MINUTE ITEM

This Calendar Item No. 38
was approved as Minute Item
No. 38 by the State Lands
Commission by a vote of 2
to 0 at its 11/29/84
meeting.

CALENDAR ITEM

A 80

S 31, 37

38

11/29/84
W 40390 PRC 6755
W 40414 PRC 6756
Hart PRC 6757
PRC 6758

APPROVAL OF FOUR PROSPECTING PERMITS FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL, IMPERIAL COUNTY

APPLICANT: Gold Fields Mining Corporation
200 Union Blvd., Suite 500
Lakewood, Colorado 80228

Agent: G. Joan Olson
200 Union Blvd., Suite 500
Lakewood, Colorado 80228

PROPOSED AUTHORIZATION:
Approval of four Prospecting Permits for two years to prospect for gold, silver and other valuable minerals, other than oil, gas, geothermal resources, sand and gravel on approximately 2,553 acres of land located in Imperial County.

CONSIDERATION: Filing fees totaling $100, expense deposits totaling $400 and acreage deposits totaling $2,553.

TYPE LAND AND LOCATION:
Patented State school land - (Parcel I) Sec 16, T13S, R20E, SBM, excepting power line right-of-way easement.
State school land - (Parcel II) Sec 36, T13S, R20E, SBM; (Parcel III) Sec 16, T14S, R20E, SBM and (Parcel IV) Sec 16, T14S, R21E, SBM, Imperial County, 12 miles east of Glamis.

PROPOSED PROJECT:

Gold Fields Mining Corporation proposes to conduct multiphased exploration on each of the four parcels for valuable minerals with the execution of each phase dependent upon the achievement of success in the immediately preceding phase. The proposed project for each parcel consists of geophysical survey work and a drilling program.

Phase I Project Description:

Geophysical testing (electric self-potential and resistivity, gravity, magnetics, and controlled sources audio-magneto tellurics) will be conducted on each parcel.

The following number of holes will be drilled on each parcel only on sites located within the existing network of access roads and jeep trails:

Parcel I - four drill holes; Parcel II - 30 drill holes; Parcel III - no drill holes; Parcel IV - 17 drill holes. One truck-mounted reverse circulation rotary drill rig using compressed air as a drilling fluid will be utilized to drill each 5-1/4 inch diameter hole to a maximum depth of 700 feet. Samples will be assayed for gold and other elements. Selection of all drill site locations shall give priority consideration to terrain requiring minimal drill pad preparation.

Prior to commencing drilling operations under Phase I, permittee shall walk over the permit area with a State Lands Commission staff member to ensure that the proposed drilling locations are consistent with the provisions, conditions and mitigation measures set forth in the permit.

Phase I Mitigation Measures:

1. No surface disturbance such as trenching, drilling or test pitting or removal of any materials shall be permitted during the geophysical testing.

2. Vehicle access, pad preparation and leveling shall be restricted to existing roads and jeep trails.

3. Road maintenance shall be performed by a tracked crawler and shall be confined to existing access areas that have been totally washed away. Road maintenance activities shall not exceed earth movement totalling 1,000 cubic yards.

4. Prior to drilling each hole, permittee shall inspect each drill site to determine if burrowing animals are present. If any burrows are found, the drill hole shall be located where burrows will not be adversely affected. Any desert tortoise found on access roads shall be moved to a minimum distance of 750 feet from the edge of the road. Locations of any desert tortoises shall be reported to staff of the State Lands Commission.

5. All drill cuttings shall be disposed of off the permit area.

6. Any water required shall be provided to the drill sites from sources outside the permit area.

7. All drill holes shall be sealed by placing a plug 20 feet below the surface. The volume between the plug and the surface shall then be backfilled with gravel. All drill holes encountering water shall be cemented or grouted from bottom to top.

8. Sides of washes shall be left intact and no vegetation shall be removed. If any the wash sites are inadvertently disturbed, Commission staff approved corrective action shall be promptly undertaken by permittee.

9. Vehicle use shall occur only during daylight hours.

10. The permittee shall contact the staff of the State Lands Commission if any native American remains or artifacts are uncovered during the project and shall not further disturb areas where such remains and/or artifacts are discovered.

11. Permittee shall avoid disturbance of plants found in the permit area.

Phase II Project Description:

If the results of Phase I are favorable, Phase II will be initiated on the parcels with the favorable results. Phase II will be limited to the drilling of the following number of holes on each parcel utilizing existing access where possible: Parcel I - 17 drill holes; Parcel II - 30 drill holes; Parcel III - 19 holes; Parcel IV - seven holes. Selection of drill sites will be on the basis of the terrain requiring minimal drill pad preparation.

During the circulation of the proposed Negative Declaration, the Department of Fish and Game requested that a biological survey be performed in order to determine if any wildlife habitat or unique, rare or endangered species of animals or plants exist in the permit area. In order to meet this concern, the permit requires the permittee, prior to initiating any work under Phase II, to provide the State Lands Commission with a detailed site specific plan designating the proposed drill sites and access routes. No work under Phase II shall be commenced until the plan, or an amended plan, is approved by the Executive Officer of the State Lands Commission. The Commission staff, in consultation with the staff of the Department of Fish and Game, shall analyze the proposed plan and perform a biological survey to determine if any wildlife habitat or any unique, rare or endangered species of animals or plants exist at, or in the near vicinity of the proposed drill sites and access routes. Permittee shall assist in this analysis and survey by staking out the proposed drill sites and access routes and by providing a responsible individual to walk over the specific plan area with the State staff members. If any significant wildlife habitat or unique, rare or endangered species of animals or plants are determined to exist at or in the immediate vicinity of any proposed drill sites or access routes, such drill sites and access routes shall be deleted from the specific plan and the permittee shall not conduct any activities in such areas.

Phase II Mitigation Measures

The mitigation measures applicable to Phase I (except the requirement that drilling be limited to sites located within existing roads and jeep trails) shall also be applicable to Phase II. In addition, the following mitigation measures shall also be applicable to Phase II:

12. New access road construction where required shall not exceed earth movement of more than 1,000 cubic yards from each one-acre site, and total earth movement associated with creating new access routes shall not exceed 5,000 cubic yards.

13. Pad preparation and leveling shall be performed by bulldozer and shall not exceed 100 cubic yards of earth movement per pad area of 50' x 50' x 1'.

14. Surface abandonment shall consist of regrading all newly created pads to a shape approximating the original contour, and revegetation utilizing plant species contained on the site prior to disturbance.

Any proposed activity not authorized by the four permits 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 each Prospecting Permit is two years. The Commission may, in its discretion, extend the term for one additional year.

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

PREREQUISITE ITEMS:

1. Required statutory filing fees, expense deposits and acreage deposits have been submitted by the applicant.

2. Subject parcels are not known to contain commercially valuable deposits of minerals.

3. Royalty payable under any preferential lease issued shall not be less than 10% of the gross value of all mineral production from the leased lands, less any charges approved by the Commission made or incurred with respect to transporting or processing the State's royalty share of production. The determination of said royalty and charges shall be at the discretion of the Commission and 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: 01/12/85 (W 40390).
01/13/85 (W. 40414).

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has prepared and circulated for public review a proposed Negative Declaration identified as EIR ND 265, State Clearinghouse 84012505 (W 40390) and 84042506 (W 40414) pursuant to the provisions of the CEQA. A copy of this environmental document is attached as Exhibit "C".

   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. Adm. Code 15074(b)).

2. One parcel of land involved in this activity is identified as possessing significant environmental values pursuant to P.R.C. 6370 et. seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

3. 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 each permit, the applicant would have a preferential right to a lease for a maximum of 160 acres embraced within each permit. Said right shall be subject to all necessary environmental approvals. The issuance of each permit shall not affect the discretion of the Commission in granting or denying such lease because of environmental considerations.

4. Each permit shall provide for a performance bond in favor of the State. The total of such bonds is $165,000.

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the subject permit applications and form have 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.
C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT NEGATIVE DECLARATION 365, STATE CLEARINGHOUSE 84012505 (W 40390) AND 84042506 (W 40414), WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN. THE PROJECT SHALL INCLUDE FOUR PROSPECTING PERMITS AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE SAME PROJECT DESCRIBED IN THE PERMITS, ANY EXTENSION SHALL NOT EXCEED ONE YEAR.

2. DETERMINE THAT THE PROJECT, AS AMENDED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

3. FIND THAT THIS ACTIVITY AS PROPOSED IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370 ET SEQ.

4. DETERMINE THAT THE LANDS DESCRIBED IN THE FOUR PERMITS ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALLY VALUABLE DEPOSITS OF MINERALS.

5. AUTHORIZE THE ISSUANCE OF FOUR PROSPECTING PERMITS TO GOLD FIELDS MINING CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS, OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL, ON (I) SEC 16, T13S, R20E, SBM, EXCEPTING A RIGHT-OF-WAY EASEMENT, 2,959 FEET IN LENGTH AND 100 FEET IN WIDTH, CROSSING THE W 1/2 of SW 1/4 AND THE SW CORNER OF SW 1/4 OF NW 1/4; (II) SEC 36, T13S, R20E, SBM; (III) SEC 16, T14S, R20E, SBM; AND (IV) SEC 16, T14S, R21E, SBM; IMPERIAL COUNTY, CONTAINING APPROXIMATELY 2,553 ACRES: IN

CALENDAR ITEM NO. 38 (CONT'D)

ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER THE FOUR PERMITS SHALL BE 20%. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALLY VALUABLE DEPOSITS OF MINERALS SHALL NOT BE LESS THAN TEN PERCENT OF THE GROSS VALUE OF ALL MINERAL PRODUCTION FROM THE LEASED LANDS, LESS ANY CHARGES APPROVED BY THE COMMISSION MADE OR INCURRED WITH RESPECT TO TRANSPORTING OR PROCESSING THE STATE'S ROYALTY SHARE OF PRODUCTION. THE DETERMINATION OF SAID ROYALTY AND CHARGES SHALL BE AT THE DISCRETION OF THE COMMISSION.

EXHIBIT "A"

LAND DESCRIPTION

W 40390
W 40414

Four parcels of California State school lands in Imperial County, California, described as follows:

PARCEL 1 (W 40414)

Section 16, T13S, R20E, SBM.

EXCEPTING THEREFROM the 6.79 acre powe[illegible] easement described in PRC 551, State Lands Commis[illegible] Records.

PARCEL 2 (W 40390)

Section 36, T13S, R20E, SBM.

PARCEL 3 (W 40414)

Section 16, T14S, R20E, SBM.

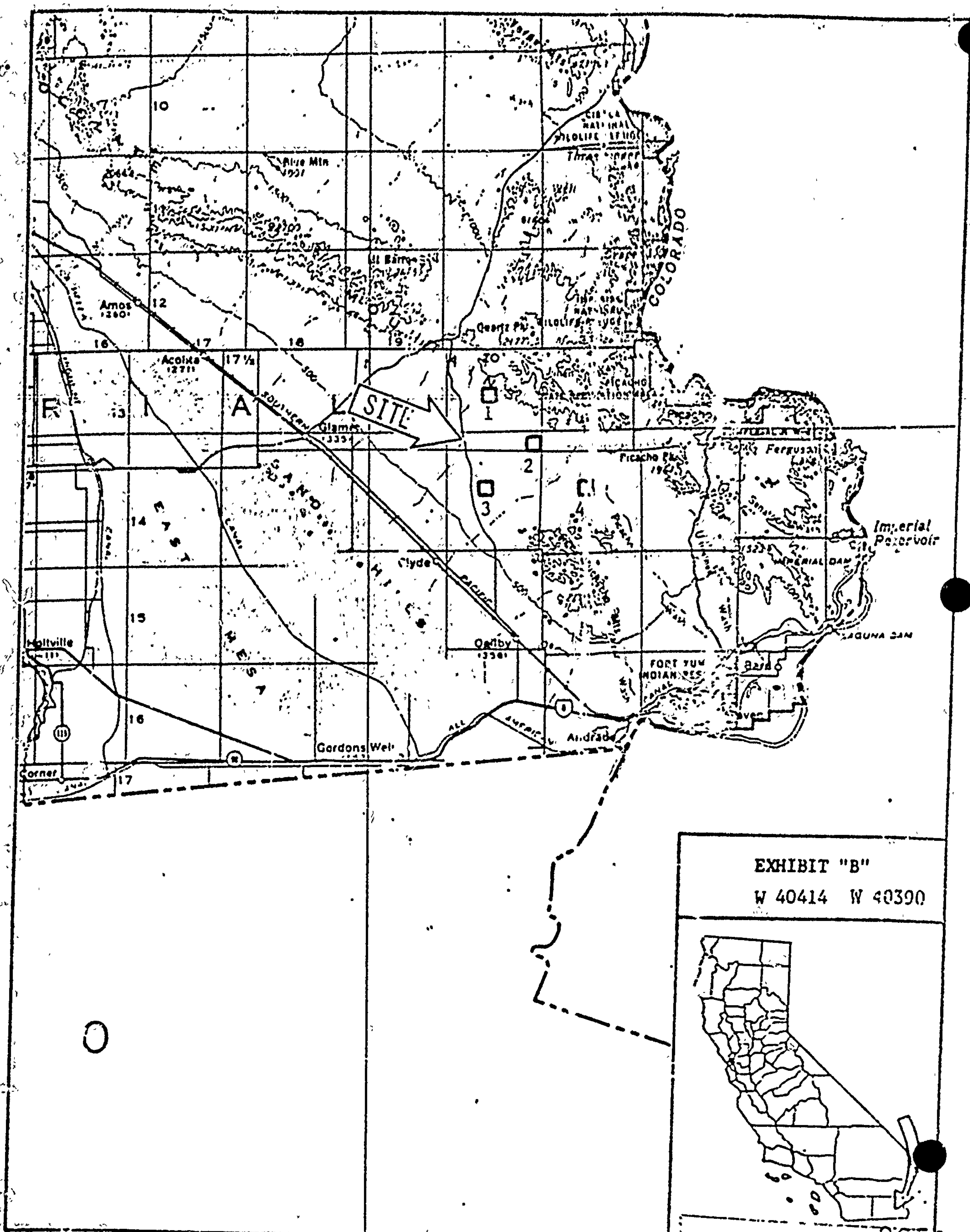
PARCEL 4 (W 40414)

Section 16, T14S, R21E, SBM.

