

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
0 at its 5-31-78
meeting.

CALENDAR ITEM

28.

5/78
PRC 5130.1
Smith
Willard

APPROVAL OF EXTENSION OF PERMIT TO PROSPECT FOR
MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES

PERMITEE: 4M Company
c/o Tuohy, Barton and McDermott
1200 North Main Street, 8th Floor
Santa Ana, California 92701

AREA, TYDE LAND AND LOCATION:
19,996 acres of tide and submerged lands
in San Diego County.

MINERALS: Offshore heavy minerals.

TERMS OF EXTENSION:
May 27, 1978 through May 26, 1979.

- PREREQUISITE ITEMS:
1. Application submitted by applicant.
 2. Statutory fees have been submitted by applicant.

OTHER PERTINENT INFORMATION:
Prospecting Permit PRC 5130.1 was approved by the Commission on May 27, 1976. The permit granted the permittee an exclusive right for a period of 2 years to prospect for minerals other than oil and gas geothermal resources. It was 4M Company's intent to determine if heavy metal concentrations such as gold, platinum, zirconium and titanium, etc. existed in commercial quantities and, if so, to devise an economical recovery method that would make it feasible to mine such minerals.

Initially the permittee proposed to obtain sample material using a dredge system and extracting no more than 1 cubic yard per acre. It soon became apparent that the sampling program could be significantly reduced and still supply sufficient sample material for the required metallurgical

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A 40

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analysis. Therefore, a program was initiated of taking 50 pound grab samples on a $\frac{1}{2}$ mile grid pattern within the permit area.

The samples have been submitted to several metallurgical testing and consulting firms for analysis and recommendation on the procedure for extracting the ore concentrate. While the results to date have been encouraging, a particular method of concentration and extraction remains to be developed. In addition, further sampling will be required on a more refined grid pattern.

The permittee is requesting a 1 year extension of the permit in order that the complex metallurgical research program be successfully completed and further sampling for more definitive geologic data within the permit area. The total permitted sample volume would not exceed 1 cubic yard per acre.

Section 6891 of the Public Resources Code provides that the Commission may, in its discretion, extend the term of any prospecting permit for a period not to exceed 1 year.

ENVIRONMENTAL IMPACT:

Pursuant to Section 6371 of the Public Resources Code, a Negative Declaration EIR No. 190 was prepared. The Negative Declaration was circulated and certified by the Commission that the document was completed in accordance with CEQA. Certification included the determination that the proposed project would not have a significant effect on the environment. Upon discovery of commercially valuable minerals, the preferential right to convert the permit into a mineral extraction lease is subject to the preparation of an EIR covering the proposed lease operations and the discretion of the Commission after consideration of the material presented therein.

The Office of the Attorney General has previously advised that no EIR is required when the existing permit grants the right

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of renewal and the proposed renewal terms and conditions do not alter the general concept or mode of operations of the existing permit.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, AUTHORIZE THE EXTENSION THROUGH MAY 26, 1979, OF PROSPECTING PERMIT 5100.1, ISSUED TO 4M COMPANY TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES. ALL TERMS AND CONDITIONS OF THE PERMIT ARE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment: Exhibit "A"

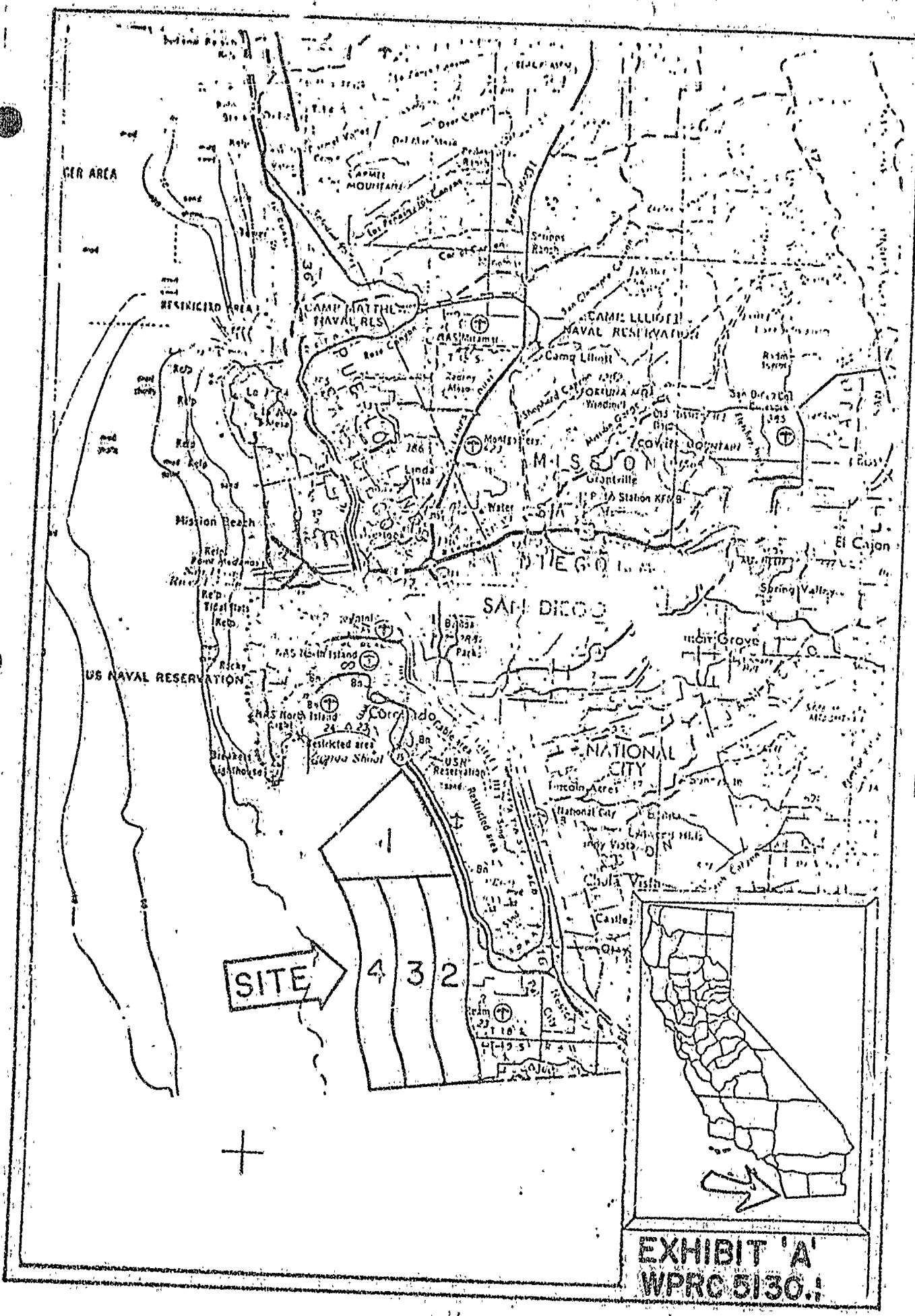


EXHIBIT 'A'
WPRC 5130.1