

**AEC DISTRIBUTION FOR PART 50 DOCKET MATERIAL**  
(TEMPORARY FORM)

CONTROL NO: 990

FILE ENVIRO

FROM: Geothermal Energy Institute New York, New York 10017 D.F.X.Finn	DATE OF DOC: 1-30-73	DATE REC'D 2-9-73	LTR x	MEMO	RPT	OTHER
TO: AEC	ORIG 1 signed	CC	OTHER	SENT AEC PDR X SENT LOCAL PDR X		
CLASS: <u>U/PROP INFO</u>	INPUT	NO CYS REC'D 1	DOCKET NO: 50-275 <u>50-323</u>			

DESCRIPTION:  
Ltr re our 1-24-73 ltr....furnishing  
comments on Draft Enviro Statement for  
Diablo Canyon.....

ENCLOSURES:

**ACKNOWLEDGED**

**DO NOT REMOVE**

PLANT NAMES: Diablo Canyon Units 1 & 2

FOR ACTION/INFORMATION 2-9-73 fod

BUTLER(L)	SCHWENCER(L)	SCHEMEL(L)	KNIGHTON(E)
W/ Copies	W/ Copies	W/ Copies	W/ Copies
CLARK(L)	STOLZ(L)	ZIEMANN(L)	YOUNGBLOOD(E)
W/ Copies	W/ Copies	W/ Copies	W/ Copies
GOLLER(L)	VASSALLO(L)	CHITWOOD(FM)	REGAN(E)
W/ Copies	W/ Copies	W/ Copies	W/ Copies
KNIEL(L)	H. DENTON	DICKER(E)	
W/1 Copies	W/ Copies	W/4 Copies	W/ Copies

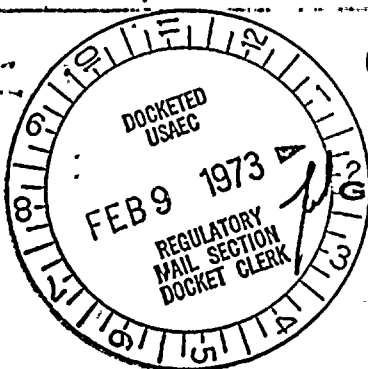
**INTERNAL DISTRIBUTION**

<u>REG FILE</u>	TECH REVIEW	VOLLMER	HARLESS	WADE	E
AEC-PDR	HENDRIE	DENTON		SHAFFER	F & M
OGC, ROOM P-506A	SCHROEDER	GRIMES	F & M	BROWN	E
MUNTZING/STAFF	MACCARY	GAMMILL	SMILEY	G. WILLIAMS	E
CASE	KNIGHT(2)	KASTNER	NUSSBAUMER	E. GOULBOURNE	L
GIAMBUSSO	PAWLICKI	BALLARD		A/T IND	
BOYD-L(BWR)	SHAO	SPANGLER	LIC ASST.	BRATTMAN	
DEYOUNG-L(FWR)	KNUTH		SERVICE L	SALTZMAN	
SKOVHOLT-L	STELLO	ENVIRO	MASON L		
P. COLLINS	MOORE	MULLER	WILSON L	PLANS	
	HOUSTON	DICKER	MAIGRET L	MCDONALD	
REG OPR	TEDESCO	KNIGHTON	SMITH L	DUBE	
FILE & REGION (2)	LONG	YOUNGBLOOD	GEARIN L		
MORRIS	LAINAS	PROJ LEADER	DIGGS L	INFO	
STEELE	BENAROYA		TEETS L	C. MILES	
		REGAN	LEE L		

**EXTERNAL DISTRIBUTION**

1-LOCAL PDR San Luis Obispo, Cal.	(1) <del>57124</del> NATIONAL LAB'S ORNL	1-PDR-SAN/LA/MY
1-DTIE (ABERNATHY)	1-R. CARROLL-OC, GT-B227	1-GERALD LELLOUCHE
1-NSIC (BUCHANAN)	1-R. CATLIN, E-256-GT	BROOKHAVEN NAT. LAB
1-ASLB-YORE/SAYRE	1-CONSULANT'S	1-AGMED (WALTER KOESTER,
WOODWARD/H. ST.	NEWMARK/BLUME/AGABIAN	Rm C-427, GT)
16-CYS ACRS HOLDING		1-RD...MULLER...F-309GT





GEOHERMAL ENERGY INSTITUTE  
11 EAST 47TH STREET  
NEW YORK, NEW YORK 10017  
TEL: (212) 758-5338



January 30, 1973

United States Atomic Energy Commission  
Washington, D.C.

Regulatory

File Cy.

Re: Draft Environmental Statement prepared  
by the Directorate of Licensing in  
respect of proposed Diablo Canyon Nuclear  
Reactor Power Plants to be located on  
the California coast

Docket Nos. 50-275, 50-323.

Gentlemen:

We submit the following comments in response to the  
draft environmental impact statement furnished to us on January  
24, 1973:

1. The staff fails to present any adequate qualitative  
analysis of the environmental impact which will result from the  
applicant's operation of liquid radioactive waste system,  
radioactive gaseous waste system and radioactive solid waste  
system.

2. The staff fails to present any adequate qualitative  
analysis of the environmental impact which will result from the  
discharge of chemicals to the environment by the proposed power  
plant. The staff purports to calculate projected 'dilution' of the  
expected chemical wastes but does not evaluate the impact of those  
wastes or reactor coolant chemical 'leaks'.

