

MINUTE ITEM
This Calendar Item No. C43
was approved as Minute Item
No. 43 by the State Lands
Commission by a vote of 3
to 0 at its 7-19-93
meeting.

CALENDAR ITEM

C43

A 80

S 37

07/19/93
PRC 5678
Kruger

EXTENSION OF STATE MINERAL EXTRACTION
LEASE PRC 5678, RIVERSIDE COUNTY

LESSEE:

Kaiser Steel Resources, Inc.
8300 Utica Avenue, Suite 301
Rancho Cucamonga, California 91730

AREA, TYPE LAND AND LOCATION:

The lease includes 145.43 acres of patented minerals reserved State school lands in portions of Section 36, T3S, R14E, SBM, Riverside County, about ten miles north of Desert Center, California.

LEASE TERM (EXTENSION):

Ten years beginning January 1, 1993, with an option to extend for an additional period of ten years.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Statutory filing fee of \$25 has been received, and staff costs for processing this activity will be recovered through Reimbursement Contract R13992.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Sections 6898, 6899.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. This lease and SLC Negative Declaration #275 were approved by the State Lands Commission on September 25, 1980. The lease was originally issued in 1981 for a term of 20 years with an option to extend the term for two successive periods of 10 years each. It permits the production of iron ore from State land adjoining

CALENDAR ITEM NO. C43 (CONT'D)

the Eagle Mountain Open Pit Iron Mine. The lease was amended in 1988 to reduce the initial lease term to twelve years from and after January 1, 1981 and establishing a minimum annual rental of \$2,500 per year.

2. The lessee has requested approval of its first (of two) options to extend the lease for ten years.
3. Lessee shall be required to notify promptly the State should the surface of the leased land be proposed to be used for purposes which may not be compatible with those contemplated under this lease.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is consistent with the previously authorized Negative Declaration #275, SCH #80081515, adopted on September 24, 1980.

Authority: 14 Cal. Code Regs. 15061(b)(3).

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE PROPOSED ACTIVITY IS CONSISTENT WITH NEGATIVE DECLARATION #275 ADOPTED BY THE COMMISSION ON SEPTEMBER 25, 1980, AND THAT THE COMMISSION HAS CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. AUTHORIZE EXTENSION OF STATE MINERAL EXTRACTION LEASE PRC 5678 FOR A TERM OF TEN YEARS COMMENCING JANUARY 1, 1993 AND ENDING DECEMBER 31, 2002.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTATION REQUIRED TO PUT THE COMMISSION'S ACTION INTO EFFECT.