

MINUTE ITEM

8/78
Smith

39. PROSPECTING PERMIT - AMERICAN COPPER AND NICKEL
COMPANY, INC. - W 40062

Calendar Item 39, attached, was pulled from the agenda prior
to the meeting.

Attachment: Calendar Item 39 (10 pages)

A 75

S 38

CALENDAR ITEM

39.

8/78
W 40062
Smith

PROSPECTING PERMIT

APPLICANT: American Copper and Nickel Company, Inc.
11437 West 48th Avenue
Wheat Ridge, Colorado 80033

TYPE OF LAND: School land.

AREA AND LOCATION: Section 36, T12S, R19E SBB&M, Imperial County. Approximately 10 to 11 miles east of Glamis.

PROPOSAL: To evaluate the potential for mineral values other than oil, gas, and geothermal of the subject State lands. The primary exploration objective is to determine if uranium ore exists in commercial quantities and, if so, propose a plan for its extraction.

METHOD OF EXPLORATION: Initially the surface will be carefully mapped by plane table and surface samples taken for analysis. Two exploratory drill holes are tentatively scheduled to a maximum depth of 1,500 feet. Access will be by existing roads and no structures will be erected. All data obtained will be made available to the Commission and will be correlated with that from adjacent Federal claims.

ROYALTY: The royalty shall be 10% of the mine value of the ore as detailed in Exhibit "A" of the permit on file in the Office of the Commission.

PREREQUISITE TERMS:

1. Statutory filing fees and permit fees have been deposited by the applicant.
2. The subject permit has been reviewed and approved by the Office of the Attorney General as to compliance with applicable provisions of law pursuant to Section 6890, of the Public Resources Code.

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3. The area is not known to contain commercially valuable deposits of minerals.
4. The State Lands Commission staff, in accordance with Article 10, Section 2906(b) of the Cal. Adm. Code, has conducted an initial study and has concluded that the project will not have a significant effect on the environment. Therefore, in compliance with subsection (c) of Section 2906, a Negative Declaration was prepared and filed with the State Clearinghouse.

EXHIBITS: A. Location Map. B. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE COMMISSION STAFF.
2. CERTIFY THAT NEGATIVE DECLARATION ND#226 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED, AND THE STATE GUIDELINES; AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROPOSED PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. FIND THAT GRANTING OF THE APPLICATION WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 ET SEQ. OF THE PUBLIC RESOURCES CODE.
5. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
6. AUTHORIZE ISSUANCE OF THE PROSPECTING PERMIT, TO THE AMERICAN COPPER AND NICKEL COMPANY, INC., FOR A TERM OF 2 YEARS FOR ALL MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES IN SECTION 36, T12S, R19E, SBB&M, IMPERIAL COUNTY; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS, FOR ANY AND ALL MINERAL PRODUCTS EXTRACTED OR REMOVED FROM SAID PREMISES FOR SALE OR STOCKPILING SHALL BE DETERMINED AS SET FORTH IN THE PROSPECTING PERMIT.

