MINUTE ITEM

This Calendar Item No. C18 was approved as Minute Item No. 18 by the State Lands Commission by a vote of 2 to 0 at its 2/9/82 meeting.

CALENDAR ITEM

C18

1/28/82

PRC 5771 PRC 5772
PRC 5773 PRC 5774
PRC 5775 PRC 5776
PRC 5777
Hart

APPROVAL OF EXTENSION OF PERMITS
TO PROSPECT FOR MINERALS
OTHER THAN OIL AND GAS
AND GEOTHERMAL RESOURCES, INYO COUNTY

PERMITTEE: Federal Resources Corporation
E. O. Larson, Agent
P. O. Box 806
Salt Lake City, Utah 84110

AREA, TYPE LAND AND LOCATION:
Approximately 3,727 acres vacant, non-contiguous school land situated in the Coso Range between Owens Lake and the Haiwee Reservoir, Inyo County, more particularly described in Exhibit "A".

MINERALS: Primarily uranium, as well as all other minerals other than oil, gas and geothermal resources.

TERMS OF EXTENSION:
February 1, 1982 through January 31, 1983.

PREREQUISITE ITEMS:
Application submitted by applicant.

Statutory fees have been submitted by applicant.

OTHER PERTINENT INFORMATION:
Seven prospecting permits, PRC 5771.2 through PRC 5777.2, were approved by the Commission on December 20, 1979, effective February 1, 1980. The permit granted the permittee an exclusive right for a period of two years to prospect for minerals other than oil and gas and geothermal resources. It was Federal Resources Corporation's intent to determine if uranium exists in commercial quantities and, if so, to then propose a plan for its extraction.

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No exploration work has been done to date on the subject prospecting permits due to the depressed state of the uranium market. The price per pound (Nuexco's Exchange Value) of uranium concentrate (U_3O_8) has steadily declined from $40 on January 31, 1980 to $23.50 on November 30, 1981.

The permittee is requesting a one-year extension of the seven permits in the hope that the uranium market will improve and, thereby, warrant exploration work expenditures on the subject parcels. There have been no other applications or inquiries for the parcels, to date.

Section 6891 of the P.R.C. provides that the Commission may, in its discretion, extend the term of any prospecting permit for a period not to exceed one year.

AB 884: N/A.

ENVIRONMENTAL IMPACT:

Pursuant to Section 6371 of the P.R.C., a Negative Declaration EIR No. 252 was prepared. The Negative Declaration was circulated and certified by the Commission on December 20, 1979, that the document was completed in accordance with CEQA. Certification included the determination that the proposed project would not have a significant effect on the environment. The project is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in use categories "A" and "B" which authorizes restricted and limited use. Based on comments received on Negative Declaration No. 252, the project as proposed will not have a significant effect upon the identified environmental values. Upon discovery of commercially valuable minerals, the preferential right to convert the permits into mineral extraction leases is subject to the preparation of an EIR covering the proposed lease operations and the discretion of the Commission after consideration of the material presented therein.

The Office of the Attorney General has previously advised that no EIR is required when the existing permit grants the right of renewal and the proposed renewal terms and conditions do not alter the general concept or mode of operations of the existing permit.

EXHIBITS: A. Location Description.
B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. PURSUANT TO SECTION 6891 OF THE P.R.C., AUTHORIZE THE EXTENSION THROUGH FEBRUARY 1, 1983, OF PROSPECTING PERMITS 5771.2, 5772.2, 5773.2, 5774.2, 5775.2, 5776.2, AND 5777.2, ISSUED TO FEDERAL RESOURCES CORPORATION TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES; ALL TERMS AND CONDITIONS OF THE PERMITS ARE TO REMAIN IN FULL FORCE AND EFFECT.