3. The staff fails to present any qualitative evaluation  
of the environmental impact which will result from the transport of  
nuclear fuel from South Carolina, or the transport of irradiated  
fuel back to South Carolina where it may be reprocessed, or the  
transport of solid radioactive wastes to a "burial site" (which has  
not yet been disclosed by the applicant).

4. No evaluation is given with respect to the the  
environmental impact which may arise as a result of theft of  
radioactive materials. See "Preventing Nuclear Theft", Ed., R.B.  
Leachman and P. Althoff (1972); Safeguard Report of the Institute  
of Nuclear Materials Management (May, 15, 1970).

5. The staff's evaluation of alternative sources (p.12-  
1 ff) is vague, unspecific, unfactual and lacking in substantive  
content.

- The staff refers to a "vendor of the geothermal steam".  
By this we assume the staff refers to Union Oil Company which is  
the operator of a joint venture (composed of Thermal Power Company,  
Magma Power Company and Union) which is delivering geothermal steam  
to 8 turbine-generator sets owned by the applicant at the Geysers  
geothermal field in Sonoma County, CALIFORNIA.

The staff ignores the fact that Union has accelerated



the rate of development on the 15,000 acres controlled by the joint venture. A third drilling rig has been placed into operation on that property, so that three rigs will be operating continuously.

In addition, the staff fails to refer to the fact that Magma and Thermal are proceeding independently of Union to develop additional geothermal steam sources. At the Geysers Thermal and Magma are planning a new unit which will be built on top of a large geothermal well heretofore permitted to exhaust to atmosphere and considered merely as a 'rogue bore'.

Magma recently established a substantial geothermal field in the Suprise Valley of Northern California.

The California Division of Oil and Gas estimates of August 1972 are substantially in conflict with the staff's proven reserve figure of 750 MW. See Oil and Gas Journal, January 29, 1973.

The staff ignores the vast proven reserves established at the Geysers by Pacific Energy Corporation, which controls about 20,000 acres within the Geysers KGRA (known geothermal resource area) and the reserve report published in respect thereto. See letter of DeGoyler & MacNaughton attached hereto. PEC has successfully drilled two additional geothermal steam wells since that report was written.

The staff ignores the proven reserves established by Signal Oil & Gas Company at the Geysers and the continuing development program that that company and Sun Oil Company are engaged in.

The staff ignores the development program at the Geysers undertaken by Cinta Oil Company of San Francisco.

The staff ignores the geothermal potential at Mono Lake.

The staff ignores the vast geothermal potential of Southern California where Standard Oil Company of California, Phillips Petroleum Corporation and others have exploration programs underway; the staff once again fails to evaluate the fact of the establishment of a 75,000 kw geothermal power plant at Cerro Prieto just south of El Centro, California and the fact that drilling operations north of Cerro Prieto have resulted in further geothermal steam discoveries.

The staff suggests that "subsidence" may be a problem in geothermal operations. In New Zealand, where subsidence occurred for some years - no difficulties were experienced, no undue environmental impact took place - and the subsidence stopped in 1970. In Iceland where geothermal operations have been conducted for a number of years, no subsidence has occurred. At the Geysers in northern California, no subsidence has occurred.

The staff refers to considerations of land use. It's estimates of land use are erroneous. They are apparently based on the assumption that geothermal steam wells are placed on 20 or 40 acre spacing. PEC has demonstrated that 5 acre spacing is adequate. Signal Oil Company and Phillips Petroleum Corporation are preparing to drill directionally from one position and eliminate several drilling positions. In addition, new technology now in development will permit small generation units to be placed directly on the well-head and eliminate the need for large plant areas.

We might point out that the applicant is nonetheless building larger units. It has ordered a single 140,000 kw unit for use at the Geysers.



In our opinion, the staff is not qualified to make an adequate evaluation of geothermal energy as a viable energy alternative to nuclear power plants and is clearly biased in favor of nuclear power. The staff's recent competitive activities bear this out.

We therefore find the draft environmental statement to be wholly inadequate in the above respects and as failing to meet the standards required by the National Environmental Protection Act.

Very truly yours,

*Donald F. X. Finn*

Donald F.X. Finn  
Executive Director

PLEASE NOTE OUR NEW ADDRESS:

ROOM 429  
680 Beach Street  
San Francisco, California 94109

Tel. 415-885-6663

cc: Environmental Protection Agency  
Council On Environmental Quality

P.S. I am particularly concerned  
over the total lack of  
consideration demonstrated by the  
staff evidenced by its total  
failure to evaluate the obvious  
geothermal potential of San Luis  
Obispo County. Information readily  
available to the State Geological authorities.





DeGolyer and MacNaughton Report

DEGOLYER AND MACNAUGHTON  
5625 DANIELS AVENUE  
DALLAS, TEXAS 75206

July 17, 1972

TELEPHONE  
AREA CODE 214  
368-8391  
CABLE DEMAC

Pacific Energy Corporation  
4676 Admiralty Way  
Los Angeles, California 90291

Gentlemen:

Pursuant to your request, we have conducted an appraisal of your geothermal steam properties within The Geysers "Known Geothermal Resources Area" (KGRA) in Sonoma, Lake and Mendocino Counties in Northern California, as defined by the U. S. Geological Survey. In conducting this appraisal, we have relied upon our past investigations of The Geysers KGRA, our prior evaluations of your Rorabaugh and Bruno subleases, and upon confirmation of our earlier conclusions by subsequent drilling on those leases.

As of this date, you have completed four wells on your Rorabaugh sublease on which two commercial wells were completed by the previous owner. One well currently is being drilled. The combined productive capacity of completed wells is approximately 1,000,000 pounds of steam per hour, which is the amount required to operate one 55,000 kilowatt generating plant.