END OF DESCRIPTION

REVISED OCTOBER 31, 1984, BY BOUNDARY SERVICES UNIT, M.L. SAFFER, SUPERVISOR

[illegible] 264
[illegible] PAGE 2802


SITE
1
2
3
4
Amos
Acolita
Glamis
Clyde
Ogilby
Holtville
Gordons Well
Andrade
Blue Mtn
Picacho
COLORADO
Imperial Reservoir
LAGUNA DAM
FORT YUMA INDIAN RES.
EXHIBIT "B"
W 40414 W 40390

265
2803

STATE OF CALIFORNIA
STATE LANDS COMMISSION

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California 95814

EXHIBIT "C"

PROPOSED NEGATIVE DECLARATION

EIR ND 365

File Ref.: W 40390
W 4014

SCH#: 84012505
84042506

Project Title: Mineral Prospecting Permit - Chocolate Mountains

Project Proponent: Gold Fields Mining Corporation

Project Location: Sections 16 and 36, T. 13 S., R. 20 E.; Section 16, T. 14 S., R. 20 E.; Section 16, T. 14 S., R. 21 E., SBBM, approximately 12 miles east of Glamis, Imperial County.

Project Description: The applicant will conduct geophysical surveys and a drilling program on each parcel to discover and delineate any possible orebody.

Contact Person: Ted T. Fukushima Telephone: (916) 322-7813

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 Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Administrative Code).

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

[x] the project will not have a significant effect on the environment.

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

266
2304

Form 13.17 (8/83)

File Ref.: W 40390 W 40414
SCH# 84012505 84042506

May 29, 1984

INITIAL STUDY
INTRODUCTION

Gold Fields Mining Corporation has applied to the State Lands Commission for four prospecting permits on four separate parcels of State land located in southeastern Imperial County. The proposed project for each parcel consists of geophysical survey work and a drilling program to discover and delineate any possible orebody. Each permit, when issued, is for a two-year period and may be extended for a maximum of one year.

This Initial Study consists of an environmental impact assessment checklist, information form responses, and maps.

STATE LANDS COMMISSION
May 1984

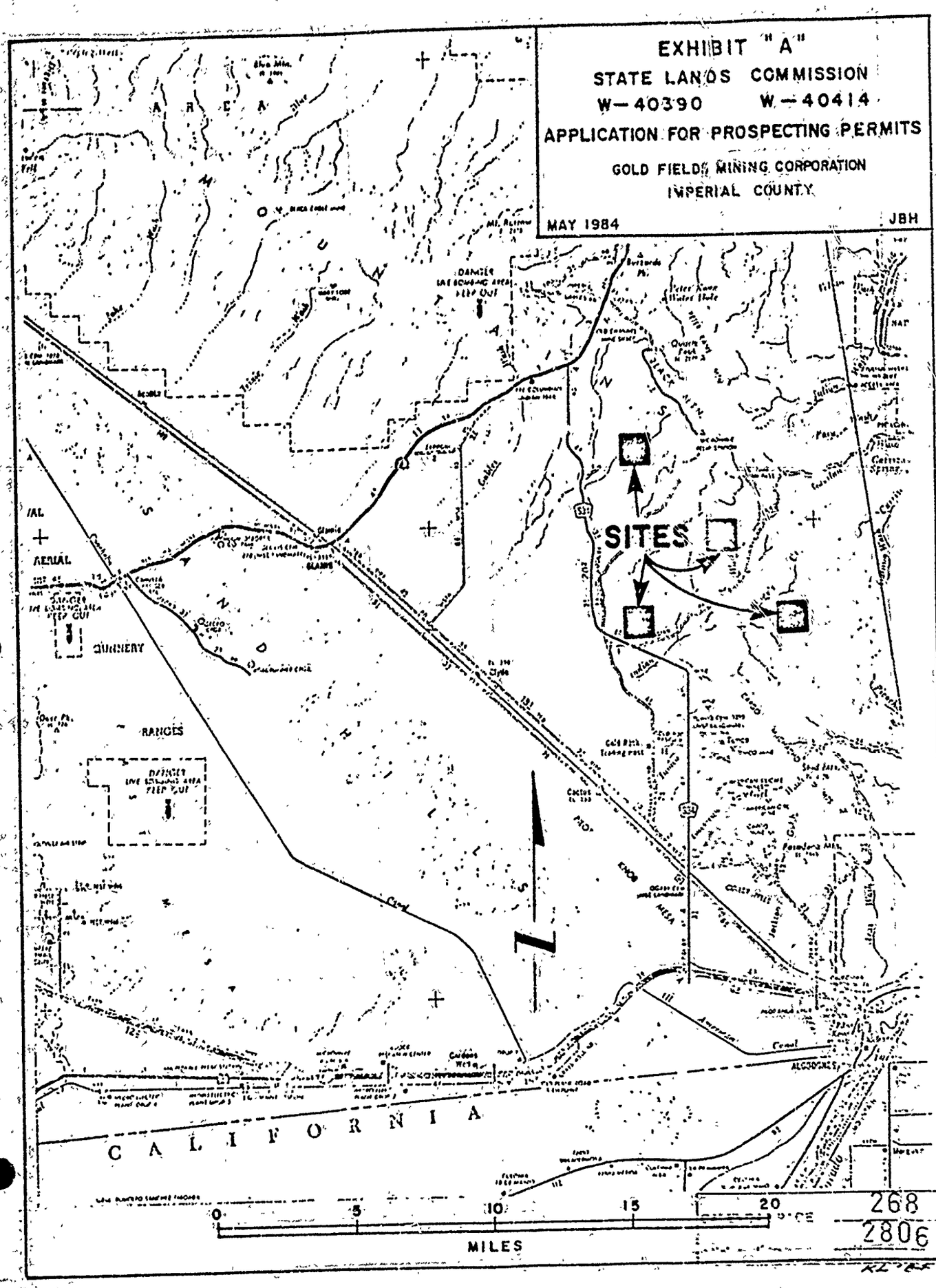


EXHIBIT "A"
STATE LANDS COMMISSION
W-40390 W-40414
APPLICATION FOR PROSPECTING PERMITS
GOLD FIELDS MINING CORPORATION
IMPERIAL COUNTY
MAY 1984
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CALIFORNIA
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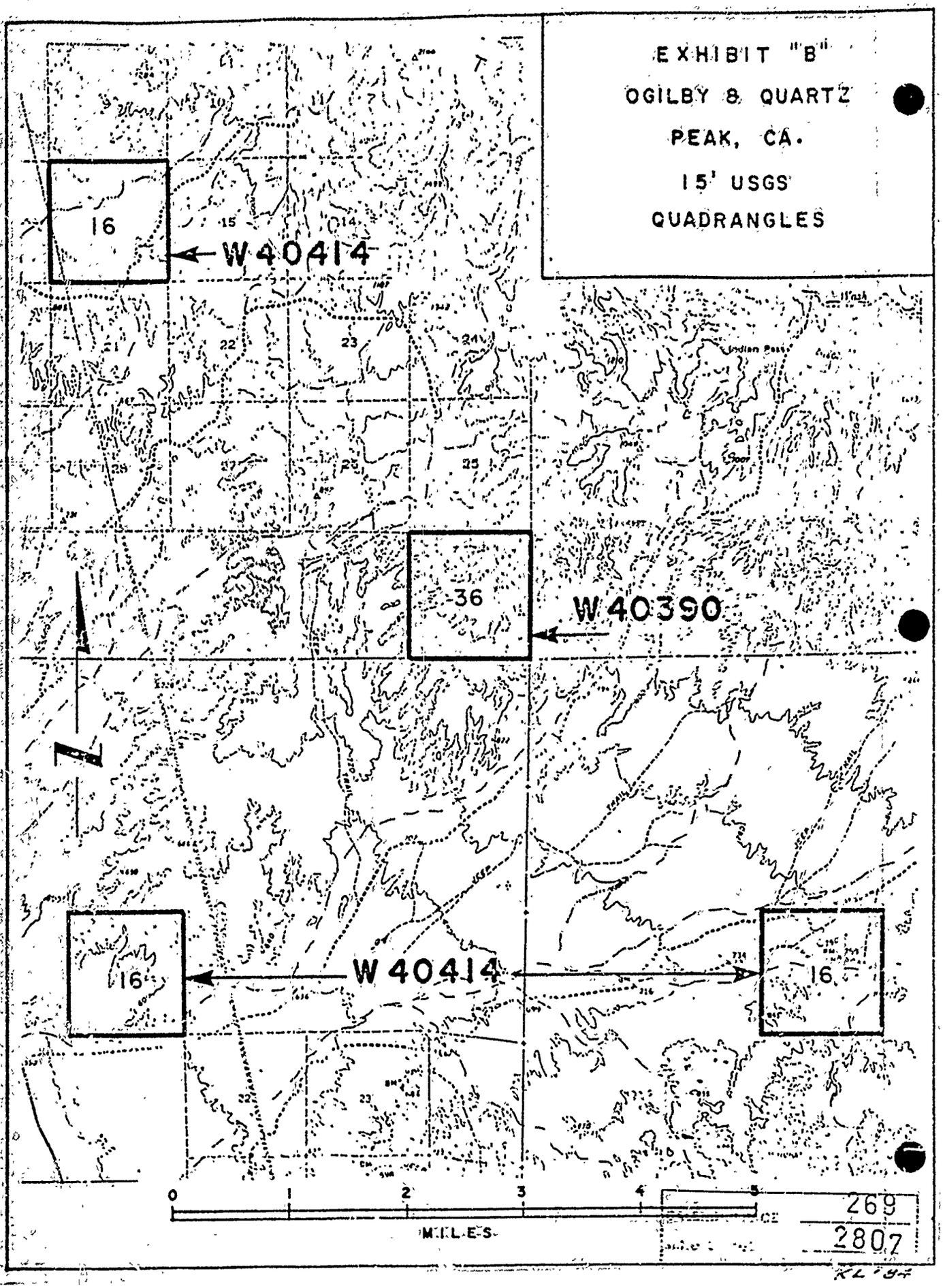
EXHIBIT "B"
OGILBY & QUARTZ PEAK, CA.
15' USGS QUADRANGLES
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W 40414
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W 40390
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2807

STATE LANDS COMMISSION

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST – PART II

Form 13.20 (7/82)

File Ref.: W 40390
W 40414

I. BACKGROUND INFORMATION

A. Applicant: Gold Fields Mining Corporation
200 Union Blvd., Suite 500
Lakewood, Colorado 80228

B. Checklist Date: 5 / 21 / 84

C. Contact Person: James B. Hart, State Lands Commission
Telephone: (213) 590-5201

D. Purpose: Prospect for valuable minerals.

E. Location: Sec.16, Sec.36, T. 13S., R.20E. & Sec.16,T. 14S., R.20E. & Sec.16, T. 14S., R. 21E., SBBM, Imperial County). See attached maps.

F. Description: Applicant will conduct geophysical surveys and a drilling program on each parcel to discover and delineate any possible orebody. See detailed project description.

