GL02864-142



UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY Area Geothermal Supervisor's Office Conservation Division, MS 92 345 Middlefield Road Menlo Park, CA 94025

UNIVERSITY OF UTAH RESEARCH INSTITUTE EARTH SCIENCE LAB.

FEB 8 1970

Memorandum

To: Interested Parties

From: Acting Area Geothermal Supervisor

Subject: <u>Plan of Operation</u>, Federal Leases N-8377, N-8378, N-8383, N-10362, N-18423, N-18424, Churchill County, NV, Phillips) Petroleum Company Ref: 1760 (2403-01a) N-8377 (POO for EA #124-9)

Phillips Petroleum has submitted a Plan of Operation pursuant to 30 CFR 270.34 for permission to drill, test and complete (if economically feasible) one (1) +3048 meter (10,000') geothermal exploratory test well, Well #14-23 (B23-1) on private land in the Brady Hazen KGRA. Phillips also has proposed that its Federal geothermal leases N-8377, N-8378, N-8383, N-10362, N-18423 and N-18424 totalling approximately 3,125 hectares (7,722 acres) be combined with approximately 6,529 hectares (16,133 acres) of other Federal and private land to form Desert Peak Unit in Churchill County, NV.

Since the subject well site is within the proposed Desert Peak Unit, if drilled subsequent to the approval of the Unit, it will become the first Unit well and drilling operations will be under the supervision of the Reno District Geothermal Supervisor, in compliance with applicable Federal regulations and requirements, particularly 30 CFR Subparts 270 and 271, 43 CFR Subparts 3000 and 3200 and Geothermal Resource Operational Orders pursuant to 30 CFR 270.12.

Therefore, an Environmental Analysis EA #124-9 will be prepared by the Office of the Area Geothermal Supervisor for the proposed action. No field inspection is scheduled since the well site is on private land (not yet approved as a Federal Unit). Access road has been constructed, the site has been prepared, pits have been dug and 15.24 meters (50') of conductor pipe have been installed. For further information concerning the Phillips proposal, contact the Reno District Geothermal Supervisor 702-784-5676, FTS 470-5676, Kietzke Plaza, Bldg. D, Suite 137, 4600 Kietzke Lane, Reno, NV 89502. Comments concerning the proposed action should be received no later than February 27, 1979 by:

Area Geothermal Supervisor USGS - Conservation Division 345 Middlefield Road, MS-92 Menlo Park, CA 94025 (415) 323-8111 X2848, FTS 467-2848

We urge you to send written commentary and will appreciate hearing from you even if you are of the opinion that the existing regulations, lease terms, and operational orders provide adequate environmental protection. All comments will be given serious consideration in the preparation of the environmental analysis and any subsequent conditions of approval thereafter.

The Area Geothermal Supervisor's Office will not send draft Environmental Analysis (EA#124-9) to interested parties for review for the proposed actions. Certain parties however, such as the surface managing agency, lessee, and the Geothermal Environmental Advisory Panel (GEAP) will receive a copy of the completed EA#124-9. Other interested parties will not receive a copy of the final EA unless such parties comment on the proposed actions in writing or request a copy of the EA pursuant to the Freedom of Information Act. Copies of the Environmental Analysis are available for inspection during normal business hours at the Area Geothermal Supervisor's Office, the appropriate District Geothermal Supervisor's Office, and the appropriate Bureau of Land Management, District Manager's Office.

Barry a Boucheau

INTERESTED PARTIES EA #124-9

Phillips Petroleum Company One 8000° Exploration Well

District Geothermal Supervisor USGS, Conservation Division Kietzke Plaza, Sluo. D, Suite 137 4600 Kietzke Reno, Nevada 89502 *FTS: 470-5676 Corm: 704-784-5676

Mr. Henry Cullins Area Geologist, Pacific Area USGS-Conservation Division 345 Middlefield Road, MS 80 Menlo Park, California 94029 *Fls: 467-2053 Comm: 415-323-3111

U.S. Bureau of Land Manabement Geothermal Specialist AITN: Theodore K. Holland Denver Fed. Center, B. 50 (D-310) Denver,Colorado 80225 *FIS: 234-5098 Comm: 305-234-5098

