

14. APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE COUNTY; SIGNAL OIL AND GAS COMPANY - W.O. 6039, P.R.C. 3496.2.

After consideration of Calendar Item 34 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

FURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FINDS THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS, AND AUTHORIZES THE EXECUTIVE OFFICER TO ISSUE TO SIGNAL OIL AND GAS COMPANY A TWO-YEAR PROSPECTING PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS, IN 440 ACRES OF VACANT SCHOOL LAND IN LAKE COUNTY, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT TO BE USED, INCLUDING THE ROYALTY SCHEDULE, IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS SHALL BE PAID TO THE STATE.

Attachment

Calendar Item 34 (3 pages)

34.

APPLICATION FOR PROSPECTING PERMIT FOR GEOTHERMAL ENERGY, LAKE COUNTY; SIGNAL OIL AND GAS COMPANY - W.O. 6039.

An application has been received from Signal Oil and Gas Company for a permit to prospect for geothermal energy, mineral waters, and all minerals other than oil and gas, on 440 acres of vacant State school land in Section 15, T. 11 N., R. 8 W., M.D.B. & M., Lake County.

Both the Department of Fish and Game and the Water Pollution Control Board have requested that certain provisions be included in the prospecting permit form, the substantive content of which has been met.

Section 6891 of the Public Resources Code provides for the issuance to a qualified applicant of a prospecting permit for lands which are not known mineral lands.

The Geysers steam field is located three miles westerly of the proposed permit area, the Little Geysers steam field is two miles south of the permit area, and the Sulphur Bank steam field is located four miles to the west of the property.

The applicant proposes to drill for, produce, take, and remove geothermal steam from the land for conversion into electrical power.

A field reconnaissance of the area has established that the land sought is not known to contain commercially valuable deposits of mineral. The statutory filing fee of \$5 has been paid, and the permit fee of \$440 has been deposited by the applicant.

The Office of the Attorney General has advised that the permit complies with the applicable provisions of law and the Rules and Regulations of the Commission.

IT IS RECOMMENDED THAT, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, THE COMMISSION FIND THAT THE LANDS DESCRIBED IN EXHIBIT "B" ATTACHED ARE NOT KNOWN MINERAL LANDS, AND AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO SIGNAL OIL AND GAS COMPANY A TWO-YEAR PROSPECTING PERMIT AUTHORIZING PROSPECTING FOR GEOTHERMAL ENERGY, FOR MINERAL WATERS, FOR NONHYDROCARBON GASES, AND FOR ALL MINERALS OTHER THAN OIL AND GAS, IN 440 ACRES OF VACANT SCHOOL LAND IN LAKE COUNTY, AS DESCRIBED IN EXHIBIT "B" ATTACHED. THE FORM OF PERMIT TO BE USED, INCLUDING THE ROYALTY SCHEDULE, IS THE FORM APPROVED BY THE STATE LANDS COMMISSION ON APRIL 29, 1965, AND SHALL INCLUDE THE CONDITIONS CONTAINED IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF. THE ROYALTY SCHEDULE SHALL ALSO PROVIDE THAT UPON ALL CARBON DIOXIDE AND OTHER NONHYDROCARBON GASES EXTRACTED AND SAVED UNDER THIS LEASE, 16-2/3% OF THE CURRENT MARKET PRICE AT THE WELL AND OF ANY PREMIUM OR BONUS PAID ON ALL NONHYDROCARBON PRODUCTION PRODUCED OR SOLD FROM THE LEASED LANDS SHALL BE PAID TO THE STATE.

Attachment
Exhibits "A" and "B"

EXHIBIT "A"

1. Permittee shall contact the Regional Water Pollution Control Board and submit a report on proposed waste discharge in accordance with Section 13054 of the California Water Code. Permittee shall comply with any waste discharge requirements established by the Regional Water Pollution Control Board.
2. All waste discharges resulting from geothermal operations shall be confined to land and not be permitted to enter State surface waters.
3. Any land disposal operation of said wastes must be conducted in a manner that will not adversely affect wildlife resources. The Permittee shall consult with the Department of Fish and Game prior to and during operations.

EXHIBIT "B"

The South half ($S\frac{1}{2}$), the South half ($S\frac{1}{2}$) of the Northeast quarter ($NE\frac{1}{4}$), and the Northwest quarter ($NW\frac{1}{4}$) of the Northeast quarter ($NE\frac{1}{4}$) of Section 15, T. 11 N., R. 8 W., Lake County, California.

The above-described land contains 440 acres, more or less.