

ITEM: 9

SUBJECT: Calpine Siskiyou Geothermal Partners, L.P. and CPN Telephone Flat, Inc. and U.S. Department of Agriculture, Forest Service and U.S. Department of Interior, Bureau of Land Management, Glass Mountain Unit Geothermal Exploration and Development Projects, Siskiyou County

BOARD ACTION: *Consideration of Revised Waste Discharge Requirements*

BACKGROUND: Calpine Siskiyou Geothermal Partners, L.P. and CPN Telephone Flat Inc. (Calpine) submitted a Report of Waste Discharge for the drilling and flow testing of new geothermal wells in the Glass Mountain area of the Medicine Lake Highlands. In addition to the drilling of new geothermal wells and temperature gradient holes, Calpine proposes to flow test some of the existing wells in the Telephone Flat area and also proposes to use acid for "formation stimulation." Exploration activities are currently regulated by Waste Discharge Requirements, Order No. 95-199, adopted by the Regional Board 17 August 1995. The proposed Order regulates waste discharges associated with the drilling and testing of geothermal wells including land clearing, well pad construction, sump construction, discharge of geothermal fluid and cuttings to lined sumps, and the aboveground transfer of geothermal fluid in temporary pipelines from wells to sumps or injection wells. The requirements cover the design, construction, and operation of the sumps including specifications for closure at the completion of the exploration activities. The proposed Order includes a monitoring program for surface waters and the shallow and deep groundwater aquifer. The proposed Order also requires Calpine to adhere to US EPA and BLM requirements for injection wells. Since the Glass Mountain project is on federal lands, BLM regulates the drilling of geothermal wells and the re-injection of geothermal fluid from the well head back to the geothermal aquifer, including the approval of wells for re-injection, well location, casing design, flow rate and volume of geothermal fluids injected, casing leak detection, and additives.

ISSUES: The Mt. Shasta Bioregional Ecology Center, Save Medicine Lake Coalition, Native Coalition for Medicine Lake Highlands Defense, and the Pit River Tribe may contesting the adoption of the proposed Order. Significant issues raised in the past by those groups are discussed in the Staff Report.

Mgmt. Review _____
Legal Review _____

4/5 May 2006 Region 5 Board Meeting
CVRWQCB
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