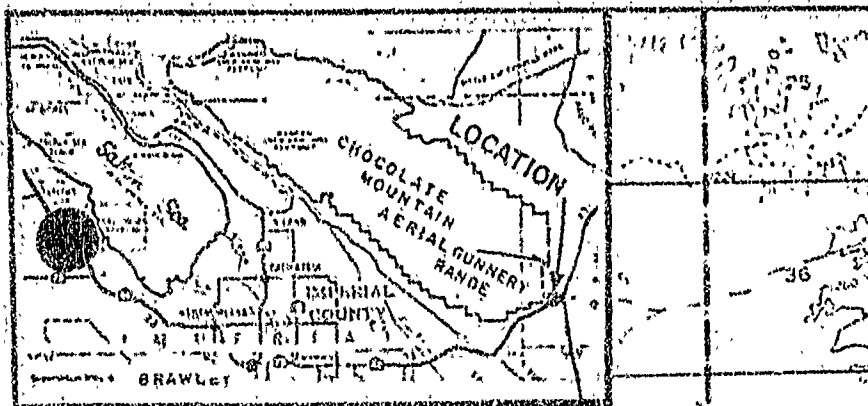
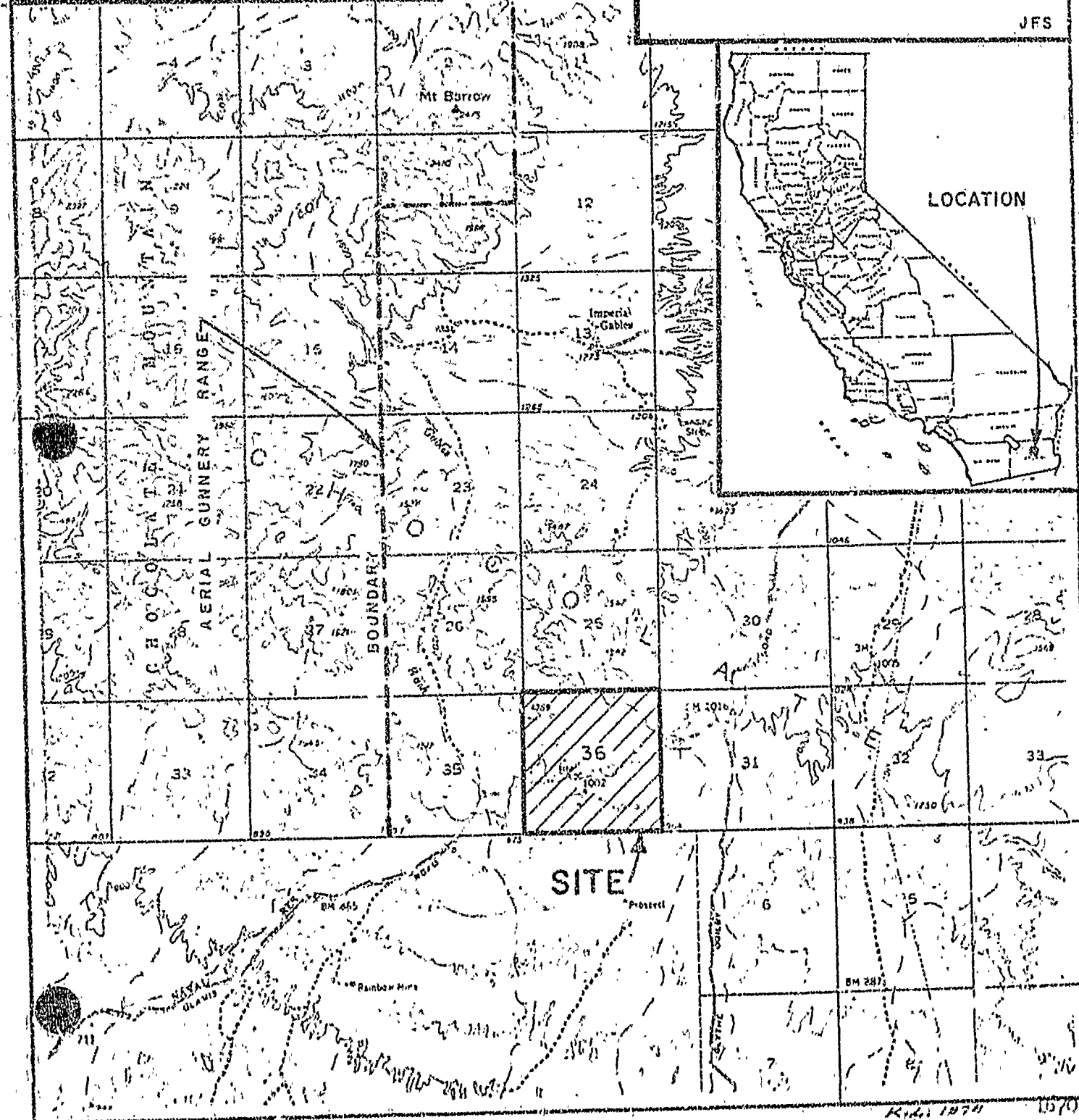


