

16. PERMIT TO PROSPECT FOR GEOTHERMAL RESOURCES, SURPRISE VALLEY, MODOC COUNTY; AMERICAN THERMAL RESOURCES, INC. - W 9669, PRC 4927.1.

During consideration of Calendar Item 15 attached, Mr. E. N. Gladish, Executive Officer, State Lands Commission, presented a letter from Mr. Hamilton Hess, Geothermal Coordinator for the California Sierra Club, dated June 24, 1974. The letter reflected the Sierra Club's position that the environmental impact report prepared by the Division concerning the exploratory permit was inadequate for implementation of the California Environmental Quality Act. Mr. Gladish then asked Mr. Warren J. Abbott, Deputy Attorney General, to respond to the legal interpretation of the adequacy of the EIR. Mr. Abbott stated that it was the opinion of the Office of the Attorney General that the Commission had complied with CEQA. Mr. Gladish pointed out that the Commission's action relates only to a permit to explore for geothermal resources. He stated that the exploration will take place from private land through slant drilling for State-claimed resources under water bodies in Modoc County. In addition, Mr. Gladish commented that the points raised by the Sierra Club are difficult to speak to in terms of exploration activities since, as previously stated, the permit concerns exploration and does not involve development activity.

Mr. Godfrey Lohn, Chairman, Sierra Club Mother Lode Chapter Conservation Committee, appeared. He inquired as to whether a reply would be forwarded to Mr. Hess which would respond to the points raised in his letter. Mr. Gladish assured Mr. Lohn that such a reply would be directed to Mr. Hess.

Acting Chairman Kirk West stressed that prior to awarding a developmental lease, an environmental impact report would necessarily be prepared and would cover the points raised in Mr. Hess's letter.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFIES THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR NO. 157) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINES THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

MINUTE ITEM NO. 16. (CONTD)

4. AUTHORIZES THE ISSUANCE OF A PERMIT TO AMERICAN THERMAL RESOURCES, INC., TO PROSPECT FOR GEOTHERMAL RESOURCES ON ALL THOSE STATE-OWNED LANDS UNDER THE BED OF LOWER ALKALI LAKE, MODOC COUNTY, CALIFORNIA, SITUATED WITHIN SECTIONS 8, 16, 17, 20, 21, 22, 27, 28 AND 29, T 39 N, R 17 E, MDM, CONTAINING 3,836 ACRES, MORE OR LESS, UTILIZING THE STANDARD FORM OF PERMIT APPROVED BY THE COMMISSION ON MAY 29, 1969 (MINUTE ITEM 44, PAGE 649), AND AS AMENDED THIS CALENDAR.

Attachment:

Calendar Item 15 (2 pages)

CALENDAR ITEM

6/74
CPP
W 9669

15.

APPLICATION FOR PERMIT TO PROSPECT FOR GEOTHERMAL RESOURCES

APPLICANT: American Thermal Resources, Inc.
LOCATION: Surprise Valley, Modoc County.
TYPE OF LAND: Submerged land beneath Lower Alkali Lake.
ACREAGE: 3,836 acres, more or less.
SURFACE OWNER: The State of California (submerged land).

PREREQUISITE ITEMS:

- a. Application approved by the Office of the Attorney General.
- b. Land has not been classified as known geothermal resources land.
- c. Statutory filing fee, permit fee, and expense deposit have been submitted by applicant.

ENVIRONMENTAL IMPACT:

Pursuant to Section 6371 of the Public Resources Code, Environmental Impact Report No. 157 has been prepared and is on file in the office of the State Lands Commission, available for public review. Upon discovery of geothermal resources the preferential right to convert the permit into a geothermal lease will be subject to an additional environmental impact report covering proposed commercial operations.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A FINAL ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT BY THE DIVISION FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFY THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR NO. 157) HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

CALENDAR ITEM NO. 15. (CONTD)

3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE ISSUANCE OF A PERMIT TO AMERICAN THERMAL RESOURCES, INC. TO PROSPECT FOR GEOTHERMAL RESOURCES ON ALL THOSE STATE-OWNED LANDS UNDER THE BED OF LOWER ALKALI LAKE, MODOC COUNTY, CALIFORNIA, SITUATED WITHIN SECTIONS 8, 16, 17, 20, 21, 22, 27, 28 AND 29, T 39 N, R 17 E, MDM, CONTAINING 3,836 ACRES, MORE OR LESS, UTILIZING THE STANDARD FORM OF PERMIT APPROVED BY THE COMMISSION ON MAY 29, 1969 (MINUTE ITEM 44, PAGE 649), AND AS AMENDED THIS CALENDAR.