

MINUTE ITEM

This Calendar Item No. C17
was approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 3
to 0 at its 3/26/87
meeting.

CALENDAR ITEM
C 17

A 61
S 25

03/26/87
W. 40499 PRC 7058
Pelka

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

APPLICANT: Armavi Mining Company, LTD
15821 Ventura Boulevard, Suite 575
Encino, California 91436-2996

AGENT: Richlaine Corporation
Richard F. Moe, President
200 Mantua Road
P. O. Box 726
Pacific Palisades, California 90272

PROPOSED AUTHORIZATION:
Approval of a prospecting permit to prospect
for precious metals and other valuable
minerals, other than oil, gas, geothermal
resources, sand and gravel on 640 acres of
land, more or less, located in San Bernardino
County.

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

TYPE OF LAND AND LOCATION:
State school land - Section 16, T18N R6E, S88M,
San Bernardino County, approximately 16 miles
southwest of Tecopa.

PROPOSED PROJECT:
Armavi Mining Company, LTD. proposes to conduct
exploration in the permit area for placer gold
and other valuable minerals by: 1) preparation
of a topographic map on ten foot contour
intervals; 2) drill a test water well

(PAGES 90-90.27)
(ADDED 03/18/87)

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eight inches in diameter to a maximum depth of 250 feet; 3) drill a maximum of 200 drill holes, eight inches in diameter up to 150 feet deep with a small sample retained for assaying; 4) drill one soil boring 16" in diameter up to a depth of 100 feet; and 5) conduct a seismic geophysical survey. The applicant has amended his project description to eliminate the excavation of one backhoe trench to a depth of 20 feet as it is no longer required.

All holes will be drilled using a cable tool rig mounted on a light truck. The drilling program includes; 1) drive five to ten feet of surface casing in the ground; 2) drive an eight-inch O.D. casing to the desired interval; 3) drill and churn cuttings with added water in the casing; and 4) vacuum the sludge material into the sand pump for hoisting to the surface for collection. During the prospecting permit it is estimated that 50,000 to 75,000 gallons of water will be extracted from the water well for drilling and processing operations. Holes drilled for sampling will be completed in phases so as to minimize cost and surface disturbance. Each phase will only proceed based upon the success of the previous phase. Samples may be processed on site or taken off site for further analytical work. The soil boring will be used to determine the ratio of oversized gravel to process gravel. A seismic survey may be utilized if the interpretation of drill hole data is questionable or if anomalies are encountered. The required acoustical energy will be obtained by the impacting of a large mass on the ground surface.

Equipment for the project will consist of the following:

1. an office trailer, parts trailer and storage trailer,
2. two cable tool rigs mounted on 1 1/2 ton trucks,

(ADDED 03/18/87)

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3. two 1 ton pickups with 400 gallon water tanks,
4. two pickup trucks and one van,
5. one mini-quad runner,
6. a one ton forklift,
7. one Cat 966 front end loader.

Surface Disturbance:

No road construction or blading will be permitted within the State section. The Harry Wade Road, a single-lane dirt road, crosses the southern part of the section. Additional access shall be confined, to the extent possible, to active portions of washes. The estimated maximum area of surface disturbance is 0.003 acre. The estimated maximum excavated volume is 600 cubic yards.

Reclamation:

Reclamation activities will be ongoing throughout the term of the project. Drill holes shall be abandoned as follows:
1) The drill rig will pull the casing from the well in joints; and 2) As each joint is pulled, hole cuttings will be backfilled and tamped with the drill bit. This procedure will be repeated until all casing is removed from the hole. Upon completion of the project all facilities and equipment will be removed from the site, and the area will be restored to near its original state. Waste and trash disposal will be removed from the site on a regular basis and transported to an approved dump site.

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.

CALENDAR ITEM NO. C17 (CONT'D)

PREREQUISITE ITEMS:

1. Required statutory filing fee, expense deposit and acreage deposit have been submitted by the applicant.
2. Subject parcel is not known to contain a commercially valuable deposit of minerals.
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: 04/03/87.

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 412, State Clearinghouse 86101305 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)).

(ADDED 03/18/87)

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CALENDAR ITEM NO. C17 (CONT'D)

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 40 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 of the Commission in granting or denying such lease because of environmental considerations.
3. Permit shall provide for a performance bond or other security device of \$20,000 in favor of the State.

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the subject permit application 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 ND 412, STATE CLEARINGHOUSE 86101305, 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 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 PROJECT, AS DESCRIBED IN THE PERMIT, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE DEPOSITS OF MINERALS.

