

MINUTE ITEM

This Calendar Item No. ~~C127~~
was approved as Minute Item
No. 127 by the State Land
Commission by a vote of 3
A to 4 ~~0~~ at its 11/15/94
meeting.

CALENDAR ITEM

C127

11/15/94
PRC 7729
PRC 7730
Kruger

S 25

APPROVE A ONE-YEAR EXTENSION AND AMENDMENT OF PROSPECTING PERMITS
TO INCLUDE A BULK SAMPLING PROJECT FOR VALUABLE MINERALS OTHER
THAN OIL, GAS, GEOTHERMAL RESOURCES, AND SAND AND GRAVEL,
ON 1,280 ACRES OF STATE SCHOOL AND
RESERVED MINERAL INTEREST LANDS,
INYO COUNTY

APPLICANT:

Naxos Resources (USA), Ltd.
Attention: Jimmy John, President
856 Homer Street, Suite 206
Vancouver, B.C., Canada V6B 2W5

AREA, TYPE LAND AND LOCATION:

Approximately 1,280 acres of State school and reserved
mineral interest lands described as Section 36, T25N, R5E,
SBM and Section 16, T26N, R5E, SBM, Inyo County near Death
Valley Junction, California.

LAND USE:

Naxos Resources (USA), Ltd. will be conducting surface hand
sampling on the surface of both Section 16 (PRC 7730) and
Section 36 (PRC 7729) and also will be conducting a bulk
sampling project on Section 36 (PRC 7729).

BACKGROUND:

Naxos Resources (USA), Ltd. (Naxos) has requested that the
Commission approve both the term extension of prospecting permits
PRC 7729 and PRC 7730, and the amendment of permit PRC 7729 to
authorize a bulk sampling project. Both permits were effective
for a primary term of one year on December 1, 1993, and expire on
November 30, 1994. The permits provided for the conduct of
mineral prospecting activity consisting of auger drilling 80
shallow-depth holes (40 in each section) from drillsites entirely
along existing dirt roads. In order to carry out the auger
drilling on both parcels (Sections 16 and 36) and the bulk
sampling on Section 36, Naxos has requested its first one-year
extension of the existing permits. Naxos is proposing to carry
out both the auger drilling and perform the bulk sampling during
the proposed extension period. The reason for the extension of
both permits is that due to economic considerations during the
year since the permits were issued, it has become necessary for
Naxos to reorder certain of its priorities, including the

CALENDAR PAGE	808
MINUTE PAGE	4477

prospecting activity authorized by both permits. If approved, the term of the proposed extension would be December 1, 1994 to November 30, 1995.

Proposed Excavation Project for Section 36 (PRC 7729)

Naxos proposes to amend this permit to include excavating approximately 900 cubic yards of surface material as a bulk sample to be used in testing procedures for processing minerals. The proposed excavation is located in the SE1/4 SE1/4 of the section. Numerous mineral exploration projects have taken place on adjacent federal land in the vicinity of this section. Access to the site of the proposed excavation is by existing dirt roads traveling about three miles south from Death Valley Junction.

The excavated material will be utilized to make test runs of material for processing precious metal minerals at its offsite facility in Death Valley Junction. The excavated material provides a bulk sample for testing that has the same consistency similar to material from which any future mineral extraction and processing may occur. Excavation of the bulk sample will be done by a small excavator/loader and will be transported to Naxos' facility in Death Valley Junction by dump trucks. It is anticipated removal of the bulk sample could be completed within 90 days. Fueling of equipment will take place offsite.

Activity at the proposed excavation site will consist of digging a shallow trench with dimensions of 300 feet long, 15 feet wide and 5 feet deep. The site will be just off an existing dirt road and parallel to the east boundary of the section. Reclamation will immediately follow completion of excavating the bulk sample. This will include backfilling the area of the trench into a low depression, not more than 25 feet in width, thus restoring the site to resemble the original topography. A performance bond of \$10,000 in favor of the State will be provided by Naxos covering the Reclamation of the proposed excavation.

EIR ND 657 (SCH #94062004) was prepared by Commission staff and circulated for the proposed Death Valley Junction project. Several mitigation measures have been incorporated into the detailed project description and the permit amendment agreement (Exhibit "B"). With these measures included in the project, there is no substantial evidence that this project will have a significant effect on the environment. To ensure conformance

CALENDAR PAGE	809
MINUTE PAGE	4478

CALENDAR ITEM NO. C127 (CONT'D)

with all mitigation measures, Commission staff will perform periodic inspections of the project site.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Staff costs for processing the extension of both permits and the amendment of PRC 7729 have been submitted by the Permittee.

STATUTORY AND OTHER REFERENCES:

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

AB 884:

01/10/95

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA guidelines, Commission staff prepared a proposed Negative Declaration EIR No. 657 (SCH #94062004) for the Death Valley Junction Project. The proposed Negative Declaration was circulated for public review pursuant to the provisions of the CEQA. A copy of this document is attached as Exhibit "A". There is no substantial evidence that the Death Valley Project will have a significant effect on the environment [14 Cal. Code Regs. 15074(b)].
2. Pursuant to P.R.C. Section 6895, upon establishing to the Commission that commercially valuable mineral deposits have been discovered within the permitted area, the Permittee would have a preferential right to lease a maximum of 1,280 acres contained within the permits, if the Commission elects to issue such a lease. This right shall be subject to all necessary environmental approvals and shall not affect the discretion of the Commission in granting or denying such a lease because of environmental or other conditions.
3. The subject parcels are not within BLM wilderness study areas, not within crucial desert habitat and not within desert protection legislation.

CALENDAR PAGE	810
MINUTE PAGE	4479

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CALENDAR ITEM NO. C127 (CONT'D)

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the permit amendment document has been approved by the Office of the Attorney General for compliance with applicable law.

EXHIBITS:

- A. Negative Declaration EIR ND 657
- B. Permit Amendment
- C. Mitigation Monitoring Plan

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT NEGATIVE DECLARATION EIR ND 657 (SCH #94062004) WAS PREPARED FOR THE DEATH VALLEY JUNCTION PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT SAID NEGATIVE DECLARATION, AND DETERMINE THAT THE PROJECT, AS PROPOSED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. AUTHORIZE A ONE-YEAR EXTENSION OF STATE MINERAL PROSPECTING PERMITS PRC 7729 AND PRC 7730 AND THE AMENDMENT OF PRC 7729 AS DESCRIBED IN EXHIBIT "A" TO NAXOS RESOURCES (USA), LTD., FOR VALUABLE MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, AND SAND AND GRAVEL ON SECTION 36, T25N, R5E, SBM (PRC 7729) AND SECTION 16, T26N, R5E, SBM (PRC 7730) BOTH PARCELS IN INYO COUNTY CONTAINING APPROXIMATELY 1,280 ACRES. ALL OTHER TERMS AND CONDITIONS OF THE PERMITS REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

CALENDAR PAGE	811
MINUTE PAGE	4479.1

EXHIBIT "A"

STATE OF CALIFORNIA

PETE WILSON, Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Controller*
RUSSELL S. GOULD, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814-7187

ROBERT C. HIGHT
Executive Officer

May 31, 1994

File: PRC 7729
ND 657
SCH No. 94062004

NOTICE OF PUBLIC REVIEW OF A PROPOSED 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 July 1, 1994.

Should you have any questions or need additional information, please call the undersigned at (310) 590-5201.

Eric Kruger (LL)

ERIC KRUGER
Mineral Resources Management Division

Attachment

CALENDAR PAGE	812
MINUTE PAGE	4480

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Controller*
RUSSELL S. GOULD, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814-7187

ROBERT C. HIGHT
Executive Officer

PROPOSED NEGATIVE DECLARATION

File: PRC 7729
ND 657
SCH No. 94062004

Project Title: Death Valley Junction Project

Project Proponent: Naxos Resources (USA), Ltd.

Project Location: Section 36, T25N, R5E, SBM, approximately 3 miles south of Death Valley Junction, Inyo County.

Project Description: Excavate approximately 900 cubic yards of surface material as a bulk sample to be used in testing procedures for processing minerals.

Contact Person: Eric Kruger Telephone: (310) 590-5201

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:

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

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

CALENDAR PAGE	813
MINUTE PAGE	4481

DEATH VALLEY JUNCTION PROJECT

INITIAL STUDY

(For A Proposed Negative Declaration)

Introduction

Background

The State Lands Commission has received an application to amend PRC 7729.2, a State Mineral Prospecting Permit covering Section 36, T25N, R5E, SBM, situated about three miles south of Death Valley Junction, California in southern Inyo County. The amendment application was submitted by the Permittee of PRC 7729.2, Naxos Resources (USA), Ltd. of Vancouver, Canada. Naxos proposes amending the permit to include excavating approximately 900 cubic yards of surface material as a bulk sample to be used in testing procedures for processing minerals. The proposed excavation project is located in a portion of the southeast quarter (SE1/4) of Section 36.

Section 36 contains approximately 640 acres of vacant, State owned school lands. A Southern California Edison Company transmission line right-of-way and an abandoned spur of the Tonopah & Tidewater Railroad traverse the west boundary of the section. The U. S. Geological Survey has conducted groundwater monitoring at a wellsite (NFL-1) in the southwest quarter (SW1/4) of the section at a location near the railroad bed and the section's south boundary. This wellsite was abandoned by USGS in January 1993.

Previous land use in the vicinity of Section 36 has involved mineral exploration as evidenced by the numerous seismic roads and prospect pits along these roads containing previously excavated material. There are also several active mining operations near Death Valley Junction.

Current Activity

Currently, Naxos is conducting preliminary mineral prospecting activity located in Section 36 and also in Section 16, T26N, R5E, SBM (PRC 7730.2) located about seven miles north of

CALENDAR PAGE	814
MINUTE PAGE	4482

Death Valley Junction. The permitted activity consists of surface sampling for precious metal minerals by hand including auger drilling 80 shallow-depth holes (40 in each section) from drillsites along existing dirt roads. Drill cuttings from each hole will be removed off-site for testing. Under conditions of the permit, vehicles are required to remain on existing dirt roads. Both PRC 7729.2 and PRC 7730.2 were effective on December 1, 1993 and both will expire on November 30, 1994. The primary term of both these permits is one year. In its discretion, the Commission may extend the term of the permit for additional periods not to exceed one year each. In no event shall the term of any permit exceed three years.

Contents

This Initial Study (for a Proposed Negative Declaration) will describe the proposed excavation project and incorporate mitigation to limit adverse impact to the environment, and consists of an Introduction, Detailed Project Description, Mitigation Measures, Environmental Setting, Project Maps, an Environmental Impact Assessment Checklist, a Baseline Biological Survey and a Mitigation Monitoring Program.

CALENDAR PAGE	815
MINUTE PAGE	4483

Detailed Project Description

Access

The proposed excavation project is accessible by traveling southeast from Death Valley Junction for about three miles by way of existing dirt roads previously used in seismic exploration. One of these dirt roads traverses the east boundary of Section 36 near the southeast corner. This road will provide the main access for equipment entering and leaving the project site, and should not require any modification or excessive maintenance work during the length of the project. Some minor repair of these existing dirt roads may be required. However, this can be completed with materials already on-site. The project is also accessible by traveling south on State Highway 127 from Death Valley Junction for about three miles and then east via the old seismic roads to the southern boundary of Section 36.

Bulk Sample

Naxos proposes to excavate approximately 900 cubic yards of material from the surface of a portion of the SE1/4 of SE1/4 of Section 36. The excavated material will be utilized to make test runs of Naxos' anticipated procedure for the processing of precious metal minerals at its off-site facility in Death Valley Junction. Regardless of its mineral content, the excavated material will provide a bulk sample for testing that has a consistency similar to that material from which any future mineral extraction and processing will occur. This will insure the most accurate results in testing the effectiveness of the anticipated process. Thus, the proposed location of the excavation trench is important to the amended permit activity.

Proposed Equipment

Excavation of the bulk sample will be accomplished by using a small tracked- or wheeled-excavator/loader as utilized in small-scale farming or landscape work. Depending on local availability, Naxos intends to use a John Deere tractor model 450C. This particular type of equipment is known to be available in the vicinity of Death Valley Junction, and has been previously used by Naxos for work on its other properties nearby.

The excavated material will be transported from the proposed site to Naxos' facility in Death Valley Junction by dump trucks suitable for highway use. The type of truck to be used would be 10-20 tons, single- or tandem-axle, articulated or non-articulated models such as the Ford F-700/800 or FT-900 series. Also depending on local availability of the equipment, 3 to 5 trucks will be used in order to minimize to the extent feasible the time required to remove the material

CALENDAR PAGE	816
MINUTE PAGE	4484

needed for the bulk sample.

With the above described equipment, it is anticipated that removal of the bulk sample could be completed within a period of 90 days. As to the tractor and the dump trucks, smaller types of equipment could be used. However, this would necessitate more trips with smaller loads and take a longer period of time for the excavation project to be completed. Thus, Naxos believes that the equipment as suggested provides the best balance for efficient removal while minimizing truck traffic over the existing access. Fueling of the equipment will take place off-site.

The total number of personnel required to complete the proposed work is a crew of two persons (one tractor operator and one supervisor) using one automobile for transportation and one driver for each dump truck.

Excavation Site

Activity during the proposed excavation project will consist of digging a shallow trench with dimensions of 300 feet in length by 15 feet in width by 5 feet in depth. These dimensions will allow for removal of the bulk sample with the least amount of surface disturbance, according to Naxos. The excavation will be situated within the rectangular area designated on the attached project map, near an existing dirt road adjacent to Naxos' drillsite No. 21. The trench will also parallel the east boundary of the section.

The exact location of the trench within the designated area shall be determined and staked on-site with engineer's tape in order to avoid vegetation and remain as much as possible east of the existing Amargosa River channel. This river flows only intermittently.

As shown on the map, the location of the trench will be about 200 feet southwest of a point at which the nearest existing dirt road to the north intersects the east boundary of the section. Presently, there is no access road connecting the proposed excavation project to the existing dirt road to the north. However, given the short distance and the nature of the terrain, no access road should be necessary. As the excavation work proceeds, the tractor will construct one ramp each at the north and south ends of the trench and at the approximate mid-point of the trench's length, one each to the east and west. The tractor will enter and exit the trench via these ramps, excavating the material that will eventually be loaded onto the trucks and hauled away to Death Valley Junction.

The time required to complete the proposed excavation project from the start of excavation to finishing the reclamation process is estimated to be approximately 100 work hours or less to be performed within a period of approximately 90 days, subject to weather and equipment problems.

CALENDAR PAGE	817
MINUTE PAGE	4485

Reclamation

The reclamation process will immediately follow completion of excavating enough material for the bulk sample. This process will consist of backfilling the trench with previously excavated material from nearby prospect pits within Section 36. In the event that the amount of on-site material is not sufficient to completely backfill the trench, material from either side of the trench, back a distance of no more than 5 feet on either side, will be pushed toward the remaining trench opening, and the excavated area will be graded into a low depression not more than 25 feet in width, in this manner restoring the site to resemble the original topography as much as possible. No new material will be brought from beyond Section 36 for site reclamation of the proposed excavation project.

Performance Bond

A performance bond or other security device provided by Naxos and in favor of the State shall be required for the proposed excavation project. The amount of the bond is \$10,000 and is based on the extent of activity within the project area.

CALENDAR PAGE	818
MINUTE PAGE	4486

Mitigation Measures

Mitigation to be incorporated into the Detailed Project Description includes the following measures. With incorporation of these measures into the project, there is no substantial evidence that the proposed Death Valley Junction Project will have a significant adverse impact on the environment.

1. Any alteration within the bed, banks or channel of permanent or intermittent waterways within the State requires notification by the Applicant to the Department of Fish and Game. The resulting Streambed Alteration Agreement will contain conditions for performing the proposed work including that the work should not be performed during the rainy season, when flash floods are likely to occur.
2. Activity during the proposed excavation project will be performed in a safe, professional manner according to accepted industry standards.
3. Only the equipment mentioned in the Detailed Project Description will be used throughout the span of the project, except for repair/towing equipment should any become necessary.
4. Vehicles will maintain a speed of 15 miles per hour or below while at the project site.
5. Stay on existing dirt roads while in the area of the proposed excavation project, aside from crossing the approximately 200 ft. distance from the existing dirt road to the northern edge of the trench and reasonable maneuvering space around all sides of the trench in order to operate the excavator and dump trucks.
6. Consolidate work areas and minimize use of vehicles.
7. Avoid the location of the abandoned USGS wellsite in the SW1/4 of the section.
8. The site of the excavation should be in an area with no vegetation.
9. The top 6 inches of material at the site of the trench should be stockpiled and saved for replacement as the top six inches of soil over the trench during the reclamation process.

Environmental Setting

Surrounding Lands

As shown on the accompanying project map, material for the bulk sample will be excavated at a site in the SE1/4 of Section 36. The general vicinity of the proposed project is sparsely populated. Section 36 is adjacent on the east to the Bureau of Land Management's Resting Spring Range Wilderness Study Area (CDCA-145), which is designated for Limited to Moderate multiple-use. State Highway 127 is about two miles west of Section 36. Death Valley Junction is the nearest population center and has less than 100 permanent residents.

The project area is dry much of the year, although there are intermittent flows along the floodplain of the Amargosa River during the rainy season. The "dry" river occupies a course containing silt, clay, gravel and small boulders.

Geology and Mining Activity

The terrain in this part of Inyo County is relatively flat. Surface material in the vicinity of Death Valley Junction consists of Quaternary alluvium including older gravels, alluvial fan deposits and alkaline playa deposits. Structurally, a branch of the Furnace Creek Fault Zone is about two miles west of the parcel. There have been several mining operations in the general vicinity of Death Valley Junction over the years including mineral exploration and development of borate deposits and cosmetic-grade clays.

Significant Lands Inventory

The State Department of Fish and Game (DFG) nominated Section 36 for the Commission's "Inventory of Unconveyed State School Lands and Tide and Submerged Lands Possessing Significant Environmental Values". According to the Inventory, Section 36 is characteristic of a low desert community containing biological values. The land-use classification of Section 36 is designated Class "B": limited use. Proposed uses of the parcel must be compatible with the land-use classification and non-consumptive of identified environmental values.

