

MINUTE ITEM

This Calendar Item No. 25 was approved as Minute Item No. 25 by the State Lands Commission by a vote of 2 to 0 at its 12-20-79 meeting.

CALENDAR ITEM

25.	PRC 5774	W 6842	W 6843	PRC 5771
	PRC 5775	W 6844	W 6845	PRC 5772
	PRC 5776	W 6846	W 7260	PRC 5773
	PRC 5777	W 7262		

12/79
Smith

APPLICATIONS FOR PERMITS TO PROSPECT FOR MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES

APPLICANT: Federal Resources Corporation
Robert Schick, Agent
P. O. Box 806
Salt Lake City, Utah 84110

AREA, TYPE LAND AND LOGATION: Approximately 3,727 acres vacant, non-contiguous school land situated in the Coso Range between Owens Lake and the Haiwee Reservoir, Inyo County, more particularly described in Exhibit "A".

MINERALS: Primarily uranium, as well as, all other minerals other than oil, gas and geothermal resources.

PROPOSAL: To evaluate the potential for mineral values other than oil, gas and geothermal resources. The primary exploratory objective is to determine if uranium exists in commercial quantities, and if so to then propose a plan for its extraction. The Coso area is one of only 3 areas recognized by the Division of Mines and Geology as potential uranium areas in the State of California.

METHOD OF EXPLORATION: Twenty-one drillholes are tentatively scheduled, varying the depth from 200 to 1,500 feet. Thirteen of these holes will be drilled with a clay base mud (bentonite), the remainder will be drilled with a combination of air and water. All material produced from drilling, which will include cutting, drilling mud and water, will be contained in evaporation ponds. All evaporation ponds that are closer than 5 miles to the Haiwee Reservoir will be lined with plastic. After allowing the liquids to evaporate, the ponds will be backfilled, and the area

A 34
S 16

SEARCHED	111
SERIALIZED	2569

CALENDAR ITEM NO. 25. (CONTD)

restored to its original condition. If this program is successful, additional holes may be drilled. Drillhole information is tabulated on Table I, attached hereto as Exhibit "D" and by this reference expressly made a part hereof. Holes will be drilled with a portable rig.

PREREQUISITE TERMS:

1. Required statutory filing fee, permit fee and expense deposit have been submitted by the applicant.
2. The area is not known to contain commercially valuable deposits of minerals.

APPROVALS OBTAINED:

1. The subject permit applications have been approved by the Office of the Attorney General as to compliance with applicable provisions of the law pursuant to Section 6890 of the P.R.C.
2. The Commission staff, in accordance with Title 2 Article 10, Section 2905(b) of the Cal. Adm. Code, has conducted an initial study and has determined that the project will not have a significant effect on the environment. Therefore, in compliance with Title 2, Article 10, Section 2905(c), of the Cal. Adm. Code, a Negative Declaration No. 252 has been prepared and filed with the State Clearinghouse.

OTHER PERTINENT INFORMATION:

This project is situated on State land which has not been classified as possessing significant environmental values.

EXHIBITS:

- A. Project Description.
- B. Location Map.
- C. Royalty Schedule, Table I.
- D. Negative Declaration No. 252.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE COMMISSION'S STAFF.

2. CERTIFY THAT A NEGATIVE DECLARATION NO. 252 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CEQA OF 1970, AS AMENDED, AND THE STATE GUIDELINES; AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROPOSED PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT UPON THE ENVIRONMENT.
4. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
5. AUTHORIZE THE ISSUANCE OF 7 PROSPECTING PERMITS TO FEDERAL RESOURCES CORPORATION FOR A TERM OF 2 YEARS EACH, FOR ALL MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES ON APPROXIMATELY 3,727 ACRES SITUATED IN 8 SECTIONS, SBM, INYO COUNTY, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT, ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS FOR ANY AND ALL MATERIALS EXTRACTED OR REMOVED FROM SAID PREMISES FOR SALE OR STOCKPILING ARE TO BE DETERMINED AS SET FORTH IN EXHIBIT "C" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF. ANNUAL MINIMUM ROYALTY SHALL BE \$15 per acre.

NO. OF PAGES	113
INDEXED PAGES	2571

MINERAL PROSPECTING PERMIT

W 6842-46, W 7260 and W 7262

INYO COUNTY

EXHIBIT "A"

- W 6842 Section 36, T. 18 S., R. 37 E., M.D.M.
- W 6843 Section 16, T. 18 S., R. 38 E., M.D.M.
- W 6844 Section 36, T. 19 S., R. 37 E., M.D.M.
- W 6845 $W\frac{1}{2}$ of Section 16, T. 19 S., R. 38 E., M.D.M.
- W 6846 $SW\frac{1}{4}$ of Section 13, T. 20 S., R. 37 E., M.D.M.
- $N\frac{1}{2}$ and $SE\frac{1}{4}$ of Section 23, T. 20 S., R. 37 E., M.D.M.
- $W\frac{1}{2}$ of Section 24, T. 20 S., R. 37 E., M.D.M.
- W 7260 $SW\frac{1}{4}$ of $SW\frac{1}{4}$ of Section 23, T. 20 S., R. 37 E., M.D.M.
- $W\frac{1}{2}$ of $SE\frac{1}{4}$ and Lots 3 and 4 of Section 36, T. 20 S.,
R. 37 E., M.D.M.
- W 7262 $W\frac{1}{2}$ of $E\frac{1}{2}$, $E\frac{1}{2}$ of $SW\frac{1}{4}$, and $E\frac{1}{2}$ of $NW\frac{1}{4}$ of Section 36, T. 20
S., R. 37 $\frac{1}{2}$ E., M.D.M.

