

MINUTE ITEM

This Calendar Item No. C 22  
was approved as Minute Item  
No. 22 by the State Lands  
Commission by a vote of 3  
to 0 at its 4/24/86  
meeting.

CALENDAR ITEM

A 68  
S 36

C 22

04/24/86  
W 40488 PRC 6973  
Pelka

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

APPLICANT: Utah International, Inc.  
550 California Street  
San Francisco, California 94104

AGENT: K.T. Johnson, Jr.  
550 California Street  
San Francisco, California 94104

PROPOSED AUTHORIZATION:  
Approval of a Prospecting Permit for two years  
to prospect for precious metals and other  
valuable minerals, other than oil, gas,  
geothermal resources, sand and gravel on  
200 acres, more or less, of land located in  
Riverside County.

CONSIDERATION: Filing fee of \$25, processing fee of \$250 and  
an acreage deposit of \$200.

TYPE OF LAND AND LOCATION:  
State school land, N1/2 of N1/2, SW1/4 of  
NW1/4, Section 36, T7S, R12E, SBM, Riverside  
County, located in the southern Orocochia  
Mountains, California.

PROPOSED PROJECT:  
Utah International, Inc. proposes to prospect  
for precious metals by performing geologic  
mapping, rock chip sampling, and stream  
sediment sampling. Each rock chip sample will  
consist of one to two kilograms of material

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collected from an outcrop utilizing a prospectors hammer. Stream sediment samples will consist of about 250 grams of dry sieved stream bed material collected by hand. All samples collected shall be taken off-site and assayed for precious metal values.

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.

Any proposed activity not authorized by this permit will not proceed without prior approval of a project amendment processed pursuant to the requirements of CEQA. If commercial mining operations are proposed, appropriate environmental documentation will be prepared and certified prior to issuing a mineral extraction lease.

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

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

PREREQUISITE ITEMS:

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

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incurred with respect to transporting or processing the State's royalty share of production. The determination of said royalty 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.

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 14 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 permittee would have a preferential right to a lease for the property embraced within the permit. Said right shall be subject to all necessary environmental approvals. The issuance of the permit shall not affect the discretion 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.

AB 884:

06/17/86.

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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 UTAH INTERNATIONAL, INC. FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON N1/2 OF N1/2, SW1/4 OF NW1/4, SECTION 36, T7S, R12E, SBM, RIVERSIDE COUNTY, CONTAINING APPROXIMATELY 200 ACRES; IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. 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

W40488

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

$N\frac{1}{2}$  of  $N\frac{1}{2}$  and  $SW\frac{1}{4}$  of  $NW\frac{1}{4}$  of Section 36, T7S, R12E, SBM.

END OF DESCRIPTION

PREPARED DECEMBER 19, 1985 BY BOUNDARY SERVICES UNIT, M.L. SHAFER,  
SUPERVISOR.

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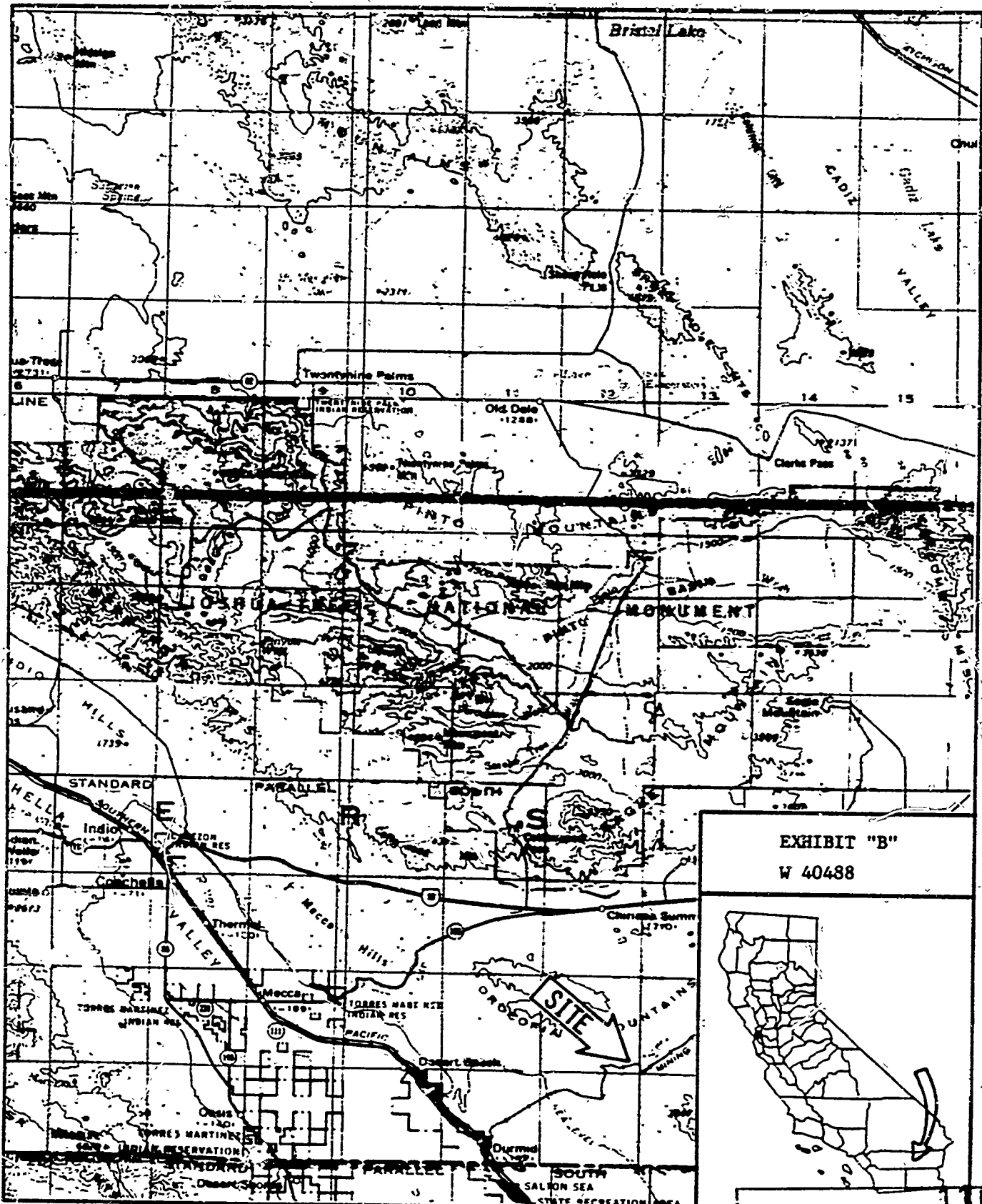


EXHIBIT "B"  
W 40488

