MINUTE ITEM
This Calendar Item No. C80
was approved as Minute Item
No. 80 by the State Lands
Commission by a vote of 3
to 0 at its 4-20-00
meeting.

CALENDAR ITEM
C80

A 8

S 37

04/20/00
PRC 8039.2
E. Kruger

CONSIDER APPROVAL OF TRANSFER OF 100 PERCENT INTEREST AND EXTENSION OF STATE MINERAL PROSPECTING PERMIT NO. PRC 8039.2, IMPERIAL COUNTY

TRANSFEROR:

Santa Fe Pacific Gold Corporation
Attn.: Mr. Dennis Cole
1700 Lincoln Street
Denver, CO 80203

TRANSFEREE:

Newmont Gold Corporation
Attn.: Mr. David Faley
1700 Lincoln Street
Denver, CO 80203

AREA, LAND TYPE, AND LOCATION:

State Mineral Prospecting Permit No. PRC 8039.2 contains approximately 658 acres of vacant State-owned School Land in Sections 5 and 6, T13S, R19E, SBB&M, about six miles northeast of Glamis, Imperial County.

BACKGROUND:

State Mineral Prospecting Permit No. PRC 8039.2 was issued to Santa Fe Pacific Gold Corporation (Santa Fe) for a primary term of two years, effective July 1, 1998, and expiring June 30, 2000. In December 1999, Santa Fe, the present Permittee, requested that the California State Lands Commission (Commission) approve transfer of its 100 percent interest in the subject permit to Newmont Gold Corporation (Newmont). The request for transfer is the result of a merger of Santa Fe into its parent corporation, Newmont.

Permitted mineral prospecting activities include geologic mapping, rock chip and soil sampling and drilling a maximum of 300 holes to a depth of 500 feet for assaying. To date, the geologic mapping and surface sampling have been completed and about 154 holes have been drilled and assayed. Due to fluctuating gold prices and ongoing evaluation of exploration data, Santa Fe would like the opportunity to continue exploratory activities one more year. This data is integral to an incomplete preferential mineral extraction lease application, which Santa Fe filed with the State Lands Commission in December of 1998. These activities are occurring adjacent to the active Mesquite Gold Mine. A draft EIR/EIS is in preparation by Imperial County Planning Department for proposed mineral extraction on a portion of the State lands as well as federal and private lands that make up the Mesquite Mine property.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code section: Division 6, Section 6804, Paragraph 28 of the permit.

B. Public Resources Code section: Division 6, Section 6891, Paragraph 1 of the permit.

OTHER PERTINENT INFORMATION

1. As to the transfer of 100 percent interest, 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 this activity is exempt from the requirements of the CEQA because this activity is not a "project" 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. As to the extension of the mineral prospecting permit, 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.

3. A Mitigation Monitoring Program was adopted by Imperial County. A copy of this document, which was previously adopted by the Commission on June 19, 1998, is located in the offices of the California State Lands Commission.

4. Prerequisite fees, required information for the permit extension and transfer forms in triplicate have been submitted by Santa Fe Pacific Gold Corporation and Newmont Gold Corporation.

5. This one-year extension of the mineral prospecting permit is the third and final extension allowed, in accordance with the Public Resources Code section 6891.

PERMIT STREAMLINING ACT DEADLINE:
N/A

RECOMMENDED ACTION:
IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. AS TO THE TRANSFER OF 100 PERCENT INTEREST, FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THIS ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

2. AS TO THE EXTENSTION OF THE MINERAL PROSPECTING PERMIT, 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. THE CSLC ADOPTED THE MITIGATION MONITORING PROGRAM AT ITS JUNE 19, 1998, COMMISSION MEETING.

AUTHORIZATION:

1. CONSENT TO THE TRANSFER OF 100 PERCENT INTEREST IN MINERAL PROSPECTING PERMIT NO. PRC 8039.2 FROM SANTA FE PACIFIC GOLD CORPORATION TO NEWMONT GOLD CORPORATION, WITH THE TRANSFEREE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE PERMIT.

2. DETERMINE THAT THE PERMIT EXTENSION IS CONSISTENT

WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ., AND THAT THE LAND DESCRIBED IN THE PERMIT IS NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALLY VALUABLE MINERAL DEPOSITS.

3. AUTHORIZE THE EXTENSION OF MINERAL PROSPECTING PERMIT NO. PRC 8039.2 TO NEWMONT GOLD CORPORATION FOR AN ADDITIONAL AND FINAL ONE YEAR TERM COMMENCING JULY 1, 2000, TO CONTINUE PROSPECTING FOR VALUABLE MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, AND SAND AND GRAVEL. ALL OTHER TERMS AND CONDITIONS OF THE PERMIT REMAIN UNCHANGED AND ARE IN FULL FORCE AND EFFECT.

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