

MINUTE ITEM

This Calendar Item No. C116 was approved as Minute Item No. 116 by the California State Lands Commission by a vote of 3 to 0 at its 6-19-98 meeting.

CALENDAR ITEM

C116

A 34

S 15

06/19/98
PRC 2976.1
PRC 3511.1
PRC 5464.1
B. Dugal
G. Pelka
E. Kruger

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTERESTS
IN GENERAL LEASE - INDUSTRIAL USE, LEASE NO. PRC 2976.1,
GENERAL LEASE - RIGHT-OF-WAY USE, LEASE NO. PRC 3511.1, AND
MINERAL EXTRACTION LEASE NO. PRC 5464.1,
INYO COUNTY**

ASSIGNOR:

Lake Minerals Corporation
Mr. Paul Lamos
P. O. Box 37
209 N. Main Street
Lone Pine, California 93545

ASSIGNEE:

U. S. Borax, Inc.
Mr. Dennis Boyle
26877 Tourney Road
Valencia, California 91355

AREA, LAND TYPE, AND LOCATION:

General Lease - Industrial Use, Lease No. PRC 2976.1 contains approximately 204 acres of State sovereign land located on the west side of the dry lake bed of Owens Lake. General Lease - Right-of-Way Use, Lease No. PRC 3511.1 contains approximately 140 acres of State sovereign land located on the dry lake bed of Owens Lake. Mineral Extraction Lease No. 5464.1 contains approximately 16,120 acres of State sovereign land located on the dry lake bed of Owens Lake, Inyo County.

BACKGROUND:

General Lease - Industrial Use, Lease No. PRC 2976.1 was originally issued to Morrison & Weatherly Chemical Products (Morrison and Weatherly) effective

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January 24, 1963, and General Lease - Right-of-Way Use, Lease No. PRC 3511.1 was originally issued to Morrison & Weatherly effective July 12, 1966. Morrison and Weatherly subsequently assigned Lease Nos. PRC 2976.1 and PRC 3511.1 to Lake Minerals on January 24, 1980. Mineral Extraction Lease No. PRC 5464.1 was originally issued through competitive bid award to Lake Minerals Corporation (Lake Minerals) on August 1, 1978, and Mineral Extraction Lease Nos. PRC 2967.1, PRC 4754.1 and PRC 4996.1 were incorporated into Lease No. PRC 5464.1 under authorization unification effective August 1, 1980, with all terms and conditions of Lease No. PRC 5464.1 prevailing. Lake Minerals is presently requesting that the California State Lands Commission approve assignment of its 100 percent (100%) interest in Lease Nos. PRC 2976.1, PRC 3511.1, and PRC 5464.1 to U.S. Borax, Inc.

U.S. Borax and Lake Minerals are finalizing details of an Asset Purchase Agreement which is contemplated to close by June 30, 1998. One condition of the asset purchase agreement is the consent of the California State Lands Commission to assign these leases to U.S. Borax. Because the Commission meeting precedes the closing date, the parties have requested that the assignment and assumption of leases be conditioned upon the successful completion of the transfer of assets under the Asset Purchase Agreement. Upon this transfer, the parties will supply the Commission staff with written notification requesting appropriate execution to implement the assignment.

STATUTORY AND OTHER REFERENCES:

- A. Paragraph 24 of Lease No. PRC 5464.1.
- B. Public Resources Code sections 6804, 6801.

OTHER PERTINENT INFORMATION

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that these activities are exempt from the requirements of the CEQA because the activities are not "projects" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

- 2. Assignment forms have been executed by Lake Minerals, as Assignor and

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U.S. Borax, as Assignee.

EXHIBIT:

A. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITIES ARE NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

CONSENT TO THE ASSIGNMENTS OF 100 PERCENT INTERESTS IN GENERAL LEASE - INDUSTRIAL USE, LEASE NO. PRC 2976.1, GENERAL LEASE - RIGHT-OF-WAY USE, LEASE NO. PRC 3511.1, AND MINERAL EXTRACTION LEASE NO. PRC 5464.1 FROM LAKE MINERALS CORPORATION TO U.S. BORAX, INC., WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE LEASE.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS TO EFFECT THIS ASSIGNMENT.

