MINUTE ITEM
This Calendar Item No. C127 was approved as Minute Item No. 127 by the California State Lands Commission by a vote of 3 to 0 at its 6-19-98 meeting.

CALENDAR ITEM
C127

A 80

S 37

06/19/98
W 40723
G. Pelka
E. Kruger

CONSIDER APPROVAL OF A PROSPECTING PERMIT FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON STATE SCHOOL LANDS, IMPERIAL COUNTY

APPLICANT:

Santa Fe Pacific Gold Corporation
Attn.: Dennis Cole, Director, Land Department
1700 Lincoln Street, 26th Floor
Denver, Colorado 80203

AREA, TYPE LAND AND LOCATION:

Approximately 658 acres of vacant, State-owned School Lands described as Sections 5 and 6, Lots 1 to 10 inclusive, T13S, R19E, SBM about six miles northeast of Glamis (Chocolate Mountains), Imperial County.

TERMS OF PROPOSED PROJECT:

The primary term of the mineral prospecting permit shall be two years. The Commission, at its discretion, may extend the term for an additional period not to exceed one year. In no event shall the term of any permit exceed three years.

ROYALTY:

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

BACKGROUND:

By patent dated June 12, 1997, the State of California received title to the subject lands from the United States in an exchange made pursuant to Section 707 of the Desert Protection Act of 1994. The grant of title to the State was expressly made subject to three contested mining claims, affecting approximately 44 acres of the 658 acres, more or less, conveyed in the patent. The three contested mining claims, which were initially determined by the U S Department of the Interior, Bureau of Land Management to be

invalid are now pending an administrative hearing. The lands which are subject to the contested mining claims are not presently included in the proposed prospecting permit. If and when the dispute is resolved in favor of the United States and the mining claims are found to be invalid, the 44 acres, more or less, covered by the contested mining claims will become part of and subject to the prospecting permit and any lease issued pursuant to it.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

1. Required filing fee, processing fee and acreage deposit have been submitted by the Applicant.

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

3. Royalty payable under any preferential lease issued shall not be less than ten percent of the gross value of all mineral production from the leased lands, less any charges approved by the Commission made or incurred with regard to transportation or processing of the State's royalty share of production. A sliding scale net smelter return royalty formula has been drafted and agreed to between Commission staff and Santa Fe Pacific Gold Corporation and contained within the draft Mineral Extraction Lease made an exhibit to the mineral prospecting permit. The sliding scale royalty formula exceeds the statutory provision required by Public Resources Code 6895. The amount of the charges against the State's royalty shall be as set forth in the lease.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code section: Division 6, Section 6891.
B. California Code of Regulations: Title 2, Section 2200.

OTHER PERTINENT INFORMATION:

1. A Mitigated Negative Declaration (SCH # 98041136) was prepared and adopted for this project by the Imperial County Planning Department on May 27, 1998. The California State Lands Commission's staff has reviewed such document.

2 A Mitigation Monitoring Program was adopted by Imperial County. A copy

of this document, including the project description, is attached as Exhibit B.

3. Pursuant to Public Resources Section 6895, upon establishing to the satisfaction of the Commission that a commercially valuable mineral deposit has been discovered within the limits of the permit, Permittee would have a preferential right to a lease for a maximum of 657.87 acres embraced within the permit. This right shall be subject to all necessary environmental approvals. The issuance of this permit shall not affect the discretion of the Commission in granting or denying such a lease because of environmental conditions.

4. Imperial County, as Lead Agency under the Surface Mining and Reclamation Act of 1975, has required Santa Fe Pacific Gold Corporation to submit a performance bond to ensure compliance with all the terms and conditions of the Reclamation Plan and Mitigation Monitoring Program.

APPROVALS OBTAINED:

Pursuant to Public Resources Code section 6890, the prospecting permit document has been approved by the Office of the Attorney General as to compliance with the applicable provisions of the law.

EXHIBITS:

A. Site Map
B. Mitigation Monitoring Program and Notice of Determination, and Resolution

PERMIT STREAMLINING ACT DEADLINE:

November 27, 1998.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

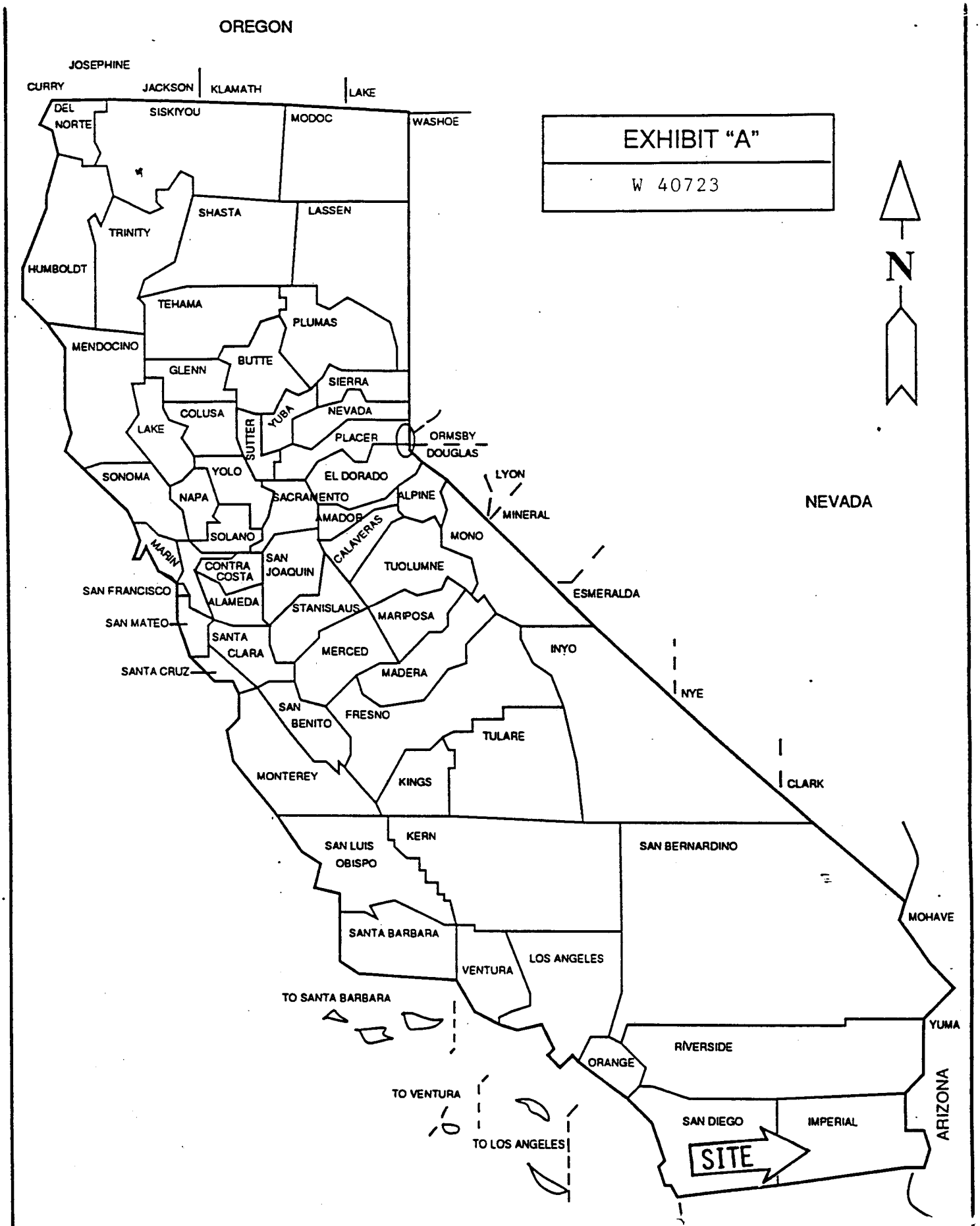
1. FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE IMPERIAL COUNTY PLANNING DEPARTMENT AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

