MINUTE ITEM
This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 3
to 0 at its 3/27/90
meeting.

CALENDAR ITEM

A 80

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03/27/90
W 40598 PRC 7384
Kruger

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

APPLICANT: American Girl Mining Corporation
P. O. Box 879
Winterhaven, California 92283

AGENT: Joseph A. Sawyer
American Girl Mining Corporation
P. O. Box 879
Winterhaven, California 92283

PROPOSED PROJECT:
The applicant proposes to conduct mineral prospecting activities for precious metals. The activities include only geologic mapping and surface sampling at this time.

There will be no new surface disturbance during the proposed prospecting activities. One 4-wheel drive vehicle will be used for access and will be limited to existing dirt roads.

Geologic interpretation and mapping on State property will include a cursory examination of virtually the entire section. Reconnaissance in the off-road areas will be conducted on foot.

Surface sampling will take place mostly in the northwest quarter since the rugged topography of this property will preclude sampling throughout the entire section. Samples to be obtained for analysis will be removed from the surface by conventional hand sampling methods utilizing a rock pick and moil. The samples collected will be analyzed off-site for precious metals.

CALENDAR PAGE 272
MINUTE PAGE 633

After completion of these activities, the results will be examined to determine whether an exploratory drilling program is warranted. A prospecting permit amendment would then be applied for and at that time the appropriate environmental processing would be determined.

AREA, TYPE OF LAND AND LOCATION:
A 607.52-acre parcel of State owned school lands further described as Section 16, T15S, T21E, SBM and located in the Cargo Muchacho Mountains of southeast Imperial County, about 10 northwest of Winterhaven, CA.

LAND USE: Conduct an exploration program for precious metals and valuable minerals other than oil and gas, geothermal resources or sand and gravel on 607.52 acres of State-owned school lands located in Imperial County.

TERMS OF PERMIT:

Initial period: The primary term of a mineral prospecting permit is two years. In its discretion, the Commission may extend the term for one additional year.

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

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Filing fee of $25, processing fee of $250, and the acreage deposit of $608 for a total of $883 have been received.

PREREQUISITE ITEMS:

1. The subject parcel is not known to contain commercially valuable mineral deposits.

2. Royalty payable under any preferential lease will not be less than 10 percent of the gross value of all mineral production from the leased lands, less any charges approved by the Commission incurred while transporting and processing the State's royalty share of production.

CALENDAR PAGE 273
MINUTE PAGE 634

STATUTORY REFERENCES:

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

AB 884: 05/17/90.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA guidelines (14 Cal. Code Regs. 15061), the staff has determined that the proposed activity is a categorically exempt project from the requirements of CEQA under Class 6: Information Collection where minimal disturbance of State lands is involved, 2 Cal. Code Regs. 2905(e)(3). (Authority: P.R.C. .21084, 14 Cal. Code Regs. 15300 and 2 Cal. Code Regs. 2905).

2. The proposed activity involves lands identified as possessing significant environmental values (P.R.C. 6370 et. seq.) with a land use classification of Class A - restricted use. Based on the staff's conferring with the agency nominating these lands and through the environmental review process, the staff concludes that this project, as proposed, is consistent with the land use classification of the subject parcel.

3. Pursuant to P.R.C. Section 6895, upon establishing, to the satisfaction of the Commission, that commercially valuable mineral deposits have been discovered within the limits of the permit, the applicant would have a preferential right to a lease for a maximum of 607.52 acres embraced within the permit, if the Commission elects to issue a lease. Said right will be subject to all necessary environmental approvals. The issuance of this permit will not affect the discretion of the Commission in granting or denying such lease because of environmental considerations or land use limitations.

4. The mineral prospecting permit will not provide for a performance bond or other security device in favor of the State until such time as an exploratory drilling program is proposed by the applicant.

5. The subject parcel is not within current S-11 boundaries and not within a BLM Wilderness Study Area.

6. A cultural resources survey was conducted over the surface area of this section in 1981. Two archaeological sites were discovered in the roadless area along the north boundary of the State parcel. Prospecting activities near these sites will be restricted to existing dirt roads.

APPROVALS OBTAINED:

Office of the Attorney General.

EXHIBITS:

A. Land Description.
B. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE PROPOSED ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA, PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 6: INFORMATION COLLECTION, 2 CAL. CODE REGS. 2905(e)(3). THE PROJECT WILL INCLUDE THIS PROSPECTING PERMIT AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE PROJECT AS DESCRIBED IN THIS PERMIT. ANY EXTENSION WILL NOT EXCEED ONE YEAR.

2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALLY VALUABLE MINERAL DEPOSITS.

