

MINUTE ITEM

This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 3
0 at its 6-26-80
meeting.

CALENDAR ITEM

29.

6/80
W 40110
Smith
PRC 5861

PROSPECTING PERMIT FOR MINERALS
OTHER THAN OIL, GAS AND GEOTHERMAL

APPLICANT: U.S. Borax & Chemical Company
3075 Wilshire Blvd.
Los Angeles, California 90010

TYPE OF LAND, LOCATION AND AREA:
School land, NE $\frac{1}{4}$ & N $\frac{1}{2}$ Section 16, T.22N.,
R.7E., S.B.B.&M., Inyo County. East of
Highway 127 approximately 4 miles north
of Shoshone and 23 miles south of Death
Valley Junction.

PROPOSAL: To evaluate the potential for minerals
other than oil, gas and geothermal resources
within the subject land. The primary exploratory
objective is to determine if borates exist
in commercial quantities, and, if so, to
propose a plan for their extraction. Com-
mercial development would require further
approval of the Commission.

METHOD OF EXPLORATION:
To drill five to six rotary and/or core
holes, one in the NE $\frac{1}{4}$ and the balance in
the S $\frac{1}{2}$ of the Section, to a depth of approxi-
mately 500 feet and analyze the resultant
data to determine if a commercial ore body
exists.

PREREQUISITE TERMS:
1. Required statutory filing fee, permit
fee, and expense deposit have been
submitted by the applicant.

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2. The subject parcel is not known to contain commercially valuable deposits of minerals.
3. Royalty payable under any preferential lease issued would be 10% of the Gross Sales Revenues, less specific charges, as approved by the Commission and a minimum annual royalty of \$2,500 for the first five years and \$5,000 commencing with the sixth year of the lease.

APPROVALS OBTAINED:

Pursuant to Section 6890 of the Public Resources Code, the subject permit application has been approved by the Office of the Attorney General as to compliance with applicable provisions of the law.

The Commission staff in accordance with Article 10, Section 2905(b) of the Cal. Adm. Code, has conducted an initial study and has determined that the project will not have a significant effect on the environment. Therefore, in compliance with Section 2905(c) of the Cal. Adm. Code, a Negative Declaration was prepared and filed with the State Clearinghouse.

The Negative Declaration was circulated to responsible agencies and agencies having jurisdiction by law. No adverse comments were received to the initial study.

OTHER PERTINENT INFORMATION:

1. This project is situated on State land which has not been classified as possessing significant environmental values.
2. Pursuant to Public Resources Code Section 6895, the applicant would have a preferential right to a lease for a maximum of 160 acres embraced within the permit.

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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 THE NEGATIVE DECLARATION NO. 248 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CEQA OF 1970, AS AMENDED, AND THE STATE E.I.R. GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
5. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO U.S. BORAX AND CHEMICAL CORPORATION FOR A TERM OF 2 YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES ON THE NE $\frac{1}{4}$ AND THE S $\frac{1}{2}$ OF SECTION 16, T22N, R7E, SBB&M, INYO COUNTY, APPROXIMATELY 480 ACRES; 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 MATERIALS, EXTRACTED OR REMOVED FROM SAID PERMISES FOR SALE OR STOCKPILING SHALL BE 10% OF THE GROSS SALES REVENUE LESS SPECIFIC CHARGES, AS APPROVED BY THE COMMISSION, RELATED TO TRANSPORTING AND PROCESSING AS SET FORTH IN SAID PERMIT. THE ANNUAL MINIMUM ROYALTY WOULD BE \$3500 FOR THE FIRST FIVE YEARS AND \$5000 COMMENCING WITH THE SIXTH YEAR OF THE LEASE.