G. Persons Contacted:

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

A. *Earth.* Will the proposal result in:	Yes	Maybe	No
1. Unstable earth conditions or changes in geologic substructures?	☐	☐	☒
2. Disruptions, displacements, compaction, or overcovering of the soil?	☒	☐	☐
3. Change in topography or ground surface relief features?	☐	☐	☒
4. The destruction, covering, or modification of any unique geologic or physical features?	☐	☐	☒
5. Any increase in wind or water erosion of soils, either on or off the site?	☐	☒	☐
6. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet, or lake?	☐	☐	☒
7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?	☐	☐	☒

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STATE LANDS COMMISSION

ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST – PART II
Form 13.20 (7/82)

File Ref.: W 40390
W 40414

I. BACKGROUND INFORMATION

A. Applicant: Gold Fields Mining Corporation
200 Union Blvd., Suite 500
Lakewood, Colorado 80228

B. Checklist Date: 5 / 21 / 84

C. Contact Person: James B. Hart, State Lands Commission
Telephone: (213) 590-5201

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E. Location: Sec.16, Sec.36, T. 13S., R.20E. & Sec.16, T. 14S., R.20E. & Sec.16, T. 14S., R. 21E., SBBM, Imperial County. See attached maps.

F. Description: Applicant will conduct geophysical surveys and a drilling program on each parcel to discover and delineate any possible orebody. See detailed project description.

G. Persons Contacted:

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

A. *Earth.* Will the proposal result in:

	Yes	Maybe	No
1. Unstable earth conditions or changes in geologic substructures?	☐	☐	☒
2. Disruptions, displacements, compaction, or overcovering of the soil?	☒	☐	☐
3. Change in topography or ground surface relief features?	☐	☐	☒
4. The destruction, covering, or modification of any unique geologic or physical features?	☐	☐	☒
5. Any increase in wind or water erosion of soils, either on or off the site?	☐	☒	☐
6. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet, or lake?	☐	☐	☒
7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards?	☐	☒	☐

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

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MINUTE PAGE 2809

	Yes	Maybe	No
J. *Risk of Upset.* Does the proposal result in:			
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?	☐	☐	☒
2. Possible interference with emergency response plan or an emergency evacuation plan?	☐	☐	☒
K. *Population.* Will the proposal result in:			
1. The alteration, distribution, density, or growth rate of the human population of the area?	☐	☐	☒
L. *Housing.* Will the proposal result in:			
1. Affecting existing housing, or create a demand for additional housing?	☐	☐	☒
M. *Transportation/Circulation.* Will the proposal result in:			
1. Generation of substantial additional vehicular movement?	☐	☐	☒
2. Affecting existing parking facilities, or create a demand for new parking?	☐	☐	☒
3. Substantial impact upon existing transportation systems?	☐	☐	☒
4. Alterations to present patterns of circulation or movement of people and/or goods?	☐	☐	☒
5. Alterations to waterborne, rail, or air traffic?	☐	☐	☒
6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians?	☐	☐	☒
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?	☐	☐	☒
2. Police protection?	☐	☐	☒
3. Schools?	☐	☐	☒
4. Parks and other recreational facilities?	☐	☐	☒
5. Maintenance of public facilities, including roads?	☐	☐	☒
6. Other governmental services?	☐	☐	☒
O. *Energy.* Will the proposal result in:			
1. Use of substantial amounts of fuel or energy?	☐	☐	☒
2. Substantial increase in demand upon existing sources of energy, or require the development of new sources?	☐	☐	☒
P. *Utilities.* Will the proposal result in a need for new systems, or substantial alterations to the following utilities:			
1. Power or natural gas?	☐	☐	☒
2. Communication systems?	☐	☐	☒
3. Water?	☐	☐	☒
4. Sewer or septic tanks?	☐	☐	☒
5. Storm water drainage?	☐	☐	☒
6. Solid waste and disposal?	☐	☐	☒
Q. *Human Health.* Will the proposal result in:			
1. Creation of any health hazard or potential health hazard (excluding mental health)?	☐	☐	☒
2. Exposure of people to potential health hazards?	☐	☐	☒
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?	☐	☐	☒
S. *Recreation.* Will the proposal result in:			
1. An impact upon the quality or quantity of existing recreational opportunities?	☐	☐	☒

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MINUTE PAGE 2810

	Yes	Maybe	No
T. *Cultural Resources.*			
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 Detailed Project Description, Discussion of Environmental Evaluation, and Form 69.3.

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: 6/20/84.

For the State Lands Commission James B. Hart

CALENDAR PAGE 273
MINUTE PAGE 281

Form 13.20 (7/82)

DETAILED
PROJECT DESCRIPTION
Section 36, T.13S., R.20E.
W 40390
SCH# 84012505

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program in the general vicinity of Glamis, Imperial County, California. These prospecting operations are being conducted in accordance with an approved BLM Plan of Operations. In order to fully assess the mineral potential of the exploration area, GFMC desires to conduct mineral prospecting operations on certain state lands described as Section 36, Township 13S, Range 20E, S.B.B.M. The mineral prospecting operations proposed for state lands are considered by GFMC to be essential to evaluating the mineral potential of the area. Should the exploration prove the existence of an economically mineable ore body, GFMC would look to enter into a mining lease for the property.

If the prospecting permit for state lands is approved, GFMC will conduct a multiple activity exploration program during the term of the permit. The two exploration activities proposed for this program are geophysical survey work and a drilling program. These two activities will be discussed in the balance of this project description. Surface sampling, a common exploration technique, is not proposed for this program because the entire area is overlaid by gravels.

Geophysical Survey Work

A variety of geophysical test work may be accomplished as a part of the prospecting program. The techniques which are currently being considered include: Electrical Self-Potential; Gravity; Magnetics; Electrical Resistivity; and, Controlled Sources Audio-Magneto Tellurics.

The required equipment for all of the above geophysical prospecting techniques will be carried to the area of use by truck or by foot. The equipment is highly portable and, consequently, no new access is required to conduct these programs. In fact, the geophysical surveys proposed to be used by GFMC in this area do not require or cause any surface disturbance such as trenching, drilling or test pitting. Consequently, the geophysical survey program will not require the disturbance of any surface area or the removal of

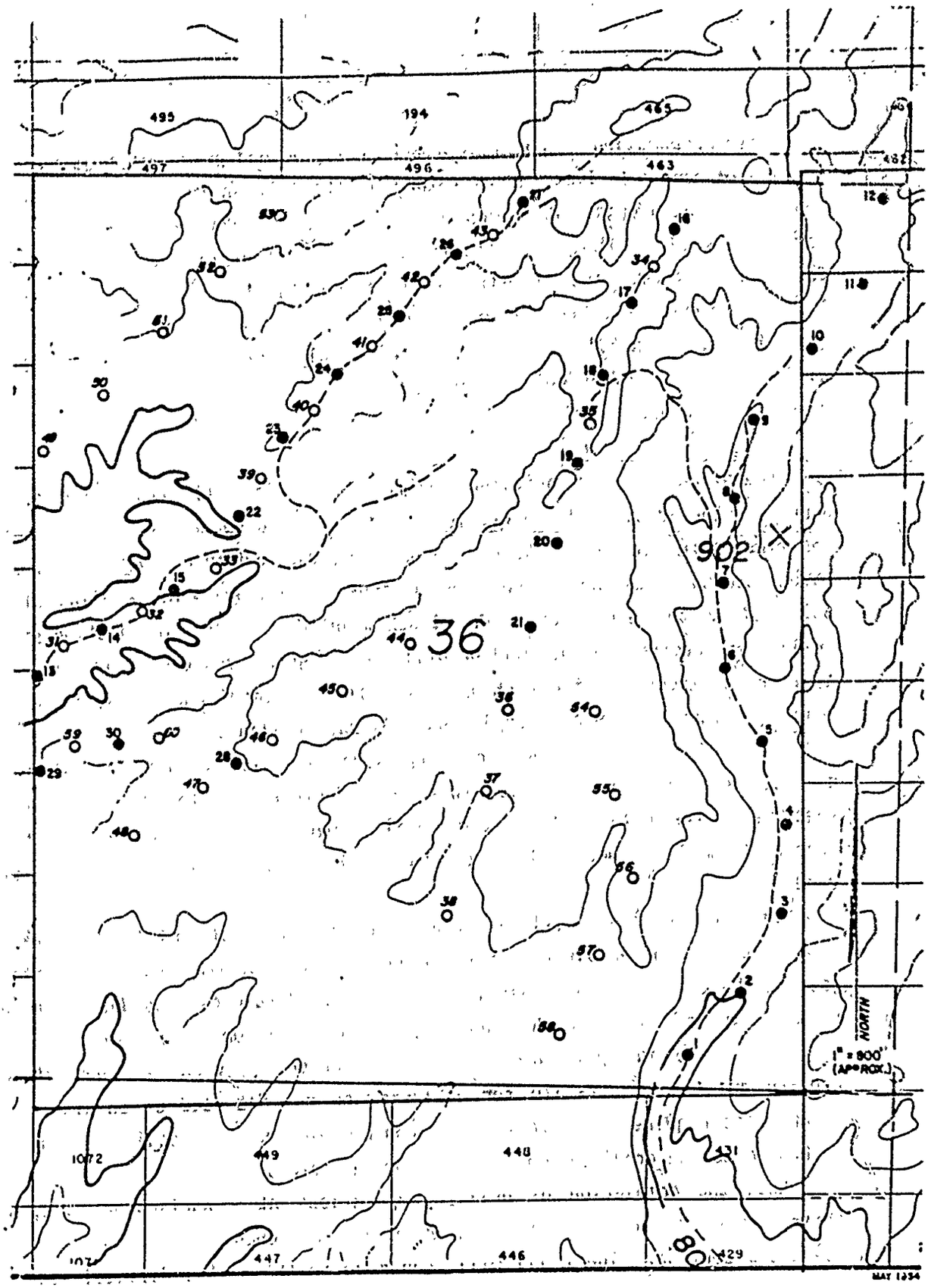
any materials. These programs may be conducted at any time during the term of the prospecting permit as required to properly evaluate the mineral potential of the property.

Drilling Program

GFMC proposes to explore the permitted lands by means of a two-phase drilling program. Thirty holes are being proposed for each drilling phase, making a total of 60 holes proposed. The balance of this section of the project description details proposed access, operations, and abandonment of the individual exploration sites. The proposed drilling sites are shown on the attached map.

Access -- to the thirty drilling sites proposed for phase one of the program is by the existing network of access roads and trails on the property. No new access is proposed for phase one activities. Creating safe passage for men and equipment requires that a minor amount of maintenance be performed prior to initiating the drilling program. This maintenance will be performed by a tracked crawler (bulldozer) and will consist of repairing those road or trail sections which have been washed away. Based upon a reconnaissance of the area, this work will be highly localized and confined to areas of existing disturbance. It is estimated that less than a total of 1,000 cubic yards of maintenance earth moving will be required to create access for the thirty drill holes proposed for the phase one program. This disturbance will be spread over the permit area as conditions dictate.

Access for the phase two drilling program will be by a combination of existing access, new access and overland travel. The maintenance of existing access will be accomplished during the phase one program and is described above. As described elsewhere, the permit area is overlaid by gravels. Therefore, the 10,000 feet of new access and overland travel required to reach phase two drilling sites will consist of building ramps into and out of dry washes and blading boulders from the overland travel route. Based upon the reconnaissance of the permit area, disturbance will occur only under the conditions described above and will not consist of moving more than 1,000 cubic yards from any one acre location. The total maximum estimated earth moving associated with creating access for the phase two drilling program is 5,000 cubic yards.



Gold Fields Mining Corp.
PROPOSED DRILLING PROGRAM
For Section 36, T 13 S, R 20 E.
Imperial County, California

1● STAGE I (1-30)
31○ STAGE II (31-60)

State Land Commission
File Ref. W40390

Site Preparation -- For most drill sites, no pad preparation is necessary because of the relatively level nature of the terrain to be explored and the ability of the proposed drilling rig to self-level. However, certain drilling locations will require a small amount of pad preparation to create a level drilling platform.. This leveling will be done by the bulldozer and less than 100 cubic yards is estimated to be disturbed per individual drilling location (pad area of 50' x 50' x 1' average depth equals 92.6 cubic yards). This area will provide a sufficient working platform for the drilling rig, support vehicles, and men.

Operations -- The drilling operational cycle will begin by providing access to the individual exploration site and site preparation as discussed in the preceeding sections. Next, the drilling rig and supply vehicles will be moved onto the site and set up. Set up consists primarily of leveling the rig and testing the equipment. One truck-mounted reverse ciruculation rotary drill using compressed air will be utilized. Support vehicles will consist of a water-rod truck and two pick-up trucks for personnel and sample transport. This equipment is currently exploring adjacent BLM lands.