2. ADOPT THE MITIGATION MONITORING PROGRAM AS CONTAINED IN EXHIBIT B, ATTACHED HERETO.

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

AUTHORIZATION:

AUTHORIZE THE ISSUANCE OF A MINERAL PROSPECTING PERMIT TO SANTA FE PACIFIC GOLD CORPORATION FOR A PRIMARY TERM OF TWO YEARS FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES AND SAND AND GRAVEL ON SECTIONS 5 AND 6, LOTS 1 TO 10 INCLUSIVE, T13S, R19E, SBM, IMPERIAL COUNTY, IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALLY VALUABLE MINERAL DEPOSITS SHALL BE NOT LESS THAN TEN PERCENT OF THE GROSS VALUE OF ALL MINERAL PRODUCTION FROM THE LEASED LANDS, LESS ANY CHARGES APPROVED BY THE COMMISSION MADE OR INCURRED WITH REGARD TO THE TRANSPORTATION OR PROCESSING OF THE STATE'S ROYALTY SHARE OF PRODUCTION. THE QUANTUM OF ROYALTY PAYABLE UNDER ANY SUCH PREFERENTIAL LEASE AND THE CHARGES ASSESSABLE AGAINST THE STATE'S ROYALTY INTEREST WILL BE SET FORTH IN THE DRAFT MINERAL EXTRACTION LEASE ATTACHED AS EXHIBIT B TO THE MINERAL PROSPECTING PERMIT.



CALENDAR PAGE 615

MINUTE PAGE 003943

Notice of Determination — Supplementary Document P

To: ____ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: Imperial County Planning Department
939 Main Street
El Centro, CA 92243

X County Clerk
County of Imperial
939 Main Street
El Centro, CA 92243

EXHIBIT B

POSTED
County Clerk
Imperial County
California

Subject:
Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Newmont Gold/Santa Fe Pacific - Reclamation Plan #97-0005
Project Title

98041136	Richard Cabanilla	(760)339-4236, Ext. 313
State Clearinghouse Number (If submitted to Clearinghouse)	Lead Agency (contact)	Area Code/Telephone/Extension

North of Mesquite Mine - Imperial C
Project Location (include County)

Project Description:

The Reclamation Plan is for the St .t" for the exploratory drilling of up to 300 ı of the existing Mesquite Mine.

W 40723

This is to advise that the Planning Co ove described project on
X Lead Agenc

May 27, 1998 and has made escribed project:
(Date)

1. The project [☐ will ☒ will not] have a significant effect.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
   ☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation Measures [☒ were ☐ were not] made a condition of the approval of the project.
4. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
5. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the Mitigated ND with comments and responses and record of project approval is available to the General Public at:

Planning/Building Department, 939 Main Street, El Centro, CA 92243

JUN 1998
County Clerk
Imperial County,
California

Signature Imperial County Planning Department	5/28/98 Date	Planning Director Title

Date received for filing at OPR:

CALENDAR PAGE	616
MINUTE PAGE	003944

CALIFORNIA DEPARTMENT OF FISH AND GAME

CERTIFICATE OF FEE EXEMPTION

DE MINIMUS IMPACT FINDING

PROJECT TITLE/LOCATION:

Newmont Gold/Santa Fe Pacific Reclamation Plan #97-0005
North of Mesquite Mine; Sections 5 & 6, Lots 1 to 10 inclusive,
Township 13 South, Range 13 East, SBB&M.

PROJECT DESCRIPTION:

Exploration Drilling Program

FINDINGS OF EXEMPTION:

There will be no adverse impacts upon wildlife or natural resources and no intrusion upon any known habitat, nor is it likely to have a future impact.

Certification:

I hereby certify that the lead agency has made the above findings of fact and that (based upon the initial study and hearing record) the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

JUN 1998
County Clerk
Imperial County, California

Jurg Heuberger
Planning Director
Planning/Building Department
Imperial County

June 2, 1998
Date

JH/sm/Certfee.IGL

CALENDAR PAGE	617
MINUTE PAGE	003945

Planning Department

COUNTY OF IMPERIAL

PLANNING / BUILDING INSPECTION / PLANNING COMMISSION / A.L.U.C.

Jurg Heuberger, AICP - Director

NOTIFICATION OF ACTION

DATE OF DECISION: May 27, 1998

DECISION MADE BY:

_____X___ BY THE PLANNING COMMISSION
_____ BY THE BOARD OF SUPERVISORS
_____ BY THE PLANNING DIRECTOR

APPLICANT

Craig Smith
Santa Fe Pacific Gold Corp
6502 East Highway 78
Brawley, CA 92227-9306

ENGINEER

PROJECT TYPE: Minor Reclamation RP97-0005

Dear Applicant/Engineer/Architect:

On 05 / 27 / 98 the __x_ Imperial County Planning Commission, the ___ Board of Supervisors, through the public hearing process took the following action on your project.

