

MINUTE ITEM

This Calendar Item No. C17
was approved as Minute Item
by the State Lands
Commission by a vote of 3
to 0 at its 1/27/83
meeting.

CALENDAR ITEM

C 17 . A

1/27/83
W 23078
Childress
PRC 6375

GENERAL LEASE - RIGHT-OF-WAY USE

APPLICANT: Molycorp, Inc.
P. O. Box 124
Mountain Pass, California 92366

AREA, TYPE LAND AND LOCATION:
A 100 foot wide strip containing a 5.477-acre
parcel of State school land, located in
San Bernardino County.

LAND USE: Installation, operation and maintenance
of a 14-inch diameter pipeline for the
transportation of potable water.

TERMS OF PROPOSED LEASE:
Initial period: 49 years from January 20,
1983.

Public liability insurance: \$300,000 for
combined single limit
coverage.

CONSIDERATION: \$668 per annum with the State reserving
the right to fix a different rental on
each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Adm. Code 2003.

A 34

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CALENDAR ITEM NO. C 17 (CONTD)

PREREQUISITE TERMS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884: 8/10/83.

OTHER PERTINENT INFORMATION:

1. The applicant desires to install a 14-inch diameter pipeline for the transportation of potable water. The current water available has excessive fluoride, over three parts per million. The pipeline water will supply potable water which is in conformance with a mandate for a lower fluoride-level drinking water by the San Bernardino County Health Department.

The right-of-way will be 100 feet wide and approximately one-half mile long across the NE $\frac{1}{4}$ of Section 16, T16N, R13E, SBM which is State school lands. The pipeline will be buried six-inches to two feet deep, except at wash crossings where burial or bridging may be employed.

2. A Negative Declaration No. 324 was prepared and circulated pursuant to CEQA and the State CEQA Guidelines and no adverse comments were received through circulation. The negative declaration found that the project will not have a significant effect on the environment.
3. The project is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and classified in a use category "B" which authorizes Limited Use. The project as proposed will not have a significant effect upon the identified environmental values.

CALENDAR ITEM NO. 17. (CONTD)

- EXHIBITS:
- A. Land Description.
 - B. Location Map.
 - C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A NEGATIVE DECLARATION HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION AFTER CONSULTATION WITH RESPONSIBLE AND TRUSTEE AGENCIES.
2. CERTIFY THAT A NEGATIVE DECLARATION, NO. 324, HAS BEEN COMPLETED IN ACCORDANCE WITH CEQA, THE STATE CEQA GUIDELINES, AND THE COMMISSION'S ADMINISTRATIVE REGULATIONS; AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN TOGETHER WITH COMMENTS RECEIVED DURING THE REVIEW PROCESS.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AND THAT THE PROJECT IS CONSISTENT WITH ITS USE CLASSIFICATION.
4. AUTHORIZE ISSUANCE TO MOLYCORP, INC. OF A 49-YEAR GENERAL LEASE - RIGHT-OF-WAY USE, FROM JANUARY 20, 1983; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$668, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$300,000 FOR COMBINED SINGLE LIMIT COVERAGE; FOR THE INSTALLATION, MAINTENANCE AND OPERATION OF A 14-INCH DIAMETER POTABLE WATER PIPELINE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

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EXHIBIT "A"

LAND DESCRIPTION

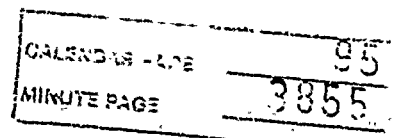
W 23078

A strip of State school lands 100 feet wide in Section 16, T16N, R13E, SBM, San Bernardino County, State of California, said strip lying 50 feet on each side of the following described centerline:

COMMENCING at a witness corner bearing N 0° 17' 25" E 6.60 feet from the East 1/4 corner of said Section 16; thence along the east line of said Section 16, N 0° 17' 25" E 932.39 feet to the south line of Tract 38 of said Township; thence along the boundary of said Tract 38, S 89° 54' 29" W 264.16 feet; thence N 00° 06' 26" W 168.17 feet to the TRUE POINT OF BEGINNING; thence westerly 24.26 feet along a curve concave to the south, said curve having a radius of 6150 feet, a radial bearing of N 4° 21' 00" W at the beginning of said curve, through a central angle of 0° 13' 34"; thence non-tangent to said curve N 88° 27' 40" W 2361.11 feet to a point on the west line of the NE 1/4 of said Section 16 and the end of the herein described line.

END OF DESCRIPTION

REVISED NOV. 30, 1982 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.



