

MINUTE ITEM

This Calendar Item No. C16
was approved as Minute Item
No. 76 by the State Lands
Commission by a vote of 2
to 0 at its 4/23/87
meeting.

CALENDAR ITEM

A 61
S 25

C16

04/23/87
W 40513
Pelka
PRC 7065

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

APPLICANT: Homestake Mining Company
of California
650 California Street
San Francisco, California 94108

AGENT: Alan D. Cox
Homestake Mining Company
of California
P. O. Box 10628
Reno, Nevada 89510

PROPOSED AUTHORIZATION:
Approval of a prospecting permit to prospect
for precious metals, base metals, and other
valuable minerals, other than oil, gas,
geothermal resources, sand and gravel on
632.28 acres of land, located in San Bernardino
County.

CONSIDERATION: Filing fee of \$25, processing fee of \$250 and
acreage deposit of \$633 has been received.

AREA, TYPE LAND AND LOCATION:
State school land, Section 16, T15N R14E, S6M,
San Bernardino County, located in the central
Ivanpah Mountains.

PROPOSED PROJECT:
Homestake Mining Company of California proposes
to prospect for precious and base metals by
performing geologic mapping and rock chip
sampling. Rock chip samples will be extracted

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by utilizing hand held picks and hammers. Geologic mapping will be performed by a geologist on foot. All rock chip samples will be taken off site for analysis.

Any vehicle access will be restricted to existing roads and jeep trails. No surface disturbance such as road construction, trenching, blasting or clearing will be permitted.

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.

Royalty payable under any preferential lease issued 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 charges shall be at the discretion of the Commission and set forth in said lease.

PREREQUISITE ITEMS:

1. Required statutory filing fee, processing fee and acreage deposit have been submitted by the applicant.
2. Subject parcel is not known to contain a commercially valuable deposit of minerals.

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STATUTORY REFERENCES:

A. P.R.C.: Div. 6, Section 6891.

B. Cal. Adm. Code: Title 2, Section 2200.

AB 884.

05/30/87.

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. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370 et. seq.. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed is consistent with its use classification.

3. 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 632.28 acres embraced within the permit. Said right will be subject to all necessary environmental approvals. The issuance of the permit will not affect the discretion of the Commission in granting or denying such lease because of environmental considerations.

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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. COD. 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION, 2 CAL. ADM. CODE 2905(e)(3). 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.
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 HOMESTAKE MINING COMPANY OF CALIFORNIA FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON SECTION 16, T15N R14E, SBM, SAN BLRNARDINO COUNTY, CONTAINING APPROXIMATELY 632.28 ACRES; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. 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 40513

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

Section 16, T15N, R14E, SBM

END OF DESCRIPTION

PREF RED FEBRUARY 3, 1987 BY BOUNDARY SERVICES UNIT, M. L. SHAFER,
SUPERVISOR.

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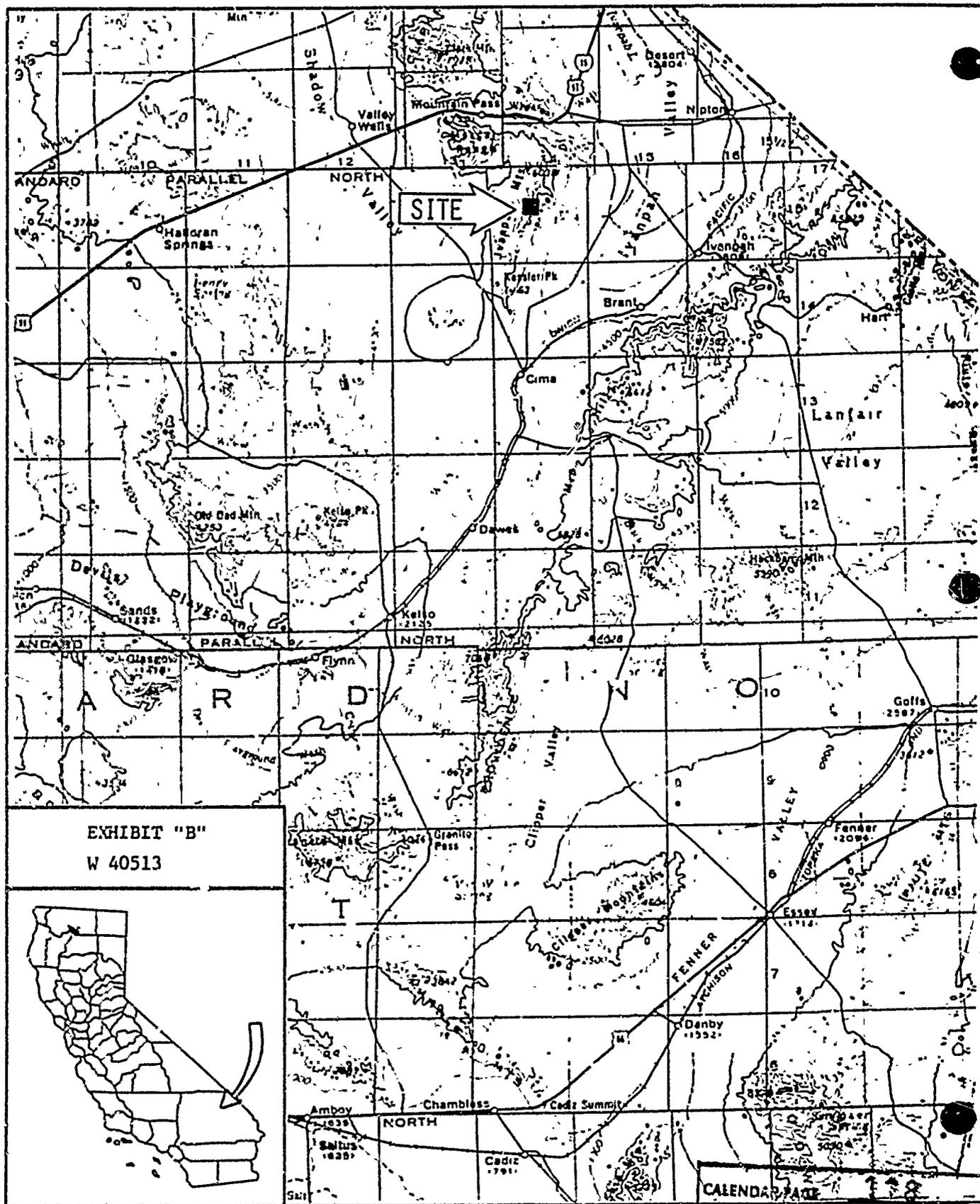


EXHIBIT "B"
W 40513



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