(NOTICE: All Planning Commission actions have a ten (10) day appeal period during which time the decision may be appealed to the Board, and no further permitting of any type may be allowed by the Department).

✓ APPROVED THE PROJECT:

The ✓ Planning Commission, the ___ Board of Supervisors, approved your project subject to all the conditions discussed with you during the hearing process. (A copy of the CONDITIONS are attached hereto).

_____ DENIED THE PROJECT:

You may have the right to appeal the decision of the Planning Commission to the Board of Supervisors. You may have the right to appeal the decision of the Planning Commission to the Board of Supervisors. If you wish to file an appeal with the Clerk of the Board which must include the payment of the appeals fee ($400.00) within ten (10) days from the date shown above. If no appeal is filed `within ten (10) days, all rights to further administrative relief are waived.

939 MAIN STREET, SUITE B-1, EL CENTRO, CA [illegible] - (760) - 339 - 4236
FAX No. (760) - 350 - 9338 [illegible]
AN EQUAL OPPORTUNITY EMPLOYER

CALENDAR PAGE 618
MINUTE PAGE 003946

In addition, the following additional amounts are required for your project. These amounts are determined by the findings of the project. Your project requires:

_____ a Negative Declaration, the fee is **$1,275.00** ($1250 for Negative Declaration and $25.00 documentary handling fee); or,

_____ an Environmental Impact Report (EIR), the fee is $875.00 ($850 for the EIR and $25.00 documentary handling fee); or,

___x___ a "De Minimus" finding was determined or your project was exempt from CEQA, the fee is **$25.00.**

These fees are to be made payable to the **Imperial County Clerk Department**. Please note that these fees are in addition to the recording fee, and these fees should be submitted to the Imperial County Planning/Building Department as soon as possible for further processing of your CUP.

LEGAL RIGHT
PLEASE READ THE FOLLOWING STATEMENT - CAREFULLY:

"The time within which judicial review of this decision must be sought is governed by the Code of Civil Procedure 1094.6, which has been made applicable to the County of Imperial and any Commission, Board, including the Imperial County Board of Supervisors, the Planning Commission, agency, officer, or agent of the County by resolution. Any petition or other paper seeking judicial review must be filed in the appropriate court no later than ninety (90) days following the date on which this decision becomes final; however if within ten (10) days after the decision becomes final, a request for the record of the proceedings is filed and the required deposit in the amount sufficient to cover the estimated cost of preparation of such record is timely deposited, the time within which such petition may be filed in court is extended to no later than the thirty (30) days following the date on which the record is either personally delivered or mailed to the party or his attorney of record, if he/she has one. A written request for the preparation of the record of the proceedings shall be filed with **Jurg Heuberger, Planning Director, County of Imperial, 939 Main Street, El Centro, California, 92243.** For purposes of this notice, the decision becomes final upon the expiration of the period during which an appeal may be sought; provided that if an appeal is sought, the decision is final for purposes of this notice on the date the appeal is denied."

If you have any questions, please feel free to call this Department at (619) 339-4236.

Sincerely,

JURG HEUBERGER
Planning Director

sm/MINORACT.LGL

CALENDAR PAGE	619
MINUTE PAGE	003947

Planning Department

COUNTY OF IMPERIAL

Jurg Heuberger, AICP - Director

May 15, 1998

Craig Smith
Santa Fe Pacific Gold Corp
6502 East Highway 78
Brawley CA 92227-9306

Dear Applicant:

This is to advise you that the Planning Commission has set a hearing to make a determination on your project, in the Board of Supervisors Chambers, 940 Main Street, El Centro, California, at their meeting on May 27, 1998 starting at 9:00 a.m.

It is recommended that you be present to answer questions and make any presentation you may desire. It is necessary that you, or a representative be present in order for the Planning Commission to take any action.

Sincerely,

JURG HEUBERGER
Planning Director

sm/PCNOTAP.doc

PROJECT REPORT

TO THE PLANNING COMMISSION

DATE: May 27, 1998 TIME: 9:00 am AGENDA NO: 3

APPLICANTS NAME Newmont Gold Co/Santa Fe Pacific SUPERVISOR D 5

OWNERS NAME State Lands Commission

PROJECT TYPE Reclamation Plan (Exploratory Drilling Program)

PROJECT ADDRESS 6502 E. Hwy 78

GEN. LOCATION North of Mesquite Mine

LEGAL DESCRIPTION Seciton 5 & 6, Lots 1 to 10 inclusive, T13S, R19E, SBB&M

ASSESS. PAR. NO. 0393301501 PARCEL SIZE 657.87

EXISTING ZONE S Open Space ADJ. ZONING S Open Space

GENERAL PLAN x CONSISTENT INCONSISTENT MAY BE/ FINDINGS

COMMENTS FROM:

PUBLIC WORKS	See Attached
E.H.S. / HEALTH	See Attached
A.G. / A.P.C.D.	See Attached
FIRE / O.E.S.	See Attached
COUNSEL	See Attached
OTHER	See Attached

PROTEST REC. YES NO NUMBER

E.E.C. DECISION DATE Apr 23, 1998 I.S. NUMBER IS97-0044

NEG. DEC. E.I.R. x OTHER N.A.

COMMISSION DEC. APPROVED DENIED DATE May 27, 1998

STAFF RECOMMENDATION:

It is recommended that you conduct a public hearing and that you hear all the opponents and proponents of the proposed project. It is further recommended that you approve the project and that you take the following action:

1. Certify the Mitigated Negative Declaration by finding that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because mitigation measures described in the conditions have been added to the project.

~~2. Make the De Minimus finding as recommended by the April 23, 1998~~ EEC, that the project will not individually or cumulatively have an adverse effect on fish and wildlife resources, as defined in Section 711.2 of the Fish and Game Codes.

3. Make the attached findings.

4. Approve Reclamation Plan #97-0005, subject to the attached conditions.

JURG HEUBERGER
PLANNING DIRECTOR

FILE I.D. Mesgexpl

IMPERIAL COUNTY
Planning Department

CALENDAR PAGE 621
MINUTE PAGE 003949

SURFACE/SUBSURFACE MINING AND RECLAMATION PLAN FINDINGS

1. The County of Imperial hereby finds that the extraction of minerals is essential to the continued economic well-being of the County and its residents and that the reclamation of all mined lands is necessary to prevent or minimize significant adverse effects on the environment and to protect the public health and safety.