(ADDED 03/18/87)

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CALENDAR ITEM NO. C17 (CONT'D)

4. AUTHORIZE THE ISSUANCE OF THE PROSPECTING PERMIT TO ARMAVI MINING COMPANY, LTD. FOR A TERM OF TWO YEARS, FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, SAND AND GRAVEL ON SECTION 16, T18N R6E, S88M. SAN BERNARDINO COUNTY, CONTAINING APPROXIMATELY 640 ACRES, MORE OR LESS; 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.

(ADDED 03/18/87)

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EXHIBIT "A"

LAND DESCRIPTION

W 40499

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

Section 16, T18N, R6E, SBM

END OF DESCRIPTION

**PREPARED FEBRUARY 3, 1987 BY BOUNDARY SERVICES UNIT, M. L. SHAFFER,
SUPERVISOR.**

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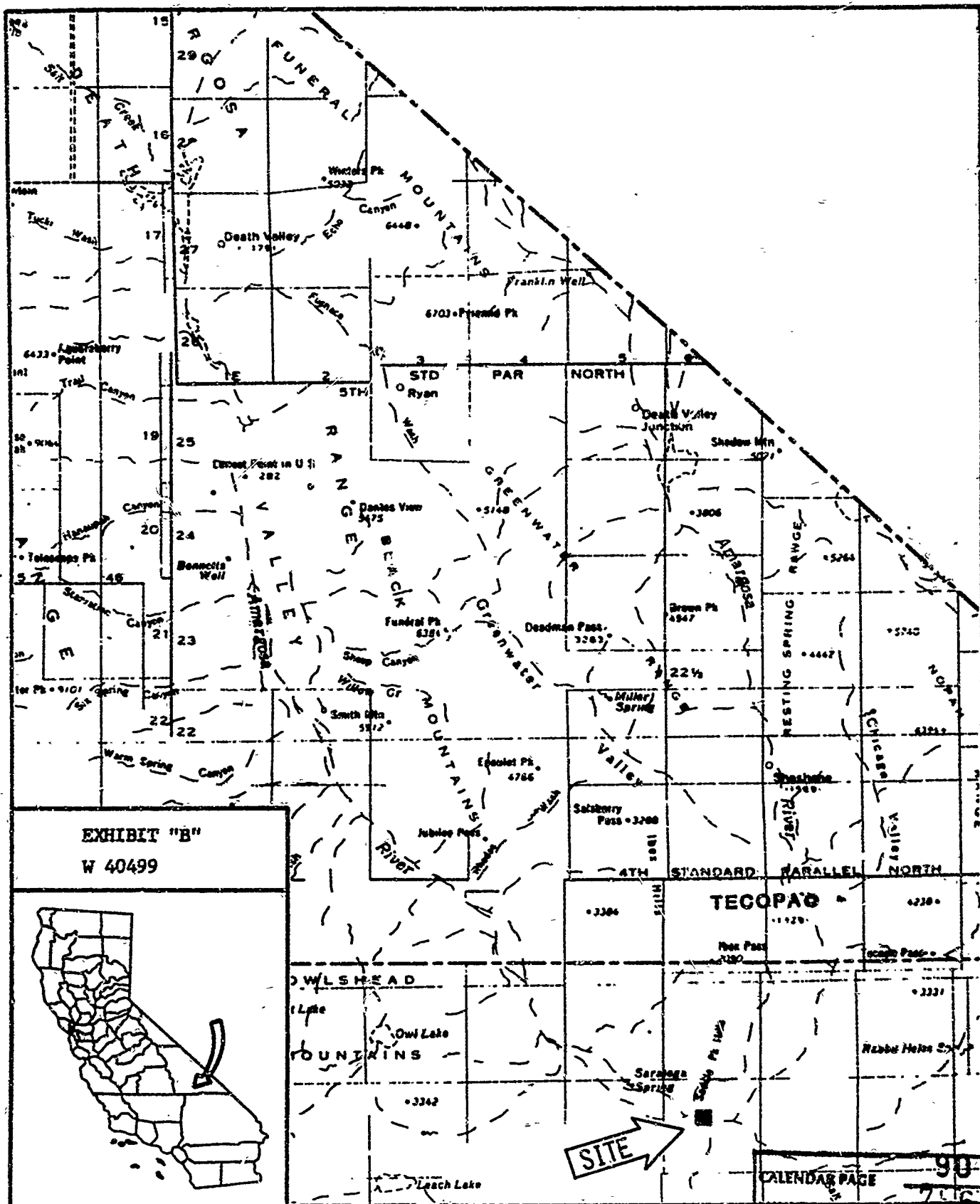


EXHIBIT "B"
W 40499

SITE

CALENDAR PAGE 90
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R 6 E



T 18 N

EXHIBIT "C"
PROPOSED NEGATIVE DECLARATION

EIR ND412

File Ref.: W 40499

SCH#: 86101305

Project Title: Mineral Prospecting Permit - Northern Avawatz Mountains

Project Proponent: Armavi Mining Company, LTD

Project Location: Section 16, T.18N., R.6E., S.B.M., San Bernardino County,
approximately 32 miles northwest of Baker.

