MINUTE ITEM
This Calendar Item No. 23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 2
to 0 at its 9-24-80
meeting.

CALENDAR ITEM

23.

9/80
W 40050
Smith
PRC 5904

PROSPECTING PERMIT FOR MINERALS
OTHER THAN OIL, GAS AND GEOTHERMAL, KERN COUNTY

APPLICANT: Martin Trost & Associates
1301 Arapahoe
Golden, Colorado 80401

TYPE OF LAND, LOCATION, AND AREA:
School land, E½ NW¼, NW¼ SW¼ Section 36, T.10N., R.13W., SBB&M Kern County. 50 air miles north of the City of Los Angeles and 5 miles northwest of Rosamond, and 15 miles northwest of the City of Lancaster.

PROPOSAL: To evaluate the potential for minerals other than oil, gas, and geothermal resources within the subject parcel. The primary exploratory objective is to determine if uranium exists in commerical quantities, and if so, to propose a plan of extraction. Commercial development would require further approval of the Commission.

METHOD OF EXPLORATION:
To drill by truck-mounted drilling rig approximately 15 exploratory holes to a maximum depth of 1000 ft 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.

2. Subject parcel is not known to contain commercially valuable deposit of minerals.

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3. Royalty payable under any preferential lease issued shall not be less than 10% of the gross sales revenues, less specific charges as approved by the Commission.

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.

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. 264 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 COMMERCIALLY VALUABLE DEPOSITS OF MINERALS.

5. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO MARTIN TROST & ASSOCIATES FOR A TERM OF 2 YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES ON THE E½ NW¼ NW¼ SW¼ OF SECTION 36, T.10N., R.13W., SBB&M, KERN COUNTY, APPROXIMATELY 120 ACRES: IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALLY VALUABLE DEPOSITS FOR ANY AND ALL MATERIALS, EXTRACTED OR REMOVED FROM SAID PERMISES FOR SALE OR STOCKPILING SHALL NOT BE LESS THAN 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.