After the rig is set up, drilling operations will begin. Each 5 1/4 inch diameter hole will be completed to a total depth of 300 to 700 feet with 400 feet being the estimated average total depth. The maximum volume to be removed from the deepest hole is 5 cubic yards and the average hole is 3 cubic yards.

Very little dust will be created as a result of drilling operations because the use of an air rotary rig requires that maximum amounts of cuttings (sample) be collected for analysis and not allowed to escape as dust. The use of this type of equipment does not require the addition of any toxic drilling fluids nor are mud pits necessary. As described previously, the cuttings created are hauled off-site for analysis and not disposed of on-site. Air rotary rigs require very little water consumption and any required water will be hauled to the drill site from off of the permit area.

Upon the completion of drilling operations at a particular site, and general site clean-up, that site will be abandoned as described in the following section. The drill will then move to the next individual site and operations will begin anew. This process will be repeated until all holes in a phase have been completed. The time lag between completing phase one of the

program and initiating phase two is dependent upon the complexity of interpretating the phase one results and other operational considerations such as weather and the availability of men and equipment.

Abandonment -- There are two facets to a complete abandonment program -- down hole abandonment and surface abandonment. The site abandonment provisions described in this section will be implemented upon completion of drilling operations and after sample analysis. The reason for awaiting the results of the sample analysis is to ensure that any potential mineralized structure has been delineated and that the hole will not have to be re-entered. GFMC intends to initiate the abandonment procedures upon the completion of sample analysis and does not intend to wait for the completion of an entire phase of the drilling program. This commitment to concurrent reclamation means the minimum number of individual exploration sites possible will be left unreclaimed at any particular time.

Based upon the experience of GFMC exploration personnel from adjacent areas, significant groundwater is not expected to be encountered while drilling the permit area. However, because groundwater may be encountered, two down hole abandonment procedures will be utilized for this program. Drill holes which encounter water will be cemented or grouted from bottom to top. This procedure will prevent surface water from migrating to groundwaters as illustrated by Figure 1. Drill holes which do not encounter groundwater will be abandoned by placing a plug about 20 feet below the surface. The volume between the plug and the surface will then be backfilled with gravel gathered from the exploration site. The use of these two down hole abandonment techniques will make the area safe for humans and animals and will prevent contamination of groundwaters.

Surface abandonment will consist of regrading any pads created during site preparation to a shape approximating the original contour. This reclamation process will minimize the potential for wind and water erosion by returning the area to near original.

As the area is sparsely vegetated in its natural state, revegetation will be allowed to naturally occur. There will be two sources of plant materials for this process. The first source is that plant material contained in the surface covering disturbed during the pad construction process. The second source of plant material is natural invasion from those areas adjacent to the disturbance.

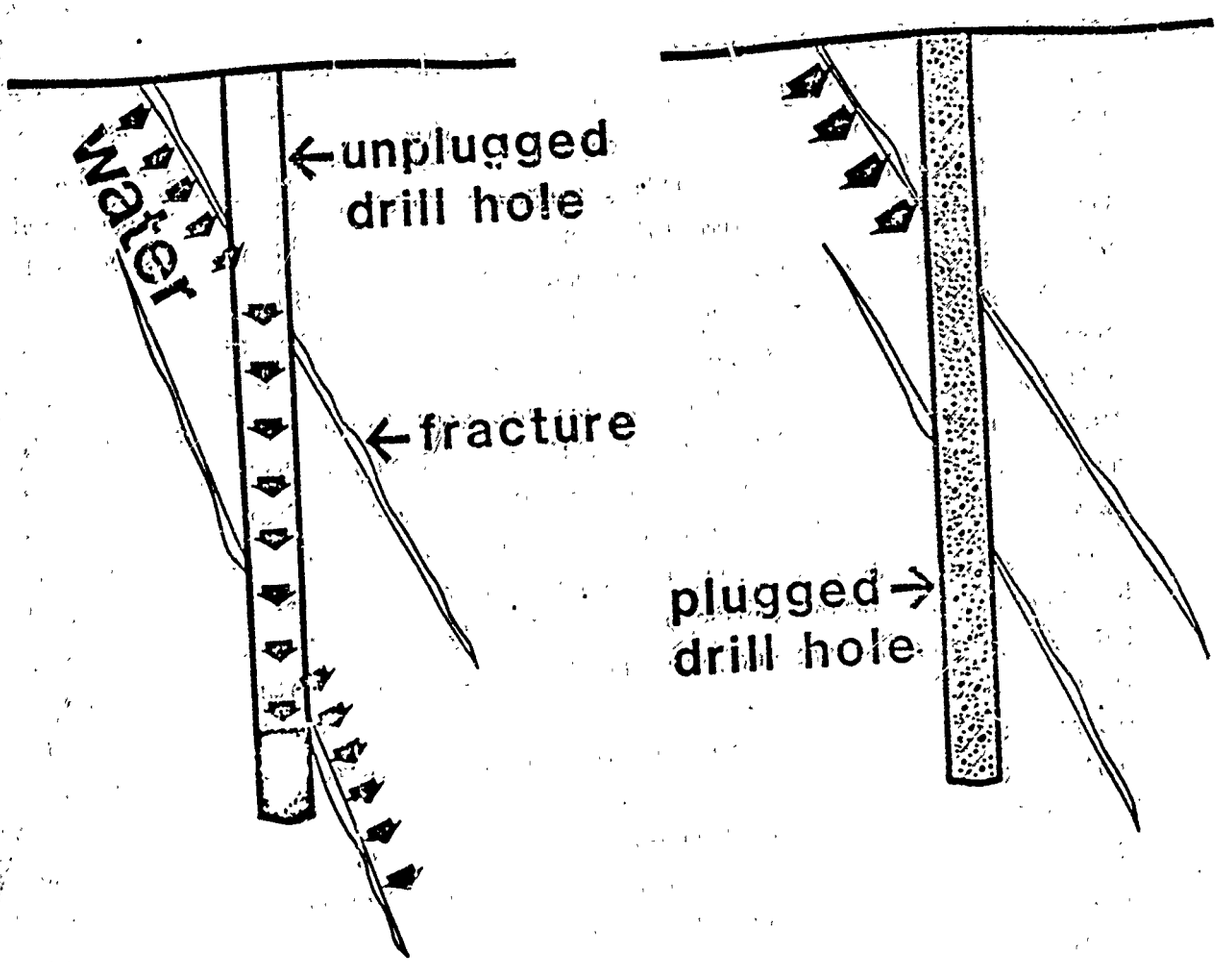


FIGURE I

If a commercially valuable mineral deposit is discovered through prospecting efforts under authorization of a prospecting permit, a comprehensive environmental impact report will be required on the future impacts of mining the deposit.

DETAILED
PROJECT DESCRIPTION
Section 16, T.13S., R.20E.
File Ref. W40414
SCH# 84042506

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program in the general vicinity of Glamis, Imperial County, California. These prospecting operations are being conducted in accordance with an approved BLM Plan of Operations. In order to fully assess the mineral potential of the exploration area, GFMC desires to conduct mineral prospecting operations on certain state lands described as Section 16, Township 13S, Range 20E, S.B.B.M. The mineral prospecting operations proposed for state lands are considered by GFMC to be essential to evaluating the mineral potential of the area. Should the exploration prove the existence of an economically mineable ore body, GFMC would look to enter into a mining lease for the property.

If the prospecting permit for state lands is approved, GFMC will conduct a multiple activity exploration program during the term of the permit. The two exploration activities proposed for this program are geophysical survey work and a drilling program. These two activities will be discussed in the balance of this project description. Surface sampling, a common exploration technique, is not proposed for this program because the entire area is overlaid by gravels.

Geophysical Survey Work

A variety of geophysical test work may be accomplished as a part of the prospecting program. The techniques which are currently being considered include: Electrical Self-Potential; Gravity; Magnetics; Electrical Resistivity; and, Controlled Sources Audio-Magneto Tellurics.

The required equipment for all of the above geophysical prospecting techniques will be carried to the area of use by truck or by foot. The equipment is highly portable and, consequently, no new access is required to conduct these programs. In fact, the geophysical surveys proposed to be used by GFMC in this area do not require or cause any surface disturbance such as

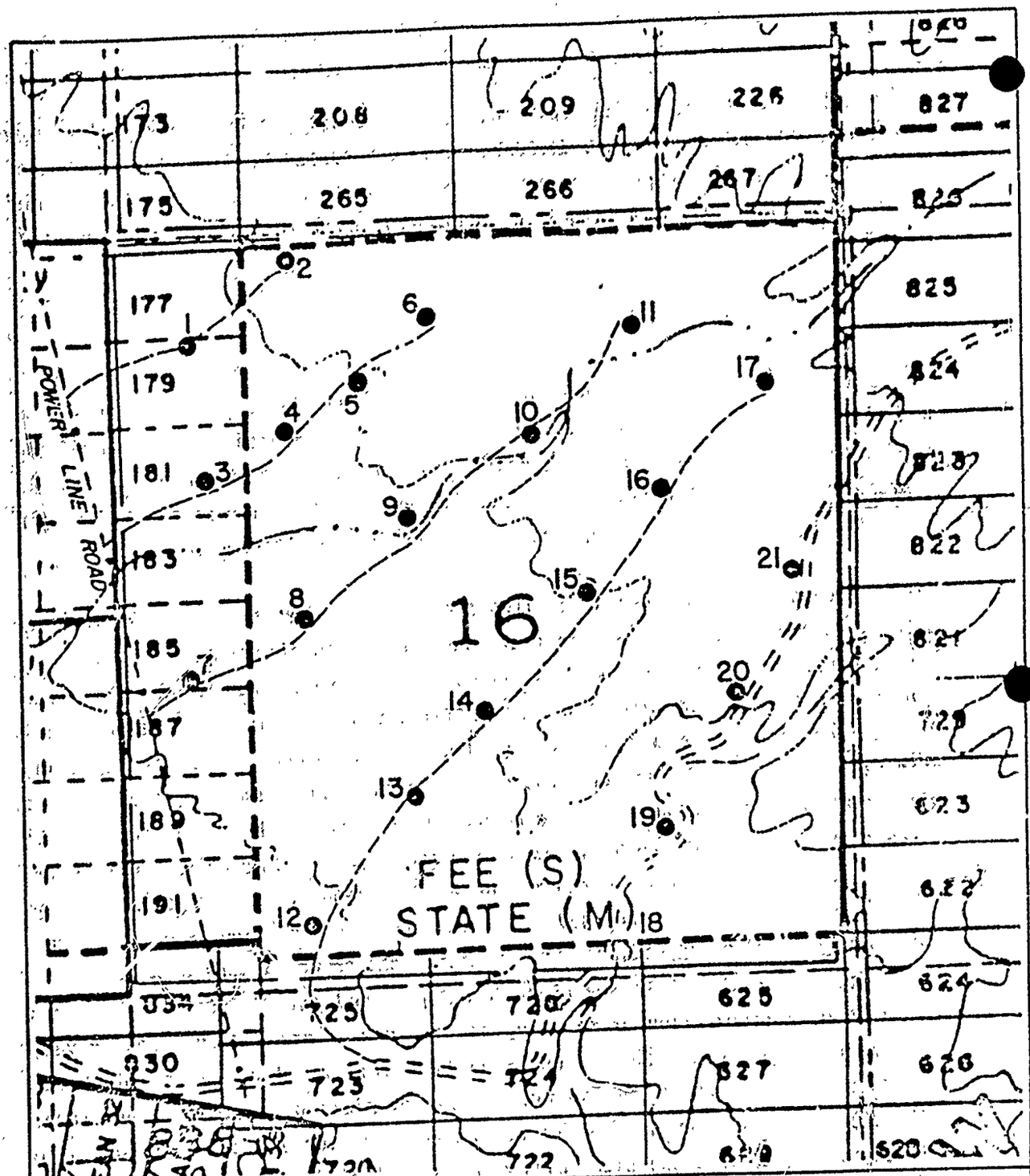
trenching, drilling or test pitting. Consequently, the geophysical survey program will not require the disturbance of any surface area or the removal of any materials. These programs may be conducted at any time during the term of the prospecting permit as required to properly evaluate the mineral potential of the property.

Drilling Program

GFMC proposes to explore the permitted lands by means of a one-phase drilling program. Twenty-one holes are being proposed for the drilling program. The balance of this section of the project description details proposed access, operations, and abandonment of the individual exploration sites. The proposed drilling sites are shown on the attached map.