Winnemucca District Manager Bureau of Land Management P.O. dox 71 Winnemucca, Nevada 89445 *FTS: 470-5423 Comm: 702-623-3676

U.S. Bureau of Reclamation ATTN: Lloyd Oshourne Post Office Box 640 Carson Citv, Nevada 89701 *Tel: (702) 882-3436

U. S. Fish and Wildlife Service ATTN: Gail Kobetich Endangered Species Office 2800 Cottage Way, Room E-2720 Sacramento, California 95825 *FTS: 468-4516 Comm: 916-484-4516

U.S. Department of Energy, Nevada Operations Office ATTN: John Cummings Post Office Box 14100 Las Vegas, Nevada 89114 *FTS: 598-3591 Comm: 702-734-3591

Geothermal Resources Council Attn: Mr. David Anderson P.O. Box 98 Davis, CA 95616 *Comm: 916-758-2360 Provinsed Desert Peak Unit Bragy-Hazen KGRA

* * * * *

Conservation Manager, Mestern Redion AlTh: Environmental Staff US65, Conservation Division 345 Midolefield Ro., MS 80 Menlo Park, California 94025 *FIS: 407-2108 Comm: 415-325-6111

Pr. G. U. Robinson, Chairman
Geothermal Environmental Advisory
Panel
345 Middlefield Road, MS 19
Menlo Park, California 94025
*FIS 457-2871 415-323-8111 72871

Mevada State Director Bureau of Land Kanagement Federal Building, Poon 300° 300 Booth Street Peno, Nevada 89502 *FTS 470~5451 Corr: 702-7c8-5451

Canson City District Manager Bureau of Lang Management 1050 E. Williams Street,Suite 335 Carson City, Nevaga 89701 *FTS 470-5612 Comm: 702-982-1031

H.S. Fish and Mildlife Service ATTN: Field Superv Ecological Serv 2000 Cottage May Sacramento, California 25825 *FTS: 468-4516 Comm: 915-484-4516

U.S.Environmental Protection Abov. Environmental Monitoring & Support Laboratory ATTN: Michael OfConnell P.O.Box 15027 Las Vedas, NV 99114 *FTS: 595-2969 Comm: 702-736-2969

U.S. Department of Energy Division of Geothermal Energy AITN: Pennie Dibono 20 Massachusetts Avenue, NM Washinoton, D.C. 20545 *FTS: 376-1690 Corm: 202-376-1690

Ms. Mary Rusco, Archaeologist Nevada State Museum 600 N. Carson Street Carson Citv, Nevada 89701 *Tel: (702) 885-4810

*

INTERESTED PARTIES for EA #124-9

State Of Nevada Department of Energy 1050 E. William, Suite 405 Carson City, Nevada 69701 *Tel: (702) 885-5157

Mr. Ray Corlett, Regional Manager Nevada Dept. of Fish and Game 380 West & Street Fallon, Nevada 89406 *Tel: (702) 423-3171

State of Nevada, Div of Historic Preservation and Archaeology ATTN: Kimberly Wood,, SHPD 201 South Fall St. Capitol Countex Carson City, Nevada - 89710 *Tel: (702) 885-5138

State of Nevada, Div of State Lands ATTN: Mary Lee Enronberd 201 S. Fall Street Capitol Complex, Rm. 339 Carson City, Nevada 89710 *Tel: (702) 885-9363

State of Nevada Division of Water Resources C/O State Engineer 201 South Fall Street Carson City, Nevada 89710 *Tel: (702) 885-4380

Churchill County, Board of Commissioners 10 Kest Williams Street Fallon, NV 89406 *Tel: (702) 423+4092

Lawrence Livermore Laboratory Box 5507, Mail Code L-523 Livermore, California 94550 *FTS 532-1100 Corm: 415-422-1100

Exploration Geologists of Nevada AITN: Ralph D. Mulhollen P.D. Box 3043 Reno, Nevada 89505 State of Nevada, Environ Protection Anency Svcs, Dept of Cons & Res ATTN: Wendell McCurry, Vern Ross 201 Fall Street Caritol Comclex, Nevada 89710 +[el: (702) 885-4670