CALENDAR PAGE	114
MINUTE PAGE	2572

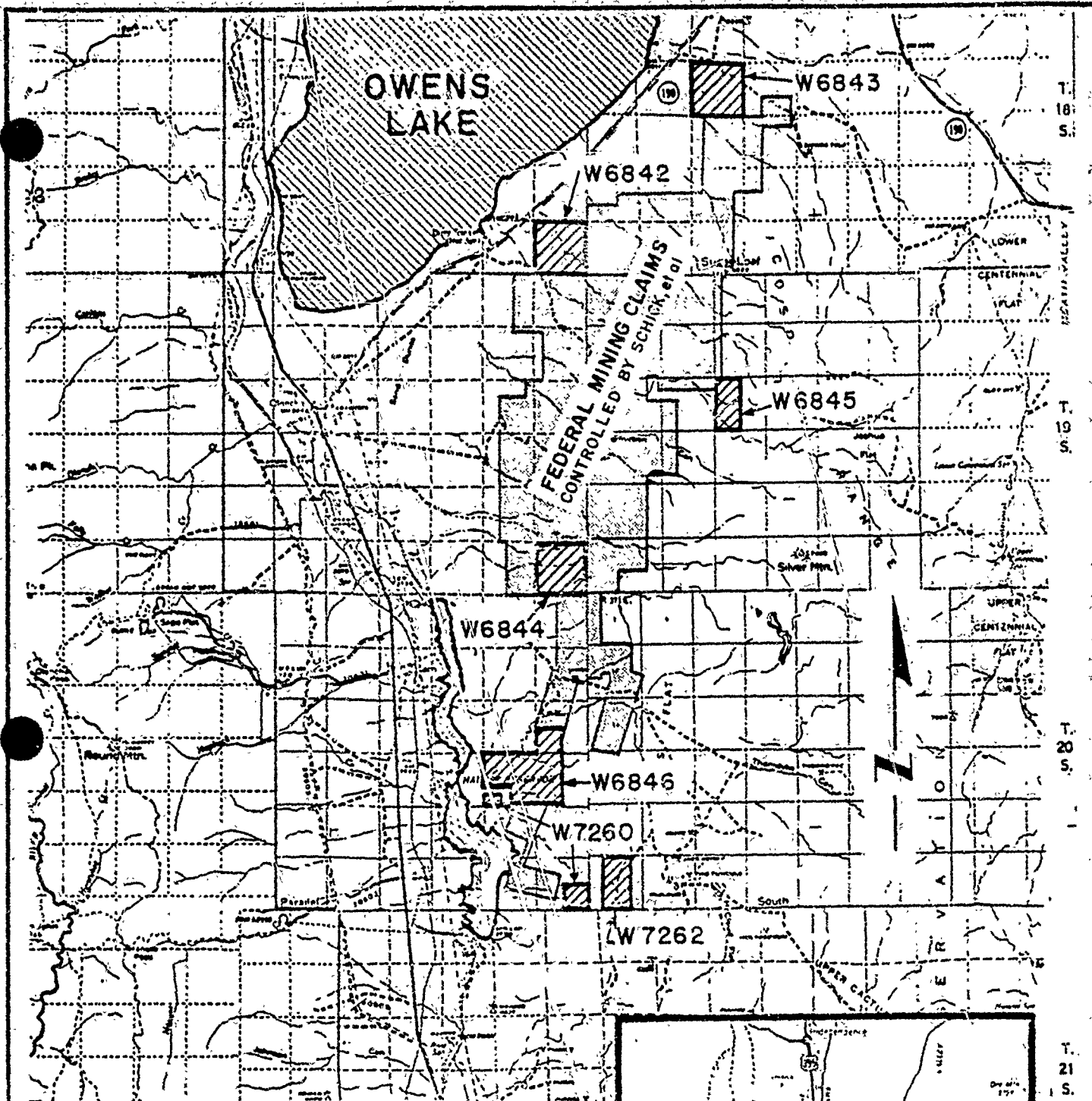


EXHIBIT "B"

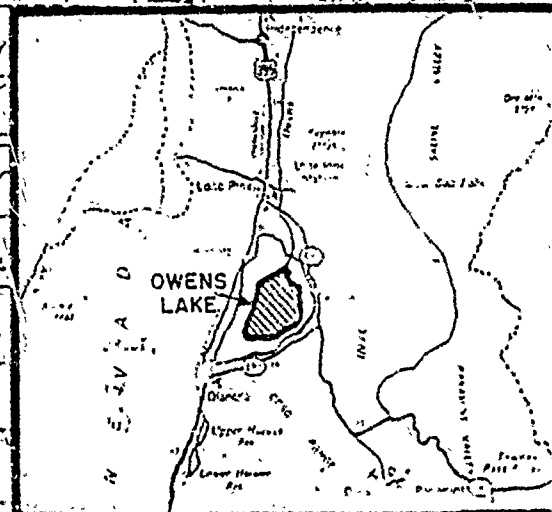
W-6842-46, W-7260, W-7262
STATE LANDS COMMISSION.

Application for Prospecting Permits
by

FEDERAL RESOURCES CORP.

