MINUTE ITEM

22

11/19/87
W 40530
Kruger

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

Calendar Item 22, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 22.

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CALENDAR ITEM

A 34

22.

11/19/87
W 40530
Kruger

S 25

APPROVAL OF A PROSPECTING PERMIT FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOJRCES, SAND AND GRAVEL
INYO CCUNTY

APPLICANT: United States Borax
and Chemical Corporation
3075 Wilshire Blvd.
Los Angeles, California 90010

AGENT: Michael H. Rauschkolb
United States Borax
1802 W. Grant Road, Suite 108
Tucson, Arizona 85745

PROPOSED AUTHORIZATION:
Approval of a prospecting permit for precious metals and valuable minerals other than oil, gas, geothermal resources, sand and gravel on 640 acres of State property, more or less, located in Inyo County.

CONSIDERATION:
Filing fee of $25, processing fee of $250 and an acreage deposit of $640, for a total of $915.

TYPE OF LAND AND LOCATION:
Vacant, State owned, school land further described as follows: Section 36, Township 24 North, Range 5 East, San Bernardino Base and Meridian, southeastern Inyo County.

PROPOSED PROJECT:
U. S. Borax proposes to drill up to a maximum of five exploratory holes, six inches in diameter, to a maximum depth of 2,000 feet to search for gold, silver, lithium, clay, borates and valuable minerals other than oil, gas,

(ADDED 11/17/87)

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geothermal resources, sand and gravel. The drilling will be accomplished by a truck mounted drilling rig. Mud pits, four (4) feet wide by 10 feet long by eight (8) feet deep, may be required at each site. The drill holes will be sampled at ten feet intervals. Each sample will consist of two to five pounds of subsurface material, and will be assayed offsite. The total amount of excavated material, should all five holes be drilled to a total depth of 2,000 feet, is approximately 75 cubic yards.

SURFACE DISTURBANCE:

The proposed drill sites for this project will be located along existing desert washes and will not require levelling of an area. No drill sites will be located on desert pavement. Each proposed drill site will be about one-tenth (0.1) of an acre. The total surface disturbance for the proposed project is estimated to be one-half (0.5) acre. Road construction on State property will be restricted to the minimum required to insure safe access for personnel and equipment. Preparation of drilling sites with mechanized equipment is not permitted. No drilling sites shall be located on desert pavement. Clearing and smoothing with a grader in desert wash areas on State property will also be restricted to the minimum required to insure safety for personnel and equipment.

RECLAMATION:

Each drill site will be returned to its original condition to the extent feasible. Mud pits will be backfilled with drill cuttings upon completion of drilling and each site will be cleared of all trash and debris. Drill holes, if dry, will be abandoned by backfilling, from surface to total depth, each hole with drill cuttings. Upon abandonement, if casing cannot be removed, the casing shall be cut five feet below ground level and a 20-foot plug of impervious material shall be placed at the top of the hole. If water bearing strata is encountered, the permittee

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shall notify the Inyo County Health Department. Upon encountering water, a drilling mud of naturally occurring bentonite will be utilized. Drill holes penetrating water will be abandoned by placing a cement plug above the water zone and backfilling the remaining hole with drill cuttings.

If commercial mining operations are proposed, appropriate environmental documents will be prepared and certified prior to the issuance of a mineral extraction lease.

TERMS: 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 will be twenty percent of the gross value of the minerals secured from the permitted area, and sold or otherwise disposed of or held for sale or other disposition.

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.

3. 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 and charges 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. 14 Cal. Adm. Code: Title 2, Section 2200.

AB 884: 12/16/87.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has prepared and circulated for public review a proposed Negative Declaration identified as EIR ND 422, State Clearinghouse No. 87062923, pursuant to the provisions of the CEQA. A copy of this environmental document is attached as Exhibit "C".

   Based upon the initial study, the proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment (14 Cal. Adm. Code 15074[b]).

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

2. Pursuant to P.R.C. Section 6895, upon establishing to the satisfaction of the Commission that commercially valuable deposit of minerals have been discovered within the limits of the permit, the applicant will have a preferential right to a lease for a maximum of 640 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.

3. Permit shall provide for a performance bond or other security device of $6,000 in favor of the State.

(ADDED 11/17/87)

4. The permit lands are located within BLM Wilderness Study Area 147 near Death Valley National Monument. The surrounding lands are also within the lands which Senator Alan Cranston, by his "California Desert Protection Act" (S.7), seeks to make into a national park. Similar legislation has also been introduced by Congressman Levine (H.R.371) and Congressman Lehman (H.R.361 and H.R.729). Thus the permit lands, within two years, could be surrounded by either a federal wilderness area or by a national park. The State Department of Fish and Game expressed concerns about the issuance of this permit for these reasons and on grounds that full-scale mining will disrupt bighorn sheep habitat. If a permit is issued and if a commercial discovery is made, these concerns can be considered prior to any leasing and full-scale mining. The permit will specifically state that a lease may be denied for environmental reasons, including the inclusion of the surrounding lands in a federal wildlife area, national park or national monument.

ALTERNATIVES:

There appear to be at least three alternatives for consideration in this case:

1. Deny this and other applications for prospecting permits for areas contemplated under pending federal legislation for inclusion in a national park, national monument or wilderness area for five years or until a measure is enacted whichever comes first.

2. Approve the application for a prospecting permit with specific language added to the permit establishing clearly the Commission's concern over impacts on any proposed national park, monument or wilderness area, and reserving the right

not to approve a mineral lease if there are environmental concerns about the project's impacts on lands proposed for national reservation status.

3. Approve the application for a prospecting permit with specific language added that should a commercial discovery be made, the Commission would attempt to have the boundaries of any proposed federal park, monument or wilderness area adjusted to exclude the State lands. If successful, a mineral lease would be issued, otherwise no permit would be allowed.

Staff recommends alternative 2 or 3. Should the terms proposed be acceptable to the Applicant, the Commission would know with some certainty whether the State parcel contained valuable minerals. If it does not contain commercial amounts, the matter ends. If it does, the Commission could then, using this information, seek a boundary adjustment which would permit development of the discovered minerals. Absent a boundary adjustment the information will be valuable in any subsequent exchange or purchase negotiated with the Department of the Interior for inclusion of the State parcel in the federal enclave.

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the subject permit application and form have 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.
C. Negative Declaration.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT NEGATIVE DECLARATION EIR ND 422, STATE CLEARINGHOUSE NO. 87062923, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN. 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 PROJECT, AS DESCRIBED IN THE PERMIT, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

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

4. AUTHORIZE THE ISSUANCE OF A MINERAL PROSPECTING PERMIT TO U. S. BORAX AND CHEMICAL CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON SECTION 36, T8S, R38E, MDB&M, INYO COUNTY, CONTAINING APPROXIMATELY 640 ACRES, MORE OR LESS; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT, SUBJECT TO THE UNDERSTANDING THAT IF A COMMERCIAL DISCOVERY IS MADE, THE LEASE MAY BE DENIED FOR ENVIRONMENTAL REASONS, INCLUDING THE INCLUSION OF THE SURROUNDING LANDS IN A FEDERAL WILDERNESS AREA, NATIONAL PARK, OR NATIONAL MONUMENT. ROYALTY PAYABLE UNDER THE PERMIT SHALL BE TWENTY PERCENT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALLY 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.