Based on the foregoing, it is our opinion that 373 acres of the Rorabaugh and Bruno subleases are reasonably classified as proved and probable for commercial steam production. The remaining 807 acres in these two subleases comprise an area for possible geothermal steam development. You also own leases covering approximately 13,000 acres within such KGRA which are more remote from developed and producing geothermal steam properties and which also should be classed as possibly productive. No values have been assigned to such leases.

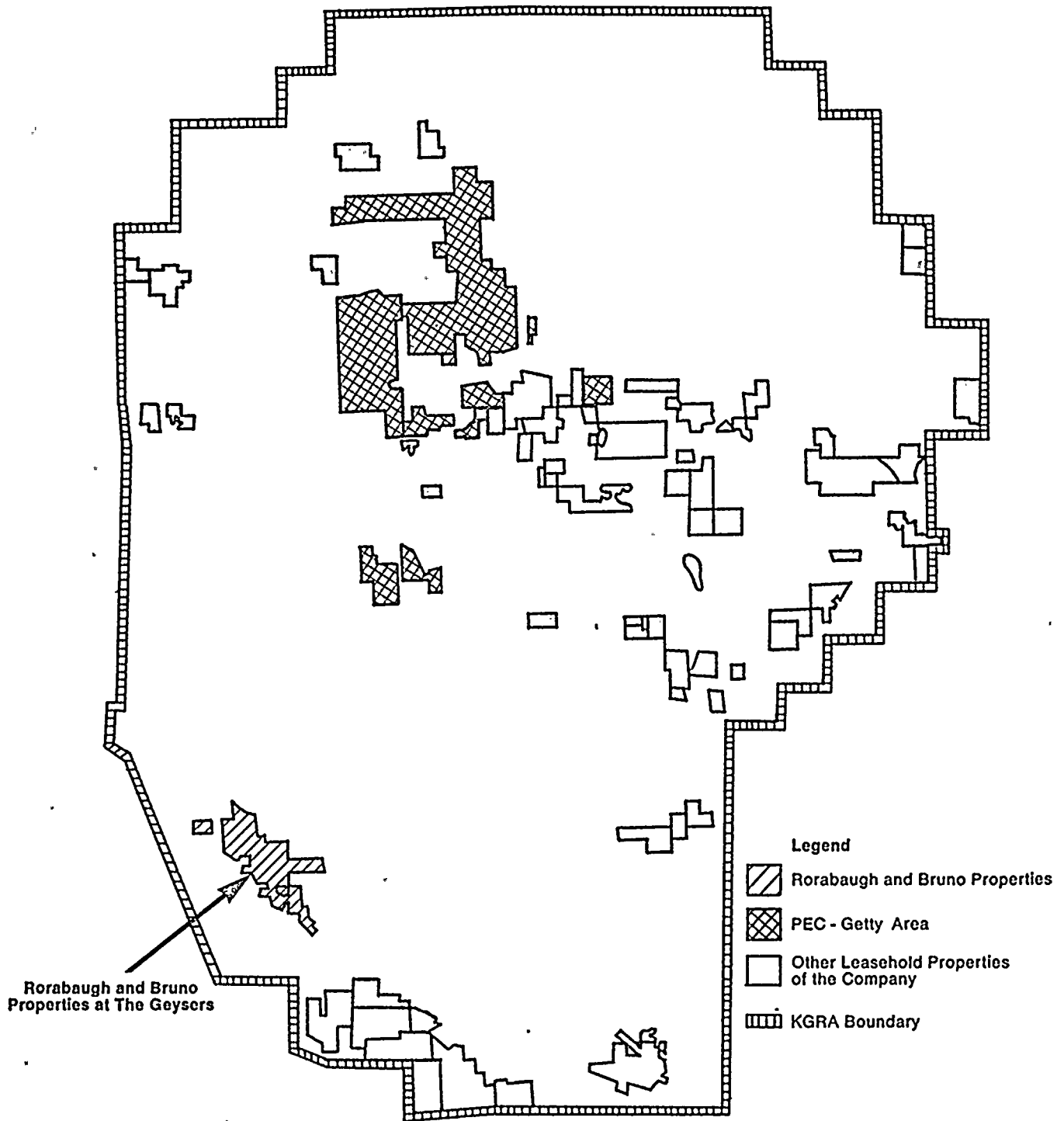
For your further information, we estimate that the development of the 373 acres will produce, through 1990, 1.2 trillion pounds of steam which is equivalent to 60 million kilowatt hours of electrical energy and which will yield a future net revenue (gross revenue less drilling and operating costs and payment of royalties and production payments) of \$56 million.

