"ONLY SOME OF US CAN LEARN BY OTHER
PEOPLE'S MISTAKES. THE REST OF US HAVE TO BE
THE OTHER PEOPLE."

-CHICAGO TRIBUNE

GEOTHERMAL CONFERENCE A TERRIBLED SUCCESS

The First National Conference of the Geothermal Resources
Council held at El Centro in February of this year, was successful
beyond the most optimistic hopes of the Council. The original esti-
mate was 250 to 300 attendees but more than 650 people were
present from 44 states and three foreign nations.

In spite of the problems created by the unexpected turnout, all
of the scheduled activities took place. The field trip to the Cerro
Prieto steam field in Mexico was attended by more than 325 mem-
bers. The Mexican government is to be highly congratulated for
conducting an excellent trip, and their gracious hospitality will long
be remembered by all those who attended. A second highly successful
field trip to the geothermal areas in the Imperial Valley was attended
by approximately 30 members.

Following is a list of publications generated by the Conference:

1. "Compendium of First Day Papers Presented at the First
Conference of the Geothermal Resources Council, El Centro,
California, February, 1972." This publication contains papers
on worldwide occurrences of geothermal phenomena, federal
general leasing and operating regulations, geothermal explo-
ration techniques, geology of the Imperial Valley, ge-
othermal legal problems, the Sierra Club views on geothermal
development, and two papers on dry steam and flashed steam
power plants. It should be in print by the end of March and
will cost $4.

2. "Geothermal Overviews of the Western United States"
(including Hawaii). This publication contains articles from 12
western states and information on the geology, geothermal
potential, future power needs, regulatory agencies, and refer-
ences on published papers on each state. This publication is
available now at a cost of $6.

3. "List of El Centro Conference Attendees". The list contains
names, company affiliations, addresses, and phone numbers
of all registered members. It will be available in about two
weeks at a cost of $2.

To obtain the above publications, write:

Geothermal Resources Council
P.O. Box 1033
Davis, California 95616

All of the above prices include postage. Make check or money
order payable to the "Geothermal Resources Council".

CALIFORNIA LAWS FOR CONSERVATION OF
GEOTHERMAL RESOURCES - 1971

The changes to Chapter 4, Division 3, of the Public Resources
Code, which were discussed in the "Hot Line" (issue No. 8,
December 28, 1971), became effective on March 4, 1972. Revised
copies of the booklet "California Laws for Conservation of Geo-
thermal Resources" are now available, at 50 cents each, from:

Division of Oil and Gas
1416 - 9th St., Room 1316-35
Sacramento, California 95814

The new edition includes sample copies of the various forms that
are filed with the Division by geothermal operators and a brief
explanation of how each form is used.
WATER WELL DRILLING AFFECTED BY GEOTHERMAL LAW

Section 702, Chapter 4, Division 3, of the Public Resources Code reads, in part, "Geothermal Resources Areas" means the same general surface area which is identified, or reasonably appears to be identified, by geothermal resources." "Well" means any well...on lands...reasonably presumed to contain geothermal resources,..."

The State of California has determined that, under those definitions and in the interest of public safety and resource conservation, within the bounds of a Geothermal Resources Area, a proposed water well will be considered a geothermal well until such time as the State Oil and Gas Supervisor determines that no hazard exists and those requirements for geothermal wells can be waived.

Every effort will be made by the Division to minimize the effect of this decision on property owners and well drillers. In order to carry out its public safety responsibility, the Division must request, that all proposed water wells, in Geothermal Resources Areas be submitted for review prior to actual drilling.

The boundaries of Geothermal Areas will be established by the State Oil and Gas Supervisor with the concurrence of the Geothermal Resources Board.

As therein G.R.A.'s (Geothermal Resources Areas) are established, various means of public announcement will be utilized to ensure that ample time is given to the water well industry prior to enforcement of the regulations.

Some suggestions as to how best to carry out this program will be greatly appreciated. All suggestions to either Dave Anderson or Larry Avellini in Sacramento, (016) 446-0686.

SAN DIEGO, CALIFORNIA

The Phillips Petroleum Co. has announced plans to open a west coast geothermal office about the first of April, 1972. The mailing address is P. O. Box 752, Del Mar, California 92014. The office staff includes:

Fred Terry - Manager, Geothermal Operations
Ken Brunet - Operations Supervisor
C. W. Begue - Geological Supervisor
Robert Wright - Land Supervisor

The company also has tentative plans to open a field office in Reno, Nevada, in the near future.

IMPERIAL VALLEY, CALIFORNIA

Magnum Power Co., in a joint venture with San Diego Gas and Electric Co., is currently drilling the fifth well of a seven well program. The five wells and their present status:

LOCATION (S.R.R.A. M.