Project Description: Applicant proposes to conduct multiphased exploration for valuable minerals by 1) preparation of a topographic map on ten foot contour intervals; 2) drill a test water well to a maximum depth of 250 feet; 3) drill a maximum of 200 drill holes up to 150 feet deep with a small sample retained for assaying; 4) drill one rotary soil boring 16" in diameter up to 100 feet deep; 5) excavate one backhoe trench to a maximum depth of 30 feet; 6) conduct a seismic geophysical survey. No road construction will be required. Reclamation will be ongoing throughout the project.

Contact Person: Ted T. Fukushima
1807 - 13th Street
Sacramento, CA 95814

Telephone: (916) 322-7873

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 14, California Administrative Code).

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

the project will not have a significant effect on the environment.

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

File Ref: W 40499
- SCH# 86101305

December 3, 1986

COMMENTS RECEIVED ON INITIAL STUDY AND RESPONSES TO COMMENTS

Bureau of Land Management - Barstow Resources Area

Comment:

"The proposed site is in the Amargosa River drainage 4.5 miles upstream from a site for the protected Death Valley pupfish at Saratoga Spring. For this reason, the operator should be cautioned not to discharge any petroleum products, including crankcase oil, or chemicals within the project area."

Response:

See mitigation measure number three.

County of San Bernardino - Land Management Department

Comment:

"The San Bernardino County Land Management Department has reviewed the above-referenced proposal and currently has no data that would require an EIR for the exploration permit. Therefore, a Negative Declaration should be adequate. Subsequent development may require a more detailed Biota Report than currently presented by the applicant."

Response:

Should the proposed prospecting prove positive and mining proposed, a complete Biota Report of the area will be an element of the environmental impact report.

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File Ref: W 40499
SCH# 86101305

December 3, 1986

MITIGATION MEASURES

Proposed for Incorporation into the Project Description

1. Access routes and areas of surface disturbance shall be inspected to determine if burrowing animals are present and would be adversely affected. If potential impacts could occur, prospecting activities shall be located where burrows and wildlife would not be adversely affected. The project operator should specifically avoid burrowing areas of the desert tortoise, a State protected species.
2. Diversion of the natural flow or changes in the channel, bed or banks of any river, stream, or lake will require notification to the Department of Fish and Game as called for in the Fish and Game Code. This notification (with fee) and the subsequent agreement must be completed prior to initiating any such changes. Notification should be made after the project is approved by the lead agency.
3. Permittee shall not discharge any petroleum products, crankcase oil, chemicals or other trash and debris in the project area.
4. Permittee shall notify the staff of the State Lands Commission two weeks prior to commencing operations.

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File Ref.: W 40499
SCH #86101305
October 31, 1986

**INITIAL STUDY
INTRODUCTION**

Armavi Mining Company, LTD. has applied to the State Lands Commission for a mineral prospecting permit on State Lands located in the northern Avawatz Mountains of northern San Bernardino County, California. The multiphased project consists of:

- 1) preparation of a topographic map of the State section on 10 feet contours.
- 2) drilling a combination exploratory hole and test water well to bedrock but not deeper than 250 feet.
- 3) drill a maximum of 200 sample drill holes to a maximum depth of 150 feet.
- 4) drill a test soil boring to a maximum of 100 feet.
- 5) excavate 1 backhoe trench not to exceed 50 cubic yards.
- 6) conduct a seismic survey if required.

No road construction or road improvements will be performed. During the prospecting period a maximum of 75,000 gallons of water is proposed to be extracted from the water well. All drill holes and excavations shall be returned to their original condition to the extent possible.

The permit when issued is for a two year period and may be extended for one additional year.

This Initial Study consists of a detailed project description, environmental impact assessment check list, information form response and project location maps.

