

MINUTE ITEM

This Calendar Item No. C20
was approved as Minute Item
No. 20 by the State Lands
Commission by a vote of 3
to 0 at its 4/24/86
meeting.

CALENDAR ITEM

A 68

C-20

04/24/86

S 36

W 40356 PRC 6478
Pelka

AMENDMENT OF APPROVAL
OF PROSPECTING PERMIT FOR MINERALS OTHER THAN
OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL,
RIVERSIDE COUNTY

APPLICANT: Charles Price
2615 Lawrence Avenue
San Bernardino, California 92404

PROPOSED AUTHORIZATION:
Amendment of approval of a Prospecting Permit
for two years to prospect for gold and silver
and other valuable minerals, other than oil,
gas, geothermal resources, sand and gravel, on
approximately 160 acres of land located in
Riverside County.

CONSIDERATION: Filing fee of \$25, expense deposit of \$100 and
an acreage deposit of \$160.

TYPE OF LAND AND LOCATION:
State school land - NW 1/4, Section 16, T7S,
R15E, SBM, Riverside County, 11 miles south of
Desert Center in the Chuckwalla Mountains.

PROPOSED PROJECT:
At the August 25, 1983 meeting, the Commission
approved the issuance of a prospecting permit
to Charles Price for the subject parcel of
State school land. The approved prospecting
activities included geologic mapping, rock chip
sampling, gamma ray emission surveying and
assaying of samples for gold, silver, copper
and lead. If the assays showed mineralization,
twelve holes were to be drilled up to 150 feet
deep in favorable areas. If the drilling

CALENDAR ITEM NO. C 20 (CONT'D)

results were positive an inclined shaft was to be driven to a depth of 70 feet to discover and delineate any possible orebody. Commission approval was contingent upon the applicants posting of a \$25,000 performance bond. The applicant in pursuing the \$25,000 bond, claimed the cost of such a bond would range from \$2,000 to \$3,750 for the term of the permit.

In addition, collateral of improved property was required, which the applicant did not possess. The applicant stated that even if he could obtain the bond, an expense of that size was not justifiable until some favorable assays were obtained. The staff was requested to reduce the scope of the project to the point that a bond would not be required. Negotiations with the applicant have resulted in a reduced project. The new project entails geologic mapping, and rock chip sampling with hand tools to a depth of one foot. If mineralization or positive indications of its presence are found, a survey of gamma ray emission levels with hand held meters will be conducted. The project site is accessible by walking and vehicles will not be used. The project site is not served by a road and one will not be constructed during the term of the prospecting permit.

It is the staff's opinion that such activities do not necessitate the requirement of a bond.

The Commission at the August 25, 1983 meeting certified that Negative Declaration No. 332 had been completed in accordance with CEQA for the original project. However, due to the length of lapsed time and the new project description, the staff believes a different CEQA treatment is warranted for the revised project. 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 exempt project. The project as amended is exempt under Class 6, Information Collection, 2 Cal. Adm. Code 2905(e)(3).

CALENDAR ITEM NO. C-20 (CONT'D)

Any proposed activity not authorized by the permit will not proceed without prior approval of a project amendment processed pursuant to the requirement of the 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 twenty 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 not be less than ten percent of the gross revenue, less specific charges, as approved by the Commission related to transporting and processing as set forth in said lease, or a percentage, to be determined by the Commission, of the net profits derived from mineral extraction operations under the lease.

STATUTORY REFERENCES:

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

CALENDAR ITEM NO. 680 (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 exempt project. The project is exempt under Class 6, Information Collection, 2 Cal. Adm. Code 2905(e)(3).

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 2 Cal. Adm. Code 2905.

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 the property 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.

AB 884: N/A.

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, 2 CAL. ADM. CODE 2905. 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.

CALENDAR ITEM NO. C 20 (CONT'D)

2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.

3. AUTHORIZE THE AMENDMENT OF THE PROSPECTING PERMIT TO CHARLES PRICE FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON NW 1/4, SECTION 16, T7S, R15E, S8M, RIVERSIDE COUNTY, CONTAINING APPROXIMATELY 160 ACRES, IN ACCORDANCE WITH THE CONDITIONS SET FORTH ABOVE IN THIS ITEM. 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 NOT BE LESS THAN TEN PERCENT OF THE GROSS VALUE OF ALL MINERAL PRODUCTION FROM THE LEASED LANDS, LESS ANY CHARGES APPROVED BY THE COMMISSION MADE OR INCURRED WITH RESPECT TO TRANSPORTING OR PROCESSING THE STATE'S ROYALTY SHARE OF PRODUCTION. THE DETERMINATION OF SAID ROYALTY AND CHARGES SHALL BE AT THE DISCRETION OF THE COMMISSION.