Access -- to four drilling sites proposed for the drilling program is by the existing network of access roads and trails on the property. Creating safe passage for men and equipment requires that a minor amount of maintenance be performed prior to initiating the drilling program. This maintenance will be performed by a tracked crawler (bulldozer) and will consist of repairing those road or trail sections which have been washed away. Based upon a reconnaissance of the area, this work will be highly localized and confined to areas of existing disturbance. It is estimated that less than a total of 200 cubic yards of maintenance earth moving will be required to create access for the four drill holes proposed for locations on existing access. This disturbance will be spread over the existing road as conditions dictate.

Access for the other seventeen holes proposed for the drilling program will be by a combination of existing access, new access and overland travel. The maintenance of existing access will be accomplished as described above. As discussed previously, the permit area is overlaid by gravels. Therefore, the two and three-quarter miles of new access and overland travel required to reach the remote drilling sites will consist of building ramps into and out of dry washes and blading boulders from the overland travel route. Based upon the reconnaissance of the permit area, disturbance will occur only under the conditions described above and will not consist of moving more than 1,000 cubic yards from any one acre location. The total maximum estimated earth moving associated with creating access for the remote drilling locations is 7,000 cubic yards.



Section 16 T. 13 S.,R 20 E.

IMPERIAL COUNTY, CALIFORNIA

3● Proposed Drill Hole

---- Access Road

Scale: 1"=1000'(Approx.)

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GOLD FIELDS MINING CORP.

PROPOSED DRILLING PROGRAM

for

State Land Commission

File Ref. W40414

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Site Preparation -- For most drill sites, no pad preparation is necessary because of the relatively level nature of the terrain to be explored and the ability of the proposed drilling rig to self-level. However, certain drilling locations will require a small amount of pad preparation to create a level drilling platform. This leveling will be done by the bulldozer and less than 100 cubic yards is estimated to be disturbed per individual drilling location (pad area of 50' x 50' x 1' average depth equals 92.6 cubic yards). This area will provide a sufficient working platform for the drilling rig, support vehicles, and men.

Operations -- The drilling operational cycle will begin by providing access to the individual exploration site and site preparation as discussed in the preceeding sections. Next, the drilling rig and supply vehicles will be moved onto the site and set up. Set up consists primarily of leveling the rig and testing the equipment. One truck-mounted reverse ciruculation rotary drill using compressed air will be utilized. Support vehicles will consist of a water-rod truck and two pick-up trucks for personnel and sample transport. This equipment is currently exploring adjacent BLM lands.

After the rig is set up, drilling operations will begin. Each 5 1/4 inch diameter hole will be completed to a total depth of 300 to 700 feet with 400 feet being the estimated average total depth. The maximum volume to be removed from the deepest hole is 5 cubic yards and the average hole is 3 cubic yards.

Very little dust will be created as a result of drilling operations because the use of an air rotary rig requires that maximum amounts of cuttings (sample) be collected for analysis and not allowed to escape as dust. The use of this type of equipment does not require the addition of any toxic drilling fluids nor are mud pits necessary. The cuttings created are hauled off-site for analysis and not disposed of on-site. Air rotary rigs require very little water consumption and any required water will be hauled to the drill site from off of the permit area.

Upon the completion of drilling operations at a particular site, and general site clean-up, that site will be abandoned as described in the following section. The drill will then move to the next individual site and operations will begin anew. This process will be repeated until all holes have been completed. The time lag between completing certain holes and

initiating the next hole is dependent upon the complexity of interpretating the drilling results and other operational considerations such as weather and the availability of men and equipment.

Abandonment -- There are two facets to a complete abandonment program -- down hole abandonment and surface abandonment. The site abandonment provisions described in this section will be implemented upon completion of drilling operations and after sample analysis. The reason for awaiting the results of the sample analysis is to ensure that any potential mineralized structure has been delineated and that the hole will not have to be re-entered. GFMC intends to initiate the abandonment procedures upon the completion of sample analysis and does not intend to wait for the completion of an entire phase of the drilling program. This commitment to concurrent reclamation means the minimum number of individual exploration sites possible will be left unreclaimed at any particular time.

Based upon the experience of GFMC exploration personnel from adjacent areas, significant groundwater is not expected to be encountered while drilling the permit area. However, because groundwater may be encountered, two down hole abandonment procedures will be utilized for this program. Drill holes which encounter water will be cemented or grouted from bottom to top. This procedure will prevent surface water from migrating to groundwaters as illustrated by Figure 1. Drill holes which do not encounter groundwater will be abandoned by placing a plug about 20 feet below the surface. The volume between the plug and the surface will then be backfilled with gravel gathered from the exploration site. The use of these two down hole abandonment techniques will make the area safe for humans and animals and will prevent contamination of groundwaters.

Surface abandonment will consist of regrading any pads created during site preparation to a shape approximating the original contour. This reclamation process will minimize the potential for wind and water erosion by returning the area to near original.

As the area is sparsely vegetated in its natural state, revegetation will be allowed to naturally re-establish. There will be two sources of plant materials for this process. The first source is that plant material contained in the surface covering disturbed during the pad construction process. The second source of plant material is natural invasion from those areas adjacent to the disturbance.

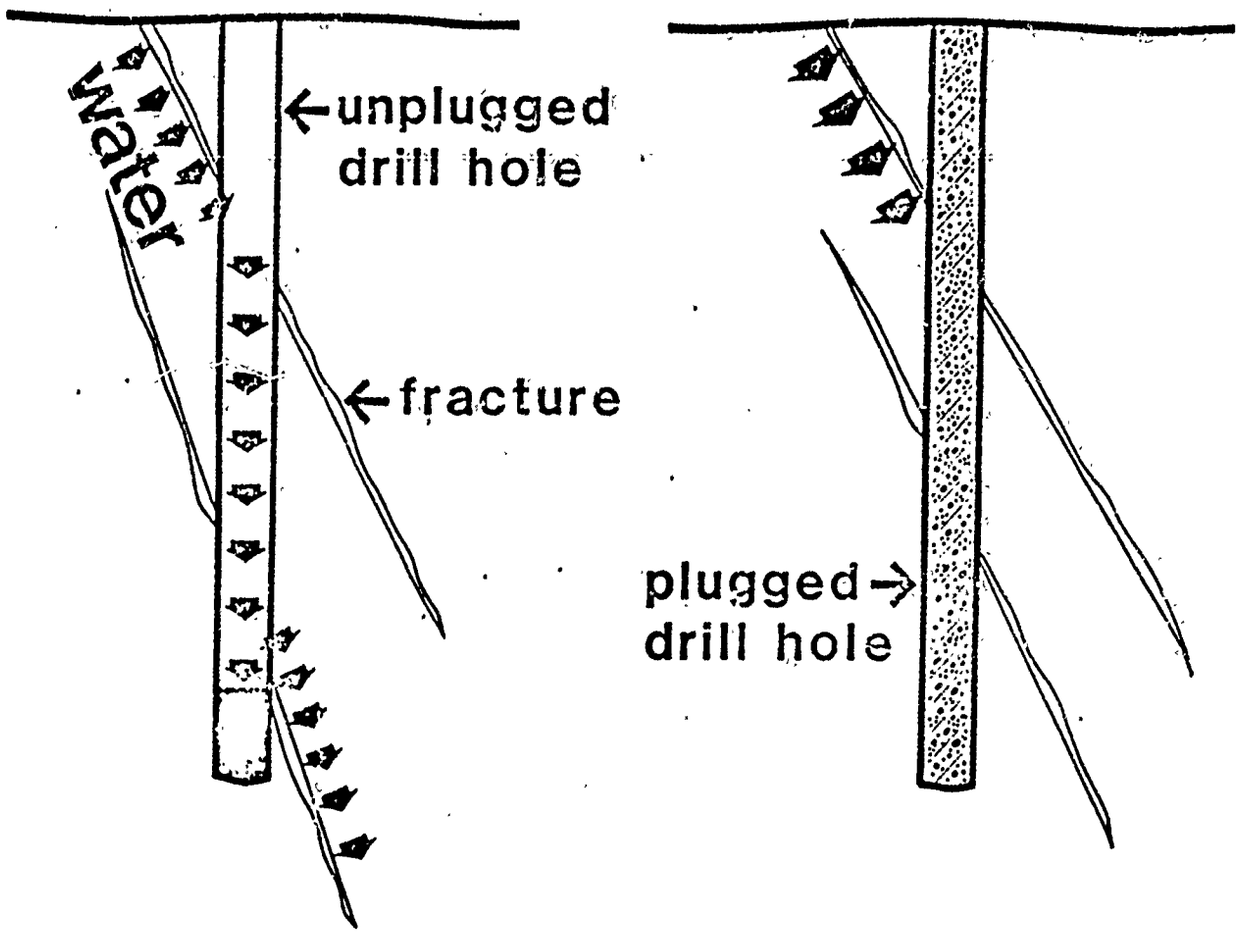


FIGURE I

If a commercially valuable mineral deposit is discovered through prospecting efforts under authorization of a prospecting permit, a comprehensive environmental impact report will be required on the future impacts of mining the deposit.

DETAILED
PROJECT DESCRIPTION

Sec. 16, T.14S., R.20E.
File Ref. W-40414
SCH# 84042506

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program in the general vicinity of Glamis, Imperial County, California. These prospecting operations are being conducted in accordance with an approved BLM Plan of Operations. In order to fully assess the mineral potential of the exploration area, GFMC desires to conduct mineral prospecting operations on certain state lands described as Section 16, Township 14S, Range 20E, S.B.B.M. The mineral prospecting operations proposed for state lands are considered by GFMC to be essential to evaluating the mineral potential of the area. Should the exploration prove the existence of an economically mineable ore body, GFMC would look to enter into a mining lease for the property.

If the prospecting permit for state lands is approved, GFMC will conduct a multiple activity exploration program during the term of the permit. The two exploration activities proposed for this program are geophysical survey work and a drilling program. These two activities will be discussed in the balance of this project description. Surface sampling, a common exploration technique, is not proposed for this program because the entire area is overlaid by gravels.

Geophysical Survey Work

A variety of geophysical test work may be accomplished as a part of the prospecting program. The techniques which are currently being considered include: Electrical Self-Potential; Gravity; Magnetics; Electrical Resistivity; and, Controlled Sources Audio-Magneto Tellurics.

The required equipment for all of the above geophysical prospecting techniques will be carried to the area of use by truck or by foot. The equipment is highly portable and, consequently, no new access is required to conduct these programs. In fact, the geophysical surveys proposed to be used by GFMC in this area do not require or cause any surface disturbance such as

trenching, drilling or test pitting. Consequently, the geophysical survey program will not require the disturbance of any surface area or the removal of any materials. These programs may be conducted at any time during the term of the prospecting permit as required to properly evaluate the mineral potential of the property.