Baseline Biological Survey

As part of this Initial Study, a baseline biological survey has been included for background

CALENDAR PAGE	820
MINUTE PAGE	4488

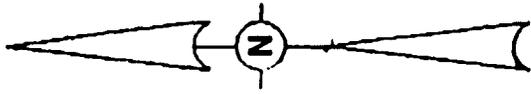
information. The survey covered Section 16, T26N, R5E, SBM (PRC 7730) and Section 36, T25N, R5E, SBM (PRC 7729) including the vicinity of the proposed excavation project.

While processing a permit application for the preliminary mineral prospecting activity of PRCs 7729 and 7730, Commission staff contacted DFG about biological values in Section 36. DFG specified that a biological survey may be required on the access roads and worksites in the project area of Section 16 and Section 36. Staff concurred with DFG and a baseline biological survey (see attached) was conducted in June 1993.

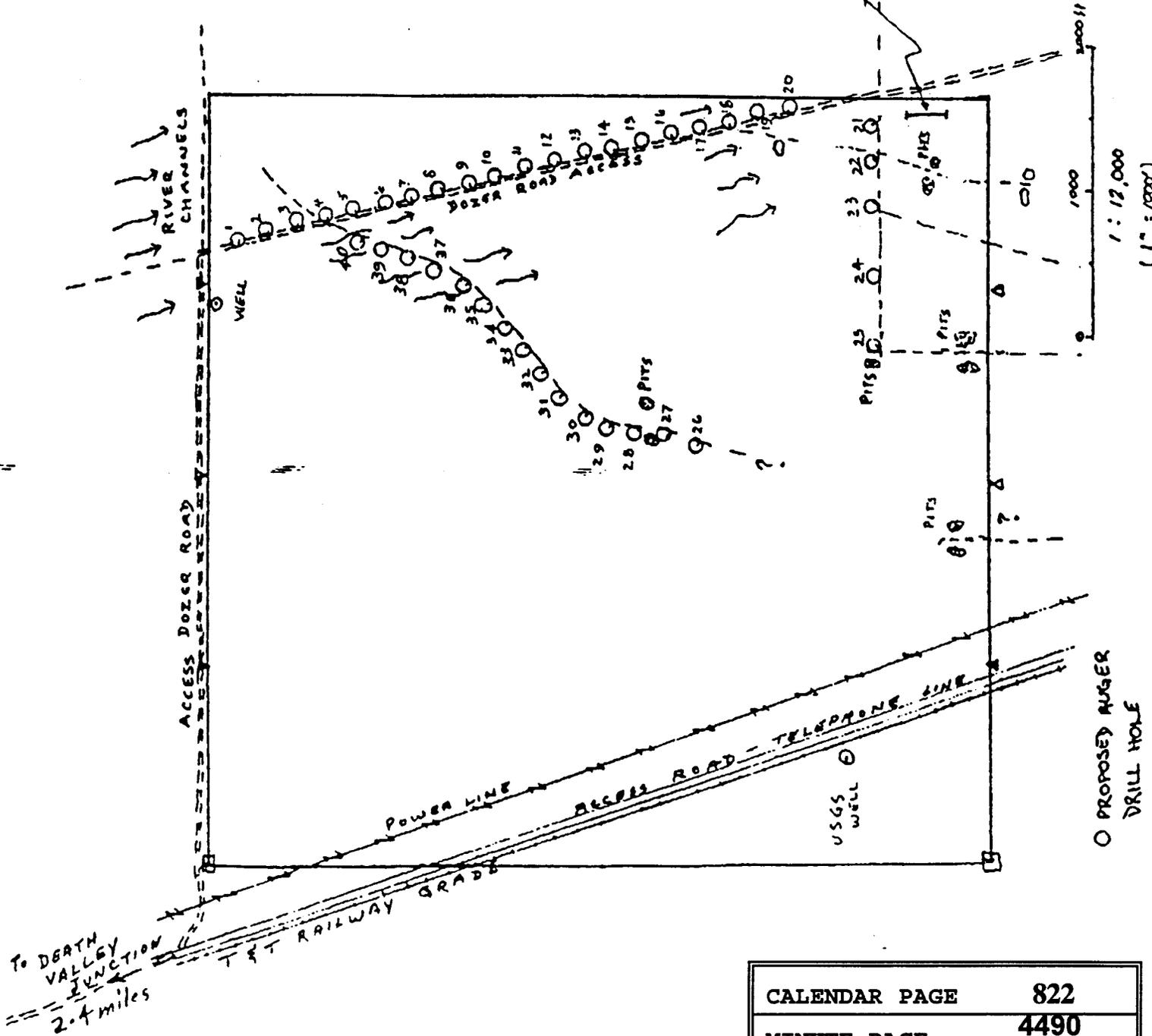
The survey emphasizes sensitive species. All plant and vertebrate species observed during the survey were recorded. Forty-four plant taxa were identified mainly consisting of saltbush and greasewood including shadscale, desert holly, honey mesquite and creosote bush. Ten vertebrate species were identified including some reptiles, birds and mammals. No sensitive plant or vertebrate species were detected. The survey further indicates that no sensitive plant species were encountered during the survey particularly the Amargosa nitrophila and Tecopa bird's-beak, and that no sensitive wildlife species were detected and none are expected.

DFG reviewed the survey and concluded that preliminary mineral prospecting activity will not result in a negative impact to any population or individuals of any sensitive species.

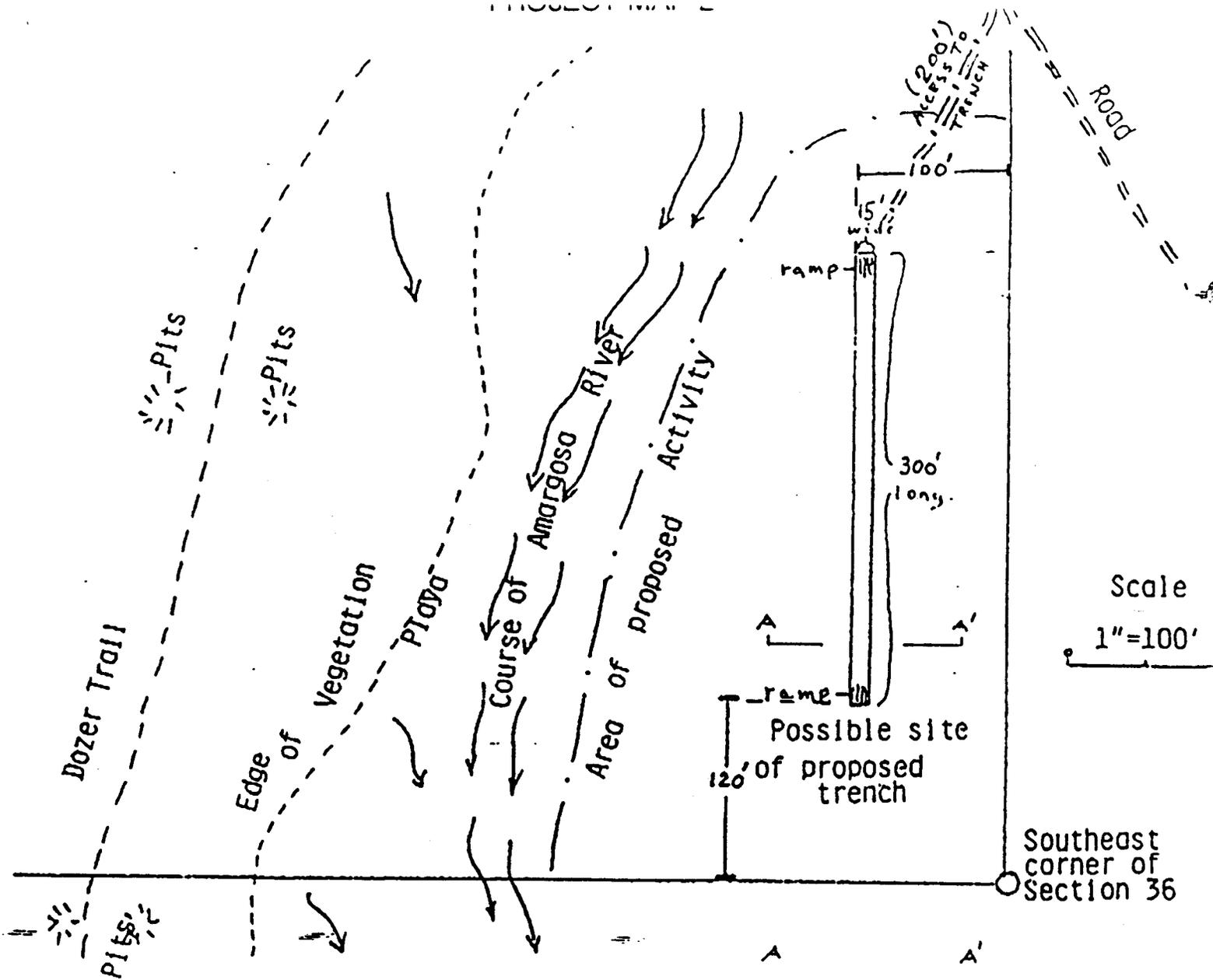
CALENDAR PAGE	821
MINUTE PAGE	4489



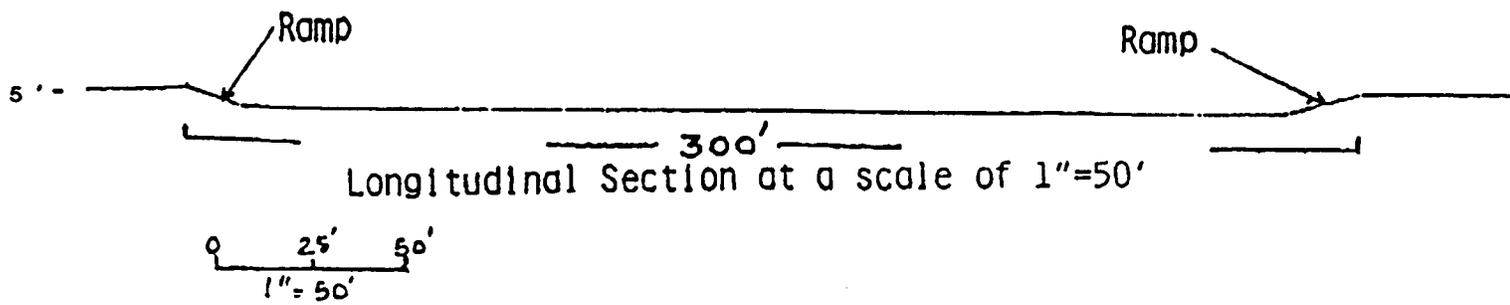
PROPOSED TRENCH SITE
 (300' L x 15' W x 3' D)
 MAXOS RESOURCES (USA) LTD.
 SKETCH MAP OF 1992
 PROPOSED AUGER DRILLING
 SECTION 36
 T25N, R5E, S8M
 IN 40 COUNTY
 JUNE, 1992
 PRC 7729.2



CALENDAR PAGE	822
MINUTE PAGE	4490



Section across proposed trench
15' wide
5' deep



NAXOS RESOURCES LTD.

DEATH VALLEY JUNCTION PROJECT

CALENDAR PAGE 823
DEATH VALLEY JUNCTION, CA.
MINUTE PAGE 4491

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

Form 13.20 (7/82)

File Ref.: PRC 7720.2

I. BACKGROUND INFORMATION

- A. Applicant: Naxos Resources (USA), Ltd.
 Attn.: Jimmy John, President
856 Homer Street, Suite 206
Vancouver, B.C., Canada V6B 2W5
- B. Checklist Date: 04 / 20 / 94
- C. Contact Person: Eric Kruger
 Telephone: (310) 590-5237
- D. Purpose: Proposed project is to excavate approximately 900 cubic yards of surface material for a bulk sample.
- E. Location: SE 1/4 of SE 1/4, Section 36, T25N, R5E, SBM, Inyo County, about 3 miles south of Death Valley Junction, CA.
- F. Description: Naxos is proposing to excavate about 900 cubic yards of surface material for a bulk sample to make test runs of Naxos' anticipated procedure for processing precious metals.
- G. Persons Contacted: State Dept. of Fish and Game
 Attn: Denyse Racine
407 W. Line Street, Rm. 8
Bishop, CA 93514
(619) 872-1158

State Dept. of Fish and Game
 Attn: Bruce Kinney
407 W. Line Street, Rm. 8
Bishop, CA 93514
(619) 872-1158

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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Disruptions, displacements, compaction, or overcovering of the soil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Change in topography or ground surface relief features?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. The destruction, covering, or modification of any unique geologic or physical features?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Any increase in wind or water erosion of soils, either on or off the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mud flows, ground failure, or similar hazards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

CALENDAR PAGE	824
MINUTE PAGE	4492

- B. *Air*. 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
- 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)? 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

- 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"/> |
|---|--------------------------|--------------------------|-------------------------------------|

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? Yes Maybe No
- 2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object? Yes Maybe No
- 3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values? Yes Maybe No
- 4. Will the proposal restrict existing religious or sacred uses within the potential impact area? Yes Maybe No

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? Yes Maybe No
- 2. Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals? Yes Maybe No
- 3. Does the project have impacts which are individually limited, but cumulatively considerable? Yes Maybe No
- 4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? Yes Maybe No

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

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: 4/21/94

E. ...

CALENDAR PAGE - 1	827
MINUTE PAGE	4495

For the State Lands Commission

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST:

Discussion of Environmental Evaluation

A. Earth.

- A1. The proposal as mitigated will not result in unstable earth conditions or changes in geologic substructures. Maximum displacement of surface material is about 900 cubic yards from the site measuring approximately 300 feet long by 15 feet wide by 5 feet deep.
- A2. The proposal as mitigated will not result in disruptions, displacements, compaction or overlying of soil. The project is a temporary condition and Naxos will return any disturbed area to original contour and natural state to the extent possible during reclamation.
- A3. The proposal as mitigated will not change topography or ground surface relief features. The excavated area will be graded into a low depression not more than 25 feet wide.
- A4. The proposal as mitigated will not result in any destruction, covering or modification of any unique surface features at this site. Surface disturbance is concentrated in the immediate area of the proposed project and along existing dirt roads, and the topography is relatively flat.
- A5. The proposal will not increase wind or water erosion of soils, either on or off the site. The project is short-term and reclamation of the site is to begin immediately after completion of gathering enough material for the bulk sample. This should eliminate any erosional condition caused by short-term surface disturbance.
- A6. The proposal will not result in changes of deposition or erosion which may modify the channel of a river or stream at the site of the project. The project is temporary in nature and will take place at a specific site. Reclamation will begin immediately after taking the bulk sample.
- A7. The proposal will not result in exposure of people or property to geologic hazards. Surface disturbance will be confined to the project area. The extent of the project is mineral exploration and therefore temporary.

B. Air.

- B1. The proposal will not result in substantial air emissions. The project will be short-term as Naxos proposes to finish the excavation project within a period of ninety days:

CALENDAR PAGE	828
MINUTE PAGE	4496

- B2. The proposal will not result in creation of objectional odors. The proposed excavation project will involve only the activity in the detailed project description and nothing out of the ordinary.
- B3. The proposal will not result in climatic changes. The equipment to be utilized will not produce extensive energy during the project to change local or regional air movement, moisture or temperature.

C. Water.

- C1. The proposal will not result in any changes in water movement in either marine or fresh waters since there are no bodies of marine or fresh waters standing on the site.
- C2. The proposal will not result in changes to absorption rate, drainage pattern or surface water runoff. The site will be reclaimed immediately after excavation project is completed and will be returned to its original condition to be extent possible.
- C3. The proposal will not result in any alterations to the course or flow of floodwater since the amount of change to the topography is minor and will be confined to the immediate area of the proposed excavation project.
- C4. The proposal will not result in any change to the amount of surface water since there is no standing water existing in the area of the proposed project.
- C5. The proposal will not result in any discharge into surface waters since no permanent bodies of water exist on the site.
- C6. The proposal will not result in any alteration of groundwater since the proposed excavation project will be a maximum of about 5 feet in depth at the work site.
- C7. The proposal will not result in any change in the quantity of groundwater since the extent of the excavation is limited to 5 feet in depth at the project site.
- C8. The proposal will not result in any substantial reduction of water for public supplies since the project site is uninhabited, and the proposed excavation project will not require large quantities of water.
- C9. The proposal will not result in flooding since no large amounts of water are required to complete the drilling.
- C10. The proposal will not result in changes to thermal springs since there are none of these on the site nor in the vicinity of the proposed excavation project.

CALENDAR PAGE	829
MINUTE PAGE	4497

D. Plant Life.

- D1. The proposal will not result in a change to the diversity or number of plant species since the work site is close to existing dirt roads. Some surface disturbance will take place in the off-road area between the excavation and the existing dirt road nearest the work site. The Permittee will determine that the location of the proposed excavation project will avoid vegetation.
- D2. The proposal will not result in reduction of unique, rare or endangered species since none of these types were identified during a recent baseline biological survey of the general vicinity of the project site.
- D3. The proposal will not introduce new plant species and will not affect replenishment of existing species since the nature of the project is mineral exploration that will be conducted from very close to and along existing dirt roads.
- D4. The proposal will not reduce agricultural areas since there are no agricultural areas within the site.

E. Animal Life.

- E1. The proposal will not result in changes in diversity or numbers of species since the scope of the project is limited to taking a bulk sample at the excavation site and traveling along existing roads. Off-road travel amounts to about 200 feet.
- E2. A recent baseline biological survey states that no sensitive vertebrate species were encountered in the vicinity of the project.
- E3. The proposed excavation project as mitigated will not displace wildlife from the project area. The project is short-term in duration and no long-term adverse effects are anticipated.
- E4. The proposal as mitigated will not result in deterioration of wildlife habitat. The proposed excavation project is a temporary condition. Mitigation measures have also been incorporated into the detailed project description to ensure that habitats are not harmed. These include consolidation of work areas, minimal use of vehicles and at low speeds and avoiding vegetation.