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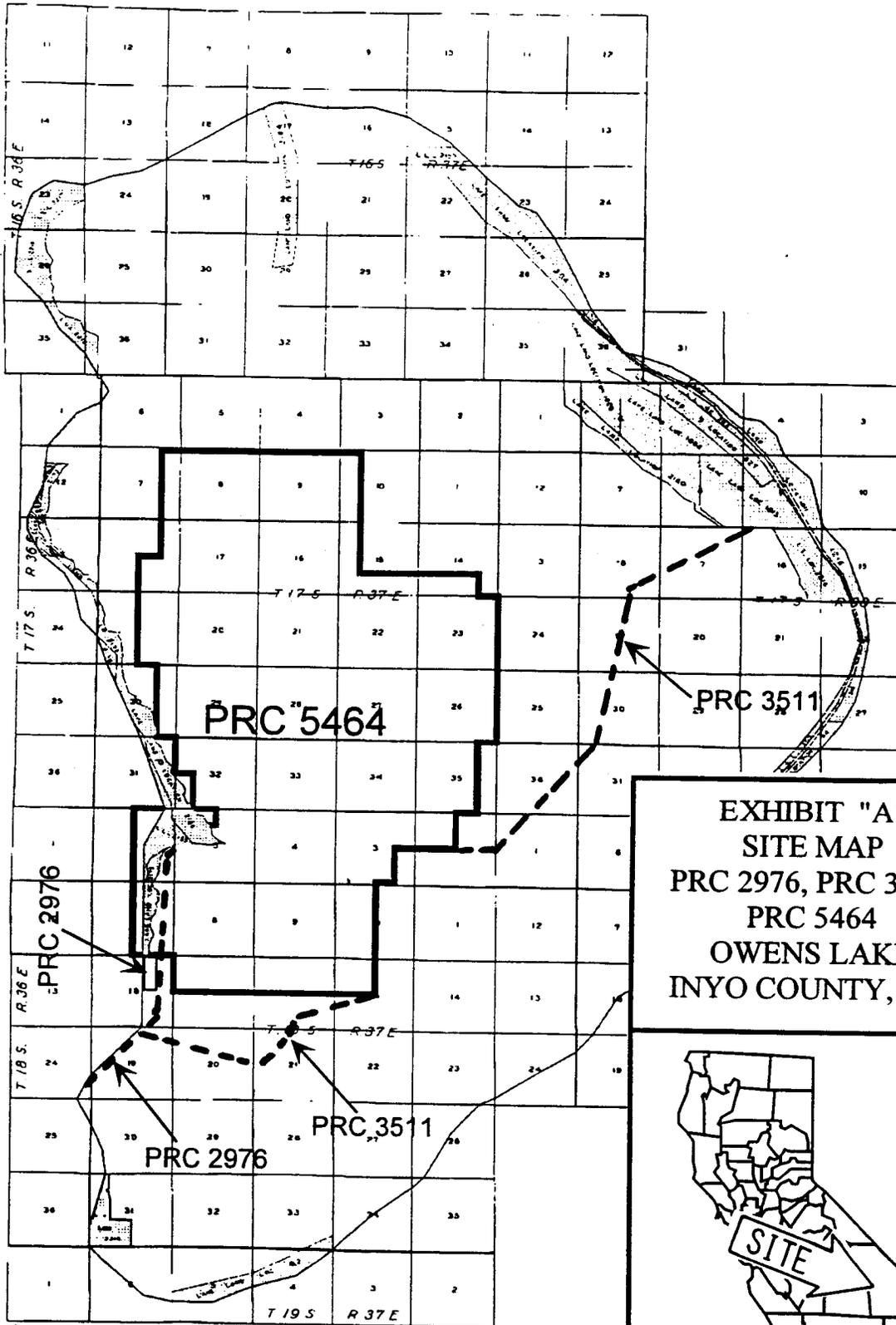


EXHIBIT "A"
 SITE MAP
 PRC 2976, PRC 3511,
 PRC 5464
 OWENS LAKE
 INYO COUNTY, CA.