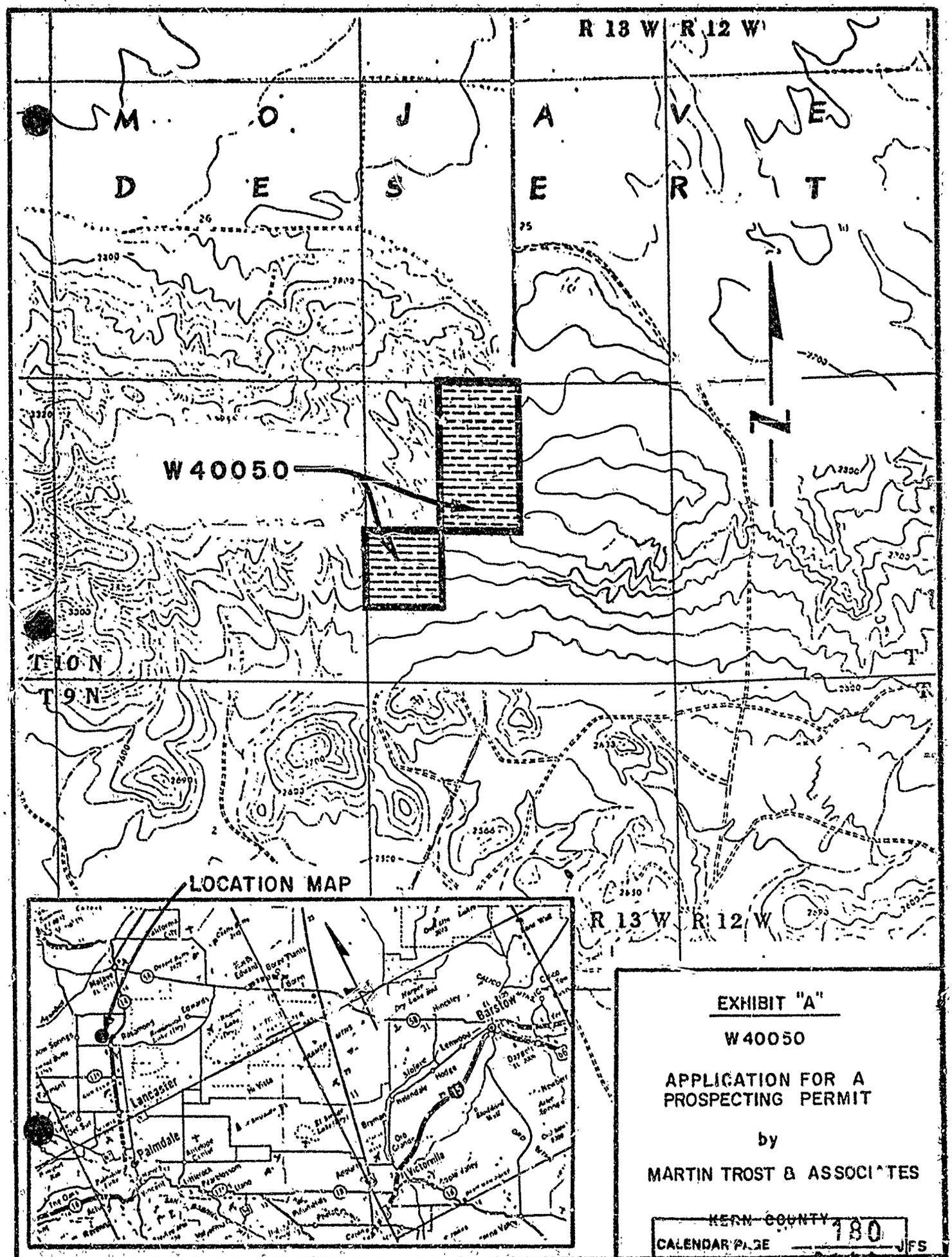

EXHIBIT "A"

W40050

APPLICATION FOR A PROSPECTING PERMIT

by

MARTIN TROST & ASSOCIATES

KERN COUNTY

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STATE OF CALIFORNIA

EXHIBIT "B"

EDMUND G. BROWN JR., Governor

STATE LANDS COMMISSION

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

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814

WILLIAM F. NORTHROP
Executive Officer

EIR ND 264

File Ref. W 40050

NEGATIVE DECLARATION

Project Applicant: Martin Trost & Associates

Project Location: E½ NW¼, NW¼ SW¼ Section 36, T.10N., R.13W., SBB&M, Kern County.

Project Description: Application for Prospecting Permit consisting of coring, sampling program to explore and assess the potential for uranium ore.

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. of California Administrative Code).

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

[X] the project will not have a significant effect on the environment.

[ ] the attached mitigation measures will avoid potentially significant effects.

Contact Person: Ted T. Fukushima
(916)322-7813

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Form 13.1 (10/79)

File Ref.: W 40050

February 23, 1979

INITIAL STUDY

ASHLAND URANIUM INC.

1. Project and Its Location.

An application has been made to the State Lands Commission to prospect for uranium and associated minerals on the E½ NW¼, NW¼ SW¼ Section 36, T. 10 N., R. 13 W., S.B.B.& M., Kern County. The application was filed by Mr. Steve Wagner on behalf of Ashland Exploration Inc., a Delaware Corporation. Mr. Wagner has assigned his interest in the application to Ashland Uranium Inc.

The 120 acre site is approximately 50 air miles north of the City of Los Angeles with the closest communities being Rosamond, 5 miles to the southeast and the City of Lancaster, 15 miles to the southeast.

2. Statement of Objectives Sought by the Proposed Project.

Objective is to conduct a mineral exploration program on the Permit lands to evaluate the commercial mineral potential of said lands and if such minerals do occur, 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 15 holes on 50 foot centers, 4-3/4" in diameter, to a maximum depth of 1000 feet. 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 could be added or deleted from the program and the spacing modified.

Cuttings from the drill hole will be examined and gama ray logs run on each hole drilled. It is planned that a truck mounted drilling

rig will be employed such as Midway Model 15 WS (or an equivalent rig). Such a rig weighs approximately 50,000 lbs. Drilling will be conducted on a 12 hr. shift per day with the crew consisting of a driller, 2 helpers and a geologist to supervise the operation. Attendant vehicles will include a water truck and a pipe truck. It is estimated that it will require 2 days to drill a hole and therefore the proposed drilling would take a minimum of 30 days to complete.

It is expected that compressed air will be used to force the drill cuttings to the surface, however, it subsurface conditions (such as fracture or water entry) prevent sample recovery by air, then drill mud or foam will be used to circulate the drill cuttings. If water is encountered then drilling mud will by necessity be used. The amount of mud or foam required will depend on the depth of the hole and subsurface conditions encountered. If the volume of drilling fluid permits, portable tanks will be used to contain the fluid. If larger volumes are required, back-hoe pits (width of the bucket) will be dug to contain the fluid. For each hole that requires this method, two pits will be necessary, one for circulation and one for disposal. After the drilling is completed, such pits will be allowed to dry and will then be back-filled. Areas in which significant vegetation may be disturbed will be reseeded as may be required. Each drill hole will upon abandonment be plugged with cement from the surface to a depth of 50 feet.