F. Noise.

- F1. The proposed excavation project will not result in an increase to noise levels. The project is about three miles away from the nearest population center, Death Valley Junction, a small town with less than 100 permanent residents.

CALENDAR PAGE	830
MINUTE PAGE	4498

F2. The site is uninhabited and undeveloped. Therefore it will not cause exposure of severe noise levels to people.

G. Light and Glare.

G1. The proposal will not result in producing new light or glare since the excavation work will take place during daylight hours. No night work using lights has been proposed by the Permittee.

H. Land Use.

H1. The proposal will not result in substantial alteration of land use of the project site. Section 36 is designated Class "B" limited use, and staff believe that the proposed project is compatible with this classification and non-consumptive of identified environmental values.

I. Natural Resources.

I1. The proposal will not result in increased use of natural resources since the project is limited to mineral exploration.

I2. There will be no substantial depletion of nonrenewable resources since this project is exploratory in scope.

J. Risk of Upset.

J1. The proposal will not present the risk of an explosion or release of hazardous substances. Naxos does not propose to use any explosive devices during the project, and there will be no hazardous substances on the site. Fueling of equipment will take place off-site.

J2. The proposal will not interfere with emergency response or evacuation plans. The proposed project is temporary in nature and of short duration and the site is uninhabited.

K. Population.

K1. The proposal will not change the human population. The project site and its vicinity are uninhabited and undeveloped.

L. Housing.

L1. The proposal will not affect housing since there are no habitable structures on the site.

M. Transportation/Circulation.

M1. The proposal will not generate substantial additional vehicular movement. A proposed mitigation measure stipulates that vehicle use will be kept to a minimum.

CALENDAR PAGE	831
MINUTE PAGE	4499

- M2. The proposal will not affect parking or create a new demand. The site is currently uninhabited and undeveloped.
- M3. The proposal will not impact existing transportation systems. The site and its vicinity are uninhabited.
- M4. The proposal will not affect economic activity in the vicinity since this area is undeveloped.
- M5. The proposal will not alter water, rail or air traffic since the site is relatively isolated, and no facilities currently exist to facilitate those types of travel.
- M6. The proposal will not cause traffic hazards. Project conditions stipulate keeping vehicle movements to a minimum throughout the span of the project.

N. Public Services: the proposal will not have an effect upon new altered government services in any of the areas listed. The scope of the proposal is mineral exploration and is limited to activities contained in the detailed project description.

- N1. Fire protection: no hazardous materials are proposed for use during the span of this project.
- N2. Police protection: the project will not require policing since the project area is uninhabited.
- N3. Schools: the nature of the proposal is mineral exploration.
- N4. Parks or recreation facilities: the project is temporary and is proposed to be completed within about ninety days.
- N5. Maintenance of public facilities, including roads: the project will not require maintenance of public facilities including roads since these facilities are not within the project area.
- N6. Other government services: the proposal is currently limited to mineral exploration activity utilizing a limited number of personnel.

O. Energy.

- O1. The proposal will not consume substantial amounts of fuel or energy as it is limited in scope to the activities in the detailed project description.
- O2. The proposal will not substantially increase the demand for energy since it is limited in scope and duration. Currently, there is no requirement to develop new sources.

P. Utilities: the proposal will not require a need for new utility systems or substantial alteration of existing systems

CALENDAR PAGE	832
MINUTE PAGE	4500

The scope of the project is limited to mineral exploration utilizing equipment that will be on site for a specific duration of time.

- P1. Power or natural gas will not be required during the project since the proposed equipment does not require public utility services, and Naxos personnel will not be in permanent residence at the site.
- P2. Communication systems will not be used since there are no public outlets on the site, and the site is uninhabited.
- P3. No water will be required for the project.
- P4. Sewer or septic systems will not be used since there are no habitable structures on site. Workers involved in the project will utilize restroom facilities at Death Valley Junction.
- P5. Storm drains are not necessary since the scope of the project is limited to mineral exploration.
- P6. Solid waste disposal facilities will not be used since there are no outlets and no housing on the site.

Q. Human Health.

- Q1. The proposal will not create any human health hazards. A project condition stipulates that the work will be carried out in a safe manner.
- Q2. The scope of the proposal will be limited to activity in the detailed project description. This will not cause potential health hazards.

R. Aesthetics.

- R1. There are no unique physical or scenic features in the vicinity of the project site. The project is short-term. Reclamation will commence immediately after the excavation activity is completed and will continue until the site is returned to its original condition to the extent possible.

S. Recreation.

- S1. The proposal is short-term and should be limited to the proposed timeframe in the detailed project description and should not create an impact on recreational opportunities.

T. Cultural Resources.

- T1. The proposal will not alter or destroy prehistoric or historic archaeological sites. The site of the proposed excavation project is uninhabited and it would appear that there are no cultural resources in the project area.

CALENDAR PAGE	833
MINUTE PAGE	4501

- T2. The proposal will not adversely effect cultural resources. The site of the proposed project has been uninhabited and undeveloped and staff believes that there are no cultural resoucrs in the area of the project.
- T3. The proposal does not have the potential to cause any-changes to known cultural resources. There are no known cultural resoucrs in the area of the proposed excavation project, according to the Cultural Element of the BLM's California Desert Plan.
- T4. The proposal will not restrict any existing religious or sacred uses since there are no known Native American cultural resources in the general area of the proposed project, according to the Native American Element of the BLM's California Desert Plan.

U. Mandatory Findings of Significance.

- U1. The proposed Death Valley Junction project does not have the potential to degrade the environment. The project is limited in its scope, and will be of temporary duration. The project may have the potential to reduce natural habitat in the immediate area of the work site. However, this is also temporary and will not last after the end of the excavation project. The project will be conducted mostly along and close to existing dirt roads. Surface disturbance will be held to a minimum.
- U2. The proposed project is of limited duration, and as described and conditioned has no short-term or long-term potential adverse effects.
- U3. The cumulative impacts of the proposed excavation project to the environment of the site are minimal. The project as described and conditioned should not cause any adverse effects.
- U4. The project does not have environmental effects which will be adverse to humans. The scope of the project is limited to short-term mineral exploration, that is bulk sampling at one specific location.

CALENDAR PAGE	834
MINUTE PAGE	4502

**BASELINE BIOLOGICAL SURVEY OF SECTION 16,
TOWNSHIP 26 NORTH, RANGE 5 EAST AND SECTION 36, TOWNSHIP
25 NORTH, RANGE 5 EAST, INCLUDING
NAXOS RESOURCES LTD, PROPOSED DRILL SITES**

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AUGUST 1993

CALENDAR PAGE	835
MINUTE PAGE	4503

I. SUMMARY

A baseline biological survey with emphasis on sensitive species (particularly the Armagosa nitrophila (*Nitrophila mohavensis*) and Tecopa bird's beak (*Cordylanthus tecopensis*)) was conducted on Section 16, Township 26 North, Range 5 East and Section 36, Township 25 North, Range 5 East including Naxos Resources Limited proposed exploratory drill sites. The proposed eighty drilling sites are located on the western edge of Inyo County, approximately 5.5 miles northwest and approximately 2.25 miles southeast of the town of Death Valley Junction. The sites are surrounded by undeveloped desert lands, BLM wilderness areas, utility and phone corridors and associated access roads.

A baseline biological survey of the two sections including the proposed drill sites was conducted on June 23 through 25, 1993 by the Lilburn Corporation. All plant identifications were performed by Andrew Sanders, Herbarium scientist, University of California Riverside Herbarium. The sections were crisscrossed by vehicle and on foot and each proposed drillsite was surveyed on foot out to a distance of 50 feet. All plant and vertebrate species observed were recorded. The elevation of the survey area varied from a low of 2,006 feet above mean sea level (AMSL) in the southwest corner of Section 36 to a high of 2,178 feet AMSL at the southwestern corner of Section 16.

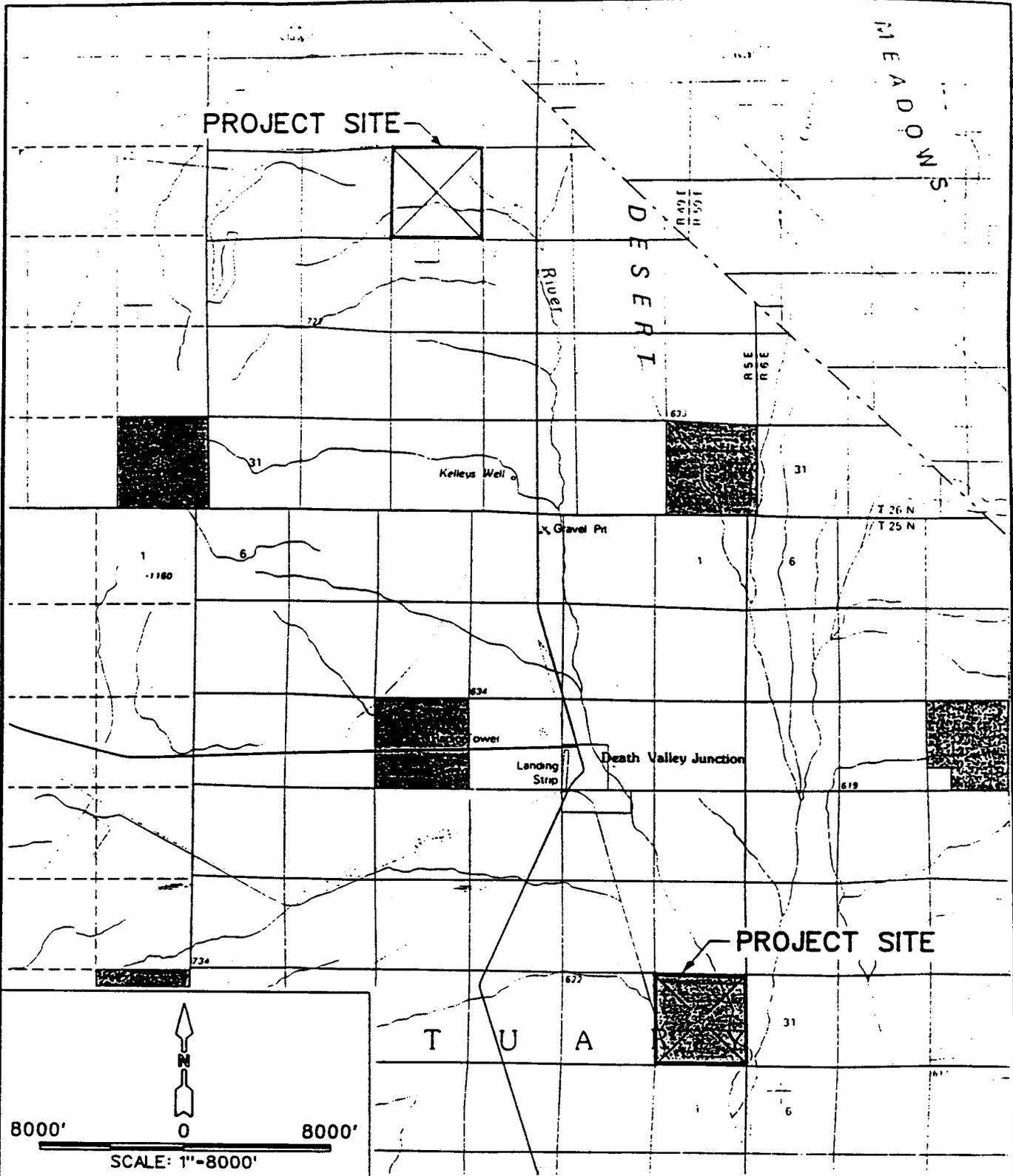
Forty-four plant taxa were identified during the field survey. The area's vegetation consists mainly of Desert Saltbush Scrub and Desert Greasewood Scrub dominated by species such as shadscale (*Atriplex confertifolia*), desert holly (*A. hymenelytra*), Mohave saltbush (*A. spinifera*), greasewood (*Sarcobatus vermiculatus*), honey mesquite (*Prosopis glandulosa* var. *torreyana*) and creosote bush (*Larrea tridentata*).

Ten vertebrates including four reptile species, two bird species, and four mammal species were identified in the survey area. No sensitive plant or vertebrate species were detected.

II. INTRODUCTION

Following a request from the California State Lands Commission as expressed in its letters of April 29 and June 21, 1993 (see attached exhibits 1 & 2) Naxos Resources Limited requested that a general baseline biological survey with emphasis on sensitive species (particularly the Armagosa nitrophila and Tecopa bird's beak) be conducted on Sections 16 and 36 which included their proposed eighty exploratory drillsites. The biological study area covered approximately 1,280 acres and is generally located approximately 5.5 miles northwest and approximately 2.25 miles southeast of the town of Death Valley Junction, Inyo County, California (Figure 1). The biological study area is specifically located in Section 16, Township 26 North, Range 5 East and Section 36, Township 25 North, Range 5 East of the U.S. Geological Survey, 7.5 minute Death Valley Junction Quadrangle, San Bernardino Baseline Meridian, Inyo County, California (Figures 2 and 3).

CALENDAR PAGE	836
MINUTE PAGE	4504



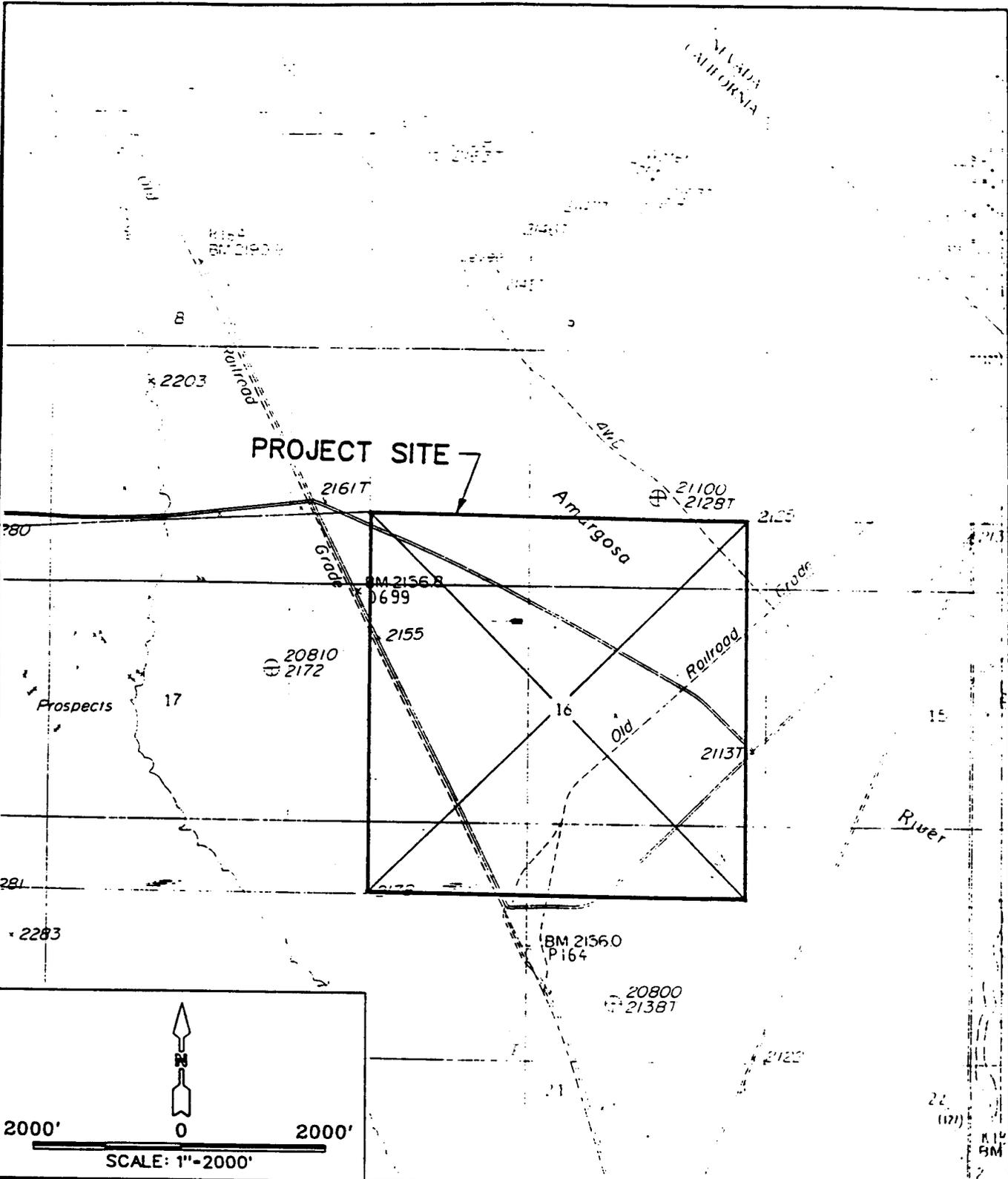
LILBURN CORPORATION

VICINITY MAP

NAXOS RESOURCES LIMITED
PROPOSED DRILL SITES

CALENDAR PAGE	837
MINUTE PAGE	4505

SOURCE: BLM 100000 SCALE SERIES, DEATH VALLEY JUNCTION CALIF. - NEV.

