

MINUTE ITEM

3/1/66

20. APPLICATION FOR EXTENSION OF PROSPECTING PERMIT P.R.C. 3088.2, IMPERIAL COUNTY; R. W. CYPHER - W.O. 6045.

After consideration of Calendar Item 24 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 PROSPECTING PERMIT P.R.C. 3088.2, IMPERIAL COUNTY, THROUGH MARCH 17, 1967.

Attachment

Calendar Item 24 (2 pages)

24.

APPLICATION FOR EXTENSION OF PROSPECTING PERMIT P.R.C. 3088.2, IMPERIAL COUNTY; R. W. CYPHER - W.O. 6045.

Prospecting Permit P.R.C. 3088.2, covering 80 acres of school land in the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 16, T. 11 S., R. 13 E., S.B.B. & M., Imperial County, was issued on March 18, 1964, to R. W. Cypher, authorizing prospecting for a two-year term for geothermal steam, for all minerals other than oil and gas, and for mineral waters.

Section 6891 of the Public Resources Code provides that "The Commission may, in its discretion, extend the term of any permit for a period not exceeding one year, but the term of any such permit, including extensions, shall be limited to a total of three years."

The State's permittee has submitted the following information:

1. With the approval of State's permittee, geological studies, surveys, and pilot plant operations to determine the feasibility of commercial production of electrical power, potash, and other minerals are being conducted.

2. The above-described pilot-plant project has been in operation on a field-research-and-development basis since August 1965; geological studies were started some months ago and are still being made. The permittee has been advised that the results of the pilot-plant operation and the geological surveys will not be known for approximately eight to ten months from the date of this application; and, until those results are known, the permittee will not be in a position to know where additional geothermal wells can be located most effectively.

3. Permittee is of the opinion that, based on field research, development, and surveys to date, the acreage covered by Prospecting Permit P.R.C. 3088.2 has extremely favorable geothermal potentials.

R. W. Cypher and his associate, O'Neill Geothermal, Inc., have drilled and completed two steam wells at a cost of approximately \$900,000, which are approximately 1 $\frac{1}{2}$ miles southeast of the permit area. On test, the total production of steam and water from the two wells was approximately 900,000 pounds per hour, and it is estimated that the energy produced would generate approximately 17,500 kilowatts of power per hour. The mineral waters associated with the production of steam have been analyzed and, according to engineering reports of the permittee, the prime constituent of commercial value is potash; however, other minerals of commercial value also will be produced.

It is suggested that this work be considered as compliance with the work requirements under the prospecting permit, as no other feasible development work could have been performed on State lands until the actual commencement of costly drilling operations.

CALENDAR ITEM 24. (CONTD.)

Therefore, pursuant to an application from R. W. Cypher requesting the extension of the terms of Prospecting Permit P.R.C. 3088.2 through March 17, 1967, in order to further evaluate the area potential and to complete pilot-plant operations to determine the feasibility of commercial production of geothermal energy and other products specified in the permit,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT A ONE-YEAR EXTENSION OF PROSPECTING PERMIT P.R.C. 3088.2, IMPERIAL COUNTY, THROUGH MARCH 17, 1967.