Submitted,

*De Golyer and MacNaughton*  
DeGOLYER and MacNAUGHTON



MAP B

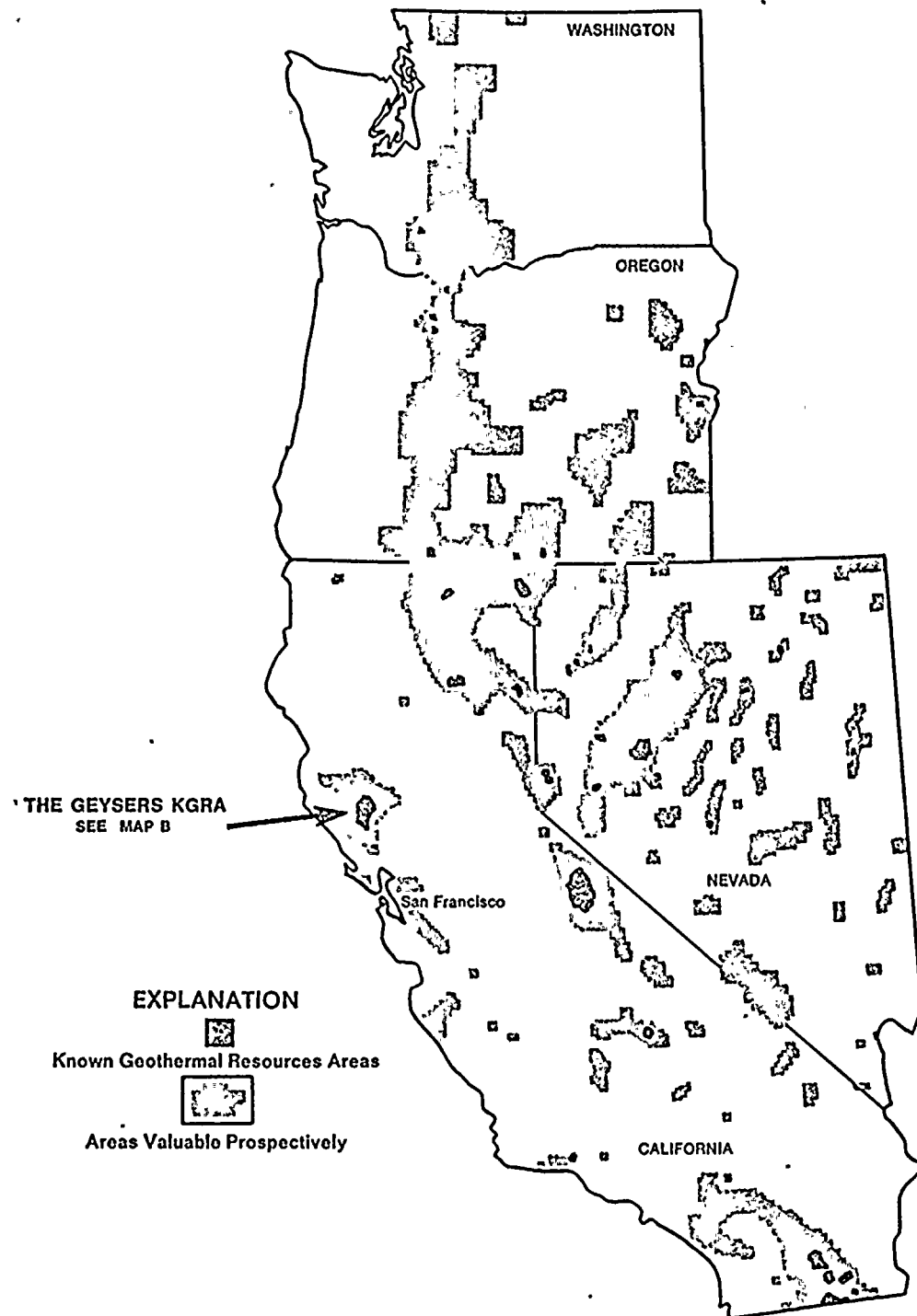


THE GEYSERS KGRA



• • •

# MAP A



Map of the Western States, showing lands classified for geothermal resources effective December 24, 1970—Source: United States Department of the Interior, Geological Survey Circular 647.



productive GRI wells for the disposal of plant condensate and liquid effluent, if any, from producing wells. GRI wells not used for either of the foregoing purposes will be permanently abandoned in accordance with the applicable rules and regulations of the California Division of Oil and Gas.

The Company's development program on its Rorabaugh and Bruno Properties contemplates the drilling of a series of production units with the deliverability of approximately 1,000,000 pounds of steam per hour per unit with each unit to consist of six wells spaced at such intervals as good engineering and producing policies dictate, provided that sufficient quantities of steam are encountered and that arrangements can be made for the sale of such steam. Management anticipates that, subject to the foregoing, additional wells will be completed at the rate of one well each 90 to 120 days for each drilling rig utilized. Although no assurance can be given that commercial quantities of geothermal steam will be discovered in any future well, the Company believes, on the basis of its completed wells and the evaluation of DeGolyer and MacNaughton (see "DeGolyer and MacNaughton Report" at page 13), that the acreage available on the Rorabaugh and Bruno Properties for drilling operations possesses sufficient probabilities for commercial production to warrant continuation of the minimum drilling program indicated above.

Drilling techniques for geothermal steam are similar to those employed for oil and gas but must allow for higher temperature gradients than are normally encountered in oil and gas well drilling. Each of the steam wells completed at The Geysers by the Company has been drilled by an independent, unrelated drilling company on a fixed price, turnkey contract basis. The typical contract provides for additional services, including well deepening, running tests, side tracking and other operations as requested by the Company, at various rates of additional compensation. Each future well drilling contract will be separately negotiated and may be on different terms. The Company does not intend to acquire or operate drilling rigs at any time in the foreseeable future.

The Company supervises all drilling and well completion operations and expects to maintain and operate its productive steam wells following completion. The Company also will construct and maintain pipes to transmit steam produced from the Company's wells to any electric generating plant which may be installed to utilize steam from the Company's properties.