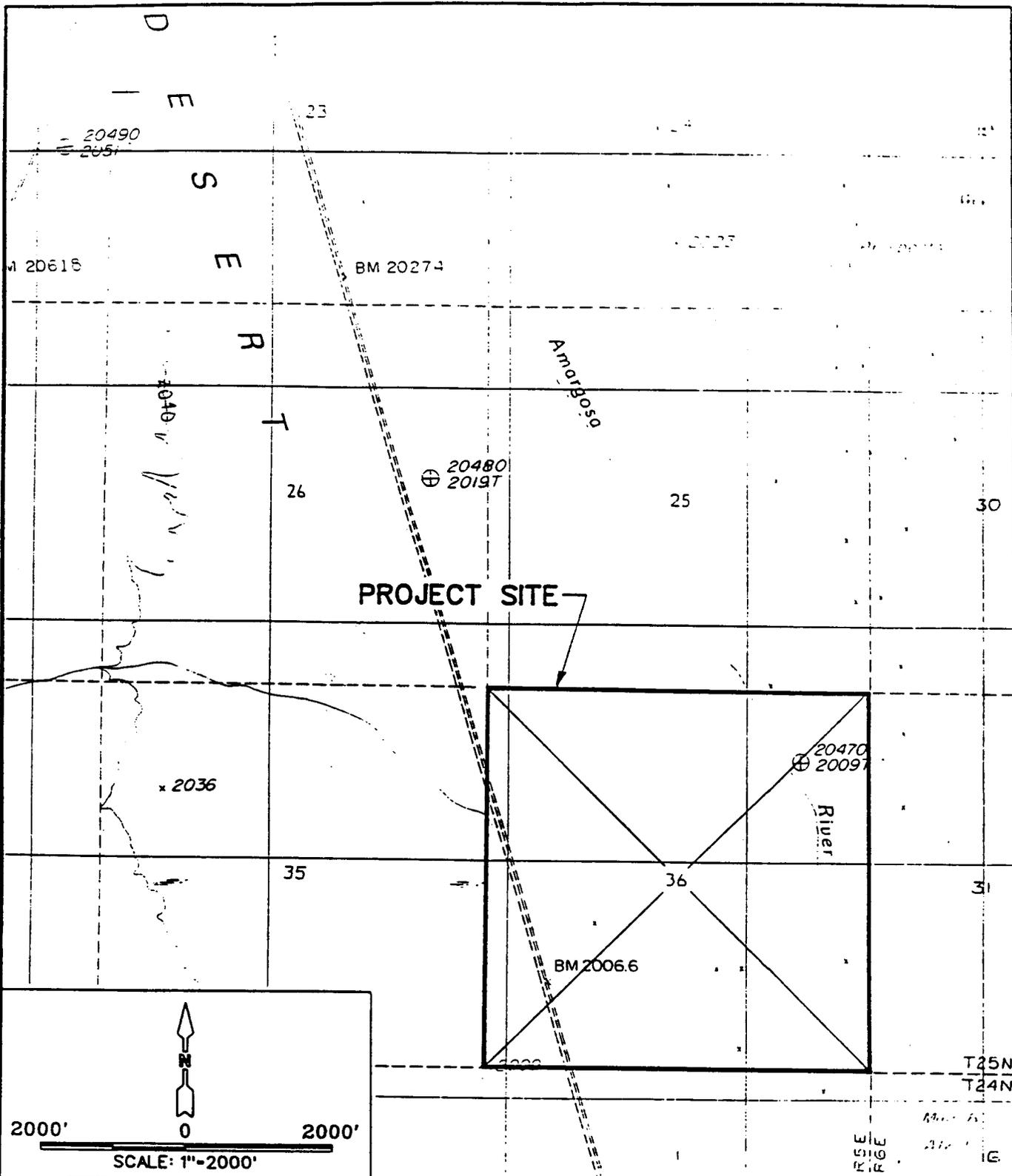


PROJECT SITE MAP
SECTION 16
NAXOS RESOURCES LIMITED
PROPOSED DRILL SITES



SOURCE: USGS 7.5 MIN. SCALE QUADRANGLE, FRANKLIN WELL

CALENDAR PAGE	838
MINUTE PAGE	4506



PROJECT SITE MAP
SECTION 36
NAXOS RESOURCES LIMITED
PROPOSED DRILL SITES



CALENDAR PAGE	839
MINUTE PAGE	4507

SOURCE: USGS 7.5 MIN. SCALE QUADRANGLE, DEATH VALLEY JUNCTION, CALIF.-NEV.

Surveys of the sections and drill sites were conducted on June 23 through 25, 1993 by the Lilburn Corporation. The surveys were conducted on the dates and with weather conditions as follows:

June 23: between 1330 and 1715 hours PDT, under a clear sky, with a breeze of approximately 5 mph from the north and an ambient temperature range of 34°C at 1330 to 36°C at 1715 PDT.

June 24: between 0845 and 1837 hours PDT, under a clear sky, with a light breeze of approximately 5 mph from the north and an ambient temperature range of 28°C at 0845 to 33°C at 1837 PDT.

June 25: between 1200 and 1411 hours PDT, under a clear sky, with a light breeze of approximately 5 mph from the northwest and an ambient temperature range of 36°C at 1200 to 37°C at 1411 PDT.

III. ENVIRONMENTAL SETTING

The elevation of the survey area varies from a low of 2,006 feet AMSL in the southwest corner of Section 36 to a high of 2,178 feet AMSL at the southwestern corner of Section 16. The sites are surrounded by undeveloped desert lands, BLM wilderness areas, utility and phone corridors and associated access roads.

The sections' vegetation varied little and consists mainly of Desert Saltbush Scrub and Desert Greasewood Scrub. The topography of both sites was relatively flat, with soils that ranged from fine sand and silt to desert "pavement".

IV. METHODS

The sections were crisscrossed by vehicle and on foot and each proposed drillsite (approximately 80 total) and an accompanying 50 foot buffer zone were walked on foot. All plant and vertebrate species observed were recorded. Unobserved species were identified through indirect signs (i.e., scat, tracks, calls, nests, burrows, etc.) Scientific nomenclature for this report is from the following standard reference sources: plant communities, Holland (1986); flora, Hickman (1993) and Munz (1974); reptiles, Stebbins (1985); and birds and mammals, Laudenslayer and Grenfell (1983).

V. RESULTS

Vegetation

Forty-four plant taxa were identified during the field survey (Table 1). These taxa probably do not represent every species on the sections, but a large percentage. The sections contain a mixture of Desert Saltbush Scrub and Desert Greasewood Scrub plant species such as greasewood (*Sarcobatus vermiculatus*), shadscale (*Atriplex confertifolia*), desert holly (*A.*

hymenelytra), Mohave saltbush (*A. spinifera*), greasewood (*Sarcobatus vermiculatus*), honey mesquite (*Prosopis glandulosa* var. *torreyana*), creosote bush (*Larrea tridentata*), and saltgrass (*Distichlis spicata*).

Wildlife

Ten vertebrates including four reptile species, two bird species and four mammal species were identified in the survey area. These species are listed in Table 2.

VI. SENSITIVE BIOLOGICAL RESOURCES

Sensitive Plants

No sensitive plant species were encountered on either survey site.

The following plant species are considered sensitive by the California Native Plant Society (CNPS) (Smith and Berg, 1988), the California Department of Fish and Game (CDFG) or the United States Fish and Wildlife Service (USFWS) and are known from the vicinity of the site, but were not encountered on this survey:

Arctomecon merriamii - "white bear poppy"; Papaveraceae; CNPS List: 2; R-E-D Code: 2-2-1; State/Fed. Status: /C3c. This is a rather small perennial poppy species (up to 16 inches high) blooms in April and May and is found in Creosote Bush Scrub. This habitat is not present on the two sections.

Centaurium namophilum var. *namophilum* - "spring-loving centaury"; Gentianaceae; CNPS List: 1B; R-E-D Code: 3-3-2; State/Fed. Status: /FT. This species has not been observed in California since 1977. This is one of the alkaline meadows species of the Amargosa River that occurs in moist areas. This species is not expected since no moist areas are found on either section.

Cordylanthus tecopensis - "Tecopa bird's-beak"; Scrophulariaceae; CNPS List: 1B; R-E-D Code: 3-2-2; State/Fed. Status: /C2. This was one of the "target" species identified by the CDFG for this survey and is another of the alkaline meadows species of the Amargosa River that occurs in moist areas. This species is not expected since no moist areas are found on either section. John Roos, one of the authors of this species' description, collected this species in 1953 and 1954 approximately 3 miles northeast of Death Valley Junction, along the Ash Meadows road in either Section 5 or 6, Township 25 North, Range 6 East (See Photo #1 of the area).

Eriogonum contiguum - "Reveal's buckwheat"; Polygonaceae; CNPS List: 2; R-E-D Code: 2-1-1; State/Fed. Status: /C3c. This annual species occurs on sandy flats and is known from localities approximately twenty miles west and approximately twenty miles southeast of the sections. It is not expected from the sites.

CALENDAR PAGE	841
MINUTE PAGE	4509

Grindelia fraxino-pratensis - "Ash Meadows gumplant"; Asteraceae; CNPS List: 1B; R-E-D Code: 3-2-2; State/Fed. Status: /FT. This is an additional "target" species identified by Lilburn Corporation which is another of the alkaline meadows species of the Amargosa River that occurs in moist areas. This species is not expected since no moist areas are found on either section.

Nitrophila mohavensis - "Amargosa nitrophila"; Chenopodiaceae; CNPS List: 1B; R-E-D Code: 3-3-2; State/Fed. Status: CE/FE. This was the other "target" species identified by the CDFG for this survey and is another of the alkaline meadows species of the Amargosa River that occurs in moist areas. This species is not expected since no moist areas are found on either section. The type locality for this species is shown in Photo #1 taken on June 13, 1954 by John Roos "three miles northeast of Death Valley Junction", probably in Section 6, Township 25 North, Range 6 East. Note that the site is a salt flat, a habitat type not observed on either section surveyed.

Penstemon stephensii - "Stephen's beardtongue"; Scrophulariaceae; CNPS List: 1B; R-E-D Code: 2-2-3; State/Fed. Status: /C2. This species occurs in rocky Creosote Bush Scrub habitats south and east of the sections and is not expected to occur in the Saltbush Scrub/Greasewood Scrub habitats present on the sections.

The following are the CNPS codes used in the above plant descriptions.

CNPS LISTS

List 1B: Plants rare, threatened or endangered in California and elsewhere.

List 2: Plants rare, threatened or endangered in California, but more common elsewhere.

THE CNPS R-E-D CODE

R (Rarity)

- 1 - Rare, but found in sufficient numbers and distributed widely enough that the potential for extinction is low at this time.
- 2 - Occurrence confined to several populations or to one extended population.
- 3 - Occurrence limited to one or a few highly restricted populations, or present in such small numbers that it is seldom reported.

CALENDAR PAGE	842
MINUTE PAGE	4510

E (Endangerment)

- 1 - Not endangered.
- 2 - Endangered in a portion of its range.
- 3 - Endangered throughout its range.

D (Distribution)

- 1 - More or less widespread outside California.
- 2 - Rare outside California.
- 3 - Endemic to California.

FEDERAL LISTINGS

- C1 = A Category 1 candidate for Federal listing. Enough data are on file to support a Federal listing.
- C2 = A Category 2 candidate for Federal listing. Threat and/or distribution data are currently insufficient to support listing.
- C3c = A Category 3 candidate for Federal listing. Too widespread and /or not threatened.
- FE = Federally listed endangered.

STATE LISTINGS

- CSC = CDFG "Species of Special Concern."
- CT = State listed as threatened.
- CE = State listed as endangered.

Sensitive Wildlife

No sensitive wildlife species were detected on the sections and none are expected.

VII.

RECOMMENDATIONS

No recommendations are made at this time.

Andrew C. Sanders

Andrew Sanders

Herbarium Scientist University of California at Riverside.

John F. Wear

John F. Wear

Biological Resource Specialist

VIII. REFERENCES

- California Department of Fish and Game, Natural Diversity Data Base. 1990. Special Animals.
- Hickman, James C., Editor. 1993. *The Jepson manual: Higher Plants of California*. University of California Press, Berkeley. 1400 pp.
- Holland, Robert F. 1986. Preliminary Descriptions of the Terrestrial Natural Communities of California. State of California. The Resource Agency. Department of Fish and Game.
- Jaeger, Edmund C. 1969. *Desert Wild Flowers*. Stanford University Press, Stanford, California. 321 pp.
- Laudenslayer, William F. Jr. and William E. Grenfell Jr. 1983. A list of amphibians, reptiles, birds and mammals of California. *Outdoor California* Vol. 44: No. 1: 5-14.
- Munz, Philip A. 1974. *A Flora of Southern California*. University of California Press, Berkeley. 1086 pp.
- National Geographic Society, 1987. *Field Guide to the Birds of North America*. National Geographic Society, Washington D.C.
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CALENDAR PAGE	845
MINUTE PAGE	4513

Table 1

Plant Species Observed On Section 16, Township 26 North Range 5 East and Section 36, Township 25 North, Range 5 East, North and South of Death Valley Junction, California

ANGIOSPERMAE
DICOTYLEDONEAE

Amaranthaceae

Amaranth Family

Tidestromia oblongifolia

honey-sweet

Asclepiadaceae

Milkweed Family

Asclepias erosa

desert milkweed

Asteraceae

Sunflower Family

Ambrosia dumosa

burrobush

Chaenactis carphoclinia

pebble pincushion

Geraea canescens

desert sunflower

Hymenoclea salsola

cheese bush

Machaeranthera arida

Silver Lake daisy

M. carnososa

shrubby alkali aster

Psathyrotes annua

fan-leaf

Stephanomeria pauciflora

desert-straw

Xanthium strumarium

cocklebur

Boraginaceae

Borage Family

Cryptantha pterocarya

wing-nut forget-me-not

Heliotropium curassavicum

Chinese pusley

Brassicaceae

Mustard Family

Lepidium fremontii

desert alyssum

* *Sisymbrium irio*

London rocket

Cactaceae

Cactus Family

Opuntia basilaris

beavertail cactus

O. echinocarpa

golden cholla

CALENDAR PAGE	846
MINUTE PAGE	4514

Table 1
(Continued)

Plant Species Observed On Section 16, Township 26 North Range 5 East and Section 36, Township 25 North, Range 5 East, North and South of Death Valley Junction, California

Capparaceae	Caper Family
<i>Cleomella obtusifolia</i>	Mojave stinkweed
<i>Oxystylis lutea</i>	false-clover
Chenopodiaceae	Goosefoot Family
<i>Atriplex confertifolia</i>	shadscale
<i>A. hymenelytra</i>	desert holly
<i>A. spinifera</i>	Mohave saltbush
<i>Kochia californica</i>	California kochia
* <i>Salsola tragus</i>	Russian thistle
<i>Sarcobatus vermiculatus</i>	greasewood
<i>Suaeda moquinii</i>	bush seepweed
Cuscutaceae	Dodder Family
<i>Cuscuta denticulata</i>	toothed dodder
Euphorbiaceae	Spurge Family
<i>Euphorbia micromera</i>	Sonoran sand-mat
Fabaceae	Pea Family
<i>Prosopis glandulosa</i>	western honey mesquite
var. <i>torreyana</i>	
<i>P. pubescens</i>	screw bean
Hydrophyllaceae	Waterleaf Family
<i>Phacelia calthifolia</i>	caltha-leaved phacelia
Loasaceae	Loasa Family
<i>Petalonyx thurberi</i>	sandpaper plant

Table 1
(Continued)

Plant Species Observed On Section 16, Township 26 North Range 5 East and Section 36, Township 25 North, Range 5 East, North and South of Death Valley Junction, California

Malvaceae	Mallow Family
<i>Eremalche rotundifolia</i>	desert five-spot
Polemoniaceae	Phlox Family
<i>Gilia latifolia</i>	broad-leaved gilia
Polygonaceae	Buckwheat Family
<i>Chorizanthe rigida</i>	rigid spiny-herb
<i>Eriogonum deflexum</i>	skeleton weed
<i>E. inflatum</i>	desert trumpet
<i>E. reniforme</i>	kidney-leaved buckwheat
Resedaceae	Mignonette Family
<i>Oligomeris linifolia</i>	linear-leaved cambess
Viscaceae	Mistletoe Family
<i>Phoradendron californicum</i>	desert mistletoe
Zygophyllaceae	Caltrop Family
<i>Larrea tridentata</i>	creosote bush
MONOCOTYLEDONEAE	
Poaceae	Grass Family
* <i>Bromus rubens</i>	red brome
<i>Distichlis spicata</i>	saltgrass
* <i>Schismus barbatus</i>	abu-mashi

* - denotes non-native species

Table 2

Vertebrates observed on Section 16, Township 26 North Range 5 East and Section 36, Township 25 North, Range 5 East, North and South of Death Valley Junction, California

Reptiles

desert iguana
zebra-tailed lizard
desert horned lizard
western whiptail

Dipsosaurus dorsalis
Callisaurus draconoides
Phrynosoma platyrhinos
Cnemidophorus tigris

Birds

horned lark
lesser nighthawk

Eremophila alpestris
Chordeiles acutipennis

Mammals

black-tailed jackrabbit
coyote (scat)
desert kit fox (scat & den)
burro (scat)

Lepus californicus
Canis latrans
Vulpes macrotis arsipus
Equus asinus

NO TEXT THIS PAGE

CALENDAR PAGE	850
MINUTE PAGE	4518



Photo #1: The type locality for the Amargosa nitrophila (*Nitrophila mohavensis*), taken on June 13, 1954 by John Roos "three miles northeast of Death Valley Junction", probably in Section 6, Township 25 North, Range 6 East. Note that the site is a salt flat, a habitat type not observed on either section surveyed.



Photo #2: Northeast corner of Section 16 (Drill Site # 38) looking west. Shows Desert Saltbush Scrub/Greasewood Scrub with line of honey mesquite marking the dry "river" channel.



Photo #3: East side of Section 16 (Drill Site #36, south of #38) looking west. Shows Desert Saltbush Scrub/Greasewood Scrub with line of honey mesquite marking the dry "river" channel. Foreground is dry puddle area.



Photo #4: Drill Site #1, next to existing road in southeast quarter of Section 16, looking northwest with mesquites in the background.

CALENDAR PAGE	852
MINUTE PAGE	4520



Photo #5: Drill Site #4 in southeast quarter of Section 16 looking west.



Photo #6: Drill Site #11, on edge of a small drainage, in the center of the southern half of Section 16, looking northeast.

