

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 2
0 at its 3/2/92
meeting.

CALENDAR ITEM

28

A 34
S 15

03/02/92
PRC 5464
W 40018
W 23158
Willard

APPROVE THE SUBLETTING AND AMENDMENT FOR EXTENSION
OF LEASE TERM AND EXCHANGE OF LANDS TO IMPLEMENT A
BIOREMEDIATION PLAN TO LIMIT DUST POLLUTION ON OWENS LAKE,
STATE MINERAL EXTRACTION LEASE PRC 5464, INYO COUNTY

APPLICANT:

Lake Minerals Corporation
Attn: Gary Carstens, President
P. O. Box 37
Lone Pine, California 93545

AREA, TYPE LAND AND LOCATION:

Mineral extraction lease PRC 5464 contains 16,120 acres of
State-owned sovereign lands in the dry bed of Owens Lake,
Inyo County. The proposed land exchange will involve the
deletion of 3,480 acres of lease lands in the eastern lake
bed and the addition of 3,480 (equal acreage) along the
northern and western boundaries of the current lease. The
modifications to the lease area are described in
exhibits "A" and "B" with the new lease configuration shown
in Figure 1.

LEASE INFORMATION:

Mineral extraction lease PRC 5464, covering an initial acreage of
6,880 acres of the bed of Owens Lake, was issued by competitive
bid to Lake Minerals Corporation, effective August 1, 1978.
Other existing mineral leases adjoining the subject lease were
unified and incorporated into lease PRC 5464 in June, 1980, and
the resulting lease land area presently totals approximately
16,120 acres. Lake Minerals produces crude trona, an impure soda
ash, which is sold to other companies for further refining.
Because of the general economic downturn, there is no production
from the lease at this time.

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PROPOSED PROJECT:

1. Subletting of the Mineral Extraction Lease

Lake Minerals Corporation, the State's Lessee, has entered into a joint venture with Vulcan Soda Ash Company, a wholly owned subsidiary of Vulcan Materials Company, to form a commercial entity known as the Owens Lake Soda Ash Company. The joint venture was formed with the goal to expand the existing trona mining operations on the lake bed and to increase the production of refined soda ash to over 600,000 tons per year. Lake Minerals Corporation requests that the Commission authorize the subletting of the existing lease to the joint venture. Cominco American Incorporated, the parent company of Lake Minerals Corporation, and Vulcan Materials Company have agreed to guarantee the performance of the proposed sublessee, Owens Lake Soda Ash Company.

2. Lease Area Amendment

Lake Minerals Corporation has applied to the State Lands Commission to amend the boundaries of its current mineral extraction lease area. The amended lease will serve as the contractual base for a proposed future expansion of operations, as described above, by the joint venture organization. This proposed expansion, if determined to be feasible after further studies, will constitute a separate project subject to the preparation of an Environmental Impact Report (EIR) and permitting by the lead agency, Inyo County.

The proposed amendment of the current mineral lease boundaries will facilitate the implementation of a bioremediation plan to limit dust pollution at Owens Lake (Exhibit "C").

3. Lease Term Extension

Lake Minerals has also requested that the term of the lease be extended. State mineral extraction lease PRC 5464 was issued for twenty years, effective August 1, 1978. Pursuant to recently enacted legislation (Chapter 520, Statutes of 1991) adding Section 6898.5 to the P.R.C., leases in effect on July 1, 1991, for lands within the bed of Owens Lake, may be immediately extended by the Commission for a period of twenty years beyond the expiration date of the current lease.

The subject lease term will expire on July 31, 1998. An extension of the lease term through July 31, 2018, will be granted under the proposed amendment subject to the condition

that, prior to the end of the initial lease term on July 31, 1998, the County of Inyo, as the CEQA Lead Agency, shall have certified the EIR for the proposed expanded mining and processing project for the leased lands, as described previously. If this condition has not been satisfied, the termination date of July 31, 1998 of the original lease shall govern.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15025), the staff prepared a Proposed Negative Declaration identified as EIR ND 579, State Clearinghouse No. 92022006. The Proposed Negative Declaration was circulated for public review pursuant to the provisions of CEQA.
2. Based upon the Initial Study, the Proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment. (14 Cal. Code Regs. 15074(b))

EXHIBITS:

- A. Parcels to be Deleted from Lease Area,
- B. Parcels to be Added to Lease Area.
- C. Proposed Negative Declaration 579, SCH No. 92022006
Figure 1. New Lease Configuration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 579, STATE CLEARINGHOUSE NO. 92022006, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE PROPOSED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. APPROVE THE SUBLEASE OF MINERAL EXTRACTION LEASE PRC 5464 TO THE OWENS LAKE SODA ASH COMPANY.

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4. APPROVE THE AMENDMENT OF STATE MINERAL EXTRACTION LEASE PRC 5464 BY AUTHORIZING THE EXCHANGE OF LANDS IDENTIFIED IN THE REFERENCED EXHIBITS "A" AND "B".
5. APPROVE THE EXTENSION OF THE LEASE TERM THROUGH JULY 31, 2018, SUBJECT TO THE CONDITION THAT, PRIOR TO JULY 31, 1998, THE EXPIRATION DATE OF THE EXISTING LEASE, THE LESSEE OR SUBLESSEE SHALL HAVE OBTAINED THE CERTIFICATION BY THE COUNTY OF INYO, ACTING AS THE CEQA LEAD AGENCY, OF AN ENVIRONMENTAL IMPACT REPORT PREPARED FOR THE PROPOSED EXPANDED MINING OPERATION ON THE LAKE BED AND A MINERAL PROCESSING PLANT ON ADJACENT LANDS.
6. APPROVAL OF THE LEASE-TERM EXTENSION AND THE SUBLEASE ARE CONDITIONED UPON THE PRIOR EXECUTION BY COMINCO AMERICAN INCORPORATED AND VULCAN MATERIALS COMPANY OF A GUARANTY OR OTHER SECURITY DEVICE SECURING THE PERFORMANCE OF THE SUBLESSEE.

