

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 3-2
to 0 at its 9/25/84
meeting.

CALENDAR ITEM

A 68
S 36

36

09/25/84
W 40427
Hart
PRC 6734

APPROVAL OF A PROSPECTING PERMIT FOR
MINERALS OTHER THAN OIL, GAS, GEOTHERMAL
RESOURCES, SAND, GRAVEL, AND IRON ORE,
RIVERSIDE COUNTY.

APPLICANT:

Kaiser Steel Corporation
P. O. Box 317
Desert Center, California 92239

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

PROPOSED AUTHORIZATION:

Approval of a Prospecting Permit for two years
to prospect for gold, silver and other valuable
minerals, other than oil, gas, geothermal
resources, sand, gravel, and iron ore on 145.43
acres of land located in Riverside County.

CONSIDERATION: Filing fee of \$25, expense deposit of \$100 and
an acreage deposit of \$145.43.

TYPE OF LAND AND LOCATION:

Patented State school land - SW 1/4 of Lot 5;
Lots 6, 10, 11; N 1/2 of Lot 9; S 1/2 of SW 1/4
of NE 1/4, Sec 36, T3S, R14E, SBM, Riverside
County, twelve miles northwest of Desert Center.

PROPOSED PROJECT:

Kaiser Steel Corporation will use hand tools to
conduct geologic mapping, rock chip, soil
sampling, and geophysical (electrical
resistivity, gravimetric and/or magnetometer)
surveys to prospect for valuable minerals
within the boundaries of Iron Ore Extraction
Lease PRC 5678.2 issued to Kaiser Steel Corp.

Any vehicle access will be restricted to existing roads. No surface disturbance such as road construction, trenching, clearing or use of explosives will be permitted.

Any proposed activity not authorized by this permit 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.

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

ROYALTY: Royalty payable under the permit shall be 20 percent of the gross value of the minerals secured from the permit area and sold or otherwise disposed of or held for sale or other disposition.

PREREQUISITE ITEMS:

1. Required statutory filing fee, expense deposit and acreage deposit have been submitted by the applicant.
2. Subject parcel is not known to contain a commercially valuable deposit of minerals except for iron ore.
3. Royalty payable under any preferential lease issued shall not be less than ten percent of the gross revenue, less specific charges, as approved by the Commission, related to transporting and processing as set forth in said lease.

STATUTORY REFERENCES:

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

AB 884

10/17/84.

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 the permit, the applicant would have a preferential right to a lease for a maximum of 145.43 acres embraced within the permit. Said right shall be subject to all necessary environmental approvals. The permit will not affect the discretion of the Commission in granting or denying the lease because of such environmental considerations.

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the subject permit application has 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.

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 THIS PROSPECTING PERMIT AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE SAME PROJECT DESCRIBED IN THE PERMIT. ANY EXTENSION SHALL NOT EXCEED ONE YEAR.

2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS OTHER THAN IRON ORE.
3. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO KAISER STEEL CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS, OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND, GRAVEL, AND IRON ORE ON THE SW 1/4 OF LOT 5; LOTS 6, 10, 11; N 1/2 OF LOT 9; S 1/2 OF SW 1/4 OF NE 1/4, SEC 36, T3S, R14E, S8M, RIVERSIDE COUNTY, CONTAINING 145.43 ACRES; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT; ROYALTY PAYABLE UNDER THE PERMIT SHALL BE 20 PERCENT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS FOR ANY AND ALL MINERALS EXTRACTED OR REMOVED FROM SAID PREMISES FOR SALE OR STOCKPILING SHALL NOT BE LESS THAN TEN PERCENT OF THE GROSS REVENUE, LESS SPECIFIC CHARGES, AS APPROVED BY THE COMMISSION, RELATED TO TRANSPORTING AND PROCESSING, AS SET FORTH IN SAID LEASE. THE DETERMINATION OF SAID ROYALTIES SHALL BE AT THE DISCRETION OF THE COMMISSION.

EXHIBIT "A"

LAND DESCRIPTION

W 40427

A parcel of California State school lands in Riverside County, California,
described as follows:

SW $\frac{1}{2}$ of Lot 5; Lots 6, 10, 11; N $\frac{1}{2}$ of Lot 9;
S $\frac{1}{2}$ of SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 36, T 3 S,
R 14 E, SBM.