CALENDAR PAGE	853
MINUTE PAGE	4521

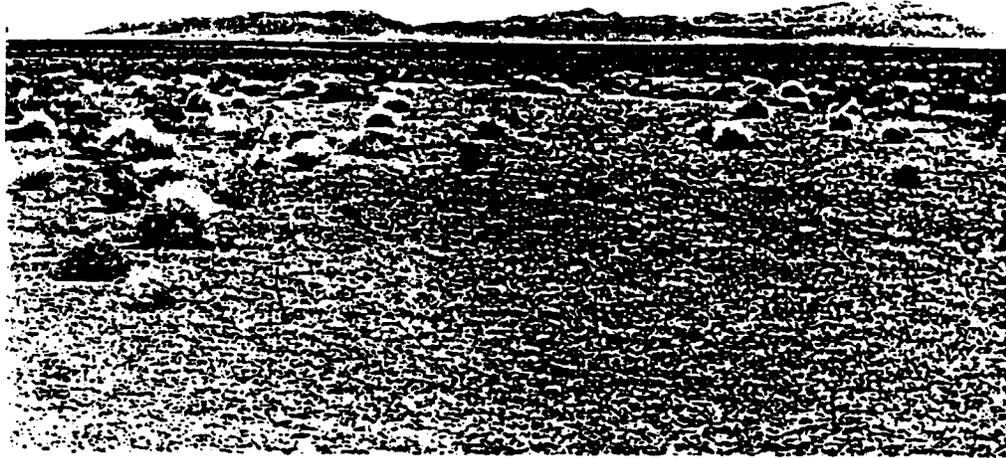


Photo #7: Drill Site #12 on the western side of Section 16 looking southeast.



Photo #8: Drill Site #14 on the western side of Section 16-looking west.

CALENDAR PAGE	854
MINUTE PAGE	4522



Photo #9: Drill Site #20 in the northwest quarter of Section 16, looking southeast. west. Shows Desert Saltbush Scrub/Greasewood Scrub with line of honey mesquite marking the dry "river" channel in the background.



Photo #10: Drill Site #25, lower half of northeast quarter of Section 16, looking east.

CALENDAR PAGE	855
MINUTE PAGE	4523

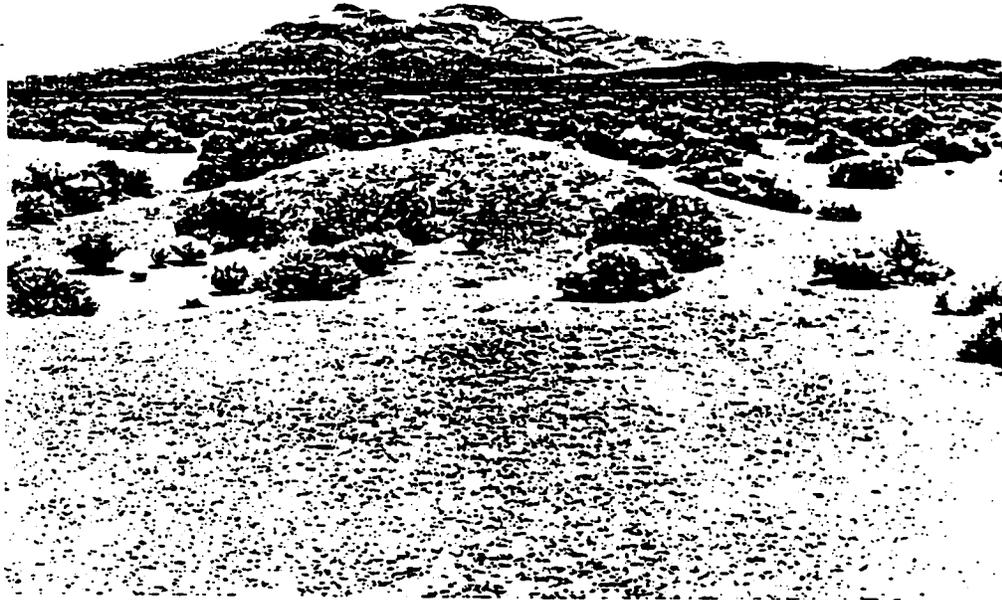


Photo #11: Drill Site #26B in the center of Section 36 looking south. Shows old excavation site.

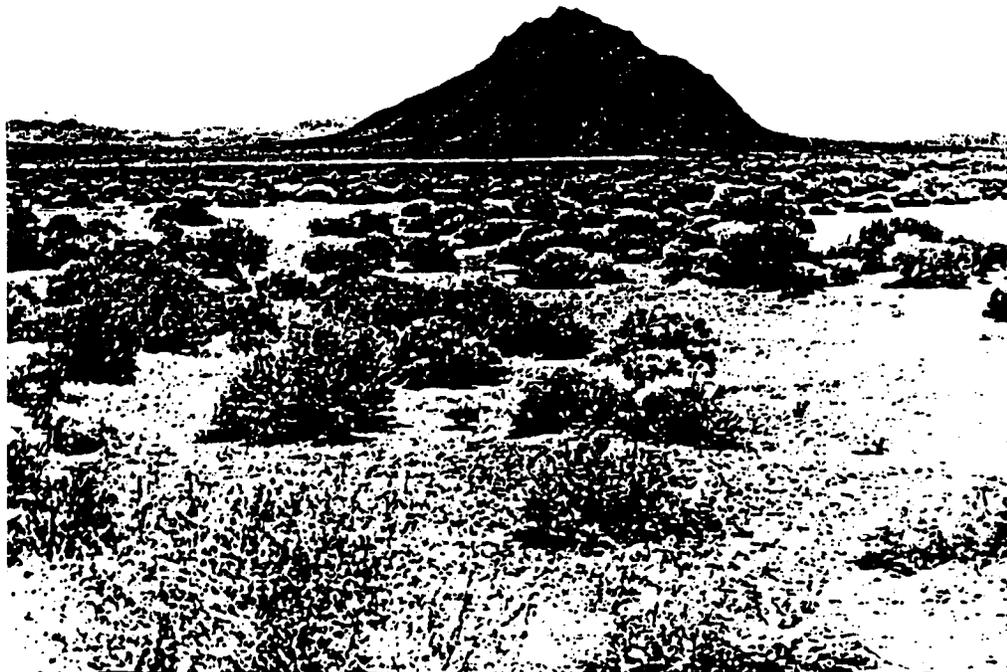


Photo #12: Drill Site #28 just west of 26B in the center of Section 36 looking southeast. Shows the dry river channel (sand colored line) in the distance and Eagle Mountain.

CALENDAR PAGE	856
MINUTE PAGE	4524



Photo #13: Drill Site #31, north of the last two photos in the center of Section 36 looking southwest. Shows the dry sparse Saltbush/Greasewood Scrub with a gravelly soil surface.



Photo #14: Drill Site #38 in the northwest quarter of the southeast quarter of the northeast quarter of Section 36, looking southwest.

CALENDAR PAGE	857
MINUTE PAGE	4525

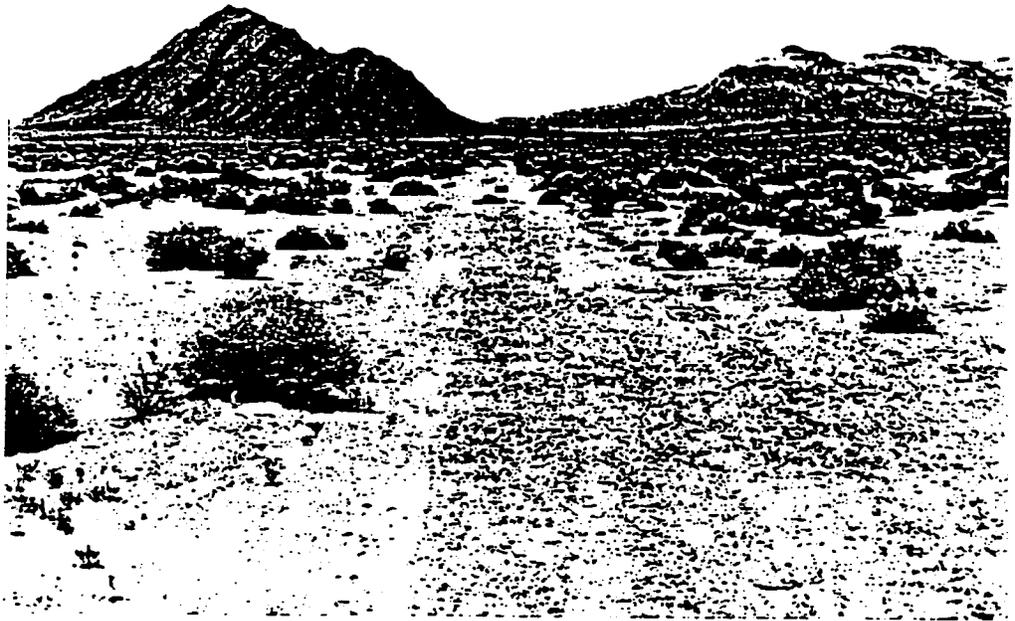


Photo #15: Drill Site #1 in the northwest quarter of the northeast quarter of the northeast quarter of Section 36 looking south. Shows the existing "track" in the sparse Saltbush/Greasewood Scrub and Eagle Mountain beyond.



Photo #16: Drill Site #5 in the southwest quarter of the northeast quarter of the northeast quarter of Section 36 looking south. Shows one of the areas of dried clay layer on the otherwise gravelly surface, where a puddle formed during the winter rains. No sensitive species were observed.

CALENDAR PAGE	858
MINUTE PAGE	4526

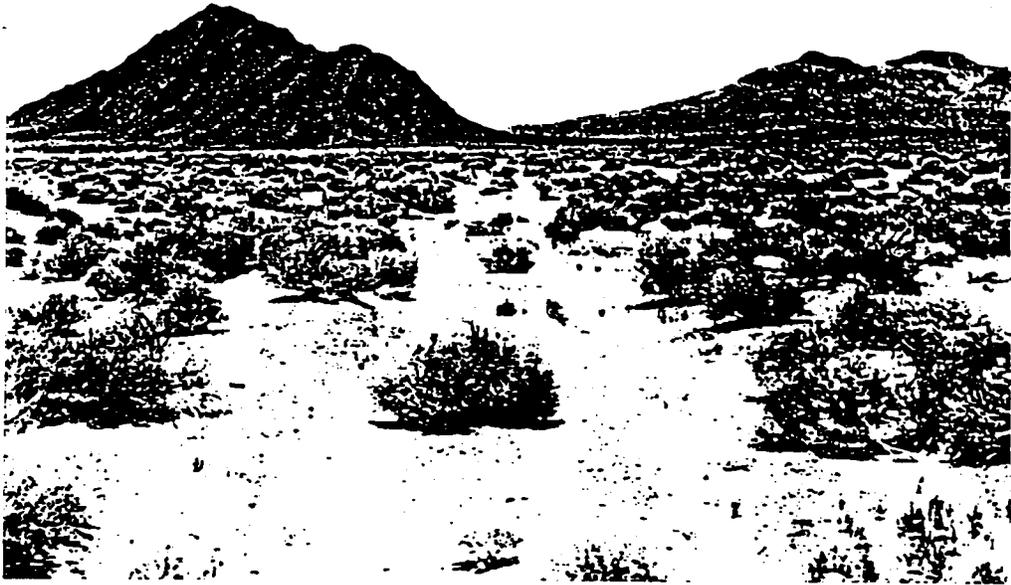


Photo #17: Drill Site #7 in the northwest quarter of the southeast quarter of the northeast quarter of Section 36, southeast of Photo #16 looking south. Shows the existing "track" and habitat and Eagle Mountain beyond.

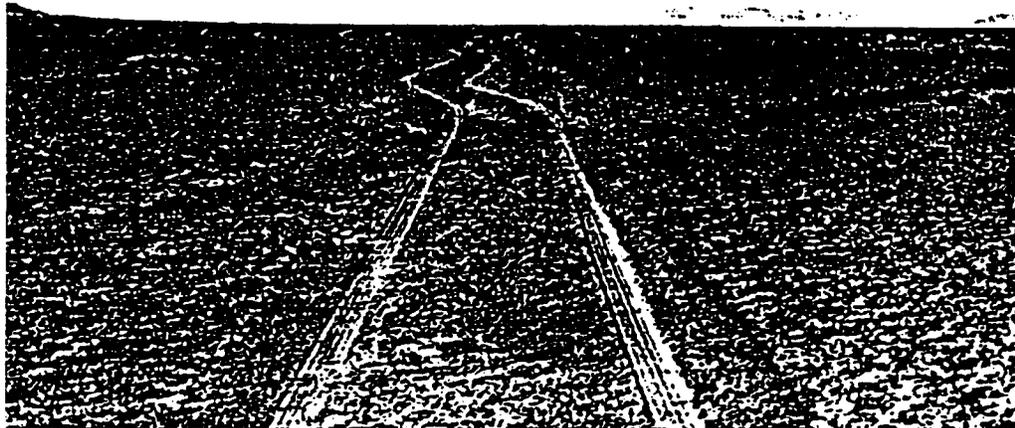


Photo #18: Drill Site # 20 on the eastern edge of Section 36 in the southeast quarter of the northeast quarter of the southeast quarter. looking north. Shows a barren expanse of dried mud and gravelly soil.

CALENDAR PAGE	859
MINUTE PAGE	4527



Photo #19: Drill Site # 21 also on the eastern edge of Section 36, in the southeast quarter of the northeast quarter of the southeast quarter of the Section looking east. Shows the relatively barren 'river' channel.

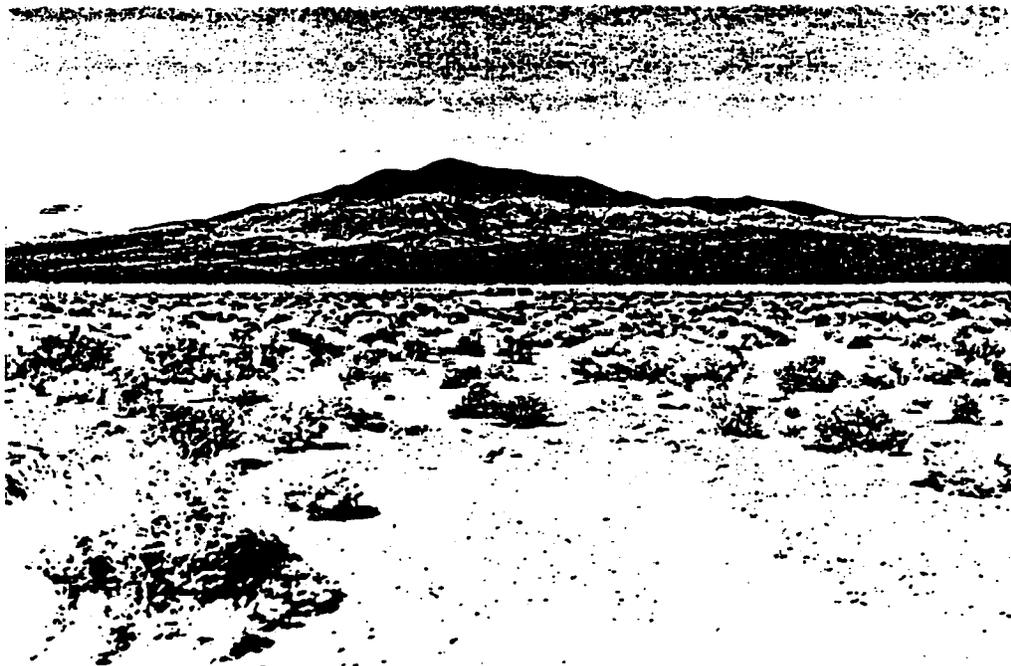


Photo #20: Drill Site # 25 in the northeast quarter of the southwest quarter of the southeast quarter of Section 36, looking east. This is one of southernmost drill sites on the section. Shows similar conditions as the other vegetated portions of the site.

CALENDAR PAGE	860
MINUTE PAGE	4528

RESUMES

CALENDAR PAGE	861
MINUTE PAGE	4529

**ANDREW C. SANDERS
BOTANIST/BIOLOGIST**

Education

- B.S. in Biology, specializing in Botany; University of California, Riverside. June 1975.

Professional Experience

- U.S. Department of the Interior, Bureau of Land Management (Riverside and Bakersfield Districts and California Desert Plan Staff). Aug. 1975 to Apr. 1978. During this period I held positions as a Wildlife Biologist, Natural Resource Technician, and Range Conservationist and worked on the following projects: California Desert Plan; Geothermal Energy Leasing Environmental Impact Statements; East Mesa; N Salton Sea; Red Mountain; Yuha Basin; McCain Valley Habitat Management Plan; Owens Valley Range Program; Sun Desert Transmission Line E.I.S.

In the course of these projects I conducted extensive field surveys of vegetation and wildlife in the desert of southern California and in the Owens Valley.

- University of California, Riverside. Department of Biology. Staff Research Associate and resident biologist at the James Reserve in the San Jacinto Mountains of Riverside County, California. April 1978 to September 1979. While at the James Reserve I conducted extensive surveys of the flora and fauna of the San Jacinto Mountains and began the compilation of a list of the plants of the reserve, which was later completed in cooperation with Ken Berg, my successor.
- University of California, Riverside. Department of Botany & Plant Sciences. Since September of 1979 I have been Museum Scientist and curator of the Herbarium. This has involved extensive work with the flora of the southwestern U.S. and adjacent areas. I have identified literally thousands of plant specimens and have more than quadrupled the size of the collection. As a result of my work at the herbarium I have come to be extremely familiar with the flora of southern California and can identify the overwhelming majority of plant species from this area on sight.

Additional Experience

I have contributed botanical/biological inventories for the following projects in California:

Kern Co.

- Biological survey for a parcel near Rosamond, prepared for Land Concepts, Inc., 1988.

Los Angeles Co.

- Botanical survey for Portuguese Bend Land Use Plan, prepared for England and Nelson Environmental Consultants. 1976.
- Botanical survey of El Segundo Dunes, for L.A. International Airport, through Agresearch, Inc. 1987-1988.
- Botanical surveys for several projects in the Lancaster vegetation management zone, prepared for the Dept. of Community Development, City of Lancaster. 1988.

Orange Co.

- Botanical survey for Land Use Plan for the Silverado-Santiago area of the Santa Ana Mountains, prepared for England & Nelson Environmental Consultants. 1976.

Riverside Co.

