

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 2
0 at its 3/2/92
meeting.

CALENDAR ITEM

28

A 34

S 15

03/02/92
PRC 5464
W 40018
W 23158
Willard

APPROVE THE SUBLETTING AND AMENDMENT FOR EXTENSION
OF LEASE TERM AND EXCHANGE OF LANDS TO IMPLEMENT A
BIOREMEDIATION PLAN TO LIMIT DUST POLLUTION ON OWENS LAKE,
STATE MINERAL EXTRACTION LEASE PRC 5464, INYO COUNTY

APPLICANT:

Lake Minerals Corporation
Attn: Gary Carstens, President
P. O. Box 37
Lone Pine, California 93545

AREA, TYPE LAND AND LOCATION:

Mineral extraction lease PRC 5464 contains 16,120 acres of
State-owned sovereign lands in the dry bed of Owens Lake,
Inyo County. The proposed land exchange will involve the
deletion of 3,480 acres of lease lands in the eastern lake
bed and the addition of 3,480 (equal acreage) along the
northern and western boundaries of the current lease. The
modifications to the lease area are described in
exhibits "A" and "B" with the new lease configuration shown
in Figure 1.

LEASE INFORMATION:

Mineral extraction lease PRC 5464, covering an initial acreage of
6,880 acres of the bed of Owens Lake, was issued by competitive
bid to Lake Minerals Corporation, effective August 1, 1978.
Other existing mineral leases adjoining the subject lease were
unified and incorporated into lease PRC 5464 in June, 1980, and
the resulting lease land area presently totals approximately
16,120 acres. Lake Minerals produces crude trona, an impure soda
ash, which is sold to other companies for further refining.
Because of the general economic downturn, there is no production
from the lease at this time.

PROPOSED PROJECT:

1. Subletting of the Mineral Extraction Lease

Lake Minerals Corporation, the State's Lessee, has entered into a joint venture with Vulcan Soda Ash Company, a wholly owned subsidiary of Vulcan Materials Company, to form a commercial entity known as the Owens Lake Soda Ash Company. The joint venture was formed with the goal to expand the existing trona mining operations on the lake bed and to increase the production of refined soda ash to over 600,000 tons per year. Lake Minerals Corporation requests that the Commission authorize the subletting of the existing lease to the joint venture. Cominco American Incorporated, the parent company of Lake Minerals Corporation, and Vulcan Materials Company have agreed to guarantee the performance of the proposed sublessee, Owens Lake Soda Ash Company.

2. Lease Area Amendment

Lake Minerals Corporation has applied to the State Lands Commission to amend the boundaries of its current mineral extraction lease area. The amended lease will serve as the contractual base for a proposed future expansion of operations, as described above, by the joint venture organization. This proposed expansion, if determined to be feasible after further studies, will constitute a separate project subject to the preparation of an Environmental Impact Report (EIR) and permitting by the lead agency, Inyo County.

The proposed amendment of the current mineral lease boundaries will facilitate the implementation of a bioremediation plan to limit dust pollution at Owens Lake (Exhibit "C").

3. Lease Term Extension

Lake Minerals has also requested that the term of the lease be extended. State mineral extraction lease PRC 5464 was issued for twenty years, effective August 1, 1978. Pursuant to recently enacted legislation (Chapter 520, Statutes of 1991) adding Section 6898.5 to the P.R.C., leases in effect on July 1, 1991, for lands within the bed of Owens Lake, may be immediately extended by the Commission for a period of twenty years beyond the expiration date of the current lease.

The subject lease term will expire on July 31, 1998. An extension of the lease term through July 31, 2018, will be granted under the proposed amendment subject to the condition

CALENDAR ITEM NO. 28 (CONT'D)

that, prior to the end of the initial lease term on July 31, 1998, the County of Inyo, as the CEQA Lead Agency, shall have certified the EIR for the proposed expanded mining and processing project for the leased lands, as described previously. If this condition has not been satisfied, the termination date of July 31, 1998 of the original lease shall govern.