(ADDED 11/17/87)

EXHIBIT "A"

LAND DESCRIPTION W 40530

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

Section 36, T24N, R5E, SBM.

END OF DESCRIPTION

PREPARED JULY 6, 1987, BY BIU 1.

0513b

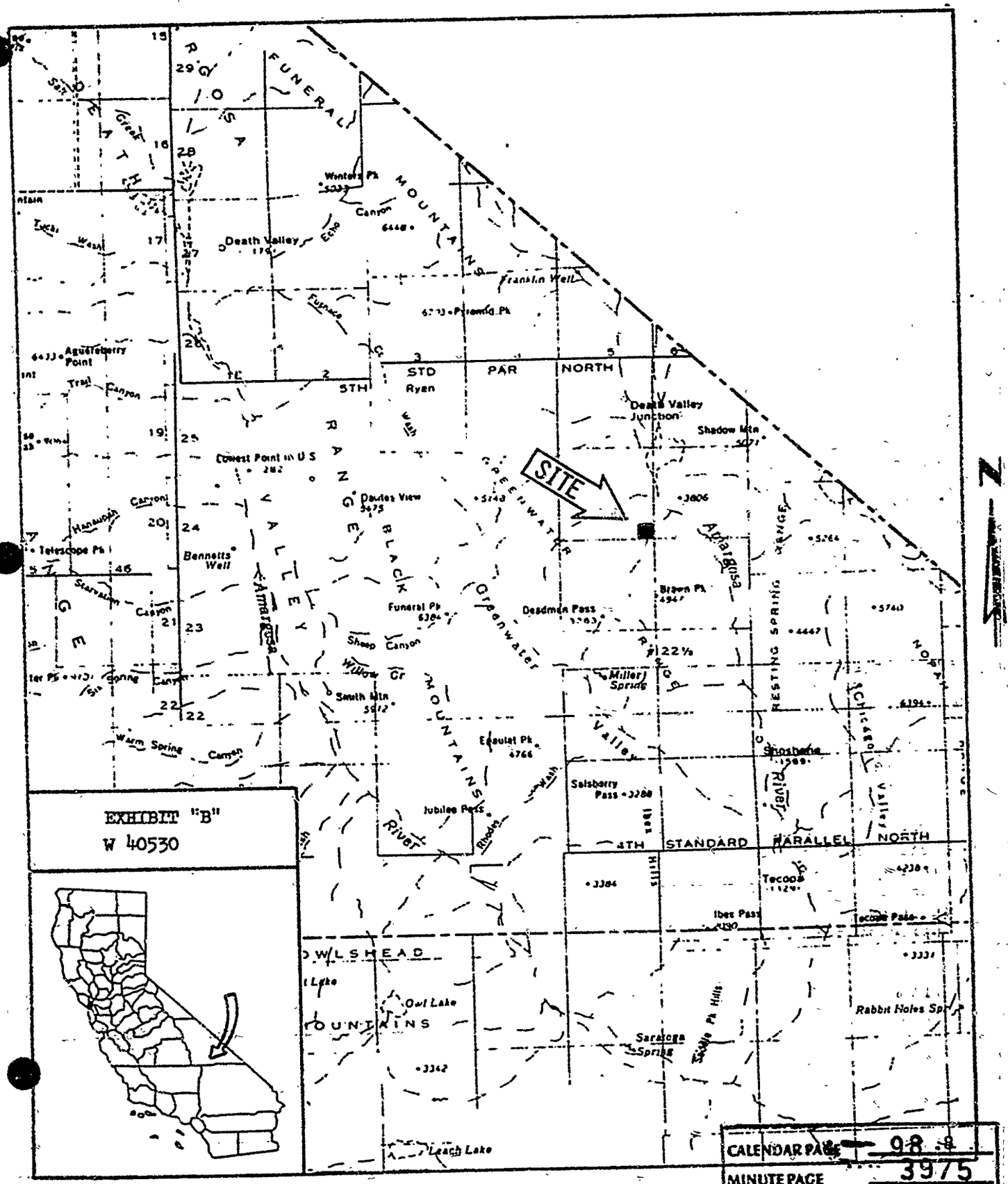

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EXHIBIT "C"

STATE OF CALIFORNIA
STATE LANDS COMMISSION

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814

Date: August 19, 1987

File Ref.: W 40530

SCH No.: 8706 2923

TO: E.L. Kruger-Long Beach

SUBJECT: Review of Negative Declaration Pursuant to Section 15073 of the State CEQA Guidelines (14 Cal. Adm. Code)

An application is currently being processed by the staff of the State Lands Commission for the following described project:

Project Title: "Lila Project" - Greenwater Range Area

Project Proponent: U.S. Borax and Chemical Corporation

Project Location: Section 36, T.24 N., R.5 E., S.B.M., approximately 10 miles south of Death Valley Junction, Inyo County.

Project Description: The proposed project consists of drilling up to a maximum of five exploratory holes, six inches in diameter, to a maximum depth of 2,000 feet. The drilling will be accomplished by a truck mounted drill rig such as a Failing 1500 or an equivalent. The drill holes will be sampled at approximately ten feet intervals. Two to five pound samples will be collected from the intervals for off-site assaying. The drill sites will be located along desert washes. Minor new road construction will be necessary for safe access for the drilling equipment and personnel. Teh exploratory holes will be properly abandoned upon completion of drilling.

A Negative Declaration has been prepared for the project pursuant to the requirements of Section 15070 of the State CEQA Guidelines and is attached for your review. Your comments are requested by September 21, 1987. Please address your comments to the State Lands Commission office shown above, with attention to the undersigned. Should you have any questions, you may call me at (916)322-7813. Your cooperation in this matter is greatly appreciated.

ATTACHMENT

Ted T. Fukushima
TED T. FUKUSHIMA
Division of Research & Planning

CALENDAR PAGE 98.9
MINUTE PAGE 3976

STATE LANDS COMMISSION
1807 13TH STREET
SACRAMENTO, CALIFORNIA 95814

PROPOSED NEGATIVE DECLARATION

EIR ND 422

File Ref.: W 40530

SCH#: 8706 2923

Project Title: "Lila Project" - Greenwater Range Area

Project Proponent: U.S. Borax and Chemical Corporation

Project Location: Section 36, T.24 N., R.5 E., S.B.M., approximately 10 miles south of Death Valley Junction, Inyo County.