EXHIBIT "A"
 W 40062
 STATE LANDS COMMISSION
 Application for Prospecting Permit
 by
 American Copper & Nickel Company Inc.
 Section 36, T.12S., R.19E.
 IMPERIAL COUNTY

JFS



Revised 1970 1570

EXHIBIT "B"

NEGATIVE DECLARATION

PROSPECTING PERMIT W 40062

This Negative Declaration is prepared pursuant to Section 15083, California Administrative Code, Title 14, Division 6 and is based upon an Initial Study pursuant to Sections 15080 and 15066 thereof.

American Copper & Nickel Co. Inc. has filed an application for approval to prospect for minerals other than oil and gas and geothermal on Section 36, T. 12 S., R. 19 E. S.B.M. Imperial County. Emphasis will be placed on evaluating the commercial potential of uranium in the N- $\frac{1}{2}$ of the Section. If it is established that a commercial ore deposit does exist, the applicant will apply for a lease to develop said deposit.

Exploration will consist initially of surface mapping and sampling followed by the drilling of two exploratory holes to a maximum depth of 1500 feet. Drillsites should not require any significant preparation, existing roads will provide necessary access. No permanent facilities will be constructed. Data will be evaluated and correlated with data obtained from adjacent Federal claims.

Project will not have any economic effect on the area.

The Initial Study was prepared by the Staff of the State Lands Commission augmented by data supplied by the applicant. Mr. Jay Von Werlhof of the Imperial Valley College Museum conducted an on site archeological study of the area and in the subsequent report stated no prehistorical resources were found in the entirety of Section 36. This report and the Initial Study are on file in the Commission's Long Beach Office.

It is indicated that any Environmental Impacts will have only short term effects and will be temporary and insignificant. No permanent evidence of the project will remain after its completion; no long term effects are foreseeable. Therefore, it has been determined that the proposed exploration project will not have significant effect on the environment.

INITIAL STUDY - PROSPECTING PERMIT W 40062

1. Project and Location:

An application has been made to the California State Lands Commission to prospect for nonmetallic minerals, primarily uranium, in the N $\frac{1}{2}$ of Section 36, T. 12 S., R. 19 E., S.B.M., Imperial County. Section 36 is approximately 37 miles northeast of Brawley and is transected by Highway 78 running east-west (see attached map).

The area is accessible from the highway.

2. Statement of the Purpose of the Project:

The potential mineralization occurs along a zone up to several tens of feet in width and strikes east-west completely through the section. The applicant proposes to drill two holes into unweathered bedrock, one hole near the west and one hole near the east side of the section along the strike of the mineralized zone.

3. General Description of the Project:

Initially, geologic mapping and surface sampling will be completed and will require a two-man field crew working for a period of ten days to two weeks. This work will consist of outcrop mapping and sampling on foot traverses and the development of local detail by means of plane table surveying.

Two exploratory drill holes are programmed, one on the east side of the section and one on the west side, to a projected maximum drilling depth of 1500 feet. The drillsites are limited in size to approximately one hundred feet in diameter and should not require any significant surface preparation considering the open country involved. The network of existing roads will provide adequate access to the proposed drillsites. No additional roads will be constructed.

The drilling program will take approximately four to six weeks with an anticipated drilling rate of fifty to seventy feet per day. The drill crew will consist of two men working one ten-hour shift per day on a six-day week. It is possible that if the knowledge gained from this drilling indicates favorable mineral potential, some additional drilling may be required.

Too little is known about the geology of the prospect area to project any plan of development. Much will depend on the potential of the applicant's claims that border the State parcel. If the prospect area is found to contain a commercially valuable mineral deposit, a separate and detailed environmental report will be prepared to cover the production phase.