(REVISED 03/01/92)

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EXHIBIT "A"

PRC 5464

LAND DESCRIPTION

AMENDMENT TO MINERAL EXTRACTION LEASE

Those parcels to be deleted from lease area in Owens Lake, Inyo County, California, more particularly described as follows:

1.	NE 1/4 of Section 10, T 18 S, R 37 E, MDM.	160 Acres
2.	E 1/2 of SE 1/4 of Section 3, T 18 S, R 37 E, MDM.	80 Acres
3.	W 1/2 of the SW 1/4 of Section 2, T 18 S, R 37 E, MDM.	80 Acres
4.a)	W 1/2 of the NE 1/4 of Section 2, T 18 S, R 37 E, MDM.	80 Acres
b)	NE 1/4 of the NE 1/4 of Section 2, T 18 S, R 37 E, MDM.	40 Acres
5.	E 1/2 of the E 1/2 of Section 35, T 17 S, R 37 E, MDM.	160 Acres
6.a)	W 1/2 of the W 1/2 of Section 36, T 17 S, R 37 E, MDM.	160 Acres
b)	NE 1/4 of the NW 1/4 of Section 36, T 17 S, R 37 E, MDM.	40 Acres
c)	NW 1/4 of the NE 1/4 of Section 36, T 17 S, R 37 E, MDM.	40 Acres
7.	Section 25, T 17 S, R 37 E, MDM.	640 Acres
8.a)	E 1/2 of the W 1/2 of Section 24, T 17 S, R 37 E, MDM.	160 Acres
b)	E 1/2 of Section 24, T 17 S, R 37 E, MDM.	320 Acres
9.	Section 13, T 17 S, R 37 E, MDM.	640 Acres
10.a)	NW 1/4 of Section 14, T 17 S, R 37 E, MDM.	160 Acres
b)	NE 1/4 of Section 14, T 17 S, R 37 E, MDM.	160 Acres
c)	E 1/2 of the SE 1/4 of Section 14, T 17 S, R 37 E, MDM.	80 Acres
d)	NW 1/4 of the SE 1/4 of Section 14, T 17 S, R 37 E, MDM.	40 Acres
e)	N 1/2 of the SW 1/4 of Section 14, T 17 S, R 37 E, MDM.	80 Acres
11.a)	E 1/2 of the NW 1/4 of Section 15, T 17 S, R 37 E, MDM.	80 Acres
b)	NE 1/4 of Section 15, T 17 S, R 37 E, MDM.	160 Acres
c)	N 1/2 of the SE 1/4 of Section 15, T 17 S, R 37 E, MDM.	80 Acres
d)	NE 1/4 of the SW 1/4 of Section 15, T 17 S, R 37 E, MDM.	40 Acres

Total Acres to Delete 3480 Acres

END OF DESCRIPTION

PREPARED JANUARY, 1992 BY LLB

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EXHIBIT "B"

PRC 5464

LAND DESCRIPTION

AMENDMENT TO MINERAL EXTRACTION LEASE

Those parcels to be added to lease area in Owens Lake, Inyo County, California, more particularly described as follows:

- | | | |
|----|--|------------|
| 1. | Sections 8, 9, 16 & 17, T 17 S, R 37 E, MDM. | 2560 Acres |
| 2. | W 1/2 of the W 1/2 of Section 10, T 17 S, R 37 E, MDM. | 160 Acres |
| 3. | SE 1/4 of Section 18, T 17 S, R 37 E, MDM. | 160 Acres |
| 4. | E 1/2 of the E 1/2 of Section 7, T 17 S, R 37 E, MDM. | 160 Acres |
| 5. | E 1/2 of the NE 1/4 of Section 18, T 17 S, R 37 E, MDM. | 80 Acres |
| 6. | Description of contiguous acres to join upland,
S 1/2 of the NW 1/4 and N 1/2 of the SW 1/4 of Section 5;
E 1/2 of Section 6, and E 1/2 of Section 7, T 18 S, R 37 E, MDM. | 360 Acres |

EXCEPTING THEREFROM all the following described parcels:

Lakeland Location 2175, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 355, dated November 9, 1907.

Lakeland Location 2168, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 353, dated July 20, 1907.

Lakeland Location 2159, on file in the office of the State Lands Commission, patented to Irving Fisher by the State of California by Patent No. 371, dated November 4, 1910.

ALSO EXCEPTING THEREFROM any portion lying within the lands currently leased to Lake Minerals Corporation, under PRC 2967.1, approved and authorized by State Lands Commission in its regular public meeting on January 24, 1988, Calendar/Minute Item No. 20.

