

MINUTE ITEM

This Calendar Item No. 32
was approved as Minute item
No. 32 by the State Lands
Commission by a vote of 8
to 0 at its 6/21/84
meeting.

CALENDAR ITEM

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06/21/84
W 23228
W 23229
W 23230
W 23231
W 23232
Hoagland

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DENIAL OF APPLICATIONS FOR GEOTHERMAL PROSPECTING PERMITS

AREA, TYPE LAND AND LOCATION:

Approximately 25,585 acres of sovereign lands
in the beds of Clear Lake and Thurston Lake,
Lake County.

APPLICANT:

County of Lake
255 N. Forbes Street
Lakeport, California 95453
Attention: Mr. Alex Hinds
Geothermal Coordinator

BACKGROUND INFORMATION:

During a period beginning in 1975, and
extending into early 1981, 21 applications were
received for geothermal prospecting permits
covering a substantial portion of the bed of
Clear Lake. One, submitted by Phillips
Petroleum, was closed by mutual agreement;
nine, filed by a partnership, were deemed
closed by dissolution of the partnership upon
the death of a partner; the remaining 11 were
proposed for cancellation at the June 23, 1983,
meeting of the Commission. However, just prior
to the meeting, (June 21, 1983), a letter was
received, signed by seven of the eight
applicants, withdrawing their ten applications
and requesting that the funds on deposit
(processing fees and advanced rental deposits)
be transferred to the account of Lake County to
cover applications to be filed by the County.
The remaining application was cancelled by the
Commission June 23, 1983. Concurrently, the

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County submitted five applications, covering a total of 25,585 acres of the beds of Clear Lake and Thurston Lake.

On July 15, 1983, staff acknowledged receipt of the applications, and notified the County that staff had determined the applications were incomplete pending further description of the projects, to include identification of potential drill sites, a sequence of events for compliance with permit terms, and a commitment for funding preparation of an environmental document. A reply was requested within 30 days.

On August 5, 1983, the County requested an additional 90 days due to the "size, complexity and uniqueness" of the applications. Staff concurred (August 30, 1983) and suggested that if the problems could not be resolved by November 20, the County might wish to withdraw some or all of the applications without prejudice.

On November 16, 1983, the County responded with a probable sequence of events leading to an exploratory well within 36 months after permit approval, and suggesting that the location of potential drill sites should be developed during preparation of the environmental document (there was no commitment for funding the environmental study). The letter included a letter to the County from Thermal Source, Inc. indicating that it would probably be necessary to drill \pm 12,000 feet under the lake to reach a geothermal resource, that the resource probably would be hot water rather than steam, and that a well could cost \$5-8 million.

December 9, 1983, staff responded to the County that a permit could not be issued which would include Anderson Marsh State Park, that it was impractical to attempt to define the project or contract for an environmental document without definite proposed drill sites, and that the application would continue to be considered

incomplete pending a commitment to fund the environmental costs.

On January 5, 1984, the County indicated that it was negotiating an agreement with a group of private investors (the former applicants) regarding an additional 60-90 days to complete the applications. Staff did not respond formally to this request, but by telephone on several occasions indicated that the applications should be completed by March 30, 1984. The 90-day period has expired and no funding commitment proposals have been received.

The applicant was again contacted on March 30 to determine if any progress had been made to obtain the information and environmental impact assessment funding necessary to complete processing of the applications. Funding for an environmental document is still not available nor is information regarding upland sites for exploration. Without this the applications cannot be processed, the applicant is unwilling or unable to complete the application; therefore, staff recommends the applications be denied without prejudice.

OTHER PERTINENT INFORMATION:

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal Adm. Code 15061) staff has determined that this activity is exempt from the requirements of the CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: PRC 21065 and 14 Cal Adm. Code 15378).

AB 884: N/A.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CANCEL THE DESIGNATED APPLICATIONS WITHOUT PREJUDICE.

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2. DIRECT STAFF TO RETURN THE APPLICANTS' RENTAL DEPOSITS.
3. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY PRC 21065 AND 14 CAL ADM. CODE 15378.