END OF DESCRIPTION

PREPARED AUGUST 14, 1984, BY BOUNDARY AND TITLE UNIT.

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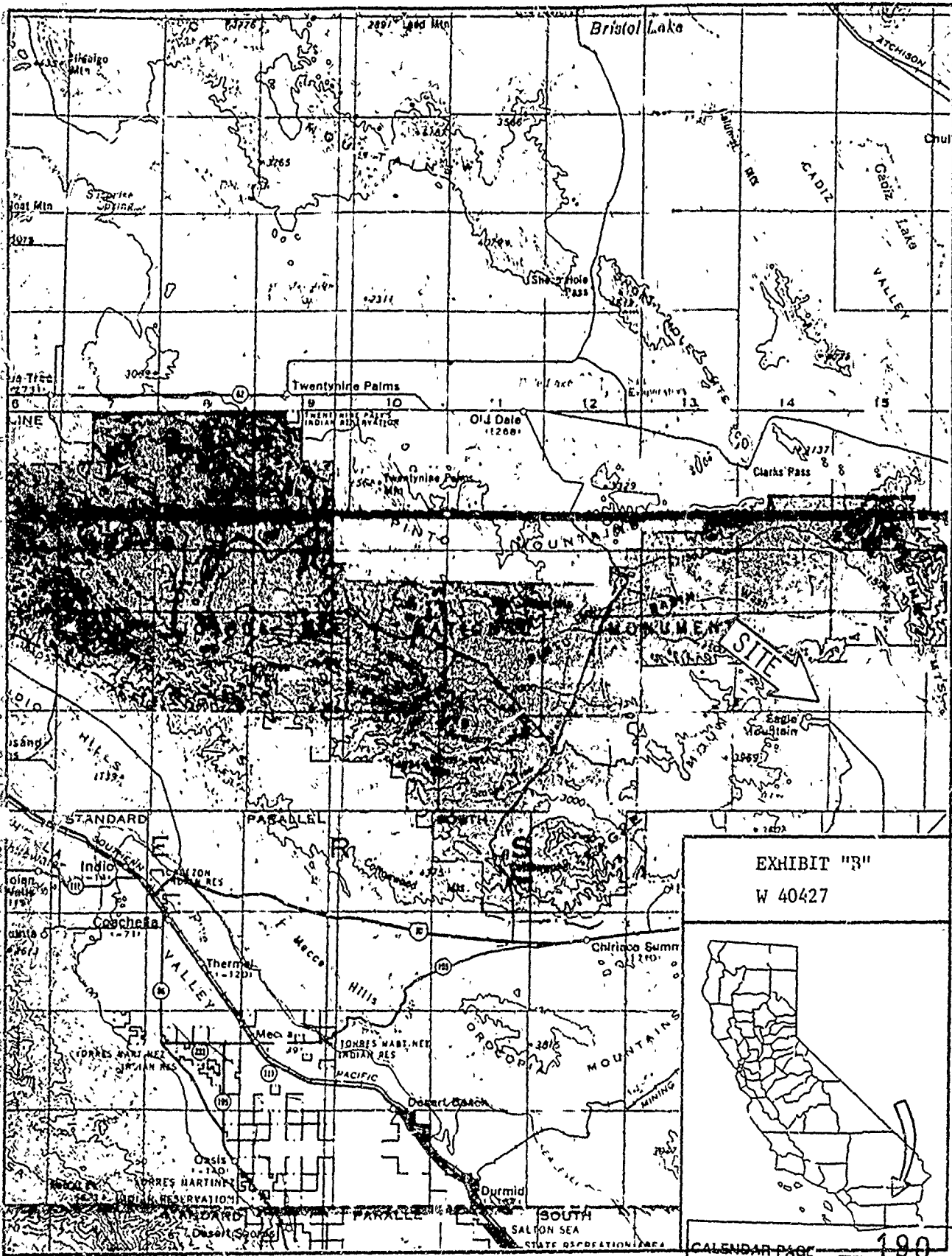


EXHIBIT "R"
W 40427



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