Total Acres to Acquire 3480 Acres

END OF DESCRIPTION

PREPARED JANUARY, 1992 BY LLB

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EXHIBIT "C"

STATE OF CALIFORNIA

PETE WILSON Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Controller*
THOMAS W. HAYES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814

CHARLES WARREN
Executive Officer

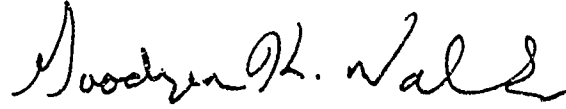
February 10, 1992
File: W 40018
ND 579

NOTICE OF PUBLIC REVIEW OF A NEGATIVE DECLARATION
(SECTION 15073 CCR)

A Negative Declaration has been prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA guidelines (Section 15000 et seq., Title 14, California Code Regulations), and the State Lands Commission Regulations (Section 2901 et seq., Title 2, California Code Regulations) for a project currently being processed by the staff of the State Lands Commission.

The document is attached for your review. Comments should be addressed to the State Lands Commission office shown above with attention to the undersigned. All comments must be received by March 2, 1992.

Should you have any questions or need additional information, please call the undersigned at (916) 322-0530.



GOODYEAR K. WALKER
Division of Environmental
Planning and Management

Attachment

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STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*
GRAY DAVIS, *Contrroller*
THOMAS W. HAYES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95811

CHARLES WARREN
Executive Officer

PROPOSED NEGATIVE DECLARATION

File: W 40018
ND 579
SCH No. 92022006

Project Title: Lake Minerals Corp. Mineral Extraction Lease Amendment
Proponent: Lake Minerals Corp.
Project Location: Owens Lake, Inyo County
Project Description: Removal of 3,480 acres from the east side of the existing lease, and exchange for 3,480 acres on the north side of the lease, and extension of lease terms.
Contact Person: Goodyear K. Walker Telephone: 916/322-0530

This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Code Regulations), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code Regulations).

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

this project will not have a significant effect on the environment.

mitigation measures included in the project will avoid potentially significant effects.

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ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

File Ref.: W 40018

Form 13.20 (7/82)

I. BACKGROUND INFORMATION

A. Applicant: Lake Minerals Corporation
P.O. Box 37
Lone Pine, California 93545

B. Checklist Date: 02 / 07 / 1992

C. Contact Person: Goodyear K. Walker
Telephone: (916) 322- 0530

D. Purpose: Mineral Extraction Lease Amendments

E. Location: Owens Lake, Inyo County

F. Description: Removal of 3,480 acres from east side of existing lease
in exchange for 3,480 acres on north and west sides, and extension
of lease terms

G. Persons Contacted:
Denyse Racine, California Department of Fish and Game
William C. McClung, Lake Minerals Corporation
Ellen Hardebeck, Great Basin Unified Air
Pollution Control District

II. ENVIRONMENTAL IMPACTS. (Explain all "yes" and "maybe" answers)

Table with 3 columns: Question, Yes, Maybe, No. Contains 7 rows of environmental impact questions with checkboxes.

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- | | Yes | Maybe | No |
|--|--------------------------|--------------------------|-------------------------------------|
| B. Air. Will the proposal result in: | | | |
| 1. Substantial air emissions or deterioration of ambient air quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. The creation of objectionable odors? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| C. Water. Will the proposal result in: | | | |
| 1. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Alterations to the course or flow of flood waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Change in the amount of surface water in any water body? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Alteration of the direction or rate of flow of ground waters? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Substantial reduction in the amount of water otherwise available for public water supplies? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Exposure of people or property to water-related hazards such as flooding or tidal waves? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Significant changes in the temperature, flow or chemical content of surface thermal springs? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| D. Plant Life. Will the proposal result in: | | | |
| 1. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of plants? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Reduction in acreage of any agricultural crop? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| E. Animal Life. Will the proposal result in: | | | |
| 1. Change in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Reduction of the numbers of any unique, rare or endangered species of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Deterioration to existing fish or wildlife habitat? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| F. Noise. Will the proposal result in: | | | |
| 1. Increase in existing noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to severe noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| G. Light and Glare. Will the proposal result in: | | | |
| 1. The production of new light or glare? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| H. Land Use. Will the proposal result in: | | | |
| 1. A substantial alteration of the present or planned land use of an area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| I. Natural Resources. Will the proposal result in: | | | |
| 1. Increase in the rate of use of any natural resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial depletion of any nonrenewable resources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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- J. Risk of Upset.** Does the proposal result in:
- | | Yes | Maybe | No |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. A risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals, or radiation) in the event of an accident or upset conditions? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Possible interference with emergency response plan or an emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- K. Population.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. The alteration, distribution, density, or growth rate of the human population of the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- L. Housing.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Affecting existing housing, or create a demand for additional housing? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- M. Transportation/Circulation.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Generation of substantial additional vehicular movement? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Affecting existing parking facilities, or create a demand for new parking? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Substantial impact upon existing transportation systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Alterations to present patterns of circulation or movement of people and/or goods? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Alterations to waterborne, rail, or air traffic? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- N. Public Services.** Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Parks and other recreational facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Maintenance of public facilities, including roads? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Other governmental services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- O. Energy.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Use of substantial amounts of fuel or energy? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial increase in demand upon existing sources of energy, or require the development of new sources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- P. Utilities.** Will the proposal result in a need for new systems, or substantial alterations to the following utilities:
- | | | | |
|------------------------------------|--------------------------|--------------------------|-------------------------------------|
| 1. Power or natural gas? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Communication systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Sewer or septic tanks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Storm water drainage? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Solid waste and disposal? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- Q. Human Health.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Creation of any health hazard or potential health hazard (excluding mental health)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to potential health hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- R. Aesthetics.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. The obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|
- S. Recreation.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. An impact upon the quality or quantity of existing recreational opportunities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|

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T. *Cultural Resources.*

Yes Maybe No

- 1. Will the proposal result in the alteration of or the destruction of a prehistoric or historic archeological site?
- 2. Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object?
- 3. Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?
- 4. Will the proposal restrict existing religious or sacred uses within the potential impact area?