STATE LANDS COMMISSION
October 1986

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SECTION A: DETAILED PROJECT DESCRIPTION

Armavi Mining Company, LTD. proposes to conduct exploration in the permit area for placer gold and other valuable minerals through a multiphased exploration program. A licensed surveyor will prepare a topographic map of the section on ten foot contour intervals. Drill sites as shown on Exhibit C will be located and flagged. The first drill-hole S-7, will serve as a test water well and as a source of sample material. The test water well is proposed to be drilled to bedrock but shall not exceed 250 feet. This water well as well as the remaining drill holes shall be drilled using a cable tool rig mounted on a light truck. The cable tool rig shall use a 9 3/4 inch drive shoe threaded to 8 inch outside diameter casing creating an inside diameter of 7.625 inches. The test water well and sample drill holes incorporate the same drilling procedure to reach the desired depth. The drilling steps shall include; 1) set surface casing of 5 to 10 feet in the ground 2) drive the 8 inch O.D. casing to the desired interval; 3) drill or churn the material with added water in the casing; 4) vacuum the sludge material into the sand pump for hoisting to the surface for collection.

Test well completion depends upon the drill hole ground condition. The surface casing will be left in place whether the hole integrity is or is not known. If the wall of the drill hole is competent, the casing can be pulled from the hole leaving the surface casing to prevent loose material from raveling into the hole. If the ground is incompetent, the casing will be pulled and slotted casing installed to the bottom of the hole and extraneous material inside the casing will be evacuated in order to install the pump unit. During the prospecting permit it is estimated that 50,000 to 75,000 gallons of water will be extracted from the water well for drilling and processing operations.

Following completion of the test water well, drill holes S-1 through S-6 will be drilled. Samples obtained will be examined and processed for values. Assuming good results drill holes S-8 through S-16 will follow using the same procedures. Pending results, drill holes S-17 through S-22 will be drilled. Should additional information be required, a maximum of 200 sample holes may result after peripheral and infill drilling within the State section. All sample drill holes will be drilled to bedrock, but shall not exceed 150 feet.

Samples obtained shall be processed on-site by a Humphrey's Gold Miser to determine the presence of valuable minerals.

A rotary soil boring with a 12 to 16 inch bit with excavating blades is proposed to be drilled in the center of the section to evaluate the ratio of oversized gravel to process gravel. The boring is proposed to be drilled to bedrock but shall not exceed 100 feet. The material excavated will be weighed and screened on site and then replaced in the bore hole. One backhoe trench excavated to a maximum depth of 20 feet may be used for the same purpose. The estimated location of the trench is 200 feet east of the soil boring, and shall not exceed 50 cubic yards. The backhoe trench shall be backfilled to its original condition.

A seismic geophysical survey may be utilized if the interpretation of the drill hole data is questionable or if anomalies are encountered. Due to the local geology it is believed that explosives are not required, and that the required acoustical energy may be obtained by the impacting of a large mass on the ground surface.

Most field work will be contracted out with the company overseeing and assisting the contractor. An estimate of the contractor's equipment includes:

Office trailer and parts trailer.

Two cable tool drill rigs mounted on 1-1/2 ton Chevrolet trucks.

Two 1-ton Chevrolet pickups with 400 gallon water tanks.

One Econoline Ford Van.

One 3/4-ton pickup.

An estimate of Armavi Mining Company, LTD. equipment includes: Office trailer, storage trailer, security guard RV and test process units.

One 1-ton Chevrolet pickup

One mini-quad runner

One forklift of 1-ton capacity

One semi-trailer (8 ft. x 8 ft. x 40 ft.) for storage

One Cat 956 front end loader

One backhoe (1/2 cu. yd. bucket--Caterpillar or equivalent)

No road construction or blading will be required within the Section. The Owlshhead or Harry Wade Road, a single-lane dirt road, crosses the southern part of the Section. Entry from

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this road to the drainage area can be accomplished by using washes or open areas as the ground surface slopes gently to the drainage area. Plant life is sparse; however, access to the drainage will be flagged to avoid possible plant damage and to control traffic.

The proposed abandonment procedure for drill holes is the same regardless of whether water is or is not encountered. The drill rig will pull the casing from the well in joints. As each joint is pulled, hole cuttings will be backfilled into the hole and tamped with the drill bit. This procedure will be repeated until all casing is removed from the hole. The drill site will be returned to its near original elevation and state.

Reclamation: Reclamation activities will be ongoing and monitored during program progress. Abandoned drill holes will be filled and plugged and the area policed of all human activity within fifteen days of hole abandonment. Paths of vehicular travel through areas of plant growth will be flagged to avoid unnecessary disturbance and traffic will be controlled at all times. Other site operations will be brought to their original condition upon termination of each specific project. Should disturbed areas exist, the area will be recontoured to blend with the surrounding terrain to conform to the topographic map prepared prior to the onset of exploration activities. Waste and trash disposal will be scheduled for removal from the site on a regular basis and transported to an approved dump site.

