

MINUTE ITEM

This Calendar Item No. 24
was approved as Minute Item
24 by the State Lands
Commission by a vote of 2
to 0 at its 8/25/86
meeting.

CALENDAR ITEM

A 61

24 1

08/28/86

PRC 6558

S 25

Schaefer

ACCEPTANCE OF QUITCLAIM DEED FOR
STATE PROSPECTING PERMIT PRC 6558,
SAN BERNARDINO COUNTY

LESSEE: Draco Mines - New Colosseum Mine
(Formerly California Gold Properties)
Attn: James E. Sharp, General Manager
1842 West Grant Road, Suite 102
Tucson, Arizona 85745

SUMMARY: Draco Mines - New Colosseum Mine (formerly
California Gold Properties) filed with the
State on June 20, 1986, a lease quitclaim
deed. Section 19 of State Mineral Prospecting
Permit PRC 6558 states that the lessee, Draco
Mines - New Colosseum Mine (formerly California
Gold Properties) (Mr. James E. Sharp) may at
any time make and file with the State a written
quitclaim or relinquishment of all rights under
this permit pursuant to P.R.C. Section 6804.1.
Such quitclaim or relinquishment shall be
effective as of the date of filing.

AREA, TYPE LAND AND LOCATION:
State mineral prospecting permit PRC 6558
contains approximately 400 acres of upland
lands in San Bernardino County, E1/2 of SE1/4,
N1/2, Section 16, T17N R13E, SBM.

LAND USE: Prospecting for valuable minerals.

TERM: The prospecting permit was issued effective
August 1, 1984 for a term of two years. The
permittee has requested quitclaim of the permit
effective June 20, 1986.

CALENDAR ITEM NO. 24 (CONT'D)

REASON FOR QUITCLAIM:

Budgetary constraints, a restructuring of the organization, including a name change and a depressed precious metals market caused a decision to streamline permit holdings. Although this permit is due to expire on August 1, 1986 it is the request of the permittee to terminate the permit at this time in order to release the letter of credit as soon as possible to alleviate cash flow problems.

PREREQUISITE ITEMS:

1. A quitclaim deed has been duly executed by the permittee and reviewed for legal sufficiency by the staff council.
2. An inspection of the State parcel was conducted by the staff.
3. All rental payments are current and no liability appears to exist on the permit.
4. No activity was reported on the permit. Therefore, as substantiated by the field inspection, original conditions remain as existed on the date the permit took effect as required by paragraph 18 of the permit.
5. There has been no assignment of the Permit, no purchase of assets nor any change in the partnership interests of the partnership. The partnership simply changed its name from California Gold Properties to Draco Mines - New Colosseum Mine to reflect its principal business activities in California.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C. Section 6804.1.
- B. Paragraph 19 of the permit.

OTHER PERTINENT INFORMATION:

1. A staff member of the State Lands Commission has inspected the permit area. No evidence of surface disturbance other than the staking of the corners of the permit area was observed.

CALENDAR ITEM NO. 24 (CONT'D)

2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that his activity is exempt from the requirements of the CEQA, because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 684: N/A.

EXHIBITS: A. Site Map.
B. Location Map.
C. Land Description.

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, BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. ACCEPT THE QUITCLAIM DEED OF PROSPECTING PERMIT PRC 6558, EFFECTIVE JUNE 20, 1986 BY DRACO MINES - NEW COLOSSEUM MINE (FORMERLY CALIFORNIA GOLD PROPERTIES).