2. The County also finds that the reclamation of federal, state and private lands will permit the continued mining of minerals and will provide for protection and subsequent beneficial use of all mined and reclaimed lands.

3. The County further finds that the extraction of valuable minerals through surface/subsurface mining and the reclamation of all mined lands is consistent with the goals and policies of the General Plan and with Public Resources Code, Division 2, Chapter 9.

4. There will be no adverse impacts upon wildlife or natural resources, and no intrusion upon any known habitat, nor is it likely to have a future impact.

f:\word\RECFIND

RECLAMATION PLAN 97-0005/SANTA FE PACIFIC GOLD CORP.

PROJECT DESCRIPTION

LOCATION:

The reclamation plan area for exploratory drilling is located in the eastern portion of Imperial County, approximately 40 miles northeast of Brawley, California, off of Highway 78. The exploratory site is approximately 657.85 acres in size located just north of the existing Mesquite Mine boundary and the Big Chief and Cholla Pits, that is operated by Santa Fe Pacific Gold Corporation (a subsidiary of Newmont Gold Company). The site is further identified as Section 5, Lots 1 to 10, inclusive and Section 6, Lots 1 to 10, inclusive, Township 13 South, Range 19 East, San Bernardino Base & Meridian.

THE PROJECT:

According to the application, it is the intent of Santa Fe Pacific Gold Corporation, to drill approximately 300 exploratory drill holes to determine the extent of mineralization in the Chocolate Mountain Land Exchange Area (recently completed between the Bureau of Land Management and the California State Lands Commission). The total amount of acreage disturbed will depend on early drilling results, but is expected to be about fifteen (15) acres or less. The primary disturbance will be in the preparation of access which will be through the existing mine north to the drill site locations, to include rock/soil sampling, and geophysical surveying.

The proposed exploratory area has been previously disturbed by mining operators who dug trenches and graded access roads into the area. The access roads will be utilized as much as possible in order not to disturb existing flora and fauna found on-site.

The exploratory program will take several months for the initial drilling and if sufficient mineralization is found, then additional phased drilling will take place ending approximately in July 2001. Drilling operations will be during daylight hours only and up to five gallons of water per minute will be required for drilling purposes. As each drill site is abandoned, the small (5' x 10') sumps for drill cuttings will be removed, covered, graded, scarified, and revegetated as applicable.

Drilling will involve four to six rigs and upon completion of drilling exploratory activities will be returned to original contours and reseeded. All access roads will be regraded if there is a determination that there is insufficient mineralization to warrant further development.

GENERAL PLAN ANALYSIS:

The site is located within an area that is designated by the County General Plan adopted November 1993 (and updated on November 19, 1996) as "Special Purpose Facility" and discussed on pages 54 and 55 of the Land Use Element.

The Zoning Ordinance, Section 83225, shows the existing zone of the area as "S Open Space" which allows for surface mining operation/reclamation activities.

The Open Space Element of the County General Plan (page 44) also has the following goal and objectives for mining and reclamation operations:

GOAL 5:
Objective 5.1: Encourage the sound extraction of mineral and quarry/aggregate resources while protecting the natural desert environment.
Objective 5.2: Require that mineral extraction and reclamation operations be performed in a way that is compatible with surrounding land uses and minimize adverse effects on the environment.
Objective 5.3: Safeguard the use and full development of all mineral deposits.

STAFF ANALYSIS:

As previously mentioned, the site has a history of disturbance from prior mining operations by access roads and trenching activities. These previous exploratory and mining activities were in the early 1930's, 1940's and 1950's according to the Mesquite Mine staff.

The County's General Plan recognizes that mining of mineral resources is a necessity and must be done in areas where the resource is found. With the existing Mesquite Mine immediately south of the state exploratory area, and temporary nature of the exploratory drilling operation, the reclamation of the small drill sites and sump area, and the natural re-contouring and revegetation, no significant adverse environmental impacts appear present.

A series of meetings have been held with various federal, state, county, military, and wildlife agencies to determine the environmental impacts of this project and the appropriate mitigation measures. The Permittee fully intends to comply with all federal, state, county, wildlife agency mitigation measures relating to the wildlife resources found on-site, Desert Tortoise and/or Bighorn Sheep.

The Reclamation Plan will include approved mitigation measures and incorporate-by-reference the required mitigation measures by all other permitting and/or regulatory agencies.

DRAFT

RECLAMATION PLAN #97-0005

STATE LANDS COMMISSION
MINERAL RESOURCES MANAGEMENT
PROSPECTING PERMIT

GENERAL CONDITIONS

Commencing July 1998, the Reclamation Plan shall include the following:

G-1 COST

Santa Fe Pacific Gold Corporation (subsidiary of Newmont Gold Company, herein after "Operator") shall pay any and all amounts determined by the County Planning/Building Department to defray any and all cost(s) for the review of reports, field investigations, monitoring, and other activities related to compliance with the Reclamation Plan, County Ordinances, and/or any other laws that apply.

G-2 PERMITS/LICENSES:

The Operator shall obtain any and all County, State and Federal laws, rules, regulations and/or standards as they may pertain to this project, whether specified herein or not. It is the responsibility of Operator to know all applicable regulations.

G-3 COMPLIANCE/REVOCATION:

Upon the determination by the Planning/Building Department that the project is not in full compliance with any one or all of the conditions of the Reclamation Plan, or upon the finding that the project is creating a nuisance as defined by law, or that the project is degrading the quality of the environment and causing significant environmental impacts which may result in substantial adverse effects to the well-being of the residents of Imperial County, the matter can be brought to the Planning Commission or other appropriate agency to enforce the requirements of the plan, or to consider the immediate suspension of all operations.

G-4 INDEMNIFICATION:

The operator shall indemnify, defend and save harmless, the County of Imperial, its Board of Supervisors, the Planning Director and all officers and agents of the County against any claims, actions or liabilities arising out of the operation of the project.

G-5 PROVISIONS TO RUN WITH THE LAND/PROJECT:

If a new Operator succeeds to the interest of the permitted Operator by sale, assignment, transfer conveyance, exchange or other means, the successor shall be bound by the provisions of the approved Reclamation Plan. The Planning/Building Department shall be informed within thirty (30) days of any such change of interest.