4. Present Environment:

General Geologic Description:

Section 36 is near the southern end of the Chocolate Mountains. The Chocolate Mountains lie within the Mojave Desert geologic province and form the north-eastern wall of the Salton basin. They are composed partly of pre-Cambrian

and pre-Cretaceous metamorphic rocks intruded by Jurassic granitic rocks and partly of Tertiary andesitic and rhyolitic lava flows. The metamorphic schistose rocks are of known and probably pre-Cambrian age.

In Section 36, the bedrock consists of pre-Cambrian(?) quartzite and quartz-mica schists which are folded, faulted and subsequently intruded by felsic dikes, sills and small volcanic plugs of Tertiary age. The metamorphic rocks as well as the felsic intrusive rocks are locally bleached and hydrothermally altered.

Environmental Setting:

The area is located on the southeastern flank of the Chocolate Mountains, which trend NW-SE and parallel Highway 78 running between Brawley and Blythe. The Imperial Sand Dunes trend along the south flank of the mountains and are generally separated from them by a partly dissected pediment. The Coachella Canal runs along the south side of the dune complex that is between the Dunes and the Imperial Valley irrigation area.

The region around the subject area is sparsely populated and the Glamis store and railroad siding ten miles southwest is the only permanent community area within thirty-seven miles. The country north of the State section is in rugged, igneous/metamorphic complex of the Chocolate Mountains. Much of this range is designated as an aerial gunnery range and access to its interior is limited by the topography or restricted by designation.

The surface utilization in the area has been minimized by the adverse desert climate, gunnery range boundaries, and B.L.M. designations in their Desert Vehicle Program. There are several small surface gold mines operating in the general area around Glamis. This prospecting activity has fluctuated over the years, but never reached a high enough level to allow this area to be designated as a discrete mining district.

The project area is typically mountainous desert terrain with sparse fauna and flora. Vegetation observed is:

creosote bush	(<i>Larrea divaricata</i>)
mesquite	(<i>Prosopis juliflora</i>)
desert ironwood	(<i>Olneya tesota</i>)
Palo Verde	(<i>Cercidium floridum</i>)
ocotillo	(<i>Fouquieria splendens</i>)

Animals observed are:

red spotted toad	(<i>Bufo punctatus</i>)
zebra-tailed lizard	(<i>Callisaurus draconoides</i>)
Colorado desert sidewinder	(<i>Crotalus cerastes</i>)

Western ground snake

(Sonora semiannulata)

desert crested lizard

(Leposaurus dorsalis)

Climate:

The climate of Imperial County and the general Colorado Desert region is classified as hot and arid. The average annual rainfall is three inches, most of which occurs during the winter months. The absence of a cloud cover throughout most of the year contributes to the low relative humidity of the region.

5. Environmental Impact

The small drillsites selected will have only a minor, short-term impact and there will be no long-term adverse effects on any aspect of the present environment. The small drill rig will use existing roads; water will be delivered by tank truck. Water used in the drilling process will be collected in a small, temporary sump and recirculated when possible. When a hole is completed, the fluid will be removed from the sump and the sump area returned as nearly as practicable to its original condition. The drill holes when abandoned shall be cemented from the surface to fifty feet below the surface and all cutting dispersed so as to blend with the surface.

6. Adverse Environmental Effects Which Cannot Be Avoided If the Proposal Is Implemented:

None are anticipated during this phase of the evaluation. The drill rig and few service vehicles will be inconspicuous and will have only a short-term impact on the aesthetics of the area. There will be no impact on human health and no disruption of present ecological systems.

7. Mitigation Measures Proposed to Minimize the Impact:

Drilling and service vehicles will be limited in size and number compatible with efficient operation. All equipment will be properly maintained to operate on an energy efficient level. Every effort will be made to utilize personnel and equipment on a schedule promoting minimum time for site occupation.

8. Alternatives to the Proposed Action:

The specific alternative is "No Project". However, the proposed exploration of the area is essential to make a valid assessment of the mineral potential at depth.