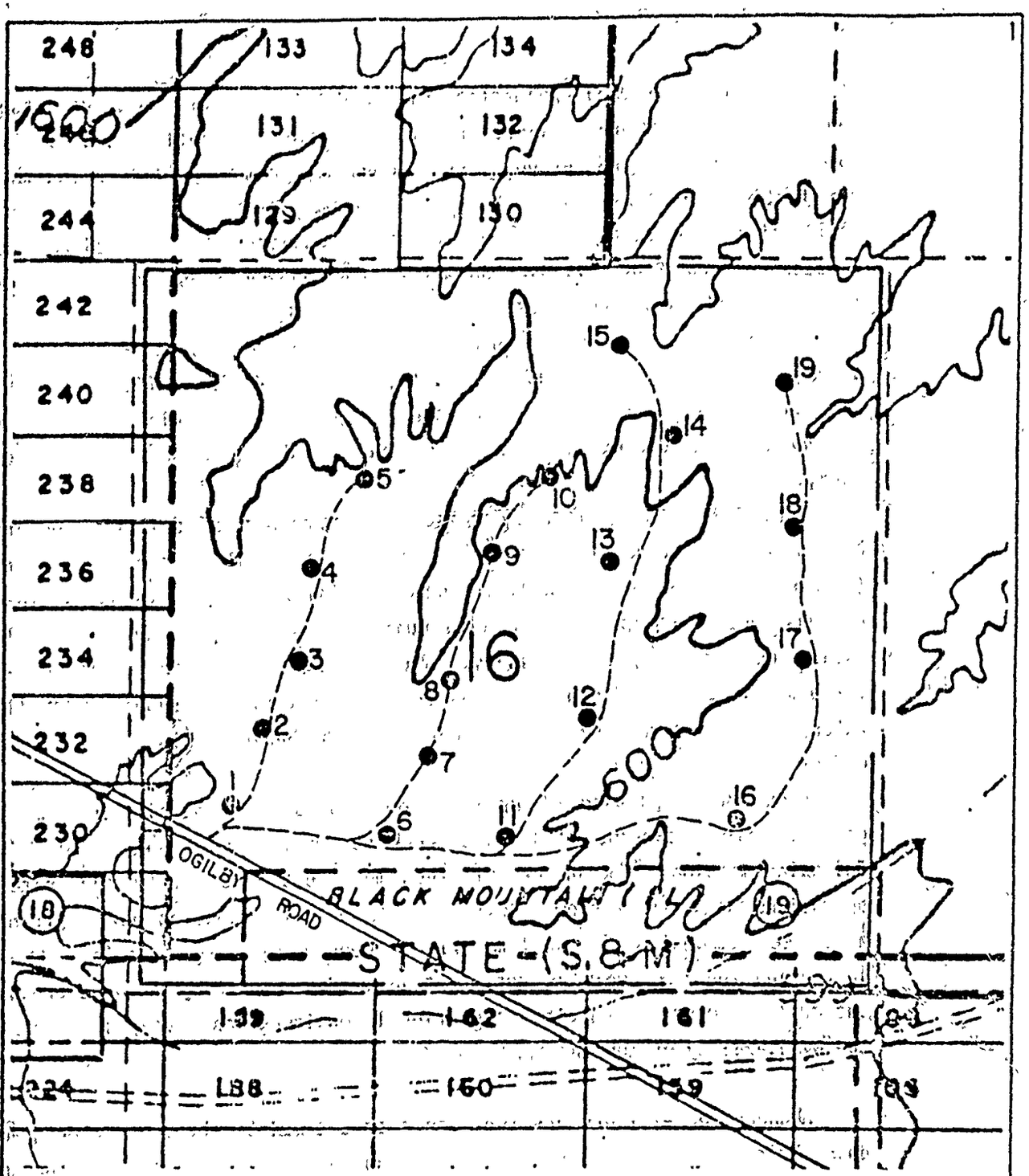
Drilling Program

GFMC proposes to explore the permitted lands by means of a one-phase drilling program. Nineteen holes are being proposed for the drilling program. The balance of this section of the project description details proposed access, operations, and abandonment of the individual exploration sites. The proposed drilling sites are shown on the attached map.

Access -- for the drilling program will be by a combination of new access and overland travel. As discussed previously, the permit area is overlaid by gravels. Therefore, the approximately three and one-eighth miles of new access and overland travel required to reach the drilling sites will consist of building ramps into and out of dry washes and blading boulders from the overland travel route. Based upon the reconnaissance of the permit area, disturbance will occur only under the conditions described above and will not consist of moving more than 1,000 cubic yards from any one acre location. The total maximum estimated earth moving associated with creating access for the drilling program is 8,000 cubic yards.

Site Preparation -- For most drill sites, no pad preparation is necessary because of the relatively level nature of the terrain to be explored and the ability of the proposed drilling rig to self-level. However, certain drilling locations will require a small amount of pad preparation to create a level drilling platform. This leveling will be done by the bulldozer and less than 100 cubic yards is estimated to be disturbed per individual drilling location (pad area of 50' x 50' x 1' average depth equals 92.6 cubic yards). This area will provide a sufficient working platform for the drilling rig, support vehicles, and men.

Operations -- The drilling operational cycle will begin by providing



Section 16 T. 14 S., R 20 E.

IMPERIAL COUNTY, CALIFORNIA

[3]● Proposed Drill Hole

---- Access Road

Scale: 1"=1000'(Approx.)

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GOLD FIELDS MINING CORP.

PROPOSED DRILLING PROGRAM

for

State Land Commission

File Ref. W40414

MINUTE PAGE 2928

access to the individual exploration site and site preparation as discussed in the preceeding sections. Next, the drilling rig and supply vehicles will be moved onto the site and set up. Set up consists primarily of leveling the rig and testing the equipment. One truck-mounted reverse ciruculation rotary drill using compressed air will be utilized. Support vehicles will consist of a water-rod truck and two pick-up trucks for personnel and sample transport. This equipment is currently exploring adjacent BLM lands.

After the rig is set up, drilling operations will begin. Each 5 1/4 inch diameter hole will be completed to a total depth of 300 to 700 feet with 400 feet being the estimated average total depth. The maximum volume to be removed from the deepest hole is 5 cubic yards and the average hole is 3 cubic yards.

Very little dust will be created as a result of drilling operations because the use of an air rotary rig requires that maximum amounts of cuttings (sample) be collected for analysis and not allowed to escape as dust. The use of this type of equipment does not require the addition of any toxic drilling fluids nor are mud pits necessary. The cuttings created are hauled off-site for analysis and not disposed of on-site. Air rotary rigs require very little water consumption and any required water will be hauled to the drill site from off of the permit area.

Upon the completion of drilling operations at a particular site, and general site clean-up, that site will be abandoned as described in the following section. The drill will then move to the next individual site and operations will begin anew. This process will be repeated until all holes have been completed. The time lag between completing certain holes and initiating the next hole is dependent upon the complexity of interpretating the drilling results and other operational considerations such as weather and the availability of men and equipment.

Abandonment -- There are two facets to a complete abandonment program -- down hole abandonment and surface abandonment. The site abandonment provisions described in this section will be implemented upon completion of drilling operations and after sample analysis. The reason for awaiting the results of the sample analysis is to ensure that any potential mineralized structure has been delineated and that the hole will not have to be re-entered. GFMC intends to initiate the abandonment procedures upon the

completion of sample analysis and does not intend to wait for the completion of an entire phase of the drilling program. This commitment to concurrent reclamation means the minimum number of individual exploration sites possible will be left unreclaimed at any particular time.

Based upon the experience of GFMC exploration personnel from adjacent areas, significant groundwater is not expected to be encountered while drilling the permit area. However, because groundwater may be encountered, two down hole abandonment procedures will be utilized for this program. Drill holes which encounter water will be cemented or grouted from bottom to top. This procedure will prevent surface water from migrating to groundwaters as illustrated by Figure 1. Drill holes which do not encounter groundwater will be abandoned by placing a plug about 20 feet below the surface. The volume between the plug and the surface will then be backfilled with gravel gathered from the exploration site. The use of these two down hole abandonment techniques will make the area safe for humans and animals and will prevent contamination of groundwaters.

Surface abandonment will consist of regrading any pads created during site preparation to a shape approximating the original contour. This reclamation process will minimize the potential for wind and water erosion by returning the area to near original.

As the area is sparsely vegetated in its natural state, revegetation will be allowed to naturally re-establish. There will be two sources of plant materials for this process. The first source is that plant material contained in the surface covering disturbed during the pad construction process. The second source of plant material is natural invasion from those areas adjacent to the disturbance.

If a commercially valuable mineral deposit is discovered through prospecting efforts under authorization of a prospecting permit, a comprehensive environmental impact report will be required on the future impacts of mining the deposit.

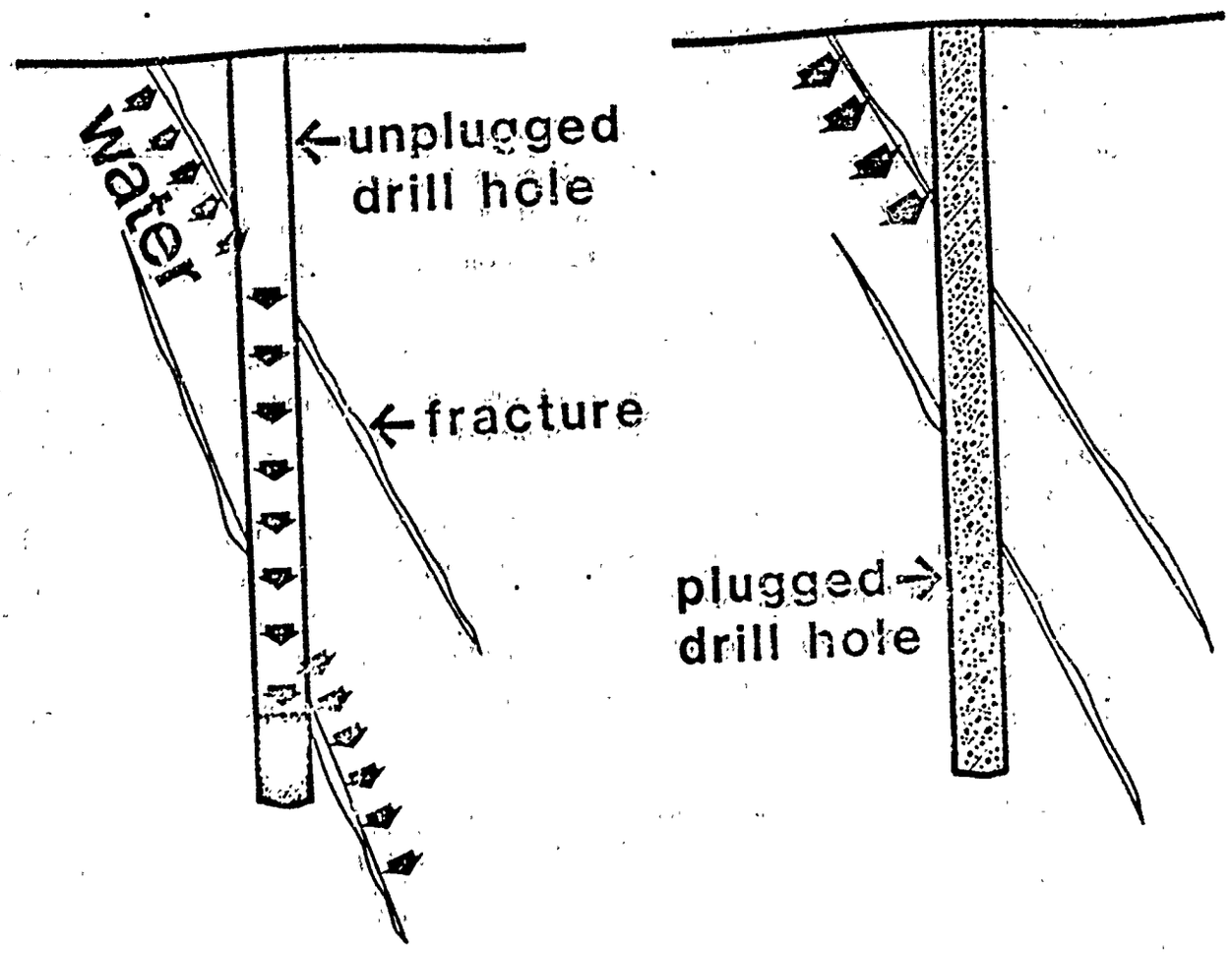


FIGURE I

DETAILED
PROJECT DESCRIPTION
Sec. 16, T.14S., R.21E
File Ref. W-40414
SCH# 84042506

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program in the general vicinity of Glamis, Imperial County, California. These prospecting operations are being conducted in accordance with an approved BLM Plan of Operations. In order to fully assess the mineral potential of the exploration area, GFMC desires to conduct mineral prospecting operations on certain state lands described as Section 16, Township 14S, Range 21E, S.B.B.M. The mineral prospecting operations proposed for state lands are considered by GFMC to be essential to evaluating the mineral potential of the area. Should the exploration prove the existence of an economically mineable ore body, GFMC would look to enter into a mining lease for the property.

If the prospecting permit for state lands is approved, GFMC will conduct a multiple activity exploration program during the term of the permit. The two exploration activities proposed for this program are geophysical survey work and a drilling program. These two activities will be discussed in the balance of this project description. Surface sampling, a common exploration technique, is not proposed for this program because the entire area is overlaid by gravels.

Geophysical Survey Work

A variety of geophysical test work may be accomplished as a part of the prospecting program. The techniques which are currently being considered include: Electrical Self-Potential; Gravity; Magnetics; Electrical Resistivity; and, Controlled Sources Audio-Magneto Tellurics.

