

## MINUTE ITEM

9/27/77  
PRIDDY

27. TWO PERMITS TO PROSPECT FOR GEOTHERMAL RESOURCES,  
BOGGS MOUNTAIN STATE FOREST, LAKE COUNTY; GEOTHERMAL KINETICS,  
INC. - W 6893, W 6894.

During consideration of Calendar Item 27, the Executive Officer stated that the property is owned by the Department of Forestry and that the Department had consented to the Commission offering a prospecting permit to cover the entire forest. Subsequent to an inquiry by Chairman Cory as to whether there were any individuals who desired to speak on this item, Mr. Clyde Kuhn appeared in opposition to the proposal. Mr. Kuhn summarized his comments by urging that the Commission suspend any permit proposals on Boggs Mountain for geothermal exploration until a complete examination had been made of the area to determine the existence and significance of any archeological, historical, or prehistoric features which were located within the forest area. A discussion then took place regarding the question as to whether the Environmental Impact Report prepared for this project was adequate. Also appearing regarding this item was Mr. Frank Conforte, attorney for Geothermal Kinetics. He requested that due to the fact that the application for the permit had been in process for a long period of time, that the Commission establish a time frame within which Geothermal Kinetics would know whether its application would be approved or not. (Chairman Cory left during this matter and Commission alternate Sid McCausland became the Acting Chairman.) Acting Chairman McCausland stated that although it would be possible to state specific time, it was not the intent of the Commission at this time to limit its options.

At the conclusion of the discussion and testimony it was agreed that because of the questions with respect to the sufficiency of the Environmental Impact Report that the matter be held over for review and study. The staff was instructed to (1) meet with Mr. Kuhn to try to resolve the questions raised; (2) report back to the Commission as to the adequacy of the Environmental Impact Report before it was recalendared making sure that it had been completed in compliance with CEQA and the State Guidelines and (3) report back to the Commission regarding the difficulties encountered in attempts to amend the Geothermal Resources Act of 1967 regarding prospecting permits.

Attachment: Calendar Item 27 (4 pages)

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CALENDAR ITEM

27.

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W 6893  
W 6894  
Priddy

TWO PERMITS TO PROSPECT  
FOR GEOTHERMAL RESOURCES

APPLICANT: Geothermal Kinetics, Inc.  
301 West Indian School Road  
Phoenix, Arizona 85013

LOCATION: Boggs Mountain State Forest, Lake County.

ACREAGE: 3,460.85 Acres (W 6893 for 2,199.79 acres  
and W 6894 for 1,261.06 acres).

SURFACE OWNERS: California Department of Forestry

PREREQUISITE ITEMS:

- A. Statutory filing fees, permit fees, and expense deposits have been submitted by the applicant for each permit.
- B. The State forest area has not been classified as known geothermal resources land.
- C. Department of Forestry has agreed to exploration for geothermal resources on the State Forest subject to the conditions contained in Exhibit "C" on file with the office of the State Lands Commission, in accordance with Sec. 6924 of the Public Resources Code, and has adopted rules and regulations for exploration and development of geothermal resources within a State Forest.

OTHER PERTINENT INFORMATION:

Applications for permits to prospect for geothermal resources in the State forest area were originally submitted by Geothermal Electric Corporation which later assigned its interest in the applications to Geothermal Kinetics, Inc., the present applicant.

The applicant proposes to conduct exploratory work adjacent to or in the permit areas.

A 2

S 1

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to determine if geothermal resources occur beneath State land. Such exploratory work may include geological, geochemical and geophysical work as well as the drilling of exploratory wells. The permits will state that the permittee is limited to two wells within the confined permit areas and to the use of one drilling rig.

Commercial geothermal wells have been drilled within approximately three miles of the parcels and the area is considered to have geothermal potential, but the permit areas are still regarded as wildcat prospects. After reviewing available data, it is the staff's opinion that the parcels cannot be classified as being within a known geothermal resource area; therefore, prospecting permits should be issued.

The permit form has been approved by the Office of the Attorney General as to compliance with the applicable provisions of law and the rules and regulations of the Commission.

**ENVIRONMENTAL IMPACT:**

A draft E.I.R. on the project was prepared and circulated to all interested parties. A joint public hearing on the draft E.I.R. was held by the State Lands Commission at the Lake County Planning Commission in Lakeport at the Lake County Courthouse on January 13, 1977.

Pursuant to Division 13 of the Public Resources Code, Environmental Impact Report No. 215, has been prepared by the Division 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 permits into geothermal leases will be subject to an additional environmental impact report covering proposed commercial operations.

**EXHIBITS:**

- A. Property Descriptions for both permits.
- B. Location Map.
- C. Department of Forestry Conditions.
- D. E.I.R. Executive Summary.

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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 (E.I.R. 215) 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. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. AUTHORIZE THE ISSUANCE OF 2 PERMITS TO GEOTHERMAL KINETICS, INC. TO PROSPECT FOR GEOTHERMAL RESOURCES IN BOGGS MOUNTAIN STATE FOREST, FOR THOSE AREAS DESCRIBED IN EXHIBIT "A", ATTACHED, AND BY REFERENCE MADE A PART HEREOF.
5. UTILIZE THE FORM OF PERMIT ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

Attachment: Exhibit "A"

EXHIBIT "A"

Those parcels within Boggs Mountain State Forest described as follows:

W 6893

Section 1, Section 2, SE 1/4 of SE 1/4 of Section 3, N 1/2 of NE 1/4 of Section 11, N 1/2 and SE 1/4 of Section 12 and NE 1/4 of Section 13, T. 11 N., R. 8 W.; T. 12 N., R. 8 W., H.D.M., and that 160.06 acre parcel lying in the south half of Section 35 T. 11 N., R. 8 W., H.D.M., as shown on that Record of Survey in Sections 2 and 35, T. 11 N.; 12 N., R. 8 W., M.D.B. & M. filed in Book 2 of Record of Surveys, page 63, Lake County Recorder's Office, containing 2199.79 acres more or less.

W 6894

SW 1/4, W 1/2 of SE 1/4, SE 1/4 of SE 1/4, Lot 2 and Lot 3 of Section 6, Section 7 and E 1/2 of NW 1/4, N 1/2 of NE 1/4, Lot 1, Lot 2, and Lot 3 of Section 18, T. 11 N., R. 7 W., H.D.M., containing 1261.06 acres more or less.

END OF DESCRIPTION

Prepared

W. L. Kirk

Checked

John K. J. J. J.

Reviewed

John J. J. J.

Date

8/25/77