3. AUTHORIZE THE ISSUANCE OF A MINERAL PROSPECTING PERMIT TO THE AMERICAN GIRL MINING CORPORATION OF CALIFORNIA FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL AND GAS, GEOTHERMAL RESOURCES OR SAND AND GRAVEL ON SECTION 16, T15S, R21S, R21E, SBM, IMPERIAL COUNTY, CONTAINING APPROXIMATELY 607.52 ACRES, IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALLY VALUABLE MINERAL DEPOSITS WILL NOT BE LESS THAN 10 PERCENT OF THE GROSS VALUE OF ALL MINERAL PRODUCTION FROM THE LEASED

CALENDAR PAGE 275
MINUTE PAGE 636

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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 OF SAID ROYALTY AND CHARGES WILL BE AT THE DISCRETION OF THE COMMISSION.

CALENDAR PAGE 276
MINUTE PAGE 637

D-1428

EXHIBIT "A"

LAND DESCRIPTION W 40598

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

Section 16, T15S, R21E, SBM

EXCEPTING THEREFROM that land patented by the U.S. under Mineral Survey Numbers 3246 and 4266.

END OF DESCRIPTION

PREPARED DECEMBER 4, 1989 BY BIU 1.

CALENDAR PAGE 277
MINUTE PAGE 638

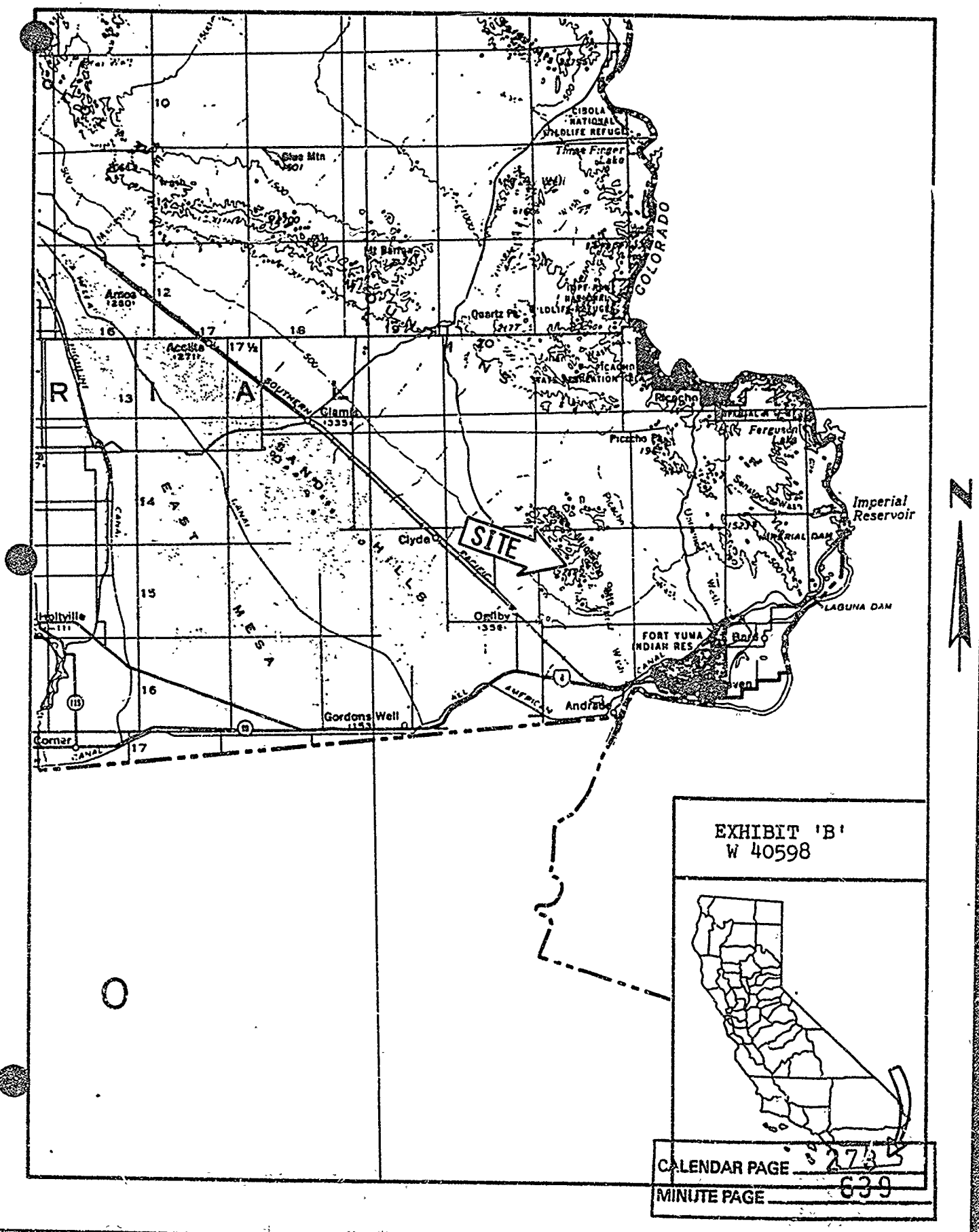

EXHIBIT 'B'
W 40598

CALENDAR PAGE 273
MINUTE PAGE 639