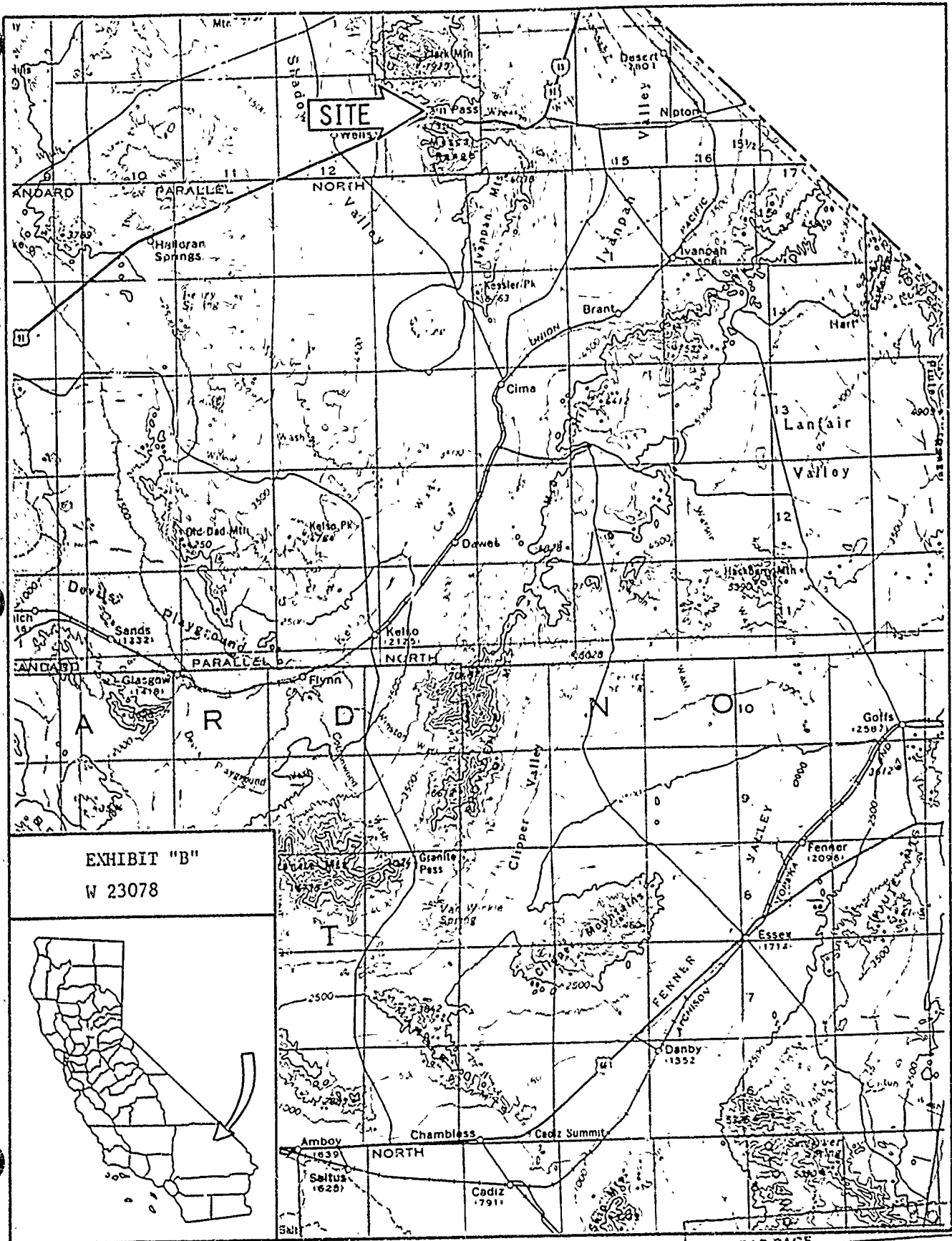
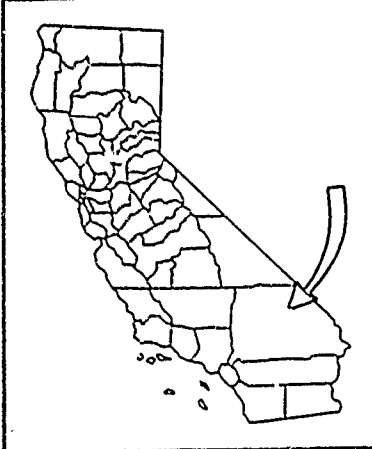


EXHIBIT "B"
W 23078



PROPOSED NEGATIVE DECLARATION

EIR ND 324

File Ref.: W 23078

SCH#: 82082708

Project Title: Molycorp Pipeline.

Project Location: NE $\frac{1}{4}$ of Section 16, T.16 N., R.13 E., S.B.M., approximately one mile west of Mountain Pass, San Bernardino County, California.