Inyo County

Scale: 1" = 14,080'
(approximate)



LOCATION MAP

T. 18 S.
T. 19 S.
T. 20 S.
T. 21 S.
T. 22 S.

W 6842, W 6843, W 6844,
W 6845, W 6846, W 7260
W 7262

EXHIBIT "C"

Lessee shall pay to the State a royalty upon any and all minerals produced thereunder and extracted from said leased premises to be determined as follows:

For all uranium bearing ores (i.e., mineral bearing materials that are mined primarily for their uranium content) which are mined and saved from the premises by Lessee hereunder for sale, processing, or stockpiling, the royalty reserved shall be eleven (11%) percent of the mine value of such ores in raw, crude form.

For the purpose of computing such royalty to be paid for uranium bearing ores, the mine value thereof shall be determined according to the following:

(a) The mine value of uranium bearing ores sold by the Lessee in raw, crude form shall be actual proceeds received for such ores by Lessee after deducting the cost to Lessee, if any, of transporting such ore from the mine to the mill or point of sale (where the crude ore is sold other than F.O.B. mine).

(b) The mine value of uranium bearing ores which are not sold in their raw form but which are processed in a mill owned or controlled, wholly or partly, by the Lessee, or which are processed in a custom mill for Lessee, shall be determined from the following price schedule with the applicable adjustments provided hereunder:

<u>Grade of Ore</u> <u>Uranium U₃ O₈ Assay</u>	<u>Ore Value Per</u> <u>Dry Ton</u>
0.10%	\$ 3.00
0.15%	7.00
0.20%	14.00
0.30%	21.00
0.40%	28.00
0.50%	35.00
0.60%	42.00
0.70%	49.00
0.80%	56.00
0.90%	63.00
1.00%	70.00

116
2574

EXHIBIT "C" (CONT'D.)

Over 1.00% add \$8.00 for each 0.10% U_3O_8 in excess of 1.00%. Ores of grades intermediate to those specified above will be valued on a pro-rata basis. With respect to mine water or solutions (whether natural or introduced) or ores assaying less than 0.10% U_3O_8 that are processed by Lessee for recovery of uranium therefrom, the ore value shall be \$1.50 per pound of U_3O_8 recovered.

In the event the price received by Lessee for U_3O_8 sales from said mill is either more or less than \$8.00 per pound for the average of all sales made during the calendar month in which said uranium-bearing ores, mine waters or solutions are processed (or for the last previous month in which U_3O_8 sales were made if none were made in said month) then the ore value will be adjusted in the proportion that said average U_3O_8 sales price bears to \$8.00 per pound, (i.e. $\frac{x}{8}$ x ore value per ton as listed in tables and where x = average sales price). In the event that no sales of U_3O_8 produced in said mill by or for Lessee are had for a period of one year prior to the month in which such ores are processed, then the U_3O_8 sale price shall be the published or fair market price of U_3O_8 in the area of the leased premises, but, however, not less than \$8.00 per pound, for purposes of making this adjustment.

The adjusted ore value so determined shall be converted to mine value by deducting therefrom the actual cost of transporting such ore from the mine to the mill.

In the event the Lessee recovers and markets valuable constituents other than uranium from said uranium bearing ores as by-products during the processing of such ores, then royalty reserved shall be eleven (11%) percent of the proceeds received by the Lessee from the sale of such by-products.

...	117
...	2575

EXHIBIT "C" (CONT'D.)

For all ore other than uranium-bearing ore (i.e., mineral bearing materials that are mined by Lessee from the premises hereunder primarily for recovery of valuable constituents other than uranium) the royalty reserved shall be eleven (11%) percent of the market value of such ore in raw, crude form before any processing or beneficiation, less any cost incurred by Lessee in transporting such ore to the point of sale or processing.

Lessee shall pay to the State an annual minimum royalty of \$15.00 per acre for each acre under lease. Such minimum royalty shall be credited to royalties paid during the year for which such minimum royalty is paid.

Lessee shall pay annually in advance a rental of \$1.00 per acre.

	118
	2576

119
— 2577.