AB 884:
N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15025), the staff prepared a Proposed Negative Declaration identified as EIR ND 579, State Clearinghouse No. 92022006. The Proposed Negative Declaration was circulated for public review pursuant to the provisions of CEQA.
2. 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. Code Regs. 15074(b))

EXHIBITS:

- A. Parcels to be Deleted from Lease Area,
- B. Parcels to be Added to Lease Area.
- C. Proposed Negative Declaration 579, SCH No. 92022006
Figure 1. New Lease Configuration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 579, STATE CLEARINGHOUSE NO. 92022006, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE PROPOSED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. APPROVE THE SUBLEASE OF MINERAL EXTRACTION LEASE PRC 5464 TO THE OWENS LAKE SODA ASH COMPANY.

CALENDAR ITEM NO. 28 (CONT'D)

4. APPROVE THE AMENDMENT OF STATE MINERAL EXTRACTION LEASE PRC 5464 BY AUTHORIZING THE EXCHANGE OF LANDS IDENTIFIED IN THE REFERENCED EXHIBITS "A" AND "B".
5. APPROVE THE EXTENSION OF THE LEASE TERM THROUGH JULY 31, 2018, SUBJECT TO THE CONDITION THAT, PRIOR TO JULY 31, 1998, THE EXPIRATION DATE OF THE EXISTING LEASE, THE LESSEE OR SUBLESSEE SHALL HAVE OBTAINED THE CERTIFICATION BY THE COUNTY OF INYO, ACTING AS THE CEQA LEAD AGENCY, OF AN ENVIRONMENTAL IMPACT REPORT PREPARED FOR THE PROPOSED EXPANDED MINING OPERATION ON THE LAKE BED AND A MINERAL PROCESSING PLANT ON ADJACENT LANDS.
6. APPROVAL OF THE LEASE-TERM EXTENSION AND THE SUBLEASE ARE CONDITIONED UPON THE PRIOR EXECUTION BY COMINCO AMERICAN INCORPORATED AND VULCAN MATERIALS COMPANY OF A GUARANTY OR OTHER SECURITY DEVICE SECURING THE PERFORMANCE OF THE SUBLESSEE.

(REVISED 03/01/92)

-4-

CALENDAR PAGE	304.3
MINUTE PAGE	951

EXHIBIT "A"

PRC 5464

LAND DESCRIPTION

AMENDMENT TO MINERAL EXTRACTION LEASE

Those parcels to be deleted from lease area in Owens Lake, Inyo County, California, more particularly described as follows:

1.	NE 1/4 of Section 10, T 18 S, R 37 E, MDM.	160 Acres
2.	E 1/2 of SE 1/4 of Section 3, T 18 S, R 37 E, MDM.	80 Acres
3.	W 1/2 of the SW 1/4 of Section 2, T 18 S, R 37 E, MDM.	80 Acres
4.a)	W 1/2 of the NE 1/4 of Section 2, T 18 S, R 37 E, MDM.	80 Acres
b)	NE 1/4 of the NE 1/4 of Section 2, T 18 S, R 37 E, MDM.	40 Acres
5.	E 1/2 of the E 1/2 of Section 35, T 17 S, R 37 E, MDM.	160 Acres
6.a)	W 1/2 of the W 1/2 of Section 36, T 17 S, R 37 E, MDM.	160 Acres
b)	NE 1/4 of the NW 1/4 of Section 36, T 17 S, R 37 E, MDM.	40 Acres
c)	NW 1/4 of the NE 1/4 of Section 36, T 17 S, R 37 E, MDM.	40 Acres
7.	Section 25, T 17 S, R 37 E, MDM.	640 Acres
8.a)	E 1/2 of the W 1/2 of Section 24, T 17 S, R 37 E, MDM.	160 Acres
b)	E 1/2 of Section 24, T 17 S, R 37 E, MDM.	320 Acres
9.	Section 13, T 17 S, R 37 E, MDM.	640 Acres
10.a)	NW 1/4 of Section 14, T 17 S, R 37 E, MDM.	160 Acres
b)	NE 1/4 of Section 14, T 17 S, R 37 E, MDM.	160 Acres
c)	E 1/2 of the SE 1/4 of Section 14, T 17 S, R 37 E, MDM.	80 Acres
d)	NW 1/4 of the SE 1/4 of Section 14, T 17 S, R 37 E, MDM.	40 Acres
e)	N 1/2 of the SW 1/4 of Section 14, T 17 S, R 37 E, MDM.	80 Acres
11.a)	E 1/2 of the NW 1/4 of Section 15, T 17 S, R 37 E, MDM.	80 Acres
b)	NE 1/4 of Section 15, T 17 S, R 37 E, MDM.	160 Acres
c)	N 1/2 of the SE 1/4 of Section 15, T 17 S, R 37 E, MDM.	80 Acres
d)	NE 1/4 of the SW 1/4 of Section 15, T 17 S, R 37 E, MDM.	40 Acres

