

MINUTE ITEM

This Calendar Item No. 27
was approved by the State Lands
Commission by a vote of 3
to 0 at its 6/30/77
meeting.

CALENDAR ITEM

27.

6/77
PRC 4928.1
PRC 4929.1
CPP

APPROVAL OF EXTENSION OF PERMITS
TO PROSPECT FOR GEOTHERMAL RESOURCES
PRC 4928.1 AND PRC 4929.1

PERMITTEE: Getty Oil Company
P. O. Box 5237
Bakersfield, California 95508

COUNTY: Modoc.

LOCATION: Surprise Valley, Modoc County.

TYPE OF LAND: Submerged land beneath Upper and Middle Alkali
Lakes.

EXPIRATION DATE: June 25, 1979.

ACREAGE: Parcel A (PRC 4928.1) 5,427 acres more or less.
Parcel B (PRC 4929.1) 4,430 acres more or less.

SURFACE OWNER: The State of California (submerged land).

PREREQUISITE ITEMS:

- (a) Application submitted by permittee.
- (b) Statutory rentals have been submitted by applicant.
- (c) Land has not been classified as known geothermal resources land.

OTHER PERTINENT INFORMATION:

Geothermal Prospecting Permits PRC 4928.1 and PRC 4929.1 containing 9,857 acres more or less in Surprise Valley, Modoc County, were issued to Getty Oil Company on June 26, 1974. Getty and Mono Power Company have been joint venture partners in Surprise Valley since 1971 and have expended in excess of \$225,000 for seismic studies, hydro-geochemistry, aeromagnetic and photo-geology studies. Additionally, Getty and Mono Power contributed \$10,000 to the drilling

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of Magma Power Company's Phipps #2 well in 1972. Getty and Mono Power recently signed a Letter of Intent with Gulf Mineral Resources for promotion of the drilling of additional wells in Surprise Valley. The Getty-Mono-Gulf combine jointly controls approximately 38,771 acres of contiguous geothermal leases and State Prospecting Permits in the area. The State Prospecting Permits cover submerged and semi-submerged lands and are located in less promising areas, but without inclusion in the total leasehold it is doubtful that investors can be attracted to the proposed project. Expiration of these permits would therefore preclude completion of an exploration program in which considerable time and money has already been expended and which could lead, if completed, to definition of the size and nature of the resource and development of a commercial geothermal operation.

Approximately 22,400 acres of State-owned lands within Middle and Upper Alkali Lakes adjacent to the Getty Permit areas have been prospected under State permit without success and are no longer under permit.

ENVIRONMENTAL IMPACT:

Pursuant to Section 6371 of the Public Resources Code, Environmental Impact Report No. 158 was prepared and is on file in the Office of the State Lands Commission, available for public review. The draft environmental impact report was circulated and, following an evaluation of comments and consultation with public agencies which issue approvals for the project, a final environmental impact report was prepared, circulated and certified by the Commission. Certification of EIR No. 158 included the determination that the proposed project would not have a significant effect on the environment. 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 the proposed commercial operations.

The Office of the Attorney General has advised that no environmental impact report is required when the existing permit grants the right of renewal and the proposed renewal terms and conditions do not alter the general concept or mode of operations of the existing permit.

CALENDAR ITEM NO. 27. (Contd)

EXHIBIT A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE EXTENSION OF PROSPECTING PERMITS PRC 4928.1 AND PRC 4929.1 FROM JUNE 26, 1977, TO JUNE 25, 1979.