**TABLE A**  
**STEAM WELLS DRILLED BY THE COMPANY ON THE RORABAUGH PROPERTY**

<u>Well Name</u>	<u>Date Drilling Commenced</u>	<u>Date Well Completed</u>	<u>Deliverable Pounds of Steam Per Hour*</u>	<u>Depth of Well</u>
Rorabaugh A-1	5/30/71	8/ 2/71	213,000	6,810 ft.
Rorabaugh A-2	9/ 2/71	10/31/71	226,800	7,150 ft.
Rorabaugh A-3	1/ 4/72	2/23/72	213,300	6,859 ft.
Rorabaugh A-4	4/ 6/72	5/17/72	167,400	7,200 ft.
Rorabaugh A-5	7/ 1/72	(Being drilled at the date of this Prospectus)		

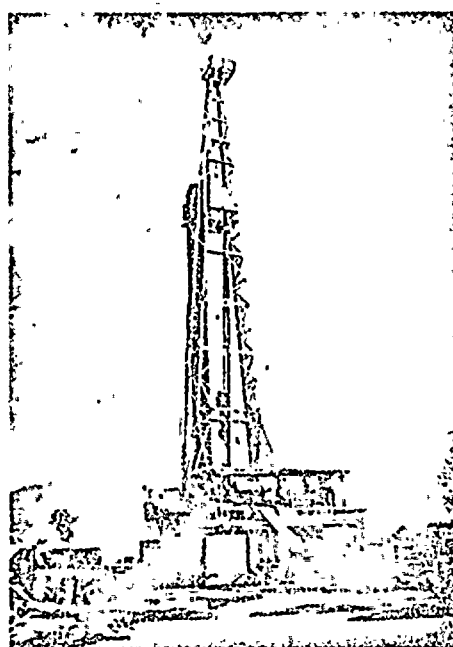
\* Per orifice plate tests.







*The Geysers geothermal steam field (The Company's Rorabaugh A-1 Well in the foreground)*



*Drilling Rig at Rorabaugh A-1 Well site*



PRELIMINARY PROSPECTUS  
PROSPECTUS

DATED AUGUST 2, 1972.

1,500,000 Shares

PACIFIC ENERGY CORPORATION

COMMON STOCK

\$.10 Par Value



A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Prior to this offering there has been no public market for the Common Stock of the Company. The price of the shares offered hereby has been determined by negotiations between the Company and the Representative of the Underwriters.

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions(1)	Proceeds to Company(1)(2)
Per Share.....			
Total.....			

(1) In order to cover over-allotments, if any, the Company has granted to the Underwriters a 30 day option to purchase up to an additional 150,000 shares. To the extent the option is exercised, the price to the public, underwriting discounts and commissions and proceeds to the Company will be correspondingly increased. (See "Underwriting.")

(2) Before deducting expenses payable by the Company estimated at \$

*This offering involves:*

(a) *Special risks concerning the Company. (See "Introductory Statement — Risk Factors.")*

(b) *Immediate substantial dilution of the net book value of the shares offered hereby from the public offering price. (See "Introductory Statement — Dilution.")*

(c) *The issuance to Advest Co., Representative of the Underwriters, of 5-year warrants to purchase 50,000 shares of the Company's Common Stock at \$ per share (see "Underwriting"), indemnification and the right to designate an additional member of the Board of Directors (an employee of the Representative is now a director).*

These shares are offered subject to prior sale, when, as and if delivered to and accepted by the Underwriters, and subject to approval of certain legal matters by counsel, the right to reject any order in whole or in part and other conditions.

PUTNAM, COFFIN, DOOLITTLE, NEWBURGER

Division of ADVEST CO.

The date of this Prospectus is , 1972



## The Great Land Rush of '73...

...has nothing to do with farming, little to do with minerals, but everything to do with heat.

IN DAYS OF OLD when newspapers had Sunday supplements filled with wildly improbable stories, a perennial feature showed how it was possible to generate power from the heat of the earth's core. Like as not, it would carry pictures of one of the geysers of the American West, or the installation at Larderello, Italy, that had been generating electricity from natural steam since 1904.

Well, there are some new believers these days. Within two months, the Interior Department will put up for lease 59 million acres of potential geothermal federal land in 14 western states (see map, which excludes North and South Dakota, Hawaii and Alaska). About 1 million prime acres—where natural steam vents or hot water pools confirm the existence of thermal wells—are expected to go at competitive bidding for about \$15 per acre per year. The rest, without obvious thermal signs but deemed geologically promising, will be leased at \$1 per acre per year for ten years. If no geo-

thermal steam is found, the lease can be converted to a mineral lease if anything else of value turns up.

There is, of course, a touch of magic in geothermal power. Wells sunk into the bowels of the earth yield apparently inexhaustible amounts of steam or boiling water whose heat can be used to spin turbines and generate vast amounts of electricity. Vast amounts? A recent study sponsored by the National Science Foundation estimated that the U.S.' geothermal resources could generate 132,000 megawatts of electricity by 1985, vs. a current total U.S. capacity of about 350,000 Mw. It uses no foreign exchange, as imported oil would. It would probably be the cleanest power ever generated. And it's cheap: Pacific Gas & Electric already generates power from steam in the Geysers area of California for 5.3 mills per kilowatt hour—just over half a cent—vs. 7 mills per kwh for other thermally generated power in California and 8.5 mills to 9 mills for nuclear power.

After all, there's no fuel cost for geothermal power.