G-6 SEVERABILITY:

Should any condition(s) of the Reclamation Plan be determined by a Court or other agency with proper jurisdiction to be invalid for any reason, such determination shall not invalidate the remaining provision(s) of the Plan.

G-7 RIGHT OF ENTRY:

The County reserves the right to enter the premises to make the appropriate inspection(s) and to determine if the condition(s) of the Prospecting Permit/Reclamation Plan are complied with and access to the site by authorized personnel shall not be unreasonably denied.

G-8 RESPONSIBLE AGENT:

All operations shall be conducted under the direction of a responsible agent. The name and telephone number of this individual shall be provided to the Planning/Building Department. The agent shall insure that the project's activities comply with the conditions contained herein.

G-9 GENERAL LAW:

The Reclamation Plan and all stipulations contained herein are subject to all laws and regulations pertaining to mining and reclamation as prescribed by Federal, State, or County governments.

G-10 MINOR AMENDMENTS:

The Planning Director may approve minor changes or administrative extensions, as requested in writing by the Operator to the plan, provided it does not result in additional environmental impacts and/or are generally procedural or technical and/or which may be necessary to comply with other government permit compliance requirements.

G-11 RECLAMATION PLAN OBJECTIVES:

Reclamation shall be conducted with special emphasis on the objectives of Public Resources Code, Section 2712, as follows:

(a) Adverse environmental effects are prevented or minimized and that the exploratory area is reclaimed to usable condition which is readily adaptable for alternative and uses.

(b) The production and conservation of minerals are encouraged, while giving consideration to values relating to recreation, watershed, wildlife, range and forage, and aesthetic enjoyment.

(c) Residual hazards to the public health and safety are eliminated.

RECLAMATION CONDITIONS:

S-1 PROJECT LOCATION

The Reclamation Plan applies to the area described in the State Lands Commission Prospecting Permit and delineated in the site plan, comprising 657 acres, described as follows:

> PARCEL NO. 039-330-15-01 Section 5, Lots 1 to 10, inclusive, and Section 6, Lots to 10, inclusive, T13S, R19E, San Bernardino Base & Meridian.

S-2 DISPOSITION OF EQUIPMENT

The Operator shall remove all equipment and residual drilling materials from the site upon the completion of the exploratory program.

S-3 FINANCIAL ASSURANCE

The Operator shall post a financial assurance in the amount of $80,965.00 or an amount acceptable to the Planning/Building staff and Department of Conservation, payable to the Imperial County Planning/Building Department or the Department of Conservation. The financial assurance shall be in a form acceptable to County Counsel.

Financial assurances may take the form of surety bonds, irrevocable letters of credit, trust funds, or other assurances which the County determines are adequate to perform reclamation in accordance with the approved reclamation plan.

The limit on the amount of security should not be construed as a limitation on the liability of the Operator concerning the completion of reclamation. The amount of the financial assurance required shall be adjusted annually to account for any new lands disturbed by drilling operations, inflation, and/or reclamation of lands accomplished in accordance with the approved Reclamation Plan.

The financial assurance shall be posted prior to commencing drilling operations and remain in effect for the duration of the prospecting operation and any additional period until reclamation is completed.

S-4 TERMINATION DATE AND COMPLETION OF FINAL RECLAMATION

Surface prospecting operations shall terminate by July 2001 unless other revisions have been approved to the Reclamation Plan prior to that time. If an expansion is required, the Operator may apply to the County for a new or amended Reclamation Plan to continue prospecting/drilling activities.

S-5 TOPSOIL SALVAGE, MAINTENANCE AND REDISTRIBUTION

Any salvage of topsoil shall be conducted in accordance with applicable CCR Sections 37119(a), (b), (c), (d) and (e).

S-6 DEPARTMENT OF FISH & GAME/STREAMBED ALTERATION PERMIT

The Operator shall consult with the California Department of Fish and Game and a copy of the streambed alteration permit shall be provided to the Planning/Building Department and shall become part of the Reclamation Plan.

S-7 CONSERVATION/REAPPLICATION OF TOPSOIL OR GROWTH MEDIA

As applicable, any soil surface layer needed shall be conserved and all disturbed areas shall be track-walked after final grading to create microstates where organic material and seeds can be trapped. Tracks shall be oriented to the slope to minimize surface erosion. All surface vegetation shall be scraped and chipped and used as a mulch or incorporated into the surface soil stockpile. Topsoil shall be redistributed in a stable manner and at a consistent thickness as needed.

S-8 CONCURRENT RECLAMATION

To the extent feasible, reclamation shall be performed concurrent with surface disturbance.

S-9 SOIL DECOMPACTION

Compacted soils on all access routes shall be reclaimed, and prepared in accordance with the Reclamation Plan and covered with topsoil as applicable and revegetated.

S-10 RECLAIMED AREAS

All reclaimed areas shall be posted and all access shall be restricted from these areas to promote natural revegetation and prevent soil compaction.

S-11 EROSION CONTROL

Areas susceptible to erosion shall be armored with pebbles and/or riprap when drilling activities are completed. The site shall be annually evaluated for the effectiveness of any applicable erosion control measures. As needed, slopes shall be roughened in a horizontal manner, and If inspections reveal that erosion is occurring due to prospecting/drilling activities. the Operator shall be required to prepare a soil erosion control plan.

S-12 HAZARDOUS WASTE

Any spilled hazardous waste shall be collected and properly disposed at an appropriate location. The Operator shall report all major spills to both the County Planning/Building Department and the Division of Environmental Health Services.

S-13 REVEGETATION ACTIVITIES

The Operator shall continue the existing revegetation program to ascertain the effectiveness of natural revegetation. The program shall utilize locally collected top soil and locally collected seeds. If proven unsuccessful, the Operator shall be required to implement other measures in coordination with the Planning/Building Department and the Department of Conservation to assure the successful revegetation of the exploratory area. Any required remedial action shall be implemented including seeding with a seed mix consistent with the existing flora in the area.

S-14 PROTECTION OF STREAMBEDS AND WASHES

Operator shall not disturb, alter nor redirect existing natural drainage patterns.