The required equipment for all of the above geophysical prospecting techniques will be carried to the area of use by truck or by foot. The equipment is highly portable and, consequently, no new access is required to conduct these programs. In fact, the geophysical surveys proposed to be used by GFMC in this area do not require or cause any surface disturbance such as

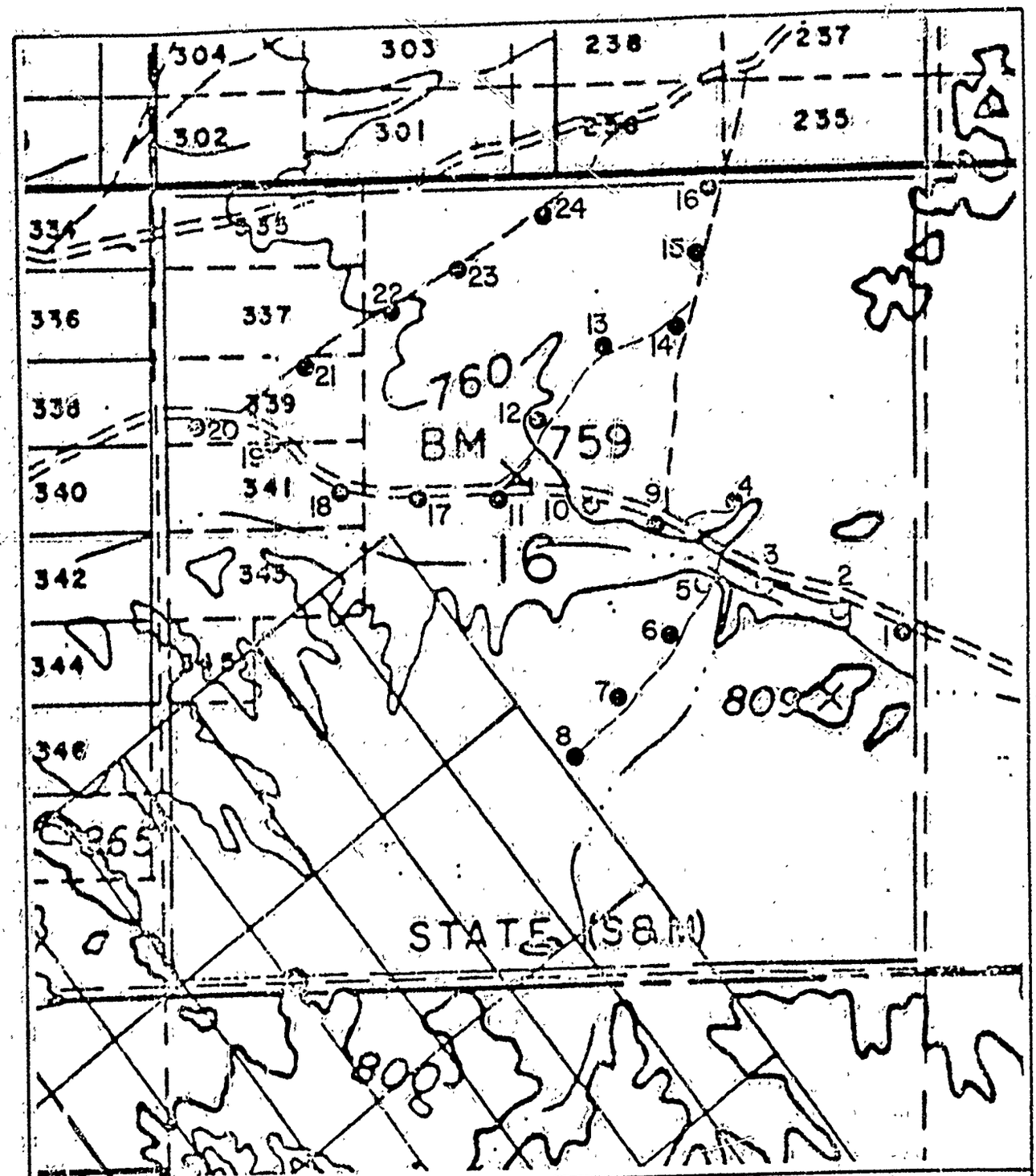
trenching, drilling or test pitting. Consequently, the geophysical survey program will not require the disturbance of any surface area or the removal of any materials. These programs may be conducted at any time during the term of the prospecting permit as required to properly evaluate the mineral potential of the property.

Drilling Program

GFMC proposes to explore the permitted lands by means of a two-phase drilling program. Seventeen holes are being proposed for the first drilling phase and seven holes for the second phase, making a total of 24 holes proposed. The balance of this section of the project description details proposed access, operations, and abandonment of the individual exploration sites. The proposed drilling sites are shown on the attached map.

Access -- to the seventeen drilling sites proposed for phase one of the program is by the existing network of access roads and trails on the property. No new access is proposed for phase one activities. Creating safe passage for men and equipment requires that a minor amount of maintenance be performed prior to initiating the drilling program. This maintenance will be performed by a tracked crawler (bulldozer) and will consist of repairing those road or trail sections which have been washed away. Based upon a reconnaissance of the area, this work will be highly localized and confined to areas of existing disturbance. It is estimated that less than a total of 600 cubic yards of maintenance earth moving will be required to create access for the seventeen drill holes proposed for the phase one program. This disturbance will be spread over the permit area as conditions dictate.

Access for the phase two drilling program will be by a combination of existing access, new access and overland travel. The maintenance of existing access will be accomplished during the phase one program and is described above. As discussed previously, the permit area is overlaid by gravels. Therefore, the 4,500 feet of new access and overland travel required to reach phase two drilling sites will consist of building ramps into and out of dry washes and blading boulders from the overland travel route. Based upon the reconnaissance of the permit area, disturbance will occur only under the conditions described above and will not consist of moving more than 1,000



Section 16 T. 14 S.,R. 21 E.

IMPERIAL COUNTY, CALIFORNIA

[3]● Proposed Drill Hole

---- Access Road

23

Scale: 1"=1000'(Approx.)

GOLD FIELDS MINING CORP.

PROPOSED DRILLING PROGRAM

for

State Land Commission

File Ref. W40414

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cubic yards from any one acre location. The total maximum estimated earth moving associated with creating access for the phase two drilling program is 2,500 cubic yards.

Site Preparation -- For most drill sites, no pad preparation is necessary because of the relatively level nature of the terrain to be explored and the ability of the proposed drilling rig to self-level. However, certain drilling locations will require a small amount of pad preparation to create a level drilling platform. This leveling will be done by the bulldozer and less than 100 cubic yards is estimated to be disturbed per individual drilling location (pad area of 50' x 50' x 1' average depth equals 92.6 cubic yards). This area will provide a sufficient working platform for the drilling rig, support vehicles, and men.

Operations -- The drilling operational cycle will begin by providing access to the individual exploration site and site preparation as discussed in the preceeding sections. Next, the drilling rig and supply vehicles will be moved onto the site and set up. Set up consists primarily of leveling the rig and testing the equipment. One truck-mounted reverse ciruculation rotary drill using compressed air will be utilized. Support vehicles will consist of a water-rod truck and two pick-up trucks for personnel and sample transport. This equipment is currently exploring adjacent BLM lands.

After the rig is set up, drilling operations will begin. Each 5 1/4 inch diameter hole will be completed to a total depth of 300 to 700 feet with 400 feet being the estimated average total depth. The maximum volume to be removed from the deepest hole is 5 cubic yards and the average hole is 3 cubic yards.

Very little dust will be created as a result of drilling operations because the use of an air rotary rig requires that maximum amounts of cuttings (sample) be collected for analysis and not allowed to escape as dust. The use of this type of equipment does not require the addition of any toxic drilling fluids nor are mud pits necessary. The cuttings created are hauled off-site for analysis and not disposed of on-site. Air rotary rigs require very little water consumption and any required water will be hauled to the drill site from off of the permit area.

Upon the completion of drilling operations at a particular site, and general site clean-up, that site will be abandoned as described in the following section. The drill will then move to the next individual site and operations will begin anew. This process will be repeated until all holes in a phase have been completed. The time lag between completing phase one of the program and initiating phase two is dependent upon the complexity of interpretating the phase one results and other operational considerations such as weather and the availability of men and equipment.

Abandonment -- There are two facets to a complete abandonment program -- down hole abandonment and surface abandonment. The site abandonment provisions described in this section will be implemented upon completion of drilling operations and after sample analysis. The reason for awaiting the results of the sample analysis is to ensure that any potential mineralized structure has been delineated and that the hole will not have to be re-entered. GFMC intends to initiate the abandonment procedures upon the completion of sample analysis and does not intend to wait for the completion of an entire phase of the drilling program. This commitment to concurrent reclamation means the minimum number of individual exploration sites possible will be left unreclaimed at any particular time.

Based upon the experience of GFMC exploration personnel from adjacent areas, significant groundwater is not expected to be encountered while drilling the permit area. However, because groundwater may be encountered, two down hole abandonment procedures will be utilized for this program. Drill holes which encounter water will be cemented or grouted from bottom to top. This procedure will prevent surface water from migrating to groundwaters as illustrated by Figure 1. Drill holes which do not encounter groundwater will be abandoned by placing a plug about 20 feet below the surface. The volume between the plug and the surface will then be backfilled with gravel gathered from the exploration site. The use of these two down hole abandonment techniques will make the area safe for humans and animals and will prevent contamination of groundwaters.

Surface abandonment will consist of regrading any pads created during site preparation to a shape approximating the original contour. This reclamation process will minimize the potential for wind and water erosion by returning the area to near original.

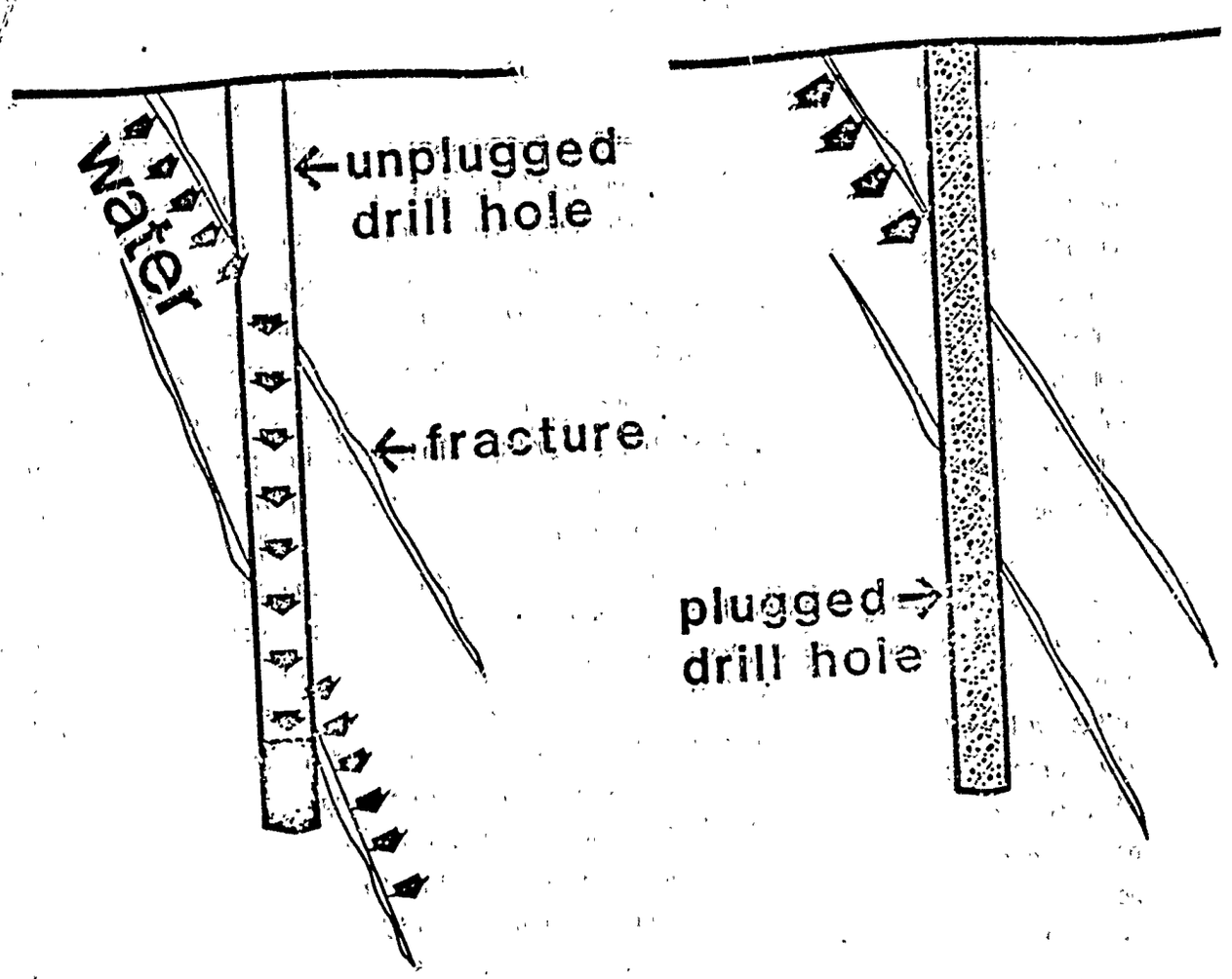

FIGURE I

As the area is sparsely vegetated in its natural state, revegetation will be allowed to naturally re-establish. There will be two sources of plant materials for this process. The first source is that plant material contained in the surface covering disturbed during the pad construction process. The second source of plant material is natural invasion from those areas adjacent to the disturbance.