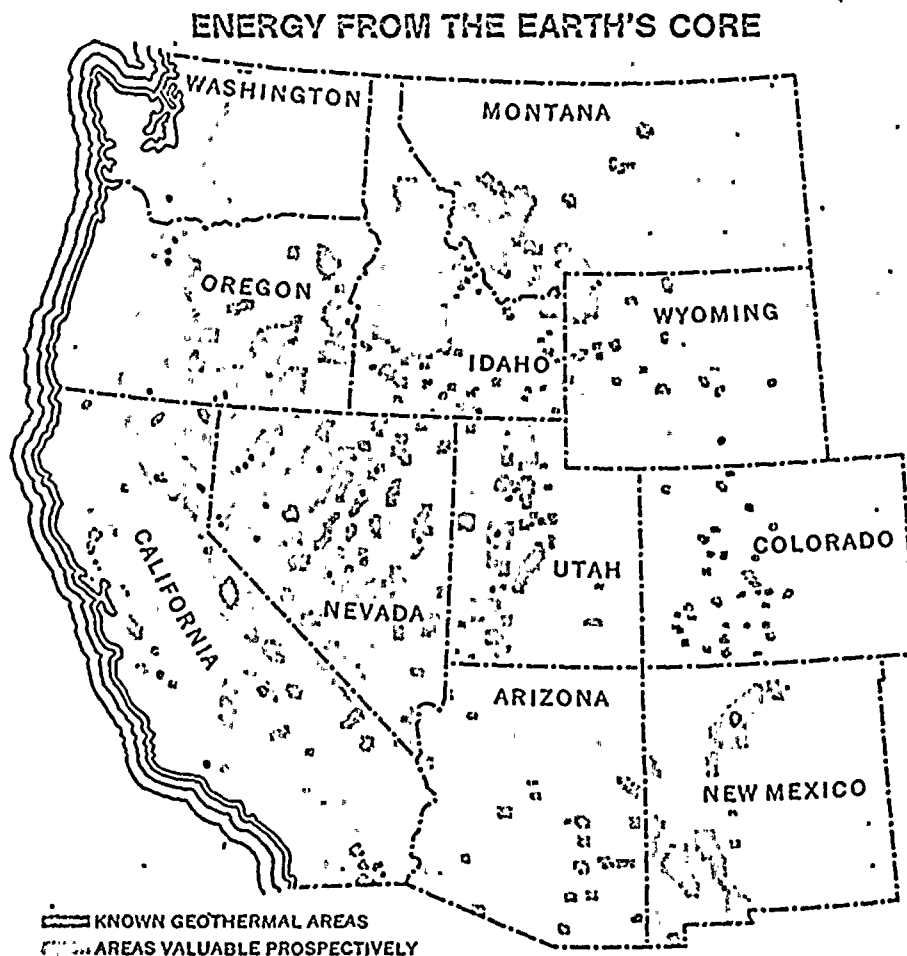
If geothermal power is so good, why hasn't it been developed already? "Because there were power sources available where the absolute costs were going down and there were no uncertainties," says Dr. Martin Goldsmith of the California Institute of Technology. "Coal and oil were cheap and readily available, and when you built a fossil-fueled plant you knew exactly what it would cost, how much power you would get and how long the plant would last. This wasn't so with geothermal power. Now there are uncertainties with conventional plants, and the costs are rising."

Among the companies currently exploring and drilling for geothermal energy are Union Oil, Standard Oil of California, Getty Oil, Phillips Petroleum, Gulf Oil and Mobil Oil. Most of these are expected to apply for leases on the federal lands, and many not now exploring are also expected to be bidders.

An additional reason for the widespread interest is the promising nature of test surveys to date, such as carried out by Senturion Sciences, a Tulsa-based geothermal research company. "We have found six very likely areas out of 31 tests we have conducted," says Senturion's President John Bailey. "We use the surface geology and underground vibrations to show us the best places to look."

The Geysers area project, like most in operation or under construction around the world, uses natural dry steam to spin its turbine generators. But San Diego Gas & Electric (FORBES, Apr. 15), working with Magma Power, hopes to complete a plant this year that will use heat from natural hot water, a far more common natural resource. Its success, says the Center for Energy Information, will make the northern Gulf of Mexico another likely area. Because such hot water often contains corrosive or contaminating minerals, it may be pumped back into the earth after heat has been extracted.

But perhaps the best indication of the potential of geothermal power is rising congressional interest in the subject. Two bills are expected to be introduced this session of Congress to stimulate geothermal development. They will initiate a \$10-million, five-year program of research into geothermal power techniques, and establish a loan program, backed by a \$20-million revolving fund, to finance private exploration and power generation from geothermal areas, the recovery of mineral by-products and even the possible desalination of water as a side benefit. ■





power under certain conditions.

Known as "Magma-max" or the binary system, the method calls for running a mixture of steam and brine through a heat exchanger to heat isobutane. The isobutane, not the steam, turns the turbines to produce electricity. The isobutane is recycled, and the steam and brine are reinjected. The closed system, while more expensive to install than conventional plants, could prove more efficient and, in the long run, more profitable.

Magma has drilled a half-dozen wells in the Imperial Valley, two of which (one for producing and one for injection) will be used for the new plant in Buttes field southwest of Niland near the southeastern shore of the Salton Sea. San Diego Gas & Electric Co. has pledged \$3 million to the project.

