

MINUTE ITEM

This Calendar Item No. 19
was approved as Minute Item
No. 19 by the State Lands
Commission by a vote of 2
to 0 at its 10/25/84
meeting.

CALENDAR ITEM

A 68

10/25/84

S 36

19

W 40426

Hart

PRC 62

PRC 6743

APPROVAL OF TWO PROSPECTING PERMITS
FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL
RESOURCES, SAND AND GRAVEL, RIVERSIDE COUNTY.

APPLICANT: Kaiser Steel Corporation
Post Office Box 317
Desert Center, California 92239

Agent: Mr. John O. Englund
Post Office Box 317
Desert Center, California 92239

PROPOSED AUTHORIZATION:

Approval of two Prospecting Permits each for a
term of two years to prospect for gold and
silver and other valuable minerals, other than
oil, gas, geothermal resources, sand and
gravel, on approximately 975.76 acres of land
located in Riverside County.

CONSIDERATION: Filing fees totaling \$50, expense deposits
totaling \$200, and acreage deposits totaling
\$975.76.

TYPE OF LAND AND LOCATIONS:

State school land - (I) Lots 1 through 12,
inclusive, and S 1/2 of SW 1/4, Sec 36, T3S,
R13E, SBM; (II) Sec 36; T4S, R13E, SBM;
Riverside County, approximately 13 miles
northwest of Desert Center in the Eagle
Mountains.

CALENDAR ITEM NO. 19 (CONT'D)

PROPOSED PROJECT:

Kaiser Steel Corporation will conduct geologic mapping, rock outcrop chip sampling, and shallow soil sampling with hand tools in the permit areas to prospect for valuable minerals. The subject activities will be accomplished by the applicant on foot. Any vehicle access will be restricted to existing roads and jeep trails. No surface disturbance such as road construction, pitting, trenching, blasting or clearing will be permitted.

Any proposed activity not authorized by the permits will not proceed without prior approval of a project amendment processed pursuant to the requirements of CEQA. If commercial mining operations are proposed, appropriate environmental documentation will be prepared and certified prior to issuing a mineral extraction lease(s).

TERM:

The primary term of each Prospecting Permit is two years. The Commission may, in its discretion, extend the term for one additional year.

ROYALTY:

Royalty payable under the permits shall be 20% of the gross value of the minerals secured from the permit areas and sold or otherwise disposed of or held for sale or other disposition.

PREREQUISITE ITEMS:

1. Required statutory filing fees, expense deposits and acreage deposits have been submitted by the applicant.
2. Subject parcels are not known to contain commercially valuable deposits of minerals.
3. Royalty payable under any preferential lease issued shall not be less than 10% of the gross value of all mineral production from the leased lands, less any charges approved by the Commission made or incurred with respect to transporting or processing the State's royalty share of production. The determination of said royalty and charges shall be at the discretion of the Commission and set forth in said lease.

CALENDAR ITEM NO. 19 (CONT'D)

STATUTORY REFERENCES:

- A. P.R.C.: Div. 6, Section 6891.
- B. Cal. Adm. Code: Title 2, Section 2200.

AB 884: 11/25/84.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exemption under Class 6, Information Collection, 14 Cal. Adm. Code 15306.

Authority: P.R.C. 21084 and 14 Cal. Adm. Code 15306.

2. Pursuant to P.R.C. Section 6895, upon establishing to the satisfaction of the Commission that commercially valuable deposits of minerals have been discovered within the limits of each permit, the applicant would have a preferential right to leases for a maximum of 160 acres embraced within each permit. Said right shall be subject to all necessary environmental approvals. The issuance of these permits shall not affect the discretion of the Commission in granting or denying such leases because of environmental considerations.

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the subject permit applications have been approved by the Office of the Attorney General as to compliance with the applicable provisions of the law.

EXHIBITS:

- A. Land Description.
- B. Site Map.

CALENDAR ITEM NO. 19 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION, 14 CAL. ADM. CODE 15306. THE PROJECT SHALL INCLUDE TWO PROSPECTING PERMITS AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE SAME PROJECT DESCRIBED IN THE PERMITS. ANY EXTENSION SHALL NOT EXCEED ONE YEAR.
2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMITS ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
3. AUTHORIZE THE ISSUANCE OF TWO PROSPECTING PERMITS TO KAISER STEEL CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS, OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL, ON (I) LOTS 1 THROUGH 12, INCLUSIVE, AND S 1/2 OF SW 1/4, SEC 36, T3S, R13E, SBM; and (II) SEC 36, T4S, R13E, SBM; RIVERSIDE COUNTY, CONTAINING APPROXIMATELY 975.76 ACRES; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER THE PERMITS SHALL BE 20%. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS 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 RESPECT TO TRANSPORTING OR PROCESSING THE STATE'S ROYALTY SHARE OF PRODUCTION. THE DETERMINATION OF SAID ROYALTY AND CHARGES SHALL BE AT THE DISCRETION OF THE COMMISSION.