Project Description:

The proposed project consists of drilling up to a maximum of five exploratory holes, six inches in diameter, to a maximum depth of 2,000 feet. The drilling will be accomplished by a truck mounted drill rig such as a Failing 1500 or an equivalent. The drill holes will be sampled at approximately ten feet intervals. Two to five pound samples will be collected from the intervals for off-site assaying. The drill sites will be located along desert washes. Minor new road construction will be necessary for safe access for drilling equipment and personnel. The exploratory holes will be properly abandoned upon completion of drilling.

Contact Person: TED T. FUKUSHIMA **Telephone:** (916)322-7813

This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Administrative Code).

Based upon the attached Initial Study, it has been found that:

[ ] the project will not have a significant effect on the environment.

[x] mitigation measures included in the project will avoid potentially significant effects.

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File: W 40530
SCH NO.: 87062923

MITIGATION MEASURES

Proposed for incorporation into the Project Description:

1. Road construction will be restricted to the minimum required to insure safe access for personnel and equipment.

2. Preparation of drilling sites with mechanized equipment is not permitted. No drilling sites shall be located on desert pavement.

3. If water-bearing strata is encountered, drilling permits must be obtained from the Inyo County Health Department, City Administration Center, Independence, California.

4. If mud pits are required at any drill site, each pit will have dirt berms to restrict wildlife entry. Mud pits shall be backfilled upon completion of work.

5. Vegetation will not be destroyed or removed from State property.

6. Surface disturbance will be kept to a minimum.

COMMENTS

State of California

Resources Agency

RESPONSES

Memorandum

To: E.L. Kruger
State Lands Commission
245 W. Broadway, Suite 425
Long Beach, CA 90802

Date: August 4, 1987

From: Department of Fish and Game - 245 W. Broadway, Suite 350, Long Beach

Subject: Consultation Pursuant to Public Resources Code Section 21080.3 Regarding W 40530, SCH 87062923

1 The exploratory drilling of five wells by U.S. Borax and Chemical Corporation is proposed on a parcel in the Deadman Pass area that lies within BLM Wilderness Study Area 147 in southeastern Inyo County. Thus, issuance of a permit to drill that could alter or result in large-scale mining operations would not be in keeping with the potential management objective of wilderness, should that alternative be adopted.

Section 36, Township 24N, Range 5E lies on almost a direct line between the Freewater Range and Eagle Peak. As such, it may be part of a mountain sheep movement corridor between those two massifs. While the exploratory drilling proposed may not of itself particularly disturb any present or future sheep movements, the development of large-scale mining operations with their associated noise and traffic are potentially of concern. The project proponent should be made aware of this potential conflict and advised to shift drilling activities further to the northwest to avoid a future conflict if production becomes warranted. Although that area would still be in the Wilderness Study Area, it will involve a determination by BLM as to the suitability of the activity.

2 We therefore recommend that a Focused EIR be prepared to address the potential conflict with BLM objectives for the adjoining areas as well as to provide adequate mitigation for direct impacts to a mountain sheep corridor.

Thank you for the opportunity to review and comment on this project. If you have any questions, please contact [illegible] of our Environmental Services staff at (213) 590-5137.

Bruce E. Sliman for
Fred Worthley
Regional Manager
Region 5

cc: V. Bleich

1 The issuance of a mineral prospecting permit to drill up to five exploratory holes will not automatically result in a large-scale mining operation. If economic quantities of minerals are found, the applicant must then file for a mineral lease. At that time, an environmental impact report will be prepared and circulated for review. The document and comments received thereto must be considered by the Commission prior to issuance of such lease.

2 With reference to Response No. 1, we believe a Negative Declaration is the appropriate environmental document for this proposed project.

COMMENTS

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Barstow Resource Area
150 Coolwater Lane
Barstow, CA 92311
(619) 256-3591

IN REPLY REFER TO:
8500 - WSA 147/F
(CA-068.42)

State Lands Commission
Attn: E.L. Kruger
245 West Broadway, Suite 425
Long Beach, CA 90802

Dear Mr. Kruger:

This letter is in response to your request we received on July 15, 1987 asking for comments regarding a mineral prospecting permit for U.S. Borax and Chemical Corporation (file ref: W40530). The proposed drilling activity would be on state land in southeastern Inyo County. Access would be required across public lands.

The site (T. 24N., R. 5E., Sec. 36, SBBM) is within the Greenwater Range WSA (CDCA #147). The BLM is required to manage the WSA to prevent impairment of wilderness values. Surface disturbing activities on the state land and access routes across public land have the potential to impair wilderness values. The criteria for nonimpairment may be found in the Interim Management Policy and Guidelines for Lands Under Wilderness Review (December 12, 1979, amended July 12, 1983). A copy of this policy was sent to you with a May 20, 1987 response from this office addressing other prospecting permits.

1 Authorization from BLM is required prior to access across public lands to site W40530. The contact person is Mark Davis or Ken Schulte (619) 256-3595.

2 In our opinion, a negative declaration can be issued for this project. However, in addition to the procedures contained in U.S. Borax's project description, the following stipulations are those that we would apply to public lands for the protection of wilderness values:

1. No improvement of existing routes of access.
2. No destruction of perennial vegetation.
3. No pad preparation.
4. Complete all activity by June 30, 1989 so as not to constrain the Secretary of the Interior in his recommendation to the President regarding the suitability of the area for inclusion in the wilderness system.

Compliance with the above stipulations would assure that wilderness values are protected.

Thank you for giving us an opportunity to comment on this proposal. If you have any questions, please feel free to contact Ken Schulte of this office.

Sincerely,

Alden Sievers

Alden Sievers
Area Manager

FILE PAGE 08.13
FILE PAGE 3980

RESPONSES

1 Applicant to be notified of BLM requirement.

2 Comment noted (see Mitigation Measures).

COMMENT

PLANNING DEPARTMENT
DRAWER L • INDEPENDENCE • CALIFORNIA 93526
(619) 878-2411 (Ext. 2263)

Roger DeHart
~~DIRECTOR A.I.C.P.~~
Planning Director

County of
INYO

RESPONSE

July 28, 1987

Mr. E. L. Kruger
State Lands Commission
245 West Broadway, Suite 425
Long Beach, CA 90802

Re: SCH #87062923

Dear Mr. Kruger:

Our Department has reviewed the Initial Study covering U. S. Borax's proposal to conduct mineral exploration on State lands south of Death Valley Junction in Inyo County.

We feel that from the information provided that a Negative Declaration would be the appropriate environmental document to prepare.

1 The only additional comment we wish to make at this time is that if water bearing strata is encountered drilling permits will have to be obtained from the Inyo County Health Department, Drawer H, Independence, CA, 93526, Attention Robert Kennedy.