S-15 MAP(S)

The Operator shall prepare a map and any revisions that shows the following:

A. Limits of the prospecting permit area.
B. Areas that will be reclaimed and revegetated..
C. Proposed and existing access into the property.
D. Top soil tailings/stockpiles if applicable.
E. Any erosion control facilities.

S-16 PROTECTION OF WILDLIFE AND HABITAT

The Operator shall continue to consult with USF&WS for Section 7 compliance prior to, during and after drilling activities to protect on-site wildlife and its habitat.

S-17 PLANTING

Planting and revegetation activities shall be conducted between October and February or when drilling activity ceases and conditions allow for successful planting.

S-18 REVEGETATION MONITORING PROGRAM

The Operator shall prepare and submit a revegetation monitoring program that includes performance standards for plant density, cover and species-richness. The sample method and sample size shall provide an 80 percent confidence level. Performance standards shall be based on any applicable baseline data gathered to date. The program, photographs, and report on compliance with the performance standards shall be submitted to the Planning/Building Department.

S-19 SURFACE AND GROUNDWATER PROTECTION

As part of the RWQCB 401 certification and U.S. Army Corps of Engineers 404 permitting process, all applicable erosion control, groundwater protection measures and monitoring shall be implemented and incorporated into the Plan.

S-20 ADDITIONAL MITIGATION MEASURES ATTACHED

The attached mitigation measures for Desert Tortoise, Desert Bighorn Sheep, and the BLM's /Standard Conditions are incorporated herein by reference.

Proposed Mitigation Measures
Exploratory Drilling Program
Santa Fe Pacific Gold Corporation
Reclamation Plan 97-0005

I. Desert Tortoise Mitigation

Due to the presence of the desert tortoise within the North Half Sections Exploration Plan area, Santa Fe has proposed mitigation for the affected species. The proposed project is located on State Lands managed by the State Lands Commission. Mitigation included with the project description are measures recommended by, and approved by the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (CDFG) as conditions in the Small Miners Biological Opinion, and the biological opinion for the nearby mine operation.

a) All employees involved in the North Half Sections Exploration Program will participate in a tortoise education program. The program presently in use, and approved for, the Mesquite Mine will be used.

b) Each employee involved in the North Half Sections Exploration Program will receive the Desert Tortoise Procedure Card developed for the Mesquite Mine.

c) An authorized biologist will be present on-site during the initial clearance survey(s) for the access and drill sites. This biologist will have experience in marking (acrylic paint and epoxy technique) desert tortoise for future identification. The biologist will provide a full report to the Corps and Service of all desert tortoises, which are found and relocated. This information shall include: 1) the locations (narrative and maps) and dates of observations; 2) general conditions and health, any apparent injuries and state of healing and whether animals voided their bladders when handled; 3) locations moved from and locations moved to: 4) diagnostic markings (e.g. identification numbers or previously marked lateral scutes).

d) A field contact representative (FCR) will be designated. The FCR will be responsible for overseeing compliance with protective measures for the desert tortoise and for coordination on compliance with the permit stipulations. The FCR will have the authority to halt all associated exploration activities which may be in violation of the stipulations.

e) The FCR will receive specific instructions from a desert tortoise expert in the handling, marking, data collection, and release procedures for desert tortoise prior to engaging in such activities.

f) Only persons authorized by the Service shall handle desert tortoise. The authorized person shall be approved by the Service prior to the beginning of the exploration program. Santa Fe shall submit the name(s) and credentials of the person(s) that will handle desert tortoise to the Service for review and approval at least five (5) days prior to the onset of activities.

g) Any desert tortoises which are moved from harm's way along the access route to the exploration site shall be placed in the shade of a shrub in the direction in which it was facing when found. Desert tortoise shall be moved the minimum distance necessary to ensure their safety in this situation.

h) Tortoise that are relocated or otherwise removed from the mine site will be handled in accordance with the procedures as detailed in *The Interim Techniques Handbook for Collecting and Analyzing Data on Desert Tortoise Populations and Habitats* (June 1990), Chapter III, "Protocols for Handling Live Tortoises," which identifies specific handling techniques and precautions to be employed to protect tortoises.

i) The area of disturbance shall be confined to the smallest practical area, considering topography, placement of facilities, location of burrow public health and safety, and other limiting factors. Work area boundaries shall be delimited with flagging or other marking to minimize surface disturbance associated with vehicle straying. Special habitat features, such as burrows, identified by the qualified biologist shall be avoided to the extent possible. To the extent possible, previously disturbed areas within the exploration site shall be utilized for the stockpiling of excavated materials, storage of equipment, digging of slurry pits, location of office trailers and parking of vehicles. The qualified biologist, in consultation with the project proponent, shall ensure compliance with this measure.

j) Where practical, no access road shall be bladed for exploratory work. Cross-country access shall be the standard for temporary activities. To the extent possible, access to the mine site shall be restricted to designated "open" routes of travel. A qualified biologist shall select and flag the access route, whether cross-country or bladed, to avoid burrows and to minimize disturbance of vegetation. Except when absolutely required by the operation and as explicitly state in the project description, cross-country vehicle use by mine employees is prohibited during work and non-work hours.

k) To prevent desert tortoises from falling in, test holes shall be either fenced or covered as much of the time as possible and at all times when not attended.

l) Temporary fencing shall be erected around the areas of activity. The fencing shall be ½ inch mesh hardware cloth supported by steel t-posts. The fencing shall be at least 18 inches high but need not be buried. Provisions shall be made for closing off the fence at the point of vehicle entry. Placement and erection of the fencing shall be approved and inspected by a qualified biologist. All desert tortoise-proof fencing shall be removed after site rehabilitation.

m) Prior to fence installation, the authorized biologist shall inspect the site to ensure that there are no tortoises or active burrows within the fenced area.

n) Desert tortoises may be handled only by the authorized biologist and only when necessary. New latex gloves shall be used when handling each desert tortoise to avoid the transfer of infectious diseases between animals. Aside from the initial site clearance, any desert tortoise moved shall be placed in the shade of a shrub in the direction which it was facing when found or at the entrance to a burrow if hibernating. In general, desert tortoises should be moved the minimum distance possible to ensure their safety.

o) No later than 90 days after completion of the exploration activities, the FCR and authorized biologist shall prepare a report for the Corps. The report shall document the effectiveness and practicality of the mitigation measures, the number of desert tortoises excavated from burrows, the number of desert tortoises moved from the site, the number of desert tortoises killed or injured, and the specific information for each desert tortoise as described in measure c. The report shall make recommendations for modifying the stipulations to enhance desert tortoise protection or to make it more workable for the operator. The report shall provide an estimate of the actual acreage disturbed by various aspects of the operation.

