

This Calendar Item No. 34
was approved as Minute Item
No. 59 by the State Lands
Commission by a vote of 2-0
on 10/28/76
at its 10/28/76
Meeting

MINUTE ITEM

10/28/76

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PRC 5205

34. CORE DRILLING PERMIT, KERN COUNTY; GREAT WESTERN CITIES, INC.
W 9635.

During consideration of Calendar Item 35 attached, Mr. William F. Northrop, Executive Officer, explained the item. Upon Acting Chairman Roy Bell's inquiry, Mr. Northrop stated there is no commitment on behalf of the Commission with respect to the application for release of the Right of Survey Entry. The Core Drilling Permit is for the sole purpose of obtaining information for an application for release of surface entry at a later date.

Upon motion duly made and carried, the resolution as presented in Calendar Item 34 was approved by a vote of 2-0.

Attachment:

Calendar Item 34 (4 pages)

CORE DRILLING PERMIT

APPLICANT: Great Western Cities, Inc.
4605 Lankershim Blvd., Suite 600
North Hollywood, California 91602

PERMIT LANDS: Sections 4, 8, 10, 14, 16, 18, 20, 22, 24,
26, 28, 32, 34, 36, T. 31 S., R. 39 E.

Sections 2, 4, 6, 8, 10, 14, 18, T. 32 S.,
R. 39 E. All within California City, Kern
County.

PURPOSE: Great Western Cities, Inc., has submitted an application to the State Lands Division requesting that the State terminate its right to surface entry on 21 Sections of land within the boundary of California City, pursuant to Section 6401(b), of the Public Resources Code. Such Section provides that upon a finding by the Commission that there are no known deposits of commercially valuable minerals in the upper 500 feet of the lands, the Commission may modify the State's right of surface entry. The State Lands Division has recommended a coring program as a necessary phase in obtaining geological data for such finding. It is the intent of 6401(b) to allow for the termination of the State's surface entry rights to a depth of 500 feet. As a part of the settlement agreement and judgment for the case of People v. Great Western Cities, Inc, No. C-51745 (1973), the company agreed to use its best effort to obtain from the State of California release of such right of surface entry.

BACKGROUND: In March of 1971, Great Western Cities, Inc., originally submitted an application pursuant to Section 6401(b). The application included a geologic report on the area. This report was based primarily on 27 wells previously drilled within the California City (not all within the current application area). Nine of these wells were drilled as water wells. The core samples and the data from the above-mentioned wells were studied and reviewed by staff engineers with the conclusion that the report and the core samples failed to confirm or deny the presence of economical minerals within the subject area and proposed that additional coring be considered.

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PROPOSED CORING PROGRAM:

The proposed coring program will require the drilling of a minimum of four or five holes to a maximum depth of 750 feet. The actual number of holes may vary according to the data obtained as the coring progresses. This proposal is based on a study of the data made available from the previously drilled holes within the subject area and a study of the published geological data and the surface geology.

TERM:

One year.

PREREQUISITE ITEMS:

1. Statutory filing fee and expense deposit have been submitted by the applicant.
2. All factual and physical exploration records resulting from the operation under the permit will be furnished to the State Lands Division.
3. The applicant will be required to furnish a performance bond in the amount of \$10,000.
4. The application has been reviewed by the Office of the Attorney General with regard to the format of the coring permit, the environmental considerations and the responsibilities and jurisdiction of the State Lands Division under such coring permit.

The following specific recommendations were made and will be included in the terms of the proposed permit:

- a. Permission should be obtained from the purchaser of the lots from which samples will be taken (regardless of whether or not the title has passed to the contract purchaser).
- b. Great Western Cities, Inc., should be liable to compensate the purchaser for any damage to improvement or crops on the subject lots.
- c. The State should not be a party to any contract between Great Western Cities, Inc., and the engineering firm that does the work, and such contract shall not be made on behalf of the State Lands Commission.

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- d. Coring depths and procedures for coring, location and number of holes to be cored must be under the supervision of the State Lands Commission staff personnel and performed to their satisfaction.
- e. A bond or indemnity insurance should be required by the State.

ENVIRONMENTAL IMPACT CONSIDERATION:

The project is exempt from the need of an environmental impact report. Pursuant to Title 2, California Administrative Code 2907, Class 6, a core-hole drilling operation conducted for information gathering purposes is categorically exempt from the provisions of the California Environmental Quality Act of 1970, as amended.

EXHIBITS: A. Legal description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF 2 CAL. ADM CODE 2907.
2. AUTHORIZE THE ISSUANCE TO GREAT WESTERN CITIES, INC., OF A CORE-DRILLING PERMIT FOR THE PERIOD OCTOBER 28, 1976 THROUGH OCTOBER 27, 1977, ON PATENTED SCHOOL AND LIEU LANDS ON WHICH THE STATE HAS RESERVED THE MINERALS, LYING WITHIN THE LIMITS OF CALIFORNIA CITY, KERN COUNTY, SAID LANDS BEING DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; AS PART OF A GEOLOGICAL DATA GATHERING PROCEDURE AND STUDY PRIOR TO THE CONSIDERATION OF THE PERMITTEE'S APPLICATION PURSUANT TO SECTION 6401(b) OF THE PUBLIC RESOURCES CODE, REQUESTING THAT THE STATE MODIFY ITS RIGHT OF SURFACE ENTRY.
3. AUTHORIZE ADDITIONAL CORE SAMPLE, AS MAY BE REQUIRED, AT THE OPTION OF THE EXECUTIVE OFFICER OF THE STATE LANDS COMMISSION AS SAID SAMPLES MAY BE DEEMED NECESSARY.

IT IS SPECIFICALLY UNDERSTOOD THAT SAID CORE-DRILLING PERMIT DOES NOT CONSTITUTE AUTHORIZATION BY THE STATE LANDS COMMISSION TO ISSUE A RELEASE OF THE SURFACE ENTRY RIGHT PURSUANT TO PRC 6401(b).

EXHIBIT "A"

W 9635

Twenty (20) parcels of land situated in California City, Kern County, California, more particularly described as follows:

Sections 4, 8, 10, 14, 18, 20, 22, 24, 26, 28, 34, 36, the E 1/2 and SW 1/4 of Section 32, T31S, R39E, MDM as shown on the official Township Plat approved January 19, 1856.

And Sections 2, 4, 8, 10, 14, 18, Lot 1 and 2 of NE 1/4, Lot 1 of SW 1/4 and SE 1/4 of Section 6 T32S, R39E, MDM, as shown on the official Township Plat approved January 19, 1856.

END OF DESCRIPTION

Prepared John K. Green Checked M. L. Deaf
Reviewed H. J. Ginnelle Date 10/13/76
XJB