Upon completion of the program, the temporary facilities will be dismantled and equipment removed from the site. The area will be restored to a near natural state.

The estimated maximum excavated volume is 600 cubic yards. The estimated maximum area of surface disturbance is 0.003 acre.

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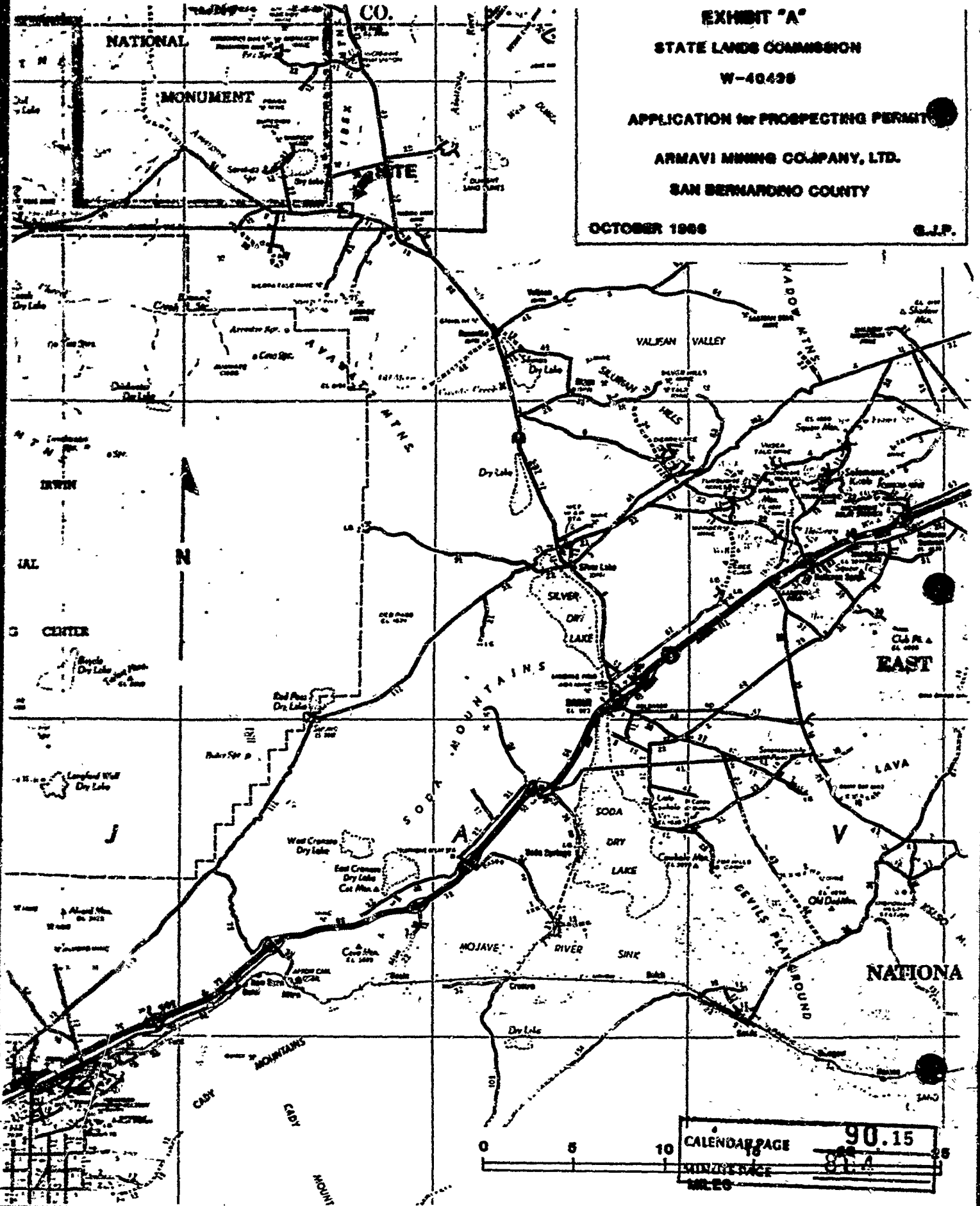


EXHIBIT "A"

STATE LANDS COMMISSION

W-40438

APPLICATION for PROSPECTING PERMIT

ARMAVI MINING COMPANY, LTD.

