

This Calendar Item 32
was approved by the Commission
No. 32 on the State Lands
Commission on the 10th of 3
to 0 at its 12/20/78
meeting.

CALENDAR ITEM

32.

12/78
W 40063
Smith

PROSPECTING PERMIT FOR MINERALS
OTHER THAN OIL AND GAS

APPLICANT: American Copper and
Nickel Company, Inc.
11437 W. 48th Avenue
Wheat Ridge, Colorado 80033

TYPE OF LAND: School land.

AREA AND LOCATION:
Section 16, T11N, R14E, SBB&M, San Bernardino
County. The property is located approximately
35 miles southeast of Baker.

PROPOSAL: To evaluate the potential for minerals
other than oil, gas and geothermal of the
subject State lands. Primary objective
is to determine if molybdenum and related
mineral deposits exist in commercial quantities
and, if so, propose a plan for their extraction.

METHOD OF EXPLORATION:
The applicant proposes to drill two 1500-foot
holes to determine if commercial mineralization
occurs at depth. A tentative drillsite
is located approximately in the center
of the SW $\frac{1}{4}$ of the section. Final sites
will be selected upon completion of surface
geological mapping and analysis of samples
from rock outcrops. All data collected
will be correlated with that obtained from
some 66 lode claims which the applicant
has located in adjoining Sections 8, 9
and 17.

ROYALTY: If a discovery is made, resulting in the
issuance of a preferential lease royalty
shall be 10% of gross sales revenue less
specific charges, as approved by the
Commission, relating to transporting and
processing costs. Annual minimum royalty
shall be \$5000.

A 34

S 16

CALENDAR ITEM NO. 32. (CONTD)

PREREQUISITE TERMS:

1. Statutory filing fees and permit fees have been deposited by the applicant.
2. The subject permit has been reviewed and approved by the Office of the Attorney General as to compliance with applicable provisions of law pursuant to Section 6890 of the P.R.C.
3. The area is not know to contain commercially valuable deposits of minerals.
4. The Commission has certified the negative declaration, prepared for this project, on October 26, 1978.

OTHER PERTINENT INFORMATION:

1. A negative declaration was prepared by the Commission's staff pursuant to CEQA and implementing regulations.
2. This project is situated on State land as possessing environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class A, which authorizes Restricted Use.

Staff has coordinated this application with those agencies who nominated the site as containing significant environmental values. They have found this application to be compatible with their nomination.

EXHIBIT: A. Location Map.

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 THE NEGATIVE DECLARATION NO. 227 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CEQA OF 1970, AS AMENDED, AND THE STATE EIR GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

CALENDAR ITEM NO. 32. (CONTD)

3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. FIND THAT GRANTING OF THE APPLICATION WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 ET SEQ. OF THE P.R.C.
5. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.
6. AUTHORIZE ISSUANCE OF THE PROSPECTING PERMIT, TO THE AMERICAN COPPER AND NICKEL COMPANY, INC., FOR A TERM OF 2 YEARS FOR ALL MINERALS OTHER THAN OIL, GAS AND GEOTHERMAL RESOURCES IN SECTION 16, T11N, R14E, SBB&M, SAN BERNARDINO COUNTY; 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 MINERAL PRODUCTS EXTRACTED OR REMOVED FROM SAID PREMISES FOR SALE OR STOCKPILING, SHALL BE 10% OF THE GROSS SALES REVENUE LESS SPECIFIC CHARGES, AS APPROVED BY THE COMMISSION, RELATED TO TRANSPORTING AND PROCESSING AS SET FORTH IN SAID PERMIT.

EXHIBIT "A"

STATE LANDS COMMISSION

W 40063

Application for Prospecting Permit
by
American Copper & Nickel Company, Inc.
Section 16, T.11N., R. 14 E.

SAN BERNARDINO COUNTY

JFS