Sincerely,

Roger De Hart

Roger De Hart
Planning Director

cc: Robert Kennedy (Health Department)
Robert Bremmer (5th District Supervisor)

1 See Mitigation Measures No. 3.

LANDAR PAGE 98.14
PRIVATE PAGE 3981

STATE OF CALIFORNIA—STATE LANDS COMMISSION

GEORGE DEUKMEJIAN *Governor*

STATE LANDS COMMISSION
245 WEST BROADWAY, SUITE 425
LONG BEACH, CALIFORNIA 90802
TELEPHONE: (213) 590-5201

File Ref.: W 40530

October 9, 1987

Pete Bontadelli
Department of Fish and Game
1416 Ninth Street
Sacramento, CA 95814

Subject: Negative Declaration Review of
Lila Project-Greenwater Range
SCH# 87062923

Dear Sir,

Enclosed is a further response to your letter of September 11, 1987.

Your comments are appreciated.

Sincerely,

E. L. KRUGER
Associate Mineral
Resources Engineer

Enclosure

CALENDAR PAGE 98.15
MINUTE PAGE 3982

Memorandum

COMMENTS

To :

1. Projects Coordinator
   Resources Agency

2. State Lands Commission
   1807 13th Street
   Sacramento, CA 95814

Date: September 11, 1987

From : Department of Fish and Game

Subject : "Lila Project" - Greenwater Range Area, W 40531. Inyo County - SCH 87062923

1 We have reviewed the Negative Declaration for the "Lila Project" (Greenwater Range Area) for drilling and sampling up to a maximum of five, six-inch diameter exploratory holes at a site ten miles south of Death Valley Junction. The piecemeal consideration of the "Lila Project" in two separate Negative Declarations for the Greenwater Range Area and the Eureka Valley Area does not meet California Environmental Quality Act Guidelines which require that cumulative impacts of the various components of the same project be analyzed in a single document.

2 The parcel owned by the State Lands Commission (SLC) is virtually an island surrounded on all sides by lands, presently under consideration by the Bureau of Land Management for inclusion in their Wilderness System. The "Lila Project" could conflict with the inclusion of adjacent lands into the Wilderness System inasmuch as active mining within the State Lands Area would require extension of roads through potential Wilderness Areas.

3 In regard to the Greenwater Range Area, we reiterate our concerns stated in our August 4, 1987 memorandum from Fred Worthley to E. L. Kruger of SLC. We look forward to reviewing the Draft EIR before the mineral leases are granted for the above area.

Thank you for the opportunity to review and comment on this project. If you have any questions, please contact Fred Worthley, Regional Manager of Region 5, at 245 W. Broadway, Suite 350, Long Beach, CA 90802-4467 or by telephone at (213) 590-5113.

RECEIVED SEP 17 CLEARS

Pete Bontadelli
Acting Director

RESPONSES

1. Refer to Item U.3. of the Environmental Checklist (page 16 of the Initial Study, the proposed project does not have impacts which are individually limited, but cumulatively considerable; Borax's Greenwater Range prospect is not necessarily the same project as the Eureka Valley prospect, about 100 miles north, and the two projects are not interdependent on each other.

2. Refer to attachment for responses to your 8/4/87 letter.

3. Refer to attachment for responses to your 8/4/87 letter.

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State of Cali

COMMENTS

The Resources Agency

Memorandum

RESPONSES

ALENDAR PAGE 98.17
MINUTE PAGE 3984

To E.L. Kruger
State Lands Commission
245 W. Broadway, Suite 425
Long Beach, CA 90802

Date August 4, 1987

From : Department of Fish and Game - 245 W. Broadway, Suite 350, Long Beach

Subject: Consultation Pursuant to Public Resources Code Section 21080.3 Regarding W 40530, SCH 87062923

1 The exploratory drilling of five wells by U.S. Borax and Chemical Corporation is proposed on a parcel in the Deadman Pass area that lies within BLM Wilderness Study Area 147 in southeastern Inyo County. Thus, issuance of a permit to drill that could alter or result in large-scale mining operations would not be in keeping with the potential management objective of wilderness, should that alternative be adopted.

Section 36, Township 24N, Range 5E lies on almost a direct line between the Freewater Range and Eagle Peak. As such, it may be part of a mountain sheep movement corridor between those two massifs. While the exploratory drilling proposed may not of itself particularly disturb any present or future sheep movements, the development of large-scale mining operations with their associated noise and traffic are potentially of concern. The project proponent should be made aware of this potential conflict and advised to shift drilling activities further to the northwest to avoid a future conflict if production becomes warranted. Although that area would still be in the Wilderness Study Area, it will involve a determination by BLM as to the suitability of the activity.

1. The issuance of a mineral prospecting permit to drill up to five exploratory holes will not automatically result in a large-scale mining operation. If economic quantities of minerals are found, the applicant must then file for a mineral lease. At that time, an environmental impact report will be prepared and circulated for review. The document and comments received thereto must be considered by the Commission prior to issuance of such lease.

2 We therefore recommend that a Focused EIR be prepared to address the potential conflict with BLM objectives for the adjoining areas as well as to provide adequate mitigation for direct impacts to a mountain sheep corridor.

2. With reference to Response No. 1, we believe a Negative Declaration is the appropriate environmental document for this proposed project.

Thank you for the opportunity to review and comment on this project. If you have any questions, please contact Kris Lal of our Environmental Services staff at (213) 590-5137.

Bruce E. Elsom for
Fred Worthley
Regional Manager
Region 5

cc: V. Bleich

File Ref.: W 40530
SCH No.: 87062923
Date: July 15, 1987

INITIAL STUDY

"Lila Project": T24N, R5E, Sec. 36 SBBM

Introduction

U. S. Borax and Chemical Corporation has applied to the State Lands Commission for a mineral prospecting permit on a State property in the Deadman Pass area of the east-central part of the Greenwater Range, about ten miles south of Death Valley Junction, California in southeastern Inyo County. When issued, the mineral prospecting permit will be in effect for a two year period, and may be extended for a maximum of one more year.

The proposed project consists of drilling up to a maximum of five, six-inch diameter exploratory holes to a total depth of 2,000 feet to explore for gold, silver, borates, lithium, clay and minerals other than oil and gas and geothermal resources. The drill sites will be located along desert washes.

This Initial Study consists of the following items:

1. Mailing List.
2. A small-scale map of the general vicinity of the project area.
3. A large-scale map of the immediate vicinity of the project area.
4. Project description.
5. Environmental setting.
6. Permittee's assessment of environmental impacts, discussion, mitigating measures and certification.
7. State Lands Commission's assessment of environmental impacts, discussion and additional mitigating measures.