9. The Relationship Between Local Short-Term Uses of Man's Environment and the Maintenance and Enhancement of Long-Term Productivity:

The design of this program is such that there will be no cumulative or long-range effect which could impact the environment. Until the time a potential mineral resource is identified there will be only short-term impacts.

10. Any Irreversible Environmental Changes Which Would Be Involved in the Proposed Action Should It Be Implemented:

No irreversible environmental changes will be produced by the proposed program.

There will be a small expenditure of fuel energy, and no significant surface alteration which could propagate future changes.

11. Growth Inducing Impact of the Proposed Action:

The exploration phase of this project will have no effect on the growth of the area. If the project area contains a commercially valuable mineral deposit, no lease agreement will be concluded until an environmental impact report is prepared covering the production phase.

12. Economic and Social Factors:

There will not be any significant changes from existing conditions.

EXHIBIT "A"

W 40062

STATE LANDS COMMISSION

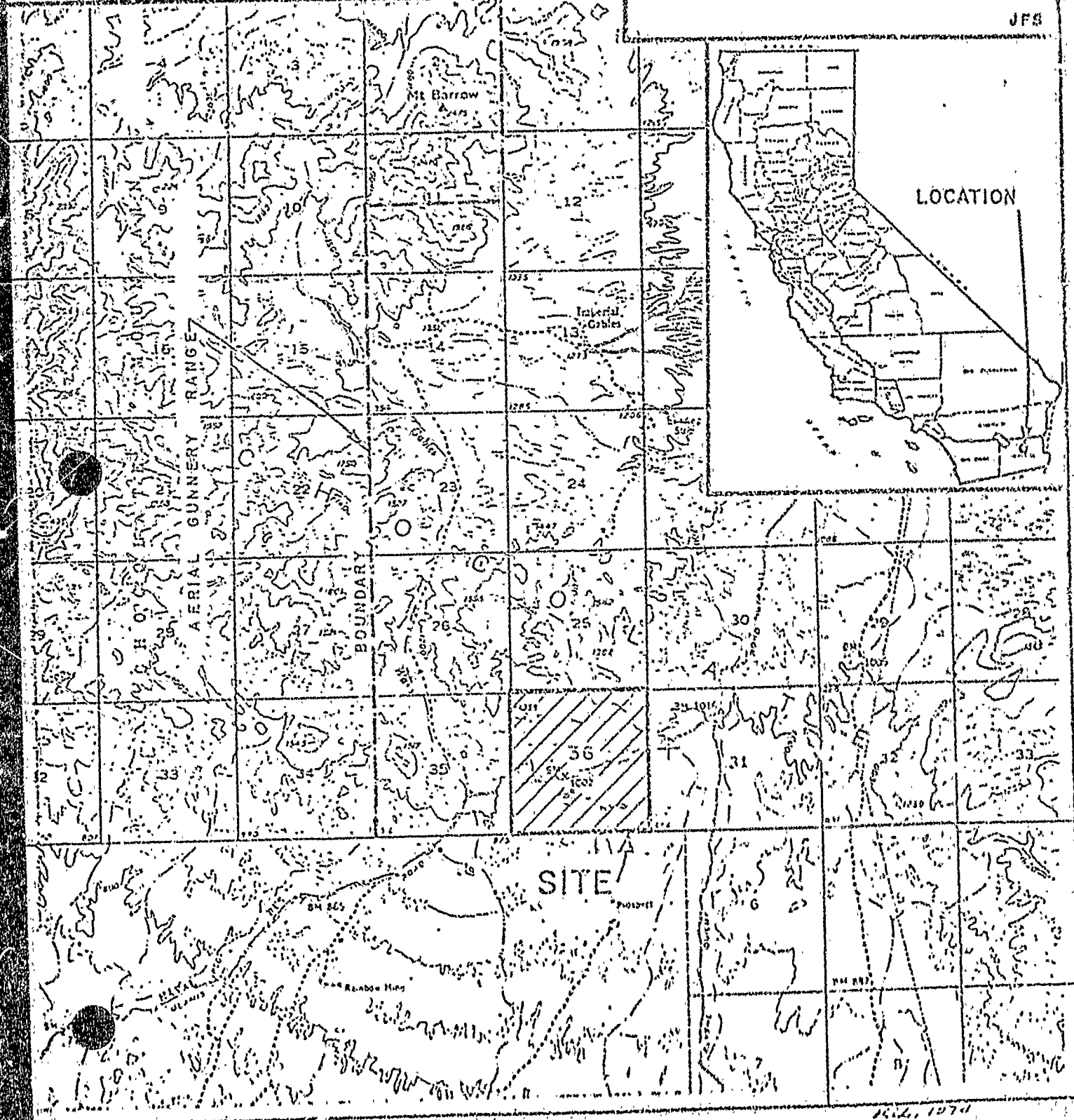
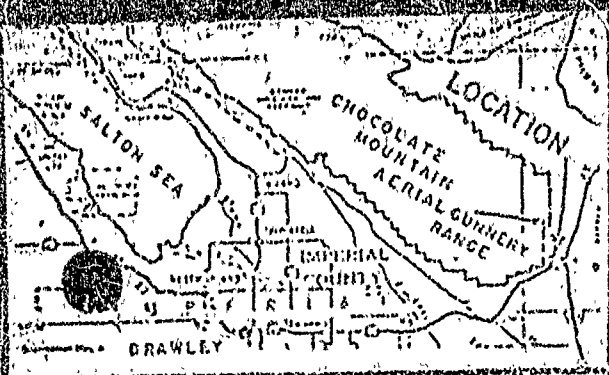
Application for Prospecting Permit
by