p) Upon locating dead or injured tortoise, the operator is to notify the Corps. The Corps must then notify the appropriate field office of the Service by telephone within three days of the finding. Written notification must be made within fifteen days of the finding. The information provided must include the date and time of the finding or incident (if known), location of the carcass, a photograph, cause of death, if known, and other pertinent information. Desert tortoise remains shall be collected, delivered to the Corps, and frozen as soon as possible. Injured animals shall be transported to a qualified veterinarian for treatment at the expense of the project proponent. If an injured animal recovers, the Service should be contacted for final disposition of the animal.

q) Except on county-maintained roads, vehicle speeds shall not exceed 20 miles per hour through desert tortoise habitat.

r) If it is necessary for a worker to park temporarily outside of the cleared exclosure, the worker shall inspect for desert tortoises under the vehicle prior to moving it. If a desert tortoise is present, the worker shall carefully move the vehicle only when necessary or shall wait for the desert tortoise to move out from under the vehicle.

s) All dogs shall be restrained either by enclosure in a kennel or by chaining to a point within the desert tortoise-proof exclosure.

t) All trash and food items shall be promptly contained within closed, raven-proof containers. These shall be regularly removed from the project site to reduce the attractiveness of the area to ravens and other desert tortoise predators.

u) Structures that may function as raven nesting or perching sites will not be constructed.

v) At the end of the project, disturbed areas, including new access roads, shall be recontoured. They will be reseeded with an appropriate seed mixture of native plant species, if not required for further activities. After site recontouring, all desert tortoise proof fence shall be removed.

w) Similar or better desert tortoise habitat than that which is impacted will be acquired or otherwise secured at an appropriate ratio and deeded to the appropriate agency prior to commencement of exploration.

II. Desert Bighorn Sheep Mitigation

Bighorn sheep have not been observed on site, or at the nearby mining operation. There have been reports of sheep at the Chocolate Mountain Aerial Gunnery range to the north of the proposed project, but there have been no indications of use of the project area by sheep, as reported by two biological surveys conducted on site. The following measures will be undertaken as part of the project to ensure that there will be no adverse impact to sheep, should they be present:

a) Each employee involved in the North Half section Exploration Program will be required to report any sighting of the desert bighorn sheep. This report will include the time and location of the sighting, the number of desert bighorn sheep sighted, and if possible, the approximated description or types of desert bighorn sheep sighted.

b) All microphyl woodland vegetation would be avoided during the exploratory program. The area of disturbance shall be confined to the smallest practical area. Work area boundaries shall be delimited with flagging or other marking to minimize disturbance associated with vehicle straying. To the extent possible, previously disturbed areas within the exploration site shall be utilized.

c) Each drill site will be temporarily fenced. The temporary fencing shall be ½ inch mesh hardware cloth supported by steel t-posts. Provisions shall be made for closing off the fence at the point of vehicle entry.

d) The small 5' X10' sumps will be covered immediately after use, so there will be no standing water during or after the drilling program. Any unattended barrels or containers holding water will not be left uncovered during the exploratory program.

e) To protect the soil under the exploratory drill rigs from contacting fluids, the area immediately under the drill rigs would be covered with a petroleum adsorbent pad.

f) Employees would not be allowed to bring dogs within the North Half Section Exploration Plan area.

g) At the end of the project, disturbed areas, including new access roads, shall be cleaned of any miscellaneous foreign material and recontoured. They will be reseeded with an appropriate seed mixture of native plant species, if not required for further activities. After site recontouring, all temporary fencing shall be removed.

III. General Conditions

The following mitigation measures follow standard conditions applied to similar projects by the Bureau of Land Management for federally administered lands.

a) A drill site evaluation form shall be prepared for improving existing access by blading or creating new access by the environmental compliance coordinator and made available for review by Imperial County Planning Department.

b) Confine access to reduce impacts brought about by road proliferation.

c) Place the upper one-foot of soil from excavated area in a separate stockpile and spread this material back over the surface when the site is reclaimed.

d) Stockpile all bladed vegetation and excavated materials in such a manner that they do not obstruct the natural flow of water down wash systems.

e) Avoid destruction of vegetation, particularly cacti and patches of herbaceous plants.

f) All cacti and Ocotillo will be removed prior to impact, stored in an approved manner and replanted during reclamation.

g) Any tortoise, tortoise burrow or tortoise sign encountered during operation will be avoided.

h) Construction of a 2.5 foot berm or other barrier approved by Imperial County Planning Department around all open pits and trenches to restrict wildlife access is required, or in lieu of that, an earthen ramp no steeper than 35 degrees (3:1) will be constructed into the hazard to allow escape by wildlife.

i) Backfill all pits to as near original profile as possible upon completion of activities. If pits will be open for more than one day, use appropriate warning devices such as signs and flagging.

j) Backfill or cap all drill holes as soon as the necessary geologic information has been obtained.

k) Recontour all piles and disturbed areas to blend with the surrounding terrain upon completion of exploratory activities.

l) Scarring all compacted soil (except desert pavement) upon completion of exploratory activities. This may be accomplished by using rippers, discs or rakes.

m) Practice good housekeeping measures, maintaining the area free of trash and debris. Store trash in proper containers and periodically haul it to an authorized disposal site.

n) Remove and properly dispose of all trash, equipment and waste upon termination of exploratory activities.

o) If cultural or paleontological resources are discovered during the course of exploratory activities, all work at the point of discovery will cease, and Imperial County Planning Department will be notified. Surface disturbance within 100 feet of the point of discovery is not authorized until a written notice to proceed is received by the operator from Imperial County Planning Department.

p) Authorization, in writing, from Imperial County Planning Department must be obtained prior to the building of any structures on the project area.

q) Storage of equipment, supplies, material, ores of any residue of the exploratory activities will be accomplished in a manner which minimizes surface disturbance.

r) The operator shall maintain the site, structures and other facilities of the operation in a safe and clean condition during any non-operating periods. If operations will be suspended for an extended period, the operator will be required to remove all structures, equipment and other facilities, and to reclaim the site of operations unless permission in writing has been received from Imperial County Planning Department to do otherwise. For the purpose of this project, an extended period of non-operation is considered to by ninety (90) days.

s) The operator will notify Imperial County Planning Department in writing within 30 days of completion of the operation and reclamation.

t) The operator will comply with all county, state and federal regulations during the exploratory activities. This shall include any additional measures required by the U.S. Fish and Wildlife Service, California Department of Fish and Game, and the State Historic Preservation Officer.

u) Any proposed operation not authorized by this plan shall not proceed without written approval from appropriate agencies.

v) Imperial County Planning Department will be notified at least 24 hours prior to starting operations.