Project Description: Placement of a 10-inch potable water pipeline from Valley Wells to Mountain Pass, paralleling existing Cal-Nev petroleum pipeline along old U.S. Highway 91 and Interstate 15, to transport higher quality drinking water to Mountain Pass.

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 CEQA Guidelines (Section 15000 et seq., Title 14, of the California Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2, of the 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
1807-13th Street
Sacramento, CA 95814
Telephone: (916)322-7813

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ENVIRONMENTAL ASSESSMENT/LAND REVIEW

A. Environmental Assessment

I. Proposed Action and Alternatives

A. The Molybdenum Mining Operation at Mountain Pass made application on March 22, 1962 for a right-of-way, CA 12455. The purpose of the request was to authorize the building of a 10 inch potable water pipeline from Valley Wells to Mountain Pass, California. The pipeline would roughly parallel the Cal-Nev Pipeline Company petroleum pipeline corridor through the area, old U.S. Highway 91 and Interstate 15.

Discreet actions include the trenching of a corridor for the pipeline which will be buried at a depth of six inches to two feet. The applicant proposes to bridge the washes and gullies. The water facility associated with this pipeline and thus providing the water to be transported, will be constructed at one of four sites selected for potential drilling as recognized by a contracted water table/recharge report. The four sites are located on Molybdenum owned private land and valid Molybdenum mill site claims, respectively.

Ninety percent of the water transported will be directed toward industrial use and 10 percent will fill domestic needs at the Mountain Pass community.

B. The only alternative action considered in light of this request was that of no action or rejection of the proposal. This would place a burden on Molybdenum's operation as they have demonstrated a need for additional water through increased operations and personnel.

II. Affected Environment

The proposed action is located on the eastern bajada/slope of Shadow Valley in the eastern Mojave Desert of San Bernardino County. The dominant geographic features in this area are Clark Mountain to the north, the Mescal Range and Ivanpah Mountains to the southeast, Cima Dome further to the south, and Shadow Valley to the immediate west, northwest and south. The proposed pipeline will follow from an elevation of approximately 3600 feet to almost 4800 feet at Mountain Pass. The Clark Mountain and Mescal ranges, Ivanpah Mountains and Cima Dome form a divide separating two large drainage systems. The Clark Mountain/Valley Wells area is one of the Mojave Desert's groundwater discharge locations, marked by springs at the higher elevations and by wells in the valley.

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Approximately 117.58 acres will be affected by the proposal with 2.35 acres directly impacted by the discrete actions.

To paraphrase the report on "Ground Water Conditions in Shadow Valley, California", as it pertains to recharge:

Total annual recharge is estimated between 1600 acre feet and 3500 acre feet. The total estimated current water use in the valley is 25 acre feet. On the right-of-way permit application, total water draw is listed as 192 million gallons per year which is 589 acre feet per year. Thus, Polycoro is well within the most conservative estimate of water recharge to the valley.

For additional information, see report by Leroy Crandell and Associates in the case file.

The subject area is not considered to be crucial habitat for any wildlife species including the desert tortoise. The area at the eastern terminus of the proposed pipeline is within rather marginal habitat for desert bighorn sheep. There are no federally or state-listed species of wildlife known to occur in or near the subject area.

Plant communities crossed by the proposed pipeline from Valley Wells to Mountain Pass include Shadscale Scrub, Blackbush Scrub and Joshua Tree Woodland. Characteristic plant species in these communities include shadscale, winter fat, and spiny hop sage; blackbush, nevada mormon tea, and spiny menodora; joshua tree, mojave yucca, and narrowleaf golden-bush, respectively. Four sensitive plant species are known to occur in the area of the proposed action: Astragalus cinnæ var. cinnæ, Crotonantha cumulosa, Eriogonum parisi, and Phacelia amelsonii. Two UPA's (unusual plant assemblages) occur within or near the proposed right-of-way: Shadscale Scrub Assemblage and Basic Rupicola Assemblage associated with limestone/dolomite outcroppings.

The proposed action is included within the Valley Wells and Clark Mountain grazing allotments.

The proposed action is located in an area evaluated visually as VTM Class II, which states that changes caused by a proposed activity should not be evident in the characteristic landscape. A contrast may be seen but should not attract attention. The project, as outlined, will inject no more than minimal visual impact to the present environment.

A cultural resources evaluation was performed by an archaeological team associated with the University of California-Riverside. A review of the California Archaeological Site Survey records indicated that nine previously recorded sites were located within 1/2 mile of the proposed pipeline route. None of these sites were encroached during careful inspection of the route, and it can only be assumed that they are located further than 50 meters from the pre-flagged survey line. One isolated Brown Ware ceramic sherd was located in the vicinity of the recorded location of CA-SBr-2691. For additional information see report included in case file.