STATE OF CALIFORNIA

EDMUND G. BROWN JR., Governor

STATE LANDS COMMISSION

KENNETH CORY, Controller
 MIKE CURR, Lieutenant Governor
 MARY ANN GRAVES, Director of Finance



EXECUTIVE OFFICE:
 1807 - 13th Street
 Sacramento, California 95814

WILLIAM F. NORTHROP
 Executive Officer

EIR ND: 248

File Ref.: W 40110

Draft
 Final

NEGATIVE DECLARATION

Project Title: U.S. Borax & Chemical Corporation

Project Location: NE 1/4, S 1/2 Section 16, T.22N., R.7E.,
 SSB&M, Inyo County, 60 miles north of Baker
 on Highway 127

Project Description: Application for a prospecting permit to determine
 if the subject area contains a potential economic
 deposit of borates.

This NEGATIVE DECLARATION is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et. seq. of the Public Resources Code), the State EIR Guidelines (Section 15000 et. seq., Title 14, of the California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq., Title 2, of the California Administrative Code).

Based upon the attached Initial Study, it has been found that:

- the project will not have a significant effect on the environment.
- the attached mitigation measures will avoid potentially significant effects.

Contact Person: Ted Fukushima
 (916) 322-7813

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COMMENTS AND RESPONSES TO INITIAL STUDY

California Regional Water Quality Control Board
Lahonton Region

Comment:

1. What chemicals, if any, will be added to the drilling muds?

Response:

1. See General Description of the Project, page 2, paragraph 1. No chemicals will be added; a clay-base mud will be used.

Comment:

2. All drill cutting and drill muds should be contained in earth pits for evaporation and contoured to natural grade at completion of the project.

Response:

2. Again, see General Description of the Project, page 2, paragraph 1. Portable pits will be used.

Comment:

3. The initial study does not provide any information on the depth, quality, or occurrence of groundwater. Specifically, what measures will U. S. Borax take to prevent the degradation of groundwater if encountered during drilling operations?

Response:

3. There is no known groundwater data nor has any groundwater been encountered in the subject area. U. S. Borax has recently drilled several exploratory holes in the surrounding region and did not encounter any groundwater. It should be noted that in evaluating the borate potential of an area where borates are known to occur as in subject area (NW $\frac{1}{4}$ of Section 16) you will rarely encounter water, for if you did there would be no borates since borates are water soluble.

One may encounter small amounts of water in the shallow gravels, but this limited occurrence could not be classified as an aquifer. However, if formational water should be encountered it will be cemented off in accordance with good drilling procedures.

COMMENTS AND RESPONSES TO INITIAL STUDY

Native American Heritage Commission

Comment:

1. The existing Initial Study has not addressed the potential heritage consequences of the project.

Response:

1. The Regional Officer of the Office of Historic Preservation was consulted prior to the preparation of the Initial Study. He knew of no known historical or archaeological sites and the Department of Fish and Game reported no known rare or endangered biota within the subject area. For possible ethnographic and cultural values we are dependent primarily on the designated local Indian individuals and groups. These people were sent copies of the Initial Study and their comments were solicited. We received no reply from these sources.

Therefore, in view of the very limited scope of the project and the fact that expansion to commercial production will require further detailed environmental review, we believe that the need for additional documentation of Indian heritage resources is not warranted at this time.

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Mailing List

Department of Fish and Game Region 5
1416 Ninth Street
Sacramento, CA 95814

memo

Department of Forestry
1416 Ninth Street - Room 1506-17
Sacramento, CA 95814

memo

Department of Parks and Recreation
1200 K Street Mall
Sacramento, CA 95814

memo

Department of Transportation - District 9
1120 "N" Street
Sacramento, CA 95814

memo

Department of Water Resources
1416 Ninth Street
Sacramento, CA 95814

memo

Douglas Sherberne
Inyo County Planning Dept.
Planning Director
168 North Edwards
Independence, CA 93526

letter

Great Basin Unified APCD
873 N. Main Street - Suite 213
Bishop, CA 93514

letter
714-872-8211

Lahontan Regional Water Control Board
Region 6
P. O. Box 14367
So. Lake Tahoe, CA 95702

memo

Attention: Mr. Roy Hampson
Executive Officer

Blanche Shippentower
205 South Barlow Lane
Bishop, California 93514

letter

Raymond L. Stone
Big Pine Reservation
Bartel Road
Big Pine, California 93513

letter

Bishop Indian Tribal Council
P. O. Box 548
Bishop, California 93514

letter

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Ms. Laurie Wright
Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95814
(with Mailing List)