TABLE I
DRILL HOLE INFORMATION

Drill Hole #	Location	Drill Depth	Depth to Water Table	Drilling Medium	Distance from Halwee Reservoir	Pit Size	Lining
T18S, R37E, 36-1	SW 1/4 SW 1/4	400	200	Mud	5.0 mi	50'x50'x3'	No
T18S, R38E, 16-1	NW 1/4 NE 1/4	1500	250	Mud	5.0 mi	50'x50'x3'	No
T19S, R37E, 36-1	NW 1/4 SW 1/4	1200	700	Mud	2.0 mi	50'x50'x3'	Yes
T19S, R38E, 16-1	SW 1/4 SW 1/4	200	NA	Air	5.0 mi	15'x15'x5'	No
T20S, R37E, 13-1	NE 1/4 SW 1/4	1000	450	Mud	1.2 mi	50'x50'x3'	Yes
-2	NE 1/4 SW 1/4	1000	450	Mud	1.2 mi	50'x50'x3'	Yes
-3	NE 1/4 SW 1/4	1000	450	Mud	1.2 mi	50'x50'x3'	Yes
-4	NE 1/4 SW 1/4	1000	450	Mud	1.2 mi	50'x50'x3'	Yes
-5	NE 1/4 SW 1/4	1000	450	Mud	0.2 mi	50'x50'x3'	Yes
T20S, R37E, 23-1	NW 1/4 NW 1/4	1500	150	Mud	0.5 mi	50'x50'x3'	Yes
-2	NW 1/4 NE 1/4	1500	200	Mud	1.3 mi	50'x50'x3'	Yes
T20S, R37E, 24-1	NW 1/4 NW 1/4	1300	300	Mud	1.2 mi	15'x5'x5'	Yes
T20S, R37E, 36-1	NW 1/4 SE 1/4	90	NA	Air	1.2 mi	15'x5'x5'	Yes
-2	NW 1/4 SE 1/4	400	NA	Air	1.2 mi	15'x5'x5'	Yes
-3	NW 1/4 SE 1/4	500	NA	Air	1.2 mi	15'x5'x5'	Yes
-4	NW 1/4 SE 1/4	400	NA	Air	1.2 mi	15'x5'x5'	Yes
-5	SW 1/4 SE 1/4	500	NA	Air	1.2 mi	15'x5'x5'	Yes
-6	SW 1/4 SE 1/4	400	NA	Air	2.0 mi	15'x5'x5'	No
T20S, R37E, 36-1	NE 1/4 SW 1/4	300	NA	Air	0.75 mi	50'x50'x3'	Yes
T20S, R37E, 23-3	SW 1/4 SW 1/4	1000	225	Mud	0.30 mi	50'x50'x3'	Yes
T20S, R37E, 35-1	NE 1/4 SW 1/4	1000	200	Mud	0.30 mi	50'x50'x3'	Yes

36-1.

