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
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.
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".
EXHIBIT A
EXECUTIVE OFFICER'S REPORT
BY
CLAIRE T. DEDRICK
11/21/85

GEOTHERMAL TEST WELL - SALTON SEA PRC 6378

THE DEEP EXPERIMENTAL GEOTHERMAL 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 geothermal 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 geothermal 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 6000° 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...
EXHIBIT A
EXECUTIVE OFFICER’S REPORT
PAGE 2
NOVEMBER 21, 1985

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 34,700 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.
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 3225, 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.