

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
0 at its 9/22/76
meeting.

CALENDAR ITEM

9/76
PRC 4596
CPP

28.

APPROVAL OF PROPOSED DRILLING OF NEW WELLS
"OTTOBONI STATE 4596" 23 AND "OTTOBONI STATE 4596" 24
GEYSERS STRAM 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.
AREA: Geysers Geothermal Field.

PERTINENT INFORMATION:

State Geothermal Resources Lease PRC 4596,
was issued to Union Oil Company on May 27, 1971.
The lease was issued preferentially under
terms of a geothermal prospecting permit,
upon the discovery of commercial resources,
and upon being classified by the Commission
as known geothermal resources lands. The
lease covers 2,543 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 environ-
mental effect, each application submitted for
approval to drill geothermal well or wells must

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comply with the provisions of the California Environmental Quality Act (CEQA):

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 "Ottoboni State 4596" 23 and 24. The wells will be make-up wells for P.G.&E., Units 7 and 8. Such approval must be consistent with the requirements of CEQA. The Air Pollution Control District has acted as lead agency for this project.

A draft baseline EIR, "The Geothermal Leasehold of Union Oil Company at Geysers, Sonoma County, California", was prepared and circulated by the County Air Pollution Control District as a baseline environmental document for Union Oil Company's geothermal leasehold operations in the Geysers area. The final baseline EIR was prepared and certified on December 1, 1975. Site specific data covering the impact of drilling wells "Ottoboni State 4596" 23 and 24, was prepared and circulated by the District as a supplement to the EIR. The Notice of Determination issued on July 22, 1976, by 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 supplement were submitted to the State Clearinghouse. The State clearinghouse certified on August 16, 1976, that the State review of the project was 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.

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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 and site specifications 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.

EXHIBITS: A. Location Map. B. 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 "OTTOBONI STATE 4596" 23 AND "OTTOBONI STATE 4596" 24, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF STATE GEOTHERMAL RESOURCES LEASE PRO 4596 AND THE RULES AND REGULATIONS OF THE COMMISSION.