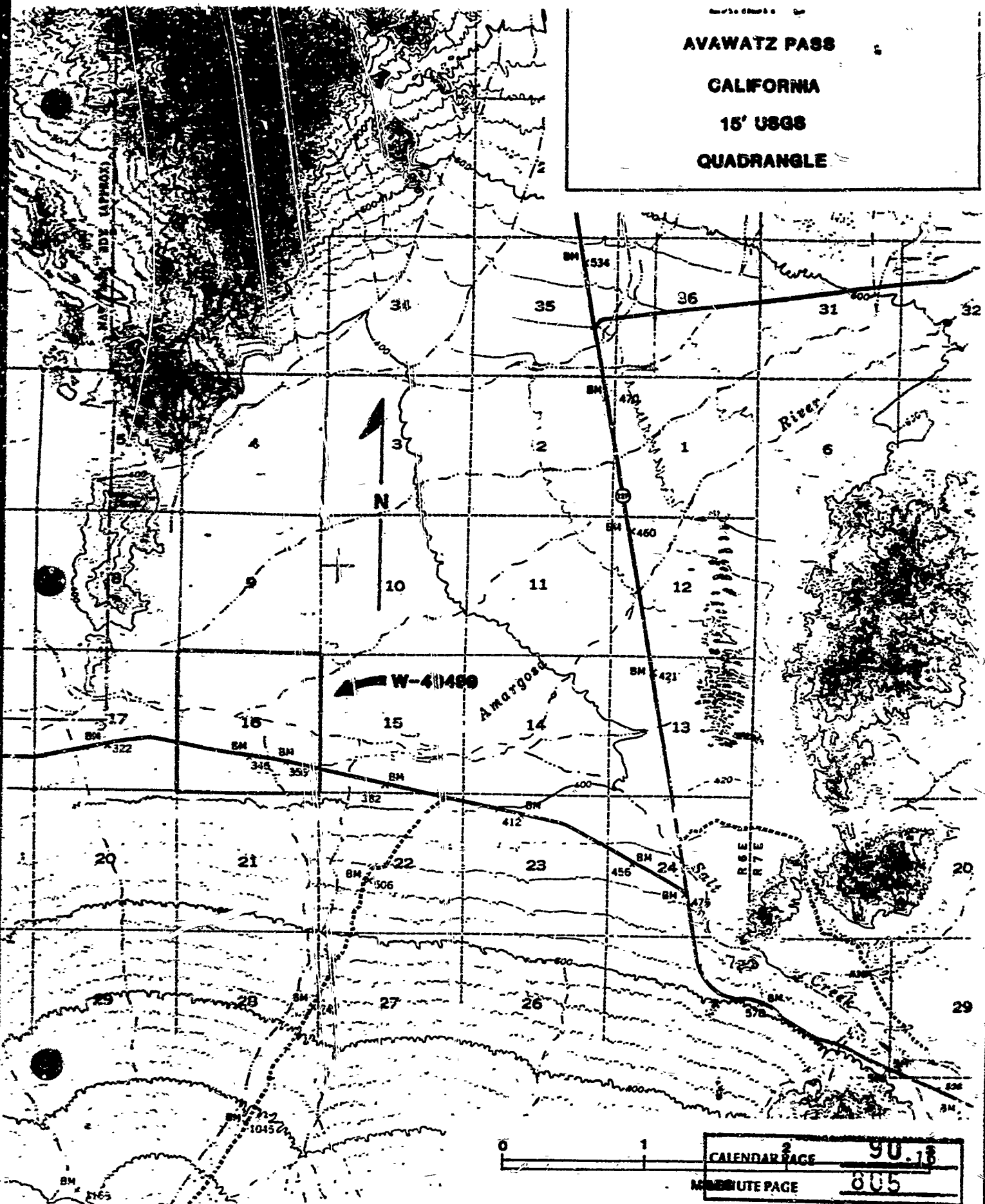
SAN BERNARDINO COUNTY

OCTOBER 1968

G.I.P.