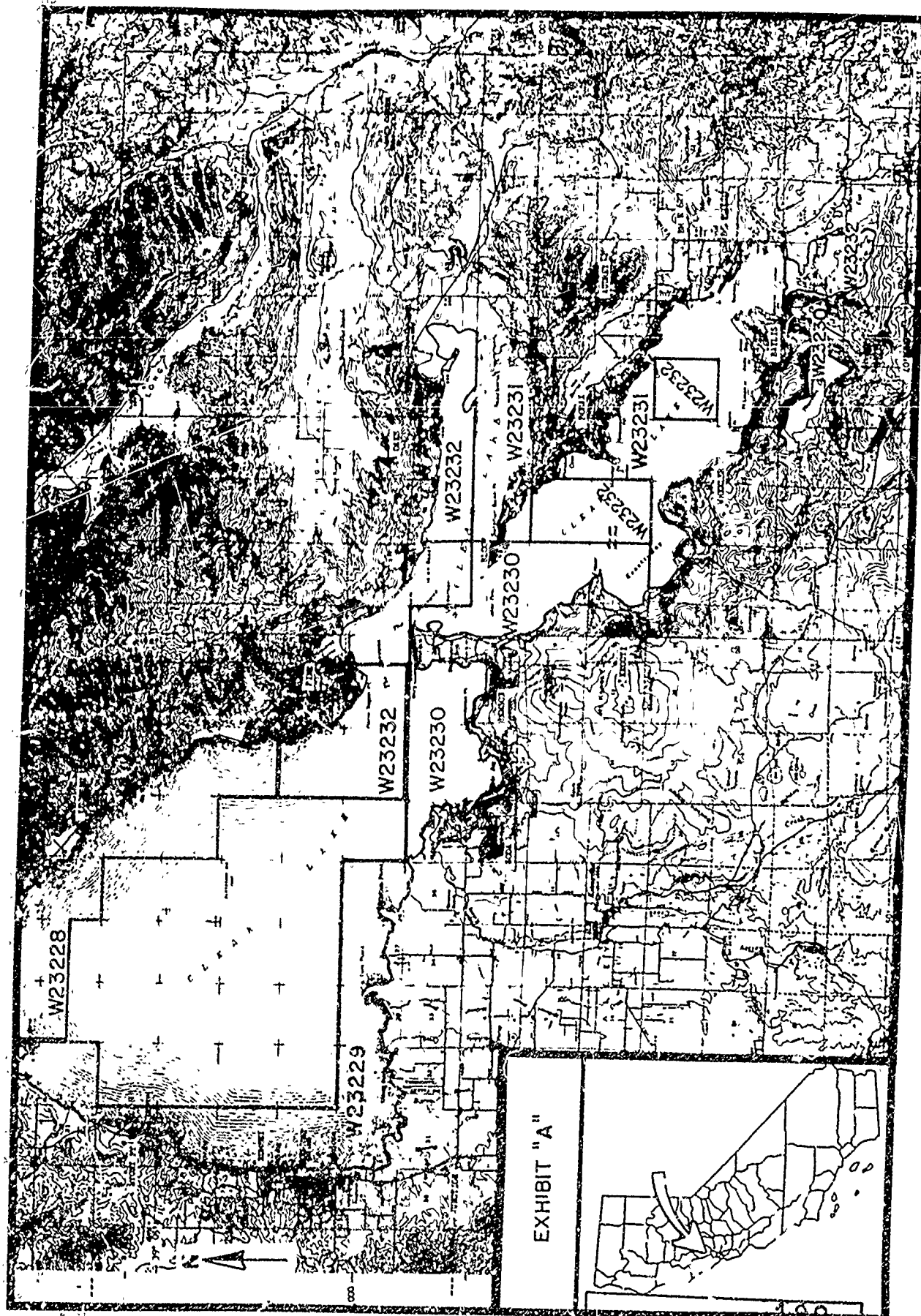
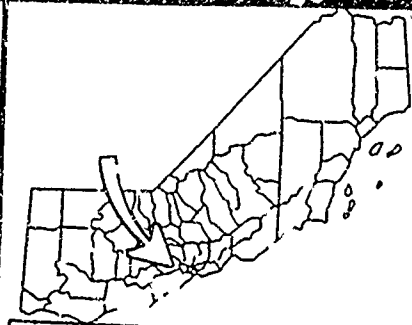


EXHIBIT "A"



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