EXHIBIT "A"

STATE LANDS COMMISSION

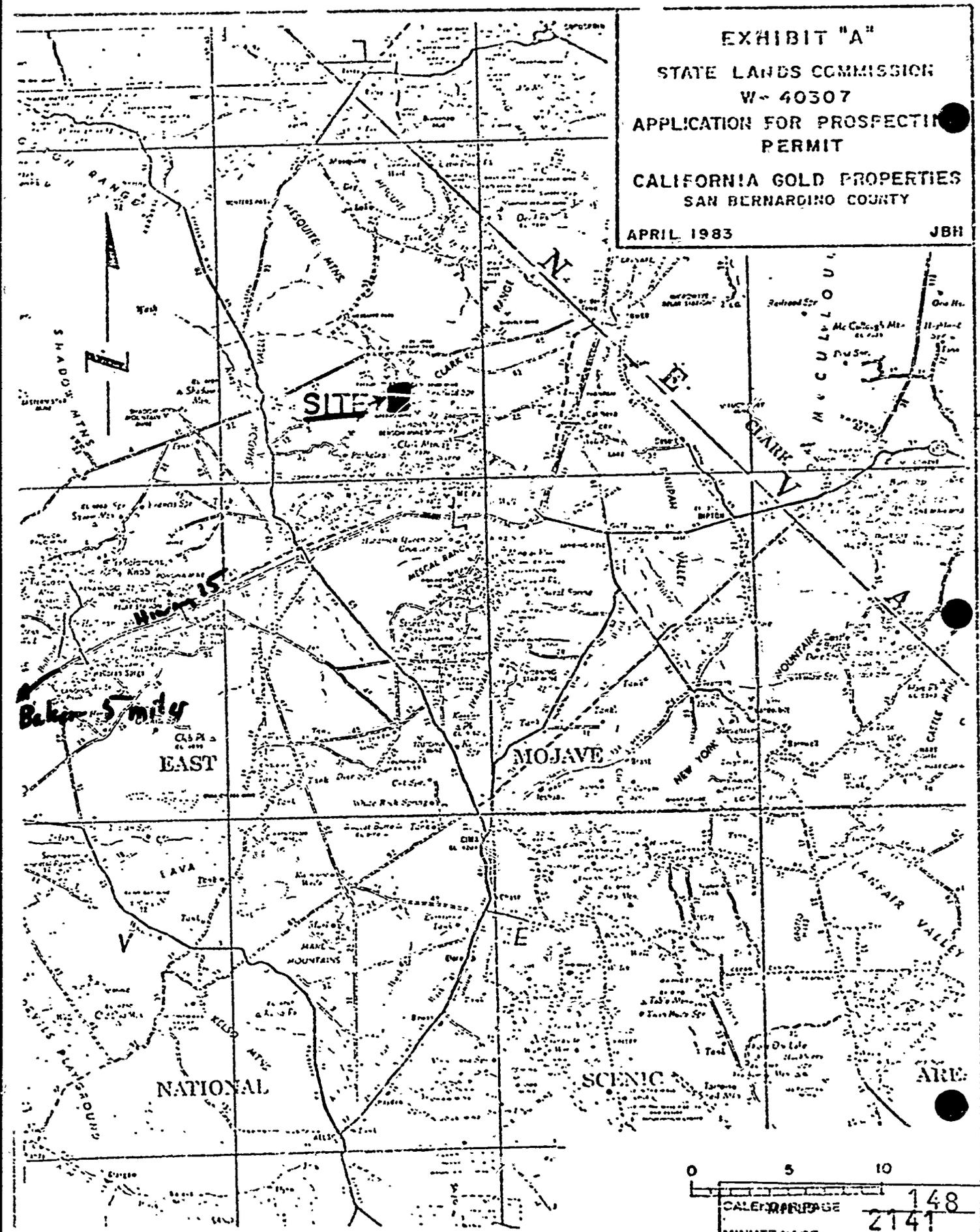
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APPLICATION FOR PROSPECTING
PERMIT