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Mailing List - W 40530

Ann Geraghty
Air Resources Board
1131 S Street
Sacramento, CA 95814

Dennis O'Bryant
Department of Conservation
1416 Ninth Street, Rm 1326-2
Sacramento, CA 95814

Charlotte Oakes
Department of Health
714 P Street, Rm 1253
Sacramento, CA 95814

William A. Johnson
Native American Heritage Commission
915 Capital Mall, Rm 288
Sacramento, CA 95814

Hans Kreutzberg
Office of Historic Preservation
P.O. Box 942896
Sacramento, CA 94296

James M. Doyle
Department of Parks and Recreation
P.O. Box 942896
Sacramento, CA 94296

Ed Anton
State Water Resources
Control Board
Division of Water Quality
P.O. Box 100
Sacramento, CA 95801

Tom Dayak
Dept. of Transportation
Dist. 9
500 S. Main St.
Bishop, CA 94514

Fred A. Worthley, Jr.,
Regional Manager
Department of Fish & Game
245 W. Broadway, Suite 350
Long Beach, CA 90802

Ted Hilton
Inyo County Planning Department
City Administration Center
Independence, CA 93526

Ken Shulte
Bureau of Land Management
150 Coolwater Lane
Barstow, CA 92311

Verne Blake/Tom Blankenship
Department of Fish and Game
407 W. Line Street, Room 8
Bishop, CA 95614

Regional Water Quality
Control Board
15371 Bonanza Road
Victorville, CA 92392

Scott Simons
Sierra Club
P.O. Box 1062
Phelan, CA 92371

Bill Havert
Sierra Club
568 N. Mountain View Ave., Suite 130
San Bernardino, CA 92401

Jeff Sharpe
Sierra Club
14944 Luna Road
Victorville, CA 92392

Dr. Kristen Berry
California Desert District
1695 Spruce Street
Riverside, CA 92507

Evelyn St. Amant
Desert Tortoise Council
5319 Cerritos Avenue
Long Beach, CA 90805

Greg Ouellette
Western Mining Council
2051 Pacific Avenue
Norco, CA 91760

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Mailing List - W 40530 (Cont'd)

Michael H. Rauschkolb
U.S. Borax & Chemical Corporation
1802 W. Grant Road, Suite 108
Tucson, AZ 85745

Robert Collins
Deputy Attorney General
Office of the Attorney General
3580 Wilshire Blvd.
Los Angeles, CA 90010

Cheryl Coleman
Big Pine Reservation
P.O. Box 384
Bishop, CA 93513

Vernon Miller
Fort Independence Reservation
P.O. Box 67
Independence, CA 93526

Nedden Naylor
Lone Pine Reservation
P.O. Box 917
Lone Pine, CA 93545

Paul Chavez
Bishop Reservation
P.O. Box 548
Bishop, CA 93514

CALENDAR PAGE 98.20
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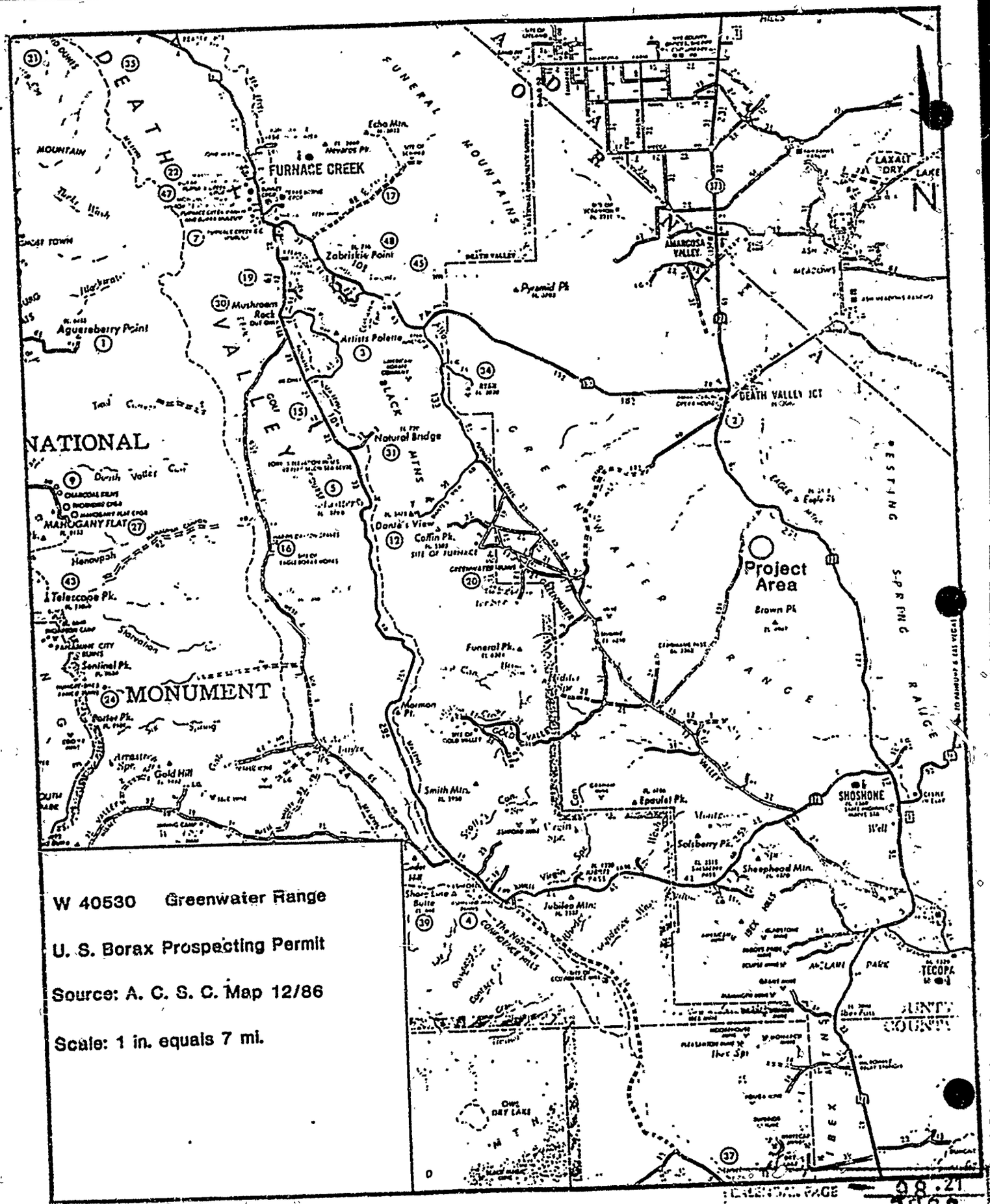

W 40530 Greenwater Range

U. S. Borax Prospecting Permit

Source: A. C. S. C. Map 12/86

Scale: 1 in. equals 7 mi.