Total Acres to Delete 3480 Acres

END OF DESCRIPTION

PREPARED JANUARY, 1992 BY LLB

CALENDAR PAGE	304.4
MINUTE PAGE	352

EXHIBIT "B"

PRC 5464

LAND DESCRIPTION

AMENDMENT TO MINERAL EXTRACTION LEASE

Those parcels to be added to lease area in Owens Lake, Inyo County, California, more particularly described as follows:

- | | | |
|----|--|------------|
| 1. | Sections 8, 9, 16 & 17, T 17 S, R 37 E, MDM. | 2560 Acres |
| 2. | W 1/2 of the W 1/2 of Section 10, T 17 S, R 37 E, MDM. | 160 Acres |
| 3. | SE 1/4 of Section 18, T 17 S, R 37 E, MDM. | 160 Acres |
| 4. | E 1/2 of the E 1/2 of Section 7, T 17 S, R 37 E, MDM. | 160 Acres |
| 5. | E 1/2 of the NE 1/4 of Section 18, T 17 S, R 37 E, MDM. | 80 Acres |
| 6. | Description of contiguous acres to join upland,
S 1/2 of the NW 1/4 and N 1/2 of the SW 1/4 of Section 5;
E 1/2 of Section 6, and E 1/2 of Section 7, T 18 S, R 37 E, MDM. | 360 Acres |

EXCEPTING THEREFROM all the following described parcels:

Lakeland Location 2175, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 355, dated November 9, 1907.

Lakeland Location 2168, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 353, dated July 20, 1907.

Lakeland Location 2159, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 371, dated November 4, 1910.

ALSO EXCEPTING THEREFROM any portion lying within the lands currently leased to Lake Minerals Corporation, under PRC 2967.1, approved and authorized by State Lands Commission in its regular public meeting on January 24, 1988, Calendar/Minute Item No. 20.

Total Acres to Acquire 3480 Acres

END OF DESCRIPTION

PREPARED JANUARY, 1992 BY LLB

CALENDAR PAGE	304 . 5
MINUTE PAGE	353

EXHIBIT "C"

STATE OF CALIFORNIA

PETE WILSON Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Controller*
THOMAS W. HAYES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814

CHARLES WARREN
Executive Officer

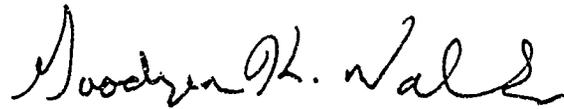
February 10, 1992
File: W 40018
ND 579

NOTICE OF PUBLIC REVIEW OF A NEGATIVE DECLARATION
(SECTION 15073 CCR)

A Negative Declaration has been 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 Code Regulations), and the State Lands Commission Regulations (Section 2901 et seq., Title 2, California Code Regulations) for a project currently being processed by the staff of the State Lands Commission.

The document is attached for your review. Comments should be addressed to the State Lands Commission office shown above with attention to the undersigned. All comments must be received by March 2, 1992.

Should you have any questions or need additional information, please call the undersigned at (916) 322-0530.



GOODYEAR K. WALKER
Division of Environmental
Planning and Management

Attachment

CALENDAR PAGE	304	.6
MINUTE PAGE	954	

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Contruller*
THOMAS W. HAYES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95833
CHARLES WARREN
Executive Officer

PROPOSED NEGATIVE DECLARATION

File: W 40018
ND 579
SCH No. 92022006

Project Title: Lake Minerals Corp. Mineral Extraction Lease Amendment
Proponent: Lake Minerals Corp.
Project Location: Owens Lake, Inyo County
Project Description: Removal of 3,480 acres from the east side of the existing lease, and exchange for 3,480 acres on the north side of the lease, and extension of lease terms.
Contact Person: Goodyear K. Walker Telephone: 916/322-0530

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 Code Regulations), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code Regulations).