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Based upon information supplied by the San Bernardino County Museum paleontologist, it has been learned that lacustrine sediments in the Valley Wells area are known to produce fossil mammoth teeth and jaws. Such remains were discovered during excavation for the Cal-Nev Pipeline Company right-of-way which parallels the proposed action. Particular areas of concern were identified as T. 16 N., R. 12 E; SBRM; sections 26 and 27.

III. Environmental Consequences

The ground water report commissioned by Molycorp prior to application for right-of-way presents data which lessens the fear of water depletion in the Valley Wells-Mountain Pass area. Recharge capabilities are such that present uses would not be slighted by further developments. Supplying water to desert communities and mining operations is of ongoing concern with all activities contingent upon these efforts. Given the report's figures, ground water regeneration in Shadow Valley would not be adversely affected by the implications of the proposed action.

Wildlife and vegetation would not be permanently impacted by the proposed action, which is anticipated to result in only moderate disruption of the structure and functioning of the biotic communities in the area. Moderate and orderly natural succession/reegation is anticipated to take 25-100 years after completion of the proposed project. No impacts to sensitive plants or WPA's are anticipated as a result of the proposed action.

The proposed action would not adversely affect the two grazing allotments traversed. There are no range improvements represented in this area that would be crossed by the pipeline. The water table which supplies the livestock watering facilities in this area would not be adversely impacted.

The proposed action is not located within a Wilderness Study Area. The project, as outlined, is within the criteria assigned to Visual Resource Management Class II.

It was the conclusion of the contracted archaeological report that the installation of the proposed water pipeline in the surveyed corridor would not have an adverse impact on the cultural resources of the Valley Wells-Mountain Pass area.

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IV. Recommended Mitigation

Standard stipulations for archaeological resources and surface disturbing actions will be imposed. Also, should any livestock fences be crossed, the improvement shall be repaired to its original condition and no opportunity allowed for the loss of cattle.

B. Decision Factors

I. Land Status

Of the 9.7 miles of pipeline required to transport water from Valley Wells to Mountain Pass, all but approximately .9 miles is located on Public Land administered by the Needles Resource Area Office. There are several rights-of-way in evidence:

LA 0168855	25'	pipeline
LA 0144389	20'	pole line
S 5587	25'	pipeline
R 01718	200'	road

The one private parcel traversed by the proposed pipeline is owned by Ruth Shelby. Permission has been granted by her for the crossing of her property by a Molycorp pipeline.

II. Location and Identification

The subject land under request for right-of-way is located in T. 16 N., R. 12, 13 E.; SB21; sections 24, 26, 27, 28 and 13, 14, 15, 16, 17, 19, 24 respectively, between Valley Wells and Mountain Pass, California, north of Interstate 15.

Molycorp flagged the route to facilitate field examination and survey prior to evaluation by the Needles Resource Area office.

III. Access

The proposed right-of-way is reached by exiting off Interstate 15 at either Valley Wells (Cima Road) or Mountain Pass (Bailey Road), driving to old Highway 91, now maintained as a service road. The pipeline is proposed to parallel this accessway.

IV. Land Use

Historically, this area has been used for grazing by various ranches. Mining has been an important activity at the higher elevations.

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More recently, this area has developed into a transportation and communication corridor between Las Vegas and the Los Angeles Basin. The Interstate has fostered an increase in service related facilities at various exits from the state line, westward. Also, Mountain Pass has grown as a rare earths mining district which has generated housing, services and communications for 200 plus people. Grazing continues to generate interest in the area with four allotment boundaries in this general area.

V. Relationship of Proposed Action to Land Use Plans

The proposed action is located within the Interstate 15 corridor assigned by the Energy Production and Utility Corridors element of the California Desert Plan. This corridor varies from two to five miles in width dependent upon necessity, and is used as a tool for guiding utility development. The designation recognizes the propensity in this area for future growth of utility related projects. This project would not conflict with elements of the San Bernardino County General Plan.

VI. Participants

James Badger, Realty Specialist Trainee
James Bicket, Wildlife Biologist, Needles Resource Area
Maureen Hales, Botanist, Needles Resource Area
Ruth Misser, Archaeologist, Needles Resource Area
John Failey, Outdoor Recreation Planner, Needles Resource Area
Roger Britton, Surface Protection Specialist, Needles Resource Area
Elizabeth Sorenson, Range Conservationist, Needles Resource Area
Beverley Condrey, Realty Specialist, Needles Resource Area