State of Nevada Department of Fish and Game AITN: Mr. Dale V. Lockhard Post Office Box 10678 Reno, Nevada 89510 *[cl: (702) 764-6214

Department of Human Resources Allik: Larry Verner Capitol Complex 1209 Johnson Street Carson City, Kevada 89710

State of Revade, Planning Coordinator ATIN: Pob Hill 1050 E. Milliams, Suite 402 Camitol Plaza Carson City, Mevada +59701 *lel: (702) 885-4865

State of Nevada, Pershino County ATTN: E.L. Spencer Pershing County Planning Director Route 1, dox 71-D Lovelock, Nevada 89419 *lei: (702) 273-2036

Farth Science Lab.-University of Utah Research Institute, Research Park Allo: Phillip M. Bright 391 Chipeta Circle Salt Lake City, Utah 84108 *Tel: (801) 581-5226

Mrs. Narnaret Williams Director, Northern Nevada Mative Plant Society P.C. Box 8965 Reno, Nevada 89507

Chevron USA, Inc. ATTR: J.G. Turner and Pat Smith Post Office Pox 3722 San Francisco, California 94119 *Tel: (415) 894-2726

INTERESTED PARTIES for EA #124-9

Getty Dil Company ATTN: Mr. Dan W. Sparks Post Office Box 5237 Bakersfield, California 93308 *Tel: (805) 399-2961

Hydroseanch, lnc. 333 Flint Street Reno, Nevada 89501 ATTN: Mr. Mark Reece *FTS Ope: 470-5911 702-322-4172/3

Occidental Geothermal, Inc. AITN: 8.J. Wyant 5000 Stockdale Mighway Bakersfield, California (43504) *Tel: (405) 327-7351

Republic Geotnermal, Inconcented ATTN: Mr. Dwicht Carey Post Office Box 3389 Santa Fe Sprinos, California 90507 *Tel: (213) 945-3561

Suncco Energy Development Fompany ATTN: Mr. John milliams Suite 1500 -- Box 9 12700 Park Central Place Dallas, Texas 75251 *FTS One: 749-1011 214-233-2600

Southland Poyalty Company ATTN: Jere Denton 1000 Fort Worth Club Tower Fort Worth, Texas 76102 *FTS Onr: 334-3001 (817)340-9200

Anadarko Production Company ATTN: Mr. John D. Syptak Post Office Box 1330 Houston, lexas 77001 *FTS Ope: 527-4011 713-525-5421

Mr. Clyde E. Kuhn Post Office Box 69 Davis, California 95616

Mr. Jack McNamara 10850 Wilsbire Blvd, Suite 790 Los Angeles, California 90024 *Tel: (213) 475-4933 Gulf Mineral Resources Company Exploration Department AITN: Mr. Glen Campbell 1720 South Belaire Street Denver, Colorado 80222 *FTS Ope: 327-0111 303-758-1700

Magma Power Company AITN: Mr. Richard Foss 631 S. Witmer Street Los Angeles, California 90017 *Tel: (213) 463-2285

Phillies Petroleum Company ATIN: R.1. Forest Energy Minerals Division Post Office Box 10566 Reno, Nevada 89510 *Tol: (702) 786-2273

Shell Oil Company ATTN: Mr. F.W. Nantker Post Office Box 92047 Worldway Center Los Angeles, California 90009 *Tel: (805) 648-2751

Republic Geothermal, Incorporated AlTN: J. L. Scheidenberger 1101 College Avenue, Suite 220 Santa Rosa, California 95404 *Tel: (707) 527-7755

Aminoil USA, Incorporated A[TN: Mr. J.W. Kunau Post Office Box 11279 Santa Posa, California 95406 *FTS Ope: 623-1011 707-527-5333/2

Phillies Petroleum Comeany Genthermal Operations Post Office Box 239 Salt Lake City, Utah 84110 *Comm: 601-364-2083

Mr. Warren M. Woodward 125 Drew Drive Reno, Mevada 89502 *FTS 470-5911 702-825-3079

PROPOSED PLAN OF OPERATIONS

TO DRILL THE UNIT WELL, B23-1 (14-23) AT DESERT PEAK, CHURCHILL COUNTY, NEVADA

Proposed operations:	Drill a geothermal well between 8000 and 10,000 feet deep	
Objective:	To continue evaluating the Desert Peak geothermal reservoir	
Estimated starting date:	February or March 1979	
Estimated completion date:	May or June 1979	