EXHIBIT "A"

LAND DESCRIPTION

W 40356

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

NW $\frac{1}{4}$ of Section 16, T7S, R15E, SBM.

END OF DESCRIPTION

PREPARED JULY 7, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

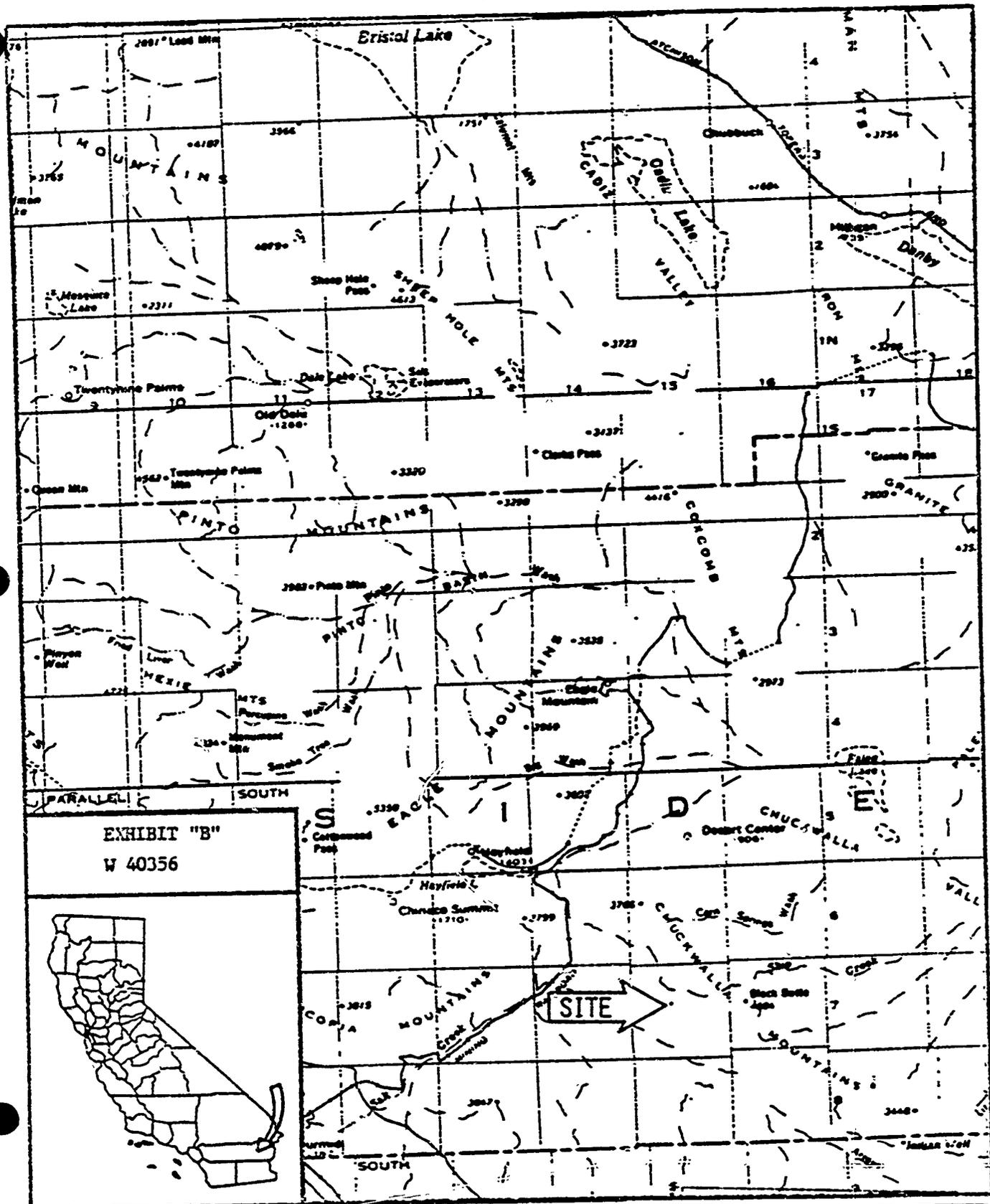


EXHIBIT "B"
W 40356