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MILES	0 5 10

AVAWATZ PASS
CALIFORNIA
15' USGS
QUADRANGLE



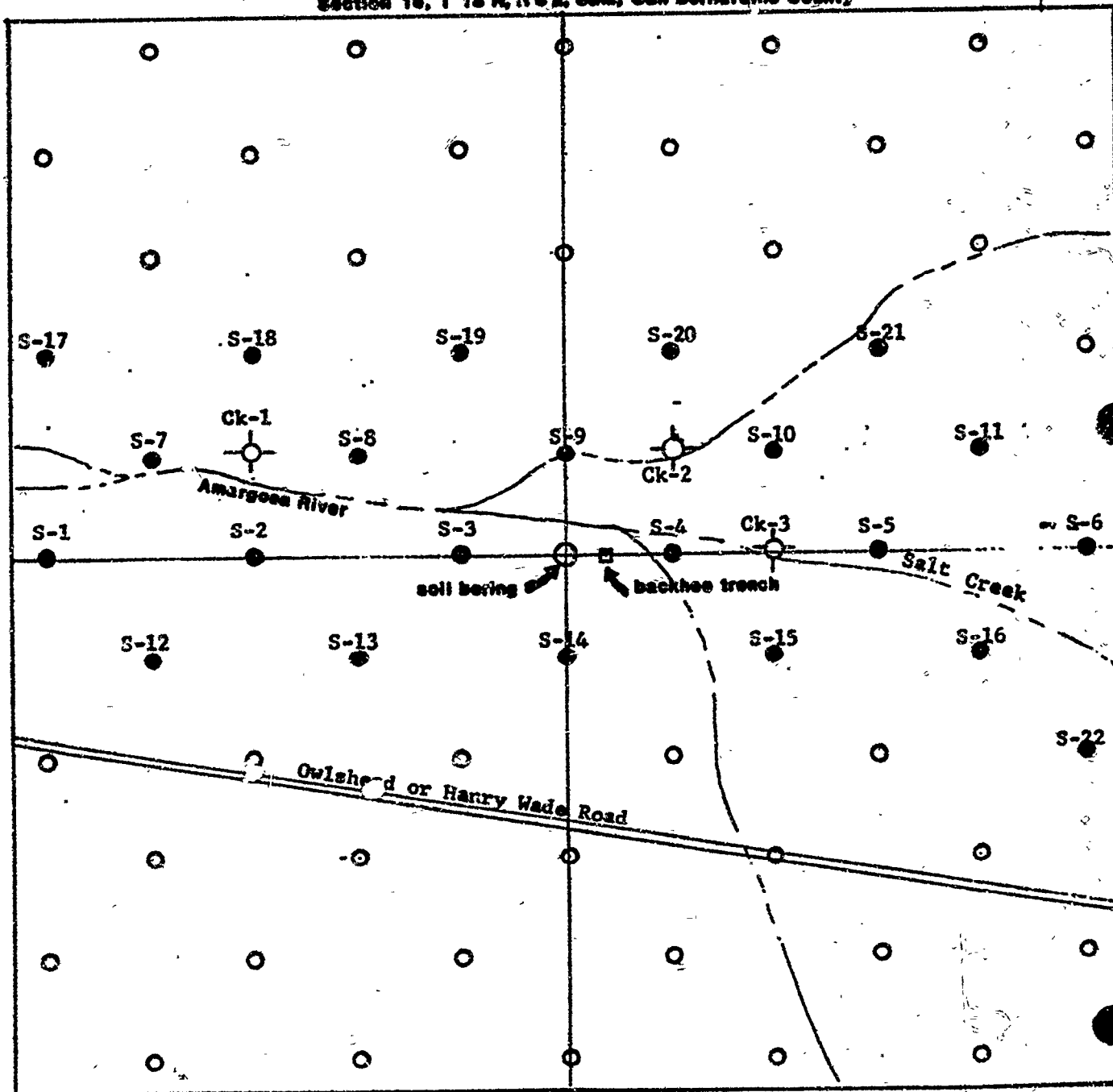
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EXHIBIT "C"

EXPLORATION DRILLING PROGRAM

LEGEND: ● = Present Drill Sites ⊕ = Check Drill Sites
○ = Future Drill Sites

Section 18, T 18 N, R 6 E, S8M, San Bernardino County



SECTION B: ENVIRONMENTAL SETTING

1. Describe the project site as it exists before commencement of the project. Include information such as topography, soil stability, plants and animals, and any cultural, historical or scenic aspects. Describe any existing structures on the site, the use of the structures, and whether they will be retained or removed.
2. Describe the surrounding properties. Include information such as topography, soil stability, plants and animals, any cultural, historical or scenic aspects. Indicate the type of land use, intensity of land use, and scale of development.
3. Include a statement of the proposed liquid, solid or gaseous waste disposal methods necessary for the protection and preservation of existing land and water uses.
4. Other Permits Required. Identify other public agencies having approval authority over the proposed project and submit copies of all acquired approvals relating to this project.

1. Description of Project Site:

The project site, Section 16, prior to the commencement of exploration, serves as a portion of the Amargosa River and Salt Creek westerly drainage.

The topography of the Section is one of low relief. The east-west drainage gradient across the Section falls about 30 feet. The Section surface is similar to a shallow plate tipped slightly to the west. Near the south boundary, the foothills of the Avawatz Mountains commence a gentle southerly rise.