American Copper & Nickel Company Inc.

Section 36, T.12S., R.19E.

IMPERIAL COUNTY

JFS



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1676

Attachment A - Comments

(1) Type of drilling rig proposed?

Truck mounted - Becker CSR or equivalent

(2) Diameter of hole? Becker CSR "3 - 4"

Winkie Drill 1-7/8"

(3) Type of drilling mud?

Air and/or water depending on the drilling conditions.

(4) Proposed disposal of drilling mud and cuttings?

See paragraph 5 - Environmental Impact, page 3.

If conditions permit a small sump will be dug and on completion the fluid will be removed and the cuttings buried in the sump with the surface being restored as nearly as is practicable to its original condition. If necessary a portable sump or stock tank will be employed with the cuttings being dispersed on the surface, the total amount of cuttings will be minimal.

FEDERAL GRANT APPLICATION/AWARD NOTIFICATION										APPLICATION DATE yr mo day	
STATE OF CALIFORNIA STATE CLEARINGHOUSE (916) 445-0613										FEDERAL EMPLOYER	
1. APPLICANT - Organization Name State Lands Commission					4. ADDRESS - Street or P. O. Box 1807 - 13th Street, Sacto.					12. FEDERAL EMPLOYER	
6. CITY Sacramento		6. COUNTY Sacramento			7. STATE & ZIP CODE CA 95814		10. PROJECT TITLE (NO. INCLUDING ALL DOMESTIC AID)				
13. TYPE OF ACTION <input checked="" type="checkbox"/> New <input type="checkbox"/> Modification <input type="checkbox"/> Continuation		14. TYPE OF CHANGE (Complete if 100% or 10% water or other)			15. <input type="checkbox"/> Increased Duration <input type="checkbox"/> Decreased Duration		16. <input type="checkbox"/> Other Budget Change <input type="checkbox"/> Cancellation		17. EXISTING FUNDING		
18. REQUESTED FUND START yr mo		19. FUND DURATION (Months)		20. EST. PROJECT START yr mo		21. EST. PROJECT DURATION (Months)		22. APPL. ANT TYPE		23. FUNDS AT RISK (For Domestic AID Only, Amt. of Incr. or Decr.)	
24. A. State		24. B. Interstate		24. C. Sub State Dist.		24. D. County		24. E. City		24. F. Other (Specify)	
25. BRIEF TITLE OF APPLICANT'S PROJECT Proposed Prospecting Permit for Uranium Ore										26. DESCRIPTION OF APPLICANT'S PROJECT (Purpose) Coring and swallow trenching, sample program to explore and assess the potential for uranium ore.	
27. AREA OF PROJECT IMPACT (Indicate City, County, State, etc.) East of Glamis, Imperial County										28. CONGRESSIONAL DISTRICT	
29. ENVIRONMENTAL ASSESSMENT REQUIRED By State/Federal Agency? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										30. CLEARINGHOUSE, S. TO WHICH SUBMITTED <input checked="" type="checkbox"/> State <input type="checkbox"/> Area Wide <input type="checkbox"/> None	