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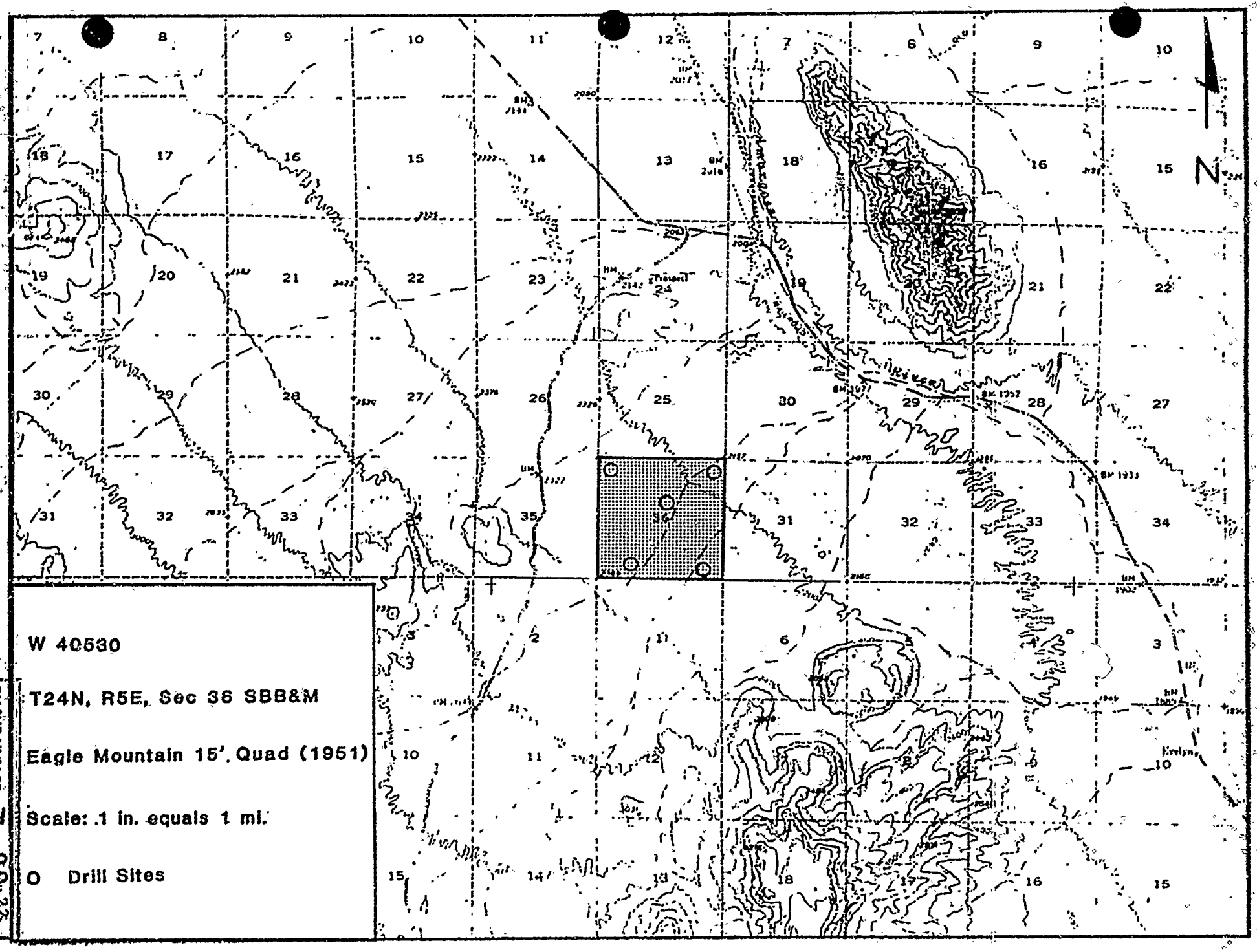

W 40530

T24N, R5E, Sec 36 SBB&M

Eagle Mountain 15'. Quad (1951)

Scale: .1 in. equals 1 mi.

O Drill Sites

CALENDAR PAGE 98-22
NUMBER 3989

File Ref.: W 40530
SCH No.: 87062923
Date: July 15, 1987

Project Description

1. U.S. Borax proposes to conduct mineral exploration in the permitted area by drilling up to a maximum of five exploratory holes, six inches in diameter, to a total depth of 2,000 feet.

2. The drill sites will be located along desert washes. These sites will not require leveling. No drill sites will be located on desert pavement.

3. Drilling will be accomplished by a truck mounted drill rig such as the Failing 1500 or an equivalent. Besides a truck mounted drill rig, accessory equipment will include a truck mounted water tank, a utility truck and trucks for personnel transport.

4. Drilling will be initiated with a percussion air unit and drilled to total depth unless water is encountered. Upon encountering water, a drilling mud will be utilized, and drilling will resume using standard rotary drilling techniques.

5. If a drilling mud is required, it will consist of naturally-occurring bentonite. If drilling encounters significant quantities of swelling clays, a polymer-based drilling mud will be utilized. Any chemical additives will be non-toxic and biodegradable.

6. A drilling mud pit will be required at each site with dimensions of 4 feet wide by 10 feet long by 8 feet deep, to hold any necessary drilling fluids and to retain drill cuttings. Each pit will have dirt berms to restrict wildlife access.

7. Mud pits will be backfilled and the area returned to its original contour upon completion of drilling.

8. The exploratory holes will be properly abandoned upon completion of drilling.

9. Drill holes will be sampled by a geologist at approximate ten feet intervals. Two to five pound samples will be collected from the intervals and taken off site for assaying of minerals.

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10. Each hole, if drilled to a total depth of 2,000 feet, amounts to the removal of a total of 15 cubic yards of material. Therefore, the maximum excavated volume for the entire project will be up to 75 cubic yards.

11. Only minor new road construction will be necessary to insure safe access for drilling equipment and personnel. Existing washes on the State section may be cleared and smoothed with a grader. Surface disturbance will be minimal.

12. The project area and the surrounding vicinity are designated "Open Space - 40 Acres" by the Inyo County Planning and Zoning Department. The surrounding area is used predominantly for mining. This parcel is in part being prospected because of its close proximity to the Lila "C" Mine which produced borates currently valued in excess of $50 million. The parcel is bounded entirely by the Bureau of Land Management Greenwater Range Wilderness Study Area (WSA-147).

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File Ref.: W 40530
SCH No.: 87062923
Date: July 15, 1987

Environmental Setting

A. Applicant's description of the project area as it exists before commencement of the proposed project:

The project area is a gradually sloping alluvial surface covered mainly by coarse sands, cobbles and boulders.

The project area is in a desert type of environment typified by extremes in temperature, and by low levels of humidity and precipitation.

Vegetation is primarily sagebrush and greasewood. According to BLM's California Desert Conservation Area Plan of 1980, there are no sensitive, rare, threatened or endangered plants or animals occurring in the project area.