Native American Heritage Commission
1400 Tenth Street
Sacramento, CA 95814
Attn.: Mr. Steven Rios

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INITIAL STUDY

U. S. Borax & Chemical Corp.

1. Project and Its Location

An application has been made to the State Lands Commission by the U. S. Borax & Chemical Corp. to prospect for all minerals other than oil, gas and geothermal resources and, in particular, the applicant is looking for borate minerals in the NE $\frac{1}{4}$ and the S $\frac{1}{2}$ of Section 16, T. 22 N., R. 7 E., S.B.B.& M., Inyo County.

The 480-acre site, situated in the Resting Spring Range, is approximately 60 miles north of Baker on Highway 127, four miles north of Shoshone and 23 miles south of Death Valley Junction.

2. Statement of Objectives Sought by the Proposed Project

The objective is to core the said lands in an effort to determine if borates or any other minerals do occur in these portions of the section and, if so, to determine if it is economically feasible to mine the deposit.

3. General Description of the Project

The proposed exploration program tentatively calls for the drilling of five to six core holes to an approximate depth of 500'. One hole will be drilled in the NE $\frac{1}{4}$ while the balance will be drilled in the S $\frac{1}{2}$ of the section. For any exploratory drilling program to be successful the operator must have the flexibility to adjust the location of future drill holes based upon the subsurface information gained as the drilling progresses. For this reason holes may be added to or deleted from the program and the spacing modified. The applicant anticipates using a truck-mounted Mayhew 1500 drilling rig or equivalent. Collar diameter of the drill holes will be six inches, the core hole diameter three inches.

Drilling will be conducted by a crew of three - a driller, helper and geologist. Water will be trucked from Shoshone. The water truck and one pickup truck will comprise the supporting equipment. A clay mud (bentonite additive to fresh water) drilling fluid will be contained in a portable pit. When a hole is completed, the lower portion will be filled with drill cuttings, and from the surface to 50 feet below with cement. The balance of the cuttings, if any, will be discreetly disposed of on the ground surface and the drillsite returned, as nearly as practicable, to its prior condition. Once the drilling is commenced it may take from two to six months or longer to complete.

No roads or drillsite preparation will be needed in the south half of the section. In the NE $\frac{1}{4}$ some preparation may be needed to gain access to certain portions of the area; however, with careful site selection it is anticipated the existing roads will be adequate.

All work will be performed in conformity with the applicable laws and regulations. The applicant will advise the State Lands Commission of any significant deviation from this prospecting plan.

If a commercial, recoverable ore body is discovered, it is anticipated that it would have to be mined by underground methods. A production phase is not under consideration at this time and would be covered in detail in a separate E.I.R.

4. Description of the Environmental Setting.

The application area is located in the southern portion of the Amargosa Valley, on the southern flank of the Resting Springs Range, some three to four miles north of Shoshone, just east of Highway 127.

The area is classified as a desert environment, typified by low humidity, high/low temperature extremes and a low rainfall averaging three to five inches per year.

Regional Setting

The closest habitation is four miles to the south in the little desert community of Shoshone, which was formerly a railroad station on the defunct (1941) Tonopah & Tidewater Railroad. In those days Shoshone was a supply point for the regional mining activity, with Baker some 60 miles to the south being the nearest town.

Today Shoshone has few permanent residents left from the mining era and it has become an infrequent stop for tourists on their way to Death Valley. There is some very limited grazing activity in the lower Amargosa Valley, but the one thing that probably keeps Shoshone alive is the fact that it lies on the main ore-trucking route between Death Valley and the railhead at Dunn Siding.

