

MINUTE ITEM

This Calendar Item No. 35
was approved as Minute Item
No. 35 by the State Lands
Commission by a vote of 4
to 0 at its 11/29/84
meeting.

CALENDAR ITEM

A 34

35

11/29/84

S 25

W 40416 PRC 5906
Hart

APPROVAL OF A PROSPECTING PERMIT FOR
MINERALS OTHER THAN OIL, GAS, GEOTHERMAL
RESOURCES, SAND AND GRAVEL, SAN BERNARDINO COUNTY

APPLICANT: Duval Corporation
4715 East Fort Lowell Road
Tucson, Arizona 85712

Agent: Mr. Joseph L. Kirby
4715 East Fort Lowell Road
Tucson, Arizona 85712

PROPOSED AUTHORIZATION:

Approval of a Prospecting Permit for two years
to prospect for borates and other valuable
minerals, other than oil, gas, geothermal
resources, sand and gravel on 269 acres of land
located in San Bernardino County.

CONSIDERATION: Filing fee of \$25, expense deposit of \$100 and
an acreage deposit of \$269.

TYPE OF LAND AND LOCATION:

Patented State school land with minerals
reserved to the State - SE 1/4 of NW 1/4, S 1/2
of NE 1/4, and SW 1/4, Sec 36, T8N, R5E, SBM,
San Bernardino County, 37 miles southeast of
Barstow.

PROPOSED PROJECT:

Duval Corporation will conduct fluid level
measurements, logging of thermal fluctuations,
and periodic sampling of well solutions (0.5
liters per sample) at three existing wells
(drilled and capped by the applicant under a
previous prospecting permit) to prospect for

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boron minerals. Any vehicle access shall be restricted to existing roads. No surface disturbance such as road construction, solar pond construction, trenching, blasting, clearing, or well drilling will be permitted.

Any proposed activity not authorized by this permit will not proceed without prior approval of a project amendment processed pursuant to the requirements of CEQA. If commercial mining operations are proposed, appropriate environmental documentation will be prepared and certified prior to issuing a mineral extraction lease.

TERM: The primary term of a Prospecting Permit is two years. The Commission may, in its discretion, extend the term for one additional year.

ROYALTY: Royalty payable under the permit shall be 20 percent of the gross value of the minerals secured from the permit area and sold or otherwise disposed of or held for sale or other disposition.

PREREQUISITE ITEMS:

1. Required statutory filing fee, expense deposit and acreage deposit have been submitted by the applicant.
2. Subject parcel is not known to contain a commercially valuable deposit of minerals.
3. Royalty payable under any preferential lease issued shall be a percentage, to be determined by the Commission, of the net profits derived from mineral extraction operations under the lease. The determination of said royalty shall be at the discretion of the Commission and set forth in said lease.

STATUTORY REFERENCES:

- A. P.R.C.: Div. 6, Section 6891.
- B. Cal. Adm. Code: Title 2, Section 2200.

AB 884: 12/16/84.

CALENDAR ITEM NO. 35 (CONT'D)

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exemption under Class 6, Information Collection, 14 Cal. Adm. Code 15306.

Authority: P.R.C. 21084 and 14 Cal. Adm. Code 15306.

2. Pursuant to P.R.C. Section 6895, upon establishing to the satisfaction of the Commission that commercially valuable deposits of minerals have been discovered within the limits of the permit, the applicant would have a preferential right to a lease for a maximum of 160 acres embraced within the permit. Said right shall be subject to all necessary environmental approvals. The issuance of the permit shall not affect the discretion of the Commission in granting or denying such lease because of environmental considerations.

APPROVALS OBTAINED:

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

EXHIBITS:

- A. Land Description.
- B. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION, 14 CAL. ADM. CODE 15306. THE PROJECT SHALL INCLUDE THIS PROSPECTING PERMIT AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE SAME PROJECT DESCRIBED IN THE PERMIT. ANY EXTENSION SHALL NOT EXCEED ONE YEAR.

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2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
3. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO DUVAL CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS, OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON THE SE 1/4 of NW 1/4, S 1/2 of NE 1/4, and SW 1/4, SEC 36, T8N, R5E, SBM, SAN BERNARDINO COUNTY, CONTAINING APPROXIMATELY 269 ACRES; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT, ROYALTY PAYABLE UNDER THE PERMIT SHALL BE 20 PERCENT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS SHALL BE A PERCENTAGE, TO BE DETERMINED BY THE COMMISSION, OF THE NET PROFITS DERIVED FROM MINERAL EXTRACTION OPERATIONS UNDER THE LEASE. THE DETERMINATION OF SAID ROYALTY SHALL BE AT THE DISCRETION OF THE COMMISSION.