EXHIBIT "A"

LAND DESCRIPTION

W. 40426

Two parcels of California State school lands in Riverside County, California, described as follows:

PARCEL 1

Lots 1-12, and the S $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 36, T3S, R13E, SBM.

PARCEL 2

Section 36, T4S, R13E, SBM

END OF DESCRIPTION

PREPARED SEPTEMBER 10, 1984, BY BOUNDARY AND TITLE UNIT.

CALENDAR PAGE	126
MINUTE PAGE	2486

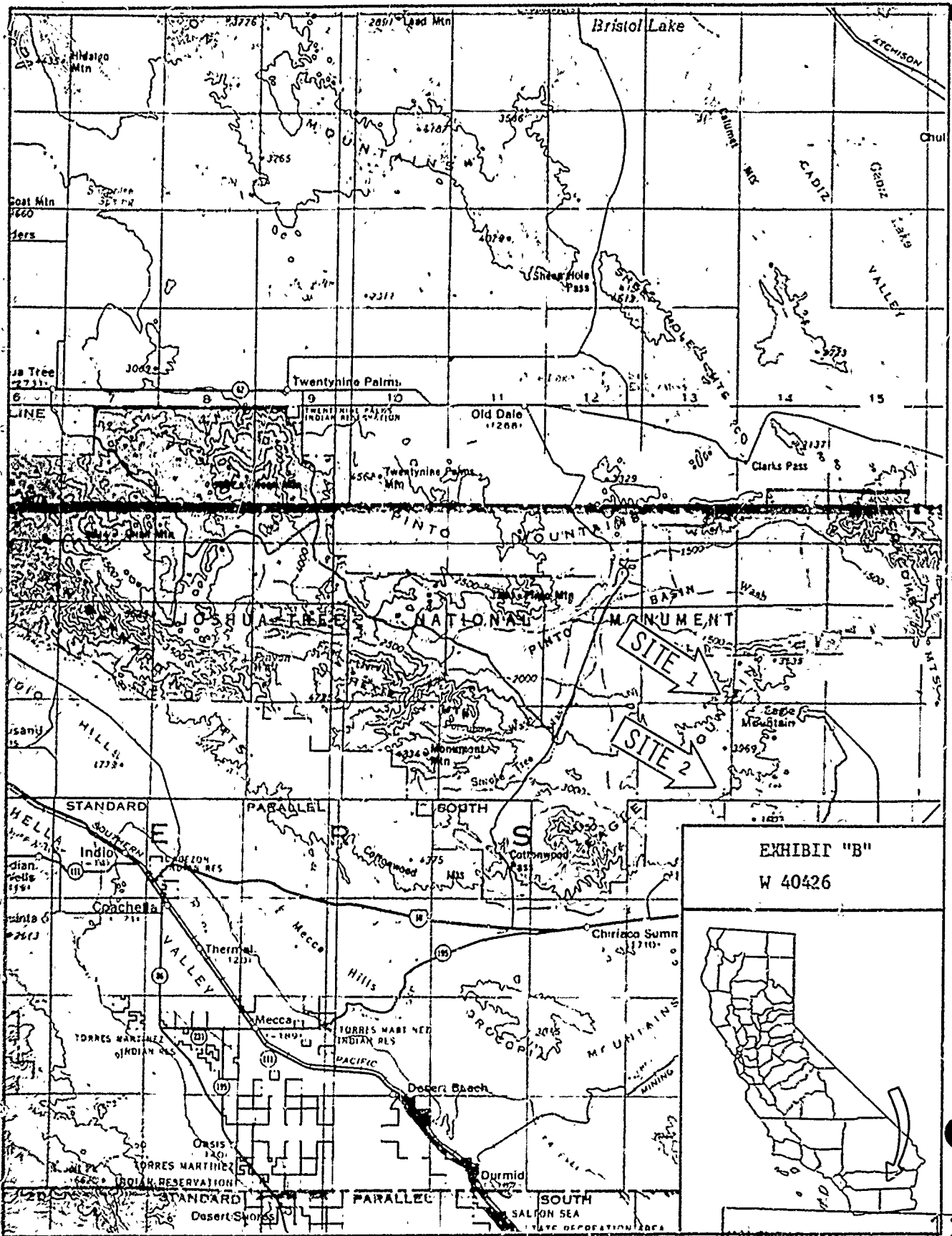


EXHIBIT "B"
W 40426

