

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION

GEOHERMAL RESOURCES OPERATIONAL ORDER NO.1

Effective February 1, 1975

EXPLORATORY OPERATIONS

This Order is established pursuant to the authority prescribed in 30 CFR 270.11 and in accordance with 30 CFR 270.78. All exploratory operations other than drilling of exploratory and development wells will be conducted in accordance with the provisions of this Order. All plans for exploratory operations to be conducted shall include provisions for appropriate environmental protection and reclamation of disturbed lands. A cultural resources investigation approved by the Area Geothermal Supervisor (Supervisor) shall be performed prior to any surface disturbance other than Casual Use.

All variances from the requirements specified in this Order shall be subject to approval pursuant to 30 CFR 270.48. Each Notice of Intent to Conduct Geothermal Resources Exploration Operations shall include a notation of any proposed variances from the requirements of this Order. References in this Order to approvals, determinations, or requirements are to those given or made by the Supervisor or his delegated representative.

The following exploratory operations and reasonable expenditures therefor will qualify as diligent exploration if approved by the Supervisor prior to the initiation of such operations.

1. Casual Use. Casual Use shall include any entrance on the leased lands for geological reconnaissance or surveying purposes. Sampling of springs and water wells on the lease for geochemical analysis shall be construed as casual use. Such non-disturbing surveys and reconnaissance operations will not require a Notice of Intent to Conduct Geothermal Resources Exploration Operations. The lessee shall notify the Supervisor prior to commencing such casual use operations. Casual Use operations proposed or completed shall be included in any subsequent Plan of Operations.

2. Geophysical Exploration. Geophysical exploration shall include, but is not limited to, surface electrical resistivity surveys, seismic ground noise surveys, passive micro-earthquake monitoring surveys, magneto-telluric surveys and all other geophysical surveys, including airborne techniques.

Geophysical surveys other than airborne techniques will require a Notice of Intent to Conduct Geothermal Resources Exploration Operations, (Form 3200-9). All such anticipated surveys should be included in the Plan of Operations and must be approved by the Supervisor before the work is begun.

The lessee shall furnish the Supervisor two copies of the records of such surveys within 30 days after the completion of such operations.

3. Drilling of Shallow Holes. Drilling of shallow holes for the measurement of temperature gradients or heat flow will be considered as an exploration operation and will require approval of a Notice of Intent to Conduct Geothermal Resources Exploration Operations (Form 3200-9) by the Supervisor. The following stipulations shall apply to the drilling of such shallow holes:

A. Holes for measuring temperature gradients shall be limited to a depth of 152 meters (500 feet), unless otherwise authorized by the Supervisor.

B. Return-line temperatures shall be taken at no less than 9-metre (30 foot) intervals during drilling operations on shallow holes drilled with mud. If return-line mud temperature should reach 52° C. (125°F.), drilling ahead shall cease immediately and the hole will be either

(1) Completed as an observation hole by running steel tubing as deep as possible, filling the annulus with drilling mud from total depth to 3 meters (10 feet) below the surface and with cement from 3 meters (10 feet) to the surface;

(2) Abandoned by filling the hole with drilling mud from total depth to 3 meters (10 feet) below the surface and cement to the surface thereafter, or

(3) Equipped with mud cooling and wellhead control devices to maintain well control and mud returns temperature at or below 52° C. (125° F.).

C. If flowing steam or hot water at 65° C (150° F.) or greater is encountered, further drilling shall stop immediately and the hole will be either:

(1) Completed as an observation hole using steel tubing cemented from total depth to surface; or

(2) Abandoned by plugging with cement from total depth to surface.

D. If cold flowing artesian water is encountered, the hole will be completed as in (C) hereinabove, except that plastic tubing may be used.

If the conditions outlined in (B), (C) or (D) are encountered, the Supervisor shall be notified immediately.

No exceptions to the stipulations of (B), (C) or (D) will be allowed without specific prior permission of the Supervisor.

E. The lessee shall submit the following information with the Notice of Intent to Conduct Geothermal Resources Exploration Operations (Form 3200-9):

(1) The approximate location (to the nearest 30 meters (100 feet) from some identifiable marker or object within the smallest legal subdivision) and hole number or designation of each proposed hole and probable order of drilling;

(2) The type and size of drilling rig;

(3) The proposed drilling program including the drilling system (type of bit and circulating medium), approximate depths and casing (conductor) program for each such hole;

(4) The type of drilling sump and proposed method of sump abandonment at each location;

(5) The approximate time that each hole will be used for observation; and

(6) The proposed method of abandonment for each hole. Additionally, the lessee shall notify and receive the approval of the Supervisor prior to any change in the location of an approved hole or for any additional holes which the lessee desires to drill.

F. Locations proposed in natural thermal areas within a 300-metre (1,000-foot) radius of hot springs, fumaroles, or other surface geothermal indicia, or in areas of known artesian water flow, will require a detailed drilling program for each hole, approved by the Supervisor. The Supervisor may require special drilling and completion techniques for such holes (such as cemented surface casing and simple expansion-type blowout preventers) to safely control formations containing geothermal or other resources which may be penetrated.

G. A supply of mud and lost circulation material shall be kept on hand while drilling to control abnormal pressure if rotary equipment is used.

H. Holes shall be completed for observation purposes in a manner which will allow satisfactory subsequent abandonment. As a minimum, the annular space shall be filled with mud (cuttings and dirt if drilled with air or auger) to 3 meters (10 feet) below the surface and with cement from 3 meters (10 feet) to the surface, and the tubing shall be capped when not in use.

I. Holes shall be abandoned in a manner that will prevent subsurface interzonal migration of fluids and surface leakage. As a minimum, the top 3 meters (10 feet) of tubing below the surface shall be filled with cement. Tubing shall be cut off at ground level or as directed by the Supervisor.

4. Reporting Completion of Exploration Operations. The Notice of Completion of Geothermal Resources Exploration Operations (Form 3200-10) shall be submitted in triplicate, and shall include the following information for each hole drilled:

A. Final hole designation and location;

B. A driller's log noting water table and water aquifers encountered (if determined), and salt, coal beds or other mineral deposits, if present;

C. Method of completion, cementing, and casing and/or tubing used;

D. Complete details of the abandonment procedures;

E. Any information on drilling difficulties or unusual circumstances encountered which would be helpful in assuring future safety of operations or protection of the environment in the area concerned; and

F. Temperature data and logs for each hole surveyed.

5. General. Drilling fluids or cuttings shall not be discharged onto the surface where such discharge might contaminate lakes and perennial or intermittent streams. Excavated pits or sumps used in drilling shall be backfilled as soon as drilling is completed and restored to conform with the original

topography. Unattended sumps shall be completely fenced for the protection of the public, domestic animals and wildlife.

6. Notice of Entry. Applicant shall contact the appropriate U. S. Geological Survey Geothermal District Office prior to entry on the land to conduct exploration operations.

/s/Reid T. Stone
Area Geothermal Supervisor

Approved:
/s/ Russell G. Wayland
Chief, Conservation Division