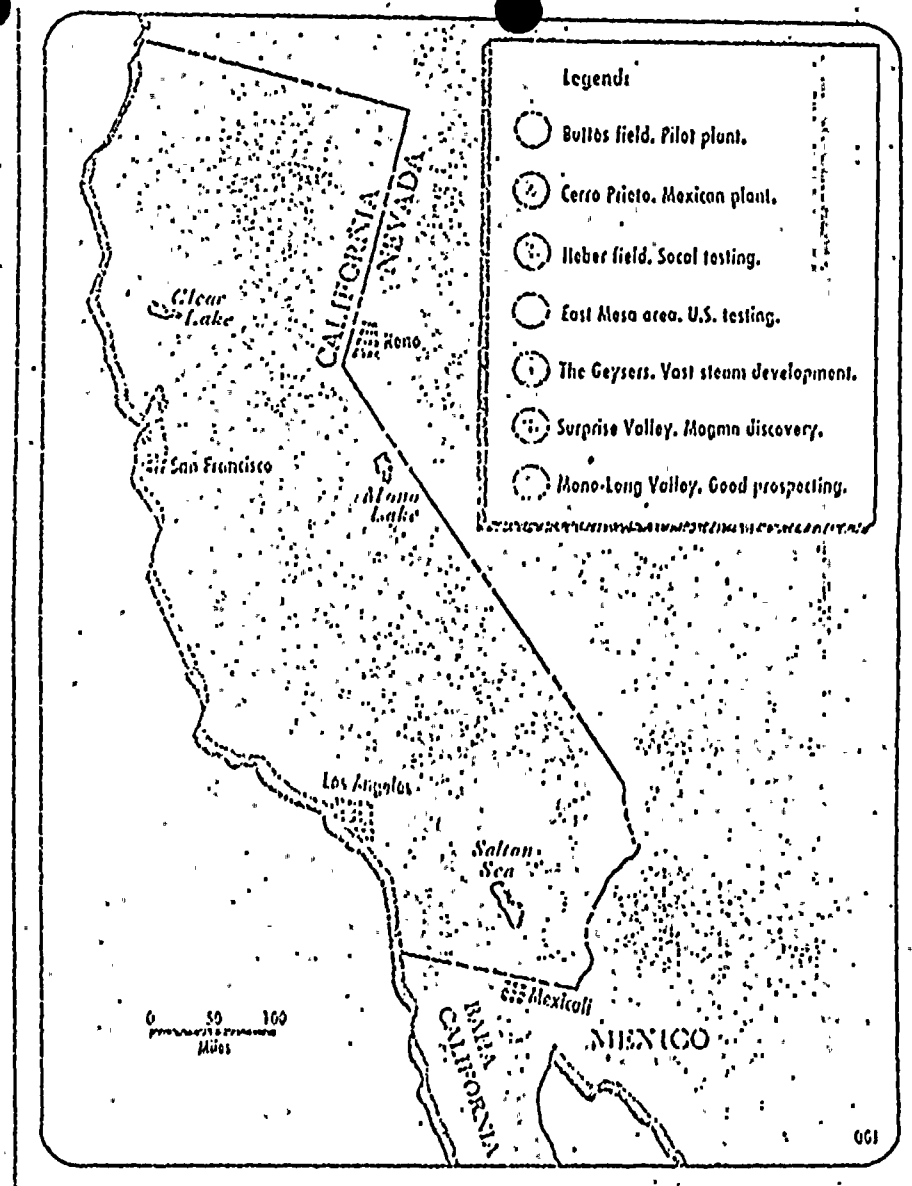
Also in Buttes field Phillips has joined forces with Southern Pacific Land Co. and Southern California Edison Co. to develop electric power. A second purpose of the project is to recover chemicals and minerals from the geothermal fluids.

Phillips and Southern Pacific Land have a 10-year agreement to explore jointly for geothermal resources in the U.S., and the Buttes project is their first effort. Edison's role at Buttes is to assist in construction of plant facilities to generate power for its customers.

Across the border 20 miles into Mexico, the Mexican Government is ready to place on stream its own geothermal plant at Cerro Prieto. The plant, of 75,000 kw capacity, will be more conventional than Magma's at Niland. The water and steam used to drive the turbines will not be reinjected but run by gravity northward into the United States and the Salton Sea.

Elsewhere in the Imperial Valley near the Salton Sea wildcatting and development bolster prospects for more plants. Magma has drilled two wells and Socal one in the Heber area about 5 miles north of the border near Mexicali. Socal is running tests on its 1 No. 1.

Another well of particular interest has been drilled in the East Mesa area east of Holtville, or about 17 miles northeast of Heber. The U.S. Bureau of Reclamation drilled the 8,600-ft well on the Mesa anomaly as the first



phase of a \$16-million project to determine whether geothermal heat can be used to desalinate water for irrigation and other purposes in the Imperial Valley. A pilot desalination plant soon will be installed. Eventually the Bureau hopes to produce 2.5 million acre-ft of water yearly and generate power at the same time.

Another public agency, the University of California at Riverside, has drilled a 2,000-ft experimental well on the Dunes anomaly in the East Mesa area. Testing is in progress.

North and east. Several other areas offer geothermal potential in California, particularly in the far north and on the eastern side of the Sierra Mountains.

In the northeastern tip of the state, 120 miles northwest of Reno, Nev.,

Magma announced a discovery last month at Surprise Valley in Modoc County. Drilled to 4,611 ft, the well has characteristics which make it a candidate for the Magma-max process, the company said.

In the Mono-Long Valley area of East Central California, Getty and Gulf have strong acreage positions, along with Geothermal Resources International. Getty has drilled on the north shore of Mono Lake and GRI on the south shore. Both holes were slanted into state lands under the lake. While they found above-normal temperatures, the companies abandoned the wells as noncommercial. The drilling was done under an agreement with Southern California Edison.

The U.S. Government is the major landholder in the area. The U.S. Geo-





PACIFIC Gas & Electric Co.'s Power Plant 3 contains two 55-mw generators. Steam from Union's wells turns turbines at a nominal 100 psig and 355° F.

HOOVER Drilling Co. rig is in the last stage of drilling a steam well for Union at The Geysers. Rig is near target, with a mixture of steam and cuttings blowing from the hole.

## California geothermal hunt heats up

HOWARD M. WILSON  
West Coast Editor

WHILE drilling for oil and gas languishes in energy-short California, another type of energy search is on the upswing.