EXHIBIT "A"

LAND DESCRIPTION

W 40416

A parcel of California State school lands in San Bernardino County, California,
described as follows:

S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and the SW $\frac{1}{4}$ of Section 36, T8N, R5E, SBM.

END OF DESCRIPTION

PREPARED OCTOBER 4, 1984, BY BOUNDARY AND TITLE UNIT.

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2785

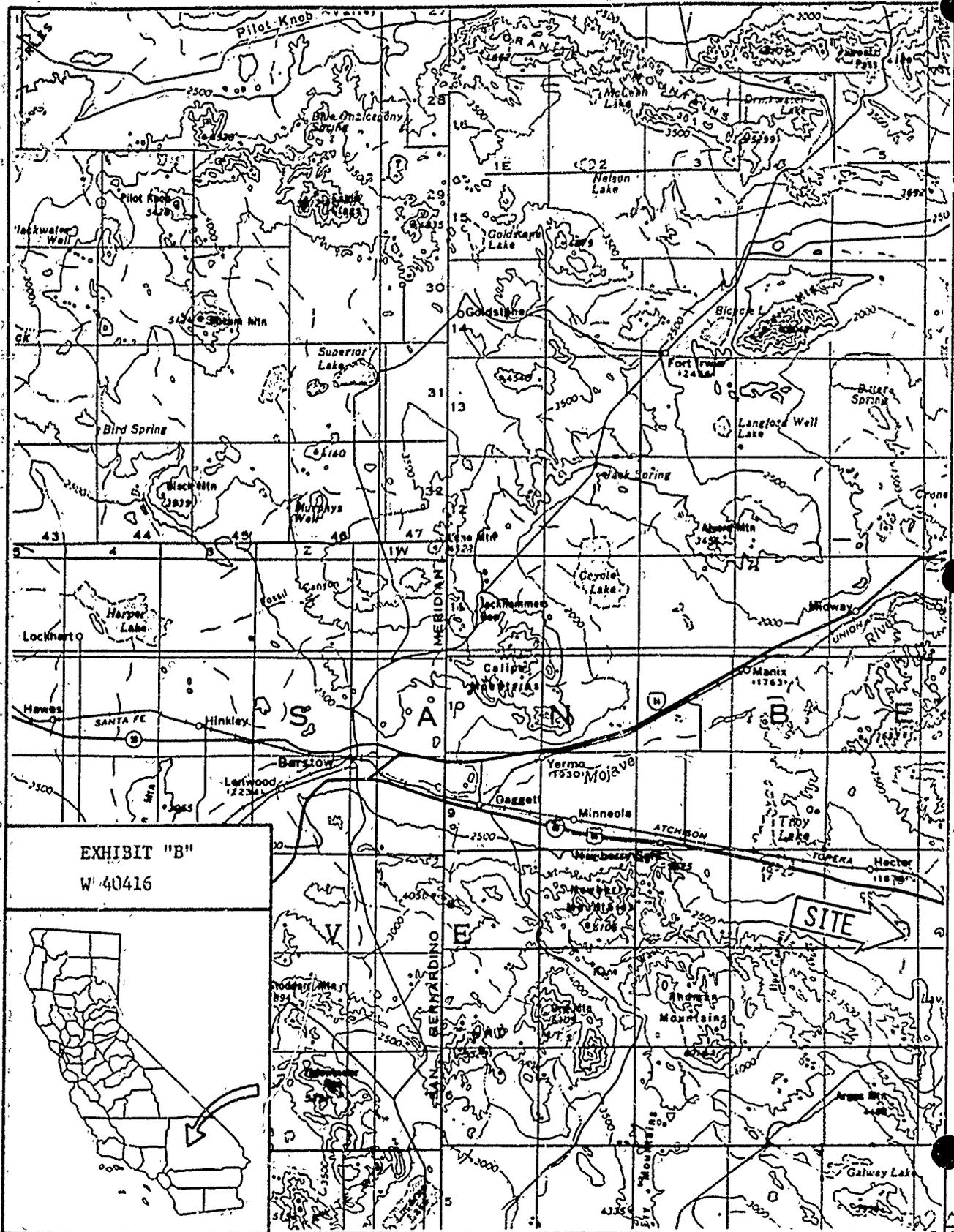


EXHIBIT "B"
W 40416

The inset map shows the state of California divided into counties. An arrow points from the southeastern part of the state, specifically to the area around the San Bernardino and San Diego counties, to the location of the main topographic map.