

MINUTE ITEM

This Calendar Item No. 36  
was approved as Minute Item  
No. 36 by the State Lands  
Commission by a vote of 3  
to 0 at its 9/23/82  
meeting.

CALENDAR ITEM

36

9/23/82  
W 9369  
PRC 5461  
Hoagland

RESCISSION OF PREVIOUS ACTION AUTHORIZING  
ISSUANCE OF A GEOTHERMAL PROSPECTING PERMIT  
AND CANCELLATION OF APPLICATION

APPLICANT:           Getty Oil Company  
                          P. O. Box 5237  
                          Bakersfield, California 93308

AREA, TYPE LAND AND LOCATION:  
Approximately 466.12 acres of reserved  
mineral interests, located in the Randsburg  
area, San Bernardino County.

In March 1978, the Commission authorized issuance of a  
geothermal prospecting permit covering approximately 466.12  
acres in the Randsburg Area of San Bernardino County to  
Getty Oil Company. In April 1978, Getty was sent copies  
of the permits and asked to return the executed permits  
along with the required bond. In August 1978, Getty returned  
an executed copy of the permit and the bond. Getty requested  
a hearing before the Commission to discuss objections to  
the form of permit and proposed revisions to the prospecting  
permit form.

In September 1978, D. J. Everitts replied to the Getty  
request for revisions of the terms of the permit. He added  
that the Commission was considering a policy whereby almost  
all state land would be leased by competitive bidding rather  
than through issuance of prospecting permits.

In October, Getty withdrew its objections and requested  
the State delay execution of the permits because of the

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(Revised 9/20/82)

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uncertainty of federal leasing policies in the area. Getty explained that the state parcel was surrounded by federal land and without the federal leases the state parcel would not be a viable economic unit. The federal government, Getty contended, was making little or no effort to process lease applications and because of these uncertainties, they asked the state to defer issuance of its permit until these uncertainties were resolved.

At this time staff was just beginning revision of the regulations, geothermal lease and prospecting forms to reflect major changes enacted with passage of the Geothermal Act (Chapter 1139, Statute of 1978). Getty was informed that once these revisions were completed, the new prospecting permit form would be sent to them for their review and execution.

During and after this period, telephone conversations and correspondence indicated Getty's interest in obtaining the permit, but also their wish for delay due to continued uncertainties of federal leasing in the area.

On December 7, 1981, in response to our inquiry, Getty again expressed a desire to have the permit issued. The new permit forms were sent and Getty was asked to indicate acceptance by executing and returning the forms. Getty again objected to the terms of the prospecting permit including the drilling requirement and bonding provisions contending again that because of the uncertainties of federal leasing policies in the area it could be possible that they could obtain a state permit which would expire before they obtained their federal leases. This, they felt, would put them in a position to lose their bond. Telephone conversations with Getty and staff explained that they could quitclaim anytime before expiration of the permit without loss of the bond. Getty still failed to execute the permit.

Throughout this transaction, staff has conferred with legal to determine how to proceed. Recently staff counsel advised that the original authorization of the Commission to issue the permit had expired, but the December 7 letter constituted a new application and if Getty wished to proceed they should be advised to execute the permits and staff would proceed with the new application. Getty was so advised by letter on July 14, 1982.

The deadline for action by Getty contained in that letter has passed. Throughout this proceeding, Getty has had ample

