concerning duties and responsibilities pursuant to the California Environmental Quality Act, as amended, with regard to the approval of drilling geothermal wells in accordance with the above-mentioned section. On March 26, 1975, the Office of the Attorney General advised this Division that the granting of approvals to drill geothermal wells is discretionary.

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CALENDAR ITEM NO. 31 (CONTD)

Since the activities contemplated and authorized by such approvals may have a significant environmental effect, each application submitted for approval to drill geothermal well or wells must comply with the provisions of the California Environmental Quality Act (CEQA).

Union Oil Company has requested authority to construct from the North Sonoma County Air Pollution Control District and the approval of the State Lands Commission to drill well "L. F. Horner State 4597" 2. The well will be drilled from an existing well site. Such approval must be consistent with the requirements of CEQA. The Air Pollution Control District has acted as lead agency for this project.

A draft baseline EIR, "The Geothermal Leasehold Of Union Oil Company at the Geysers, Sonoma County, California", was prepared and circulated by the County Air Pollution Control District as a baseline environmental document for Union Oil Company's geothermal leasehold operations in the Geysers area. The final baseline EIR was prepared and certified on December 1, 1975. Site specific data covering the impact of drilling well "L. F. Horner State 4597" 2 was prepared and circulated by the District as a supplement to the EIR. The Notice of Determination issued on May 7, 1976, by the Air Pollution Control District certified that (1) the Environmental Impact Report was prepared pursuant to the provisions of the California Environmental Quality Act of 1970, as amended; (2) the project will not have a significant effect on the environment; and (3) the project has been approved by the Air Pollution Control District. The Notice of Determination has been filed with the State Secretary for Resources, the State Lands Division, and the County Clerk for Sonoma County, wherein the project is to be undertaken.

The draft EIR was not circulated through the State Clearinghouse as required by the State EIR Guidelines (14 Cal. Adm. Code) but was circulated by the Air Pollution Control District to all responsible and interested State agencies. The draft was also circulated and

CALENDAR ITEM NO. 31. (CONTD)

made available to the public. The final environmental impact report and the site specific supplement were submitted to the State Clearinghouse. The State Clearinghouse certified on June 16, 1976, that State review of the project was complete. The environmental documents have been reviewed by the staff, and it is the staff's opinion that the intent of the provisions of CEQA has been satisfied.

OTHER PERTINENT DATA:

1. The applicant has obtained a use permit from the County of Sonoma covering the project.
2. Drilling of the well has been approved by the California Division of Oil and Gas.
3. The proposed drilling and completion programs and site specifications have been reviewed by the State Lands Division and determined to be in accordance with good engineering practices and the rules and regulations of the Commission.

EXHIBITS:

- A. Location Map. B. Environmental Impact Report.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT AND CERTIFIED BY THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT.
2. CERTIFY THAT THE INFORMATION CONTAINED IN THE ENVIRONMENTAL IMPACT REPORT OF THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT HAS BEEN REVIEWED AND CONSIDERED BY THE COMMISSION.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE APPROVAL OF DRILLING WELL "L. F. HORNER STATE 4597" 2 IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL RESOURCES LEASE PRC 4597 AND THE RULES AND REGULATIONS OF THE COMMISSION.