36

T 19 S

T 20 S

R 37 E R 37 1/2 E

120
2578

R37E

R37 1/2 E

36

36-1
o o -2
3
o o -4
-3 o o -6

36

o
36-1

T20S

T21S

121
2579

R37E

R38E

36

36-1

T 18 S

T 19 S

CALENDAR PAGE	122
MINUTE PAGE	2580

R 38 E

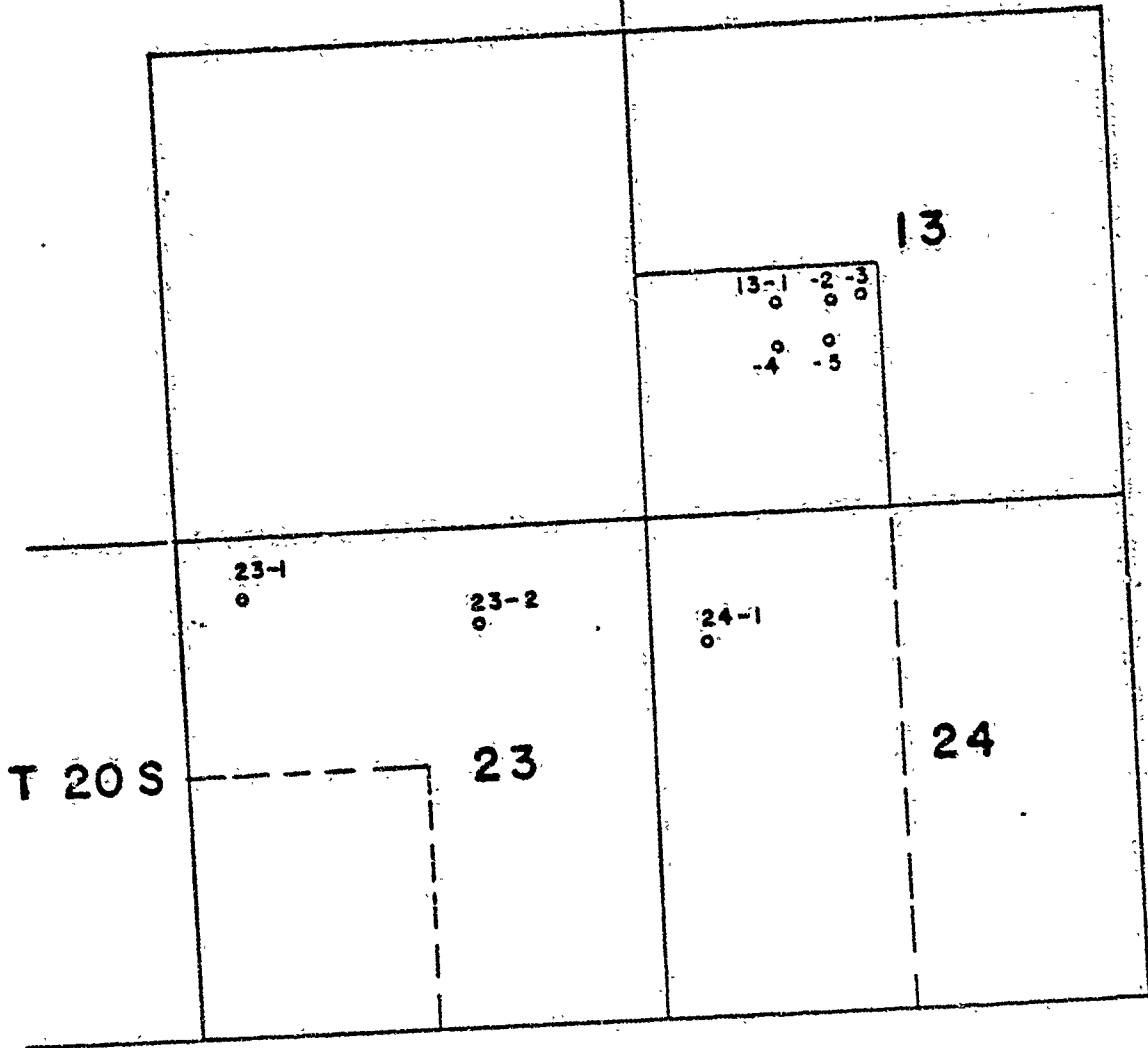
16

T 19 S

16-1

CALENDAR PAGE	123
MINUTE PAGE	2581

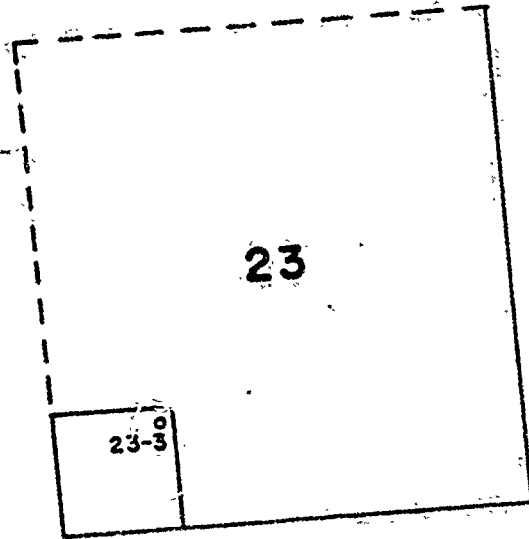
R 37 E



SCALE COR PAGE	124
MINUTE PAGE . .	2582

R. 37 E.

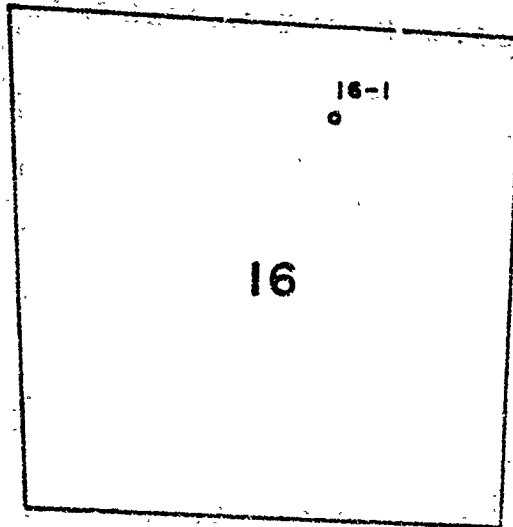
T
20
S



125
2583

R. 38 E.

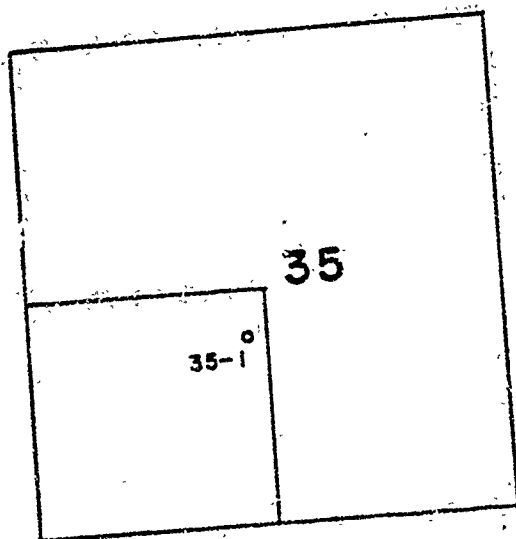
T.
18
S.



CALENDAR PAGE	126
MINUTE PAGE	258.4

R. 37 E.

T.
20
S.



CALENDAR PAGE	127
MINUTE PAGE	2585

Chris Smith

EXHIBIT "D"

STATE OF CALIFORNIA

STATE LANDS COMMISSION

KENNETH CORY Controller
MIKE CURR, L. with the Governor
~~XXXXXXXXXXXX~~ Director of Finance
MARY ANN GRAVES

EDMUND G. BROWN JR., Governor
EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814
WILLIAM F. NORTHROP
Executive Officer

*Ted Fukushima is preparing an Amended form
on which applicant will be Federal Resources Corp.
Robert Schick, Agent*

November 5, 1979

File Ref.: W 6842-46, 7260,
and 7262

NOTICE OF PREPARATION
OF NEGATIVE DECLARATION

An application for the following project is currently being considered by the staff of the State Lands Commission:

- Project Applicant: Robert B. Schick
- Project Location: Coso Range, Inyo County
- Project Description: To evaluate the mineral potential for other than oil, gas, and geothermal resources on approximately 3,727 acres of non-contiguous State lands situated in Inyo County, between Owens Lake and the Raiwee Reservoir. The prime target is uranium ore, by coring 21 holes.

Contact Person: Ted T. Fukushima
(916) 322-7813

In compliance with the California Environmental Quality Act, a Negative Declaration identified as EIR NO. 252, State Clearinghouse number 79111508 has been prepared.

The above described document prepared for the proposed project will be considered at a regular meeting of the State Lands Commission scheduled for November 20, 1979, at 10:00 a.m., in Room 2170 of the State Capitol, Sacramento, California. Anyone interested in this matter are invited to comment on the document by written response prior to the meeting or by personal appearance at the meeting. Persons wishing to appear at the meeting should call (916) 322-4107 so that time can be allotted for such appearance.

