

MINUTE ITEM

22

08/29/85
W 40454
Pelka

APPROVAL OF A PROSPECTING PERMIT
FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES,
SAND AN GRAVEL, SAN BERNARDINO COUNTY

Calendar Item 22, attached, was pulled from the agenda
prior to the meeting.

Attachment: Calendar Item 22

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CALENDAR ITEM

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08/29/85
W 40454
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APPROVAL OF A PROSPECTING PERMIT
FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES,
SAND AND GRAVEL, SAN BERNARDINO COUNTY

APPLICANT: FMC Minerals Corporation
5011 Meadowood Way, Suite 200
Reno, Nevada 89502

AGENT: Mr. Dennis C. McHarness
5011 Meadowood Way, Suite 200
Reno, Nevada 89502

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 and gravel on 640 acres of land
located in San Bernardino County.

CONSIDERATION: Filing fee of \$25, processing fee of \$250 and
an acreage deposit of \$640.

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

TYPE OF LAND AND LOCATION:
State school land, Section 16, T17N R11E, SBM,
San Bernardino County, approximately 28 miles
northeast of Baker.

PROPOSED PROJECT:

FMC Minerals Corporation will prospect for
valuable minerals by performing detailed
geologic mapping and rock chip sampling.
Approximately 100 rock samples may be taken
with hand tools from outcrops and existing mine
dumps. In areas of particular interest

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identified by geologic mapping and rock chip sampling or in areas where outcrop density is low, gas detection cups, creosote twig and leaf sampling may be performed. Approximately 500 gas cups, two inches in diameter and four inches long, are buried in ten to 12-inch deep holes and dug up to ten to 30 days after burial and submitted for analysis. Creosote bush sampling at about 500 stations may be done, which involves the taking of approximately a six ounce sample of twigs and leaves from each station. The samples will be sent to a lab for ashing and analysis. Any vehicle access will be restricted to existing roads and jeep trails. No surface disturbance such as road construction, trenching, blasting or clearing will be permitted.

The lands proposed for prospecting are currently included in a grazing lease (PRC 6840). The prospecting permit will require that any activities under the permit will be consistent or compatible with operations of the grazing lessee.

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. Requires statutory filing fee, processing fee and acreage deposit have been submitted by the applicant.

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2. Subject parcel is not known to contain a commercially valuable deposit of minerals.
3. Royalty payable under any preferential lease issued 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 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:

09/05/85.

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 exempt project. The project is exempt under Class 6, Information Collection, 2 Cal. Adm. Code 2905(e)(3).

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 2 Cal. Adm. Code 2905.

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 160 acres embraced within the permit. Said right shall be subject to all necessary environmental approvals. The issuance of the permit shall not affect the discretion

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of the Commission in granting or denying such lease because of 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, 2 CAL. ADM. CODE 2905. 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.
3. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO FMC MINERALS CORPORATION FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON SECTION 16, T17N, R11E, SBM, SAN BERNARDINO COUNTY, CONTAINING APPROXIMATELY 640 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 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

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

Section 16, T17N, R11E, S.B.M.

END OF DESCRIPTION

PREPARED JUNE 27, 1985 BY BOUNDARY SERVICES UNIT, M.L. SHAFER, SUPERVISOR

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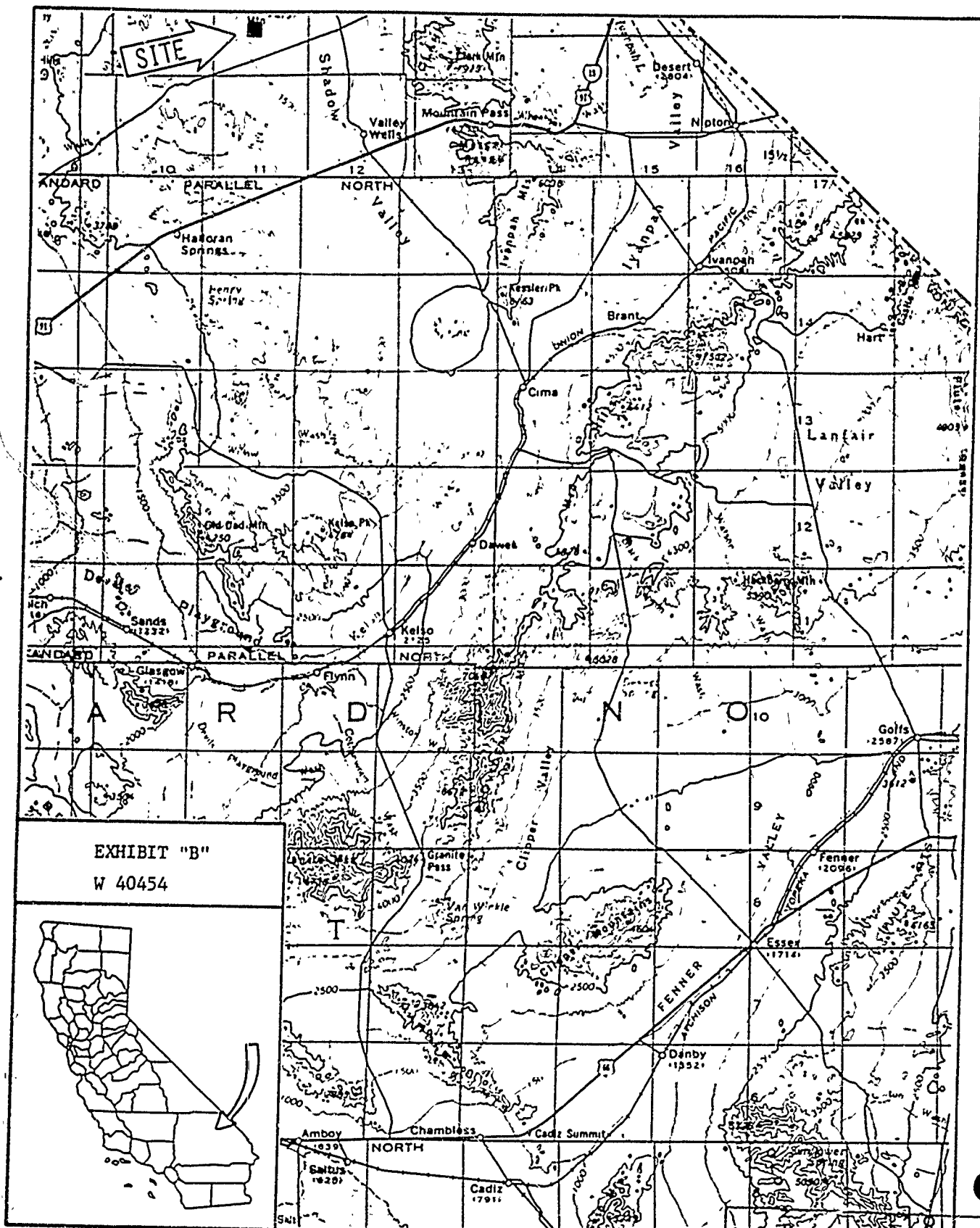


EXHIBIT "B"
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