Phillips Petroleum Company	Contractor	Peter Bawden
Geothermal Operations	Field Supervisors:	(702) 786-2273
P. O. Box 10566	R. T. Forest W. R. Benoit	(702) 786-2273
Reno, Nevada 89510 0. C. Rolls B. McComack		(801) 364–2083 (702) 273–7507
Telephone: 702 786-2273		

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ATTACHMENTS

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Introduction

Phillips Petroleum Company proposes to drill an 8000-10,000 foot geothermal well near Desert Peak, Nevada. This well is to be the unit well for the Desert Peak geothermal unit. The well is located on private land, however, in accordance with the unitization procedure this Plan of Operations, together with attached exhibits, is submitted for approval to undertake the proposed work.

This well will be the fourth deep geothermal test well drilled near Desert Peak. All three previous wells were located on private land, consequently no previous plans of operation have been written in the area.

I. Well Location

The well location is in the SW_4^1 of the SW_4^1 of the NW_4^1 of Section 23, T22N-R27E. It is located 500.35 feet on a bearing of N52°45'E from the west quarter corner of Section 23 as shown on Exhibit A. The well location is also shown on Exhibit B, a topographic map of the area. Exhibit B does not show the presence or locations of roads and drill pads recently constructed on private lands (odd numbered sections) by Phillips Petroleum.

II. Roads and Access

Access to the site is via about 11 miles of graveled road from the Hot Springs-Nightingale interchange on U. S. Highway I-80. All but the first mile of this road will need to be regraded before drilling commences. Periodic grading may be necessary during drilling operations. Water will periodically be applied to the road to minimize dust.

The road to the drill site has already been constructed. Other than routine maintainance no further road construction is planned.

III. Cultural Resources

The access roads, mud sumps, and drill pad have already been prepared. Prior to construction no artifacts were observed at the site. There appear to be very few archaeological sites, if any, within the Hot Springs Mountains. Therefore, it is felt to be highly unlikely that any sites were destroyed by the previous construction activity.

IV. Location of Water Supply

All water used will come from an artesian dug well located in the NE_4^1 of Section 35, T22N-R26E. This is a 100 foot square dug well lined with boards. This well has been the water source for three previous deep wells

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at Desert Peak. During peak periods of pumping the water level in the well drops three or four feet, however, there is still abundant water in the nearby marsh for livestock and any other birds or animals.

V. Camp Sites, Air Strips and Other Supporting Facilities

No campsites, air strips or other supporting facilities will be constructed.

VI. Other Areas of Potential Surface Disturbance

During testing of B23-1 (14-23) reservoir water may flow downhill from the well onto the far eastern edge of Section 22. This water will rapidly sink into the sand. During a three month flow test of well B21-2 in Section 21 water was allowed to flow into the sandy wash south of the well. All water had soaked into the sand within $\frac{1}{4}$ mile of the well. No detrimental effects were observed and erosion of the sand was very minor. Now the area of the wash which contained flowing water is marked by denser than normal vegetation. The groundwater in the area is at a depth of 400 to 500 feet and is composed of thermal water which is, and for the past 3000 years has been, leaking out of the geothermal reservoir into subsurface aquifers. Allowing reservoir water to flow on the surface will not contaminate any higher-quality surface or subsurface waters.