U. *Mandatory Findings of Significance.*

- 1. Does the project have the potential to degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- 2. Does the project have the potential to achieve short term, to the disadvantage of long-term, environmental goals?
- 3. Does the project have impacts which are individually limited, but cumulatively considerable?
- 4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

III. DISCUSSION OF ENVIRONMENTAL EVALUATION *(See Comments Attached)*

See Attached Initial Study

IV. PRELIMINARY DETERMINATION

On the basis of this initial evaluation:

- I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION will be prepared.
- I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Date: 02/ 07 /1992

For the State Lands Commission	CALENDAR PAGE 30-1.11
	MINUTE PAGE 359

AMENDMENT OF MINERAL EXTRACTION LEASEInitial Study - Introduction

The State Lands Commission (SLC) and Lake Minerals Corporation are processing a lease amendment to change the boundaries and extend the term of mineral extraction lease PRC 5464 located on State sovereign lands on the bed of Owens Lake for their mutual benefit. Such lands are under the jurisdiction of the State Lands Commission and the Commission is the Lead Agency under the provisions of the California Environmental Quality Act (CEQA). This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Code Regulations) and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code regulations).

This Initial Study concludes that the project, as proposed, will not have any significant impacts on the environment, and that a Negative Declaration is appropriate under the provisions of Section 15070 (a) of the State EIR Guidelines.

Detailed Project Description

Lake Mineral Corporation currently holds State Mineral Extraction Lease PRC 5464, covering a portion of the dry lake bed of Owens Lake, for the production of crude soda ash (trona). This lease is a successor to several smaller leases which were combined in 1978 and 1980, establishing the present leasehold at a total of 16,120 acres. The proposed project consists of two parts. The first is a lease amendment to remove 3,480 acres from the east side of the lease, and add an equal number of acres adjoining the north and west sides of the current lease (Figure A). The parcel being removed from the current lease is to be included in a pilot bioremediation program designed to control dust from the Lake bed which is a joint effort by the State Lands Commission and the Great Basin Unified Air Pollution Control District. An environmental document for the bioremediation project will be prepared at a future date.

As part of the proposed exchange, Lake Minerals has agreed to exclude the following areas from any mining activities in order to protect habitat for waterfowl and shorebirds. These areas total approximately 580 acres.

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1. The E 1/4 of Section 7, T18S, R37E*
This area of exclusion is located within the area being proposed as an exchange parcel.
2. The W 1/2 of Section 8, T18S, R37E.
The area west of the drainage channel in the N 1/2 of Section 17, T18S, R37E.

These areas of exclusion are located within the area presently under lease to Lake Minerals by the State Lands Commission. They are not included as part of the proposed exchange but have been excluded from mining activities because of concerns expressed by the California Department of Fish and Game (CDFG). Lake Minerals will receive recognition for excluding this acreage against any future mitigation requirements by CDFG.

In addition to the proposed exchange, Lake Minerals Corporation is asking for an extension to the terms of its lease. Mineral Extraction Lease PRC 5464 was issued for a period of twenty years, effective May 1, 1978. Pursuant to recently enacted legislation which added Section 6898.5 to the Public Resources Code, leases in effect July 1, 1991, for lands within the bed of Owens Lake may be immediately extended by the State Lands Commission for a period of twenty years beyond the current lease expiration date. The current lease will expire on April 30, 1998, with three (3) ten-year option periods, but will be extended under the proposed amendment through April 30, 2018, with these same three (3) ten-year option periods. This amendment would become effective on the first day of the month following approval by the State Lands Commission.

The current trona mining operation is on a small-scale, using two to three personnel and mobile earth-moving equipment. Diesel powered excavators create a berm or dike around a rectangular area of the brine saturated bed of Owens Lake. The brine is then pumped out, leaving the crude ore. This crude trona is harvested using tracked diesel powered excavators. The ore is moved by front end loaders to a prepared drying area close to the diked off area and spread by graders to air dry. It is disced several times during the drying process. Finally, the dried crude trona is loaded onto diesel trucks, using front end loaders, and transported to market.

* The area in the E 1/4 of Section 7 contains an existing access road which will remain available for use.

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No mining is currently taking place on the 3,480 acre parcel proposed for release to the State. The 3,480 acre area added to the lease will serve as an ore reserve for mining on a larger scale. Increased production of trona is dependent on the construction of an expanded processing plant. This proposed expansion, if determined to be feasible after further economic studies, will be the subject of an EIR prepared by Inyo County acting as the CEQA Lead Agency. It must be noted, however, that Lake Minerals' right under the present lease to mine the lands it is releasing to the State would be transferred to the northern parcel proposed to be added to the leased area.

As previously indicated, the lands removed from the current lease will be used in an ongoing dust remediation project within the eastern portion of the lake bed. The expansion of the bioremediation efforts will also be the subject of subsequent environmental documentation, with the State Lands Commission acting as the CEQA Lead Agency.