Several major oil companies, as well as drilling contractors, are participating in a sizable boom in developing geothermal energy for electric-power generation.

The areas of concentration stretch from the Imperial Valley in the south, into the established Geysers area in the west-north-central part of the state, and to the volcanic regions of the east and far north.

Such majors as Union Oil Co. of California, Standard Oil Co. of California, Getty Oil Co., Sun Oil Co., Signal Oil & Gas Co., Gulf Oil Corp., and Phillips Petroleum Corp. have a stake in the future of steam power. All have substantial lease holdings.

Union is the largest geothermal operator in the state. In The Geysers field, 99 miles north of San Francisco, it supplies steam for four electric-generating power plants, and a fifth plant soon will be built. From its wells in the field—five to eight per plant—Union is producing steam for 360,000 kw of power for Pacific Gas & Electric Co.

David N. Anderson, California's geothermal officer in the Division of Oil and Gas in Sacramento, believes that in less than 20 years geothermal energy will meet 5% of California's total power requirements. This means

Estimated geothermal-power growth in California

	The Geysers	Imperial Valley	Megawatts Other areas	Total/year	Cumulative total
Capacity at 12/31/71	184			184	184
Additional capacity:					
1972 .....	106			106	290
1973 .....	106	10		116	406
1974 .....	106			106	512
1975 .....	212			212	724
1976 .....	212	200		412	1,136
1977 .....	212	100	100	412	1,548
1978 .....	212	100		312	1,860
1979 .....	212	100	100	412	2,272
1980 .....	212	100		312	2,584
1981 .....	212	100	100	412	2,996
1982-1991 .....				4,504	7,500

Source: California Department of Conservation, Division of Oil and Gas, August 1972.

Note: This estimate reflects only present development trend, not total state potential.

an output of 6 to 9 million kw.

This, for California oil operators, is a side business that develops naturally from their expertise in finding and producing oil and gas.

The Geysers. The birth of the modern geothermal industry in California took place in 1960 when the first 12,500-kw turbine generator began operating in The Geysers field.

Today more than 110 wells have been drilled in the field. More than 85 are capable of producing, but many are shut in while awaiting construction of generating plants.

In addition to Union, other companies are carving out a share of the

potential production. Signal has six wells capable of producing and is negotiating with PG&E for construction of a power plant. The Signal area is about 3 miles southeast of the main field.

Union, Signal, and Pacific Energy Corp. all are drilling wells that would enlarge the field. Wells drilled within the last year indicate expansion to the northwest and southeast.

Leasing is still heavy in the area.

Imperial Valley. The most exciting developments in geothermal energy are taking place in California's Imperial Valley—the desert country in the Salton Sea area near Mexico.



logical Survey has been making research studies and plans a lease sale for development.

The drilling. While drilling to date has been no bonanza, several drilling contractors are sharing in the business that the geothermal search has developed.

Big Chief Drilling Co. has rigs in the northeast and at The Geysers. Beeline Drilling Co. has a rig at Surprise Valley. R. B. Montgomery has a rig north of The Geysers. Hoover Drilling Co. has two rigs at The Geysers, and California Production Services has one rig there.

The upswing in drilling is apparent from state records showing that 23 geothermal wells were drilled in the 1971-72 fiscal year, compared with 13 the year before. This fiscal year 12 wells have been drilled so far, and the record of 23 last year should be topped easily by July 1.

Drilling requirements vary with the area, but The Geysers field presents special problems for the driller.

Drilling begins with mud, but as the bit nears steam production, the driller switches to compressed air. Air is used as the drilling medium at this point because pressure from the weight of mud is much higher than the pressure of steam in the reservoir. Mud lost into the producing zone will bake and seal off the steam from the well.

Compressed air carries the cuttings to the surface but does not block the permeability.

John Cromling of Big Chief Drilling says the rig should be oversized for the job. The draw works and drilling engines should be a minimum of 1,000 hp to meet hoisting requirements.

The rig needs two 600-hp mud pumps to handle the output of a 17½-in. surface hole properly. The rotating system must be extra heavy duty to tolerate the excessive torque and instantaneous shock loading.

The rotary clutch, shaft, and chain are very susceptible to damage and must be properly designed to match the job.

Cromling recommends that the surface drilling equipment include an independent rotary drive.

Because the formations encountered close to the surface may be as hard as, or harder than, those encountered at 6,000 ft, a second stage steel mill-tooth bit is required for spudding, and

cause of faulted and fractured formations, the bit will jump and bounce unless the weight and revolutions per minute are coordinated properly.

"It is impossible to write an infallible recommended bit program for The Geysers," Cromling told the Society of Petroleum Engineers recently at Bakersfield. "Every well must be drilled as a wildcat due to the tremendous variations of local faulting and lithology. It is a must to have qualified personnel on the rig who are capable of adjusting the drilling program to suit the abruptly changing hole conditions."

The geology. California is particularly blessed with high potential for geothermal energy due to forces of geologic activity that scientists only recently have begun to understand.

Anderson, the geothermal chief, told the SPE meeting in Bakersfield that advocates of plate-tectonics estimate the North American Continent began sliding across an active zone of seafloor spreading about 4.5 million years ago. The spreading centers and related faults caused the Gulf of California to form, and the spreading extends beneath the Imperial Valley.

"The immense heat generated provides the valley with its enormous geothermal potential," Anderson said. "The continuing study of plate-tectonics will undoubtedly aid exploration geologists in their search for geothermal energy."

And, in energy-hungry California, you can be sure geologists will use this new tool—and any other with any promise.

THE OIL AND GAS JOURNAL—JANUARY 29, 1973