WILLIAM F. NORTHROP
Executive Officer

CALENDAR PAGE	128
MINUTE PAGE	2586

XXXXXXXXXXXXXX
MARY ANN GRAVES

December 6, 1979

File Ref.: W 6842-46,
7260 and 7262

AMENDED NOTICE

A "Notice of Preparation of Negative Declaration" was previously given by the State Lands Commission for the following project:

Project Applicant: Federal Resources Corporation
Robert H. Schick, Agent

Project Location: Coso Range, Inyo County

Project Description: To evaluate the mineral potential for other than oil, gas, and geothermal resources on approximately 3,727 acres of non-contiguous State lands situated in Inyo County, between Owens Lake and the Rainee Reservoir. The prime target is uranium ore, by coring 21 holes.

In compliance with the California Environmental Quality Act, a Negative Declaration identified as EIR ND 252, State Clearing-house Number 79111506, was prepared and previously circulated.

The above described document for the proposed project was to be considered at the regular meeting of the State Lands Commission scheduled for November 29, 1979. It has been rescheduled for consideration by the Commission on December 20, 1979, at 10:30 a.m., in Room 2103 of the State Capitol, Sacramento, California.

WILLIAM F. NORRIS
Executive Officer

cc: Jim Slien

CALC. DATE PAGE	129
MINUTE PAGE	2587

STATE OF CALIFORNIA

STATE LANDS COMMISSION

KENNETH CORY, Controller
MIKE CURB, Lieutenant Governor
~~KENNETH CORY, Director of Finance~~
MARY ANN GRAVES



EDMUND G. BROWN JR., Governor

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814

WILLIAM F. NORTHRUP
Executive Officer

ETR ND 252

File Ref.: W 6842-46

W 7260 & 7262

NEGATIVE DECLARATION

Project Applicant: Robert B. Chick

Project Location: Coso Range, Inyo County

Project Description: To evaluate the mineral potential for other than oil, gas, and geothermal resources on approximately 3,727 acres of non-contiguous State lands situated in Inyo County, between Owens Lake and the Haiwee Reservoir. The prime target is uranium ore, by coring 21 holes.

This NEGATIVE DECLARATION is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et. seq. of the Public Resources Code), the State EIR Guidelines (Section 15000 et. seq., Title 14, of the California Administrative Code), and the State Lands Commission regulations (Section 2901 et. seq. of California Administrative Code).

Based upon the attached Initial Study, it has been found that:

- the project will not have a significant effect on the environment.
- the attached mitigation measures will avoid potentially significant effects.

Contact Person: Ted T. Fukushima
State Lands Commission
1807-13th Street
Sacramento, CA 95814
(916) 322- 13

COPY TO FILE	130
ISSUED TO	2588

File Ref.: W 6842-46
W 7260,62

July 13, 1979

Addendum to the Initial Study

The attached Initial Study was originally circulated as a draft E.I.R. in 1974 under SCH #7511902 and the comments from the responses to that document have been made a part of this report.

The subsequent processing of the permits was never completed, however they have now been reactivated.

The scope and intent of the project remains the same. A cultural resource study conducted recently is attached to the updated initial study.

DATE	131
PAGE	2589

STATE OF CALIFORNIA
STATE LANDS COMMISSION

INITIAL STUDY

(California Environmental Quality Act of 1970)

MINERAL PROSPECTING PERMIT

W 6842-46, W 7260 and W 7262

INYO COUNTY

1. Project & Its Location

Mr. Robert B. Schick on behalf of Federal Resources Corporation has submitted an application for Mineral Prospecting Permits on approximately 3717 acres of noncontiguous State lands situated in Inyo County between Owens Lake and the Haiwee Reservoir on the east side of the Owens Valley, in the Coso Range. Parcels are more fully described on attached Exhibit A, and geographically located on the attached map. In addition to the State acreage, some 21,239 acres of Federal mining claims contiguous to the State parcels are controlled by Schick, et al. Joining in the exploration of these areas are Southern California Edison Company, Pioneer Nuclear, Inc., and Rocky Mountain Energy Company. Pioneer Nuclear has contributed additional Federal acreage of unknown amount at this time and therefore it is not included in the above figures.

2. Statement of the Objectives Sought by the Proposed Project

The exploration program will be directed to the discovery and evaluation of potential uranium minerals anticipated to be found mainly within the Coso formation. If commercial quantity of uranium deposits are discovered the applicant intends to mine the deposits by such methods as may be appropriate, with a secondary purpose being to produce any other minerals which may be discovered incidental to the uranium operations.

CALIFORNIA	132
MINUTE PAGE	2500

3. General Description of the Project

Exploration procedures will possibly include a geophysical program to delineate the configuration of the granitic complex which lies beneath the Coso formation. However, the main efforts of the exploration program will be concentrated on surface mapping, followed by the drilling of test and core holes. Plans call for the use of a truck-mounted Denver-Gardener type rotary percussion rig to drill 4-3/4" holes to the depths of 100 to 1,500 feet. The number, spacing, and location of such holes will be partly contingent upon the data of the core hole program as it progresses and partly upon the resultant data compiled from the exploration of the adjacent Federal land. All core holes will be plugged and abandoned in accordance with State regulations.

In the event the exploration program proves the existence of commercially valuable minerals and a lease is requested, the production operation could possibly include mining of the uranium and associated ores by both open pit and underground methods. Irrespective of the method employed in the mining operation, only the minimum amount of surface area will be utilized. In addition, such related installations as spoil pits, stockpiles, roadways, living quarters and related structures would be carefully located to blend with the topography. The overall planning will be geared to the idea that at the termination of such lease the land would be returned as nearly as possible to the condition that existed before the lease. Details for the production phase will be covered in a separate environmental impact report.