Project Impacts and Mitigations

The proposed project, the exchange of acreage from the east side to the north and west areas of the current lease, and the extension of the lease term, will not have any significant impacts on the environment. The land in the east area of the current lease is currently being held in reserve by Lake Minerals Corporation, and the land which is to be added to the northern area will also be held in reserve for future operations. The environmental impacts of any proposed plant expansion will be dealt with in a Environmental Impact Report if that project is deemed feasible. There will be no change in the current operations or production levels of the existing lease. Any impacts associated with the anticipated bioremediation of wind blown dust will also be covered in a separate environmental document.

Since there are no impacts from the proposed project, no mitigation measures are required, and no monitoring plan is necessary.

Environmental Setting

The proposed project area is on the dry lake bed of Owens Lake. Owens Lake is an alkaline dry lake, or playa, in the southern end of Inyo County, on the eastern side of the Sierra Nevada mountain range (Figure B). The elevation of the lake bed is approximately 3,600 feet above sea level. The lake bed extends about 17 miles north and south and 10 miles east and west and covers an area of approximately 108,000 acres. The current lake bed surface consists of a playa topped by a thin layer of clay and wind blown sand, covered by an alkali crust. The crust is made up of sodium chloride, sodium carbonate (trona) and sodium sulfates. Minor amounts of borates, nitrates, potassium, lithium and other

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minerals occur within the crust as well.

Owens Lake formed in a closed basin at the end of the Owens Valley during a period of cooler climate and higher precipitation during the late Pleistocene Epoch, about 70,000 years ago. The valley itself is a 100 mile long trench lying between the Sierra Nevada and Inyo Mountain ranges. With the more recent hotter, dryer climate, runoff from the Sierra and Inyo mountains was reduced, and the lake began shrinking and becoming alkaline. When visited by "Fortieth Parallel Survey" in 1876, the lake covered about 110 square miles and had a maximum depth of 50 feet. The waters were described as "salty, alkaline, bitter and undrinkable".

There was considerable agriculture in the Owens Valley, but the lake was originally a focus for mining interests. Silver mines on the east shore led to steam navigation on the lake, and attempts to recover valuable salts from the lake itself began in 1884. Trona mining began to provide a major raw material for glass manufacturing.

In 1917, the City of Los Angeles completed a fresh water aqueduct system that diverted the water of the Owens River south to the City. With its primary water supply gone, Owens Lake was virtually gone by 1925.

Air Quality

Owens Valley, on the east side of the Sierra Nevada mountain range, is in an area of near pristine air quality. Far from the urban centers of the south state and screened by the mountains from the inland agricultural valleys, the area is in attainment for almost all pollutants. The one exception is fugitive dust which originates from the dry lake bed itself. Winds, often of high velocity, associated with strong weather systems produce blowing sand and dust, particularly during the Spring and Summer. The primary purpose of the proposed reconfiguration of the leased lands is to free up the parcel on the east side of the project to allow potential bioremediation measures to control the fugitive dust problem to be tested. The monitoring and regulation of air quality at the project site is under the jurisdiction of the Great Basin Unified Air Pollution Control District, one of the participants in the pilot remediation project.

Geology

Owens Valley is a fault-bounded basin, between the upraised blocks of the Sierra Nevada and Inyo Mountains. The lake bed itself is made up of Holocene alluvium and lacustrine deposits. The project area is within a seismically active region, with significant earthquakes being recorded from 1872 up to the present day. Historic earthquakes have had epicenters on the Owens Lake

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Fault, the Sierra Nevada Fault, and several unnamed faults on the east side of the Lake bed. Estimates of intensity range from 4.0 to 6.5 on the Richter scale. The lake deposits may liquify under strong seismic shaking.

Biology

Because of the extreme alkalinity of the surface and subsurface deposits on the lake bed itself, there is no plant or animal life at the project site. Some birds transit the site, but due to the lack of water such transit times are of short duration. Birds seen over the lake include several species of ducks (Mallards, Pintail, Cinnamon and Green Wing Teal and Ruddy Duck), shorebirds, grebes and White Pelicans.

On the west side of the current mining operations, several springs feed habitat useful for waterfowl and shorebirds. A survey by the Department of Fish and Game established that this is valuable habitat in the otherwise dry and forbidding landscape. Lake Minerals has agreed to hold free from mining operations this habitat, both in a part of the exchange parcel, and in part of their existing leasehold, for a total of 580 acres, as shown in Figure A.

Water

There is no surface water at the project site. The subsurface water is bound up in old lake muds and the alkaline crust, and is highly alkaline, with pH's up to 10 and beyond. Some intermittent streams and the bed of the Owens River approach the old lake shore but do not reach the project site.

Noise and Visual Resources

Unbroken vistas and silence, except for the wind, are the natural conditions of the site. The lake bed is almost perfectly flat, and the only visual relief is provided by the existing trona recovery operation and its associated equipment. The mining operation is also the only source of noise. The potential receptors, however, are the small town of Keeler, approximately 10 miles across the lake bed to the northeast, and highway 395, approximately 3 miles to the west.

Light and Glare

The sources of light near the project are natural. None come from the mining operations as they are not conducted at night.

Risk of Upset

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Because of the simplicity of the current mining operation and the nature of the materials being mined, there is no real risk of upset. Shallow excavations of trona are stacked and dried, and then removed. If an excavation collapses, or drying material is lost from the site, the affected area would simply return to its natural state.

Land Use

The current mining operation is the only use of the lake bed now and in the foreseeable future. The nature of the lake bed surface will prevent agricultural or developmental uses.

Recreation

Other than the open space, there are no recreational uses put to the lake bed.