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

this project will not have a significant effect on the environment.

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

CALENDAR PAGE	304 .7
MINUTE PAGE	955

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

Form 13.20 (7/82)

File Ref.: W 40018

I. BACKGROUND INFORMATION

A. Applicant: Lake Minerals Corporation
P.O. Box 37
Lone Pine, California 93545

B. Checklist Date: 02 / 07 / 1992

C. Contact Person: Goodyear K. Walker
Telephone: (916) 322- 0530

D. Purpose: Mineral Extraction Lease Amendments

E. Location: Owens Lake, Inyo County

F. Description: Removal of 3,480 acres from east side of existing lease
in exchange for 3,480 acres on north and west sides, and extension
of lease terms

G. Persons Contacted:
Denyse Racine, California Department of Fish and Game
William C. McClung, Lake Minerals Corporation
Ellen Hardebeck, Great Basin Unified Air
Pollution Control District

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

A. Earth. Will the proposal result in:

Table with 3 columns: Question, Yes, Maybe, No. Contains 7 rows of environmental impact questions with checkboxes.

CALENDAR PAGE 301 8
MINUTE PAGE 356

- | | Yes | Maybe | No |
|--|--------------------------|--------------------------|-------------------------------------|
| B. Air. Will the proposal result in: | | | |
| 1. Substantial air emissions or deterioration of ambient air quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. The creation of objectionable odors? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Alterations to the course or flow of flood waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Change in the amount of surface water in any water body? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Alteration of the direction or rate of flow of ground waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Substantial reduction in the amount of water otherwise available for public water supplies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Exposure of people or property to water-related hazards such as flooding or tidal waves? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Significant changes in the temperature, flow or chemical content of surface thermal springs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| D. 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)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of plants? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Reduction in acreage of any agricultural crop? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Deterioration to existing fish or wildlife habitat? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| F. Noise. Will the proposal result in: | | | |
| 1. Increase in existing noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to severe noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| G. Light and Glare. Will the proposal result in: | | | |
| 1. The production of new light or glare? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| H. Land Use. Will the proposal result in: | | | |
| 1. A substantial alteration of the present or planned land use of an area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| I. Natural Resources. Will the proposal result in: | | | |
| 1. Increase in the rate of use of any natural resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial depletion of any nonrenewable resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

CALENDAR PAGE 301 .9
 MINUTE PAGE 957

- J. Risk of Upset.** Does the proposal result in:
- | | Yes | Maybe | No |
|---|--------------------------|--------------------------|-------------------------------------|
| 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Possible interference with emergency response plan or an emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- K. Population.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. The alteration, distribution, density, or growth rate of the human population of the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- L. Housing.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Affecting existing housing, or create a demand for additional housing? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- M. Transportation/Circulation.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Generation of substantial additional vehicular movement? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Affecting existing parking facilities, or create a demand for new parking? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Substantial impact upon existing transportation systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Alterations to present patterns of circulation or movement of people and/or goods? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Alterations to waterborne, rail, or air traffic? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Parks and other recreational facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Maintenance of public facilities, including roads? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Other governmental services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- O. Energy.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Use of substantial amounts of fuel or energy? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial increase in demand upon existing sources of energy, or require the development of new sources? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- P. Utilities.** Will the proposal result in a need for new systems, or substantial alterations to the following utilities:
- | | | | |
|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| 1. Power or natural gas? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Communication systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Sewer or septic tanks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Storm water drainage? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Solid waste and disposal? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- Q. Human Health.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Creation of any health hazard or potential health hazard (excluding mental health)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to potential health hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- 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? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|
- S. Recreation.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. An impact upon the quality or quantity of existing recreational opportunities? .. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|

CALENDAR PAGE 307-10
 MINUTE PAGE 988

T. *Cultural Resources.*

Yes Maybe No

- 1. Will the proposal result in the alteration of or the destruction of a prehistoric or historic archeological site?
- 2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object?
- 3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?
- 4. Will the proposal restrict existing religious or sacred uses within the potential impact area?