31. NAME/TITLE OF CONTACT PERSON Ted T. Fukushima					32. ADDRESS - Street or P. O. Box 1807 - 13th Street, Sacramento, CA					33. TELEPHONE NO. 916 322-78	
34. ENVIRONMENTAL DOCUMENT REVIEW REQUIRED YES/NO <input type="checkbox"/> YES <input type="checkbox"/> NO										35. PROJECT LOCATION	
36. ENVIRONMENTAL IMPACT STATEMENT (Report) Attached 120 copies										37. PROJECT LOCATION	
38. Negative Declaration Attached (20 copies)										39. PROJECT LOCATION	
39. None attached - Document Will Be Forwarded On										40. PROJECT LOCATION	
41. Approximately										42. PROJECT LOCATION	
43. Federal Program Does Not Require An Environmental Document										44. PROJECT LOCATION	
45. Project Exempt Under State Categorical Exemption, Class										46. PROJECT LOCATION	
ITEMS 32-35 TO BE COMPLETED BY CLEARINGHOUSE											
32. CLEARINGHOUSE ID											
33. ACTION TAKEN											
34. STATE APPLICATION IDENTIFIER ISAN											
35. CLEARINGHOUSE IMPACT CODE											
36. STATE PLAN REQUIRED											
37. RECEIVING DATE AT CLEARINGHOUSE											
38. FINAL ACTION DATE											
39. SIGNATURE OF CH OFFICIAL											
ITEMS 39-42 TO BE COMPLETED BY APPLICANT & SENT TO FEDERAL AGENCY											
40. CERTIFICATION - The applicant certifies that to the best of his knowledge and belief the above data are true and correct and filing of this form has been duly authorized by the governing body of the applicant											
41. NAME (Print by Type)											
42. TITLE											
43. SIGNATURE of Authorized Representative											
44. TELEPHONE NUMBER											
45. DATE MAILED TO FEDERAL/STATE AGENCY											
46. NAME OF FEDERAL/STATE AGENCY TO WHICH THIS APPLICATION SUBMITTED											
ITEMS 45-48 TO BE COMPLETED BY FEDERAL OFFICE EVALUATING AND RECEIVING APPLICATION ON THE APPLICATION											
47. GRANT APPLICATION ID (Assigned by Federal Agency)											
48. GRANTOR AGENCY											
49. ORGANIZATIONAL UNIT											
50. ADMIN. TESTING OFFICE											
51. ADDRESS - Street or P. O. Box											
52. CITY											
53. STATE											
54. ZIP CODE											
55. TELEPHONE NUMBER											
ITEMS 55-58 TO BE COMPLETED BY THE FEDERAL OFFICE APPROVING THE GRANT APPLICATION											
56. FINAL ACTION											
57. FUNDS APPROVED (For Changes Show Only Amt. of Incr. or Decr.)											
58. FEDERAL AMOUNT IF Y (funds)											
59. STATE SHARE											
60. LOCAL SHARE											
61. OTHER											
62. TOTAL 58, 59, 60, 61											
63. TOTAL 58, 59, 60, 61, 62											
64. FEDERAL GRANT ID											
65. FEDERAL FUND ACCOUNT NUMBER											