Public Services/Utilities

The current mining operation does not use any public utilities except for the telephone. This project does not result in any changes to the operation's requirements.

Cultural Resources

There are no historic or prehistoric resources on the lake bed surface. Native Americans and early settlers did use the lake shore before the lake dried up, but throughout the late prehistoric period and the historic period, the lake was too alkaline for any use by man.

Environmental Impact Assessment Checklist Discussion of Environmental Evaluation

A. Earth

- A1. The project will not result in any unstable earth conditions or changes in geologic substructures. The current and continuing mining operation involves scraping very shallow deposits into drying areas, and does not involve major excavations or creating slopes.
- A2. The proposed project will not result in any changes to the current mining operation. The crust that provides the crude trona is not a "soil" under any classification.
- A3. While the mining operation does scrape off the topmost layer of trona, it does not significantly alter any

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topography or relief. The surface of the lake bed has less than 30 feet of relief over the entire lake bed.

- A4. While the lake bed itself is a unique geologic feature, the proposed project will not result in any significant changes to the overall surface. The scale of the operation, which will not change due to this project, is very small in comparison to the whole lake surface. Lake Minerals has an approved reclamation plan on file to restore the Lake bed when the mining operations are complete.
- A5. The project will ensure the availability of land to test various methods of controlling wind erosion of the lake bed surface and subsequently the existing dust problem.
- A6. No beach or river sands or channels exist in the project area.
- A7. The project is taking place in a seismically active area; however, this project will not expose any additional personnel or equipment to geologic hazards beyond existing levels.

B. Air Quality

- B1. This project will not result in any additional air emissions. Changes in the mining operations, if feasible, will be analyzed in an EIR to be prepared for the consideration of new facilities. While the current mining activity does not contribute to the natural fugitive dust problem, and is operating in conformance with the authorization of the Great Basin United Air Pollution Control District. The proposed project may contribute to the implementation of a control strategy for the fugitive dust problem by providing a test area as previously described.
- B2. The project will not release any odors.
- B3. The project will not alter any air movement or climate patterns because it is simply an exchange of properties, with no change to existing levels of operation. The current mining operations do not affect air movement patterns.

C. Water

- C1. There are no surface waters on or near the project site.

- C2. The current mining operation covers far too small a proportion of the total lake surface to affect the absorption of surface runoff. Only very rarely is there enough moisture at the project site to leave any standing water on the lake bed. As previously stated, the proposed project will not create any changes to this operation.
- C3. See C2, above.
- C4. The project will not use any surface water nor result in any discharge into any body of fresh water.
- C5. See C4, above.
- C6. The proposed project will not alter the rates or direction of flow of any surface waters.
- C7. No groundwater sources will be effected. The current mining operation processes lake crust material that has water bound up in it and air dries it (evaporation), but does not use or discharge any surface or ground water.
- C8. No public water supplies will be used or effected in any way.
- C9. The proposed project will not expose personnel or facilities to flooding because of the lack of surface waters in the project area.
- C10. No known thermal springs will be effected by the project.

D. Plant Life

- D1. The project will not effect plant life. Surveys show that there is no plant life on the project site. Neither the eastern or northern parcels supports plant life.
- D2. No unique, rare or endangered plant species exist in the project area.
- D3. No new species will be introduced into the area by the project. No planting is planned as part of the project.
- D4. No agricultural areas are included in the project area.

E. Animal Life

- E1. The project will not effect any animal community, as none exists on the project site.
- E2. No unique, rare or endangered animal species are known to

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exist in the project area.

- E3. No new species will be introduced into the area.
- E4. The majority of the habitat provided by the project site is hostile to all animal life, a circumstance which will not be changed by the project. However, a small portion of the site, in Section 7, does contain habitat valuable for waterfowl and shorebirds. This tract of habitat will be protected by Lake Minerals from mining operations. In addition, the habitat which is adjacent to this tract but outside of the proposed exchange area will also be reserved from mining operations. A total of approximately 580 acres will be excluded from mining activities, shown on exhibit A. This will be included as a condition of the lease with State Lands Commission. (See Project Description).

F. Noise

- F1. This project will not generate any new or additional noise. The current operation is a source of intermittent heavy equipment noise during the daylight hours, but the nearest receptors are too far away (3-10 miles), for the effect to be noticeable.
- F2. The project will not subject anyone offsite to severe noise levels. The current operation only generates noise by the intermittent operation of diesel powered equipment.

G. Light and Glare

- G1. The proposed project will not result in nighttime lighting in the area. The current mining does not operate at night, and the implementation of the project will not change the hours of operations.

H. Land Use

- H1. No alteration of land use is proposed by or will result from this project.

I. Natural Resources

- I1. The project will not increase the rate of natural resource use since it is only an exchange of one unused land parcel for another and does not propose to increase production of trona above the existing level.
- I2. The project will not deplete any nonrenewable resources.

J. Risk of Upset

- J1. Neither the transfer of land parcels nor the current mining operation poses any risk of upset. The existing operation, which will not be altered by the proposed project, has operated for over fifty years without a hazardous upset of any type.
- J2. The project will not interfere with any emergency response plan as none exists due to the fact that the area is without population or facilities subject to such a plan.

K. Population

- K1. The project will not effect the area's population characteristics since it does not propose or would result in any changes to the existing trona mining operations or the personnel involved in such current operations.

L. Housing

- L1. The project will not bring any new, permanent residents into the area, and will not generate any demand for temporary housing (See K1, above).