- Botanical survey for the Riverside Co. Southwest Territory General Plan, for Riverside Co. Planning Dept. 1977.
- Botanical survey for the Army Corps of Engineers Whitewater Flood Control Project. 1980.
- Botanical survey for Kacor Realty Wolf Valley Development, prepared through L. LaPre, consultant. 1981.
- Botanical survey of the U.C. Motte Reserve near Perris. 1982.

- Botanical survey of 500 ac. property near Murrieta, prepared for P. Principe, consultant. 1988.
- Botanical survey of the Nature Conservancy Oasis de Los Osos Preserve. 1985-1988.

San Bernardino Co.

- Biological survey for Big River Development. 1980.
- Botanical survey for Cactus Hill Mine, Ivanpah Mtns., prepared for J. McMains, consultant. 1985.
- Biological survey of 640 ac. parcel near Pioneertown prepared for the Nature Conservancy. 1986.
- Botanical survey for Don Brown Racing Facility, Cajon Pass area. 1986.
- Botanical survey for Hart Mine expansion, Mojave Desert, prepared for J. McMains, consultant. 1986.
- Scoping Report for Santa Ana River Resource Management Plan, prepared for the County of San Bernardino Dept. of Environmental Public Works. 1987.
- Biological survey for Devil Canyon Powerplant expansion, prepared for the California Department of Water Resources. 1987.
- Botanical survey for Glen Helen Sheriff's Academy expansion, prepared for the San Bernardino County Sheriff's Department. 1987.
- Biological survey for the Daley Transit Mix Property near Ft. Irwin, Mojave Desert. 1988.

In addition to the above, I regularly make plant identifications (including fossils) for professional biological consultants. I regularly lead natural history field trips for the California Native Plant Society, Southern California Botanist, Audubon Society, The Nature Conservancy, and other organizations.

**JOHN F. WEAR
SENIOR BIOLOGIST**

EDUCATION

- B.S., Biological Science, University of California, Riverside, 1973
- Graduate work, Biological Science, California State Polytechnic University, Pomona, California

PROFESSIONAL EXPERIENCE

- Biological assessments for a variety of Southern California projects. Projects included a faunal inventory of the Chocolate Mountains (1985), surveys for the State listed threatened southern rubber boa (1981-1982), and impact assessments for several projects involving the desert tortoise (1987-1989). Qualified by BLM and U.S. Fish and Wildlife Service to survey for desert tortoise.
- Associate biologist for San Diego-based consulting firm. Emphasis on preparation of environmental reports, impact assessments, and mitigation plans for San Diego projects.
- Terrestrial biologist conducting surveys for the Southern California Edison Company. Emphasis on endangered and sensitive species, including the San Joaquin kit fox, blunt-nosed leopard lizard, desert tortoise, and Bakersfield cactus.
- Instructor for laboratory and discussion portion of Biology course at California Polytechnic University, Pomona.
- Research Associate, University of California, Los Angeles. Conducted a study of wild tortoises - collected and documented blood and tissue samples from wild desert tortoises for the genetic study of the tortoise, San Bernardino and Riverside counties (SCE funded).
- Wildlife biologist employed by the U.S. Forest Service to revise and develop fauna habitat relationships document on reptiles and amphibians in Southern California.
- Biological aide for the U.S. Forest Service. Worked on faunal habitat relationships, emphasizing reptiles and amphibians in Southern California.

- Biological technician employed by the U.S. Bureau of Land Management, Desert Plan Staff. Work involved participation in the development of a comprehensive management plan encompassing 25 million acres of public land in the California Desert.
- Curator of Zoology, Riverside Municipal Museum. Responsible for the maintenance and curation of zoological specimens. Information source for the public, responsible for answering inquiries and conducting lectures.
- U.S. Peace Corps, Swaziland, Africa. Worked as agriculture/science teacher. Wrote the draft Peace Corps/Swaziland Country Plan, describing duties, responsibilities, and timetable of activities for secondary school agriculture teachers.

PROFESSIONAL ORGANIZATIONS

- Society for the Study of Amphibians and Reptiles
- Herpetologist's League

PUBLICATIONS

Olson, T.E. and J. Wear. In Press. Recommended guidelines for construction monitoring of desert tortoises. In: The Desert Tortoise Council: Proceedings of the 1989 Symposium.

BIOLOGICAL PROJECT EXPERIENCE

- Desert Tortoise Survey for the proposed land exchange by the City of North Las Vegas from the Bureau of Land Management - Dames & Moore, Goleta, California.
- Desert Tortoise Survey for the Henderson, Nevada portion of the California-Nevada Land Exchange between the City of Los Angeles and the Federal Government - Dames & Moore, Goleta, California.
- Sensitive Species Survey for the Contel Fiber Optics cable route from Ridgecrest to Helendale, California - Dames & Moore, Goleta, California.
- Sensitive Species Survey for the Kern River Gas Transmission Company Pipeline Route, San Joaquin Valley to California Border (Iyanpah Valley) - Dames & Moore, Goleta, California.

CALENDAR PAGE	866
MINUTE PAGE	4534

- Desert Tortoise Survey of General Telephone's Proposed Underground Vault Site, Joshua Tree, California - Urrutia Architects, Palm Desert, California.
- Biological Survey of the Proposed Patton Golf Course, East Valley Water District - URS Consultants, San Bernardino, California.
- Biological Assessment and follow-up oak surveys for housing project in San Dimas, California - Lange Engineering, Upland, California.
- Biological Assessment - Santa Ana River woolly star (Eriastrum densifolium ssp. sanctorium) survey on East Valley Water District's well sites, San Bernardino County - URS Consultants, San Bernardino, California.
- Biological Assessment for Lytle Creek Water Treatment Plant site and pipeline routes - URS Consultants, San Bernardino, California.
- Biological Assessment for Aiken Cinder Mine, San Bernardino County, California - Aiken Builders Products, Las Vegas, Nevada.
- Biological Assessment of the NL Hector Mine, San Bernardino, County California - NL Industries, Newberry Springs, California.
- Biological Survey of the proposed Santa Ana Regional Interceptor alignment alternatives - URS Consultants, San Bernardino, California.
- Desert Tortoise Surveys for JDV Construction, Inc., Las Vegas, Nevada.
- Desert Tortoise Survey for the American Pacific Financial Corporation - San Bernardino County, California.
- Biological Survey of Whiskey Pete's Hotel proposed well sites and conveyance system, Ivanpah Valley, San Bernardino County - URS Consultants, San Bernardino, California.
- Biological Monitoring of the U.S. Sprint Fiber Optic Cable Project, Rialto, California to Las Vegas, Nevada - Dames & Moore, Goleta, California.
- Biological Assessment of the Wheaton Springs Borrow Pit, Ivanpah Valley, San Bernardino County - URS Consultants, San Bernardino, California.

CALENDAR PAGE	867
MINUTE PAGE	4535

- Revegetation Plan for the borrow pit in the Sweetwater River Flood Plain - Home Capital Development Group - Brian F. Mooney Associates.
- Biological Resource Mitigation Surveys for Proposed Transmission Line from Coachella to Heber, California, - Imperial Irrigation District - Mission Power Engineering, Irvine, California.
- Revegetation Plan for the Crystal Hills Sand and Gravel Mine, Lucerne Valley, California -URS Consultants, San Bernardino, California.
- Faunal Inventory Survey of the Chocolate Mountains, Imperial County, California - Department of the Navy - Desert Tortoise Council.
- Biological Assessment of the Yucaipa Valley Water District, for Tom Dodson & Associates, San Bernardino, California.
- Biological Assessment of the Boere Property - Riverside County - J. Ronald White & Associates
- Vermite site Review for the Anden Group - Santa Clarita, California, for Tom Dodson & Associates, San Bernardino, California.
- Biological Assessment and Desert Tortoise surveys for Hector Mine. N.L. Industries, Inc., Newberry Springs, California.
- Biological Assessment, 404 and 1603 permit processing of Riparian Habitat for 500-unit HB Ranch Development. Paragon Homes, Inc., Santa Ana, California.
- Sensitive species surveys and assessment of borate mine and processing facilities at Fort Cady, California. Fort Cady Minerals, Inc., Toronto, Ontario, Canada.
- Sensitive Plant species and Desert Tortoise survey for the Texaco Coolwater Coal Gasification Expansion and Relicensing, Daggett, California, for Tom Dodson & Associates, San Bernardino, California.
- Desert Tortoise and Sensitive Plant species survey for Victor Valley Investments, Sitting Bull Project, Apple Valley, California.

- Sensitive Plant species Inventory and Mitigation Plan - Partin Limestone Mine, Gifford Hill & Company, Lucerne Valley, California.
- Biological Assessments of the Landers, Barstow, Victorville and Lenwood-Hinkley Landfills for the County of San Bernardino Solid Waste Department, San Bernardino, California.
- Oak Hills Biological Assessment, for the Amity Group, Marie E. Gilliam & Associates, Newport Beach, California.
- Biological Assessment for the West Helm Construction Company, three hundred acre site in Running Springs, California.
- Habitat Conservation Plan for the Carl E. Jones Construction and Development Company's 160 acre site in Apple Valley, California.
- Desert Tortoise surveys for the Windsor/Scharton sites, silver Lakes, California.
- Desert Tortoise surveys for the U.S. Borax Test Drilling, Newberry Springs, California.
- Biological analysis and Desert Tortoise survey for the National Chloride Company of America operations at Bristol Dry Lake, California.
- Raptor and rare plant mitigation survey for KRXV Transmission Tower Site, Goffs Butte, California.
- Biological Assessment for the Cactus Queen Mine Site, California Portland Cement, California.
- Biological Assessments of the Indian Trails Road realignment, San Bernardino County, Public Works Agency, San Bernardino, California.
- Biological Assessments of the Mountain View Basin and the Mojave River Levee Expansion, San Bernardino County Flood Control and Public Works Agency, San Bernardino, California.
- Biological Assessment of the Corona Wastewater Treatment Facility Expansion, Metcalf & Eddy, Corona, California.

Mitigation Monitoring Program

The mitigation monitoring program for the Death Valley Junction Project will consist of a site inspection to be conducted by staff of the State Lands Commission after completion of the project to ensure that the conditions of the project have been carried out particularly the reclamation phase and to release the required performance bond.

CALENDAR PAGE	870
MINUTE PAGE	4538

State of California

MEMORANDUM

Date: 28 January 1994

To: Judy Brown, Associate Analyst
State Lands Commission
Division of Environmental Planning and Management
1807 13th Street
Sacramento, CA 95814

From: Department of Fish and Game - Denyse Racine *Denyse*
Inyo Unit Wildlife Biologist

Subject: Proposed Permit Amendment for Naxos Mineral Prospecting
Permit, Section 36, Township 25 North, Range 5 East,
SBBM, Inyo County

I have reviewed the materials you sent to me regarding the application to amend PRC 7729.2 to allow excavation of approximately 900 cubic yards of soil from the southeast corner of Section 36. In reviewing the maps and photographs submitted earlier with the original application, this project appears to be within the channel of the Amargosa River. Although this river flows on the surface only intermittently, any alteration within the bed, banks or channel of permanent or intermittent waterways in California requires notification (with appropriate fee) by the applicant to the Department of Fish and Game pursuant to Section 1603 of the Fish and Game Code. The resulting Streambed Alteration Agreement will likely contain conditions for performing the construction work. Notification forms and a fee schedule can be obtained from Region 5 headquarters in Long Beach and must be returned to that office for processing.

I am concerned about the source of backfill material mentioned in the application. The application states that backfill material will be obtained near the site. The amendment should specify where equipment may be driven to obtain backfill material, such as on existing roads only, so that unnecessary destruction of desert vegetation does not occur. Work should not be performed during the rainy season, when flash floods are likely to occur. The site should be recontoured to resemble the original topography as much as possible.

Thank you for the opportunity to comment on the proposed project. If you have any further questions, please give me a call at (619) 872-1158.

CALENDAR PAGE

871

MINUTE PAGE

4539

March 15, 1994
Page 2

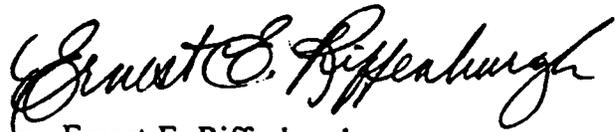
mid-point of the excavation, on both the east and the west. Thus, small animals will have ample means of exit.

In order to avoid duplication of efforts, we agreed that your office will withhold issuing the final confirmation letter on this subject until the Commission conducts its hearing and renders its anticipated final approval. Your office then needs only to confirm that the Commission's approval does not include significant changes to the conditions, or that the changed conditions are not adverse, and then issue your final confirming letter. In the interim, this letter will provide written confirmation. Verbal confirmations are also available from your office, in the interim.

Enclosed for your file is the second draft Initial Study prepared by the Commission Staff. Our client's Canadian counsel confirmed, this morning, that it is acceptable. This provides the additional factual background which you require.

Thank you for your assistance in this matter. Once the Commission has rendered its final decision, I will contact you for your Department's written confirmation.

Very truly yours,



Ernest E. Riffenburgh
of GRESHAM, VARNER, SAVAGE,
NOLAN & TILDEN

EER/lr
Enclosure

cc: Sidney W. Kemp, Esq.
Eric Kruger, State Lands Commission-Long Beach office

CALENDAR PAGE	873
MINUTE PAGE	4541

DEPARTMENT OF TRANSPORTATION

500 South Main Street
BISHOP, CA 93514



(619) 872-0691

JUN 24 1994

June 21, 1994

INY-127-42.149
SCH:94062004

Death Valley Junction Project
State Lands Commission
200 Oceangate 12th Floor
Long Beach, CA 90802

PSM
ADW
AEG
JWP
GDS
JWA
CEP
MMV
VKD
PVJ
AS
ELK
FILE

Attention: Eric Kruger

PROJECT TITLE: DEATH VALLEY JUNCTION PROJECT

Thank you for the opportunity to review this project. The project should not have any significant impact on our Transportation System, and we have no comments or suggestions to offer at this time.

Sincerely,

F. K. Walton, Chief
Transportation Planning & Public Transportation

cc: SCH -Mari Lemos

Post-It™ brand fax transmittal memo 7671 # of pages > 5

To: E. Ridenbarger	From: E. Kruger
Co.:	Co. SLC-LB
Dept.:	Phone #:
Fax #: 909-888-2120	Fax #: 6-77-94

Post-It™ brand fax transmittal memo 7671 # of pages > 1

To: Judy Brown	From: E. Kruger
Co.:	Co.:
Dept.:	CALENDAR PAGE 874
Fax #:	Phone #: SLC-4542
	MINUTE PAGE

GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN

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WILLIAM OUTHRIE (1896-1947)
DONALD W. JORDAN (1907-1980)
JOHN B. LONERGAN (RETIRED 1978)

ALLEN B. GRESHAM
BRUCE D. VARNER
PHILIP M. SAVAGE, III
JOHN C. NOLAN
M. WILLIAM TILDEN
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MARK A. OSTOICE
THOMAS N. JACOBSON
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JAY C. KOENES
PENELOPE ALEXANDER
TARA REILLY
MICHAEL G. RAMSEY
BERNARD W. BRANDT
RONALD D. GETCHEY
SAUL JAFFE
ELIZABETH ASHLEY BIANCO
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June 27, 1994

FEDERAL EXPRESS

Eric Kruger
STATE LANDS COMMISSION
200 Oceangate, Twelfth Floor
Long Beach, CA 90802-4333

Re: **Naxos Resources (U.S.A.), Ltd.**
Comment on Application for Amendment to Prospecting Permit No. 7729.2
Confirming Letter to Department of Fish & Game

Dear Mr. Kruger:

As you are aware, this firm represents Naxos Resources (U.S.A) Ltd., the applicant on the above-referenced application for amendment of prospecting permit.

Consistent with our discussions several weeks ago, enclosed as Naxos' sole comment to the Initial Study presently circulating, is a copy of this firm's letter of March 15, 1994 to Bruce Kinney of the State Department of Fish & Game. The letter was sent to confirm the Department's conclusion that the activities contemplated by Naxos' prospecting permit amendment do not constitute any manner of streambed alteration, such that notice or the other activities described under Fish & Game Code Section 1603; e~~o~~eq. must be undertaken.

Mr. Kinney of the Department indicated, however, that if his office issued a letter confirming its conclusions, in March, it would be necessary to issue a replacement letter following Commission approval of the amendment application, so that the Department of Fish & Game might verify that no significant changes had been approved which might cause the Department to change its position. Given this fact, Mr. Kinney was agreeable to having our office send the enclosed March 15 letter, and he agreed to provide telephonic verification of its contents in the interim.

Once the Commission has approved the project and we forward the final approval to the Department so that it may verify that Naxos' activities remain exempt from the streambed alteration provisions, the Department will issue a letter containing its final conclusions.

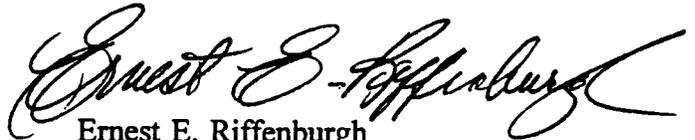
Judy Brown of your Sacramento office suggested, recently, ~~that we provide the enclosed copy of the March 15 letter as Naxos' comment on the Initial Study.~~ You and I had discussed this several weeks before, as well. Given that the streambed alteration issue was the only

CALENDAR PAGE	875
MINUTE PAGE	4543

Eric Kruger
State Lands Commission
March 28, 1994
Page 2

significant question raised during the processing of the prospecting permit amendment application, we all agreed that including a copy of the March 15 letter would address and put to rest the issue for purposes of final review prior to approval.

Very truly yours,



Ernest E. Riffenburgh
of GRESHAM, VARNER, SAVAGE,
NOLAN & TILDEN

EER/lr
Enclosure

cc: Sidney W. Kemp, Esq.

CALENDAR PAGE	876
MINUTE PAGE	4544



COUNTY OF INYO PLANNING DEPARTMENT

P.O. Drawer L, Independence, California 93526

Telephone (619) 878-0263 FAX (619) 872-2712

Peter Chamberlin, Director of Planning

June 30, 1994

Eric Kruger
Mineral Resources Management Division
State Land Commission
1807 13th Street
Sacramento. CA 95814-7187

RE: Naxo's Death Valley Junction Project SCH No. 94062004

Dear Mr. Kruger:

Thank you for the opportunity to comment on the draft Negative Declaration for the Naxos project. Following are the comments of the Inyo County Planning Department.