Attachment A

CONDITIONS OF APPROVAL
FOR MINING PLANS OF OPOERATION
EL CENTRO RESOURCE AREA

STANDARD CONDITIONS

1. Proposals for improving existing access by blading or creating new access are considered incomplete (and unauthorized) until the operator shows on a map the segments proposed for blading and receives written authorization from BLM.
2. Confine access to the approved routes to reduce impacts brought about by road proliferation.
3. Place the upper one foot of soil from excavated area in a separate stockpile and spread this material back over the surface when the site is reclaimed.
4. Stockpile all bladed vegetation and excavated materials in such a manner that they do not obstruct the natural flow of water down wash systems
5. Avoid destruction of vegetation, particularly cacti and patches of herbaceous plants.
6. All cacti and Ocotillo will be removed prior to impact, stored in an approved manner and replanted during reclamation.
7. Any tortoise, tortoise burrow or tortoise sign encountered during your operation will be avoided.
8. Construction of a 1.5 foot dirt berm or other barrier approved by BLM around all open pits and trenches to restrict wildlife access is required, or in lieu of that, an earthen ramp no steeper than 35 degrees (3:1) will be constructed into the hazard to allow escape by wildlife
9. Backfill all pits and trenches made under this plan of operations to as near original profile as possible upon completion of activities. If pits or trenches will be open for more than one day, Use appropriate warning devices such as signs and flagging
10. Backfill or cap all drill holes made under this plan of operations as soon as the necessary geologic information has been obtained.
11. Recontour all piles and disturbed areas to blend with the surrounding terrain upon completion of mining activities.
12. Scarring all compacted soil (except desert pavement) upon completion of mining activities. This may be accomplished by using rippers, discs or rakes.
13. Practice good housekeeping measures, maintaining the area free of trash and debris. Store trash in proper containers and periodically haul it to an authorized disposal site – not on public land.
14. Remove and properly dispose of all trash, equipment and waste upon termination of mining activities.
15. If cultural or paleontological resources are discovered during the course of mining operations, all work at the point of discovery will cease, and the El Centro Resource Area office will be notified. Surface disturbance within 100 feet of the point of discovery is not authorized until a written notice to proceed is received by the operator from the El Centro Resource Area Manager.

16. Long term occupancy of any of the mining claims addressed in your plan or notice is not authorized. In addition, this letter does not authorize an extension of the 14-day camping limit in effect within the California Desert Conservation Area, under the authority of 43CFR 8365.1-2 as published under 48 Federal Register 43234 (September 23, 1983)

17. Authorization, in writing from the BLM Resource Area, must be obtained prior to the building of any structures on the claims.

18. The claim site is not to be used for the storage of any inoperative appliances, autos or equipment

19. Storage of equipment, supplies, material, ores of any residue of the mining operation will be accomplished in a manner which minimizes surface disturbance.

20. The operator shall maintain the site, structures and other facilities of the operation in a safe and clean condition during any non-operating periods. If operations will be suspended for an extended period, the operator will be required to remove all structures, equipment and other facilities, and to reclaim the site of operations unless permission in writing has been received from the authorized officer to do otherwise. For the purpose of 43 CFR 3809.3-7, an extended period of non-operation is considered to be ninety (90) days or more.

21. The operator will notify the Area Manager in writing within 30 days of completion of the operation and reclamation.

22. The operator will comply with all county, state and federal regulations during the mining operation.

23. Any proposed operation not authorized by this plan shall not proceed without written approval from this office.

24. This approval will not now, nor in the future, serve as a determination of the ownership or the validity of any mining claim to which it relates

25. The El Centro office of the BLM shall be notified at least 24 hours prior to starting operations.

26. Plastic PVC pipe can not be used as claim monumeqts for new claims and all PVC pipe used as claim monuments on existing claims must be replaced by January 1, 1995

MITIGATION MONITORING PLAN

SANTA FE PACIFIC GOLD/RECLAMATION PLAN FOR EXPLORATORY DRILLING OPERATIONS ON STATE LANDS

I. PROGRAM MANAGER:

Jurg Heuberger, AICP, Planning Director or his designee.

II. PROJECT NAME:

Santa Fe Pacific Gold/Reclamation Plan #97-0005 (Exploratory Project)

III. APPLICANT:

Santa Fe Pacific Gold (subsidiary of Newmont Gold Company)

IV. FEES:

$70.00 per hour.

V. ENFORCEMENT PROCEDURES:

First violation- Notice of Non-Compliance
Second violation- Notice of Violation
Third violation- Issuance of Citation

VI. CONFLICT RESOLUTION:

Applicant may appeal enforcement action by the Planning/Building Department to the County Planning Commission by requesting a hearing before the Commission within ten (10) days following receipt of a notice of non-compliance or notice of violation.

VII. REPORTING REQUIREMENTS:

After each inspection, the County staff shall prepare a Report indicating the level of compliance or non-compliance which shall be submitted to the Planning Commission by Planning/Building Department staff as applicable. This Report shall include appropriate remedy(ies) for any identified violations.

MITIGATION MONITORING PLAN

SANTA FE PACIFIC GOLD/RECLAMATION PLAN FOR EXPLORATORY DRILLING OPERATIONS ON STATE LANDS (continued)

VIII. MONITORING ACTIVITIES:

The Planning/Building Department staff shall monitor the site for compliance with all of the attached "Mitigation Measures" and the Reclamation Plan conditions for this project which will incorporate by reference any applicable federal and/or state environmental mitigations which relate to reclamation activities at this site.

IX. MONITORING SCHEDULE:

Monitoring shall be conducted prior to, during, and after proposed reclamation activities of the drill site locations, reclamation of access roads and/or any other reclamation activities as deemed necessary.

Attachments

JH/RC/SFPGMMP