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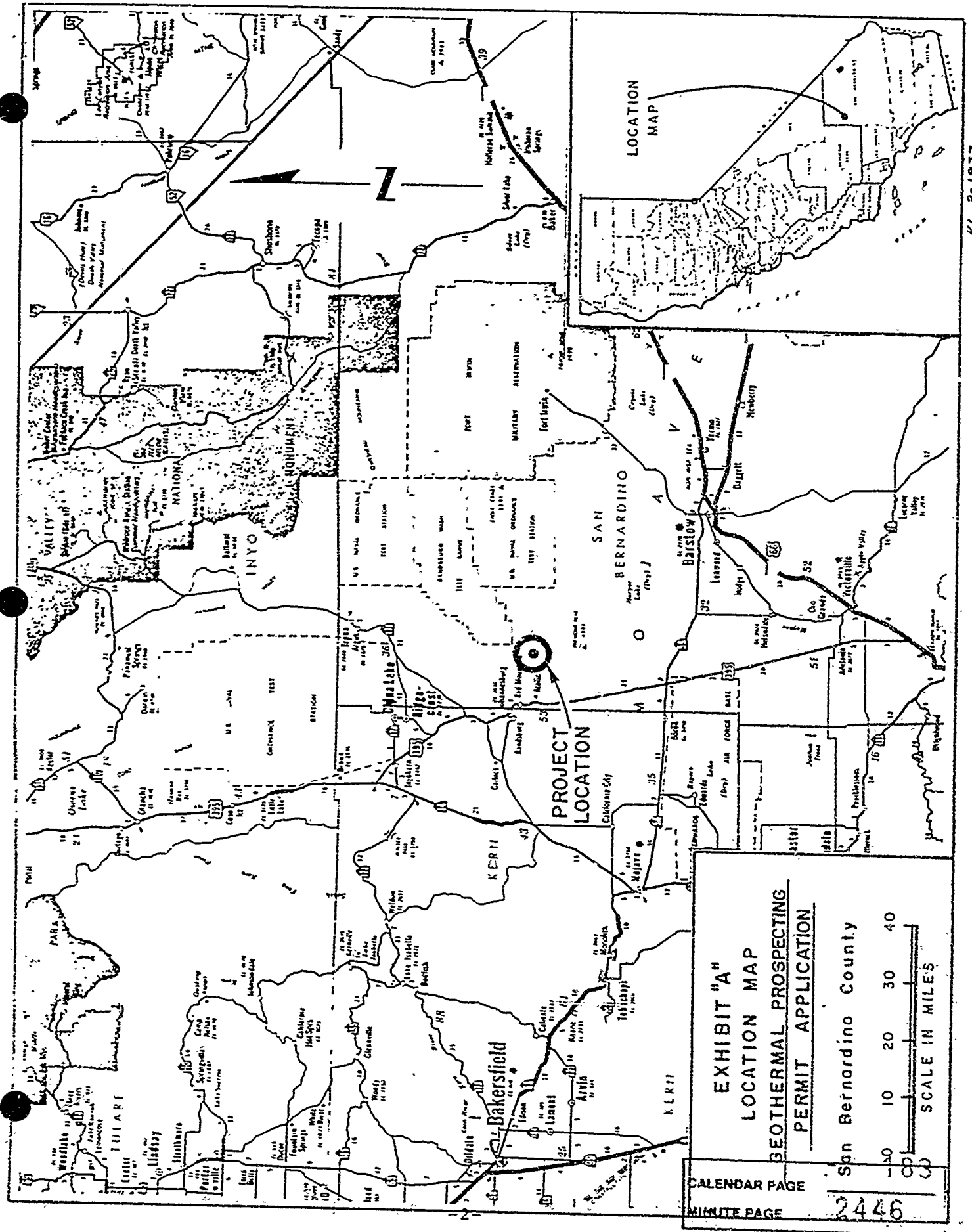
opportunity to act. Another firm has expressed interest in this land and since Getty has repeatedly failed to pursue this matter in a timely manner and created one delay after the other, staff recommends the Commission rescind its previous action authorizing issuance of a geothermal permit to Getty so that a permit can be issued to a firm interested in exploring for and developing the resource.

AB 884: N/A.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. RESCIND ITS ACTION OF MARCH 1978 AUTHORIZING ISSUANCE OF A GEOTHERMAL PROSPECTING PERMIT FOR APPROXIMATELY 466.12 ACRES IN THE RANDBURG AREA, SAN BERNARDINO COUNTY.
2. DENY THE APPLICATION OF GETTY AND AUTHORIZE STAFF TO PROCEED TO PROCESS APPLICATIONS FROM ANY OTHER QUALIFIED APPLICANTS.
3. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF TITLE 14, CAL ADM. CODE 15060.



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**EXHIBIT "A"**  
**LOCATION MAP**  
**GEOTHERMAL PROSPECTING**  
**PERMIT APPLICATION**

San Bernardino County

0 10 20 30 40  
SCALE IN MILES

2446

17 21 21 27