CALIFORNIA GOLD PROPERTIES
SAN BERNARDINO COUNTY

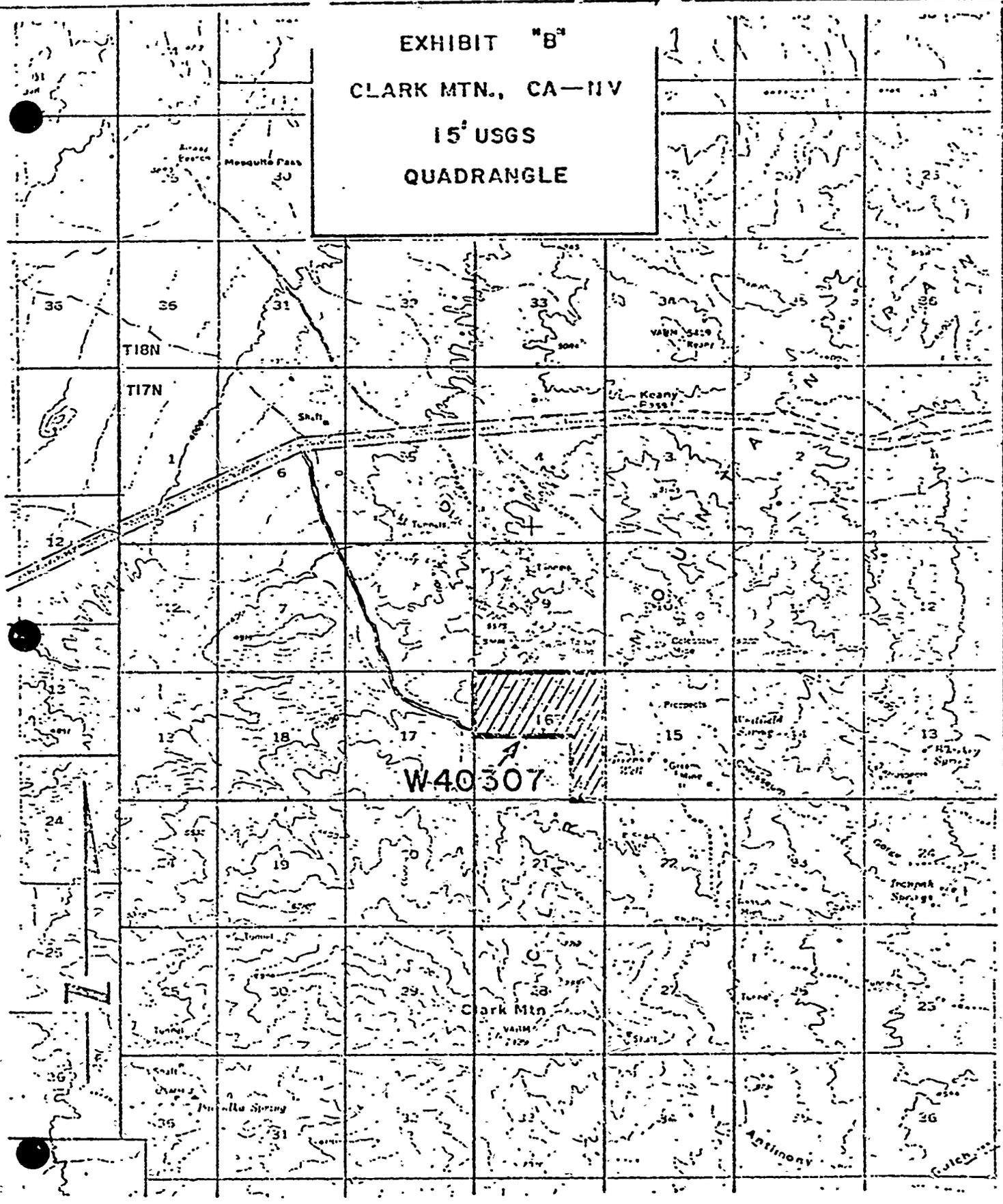
APRIL 1983

JBH



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EXHIBIT "B"
 CLARK MTN., CA—IV
 15' USGS
 QUADRANGLE



QUADRANGLE PAGE 149
 SHEET PAGE 2142

PRC 6558
Schaefer

EXHIBIT "C"

LAND DESCRIPTION

A parcel of California State School Lands in San Bernardino
County, California, described as follows:

E 1/2 of SE 1/4, and N 1/2 of Section 16, T17N, R13E, SBBM.

END OF DESCRIPTION

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2143