The Prospecting Permit will give the Permittee an exclusive right to prospect for minerals other than oil and gas for a period not exceeding two years. The Commission may, at its discretion, extend the term of the Permit for a period not exceeding one year, but the term of any such Permit, including extensions, shall be limited to a total of three years. If minerals are discovered in commercial quantities, the Permit will provide that no lease will be issued pursuant to the terms of this Permit, and that the Permittee agrees that no lease will be issued pursuant to the terms of the Permit until the State Lands Commission acts favorably upon an application for such lease by approving its issuance, having reviewed and considered information contained in an Environmental Impact Report in regard to the production phase prepared in compliance with Public Resources Code Section 6311 (as that section may be amended or modified by other law at the time an application for such lease is made).

In addition to conducting all phases of the drilling operations in a proper and workmanlike manner in accordance with accepted good rotary drilling practice, the Permittee will comply with all valid rules and regulations of the State of California as well as with all valid ordinances of cities and counties applicable to the Permittee's operations.

4. Description of Environmental Setting

The area under application is semi-arid to arid undeveloped desert land, lying on the west flank of the Coso range. Water is non-existent, and vegetation is very limited, ranging in the northern area from sparse desert grasses to the desert shrub shadscale, spiny hopsage, and creosote bushes with yucca becoming quite common as you travel south through the proposed permit area.

Wildlife is scarce and rarely seen within the prospect area, however, the desert fox, coyote, ground squirrel, desert woodrat, jackrabbit and desert cottontail have been known to inhabit the area. Common to Owens Valley are the sparrow-hawk, quail, meadow lark, magpie, night hawks and ravens, while many migrant birds and ducks are found seasonally along the Haiwee Reservoir.

The surface of the seven State parcels varies from area to area exhibiting one or a combination of alluvium, metamorphics, volcanics, and sedimentary rocks. Of prime interest is the Coso formation, composed principally of arkosic sandstone and tuffaceous and bentonitic lake beds of varying undetermined thicknesses. These sedimentary rocks overlie a Jurassic granitic complex and are in many places capped by volcanic flows. The sedimentary formations strike approximately north, dip gently to the west, and are locally warped in broad shallow flows. The 3,717 acres of State lands range in elevation from 3,800 feet to 6,200 feet and drainage is predominantly to the west or north-west.

Tourism and recreational attractions of the Sierras are the key factors of the economy of Inyo County; however, there are no known recreational uses in the immediate area of the pending permits. The Coso Range area has had a long history of intermittent mining activity dating back to 1860, when Dr. Darwin French discovered the silver ledges of Coso Mountains. The only other known use of the pending permit area other than mining is one of very limited grazing. The closest area of limited recreational use is Dirty Socks Hot Springs on the south shore of Owens Lake, some 4½ miles from Olancho. To the south and

134
2592

east of Olancha are the sand dunes, which occasionally have been used in the past as a movie location and seasonally when the weather permits, as a picnic area. Directly south of Olancha is the Haiwee Reservoir paralleling approximately the lower 1/4 of the pending permit area. Once known as Haiwee Meadows, it supported a large goat ranch, and is now a part of the Los Angeles - Owens River Aquaduct System.

Evidences of early Indian cultures exist in the Owens Valley in the form of petroglyphs and obsidian chips. In 1951, a Piute Basin village deposit was excavated just north of Little Lake indicating habitation dating 3,000 to 4,000 years ago. Since archeological and historical values are little known within the prospecting area, the applicant will conduct, or cause to be conducted, an archaeological survey, in a manner acceptable to the Resources Agency, of the lands in the immediate vicinity of any activity that will involve disturbance of the land surface. Applicant has been supplied with a list of organizations qualified to perform archaeological investigations to fulfill the requirements of the State Environmental Quality Act. In addition, all excavations will be investigated for archaeological and historical values not reflected on the surface of the land. Should the presence of such values be determined, the specific project location will be altered to protect them from damage or will be rescheduled to permit the salvage of these values.

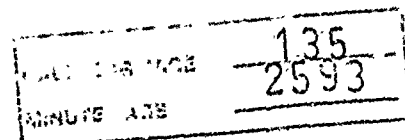
Climate

The average rainfall in the area is approximately 4 inches, the majority of which falls during the winter months. The temperatures range from a mean average annual temperature of approximately 60 degrees F to a maximum summer temperature of 120 degrees F.

5. Environmental Impact

The Environmental Impact of the Proposed Action

During the drilling of the exploratory core holes, certain noises, dust and exhaust fumes will be emitted by the mobile drilling unit. Due to the remote location such objectionables will be insignificant, and the operation will rarely be visible from Highway 395. Wherever possible, existing roads and trails will be used. Because of the type of rig, little or no site location work will be needed. In some areas, excessive sand may necessitate the use of a bulldozer to aid in the moving of equipment, however, such work in these areas will be held to a minimum.



The permit will stipulate that any road construction by or for the permittee across national resources lands for the purpose of providing access to State lands will require prior premission from the Bureau of Land Management.

Any aesthetic or wildlife disruption will be minimal and short-lived. No permanent structures are contemplated and all drilling equipment will be removed upon completion of the exploratory program. An average of four persons and not more than six will make up the work party of the exploration program. This party, transient in nature, will have little or no economic effect on the neighboring communities.