There are no special cultural, historical or scenic aspects to the project area. There are no existing structures in the project area, and the only improvements are several graded dirt roads.

B. Applicant's description of the surrounding area:

The surrounding area is a gradually sloping alluvial surface covered mainly by coarse sands, cobbles and boulders.

The surrounding area is in a desert type of environment typified by extremes in temperature, and by low levels of humidity and precipitation.

According to BLM's California Desert Conservation Area Plan of 1980, there are no sensitive, rare, threatened or endangered plants or animals in the surrounding area.

There are no special cultural, historical or scenic aspects to the surrounding area. There are no existing structures in the surrounding area, and the only improvements are several graded dirt roads.

The surrounding area is currently being actively explored for gold and other minerals. At least five companies have exploration efforts in the area. Mining has been and continues to be the major land use.

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C. Statement of proposed waste disposal methods,

1. Liquid waste disposal: if the drill holes penetrate water-bearing strata, a cement plug will be placed above the water-bearing zone and the remainder of the hole will be backfilled with drill cuttings.

2. Solid waste disposal: drill cuttings and drilling mud will be retained in the mud pits on site, and upon completion of drilling the pits will be backfilled and the area returned to its original contour; sites will be cleaned of all trash and debris and trash containers will be used during drilling operations.

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APPLICANT'S ASSESSMENT OF ENVIRONMENTAL IMPACTS

All phases of a project, such as planning, acquisition, development and operation, shall be considered when evaluating its impact on the environment. Please answer the following questions by placing a check in the appropriate box. Discuss all items checked "yes" or "maybe" on additional sheet(s).

Will the project involve:

	YES	MAYBE	NO
1. A change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours?	[ ]	[ ]	[X]
2. A change in scenic views from existing residential areas or public lands or roads?	[ ]	[ ]	[X]
3. A change in pattern, scale or character of the general area of the project?	[ ]	[ ]	[X]
4. Significant effect on plant or animal life?	[ ]	[ ]	[X]
5. Significant amounts of solid waste or litter?	[ ]	[ ]	[X]
6. A change in dust, ash, smoke, fumes or odors in the vicinity?	[ ]	[X]	[ ]
7. A change in ocean, bay, lake, stream or ground water quality or quantity, or an altering of existing drainage patterns?	[ ]	[ ]	[X]
8. A change in existing noise or vibration levels in the vicinity?	[ ]	[X]	[ ]
9. Construction on filled land or on a slope of 10 percent or more?	[ ]	[ ]	[X]
10. Use or disposal of potentially hazardous materials such as toxic or radioactive substances, flammables or explosives?	[ ]	[ ]	[X]
11. A change in demand for municipal services (e.g., police, fire, water, sewage)?	[ ]	[ ]	[X]
12. Increase in fossil fuel consumption (e.g., electricity, oil natural gas)?	[ ]	[ ]	[X]
13. A larger project or a series of projects?	[ ]	[X]	[ ]

DISCUSSION

Item 6. Some dust will be present in the immediate vicinity of the drill rig during the actual drilling operation.

Item 8. Some noise will be present in the immediate vicinity of the drill rig during the actual drilling operation.

Item 13. In the event of a significant mineral discovery, an open pit or underground mine might be located on the parcel.

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APPLICANT'S PROPOSED MITIGATING MEASURES

1. Existing roads, trails and washes will be utilized for access to drill sites.

2. Vehicular traffic will be kept to a minimum and at a speed limit of 20 miles per hour.

3. Drill sites will be located along existing roads or in desert washes. No sites will be located on desert pavement.

4. Upon abandonment, if casing cannot be removed from the hole for any reason, the casing shall be cut 5' below ground level and a 20' plug of impervious material shall be placed at the top of the hole. Suitable impervious materials include neat cement, sand-cement grout, concrete and bentonite clay.

5. Access routes and areas of surface disturbance shall be inspected to determine if burrowing animals are present and would be adversely affected. If potential impacts could occur, prospecting activities shall be located where burrows and wildlife would not be adversely affected. The project operator should specifically avoid burrowing areas of the desert tortoise, a State protected species.

6. Diversion of the natural flow or changes in the channel, bed or banks of any river, stream, or lake will require notification to the Department of Fish and Game as called for in the Fish and Game code. This notification (with fee) and the subsequent agreement must be completed prior to initiating any such changes. Notification should be made after the project is approved by the lead agency.

7. Permittee shall perform all activities so as to minimize impact on vegetation. No vegetation may be removed.

CERTIFICATION

I certify that all information and materials furnished in this application are true and complete to the best of my knowledge and belief. I recognize that this application and the project it addresses are subject to all laws of the State of California, and the regulations and discretionary policies of the State Lands Commission.

Applicant: _____ Date: _____

Title: _____

Agent: [illegible signature] Date: May 6, 1987

Title: Land Agent, Land Department

STATE LANDS COMMISSION

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST – PART II

Form 13.20 (7/82)

File Ref.: W 40530

I. BACKGROUND INFORMATION

A. Applicant: U. S. Borax & Chemical Corporation
1802 N. Grand Road, Suite 108
Tucson, AZ 85745
(602) 884-8983

B. Checklist Date: 07 / 15 / 87

C. Contact Person: E. L. Kruger
Telephone: (213) 590-5201

D. Purpose: Prospect for gold, silver, borates, lithium, clay and minerals other than oil and gas and geothermal resources.

E. Location: Lila Project, Greenwater Range
T24N, R5E, Sec. 36 SBB&M

F. Description: Drill up to a maximum of five, six-inch diameter exploratory holes to a depth of 2,000 feet; drill sites will be located along desert washes.

G. Persons Contacted: None

II. ENVIRONMENTAL IMPACTS. *(Explain all "yes" and "maybe" answers)*

A. *Earth.* Will the proposal result in:

	Yes	Maybe	No
1. Unstable earth conditions or changes in geologic substructures?	☐	☐	☒
2. Disruptions, displacements, compaction, or overcovering of the soil?	☐	☒	☐
3. Change in topography or ground surface relief features?	☐	☐	☒
4. The destruction, covering, or modification of any unique geologic or physical features?	☐	☐	☒
5. Any increase in wind or water erosion of soils, either on or off the site?	☐	☒	☐
6. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet, or lake?	☐	☐	☒
7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?	☐	☐	☒