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?
- 2. Does the project have the potential to achieve short term, to the disadvantage of long-term, environmental goals?
- 3. Does the project have impacts which are individually limited, but cumulatively considerable?
- 4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

III. DISCUSSION OF ENVIRONMENTAL EVALUATION (See Comments Attached)

See Attached Initial Study

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.
- 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: 02/ 07 /1992

For the State Lands Commission	CALENDAR PAGE 30-1.11
	MINUTE PAGE 359

AMENDMENT OF MINERAL EXTRACTION LEASEInitial Study - Introduction

The State Lands Commission (SLC) and Lake Minerals Corporation are processing a lease amendment to change the boundaries and extend the term of mineral extraction lease PRC 5464 located on State sovereign lands on the bed of Owens Lake for their mutual benefit. Such lands are under the jurisdiction of the State Lands Commission and the Commission is the Lead Agency under the provisions of the California Environmental Quality Act (CEQA). 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 Code Regulations) and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code regulations).

This Initial Study concludes that the project, as proposed, will not have any significant impacts on the environment, and that a Negative Declaration is appropriate under the provisions of Section 15070 (a) of the State EIR Guidelines.

Detailed Project Description

Lake Mineral Corporation currently holds State Mineral Extraction Lease PRC 5464, covering a portion of the dry lake bed of Owens Lake, for the production of crude soda ash (trona). This lease is a successor to several smaller leases which were combined in 1978 and 1980, establishing the present leasehold at a total of 16,120 acres. The proposed project consists of two parts. The first is a lease amendment to remove 3,480 acres from the east side of the lease, and add an equal number of acres adjoining the north and west sides of the current lease (Figure A). The parcel being removed from the current lease is to be included in a pilot bioremediation program designed to control dust from the Lake bed which is a joint effort by the State Lands Commission and the Great Basin Unified Air Pollution Control District. An environmental document for the bioremediation project will be prepared at a future date.

As part of the proposed exchange, Lake Minerals has agreed to exclude the following areas from any mining activities in order to protect habitat for waterfowl and shorebirds. These areas total approximately 580 acres.

CALENDAR PAGE	307.12
MINUTE PAGE	960

1. The E 1/4 of Section 7, T18S, R37E*
This area of exclusion is located within the area being proposed as an exchange parcel.
2. The W 1/2 of Section 8, T18S, R37E.
The area west of the drainage channel in the N 1/2 of Section 17, T18S, R37E.

These areas of exclusion are located within the area presently under lease to Lake Minerals by the State Lands Commission. They are not included as part of the proposed exchange but have been excluded from mining activities because of concerns expressed by the California Department of Fish and Game (CDFG). Lake Minerals will receive recognition for excluding this acreage against any future mitigation requirements by CDFG.

In addition to the proposed exchange, Lake Minerals Corporation is asking for an extension to the terms of its lease. Mineral Extraction Lease PRC 5464 was issued for a period of twenty years, effective May 1, 1978. Pursuant to recently enacted legislation which added Section 6898.5 to the Public Resources Code, leases in effect July 1, 1991, for lands within the bed of Owens Lake may be immediately extended by the State Lands Commission for a period of twenty years beyond the current lease expiration date. The current lease will expire on April 30, 1998, with three (3) ten-year option periods, but will be extended under the proposed amendment through April 30, 2018, with these same three (3) ten-year option periods. This amendment would become effective on the first day of the month following approval by the State Lands Commission.

The current trona mining operation is on a small-scale, using two to three personnel and mobile earth-moving equipment. Diesel powered excavators create a berm or dike around a rectangular area of the brine saturated bed of Owens Lake. The brine is then pumped out, leaving the crude ore. This crude trona is harvested using tracked diesel powered excavators. The ore is moved by front end loaders to a prepared drying area close to the diked off area and spread by graders to air dry. It is disced several times during the drying process. Finally, the dried crude trona is loaded onto diesel trucks, using front end loaders, and transported to market.

* The area in the E 1/4 of Section 7 contains an existing access road which will remain available for use.

CALENDAR PAGE	302.13
MINUTE PAGE	961