

MINUTE ITEM

This Calendar Item No. 38
was approved as Minute Item
No. 38 by the State Lands
Commission by a vote of 3
to 0 at its 3-25-76 MINUTE ITEM
meeting.

3/25/76
CPP

38. APPROVAL OF PROPOSED DRILLING OF NEW WELLS "DX STATE 4596" 26 AND "DX 4596" 27, GEYSERS STEAM FIELD, SONOMA COUNTY; UNION OIL COMPANY OF CALIFORNIA, MAGMA POWER COMPANY, THERMAL POWER COMPANY - PRC 4596.

The Commission unanimously approved the resolution as presented in Calendar Item 38 attached.

After the Commission approved the item, Mr. Vane E. Suter, District Manager for Union Oil Company's geothermal operation in The Geysers appeared. Mr. Suter's main objective in appearing was to appeal for help in cutting down the red tape which is slowing down geothermal development. He stated that Union is going to propose a change to CEQA which would require a fixed timetable with deadlines to be met. If the deadlines were not met, the application would be automatically approved. Mr. Suter requested the Commission's approval of this proposal.

Attachment:
Calendar Item 38 (3 pages)

CALENDAR ITEM

38

3/76
CPP
PRC 4596

APPROVAL OF PROPOSED DRILLING OF NEW WELLS
"DX STATE 4596" 26 AND "DX 4596" 27,
GEYSERS STEAM FIELD, SONOMA COUNTY

LEASE: PRC 4596.

LESSEE: Union Oil Company of California
Magma Power Company
Thermal Power Company
P. O. Box 6854
Santa Rosa, California 95406

COUNTY: Sonoma County.

AREA: Geysers Geothermal Field.

PERTINENT INFORMATION:

State Geothermal Resources Lease PRC 4596, was issued to Union Oil Company on May 27, 1971. The lease covers 2543 acres of land in which the State has 100% reserved mineral interests. On April 27, 1972, an undivided 25% interest in the lease was assigned to Magma Power Company and an undivided 25% interest in the lease was assigned to Thermal Power Company.

Section 6(e) of the lease provides, "No Lessee shall drill a geothermal resources well on or into State lands except on prior approval of the State Lands Division and subject to the terms of the enabling statute and lease". This Division recently requested informal advice from the Office of the Attorney General concerning duties and responsibilities pursuant to the California Environmental Quality Act, as amended, with regard to the approval of drilling geothermal wells in accordance with the above-mentioned section. On March 26, 1975, the Office of the Attorney General advised this Division that the granting of approvals to drill geothermal wells is discretionary. Since the activities contemplated and authorized by such approvals may have a significant environmental effect, each application submitted for approval to drill geothermal well or wells must comply with the provisions of the California Environmental Quality Act (CEQA).

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CALENDAR ITEM NO. 38 (CONTD)

Union Oil Company has requested authority to construct from the North Sonoma County Air Pollution Control District and the approval of the State Lands Commission to drill wells "DX State 4596" 26 and "DX State 4596" 27. The wells will be drilled directionally from private lands into the State lease. Such approvals must be consistent with the requirements of CEQA. The Air Pollution Control District has acted as lead agency for this project.

A draft EIR was prepared and circulated by the Air Pollution Control District as a baseline environmental document for Union Oil Company's geothermal leasehold operations in the Geysers area. The final EIR was prepared and a Notice of Determination was issued on July 21, 1975. Site specific data covering the impact of drilling wells "DX State 4596" 26 and "DX State 4596" 27 was prepared and circulated as supplements to the EIR. The Notice of Determination issued on September 19, 1975, the Air Pollution Control District certified that (1) the Environmental Impact Report was prepared pursuant to the provisions of the California Environmental Quality Act of 1970, as amended; (2) the project will not have a significant effect on the environment; and (3) the project has been approved by the Air Pollution Control District. The Notice of Determination has been filed with the State Secretary for Resources, the State Lands Division, and the County Clerk for Sonoma County, wherein the project is to be undertaken.

The draft EIR was not circulated through the State Clearinghouse as required by the State EIR Guidelines (14 Cal. Adm. Code) but was circulated by the Air Pollution Control District to all responsible and interested State agencies. The draft was also circulated and made available to the public. The final environmental impact report and the site specific supplements were submitted to the State Clearinghouse. The State Clearinghouse has certified that State review of the project is complete. The environmental documents have been reviewed by the staff, and it is the staff's opinion that the intent of the provisions of CEQA has been satisfied.

CALENDAR ITEM NO. 38 (CONT'D)

OTHER PERTINENT DATA:

1. The applicant has obtained a use permit from the County of Sonoma covering the project.
2. Drilling of the wells has been approved by the California Division of Oil and Gas.
3. The proposed drilling and completion programs have been reviewed by the State Lands Division and determined to be in accordance with good engineering practices and the rules and regulations of the Commission.

EXHIBIT: A. Location Map. B. An Environmental Impact Report.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS BEEN PREPARED FOR THIS PROJECT AND CERTIFIED BY THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT.
2. CERTIFY THAT THE INFORMATION CONTAINED IN THE ENVIRONMENTAL IMPACT REPORT OF THE NORTH SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT HAS BEEN REVIEWED AND CONSIDERED BY THE COMMISSION.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE APPROVAL OF DRILLING WELLS "DX STATE 4596" 26 AND "DX STATE" 27 IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL RESOURCES LEASE PRC 4596 AND THE RULES AND REGULATIONS OF THE COMMISSION.