It appears that the project has been described solely as reclamation and does not include mining operations. CEQA requires that the entire project be covered. In this regard, mining will cause impacts and their significance and mitigation measures need to be discussed. In this light, the following comments are submitted:

A. Earth

- A2. Compaction of the soils will occur. What mitigation measures will be involved to solve this problem?
- A3. Alteration of the topography will occur because mining will occur. What are the measures being used to mitigate the mining?
- A5. Once the surface is disturbed wind erosion will occur. What are the mitigation measures to solve this problem?

C. Water

- C6. Mining will occur to a depth of five feet. Just a mile

CALENDAR PAGE	877
MINUTE PAGE	4545

away the water table has been observed to be six feet. How will the operation remain out of the ground water? If the groundwater is disturbed, how will this be mitigated?

CEQA requires the entire project be considered. This project is not just on State Lands but also on BLM lands and private lands. Cumulative impacts of the entire project must also be considered. This project will also mine on BLM lands a mile or so south of State lands. The applicant is also asking the County to issue a Conditional Use Permit to process the mined material at Death Valley Junction. The SMARA issue comes up if you look at the project as a whole. Tentative exemption from SMARA has been given Naxos for the mining being done on the BLM land. This is based upon BLM approval. Regardless of these approvals the entire project should be looked at in its entirety to assess the environmental impacts.

Based upon our review, it is the opinion of the Inyo County Planning Department that the Negative Declaration is inadequate under CEQA and should be revised and recirculated.

Thank you for considering these comments. If you have any questions, call me at (619) 878-0263.

Sincerely,



Earl H. Gann
Mining Engineer

Post-It™ brand fax transmittal memo 7671 # of pages 2

To <u>Judy Brown</u>	From <u>E. Gann</u>
Co.	Co.
Dept. <u>1-1-17</u>	Phone # <u>878-4546</u>
Fax #	<u>MINUTE PAGE - 7/1/04</u>

CALENDAR PAGE 878

GOVERNOR'S OFFICE OF PLANNING AND RESEARCH1400 TENTH STREET
SACRAMENTO, CA 95814

July 1, 1994

ERIC KRUGER
STATE LANDS COMMISSION
200 OCEANGATE 12TH FLOOR
LONG BEACH, CA 90802

Subject: DEATH VALLEY JUNCTION PROJECT SCH #: 94062004

Dear ERIC KRUGER:

The State Clearinghouse submitted the above named environmental document to selected state agencies for review. The review period is closed and none of the state agencies have comments. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call Mari Lemos at (916) 445-0613 if you have any questions regarding the environmental review process. When contacting the Clearinghouse in this matter, please use the eight-digit State Clearinghouse number so that we may respond promptly.

Sincerely,

Michael Chiriotto, Jr.
Chief, State Clearinghouse

CALENDAR PAGE	879
MINUTE PAGE	4547

Notice of Completion

Appendix F

Mail to: State Clearinghouse, 1400 Tenth Street, Sacramento, CA 95814 916/445-0613

See NOTE below
SCH 94062004

Project Title: Death Valley Junction Project
Lead Agency: State Lands Commission
Street Address: 200 Oceanrate 12th Floor
City: Long Beach CA Zip: 90802
Contact Person: Eric Kruger
Phone: (310) 590-5201
County: Los Angeles

Project Location
County: Inyo City/Nearest Community: Death Valley Junction, CA
Cross Streets: About 3 Miles South of State Highways 190 and 127
Assessor's Parcel No. 43-120-02 Section: 36 Twp. 25N Range: SE Base: SBM
Within 2 Miles: State Hwy #: 127 Waterways:
Airports: Railways: Schools:

Document Type
CEQA: NOP Supplement/Subsequent Early Cons EIR (Prior SCH No.) Neg Dec Other Draft EIR
NEPA: NOI EA Draft EIS FONSI
Other: Joint Document Final Document Other

Local Action Type
General Plan Update Specific Plan Rezone
General Plan Amendment Master Plan Prezone
General Plan Element Planned Unit Development Use Permit
Community Plan Site Plan Land Division (Subdivision Parcel Map, Tract Map, etc.)
Annexation Redevelopment Coastal Permit Other

Development Type
Residential: Units Acres Water Facilities: Type MGD
Office: Sq.Ft. Acres Employees Transportation: Type
Commercial: Sq.Ft. Acres Employees Mining: Mineral
Industrial: Sq.Ft. Acres Employees Power: Type Watts
Educational Waste Treatment: Type
Recreational Hazardous Waste: Type
Other: Mineral Exploration

Project Issues Discussed in Document
Aesthetic/Visual Flood Plain/Flooding Schools/Universities Water Quality
Agricultural Land Forest Land/Fire Hazard Septic Systems Water Supply/Groundwater
Air Quality Geologic/Seismic Sewer Capacity Wetland/Riparian
Archeological/Historical Minerals Soil Erosion/Compaction/Grading Wildlife
Coastal Zone Noise Solid Waste Growth Inducing
Drainage/Absorption Population/Housing Balance Toxic/Hazardous Landuse
Economic/Jobs Public Services/Facilities Traffic/Circulation Cumulative Effects
Fiscal Recreation/Parks Vegetation Other Natural Resources

Present Land Use/Zoning/General Plan Use

Open Space (OS-40)



Project Description

Excavate approximately 900 cubic yards of surface material as a bulk sample to be used in testing procedures for processing minerals

HEARINGHOUSE CONTACT: MARI LEMOS (916) 445-0613

DATE REVIEW BEGAN: 6-1-94
DATE REV TO AGENCY: 6-24
AGENCY REV TO SCH: 6-29
DATE COMPLIANCE: 7-1
CMT SNT Resources Boating Coastal Comm Coastal Conserv Colorado Rvr Bd Conservation Fish & Game Forestry Parks & Rec/OHP Reclamation BCDC DWR
Bus Transp Bous Aeronautics CHP Caltrans 9 Trans Planning Housing & Devel Health & Welfare Drinking H2O Medical Waste
CMT SNT State/Consumer Svcs General Services OLA (Schools) Cal/EPA ARB CA Waste Mgmt Bd SWRCB:--Grants SWRCB:--Delta SWRCB:--Wtr Quality SWRCB:--Wtr Rights Reg. WOCB # 6 (SLT) DTSC/CTC Yth/Adlt Corrections Corrections Independent Comm Energy Comm NAHC PUC Santa Mn Mtns State Lands Comm Tahoe Rgl Plan Other:

PLEASE NOTE SCH NUMBER ON ALL COMMENTS

PASS FORWARD LATE COMMENTS DIRECTLY TO THE LEAD AGENCY ONLY

RD/APCD: 9 (Resources: 6/4)

--- = sent by lead / *** = sent by SCH

CALENDAR PAGE 880
MINUTE PAGE 4548

STATE LANDS COMMISSION
MINERAL RESOURCES MANAGEMENT DIVISION
200 OCEANGATE, 12TH FLOOR
LONG BEACH, CALIFORNIA 90802
TELEPHONE: (310) 590-5201
FACSIMILE: (310) 590-5295



CALIFORNIA RELAY SERVICE
TDD/TT: (800) 735-2929

File Ref: PRC 7729

July 14, 1994

Gresham, Varner, Savage, Nolan & Tilden
Law Offices
Attn: Ernest Riffenburgh,
Attorney at Law
600 N. Arrowhead Ave., Suite 300
San Bernardino, CA 92401

Subject: Comments by Inyo County on the proposed Death Valley Junction Project - (SCH No. 94062004).

Gentlemen:

This is in reference to the subject letter (copy enclosed) dated June 30, 1994 submitted by the County of Inyo Planning Department regarding Naxos Resources' proposed project on State land in the vicinity of Death Valley Junction, California. We request that you assist us in responding to the County's letter. SLC must, in compliance with CEQA, coordinate Naxos' request to amend its State mineral prospecting permit with Inyo County to conform the new permit with any conditions, reclamation requirements or mitigation measures required for the combined State and federal lands project.

We are particularly concerned with comments made by the County on Page 2 of the letter regarding Naxos' mining activity on federal land administered by the BLM in close proximity to the State parcel, and also the activity on private land. These activities have not been detailed to SLC staff, nor has the impact of a combined project on the State parcel. The impact cannot be fully analyzed, and mitigated if necessary, until the State is provided with the details and relationship of combined projects.

Regarding Naxos' Conditional Use Permit (CUP) application with the County's Planning Department, we will process Naxos' permit amendment request in coordination with Inyo County's approval of the CUP.

CALENDAR PAGE	881
MINUTE PAGE	4549

PRC 7729
July 14, 1994
Page 2

If you have any questions regarding this matter, please give me a call.

Sincerely,

A. E. GONZALEZ
Senior Mineral
Resources Engineer

C:\PRC7729.ISC

Copy to: Naxos Resources (USA), Ltd.
Attn: Jimmy John,
President
856 Homer Street, Suite 206
Vancouver, B. C., Canada V6B 2W5

County of Inyo
Planning Department
Attn: Earl Gann,
Mining Engineer
P. O. Drawer "L"
Independence, CA 93526

bcc: P. B. Mount II - w/o encl.
A. D. Willard - " "
~~A. E. Gonzalez~~ - " "
Judy Brown, DEPM, SLC-Sacto. - w/o encl.

CALENDAR PAGE	882
MINUTE PAGE	4550

GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN

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JOHN B. LONERGAN (RETIRED 1978)

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JUL 25 1994

ALLEN B. GRESHAM
BRUCE D. VARNER
PHILIP M. SAVAGE, III
JOHN C. NOLAN
M. WILLIAM TILDEN
JAMES E. GOOD
MARK A. OSTOICH
THOMAS N. JACOBSON
STEPHAN G. SAERSON
ROBERT W. BITTER, JR.
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DUKE D. ROUSE
JOHN B. MCCAULEY
ERNEST E. RIPPENBURGH
MICHAEL DUANE DAVIS

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CRAIG O. DOBLER
RICHARD D. MARCA
PATRICK G. MITCHELL
DAEYL E. CARLSON
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MICHAEL G. RAMSEY
BRENDAN W. BRANDT
RONALD D. GETCHEY
SAUL JAFFE
ELIZABETH ASHLEY BIANCO
GEORGE LASKO

July 14, 1994

VIA FEDERAL EXPRESS AND
FACSIMILE -- (310) 590-5295

Alex Gonzales
Mineral Resources Management Division
STATE LANDS COMMISSION
200 Oceangate, Twelfth Floor
Long Beach, CA 90802-4333

Re: Application for Amendment to Prospecting Permit 7729.2
Reply to Inyo County Letter of 6-30-94

Dear Mr. Gonzales:

Pursuant to our telephone conversations and your written request of July 14, 1994, the enclosed letter replies to comments made by the Inyo County Planning Department in its letter of June 30, 1994. The Inyo County letter commented on the circulated Initial Study relative to Naxos' above-referenced prospecting permit amendment application.

Also enclosed, at your request, are copies of 1) the Plan of Operations submitted by Naxos to the Bureau of Land Management relative to its wilderness enhancement project located in Wilderness Study Area 145 and 2) the BLM's letter of June 14, 1994 conditionally approving the Plan of Operations. We are confident that your review of the enclosed materials will confirm that the County is incorrect in stating that Naxos' experimental and exploratory operations in three different locations are interrelated.

We look forward to your comments at your earliest opportunity so that this issue may be disposed of and the amendment application may proceed for a hearing on approval before the Commission.

Very truly yours,

Ernest E. Riffenburgh
of GRESHAM, VARNER, SAVAGE,
NOLAN & TILDEN

EER/llr
Enclosures

cc: Sidney W. Kemp, Esq.

3	PBM
2	ADW 7/15
1	AEQ <i>AEQ</i>
	JWP
	GDS
	JNA
	CEP
	MMW
	VWD
	PVJ
	AS
4	<i>EK</i>
	FILE <i>D714</i>

7729.1

CALENDAR PAGE	883
MINUTE PAGE	4551

GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN

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TELEPHONE (619) 243-2889

July 21, 1994

VIA FEDERAL EXPRESS
AND FACSIMILE -- (310) 590-5295

Alex Gonzales
Mineral Resources Management Division
STATE LANDS COMMISSION
200 Oceangate, Twelfth Floor
Long Beach, CA 90802-4333

Re: **Naxos Resources (U.S.A.), Ltd. -- Initial Study Circulation**
Response to Inyo County Comments of 6-30-94

Dear Mr. Gonzales:

As you are aware, this firm represents the applicant, Naxos Resources (U.S.A.), Ltd. This letter is sent to address comments from the Inyo County Planning Department, in its letter of June 30, 1994, responding to circulation of the Initial Study. We believe that the County misunderstands the three separate projects for which approvals have been obtained, or are underway (with the Commission, the Bureau of Land Management, and the County of Inyo) and therefore mischaracterizes the relationship of those projects.

I. **NON-RELATIONSHIP OF PROJECTS**

As itemized below, two applications are pending and one application has been approved for three separate and distinct exploratory and/or experimental activities:

A. The Conditional Use Permit application presently pending with the Inyo County Planning Department seeks approval to operate a pilot precious minerals processing plant. If tests show that the experimental process is successful in economically extracting minerals from ore, then Naxos anticipates seeking approval of a full scale processing plant, possibly located in Inyo County.

B. On November 12, 1993, the State Lands Commission approved Naxos' application for two prospecting permits, allowing core drilling to determine the desirability of certain ores for possible processing in an anticipated permanent plant. As to Prospecting Permit 7729.2, affecting Section 36 of Township 25 North, Range 5 East, SBBM, Naxos filed, on December 3, 1993, and your office is processing, an amendment permitting the excavation of approximately 900 cubic yards of material from the far southeast corner of the section. This material would be used as samples in testing the pilot plant process.

CALENDAR PAGE	884
MINUTE PAGE	4552

Alex Gonzales
Mineral Resources Management Division
STATE LANDS COMMISSION
July 21, 1994
Page 2

C. On June 14, 1994, Naxos received BLM approval for a wilderness enhancement project within WSA #145, located in Township 24 North, Range 6 East, SBBM, involving the removal of existing tailings piles and related materials. It is anticipated that the materials recovered from the enhancement process on the BLM land will be used in the test phase of the pilot plant, to be located in Inyo County.

The pilot plant, constitutes a wholly independent operation which is not reliant upon the activities on the State or BLM lands. Materials having the necessary characteristics, regardless of their source, are likely to be used in the pilot plant and are expected to be used in operation of the anticipated permanent plant.

These three projects will become related only if each can be utilized/operated as anticipated on a permanent basis. If each of the projects is successful, appropriate interrelated applications would then be made for approval of permanent operations. Until then, each remains an unrelated, individual experimentation/exploration target. The approval process may involve other contemporaneous applications, but any other potential experimental/exploration sites, as yet unidentified, would be speculative at this time.

Thus, the projects are not interrelated and each is entitled to independent consideration by only the agency within whose jurisdiction the particular operation lies. CEQA does not require their consideration together as a single project.

II. ENVIRONMENTAL CHECKLIST ISSUES IN COUNTY LETTER

In addition to the overall concept addressed above, the County's letter poses questions on individual conclusions contained in the environmental assessment checklist prepared by your office. We would like to address these individually.

Regarding Item A2, except for a) the two hundred foot (200') distance from the existing dirt road to the trench excavation site and b) the immediate perimeter of the trench, all movement of loads from and equipment to and from the trench excavation site will occur along existing dirt roads. Thus, both the degree and area of potential compaction are negligible, as reflected in your office's conclusion in Item A2 of the checklist.

Regarding Item A3, the only alteration of the topography will be the temporary trench having the dimensions described in the Initial Study. Upon completion (within a maximum of ninety days, and anticipated to be much shorter assuming no adverse weather or mechanical delays) the trench will be backfilled with historically piled material located within the Section. To the extent that historically piled material is insufficient to completely backfill the trench, earth from the sides of the trench, back a distance of no more than five feet on each side for a total width of twenty-five feet, will be pushed toward the remaining opening and the area graded into a low depression not more than twenty-five feet in width. Given its relative flatness and the fact that flood waters occasionally cover the area, the Commission staff has already determined the

CALENDAR PAGE	885
MINUTE PAGE	4553

Alex Gonzales
Mineral Resources Management Division
STATE LANDS COMMISSION
July 21, 1994
Page 3

this operation will have an insignificant effect upon the environment and in fact will probably be unnoticeable within a very short period of time.

Regarding Item A5, wind erosion will not occur as newly excavated material from the trench will not be piled alongside following excavation. Instead, the newly excavated material will be placed directly into dump trucks and removed offsite. No wind erosion of the open trench itself will occur during the short period it is open, and once backfilled, there is no greater likelihood of wind erosion than existed before the trench was excavated.

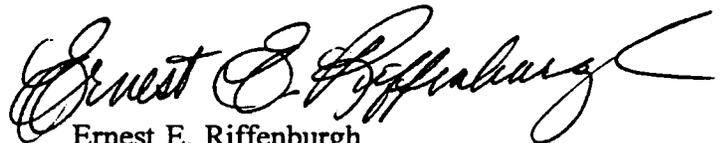
Regarding Item C6, the water table issue was previously discussed with your staff and the Department of Fish & Game. The water table in the area has in fact been determined to be at a level of roughly ten feet below the surface. For this very reason, the proposed trench depth was decreased from twelve feet to its present five feet (and its other dimensions commensurately increased) so that the seepage of ground water will not create excavation difficulties.

III. CONCLUSION

The issues addressed in Section I, above, were previously explained to the County, and we believed that its staff understood. However, the County's letter of June 30 reflects a difficulty understanding the issue. We trust that this letter resolves in the minds of the Commission Staff any questions which may have arisen due to the County's letter.

Shortly, we anticipate providing to your office and to Deputy Attorney General Alan Hoeger a draft form of amendment to Prospecting Permit 7729.2. We were recently informed that this form of amendment must be executed before the Commission may consider Naxos' pending application at its next hearing. We look forward to receiving your confirmation of the scheduled hearing date so this matter may be brought to a conclusion. Please do not hesitate to call if your office has any further questions.