M. Transportation

- M1. No additional traffic will be generated by this project.
- M2. The project will not generate any additional parking demand over the current levels.
- M3. See M1.
- M4. No transportation patterns now in existence will be altered by this project because existing mining operations will not be affected.
- M5. See M4, above.
- M6. The project will not increase any traffic hazards to ground transportation modes since no changes in traffic will result.

N. Public Services

- N1. The project will not effect fire services since it takes place on the dry lake bed, which is devoid of flammable materials. The equipment used in the mining operation

has its own fire extinguisher attached.

- N2. The project will not effect police services above present levels since the existing trona mining operations would continue unaffected.
- N3. The project will not have additional effects on schools since it will not add any personnel to the area.
- N4. The project will not require any changes in recreational facilities beyond existing levels because no new personnel will result from the proposed project.
- N5. No additional maintenance for public facilities will be required due to the project.
- N6. The project will not effect any governmental services.

O. Energy

- O1. This project will not use any additional fuel or energy. The current mining operation uses small amounts of diesel fuel for the on-site equipment, and no changes in the scale of operations are proposed.
- O2. The project will not require any new sources of fuel, or make any new demands on existing sources.

P. Utilities

- P1. The project will not use electric power or natural gas from utilities at all.
- P2. Normal radio and telephone communications systems, presently in use, will continue at existing levels.
- P3. The project will not use any public water systems.
- P4. The project will not use public sewer systems. Portable toilets are used for the mining personnel.
- P5. The project takes place on a dry lake bed and storm waters are typically absorbed into the bed.
- P6. The project will not generate any solid waste above existing levels.

Q. Human Health

- Q1. The project will not create or expose any personnel to health hazards.

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- Q2. The project will not expose anyone to any additional health hazards other than those currently existing due to the use of heavy equipment.

R. Aesthetics

- R1. This project will not change any current views. Unused land to the east of the project site will be exchanged for unused land to the north of the project.

S. Recreation

- S1. The project takes place in an area, Owens Dry Lake, that is not used for recreational purposes.

T. Cultural Resources

- T1. No prehistoric or historic sites ever existed on lake bed itself.
- T2. The project will not effect any historic or prehistoric building, structure or object.
- T3. The project does not have any potential to cause physical changes that would effect any unique ethnic cultural values.
- T4. The project will not effect any religious or sacred use of the project area.

U. Mandatory Findings of Significance

- U1. The project will not degrade the environment in any significant way, due to the fact that it is a reconfiguration of an existing lease area through the transfer of one unused land parcel for another, without any change in the current location or level of trona mining operations. No plant or animal life will be stressed.
- U2. The project as defined, will not have any short- or long-term environmental effects.
- U3. There is a possibility of two other projects being undertaken within the relative time frame of the proposed project. These are a pilot bioremediation project which would be designed to reduce wind-blown sand and dust, and a proposal for the expansion of the mining operations themselves. The State Lands Commission will be the Lead Agency in preparing environmental documentation for the first project, and the County of Inyo will be the CEQA Lead Agency if the second project is ever undertaken.

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U4. The proposed project will not have any environmental effects which will cause adverse effects on human beings, directly or indirectly as discussed in the preceding sections.³

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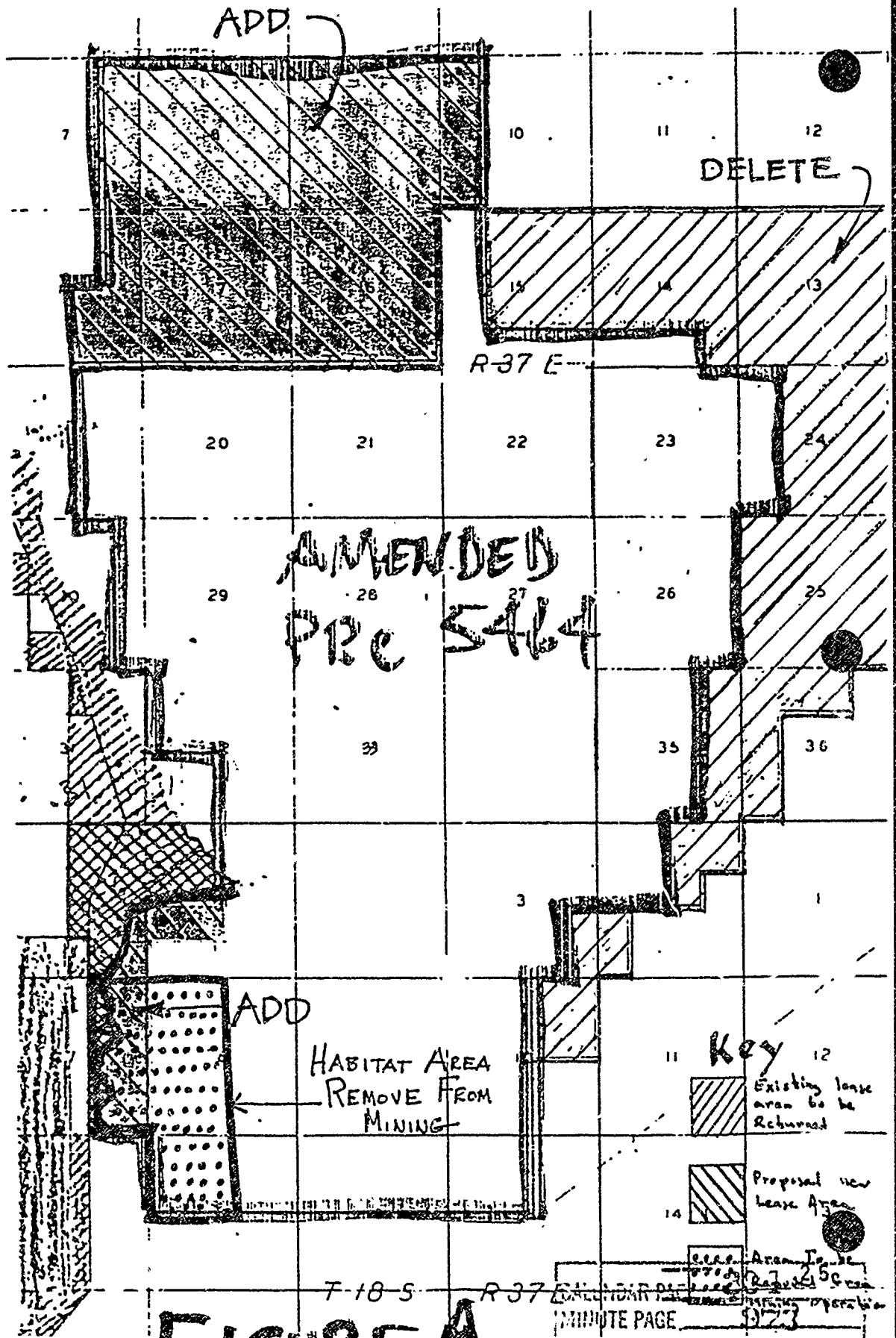