No roads or building site preparation is anticipated or planned unless necessary to physically gain access to a particular location. In the event that road building and/or site preparation is required, the applicant must first obtain approval from the State Lands Commission. All trash or debris from the exploration program will be removed from the property and 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.

There are no known archaeological sites within the prospect area. If a commercial recoverable ore body is discovered, a mining plan will be prepared by professional mining engineers and mine development will be conducted according to acceptable laws and regulations. The particular type of mining (e.g., in situ, open pit, underground, etc.) will be determined by the depth and extent of the ore body and such other relevant factors as are actually encountered on the prospect site.

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Should the exploration program lead to the development of a productive mine, an additional environmental impact report would be prepared to cover the production phase in detail.

4. Description of the Environmental Setting.

(a) The application area is located in Antelope Valley on the western edge of the Mojave Desert in Kern County. It is 50 air miles north of Los Angeles and 5 miles northwest of Rosamond. The climate of the area is arid with the temperatures ranging from a low of 12°F in the winter to 115°F in the summer. Annual precipitation averages from 5" to 8".

Regional Setting.

The major industries in the general project region are aerospace-aviation, irrigated agriculture and poultry production. The 328,000 acre Edwards Air Force Base containing the world's largest flight test center is approximately 16 miles to the east of the project area. The City of Los Angeles, Department of Airports is progressing with plans for an Intercontinental Airport near Palmdale some 25 miles to the southeast. This facility is expected to become operational during the 1980's. The urban community nearest the prospect area is the town of Rosamond with a population of approximately 2,500, located 5 miles to the southeast and the City of Lancaster with a population of 35,000 to 40,000 approximately 15 miles to the southeast.

Local Setting.

The Kern County Road 541T (Mojave-Tropico Road), a minor country road traverses the E½ of the NW¼, which is part of the prospect area. The county road extends from Rosamond Blvd., an east-west artery, to Silver Queen Road in the vicinity of Mojave. The Mojave-Tropico Road is reported to be included in the Scenic Highway element of the Kern County Master Plan.

Approximately two miles south of the proposed permit area along the Mojave-Tropico Road is the old Tropico Mine. Once known for its gold production, it is now operated as a tourist facility and also provides the closest residences to the prospect area.

There are no structures on or in view of the proposed site. The 120 acres are situated on the flanks of low hills, ranging in elevation from 2600 to 2800 feet. Creosote bush or Greasewood characterizes the sparse plant community in the

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project area. They are no rare or endangered species of plants, as classified by the California Native Plant Society, within the project area. No rare or endangered species of wildlife as classified by the California Fish and Game Commission are known to inhabit the immediate vicinity of the project area.

Some shallow pits and surface excavations lend evidence to a limited uranium activity of the 1950's. Between 1954 and 1957 the Verdi Development Company attempted to mine uranium in the approximate center of the section. Several tons of material were mined from 3 small pits and one adit and milled six miles to the northeast, however, no concentrate was sold. The mineralization was reported to have occurred along the Verdi Fault Zone which strikes 65° E and dips 55' NW. Meta-autunite and uranophane occurred as fracture coatings in granordiorite and in tuffaceous sedimentary rocks adjacent to the fault.

In recent years the local residents have used these pits and natural depressions as trash dumps which are quite visible. The only other known use of the area is for subdividing for desert land speculation. Recreation opportunities in the region are limited to target shooting and use of recreational vehicles.

(b) Water Quality Aspects.

Ground water level is probably in excess of 400 feet in depth and limited in supply. Exploratory drilling under the project permit will have no effect on water quality aspects of the project area. If water is encountered during drilling, the zone will be cemented off to prevent migration and possible contamination. Upon abandonment of the drill hole, it will be plugged with cement from the surface to a depth of 50 feet below the surface.

5. Assessment of Impact.

Since the proposed project is for exploratory purposes only, there will be no planning beyond the exploration program which was detailed in Section 3. There will be no acquisition and development unless a commercial ore deposit is discovered. Such production phase would be detailed in an additional environmental impact report.

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6. Significant Environmental Effects of Project.

There will be no significant environmental impacts from the proposed project.