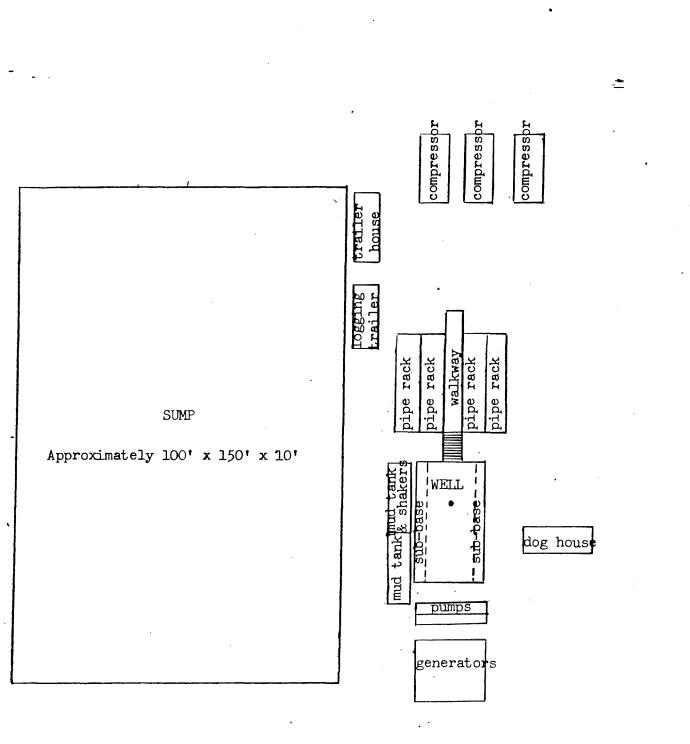
VII. The Topographic Features of the Land and the Drainage Patterns

Topographic features and drainage patterns are depicted on Exhibit B, a composite map made from four USGS topographic maps.

VIII. Methods of Disposing of Waste Material

Reserve pits will be located adjacent to each drill pad for containment

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TYPICAL RIG LAYOUT

Location: Approximately 250' x 300'

Scale: 1" = 30'

EXHIBIT C

of all drilling fluids.

If the well is completed as a producing well the reserve pits will be left intact for future use during testing, workovers, or deepening.

If the well is not completed as a producing well the reserve pits will be evaporated to dryness and then reclaimed by filling and grading.

Effluents produced during testing operations will be allowed to flow in the natural drainage (see Exhibit D). Any steam which is flashed during testing will be vented to the atmosphere.

A burn pit will be used at each drill site for the disposal of flammable waste materials such as mud sacks and rags. Solid waste such as cans and bottles will be placed in a pit which will be covered over with dirt after the drill rig has been removed from the location.

A "sanihut" will be provided for the use of the drilling crews and other personnel working on the drilling operation.

IX. Protection of the Environment

The area is uninhabited so noise will not be a problem. No rare and/or endangered species are known to inhabit the area.

This section describes the measures proposed to effectively minimize environmental damage and conduct operations in a manner consistent with rules and regulations and specific actions required by the Authorized Officer regarding prevention and control of:

1. Fire

- a. Water and fire extinguishers will be kept available at all times at each location.
- b. Every reasonable effort will be made to prevent fires. In the event a fire should occur on or near lands occupied by Phillips initial attack action will be made by making available such construction equipment and maintenance forces that are available.

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- 2. Soil Erosion and Subsidence
 - a. Due care will be exercised to avoid unnecessary scarring or removal of ground vegetative cover.
 - b. Vehicular travel will be confined to roads and trails.
 - c. Work requiring the use of wheeled or tracked vehicles will be conducted in such a manner as to minimize surface damage.
- 3. Pollution of Surface and Groundwaters
 - a. The quality of water in the area is such that produced fluids will not degrade existing waters.
- 4. Damage to Fish and Wildlife
 - a. Unattended reserve pits containing fluids will be fenced to keep out livestock and wildlife.
 - b. No additional surface area will be disturbed.
- 5. Air and Noise Pollution
 - a. Mufflers will be used on rig engines and compressors as standard equipment.
- 6. Hazards to Public Health and Safety

Phillips will regulate access in those areas where unrestricted access would unduly interfere with operations under the lease, or would constitute a hazard to health and safety.

X. Crew Size and Housing

The drilling contractor is Peter Bawden Drilling Company of Long Beach, California. It is estimated that the drilling crew will number approximately 25 persons. The crew will be housed in available housing in Lovelock, Fallon, and/or Fernley, Nevada.

Construction personnel will be local contractors from Lovelock, Fallon, or Fernley, Nevada. It is expected that they will work from their homes.

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XI. Regional and Local Geology

A lithologic log of Strat. Test #7, a 1944 foot deep slimhole located about 200 feet north of the proposed well is included as Exhibit=C. This log shows the geology to a depth of 1944 feet. Below 1944 feet it is expected the hole will continue in Tertiary rhyolitic rocks to a depth of about 3500 feet. At this level low-grade metamorphic rocks of Mesozoic age will be encountered. It is possible intrusive rocks will be penetrated below depths of 4000 feet.