If a commercially valuable mineral deposit is discovered through prospecting efforts under authorization of a prospecting permit, a comprehensive environmental impact report will be required on the future impacts of mining the deposit.

W 40390
W 40414

III. Discussion of Environmental Evaluation

A 2. Disruption, displacement, compaction, and overcovering of the rocky soil will occur in the immediate vicinity of any road and drill site construction. All new excavations will be restored to the natural ground contour, as nearly as possible, if prospecting is unsuccessful.

A 5. An increase in wind and water erosion of the disturbed soil at newly constructed roads and drillsites, especially in dissected terrain, will occur during rain and wind storms.

B 1. Temporary dust emissions will occur during road and drill site construction and drilling.

C 6. Drilling may penetrate one or more aquifers with a subsequent flow path through the drill hole; however, it is anticipated that no water bearing formations will be penetrated. If ground water is encountered, the drill hole will be plugged with cement upon abandonment.

F 1. The operating drill rig, air compressor, and accessory activities will temporarily increase the existing noise levels.

Date Filed: _____ WORK ORDER: W-40390

ENVIRONMENTAL INFORMATION FORM

(To be completed by applicant)

GENERAL INFORMATION

1. Name and address of developer or project sponsor: Gold Fields Mining Corporation
   200 Union Boulevard, Suite 500, Lakewood, Colorado 80228
2. Address of project: Section 36, Township 13 South, Range 20 East, S.B.B.M.
   Assessor's Block and Lot number: N/A
3. Name, address, and telephone number of person to be contacted concerning this project: Gold Fields Mining Corporation, 200 Union Boulevard, Suite 500, Lakewood, CO 80228, Ms. G. Joan Olson, Landman, (303) 988-0360
4. Indicate number of the permit application for the project to which this form pertains: W-40390
5. List and describe any other related permits and other public approvals required for this project, including those required by City, regional, state and federal agencies: none known
6. Existing zoning district: S- open space
   Present use of site: open space
7. Proposed use of site (Project for which this form is filed): Mineral Prospecting

PROJECT DESCRIPTION:

8. Site size. 640 acres more or less
9. Square footage. N/A
10. Number of floors of construction. N/A
11. Amount of off-street parking provided. N/A
12. Attach plans. Please refer to project map
13. Proposed scheduling. Project to commence upon approval and continue for the term of the permit.
14. Associated projects. None on state lands
15. Anticipated incremental development. Please refer to project description.
16. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household and household size expected. N/A
17. If commercial, indicate the type, whether neighborhood or city oriented, square footage of sales area, and loading facilities. N/A
18. If industrial, indicate type, estimated employment per shift, and loading facilities. N/A
19. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project. N/A as a prospecting permit is of short duration.

302
1940

20. If the project involves a variance, conditional use or rezoning application, state this and indicate clearly why the application is required: Not required.

Are the following items applicable to the project or its effects? Discuss below all items checked yes, (attach additional sheets as necessary)

YES	NO		
.....	X	21.	Change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours.
.....	X	22.	Change in scenic views or vistas from existing residential areas or public lands or roads.
.....	X	23.	Change in pattern, scale or character of general area of project.
.....	X	24.	Significant effect on plant or animal life.
.....	X	25.	Significant amounts of solid waste or litter.
.....	X	26.	Change in dust, ash, smoke, fumes or odors in vicinity.
.....	X	27.	Change in ocean, bay, lake, stream or ground water quality or quantity, or alteration of existing drainage patterns.
.....	X	28.	Change in existing noise or vibration levels in the vicinity.
.....	X	29.	Site on filled land or on slope of 10 percent or more.
.....	X	30.	Use of disposal of potentially hazardous materials, such as toxic substances, flammables or explosives.
.....	X	31.	Change in demand for municipal services (police, fire, water, sewage, etc.)
X	.....	32.	Increased fossil fuel consumption (electricity, oil, natural, gas, etc.)
X	.....	33.	Relationship to a larger project or series of projects.

ENVIRONMENTAL SETTING

34. Describe the *project site* as it exists before the project, including information on topography, soil stability, plants and animals, and any cultural, historical or scenic aspects. Describe any existing structures on the site, and the use of the structures. Attach *photographs* of the site. Snapshots or polaroid photos will be accepted.

35. Describe the *surrounding properties*, including information on plants and animals and any cultural, historical or scenic aspects. Indicate the type of land use (residential, commercial, etc.), intensity of land use (one-family, apartment houses, shops, department stores, etc.), and scale of development (height, frontage, set-back, rear yard, etc.). Attach *photographs* of the vicinity. Snapshots or polaroid photos will be accepted.

CERTIFICATION:

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Date .....

.....

For GOLD FIELDS MINING CORPORATION

CALENDAR PAGE 303
PAGE 2841

Work Order W-40390

Form 69.3
SUPPLEMENTAL INFORMATION SHEET

General

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program on adjacent lands under an approved BLM Plan of Operations. Exploration of the subject lands will be accomplished by reassigning men and equipment from these adjacent lands. Consequently, when viewed from a general vicinity or area basis, the approval of the prospecting permit will not result in any significant change in noise, dust, etc. from those levels already occurring. The environmental effects of these activities and the project have been reviewed by the BLM and found to be temporary and not significant.

Item 21. Any grading required is small scale. Additionally, any drilling platforms created as a part of prospecting will be returned to their approximate original shape.

Item 32. Approval of the prospecting permit will result in the consumption of fuel required to operate the equipment identified in the project description. As the proposed prospecting program is not extensive, the total amount of fuel required is not significant.

Item 33. The lands to be prospected under this permit are included within a larger exploration area. Any discussion of a future mining project on any of these lands, including the prospecting permit area, would only be speculative at this time.

Item 34. The area is a desert area typified by desert shrubs and other perennial vegetation with large barren area. The vegetation is low in diversity and cover consisting primarily of pickleweed, creosote and greesewood. No sensitive or significant plant species are known to occur in this area. Soils are mostly sands and gravels. There are no live streams except during periods of heavy rainfall. The area supports some small birds,

reptiles, rabbits and occasionally coyotes. There are no buildings or other structures within this section. The property appears to not have any cultural, historical or scenic value. The prospecting permit area is more fully described in the various environmental documentation referenced on our response to Form 54.3.

Item 15. The surrounding area, as described in the 1980 CDCA Plan, is of the same topography and vegetation as sections proposed for lease. These sections appear unpopulated and appear to be used only as open space. The surrounding sections are owned in fee by the Federal Government and are regulated by the Bureau of Land Management. Photographs of the general project area have been previously transmitted to the State Lands Commission.

Date Filed _____ WORK ORDER W-40414

ENVIRONMENTAL INFORMATION FORM

(To be completed by applicant)

GENERAL INFORMATION

1. Name and address of developer or project sponsor: Gold Fields Mining Corporation
   200 Union Boulevard, Suite 500, Lakewood, CO 80228
2. Address of project: Sec. 16, T13S, R20E; Sec. 16, T14S, R21E; Sec. 16, T14S, R20E, S.B.E
   Assessor's Block and Lot number: N/A
3. Name, address, and telephone number of person to be contacted concerning this project: Gold Fields Mining Corporation, 200 Union Boulevard, Suite 500, Lakewood, CO 80228, Ms. G. Joan Olson, Landman (303) 988-0360
4. Indicate number of the permit application for the project to which this form pertains: W-40414
5. List and describe any other related permits and other public approvals required for this project, including those required by City, regional, state and federal agencies: none known
6. Existing zoning district: S- open space
   Present use of site: open space
7. Proposed use of site (Project for which this form is filed): Mineral Prospecting

PROJECT DESCRIPTION:

8. Site size. 640 acres - more or less per section, 3 sections total
9. Square footage. N/A
10. Number of floors of construction. N/A
11. Amount of off-street parking provided. N/A
12. Attach plans. Please refer to project map
13. Proposed scheduling. Project to commence upon approval and continue for the term of the permit.
14. Associated projects. None on state lands
15. Anticipated incremental development. Please refer to Project Description
16. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household and household size expected. N/A
17. If commercial, indicate the type, whether neighborhood or city oriented, square footage of sales area, and loading facilities. N/A
18. If industrial, indicate type, estimated employment per shift, and loading facilities. N/A
19. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project. N/A as a prospecting permit is of short duration.

306
8844

20. If the project involves a variance, conditional use or rezoning application, state this and indicate clearly why the application is required. Not required

Are the following items applicable to the project or its effects? Discuss below all items checked yes. (attach additional sheets as necessary)

YES	NO		
____	X	21.	Change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours.
____	X	22.	Change in scenic views or vistas from existing residential areas or public lands or roads.
____	X	23.	Change in pattern, scale or character of general area of project.
____	X	24.	Significant effect on plant or animal life.
____	X	25.	Significant amounts of solid waste of litter.
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____	X	28.	Change in existing noise or vibration levels in the vicinity.
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____	X	30.	Use of disposal of potentially hazardous materials, such as toxic substances, flammables or explosives.
____	X	31	Change in demand for municipal services (police, fire, water, sewage, etc.)
X	____	32.	Increased fossil fuel consumption (electricity, oil, natural gas, etc.)
X	____	32.	Relationship to a larger project or series of projects.

ENVIRONMENTAL SETTING

34 Describe the *project site* as it exists before the project, including information on topography, soil stability, plants and animals, and any cultural, historical or scenic aspects. Describe any existing structures on the site, and the use of the structures. Attach *photographs* of the site. Snapshots or polaroid photos will be accepted.

35. Describe the *surrounding properties*, including information on plants and animals and any cultural, historical or scenic aspects. Indicate the type of land use (residential, commercial, etc.), intensity of land use (one-family, apartment houses, shops, department stores, etc.), and scale of development (height, frontage, set-back, rear yard, etc.). Attach *photographs* of the vicinity. Snapshots or polaroid photos will be accepted.

CERTIFICATION:

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Date .....

M. Joan Olson

For GOLD FIELDS MINING CORPORATION

Work Order W-40414
Form 69.1
SUPPLEMENTAL INFORMATION SHEET

General

Gold Fields Mining Corporation (GFMC) is actively conducting a mineral exploration program on adjacent lands under an approved BLM Plan of Operations. Exploration of the subject lands will be accomplished by reassigning men and equipment from these adjacent lands. Consequently, when viewed from a general vicinity or area basis, the approval of the prospecting permit will not result in any significant change in noise, dust, etc. from those levels already occurring. The environmental effects of these activities and the project have been reviewed by the BLM and found to be temporary and not significant.

Item 21. Any grading required is small scale. Additionally, any drilling platforms created as a part of prospecting will be returned to their approximate original shape.

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Item 33. The lands to be prospected under this permit are included within a larger exploration area. Any discussion of a future mining project on any of these lands, including the prospecting permit area, would only be speculative at this time.

Item 34. The area is a desert area typified by desert shrubs and other perennial vegetation with large barren area. The vegetation is low in diversity and cover consisting primarily of pickleweed, creosote and greesewood. No sensitive or significant plant species are known to occur in this area. Soils are mostly sands and gravels. There are no live streams except during periods of heavy rainfall. The area supports some small birds,

reptiles, rabbits and occasionally coyotes. There are no buildings or other structures within this section. The property appears to not have any cultural, historical or scenic value. The prospecting permit area is more fully described in the various environmental documentation referenced on our response to Form 54.3.

Item 35. The surrounding area, as described in the 1980 CDCA Plan, is of the same topography and vegetation as Section 36. Section 36 appears unpopulated and appears to be used only as open space. The surrounding sections are owned in fee by the Federal Government and are regulated by the Bureau of Land Management. Photographs of the general project area have been previously transmitted to the State Lands Commission.

MAILING LIST - LETTERS
W 40390
W 40414

G. Joan Olson
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Imperial County Planning Department
Court House
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Attn: Richard Mitchell

Quechan Indian Tribe
Fort Yuma Indian Reservation
P.O. Box 1352
Yuma, AZ 85364

Colorado River Indian Tribes
Route 1, Box 23-B
Parker, AZ 85344

MAILING LIST - MEMOS
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W 40414

Regional Water Quality
Control Board
Colorado River Basin Region (7)
Attn: Arthur Swajian, Executive Officer
72-271 Hwy 111, Suite 21
Palm Desert, CA 92260

Department of Parks & Recreation
Attn: James M. Doyle
P.O. Box 2390
Sacramento, CA 95811

Department of Transportation
District 11
Attn: Jim Cheshire
2829 Juan Street
San Deigo, CA 92138

Native American Heritage Commission
Attn: Loretta Allen
915 Capitol Mall, Room 288
Sacramento, CA 95814

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Nick del Cioppo
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Sacramento, CA 95814

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CALENDAR PAGE 311
MINUTE PAGE 2849

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Sheri McFarland
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Sacramento, CA 95814