Well Name  Srv.  T.  R.  Status

Maggomanx 1 33 11 S.  13 E.  Completed Batts (test pending)

"Dearborn" 1 30 12 S.  13 E.  Abandoned None

"Sharp" 1 35 15 S.  16 E.  Abandoned Mesa

"Woolsey" 1 53 11 S.  13 E.  Completed Batts (test pending)

"Holos" 1 32 16 S.  14 E.  Drilling Holos

The "Sharp" 1 was drilled on the edge of the Mesa anomalously and although it was abandoned, it provided valuable stratigraphic, water quality, permeability, and geochemistry data. This data should be extremely beneficial to studies now underway on the Mesa anomaly by the Bureau of Reclamation.

The "Maggomanx" 1 and the "Woolsey" 1 wells which are approximately 1 mile apart, should, when tested, provide valuable data needed for the design of a binary fluid, closed-cycle power plant.

SUN DISPOSAL: INTERNATIONAL JOURNAL OF GEOTHERMAL RESEARCH

Maxwell Scientific International, Inc., is now accepting subscriptions to "Geothems," a journal devoted to geothermal resources and development. It is published quarterly by the International Institute for Geothermal Research, Pisa, Italy.

In addition to the regular, quarterly edition, "Geotherms" will publish special volumes related to special symposia, Special Issue No. 1 is entitled "Geology, Geophysics and Hydrogeology of the Monte Alegre Geothermal Field." Beginning in 1968, results and data relating to all studies and works carried out for geothermal development, dating back to 1958, began to be systematically organized for publication in this monograph.


For additional information, write to: Maxwell Scientific International Inc., Fairview Park Elmhurst, New York 10523

MONO COUNTY, CALIFORNIA

Souths California Edison Co. has announced that it has quit-claimed its exploration permits on the site land under Mono Lake. This action no doubt is a result of the final evaluation of the information gained from the two exploratory wells drilled near the lake in late 1971 (see issue Nos. 7 and 8). An article describing the drilling operations appears in the March issue of "California Geology", published by the California Division of Mines and Geology. P. O. Box 2980, Sacramento, Ca., 95812.

IT'S A GAS!

Oil and gas drilling is a popular tax shelter among wealthy people. They can shield their general income from taxation by investing in drilling and then deducting most of the investment immediately as drilling costs are incurred. Several years ago, a power company began exploring geothermal steam for use as a power source from a California geysers area. In figuring its taxes, the company used the exploration and development deductions involved in drilling costs, just as if the steam were oil.

"The IRS disallowed the deductions on the ground geothermal steam isn't a depletable resource like those Congress had in mind when it gave favorable tax treatment to oil and gas. But a circuit appeals court recently upheld the taxpayers. Geothermal steam isn't ordinary ground steam that is fed by constant water supply making it inexhaustible. The court said, it assumed the geothermal steam is locked in closed spaces like natural gas and isn't replenished by usage. Thus it's depletable and should be treated like gas, the judges reasoned.

"One tax expert predicts the decision will attract new money to geothermal steam development."
article also mentions drilling activity near the Terminal Geyser in the early 1960's. The section is now leased by the Thermal Power Co. of San Francisco who is currently studying the area.

The article ends with a strong pitch for supporting federal efforts to purchase this section of land for inclusion in the Lassen National Park.

**HOT-WATER SPRING DRIVES GENERATOR, PEKING SAYS**

Communist Chinese workers have succeeded in building a small power station using natural underground hot water in Tengwu District in Kwantung Province, Southern China, a Peking broadcast said.

The official New China News Agency, NCNA, monitored in Tokyo, said since the station was experimentally put into operation the flow of underground hot water, its temperature, and pressure remained as usual.

NCNA said the natural hot water changes into steam to propel the turbines, NCNA did not disclose the electric generating capacity of the station. It said Chinese workers have successfully built the station after 49 experiments.

**ASSOCIATED PRESS**

**BOOK OF INTEREST TO INVESTORS**

"The Exploration Drilling Program", by Thad W. Thomas, which was published by The Tax Shelter Newsletter in 1969, examines a financing technique employed in recent years by many small or "independent" oil companies. "Drilling programs" are becoming extremely popular and offer the investor tax benefits from oil investments and the possibility of high returns from successful drilling ventures. In some areas, this concept may be applied to geothermal drilling.

For additional information, write:

The Tax Shelter Newsletter, Inc.
11 East 47th Street
New York, New York 10017

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James G. Stearns, Director
Department of Conservation

John F. Matthews Jr.
Supervisor of Oil and Gas

David N. Anderson, Editor
L. H. Axtell, Assistant Editor

1416 Ninth Street, Room 1316-35
Sacramento, CA 95814

**NOTICE**

Effective with this issue, back issues of the "Hot Line" from 1971 will no longer be available. Back issues of this year will be sent automatically upon receipt of a subscription order.

**ASSOCIATED PRESS**