Local Setting

The subject area of Amargosa Valley has been described as an alluvial filled trough between the Greenwater Range and the Dublin Hills on the west and the Resting Spring Range on the east. The elevation of the valley floor at Shoshone is around 1,560 feet; the average elevation of the section ranges from 2200+ feet to 3200+ feet in the NE $\frac{1}{4}$. Drainage is to the south and southwest, with the actual relief averaging about 50 feet per 1000 feet.

Since the early twenties the local environment of Section 16 has been mining. The Gertsley Mine in the NW $\frac{1}{4}$ of the section and the SW $\frac{1}{4}$ of adjoining Section 9 has been mined in various degrees since 1924. The mine, producing borate, is currently active on a curtailed production basis in the NW $\frac{1}{4}$ of Section 16. Surface structures are minimal, including a small crusher and bagging plant, small attendant sheds, mine tunnel entry and a trailer for the watchman. All mining to date has been underground. The mine site is readily accessible from Highway 127 but not too discernable to the eye from

this point. Mining has been limited to the NW $\frac{1}{4}$ of the section, with the ore body appearing to follow and possibly be limited by a northwest-southeast trending fault.

While the Resting Spring Range is a moderately high range, it is very rugged. The surface of the NW $\frac{1}{4}$ and W $\frac{1}{2}$ of SW $\frac{1}{4}$ is covered for the most part with volcanics (rhyolite) and is very steep. The S $\frac{1}{2}$ of the section is covered by a gently sloping alluvial fan.

Vegetation is sparse with a limited creosote habitat and some annual grasses. There are no known rare or endangered species of plants or animals on the subject section, nor are there any known landmarks of historical interest or known or potential archeological sites.

Water is nonexistent on the section, all water being trucked in from Shoshone where the source is in the Dublin Hills.

5 & 6. Assessment of Impact

The proposed operation and its impact upon the environment would be only slightly evident as a result of the exploration program. Existing trails on the section will be utilized. Some site location preparation may be necessary; however, they will require only a few hundred square feet of surface use and the land will be returned to its original condition as near as is practicable. The lower portion of the core hole will be filled with cuttings and the upper fifty feet with cement upon abandonment. Certain noise, dust and exhaust fumes are unavoidable, but these will be insignificant and will last only as long as the drilling.

7. Any Significant Environmental Effects Which Cannot Be Avoided If the Proposal Is Implemented

Any adverse effects such as noise, dust or fumes that result from the exploratory phase are unavoidable, but these will be of short duration since the drilling should not take more than two to three months. All equipment

used in the drilling will be removed when the project is completed. One or two drillsites may necessitate a certain amount of preparation in the form of leveling. Site preparation is expected to be minimal and such sites will be left in such a way as to minimize any evidence of prospecting activities.

8. Mitigation Measures Proposed to Minimize the Impact

Clay based drilling mud will be used and contained in portable tanks. Under permit rules and regulations of the State Lands Commission, the applicant agrees to perform all exploratory operations in a manner which shall be least detrimental to the environment and to conduct all operations in a workmanlike manner.

9. Alternatives to the Proposed Action

The most obvious alternative to the granting of this prospect is its denial and the mineral resource, if present, will remain undiscovered. However, mining, which is the dominant activity of the area, shall continue in the NW $\frac{1}{4}$ of the section.

10. Relationship Between Local Short-term Uses Of Man's Environment and the Maintenance and Enhancement of Long-term Productivity

The prospecting phase of the proposed operation will be of short duration and will have no local short-term impact. The discovery of a viable mineral resource would have certain long-term impacts on the environment and would be addressed in a separate E.I.R.

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

The project should not cause any irreversible environmental changes during this prospecting phase.

12. Growth-Inducing Impact of the Proposed Action

The exploration phase will have a negligible impact on the growth of the area because of its short duration and the limited number of people involved.

13. Energy Conservation

None for the exploration phase.

14. Organizations and Persons Consulted.

This study was prepared by the staff of the State Lands Commission using their expertise and information supplied by the applicant and consultation with the Department of Fish and Game and the Office of Historic Preservation.