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	Yes	Maybe	No
5 In Will the proposal result in			
1 Substantial air emissions or deterioration of ambient air quality?			X
2 The creation of objectionable odors?			X
3. Alteration of air movement, moisture or temperature or any change in climate, either locally or regionally?			X
C. *Water* Will the proposal result in			
1. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters?			X
2. Changes in absorption rates drainage patterns, or the rate and amount of surface water runoff?			X
3 Alterations to the course or flow of flood waters?			X
4 Change in the amount of surface water in any water body?			X
5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity?			X
6 Alteration of the direction or rate of flow of ground waters?			X
7 Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?			X
8 Substantial reduction in the amount of water otherwise available for public water supplies?			X
9 Exposure of people or property to water related hazards such as flooding or tidal waves?			X
10. Significant changes in the temperature, flow or chemical content of surface thermal springs?			X
5 *Plant Life* Will the proposal result in			
1 Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)?			X
2. Reduction of the numbers of any unique, rare or endangered species of plants?			X
3 Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?			X
4 Reduction in acreage of any agricultural crop?			X
E *Animal Life* Will the proposal result in			
1 Change in the diversity of species or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)?			X
2. Reduction of the numbers of any unique, rare or endangered species of animals?			X
3 Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals?			X
4. Deterioration to existing fish or wildlife habitat?			X
F. *Noise.* Will the proposal result in:			
1. Increase in existing noise levels?			X
2. Exposure of people to severe noise levels?			X
G. *Light and Glare* Will the proposal result in:			
1. The production of new light or glare?			X
H. *Land Use.* Will the proposal result in.			
1. A substantial alteration of the present or planned land use of an area?			X
I. *Natural Resources.* Will the proposal result in			
1 Increase in the rate of use of any natural resources?			X
2. Substantial depletion of any nonrenewable resources?			X

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	Yes	Maybe	No
J. *Risk of Upset.* Does the proposal result in:			
1. A risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals, or radiation) in the event of an accident or upset conditions?	☐	☐	☒
2. Possible interference with emergency response plan or an emergency evacuation plan?	☐	☐	☒
K. *Population.* Will the proposal result in:			
1. The alteration, distribution, density, or growth rate of the human population of the area?	☐	☐	☒
L. *Housing.* Will the proposal result in:			
1. Affecting existing housing, or create a demand for additional housing?	☐	☐	☒
M. *Transportation/Circulation.* Will the proposal result in:			
1. Generation of substantial additional vehicular movement?	☐	☐	☒
2. Affecting existing parking facilities, or create a demand for new parking?	☐	☐	☒
3. Substantial impact upon existing transportation systems?	☐	☐	☒
4. Alterations to present patterns of circulation or movement of people and/or goods?	☐	☐	☒
5. Alterations to waterborne, rail, or air traffic?	☐	☐	☒
6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians?	☐	☐	☒
N. *Public Services.* Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:			
1. Fire protection?	☐	☐	☒
2. Police protection?	☐	☐	☒
3. Schools?	☐	☐	☒
4. Parks and other recreational facilities?	☐	☐	☒
5. Maintenance of public facilities, including roads?	☐	☐	☒
6. Other governmental services?	☐	☐	☒
O. *Energy.* Will the proposal result in:			
1. Use of substantial amounts of fuel or energy?	☐	☐	☒
2. Substantial increase in demand upon existing sources of energy, or require the development of new sources?	☐	☐	☒
P. *Utilities.* Will the proposal result in a need for new systems, or substantial alterations to the following utilities:			
1. Power or natural gas?	☐	☐	☒
2. Communication systems?	☐	☐	☒
3. Water?	☐	☐	☒
4. Sewer or septic tanks?	☐	☐	☒
5. Storm water drainage?	☐	☐	☒
6. Solid waste and disposal?	☐	☐	☒
Q. *Human Health.* Will the proposal result in:			
1. Creation of any health hazard or potential health hazard (excluding mental health)?	☐	☐	☒
2. Exposure of people to potential health hazards?	☐	☐	☒
R. *Aesthetics.* Will the proposal result in:			
1. The obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view?	☐	☐	☒
S. *Recreation.* Will the proposal result in:			
1. An impact upon the quality or quantity of existing recreational opportunities?	☐	☐	☒

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	Yes	Maybe	No
T. *Cultural Resources.*			
1. Will the proposal result in the alteration of or the destruction of a prehistoric or historic archeologic site?	[ ]	[ ]	[X]
2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object?	[ ]	[ ]	[X]
3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?	[ ]	[ ]	[X]
4. Will the proposal restrict existing religious or sacred uses within the potential impact area?	[ ]	[ ]	[X]
U. *Mandatory Findings of Significance.*			
1. Does the project have the potential to degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	[ ]	[ ]	[X]
2. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	[ ]	[ ]	[X]
3. Does the project have impacts which are individually limited, but cumulatively considerable?	[ ]	[ ]	[X]
4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	[ ]	[ ]	[X]

III. DISCUSSION OF ENVIRONMENTAL EVALUATION *(See Comments Attached)*

A2. Some displacement and compaction of surface material may result from minor clearing and smoothing of the desert washes while insuring safe access for drilling equipment.

A5. Some increase may take place in wind and water erosion of disrupted surface material in the desert washes used for access and drilling sites.

F1. The operation of a drilling rig and ancillary activities will temporarily increase existing noise levels.

Additional mitigating measures:

1. The permittee will notify the staff of State Lands Commission two weeks prior to commencing operations.

2. The permittee will notify the staff of State Lands Commission one week prior to completing operations.

IV. PRELIMINARY DETERMINATION

On the basis of this initial evaluation:

[ ] I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

[X] I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION will be prepared.

[ ] I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Date: 8 / 18 / 87

Jean Fukushima
For the State Lands Commission

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STATE OF CALIFORNIA—OFFICE OF THE GOVERNOR

GEORGE DEUKMEJIAN, Governor

OFFICE OF PLANNING AND RESEARCH
1400 TENTH STREET
SACRAMENTO, CA 95814

RECEIVED
STATE LANDS COMMISSION
87 SEP 22 AM 8:37

September 18, 1987

Ted Fukashima
State Lands Commission
1808 13th Street
Sacramento, CA 95814

Subject: [illegible] Project Greenwater Range Area
SCH# 87062923

Dear Mr. Fukashima:

The State Clearinghouse submitted the above named proposed Negative Declaration to selected state agencies for review. The review period is closed and the comments of the individual agency(ies) is(are) enclosed. Also, on the enclosed Notice of Completion, the Clearinghouse has checked which agencies have commented. Please review the Notice of Completion to ensure that your comment package is complete. If the package is not in order, please notify the State Clearinghouse immediately. Your eight-digit State Clearinghouse number should be used so that we may respond promptly.

Please note that recent legislation requires that a responsible agency or other public agency shall only make substantive comments on a project which are within the area of the agency's expertise or which relate to activities which that agency must carry out or approve. (AB 2583, Ch. 1514, Stats. 1984.)

These comments are forwarded for your use in adopting your Negative Declaration. If you need more information or clarification, we suggest you contact the commenting agency at your earliest convenience.

Please contact Keith Lee at 916/445-0613 if you have any questions regarding the environmental review process.

Sincerely,

David C. Nunenkamp
Chief
Office of Permit Assistance

cc: Resources Agency

Enclosures

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