The compactness and the mobility of the portable drilling rig will result in a minimal amount of disturbance to the surrounding area. This will affect only a small amount of the native vegetation. Upon leaving the area, every attempt shall be employed to return the area, as nearly as practicable, to its condition prior to drilling.

6. Any Adverse Environmental Effects Which Cannot Be Avoided if the Proposal is Implemented

Noise, dust and fumes may result from the exploratory phase, and while unavoidable, will be of short duration. All equipment will be removed from the area upon completion of the program and all traces of the exploratory program will eventually be erased.

The very operational nature of exploratory rotary drilling of shallow core holes will result in certain unavoidable adverse environmental effects. Among these would be the temporary loss of the habitats of certain desert wildlife, and the damaging of some native vegetation within and surrounding the well sites. The increased noise level brought about by the drilling operation and by the movement of vehicles and personnel could possibly disturb the birds flying over the area. The appearance of a drilling rig silhouetted upon the horizon could be considered aesthetically distasteful by some, and therefore could be considered as adversely affecting the environment.

During the drilling phase the noise level in the drillsite area will be temporarily increased. Due to the remote location of the test holes, only the living habits of the wildlife inhabiting the area will be temporarily disrupted. However, once the area is returned to its former condition, the wildlife should quickly revert back to prior living habits.

136
2594

The total unavoidable adverse effects on the environment resulting from the exploratory drilling program should be minimal and not of a permanent nature. Upon cessation of the drilling activities, the environment will revert to its natural pre-drilling condition, at a rate consistent with the growth-rate of the native vegetation.

7. Mitigation Measures Proposed to Minimize the Impact:

The applicant will be required to adhere to all rules and regulations set forth by the State of California, as well as with all valid ordinances of cities and counties applicable to the Permittees. Additionally, all rules, regulations, and specific requirements, as well as all mitigation measures discussed in this EIR, are to be included as terms and conditions of the proposed Prospecting Permit. Further regulatory measures also will be contained in the prospecting permit.

The applicant will use the existing network of roads as much as possible, and thereby avoid unnecessary damage to the native vegetation. Drillsites will be located in areas of minimum vegetation. All core holes will be cement filled from the bottom to the surface, with the drillsite area to be left as nearly as possible in its condition prior to drilling. In the event that the drill cuttings are compatible with the surface soil, the applicant will evenly distribute these cuttings in a uniform pattern over the drill site area; however, if the cuttings are incompatible with the surface soil, the applicant will remove them and dispose of them on the applicant's property outside of the project area. When necessary, the permittee shall reseed and replant drill sites, and remove all debris, trash and other items foreign to the environment.

8. Alternatives to the Proposed Action

In the event that the proposed project is not approved, the resulting alternatives are: (1) the applicant will seek other areas for exploratory work, and (2) the project area will either maintain its status quo or else continue its slow normal rate of growth. The full development of valuable mineral resources, if present in the project area, would never be realized if the applicant is denied a prospecting permit. This could result in these minerals being sought at other locations, or the discontinuance of any future exploratory work for those valuable natural resources. If the permit is denied, the immediate

137
2595

effect on the project area would be nothing more than to remain at its current status quo condition.

9. The Relationship Between Local Short-term Uses of Man's Environment and the Maintenance and Enhancement of Long-term Productivity

The prospecting phase of the operations will be of short duration. The short term exploratory program could stand to benefit man in the long term by the discovery and utilization of a much needed mineral resource. The development of a viable uranium industry will result in long-term effects upon the environment. Population may be increased, and services and facilities attendant to such an increase may be established. The county's employment base could become diversified by introduction to the area of skilled technicians and scientists.

The discovery of valuable minerals in commercial quantities could result in a long-term use of the environment. Such operations would be in full compliance with all Federal, State, County, and City restrictions and regulations. No production lease would be issued until a favorable environmental impact report has been prepared and accepted in regard to the production phase.

10. Any Irreversible Environmental Changes that Would be Involved in the Proposed Action Should it be Implemented

During the exploratory drilling phase, certain areas in and around the drill sites will be altered and a minimum amount of native vegetation will be destroyed. Upon termination of the drilling phase, the drillsite areas are to be restored as nearly as possible to their natural condition. The change upon the environment imposed by a short-term exploratory corehole drilling program will be minimal.

11. The Growth-Inducing Impact of the Proposed Action

The exploratory phase itself would have a negligible effect on economic or population growth; however, if commercial production of the minerals is attained the environmental picture could change significantly. In such event, the proposed production operation would be subject to review and acceptance of a separate Environmental Impact Report. The magnitude of such an operation would require full compliance with all Federal, State, County, and City rules and regulations, among which are the various anti-pollution measures (noise, air, water, etc.). Additional requirements would require conformance with any waste-discharge standards.

DATE	138
MINUTE PAGE	2596

12. Organizations and Persons Consulted

- a. State Clearinghouse
- b. Resources Agency
- c. Office of the Attorney General, Land Law Section
- d. United States Department of Interior

13. Comments Received Through the Consultation Process

- a. Prior to any future mining activities, an EIR for the mining operation should be prepared and should indicate all of the operational procedures.
- b. The subject areas should be inspected for archaeological and historical values.
- c. Prior to any road construction across national resources lands, the applicant must obtain permission from the Bureau of Land Management.

Responses to the above comments have been made a part of this report.