Sincerely,



Ernest E. Riffenburgh
of GRESHAM, VARNER, SAVAGE,
NOLAN & TILDEN

EER/llr
Enclosures

cc: Sidney W. Kemp, Esq.
Earl Gann, Inyo County

CALENDAR PAGE	886
MINUTE PAGE	4554

STATE LANDS COMMISSION

MINERAL RESOURCES MANAGEMENT DIVISION
200 OCEANGATE, 12TH FLOOR
LONG BEACH, CALIFORNIA 90802
TELEPHONE: (310) 590-5201
FACSIMILE: (310) 590-5295



CALIFORNIA RELAY SERVICE
TDD/TT: (800) 735-2929

File Ref: ~~PRC 7729~~

September 26, 1994

Peter Chamberlin
Director of Planning
County of Inyo
Planning Department
P. O. Drawer "L"
Independence, CA 93526

Subject: State Prospecting Permit Amendment, Naxos Resources - Death Valley Junction Project.

Dear Mr. Chamberlin:

In a June 30, 1994 letter from Earl Gann of the County's Planning Department, certain concerns were expressed regarding the proposed Negative Declaration, SCH No. 94062004, prepared for the Naxos project on State land in the vicinity of Death Valley Junction. The staff of the State Lands Commission (SLC) requested Naxos to respond to these concerns.

On July 21, 1994, SLC staff received from Naxos a response to Mr. Gann's letter and to the specific Environmental Checklist items noted by him. A copy of the Naxos letter was sent to Mr. Gann and we have included a copy hereto.

We feel that the proposed Negative Declaration has adequately described the impact to the environment, and the proposed mitigation measures to be incorporated into the permit to minimize any potential adverse impact from the project.

All permits approved by SLC contain the requirement that the Permittee comply with all federal, state and local ordinances, regulations and laws. If the County as SMARA lead agency, requires that a surface mining reclamation plan be submitted by Naxos for this project, the SLC permit amendment, if approved by the Commission, will contain reference to this County requirement as a condition to issuance of the permit amendment.

We would appreciate your response concerning resolution of the concerns you have expressed regarding this project. SLC staff intends to present this permit amendment application to the Commission for approval at its next meeting in November 1994.

CALENDAR PAGE	887
MINUTE PAGE	4555

Peter Chamberlin
September 26, 1994
Page 2

You may contact me or Eric Kruger at (310) 590-5201 if you have any questions or further comments on this matter.

Sincerely,



A. D. WILLARD,
Supervising Mineral
Resources Engineer

Enclosure: Letter dated July 21, 1994.

C:\NAXOS.AEG

Copy to: Naxos Resources (USA), Ltd.
Attn: Jimmy John,
President
856 Homer Street, Suite 206
Vancouver, B. C., Canada V6B 2W5

Gresham, Varner, Savage, Nolan and Tilden
Law Offices
Attn: Ernest Riffenburgh,
Attorney at Law
600 N. Arrowhead Ave., Suite 300
San Bernardino, CA 92401

bcc: P. B. Mount II - w/o encl.
A. E. Gonzalez - " "
E. L. Kruger - " "

CALENDAR PAGE	888
MINUTE PAGE	4556



County of Inyo Planning Department

P.O. Drawer L, Independence, CA 93526

Peter Chamberlin, Director of Planning

W. K. L. M.
Planning Office
Charles Thistlethwaite
Curtis Kellogg
Earl Gann
Sandy Miller
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Yucca Mountain Office

OCT 3 - 1994
Brad Mettam
Janet Cross
(619) 878-0380
Fax (619) 878-0382

PBM
ADW
AEG
JWP
GDS
JWA
CEP
MMV
VKD
PVJ
AS
ELK
FILE

September 29, 1994

Alexander Gonzales
Senior Minerals Resources Engineer
Mineral Resources Management Division
State Land Commission
200 Oceangate, Twelfth Floor
Long Beach, California 90802-4333

RE: Naxo's Death Valley Junction Project SCH No. 94062004

Dear Mr. Gonzales:

The County has issued a Conditional Use Permit to Naxos for processing the material mined on State and Bureau of Land Management lands.

The project should have been considered as one project and not three. The County was told, by the applicant the BLM had agreed to the idea of "wilderness enhancement." This idea was agreed to by the Department of Conservation, if approval was granted by the BLM. Department of Conservation approval would exempt Naxos from SMARA on BLM lands. The tonnages to be mined on State lands was less than 1000 tons. This made the mining exempt from SMARA. Annual reports are still required.

The total disturbance on BLM land and State Lands exceeded the threshold of SMARA. Until the BLM agreed to the "wilderness enhancement" idea, the County could not agree to only a Conditional Use Permit.

To expedite the process, the County proceeded as if BLM approval would be forth coming. The County received the BLM approval to the "wilderness enhancement" on August 5, 1994. The Inyo County Planning Commission approved the Conditional Use Permit at the August 24, 1994 meeting. I am enclosing the Notice of Decision on the Conditional Use Permit for the processing plant.

If the mining and processing proves to be feasible, Naxos must

CALENDAR PAGE	889
MINUTE PAGE	4557

start the entire process over. They will need an approved Mining Reclamation Plan and new Conditional Use Permit for a full scale processing plant.

The concerns in the letter of June 30, 1994 have not changed. They were not addressed adequately in your environmental document. The backfilling of the trench was discussed. However, the location of the previously piled material was not located on any map. Where is the location of the piles? What is the size of the piles? Will any new roads be created to transfer material from the piles to the trench?

Your check list covers the trench, but does not discuss the piles used to fill the trench, or the maneuvering area. Will the total disturbance of the piled material, the trenching, and the maneuvering area be more than one acre? Any surface disturbance associated with the mining is subject to SMARA.

Wind erosion will occur as mining takes place. Use of the roads will create dust. Will water be applied to the roads for dust control?

The above questions have not been answered adequately.

If you have any questions, call me at (619) 878-0263

Sincerely,



Earl H. Gann
Mining Engineer

cc: Bill Tilden, Gersham, Varner, Savage, Nolan & Tilden
Paul Payne, 5th District Supervisor
Tim Kustic, OMR

enclosure:

CALENDAR PAGE	890
MINUTE PAGE	4558



County of Inyo Planning Department

P.O. Drawer L, Independence, CA 93526
Peter Chamberlin, Director of Planning

Planning Office
Charles Thistlethwaite
Curtis Kellogg
Earl Gann
Sandy Miller
(619) 878-0263
FAX (619) 872-2712

Yucca Mountain Office
Brad Mettam
Janet Cross
(619) 878-0380
FAX (619) 878-0382

October 28, 1994

Eric Kruger
Mineral Resources Management Division
State Land Commission
200 Oceangate, Twelfth Floor
Long Beach, California 90802-4333

RE: Naxo's Death Valley Junction Project SCH No. 94062004

Dear Mr. Gonzales: *ADW*

Because of the nature and location of the site, the surface disturbance will be minimal. The only remaining concern is wind erosion. Wind erosion will occur as mining takes place. Use of the roads will create dust. Will water be applied to the roads for dust control?

If you have any questions, call me at (619) 878-0263

Sincerely,

Earl H. Gann
Mining Engineer

cc: Paul Payne, 5th District Supervisor
Tim Kustic, OMR

OCT 31 1994

PBM
ADW
AEG <i>ASB</i>
JWP
GDS
JWA
CEP
MMV
VKD
PVJ
AS
<i>ELL</i>
<i>ORC</i>
FILE

CALENDAR PAGE	891
MINUTE PAGE	4559

STATE LANDS COMMISSION
MINERAL RESOURCES MANAGEMENT DIVISION
200 OCEANGATE, 12TH FLOOR
LONG BEACH, CALIFORNIA 90802
TELEPHONE: (310) 590-5201
FACSIMILE: (310) 590-5295
CALIFORNIA RELAY SERVICE
TDD/TT: (800) 735-2929



File Ref: PRC 7729

November 4, 1994

Gresham, Varner, Savage, Nolan & Tilden
Law Offices
Attn: Ernest Riffenburgh,
Attorney at Law
600 N. Arrowhead Ave., Suite 300
San Bernardino, CA 92401

Subject: Comments by Inyo County on the proposed Death Valley Junction Project.

Gentlemen:

This is in reference to the subject letter (copy enclosed) dated October 28, 1994 submitted by the County of Inyo Planning Department regarding the County's concern for dust control for Naxos Resources' proposed project on State land in the vicinity of Death Valley Junction, California. Naxos must indicate in writing that satisfactory dust control measures will be incorporated into the project activities. Any State Lands permit amendment granted Naxos will incorporate this requirement to effect dust control measures.

Be advised that due to the additional staff time required in processing your amendment request (including costs for staff time and costs for mitigation monitoring of the project), Naxos' Reimbursement Agreement R19093 with SLC will probably exceed the estimated expense deposit of \$5000.

We request your prompt response so that the matter may be presented to the Commission at a tentatively scheduled meeting for the month of November. If you have any questions regarding this matter, please give me a call.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. E. Gonzalez".

A. E. GONZALEZ
Senior Mineral
Resources Engineer

C:\PRC7729.MCC

CALENDAR PAGE	892
MINUTE PAGE	4560

GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN

LAW OFFICES

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 DONALD W. JORDAN (1907-1968)
 JOHN D. LOWKROON (RETIRED 1970)

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 RIVERSIDE, CALIFORNIA 92504
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VICTORVILLE OFFICE
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ALLEN B. GRESHAM
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 MARE A. OSTOCH
 THOMAS H. JACOBSON
 STEPHAN G. SALESON
 ROBERT W. BITZER, JR.
 ROBIN BRANLITT COCHRAN
 DUSTY D. BOUSE
 JOHN B. MCCAULEY
 HERBERT E. RIFFENBURGH
 MICHAEL SUAREZ DAVIS

RARY W. BITZER
 CRAIG O. DOBLER
 RICHARD D. MARCA
 PATRICK G. MITCHELL
 DARYL M. CARLSON
 MICHAEL O. WOLF
 JAY C. ESHBES
 PERELOGE ALEXANDER
 TARA REILLY
 MICHAEL C. HANNEY
 BERNARD V. BRANDY
 RONALD D. GETCHET
 SAUL JAFFE
 ELIZABETH ASHLEY BIANCO
 GEORGE LASKO

November 7, 1994

Alex Gonzales
 Senior Mineral Resources Engineer
 Mineral Resources Management Division
 STATE LANDS COMMISSION
 200 Oceangate, Twelfth Floor
 Long Beach, CA 90802-4333

Re: **Naxos PRC 7729.2 -- Application for Amendment**
Response to 10/28/94 Inyo County Letter

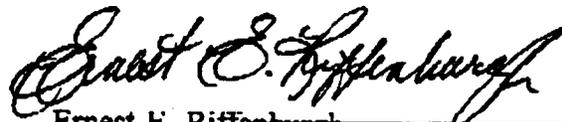
Dear Mr. Gonzales:

This letter is sent in response to yours of November 4, 1994. You requested Naxos' comments on the Inyo County Planning Department letter of October 28, 1994.

As confirmed earlier by telephone, Naxos does not believe that dust control measures are necessary, due to the method of excavating and loading material from the proposed trench and the anticipated short duration of the operation. However, if the Commission feels otherwise, Naxos will agree to maintain and use onsite a water spraying truck to minimize possible dust in the excavation process and to dampen the existing dirt roads over which dump trucks will pass. Naxos will also agree to one site visit by a member of the Commission staff to inspect such dust control measures.

Eric Kruger of your office informs us that the staff believes that approval of the permit amendment (and of the pending applications for extension of both prospecting permits 7729.2 and 7730.2) will be placed on the Commission's agenda for its meeting presently set at 4:00 p.m. on Tuesday, November 15, 1994. We look forward to receiving the proposed permit amendment as soon as possible so that we may obtain the necessary signature on behalf of Naxos. Given the tight time constraints in meeting this hearing date, we understand that your office may be willing to accept an original signature on behalf of the corporation on a faxed copy of the permit amendment. The originally signed copy would be overnighted for use at the Commission hearing. We anticipate final confirmation of this from Eric Kruger shortly.

Very truly yours,



Ernest E. Riffenburgh
 of GRESHAM, VARNER, SAVAGE, NOLAN & TILDEN

VARNER, SAVAGE, NOLAN & TILDEN	893
MINUTE PAGE	4561

EER/lr

cc: Sidney W. Kemp, Esq.
 (Via Facsimile)

EXHIBIT "B"**PRC 7729.2****MINERAL PROSPECTING PERMIT AMENDMENT****(DEATH VALLEY JUNCTION PROJECT)**

Mineral Prospecting Permit PRC 7729.2 was issued by the State Lands Commission (State) to Naxos Resources (USA), Limited (Permittee) on December 1, 1993. The Permittee has requested an Amendment of activities allowed under the Permit to include a bulk sample.

Therefore, the State and the Permittee agree to amend the Permit as follows:

- I. Prospecting activity by the Permittee allowed under this Amendment shall be as described in Negative Declaration EIR ND 657 SCH#94062004 and by reference made a part of this Amendment.
- II. In addition to the provisions of Exhibit "A" of the original permit document, the following conditions are applicable to the Death Valley Junction Project:
 - A. To limit environmental impact to the project area, the Permittee shall adopt the following mitigation measures.
 1. Any alteration within the bed, banks or channel of permanent or intermittent waterways within the State requires notification by the Permittee to the Department of Fish and Game. The resulting Streambed Alteration Agreement will contain conditions for performing the proposed work including that the work should not be performed during the rainy season, when flash floods are likely to occur.
 2. Activity during the proposed excavation project will be performed in a safe, professional manner according to accepted industry standards.
 3. Only the equipment mentioned in the Detailed Project Description will be used throughout the span of the project, except for repair/towing equipment should any become necessary.
 4. Vehicles will maintain a speed of 15 miles per hour or below while at the project site.
 5. Stay on existing dirt roads while in the area of the proposed excavation project, aside from crossing the approximately 200 ft. distance from the existing dirt road to the northern edge of the trench and reasonable maneuvering space around all sides of the

trench in order to operate the excavator and dump trucks.

- 6. Consolidate work areas and minimize use of vehicles.
- 7. Avoid the location of the abandoned USGS wellsite in the SW1/4 of the section.
- 8. The site of the excavation project should be in an area with no vegetation.
- 9. The top 6 inches of material at the site of the trench should be stockpiled and saved for replacement as the top 6 inches of soil over the trench during the reclamation process.
- 10. Satisfactory dust control measures will be incorporated into the project activities including the use of a water truck to effect dust control when necessary.
- 11. Periodic inspection of the project site will be performed by State Lands Commission staff to ensure these mitigation measures are carried out by the Permittee.

III. Permittee shall notify Commission staff in writing or by facsimile (310-590-5295) one week prior to commencing the bulk sampling project.

IV. Within thirty (30) days of the approval of this Permit Amendment by the State Lands Commission, Permittee shall furnish, and maintain until released by the State, a bond or other security device acceptable to the State, in the sum of \$10,000.00 in favor of the State for its exclusive use and benefit, guaranteeing the faithful performance by Permittee of all terms and conditions of the Permit including those in this Amendment. This requirement shall be in addition to any other bonding requirements under state laws and regulations.

V. Pursuant to Paragraph 1 of the Permit, the term of this Permit is extended for one (1) year, commencing December 1, 1994 and expiring November 30, 1995.

VI. All other terms and conditions of the Permit shall remain unchanged and in full force and effect.

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CALENDAR PAGE	895
MINUTE PAGE	4563

VII. This Amendment shall be effective November 15, 1994, and shall prevail over any provisions of the Permit which may be contrary to or inconsistent with it.

STATE OF CALIFORNIA
STATE LANDS COMMISSION:

Date

PAUL B. MOUNT II, CHIEF
MINERAL RESOURCES
MANAGEMENT DIVISION

NAXOS RESOURCES (USA), LTD.
PERMITTEE:

Date

BY _____

TITLE

ADDRESS

CITY AND STATE

Approved as to form:

DANIEL E. LUNGREN
Attorney General,
State of California

By _____
ALAN V. HAGER,
Supervising Deputy
Attorney General

Date

CALENDAR PAGE	896
MINUTE PAGE	4564

EXHIBIT "C"

PRC 7729.2

MITIGATION MONITORING PLAN

Mitigation to be incorporated into the Detailed Project Description includes the following measures. With incorporation of these measures into the project, there is no substantial evidence that the Death Valley Junction Project will have a significant adverse impact on the environment.

To ensure conformance with all mitigation measures, State Lands Commission staff will perform periodic inspections of the project site.

1. Any alteration within the bed, banks or channel of permanent or intermittent waterways within the State requires notification by the Permittee to the Department of Fish and Game. The resulting Streambed Alteration Agreement will contain conditions for performing the proposed work including that the work should not be performed during the rainy season, when flash floods are likely to occur.
2. Activity during the proposed excavation project will be performed in a safe, professional manner according to accepted industry standards.
3. Only the equipment mentioned in the Detailed Project Description will be used throughout the span of the project, except for repair/towing equipment should any become necessary.
4. Vehicles will maintain a speed of 15 miles per hour or below while at the project site.
5. Stay on existing dirt roads while in the area of the proposed excavation project, aside from crossing the approximately 200 ft. distance from the existing dirt road to the northern edge of the trench and reasonable maneuvering space around all sides of the trench in order to operate the excavator and dump trucks.
6. Consolidate work areas and minimize use of vehicles.
7. Avoid the location of the abandoned USGS wellsite in the SW1/4 of the section.
8. The site of the excavation project should be in an area with no vegetation.
9. The top 6 inches of material at the site of the trench should be stockpiled and saved for replacement as the top 6 inches of soil over the trench during the reclamation process.

CALENDAR PAGE

897

MINUTE PAGE

4565

PRC 7729.2
November 10, 1995
Page 2

10. Satisfactory dust control measures will be incorporated into the project activities including the use of a water truck to effect dust control when necessary.

CALENDAR PAGE	898
MINUTE PAGE	4566