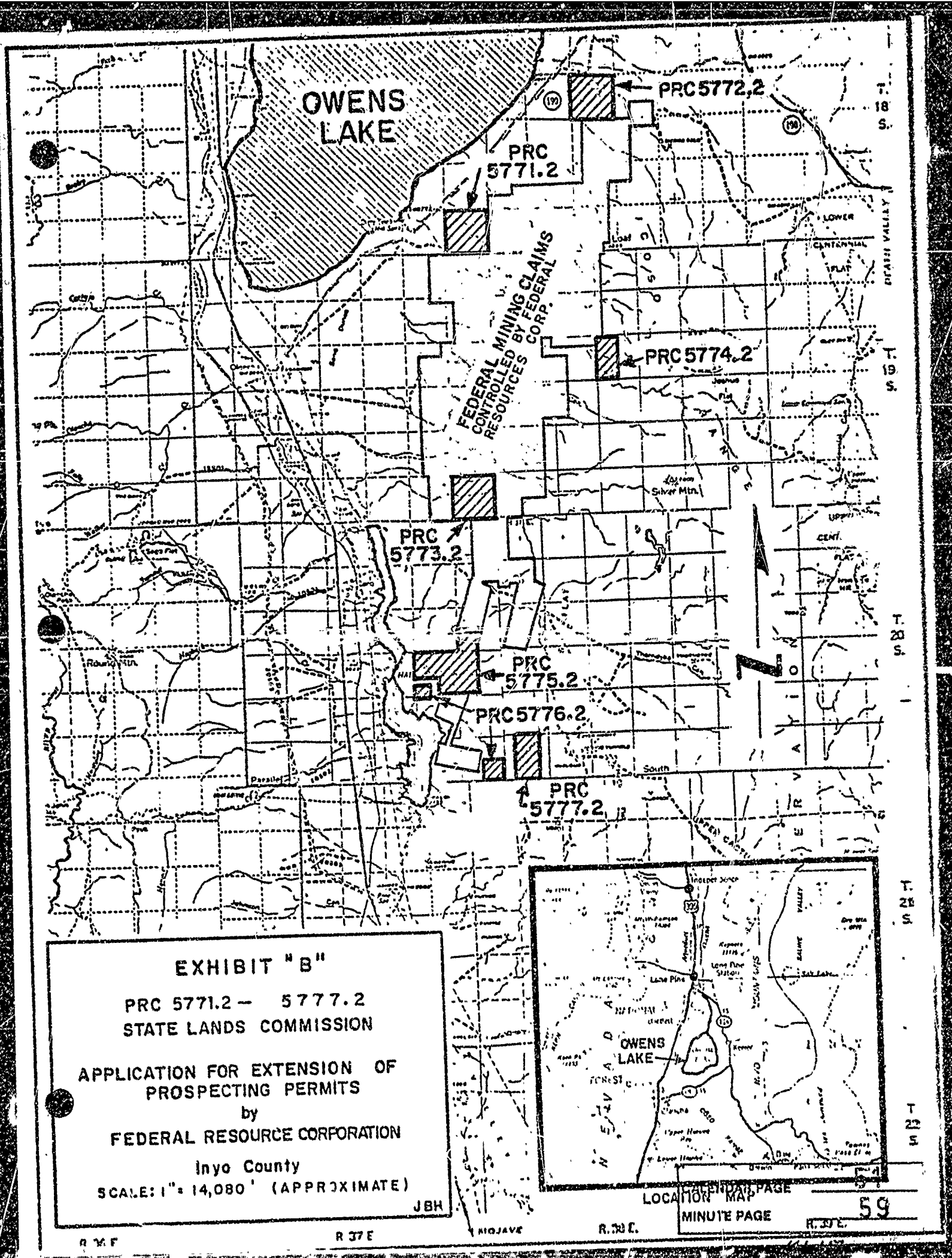
EXHIBIT "A"

EXTENSION OF MINERAL PROSPECTING PERMITS

PRC 5771.2 - PRC 5777.2

INYO COUNTY

PRC 5771.2	Section 36, T. 18 S., R. 37 E., M.D.M.
PRC 5772.2	Section 16, T. 18 S., R. 38 E., M.D.M.
PRC 5773.2	Section 36, T. 19 S., R. 37 E., M.D.M.
PRC 5774.2	W½ of Section 16, T. 19 S., R. 38 E., M.D.M.
PRC 5775.2	SW¼ of Section 13, T. 20 S., R. 37 E., M.D.M. N½ and SE¼ of Section 23, T. 20 S., R. 37 E., M.D.M. W½ of Section 24, T. 20 S., R. 37 E., M.D.M.
PRC 5776.2	SW¼ of SW¼ of Section 23, T. 20 S., R. 37 E., M.D.M. W½ of SE¼ and Lots 3 and 4 of Section 36, T. 20 S., R. 37 E., M.D.M.
PRC 5777.2	W½ of E½, E½ of SW¼, and E½ of NW¼ of Section 36, T. 20 S., R 37½ E., M.D.M.



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