A certain amount of noise will be generated at the site by the drilling activities, comparable to the noise of a large highway truck and trailer, however, because of the remoteness of the area, the only anticipated individuals in the area will be the drilling crew.

Any aesthetic or wildlife disruption will be minimal and short-lived since all equipment will be removed and no structures are contemplated. Department of Fish and Game has indicated that such noises have little if any effect on birds.

Air pollutants released into the air during the operation will be minimal and will not have a significant impact on the environment.

Dust will be held to a minimum and would only affect the drilling crew. Little or no site or road preparation is anticipated because of the portable nature of the rig and the overall gently rolling topography of the surface. If any such preparation is required it must first be approved by the State Lands Commission.

When a hole is completed it will be adequately plugged and cuttings dispersed to blend with the surface.

The activities conducted under the proposed prospecting permit-- and certainly any large-scale mining should commercial deposit be discovered-- could impair scenic values in the area, particularly those available to the users of County Road 541T. The same county road passes through the subject property in full view of several "junk yard type" disposal areas. It is quite possible that mining operations would be less unsightly and might even serve to clean up the problem.

Attention is drawn to the Tropico Gold Mine as a tourist attraction, however, it should be noted that the area is dotted with old mine workings. If one were to drive this route, it is highly probable the purpose would be to view the historical mine sites and not the natural features which are not spectacular. Much of the area is barren of vegetation, a type of terrain, typical of a desert mining environment.

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7. Any Significant Environmental Effects Which Cannot be Avoided if Proposal is Implemented.

Noise, dust and fumes may result from the exploratory phase, and while unavoidable they will be short in duration. All equipment will be removed from the area upon completion of the program. Certain biota will be destroyed or affected, especially if it is necessary to use back-hoe pits to contain the drilling fluid. Such pits, if needed, will be filled and if necessary the surface reseeded.

Time, wind and sand will eventually erase all traces of the exploratory program.

8. Mitigation Measures Proposed to Minimize the Significant Environmental Effects.

The applicant will be required by the State Lands Commission to perform all drilling and any drill site construction that may be needed under permit restrictions and the rules and regulations of the State of California.

Prior to any road construction or activity which involves denudation of vegetation, the applicant will consult with the State Air Resources Board and the Kern County Public Health Department for consultation on air quality problems and will abide by any stipulations they may propose.

The applicant will attempt to locate all installations so that they blend into the environment and when possible locate in areas that are inconspicuous to vehicles traveling on local roadways.

9. Alternative to the Proposed Action.

The obvious alternative to issuance of the permit is one of "no project". If a permit is not issued for the exploratory work, the existence or non-existence of a deposit cannot be verified. If a commercial deposit of ore is found, it must by its very nature be mined where it is found. Potential uranium locations in the State of California are very limited. No action, however, would not guarantee that the areas adjacent to the State property would not be developed for its mineral potential.

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 operation is expected to take about 30 days for the actual drilling of the test holes. Evaluation of the data may take an additional 60 days. The short-term exploratory program stands to benefit man in the long term if a potential ore deposit can be added to the much needed energy resources inventory. The development of a viable uranium industry will result in long term effects upon the environment. Population may be increased and services and facilities attendant to such an increase may be established. If the production phase were put into effect, such commercial operation would be addressed in detail in a separate environmental impact report.

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

It is not anticipated that the exploration program will result in any irreversible environmental changes.

12. The Growth-Inducing Impact of the Proposed Action.

No economic or population growth will occur due to the proposed prospecting. While exploration may expose a potentially productive ore body, it will not contribute to any significant population or economic growth in the general area until such time that the ore body is put into production.

13. Energy Conservation.

All operations under the permit will be carried out in a good and workmanlike manner.

14. Organizations and Persons Consulted.

This initial study was prepared by the Staff of the State Lands Commission. Primary source of data was supplied by the applicant, utilizing data from the Environmental Impact Report, "Proposed Dawn Project", prepared by the Antelope Valley East Kern Water Agency in March 1975. Additional information concerning endangered species of wildlife in the area was obtained from the U. S. Department of the Interior, Bureau of Land Management Desert Planning Staff in Riverside, California.

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Comments and Responses to Draft Initial Study

From: California Regional Water Quality Control Board, Lahonton Region.

Comment: We strongly urge that all liquid wastes be contained with portable tanks as described in the project proposal for low volumes of fluids.

Response: This was spelled out in the project description, paragraph 2, page 2 of the initial study and will be required under the permit.

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