

MINUTE ITEM

11. APPLICATION FOR EXTENSION OF PROSPECTING PERMIT P.R.C. 2548.1, IMPERIAL COUNTY; R. W. CYPHER - W.O. 4433.

After consideration of Calendar Item 25 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT A ONE-YEAR EXTENSION OF THE TERM OF PROSPECTING PERMIT P.R.C. 2548.1, HELD BY R. W. CYPHER, FROM JULY 5, 1962, THROUGH JULY 4, 1963. ALL OTHER TERMS AND CONDITIONS OF THE PERMIT ARE TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 25 (2 pages)

CALENDAR ITEM

25.

APPLICATION FOR EXTENSION OF PROSPECTING PERMIT P.R.C. 2548.1, IMPERIAL COUNTY;
R. W. CYPHER - W.O. 4433.

Prospecting Permit P.R.C. 2548.1, covering approximately 40 acres of State land in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 14, T. 11 S., R. 13 E., S.B.B.& M., Imperial County, was issued July 5, 1960, to Mr. R. W. Cypher, authorizing prospecting for a two-year term for geothermal steam, all minerals other than oil and gas, and water.

Prospecting Permit P.R.C. 2548.1 provides, in part, in conformance with Division 6 of the Public Resources Code, that "in no event shall the term of this permit exceed two years from date hereof except as the Commission may, in its discretion, extend the term of this permit for an additional period of one year".

Exploration operations have been conducted by the permittee on a potentially productive area covering approximately 1,640 acres, which includes, in addition to the subject 40-acre parcel, 525 acres of State land under the jurisdiction of the Department of Fish and Game and subject to exploration permits issued by the State Lands Commission.

Exploration and seismic work, including the drilling, testing and completion of two wells, has cost approximately \$518,200. Allocating this cost on a per-acre basis would result in an indicated expenditure of \$12,000 for the 40 acres of State land included in Prospecting Permit P.R.C. 2548.1. It is suggested that the above allocated expenditure of \$12,000 be considered as compliance with the work requirements under the permit, as no other beneficial development work can be performed until the commencement of drilling operations. All other terms and conditions of the permit have been complied with.

Two steam wells have been completed approximately 2,500 feet southwesterly of the permit area, and the third well is proposed to be drilled approximately 2,000 feet due West. On test, the total production of steam and water from the two wells was approximately 900,000 pounds per hour, and it is estimated the energy produced would generate approximately 17,500 kilowatt hours of power. The mineral waters associated with production of the steam have been analyzed. The result of the analysis indicates a high content of sodium chloride, calcium chloride, sodium borate, potassium chloride, and other minerals, including lithium.

In order to make this project commercial, an expenditure of an additional \$2,000,000 will be required for turbines, generators, and chemical installations.

An application has been received from R. W. Cypher requesting the extension of the term of Permit P.R.C. 2548.1 through July 4, 1963, in order to further evaluate the potential of the area and to study the engineering problems involved.

CALENDAR ITEM 25. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT A ONE-YEAR EXTENSION OF THE TERM OF PROSPECTING PERMIT P.R.C. 2548.1, HELD BY R. W. CYPHER, FROM JULY 5, 1962, THROUGH JULY 4, 1963. ALL OTHER TERMS AND CONDITIONS OF THE PERMIT ARE TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.