FIGURE A

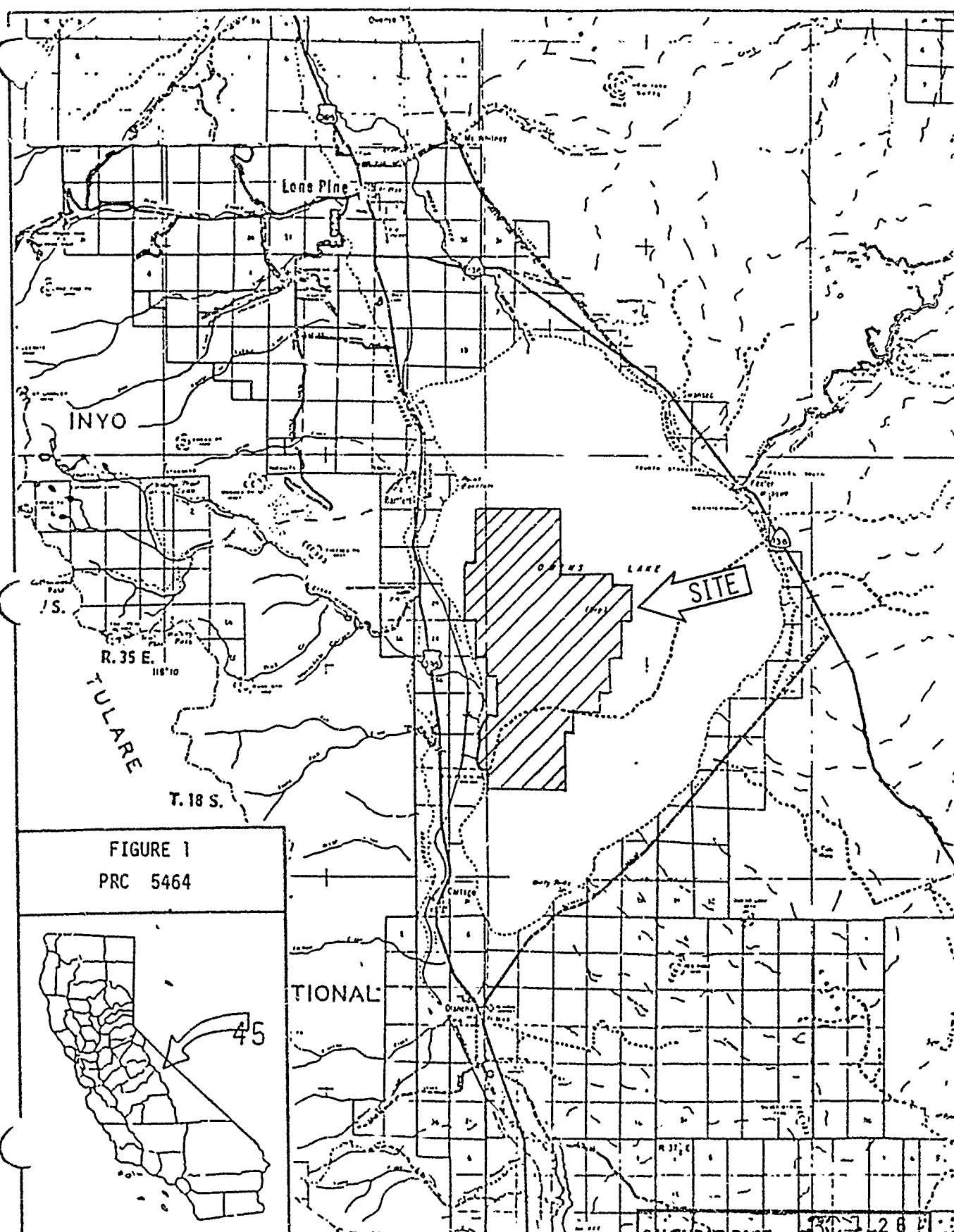


FIGURE 1
 PRC 5464

