

8. APPLICATION FOR PERMIT TO PROSPECT FOR MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES, SCHOOL LANDS, INYO COUNTY; EDWARD P. PRESCOTT - W 7230, PRC 4732.2.

During consideration of Calendar Item 6 attached, a letter was introduced for the record from Mr. Albert Kimbrig who objected, on behalf of the land owners, to the term length of the permit under consideration.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 86 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, THE ISSUANCE OF THE PERMIT FOR PROSPECTING IN THE AREA UNDER APPLICATION WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.
2. AUTHORIZES THE MODIFICATION OF THE STANDARD MINERAL PROSPECTING PERMIT TO INCLUDE THE FOLLOWING:

ANY PROVISIONS IN THIS PERMIT TO THE CONTRARY NOTWITHSTANDING, PERMITTEE AGREES THAT NO LEASE WILL BE ISSUED PURSUANT TO THE TERMS OF THIS PERMIT UNLESS AND UNTIL THE STATE LANDS COMMISSION HAS MADE A FAVORABLE ENVIRONMENTAL IMPACT REPORT ON SUCH LEASE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6371 OF THE PUBLIC RESOURCES CODE, AS SAID SECTION MAY BE AMENDED OR MODIFIED BY OTHER LAW AT THE TIME THE PERMIT LANDS SHALL BE CLASSIFIED AS KNOWN MINERAL RESOURCES LANDS.

3. PURSUANT TO SECTION 6891 OF THE PUBLIC RESOURCES CODE, FINDS THAT SECTION 36, T. 27 N., R. 4 E., S.B.M., CONTAINING 640 ACRES MORE OR LESS, IS NOT KNOWN MINERAL LANDS, AND AUTHORIZES THE ISSUANCE TO EDWARD P. PRESCOTT OF THE STANDARD FORM OF PROSPECTING PERMIT FOR A TERM OF TWO YEARS TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES IN SAID LAND.

ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS, UPON ANY AND ALL MINERALS PRODUCED, EXTRACTED, OR SOLD FROM SAID LEASE PREMISES, TO BE DETERMINED AS FOLLOWS:

10% OF THE SALES PRICE, F.O.B. MINE, DRY BASIS, BUT NOT LESS THAN 40¢ PER TON.

THE MINIMUM ANNUAL ROYALTY ON 3,750 TONS SHALL BE DUE AT THE BEGINNING OF THE LEASE YEAR. SUCH MINIMUM ROYALTY SHALL BE CREDITED AGAINST ROYALTIES PRODUCED DURING THE YEAR.

Attachment:

Calendar Item 6 (2 pages)

CALENDAR ITEM

2/73
JFS
W 7230

6.

APPLICATION FOR PERMIT TO PROSPECT FOR MINERALS
OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES

APPLICANT: Edward P. Prescott.

LOCATION: Section 36, T. 27 N., R. 4 E., S.B.M., Inyo County.

TYPE OF LAND: School lands.

SURFACE OWNERS:

Mr. Albert Kimbrig, Lillian Kimbrig, Lillian Goodman, Sidney Goodman, Tillie Gottfried, William Gottfried, Joseph Kimbrig, Rochelle Stone, and Sarah Berkes.

MINERAL: Clay.

METHOD OF EXPLORATION:

Core drilling and shallow trenching. All holes and excavations will be filled and graded.

PREREQUISITE ITEMS:

1. Surface owners were notified of their preferential rights and elected not to exercise their rights.
2. Area was inspected and determined to be not known mineral lands.
3. Statutory filing fees, permit fees, and expense deposits have been submitted by the applicant.
4. Application approved by the office of the Attorney General.
5. Proposed royalty schedule has been approved by the applicant.

OTHER PERTINENT INFORMATION:

1. The Environmental Impact Report No. 86 prepared in connection with this application covers the prospecting phase of operations only, as agreed to and acknowledged in writing by the applicant, and any application for a future lease shall be subject to a separate environmental impact report covering the production phase of operations.
2. The standard mineral prospecting permit form has been modified by the inclusion of a paragraph covering the above condition.

CALENDAR ITEM NO. 6. (CONTD)

3. An environmental impact report has been prepared and circulated. The report concludes that prospecting operations under the proposed permit will not have a significant detrimental environmental effect.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

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