XII. Regional and Local Hydrology

The hydrology is very poorly understood to date. All water samples presently available in the area are moderately saline sodium-chloride waters with from 7000 to 12,000 ppm total dissolved solids.

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EXHIBIT D

OPTIONAL DRILLING AND TESTING ACTIVITIES

Conditions encountered in the hole during the course of drilling may indicate the necessity and feasibility of undertaking any of several activities to aid in further understanding the resource in the ground and the ability to extract it safely and economically. Downhole conditions which may prompt such activities include high temperatures, presence of fractures, presence of formation fluids, alteration, secondary mineralization, and presence of geothermal gases.

Activities that may be desirable or necessary include:

- 1. Obtaining cores.
- 2. Running liners to stabilize the bore walls or case off relatively cold water zones.
- 3. Perforating.
- 4. Side tracking.
- 5. Short-term flow tests through manifold and blooie line with the rig on location to determine flow characteristics of the well.
- 6. Short-term flow tests with the rig off to determine flow characteristics of the well and pressure draw down and build up phenomena in the reservoir.
- 7. Plugging back.
- 8. Deepening.
- 9. Plugging and abandoning.
- 10. Making casing tests.
- ll. Redrilling.
- 12. Repairing.
- 13. Short-term injection tests.

Testing Activities

1. Formation Testing

In the event drilling data and evaluation criteria indicate that a potentially commercial geothermal reservoir has been penetrated, a steam control head will be installed on the Master Gate. The assembly consisting of access port, kill line, and flow choke or other approved assembly will be tested to contain maximum well-head pressure of a fully developed flow based on drill pressure confinement with suitable safety allowance for maximum anticipated steam temperatures. Formations to be tested will be opened to the well bore. Minimum flow to characterize formation and well installation will be produced to surface reserve pits.

A typical testing program is included as Exhibit E.

2. Resource Characterization

A program for characterizing the resource includes determining geothermal gradients and the sampling and analysis of geothermal resources.

- a. Geothermal gradients A wire-line temperature survey, or surveys, are run in the well to obtain data necessary to calculate geothermal gradients.
- b. Sampling and analysis of geothermal resources A typical sampling program is included in Exhibit E. Fluid samples are submitted to commercial laboratories and to Phillips Petroleum Company R & D for analysis. Samples are routinely analyzed for boron, calcium, magnesium, potassium, sodium, ammonium, chloride, combined nitrate and nitrite, silica, sulfate, combined carbonate and bicarbonate, pH and conductivity. Selected waters are analyzed for all of the above, plus lithium, strontium, arsenic, fluoride, barium, iron, hydroxide, carbonate and bicarbonate.

Emission spectrographic qualitative analysis may be run on a limited basis

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for the elements Ba, B, P, Fe, Mn, Mg, Pb, Cr, Si, Al, Mo, Sn, V, Li, Cd, Cu, Na, Zn, Ti, Zr, Ni, Co, Sr, Ca, As.

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EXHIBIT E

TYPICAL WELL TEST PROCEDURE FOR A LIQUID-DOMINATED RESERVOIR

- Determine status of fluid column in adjacent wells. Prepare to measure and record pressures at the wellhead and in the flow line while the testing of the well is under way.
- 2. Obtain wellhead pressure, wellhead temperature, and temperature gradient on the wildcat well while the well is shut in.
- 3. Start well to flow at nearly the capacity of the well at a constant rate. This flow will be a cleanup flow and should be considered as one point of an isochronal test. Duration of flow can range from hours to weeks.
- 4. Take wellhead pressures, temperatures, measurements and orificemeter flow rates while well is flowing. Also collect water samples.
- 5. When well is shut in, get wellhead pressure buildup and temperatures at the same frequency as drawdown test, including instantaneous shut-in pressures to catch peak wellhead pressure. Continue shut in until wellhead pressures and temperatures stabilize or a maximum of probably not more than 24 hours.

Some modification of the above may be required if the reservoir is of the vapor-dominated type.