In general, the soil is an alluvia fill composed of sand, gravel, and clay. Carbonates, chlorides, and sulfates are intermixed in the alluvia and are present in sufficient quantities to make the water unsuitable for domestic purposes or irrigation.

The water is classified as inferior for domestic and irrigation purposes, according to references taken from the California Department of Water Resources, Ground Water Occurrences and Quality, Lahontan Region, Bulletin 106-1 dated 1964 as follows:

Valjean Valley Ground Water Basin (6-21) Page 175-179
Riggs Valley Ground Water Basin (6-23) Page 183-186

Despite this condition, the water is suitable as a medium for mining operations to extract precious metals and/or concentrates from the gravels.

Plant life in the Section is sparse. The predominant growth consists of creosote bushes. Some small grasses and dwarf sage are present. Pictures taken on June 19, 1986 indicate the general spacing and types of plants occurring near the barren drainage.

Animal life is either migratory or non-existent. The applicant has not observed any trails, spoor or scat in the Section.

No cultural, historical or scenic aspects are known to exist in the Section. In May 1986, the Bureau of Land Management, Barstow Office, sent their archeologist out to inspect the area east of Highway 127 to include the west side of the Salt Spring Hills in T18N. The archeologist determined that no cultural aspects existed in this particular area. Salt Springs is the principle source of water year round in T 18 N. Since no cultural aspects or items were found in the spring area, the likelihood of such being found in the rest of T 18 N is rather remote.

No structures exist in the Section.

2. Description of Surrounding Properties:

The lands surrounding the State section are within Wilderness Study Area 220 under the jurisdiction of the Bureau of Land Management. The project site is located 1/2 mile east of the southern end of Death Valley National Monument. The panoramic pictures show the continuation of the low-land vegetation throughout the Township (T 18 N, R 6 E) in which Section 16 is located. The surrounding area is also one of low relief. The Salt Spring Hills to the east rise to an elevation of 1100 feet. On the south the Avawatz Mountain foothills rise gently for about three miles from the south Township boundary and then rise moderately into the mountains. The low point in the Township occurs at the west boundary of Section 18 where the elevation is about 250 feet. In Section 17 the Saddle Peak Hills serve as a weir through which the drainage course passes into Death Valley. The hills rise northerly to an elevation of 2550 feet in T 19 N. To the north the elevation rises slowly to an elevation of 400 feet.

No cultural or scenic aspects are known to the applicant. In the area there does exist a historical monument located at the intersection of Highway 127 and the Harry Wade one-land dirt road in Section 24, T 18 N, R 6 E which recites Harry Wade's trek out of Death Valley.

Soil stability does not vary from that described for Section 16. Plant and animal life are as described for Section 16.

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Land use in the surrounding area is extremely limited. Highway 127 (N-S) and the Harry Wade dirt road (E-W) offer access to the area. Traffic is considered minimal. At irregular intervals recreational people use the Dumont Dunes in Sections 12 and 13 on weekends during the cool part of the year. No structures exist in the Township. Two habitats exist in the area. One is located at Sheep Creek Spring in the Wawatz Mountains and the other is located in the south-west corner of Section 36, T 19 N, R 6¹ E. The major land use of the area appears to be centered about the collection of water into the main drainage which then flows into the Death Valley terminal sink. Rainfall in the area averages about 3 to 4 inches a year. Unexpected flash floods and Spring runoff from the snow covered ranges to the north and east add some moisture to the area. Consequently, the ground surface of the drainage is dry 85 to 90 percent of the year.

3. Description of Waste Disposal Methods:

Exploration equipment and other mobile stock will require fuels and lubricants. Initially all fuels and lubricants will be transported to the site as needed. Should a source of these materials be located on site of the project, they will be contained in tanks above ground on pipe standards with the lubricants stored in a separate shed. In either case spills, should they occur, will be cleaned up immediately. Trash barrels will be removed from the site on a regular schedule and taken to the dump in Baker.

No other toxic liquids, solids or gaseous materials will be needed on-site.

4. Other Permits Required:

The applicant is unaware of any permits required for undertaking a minerals prospecting activity. If any permits are required, the applicant will conform to such requirement.

SECTION C: ASSESSMENT OF ENVIRONMENTAL IMPACTS

All phases of a project, such as planning, acquisition, development and operation, shall be considered when evaluating its impact on the environment. Please answer the following questions by placing a check in the appropriate box. Discuss all items checked "yes" or "maybe" on additional sheet(s).

Will the project involve:

	YES	MAYBE	NO
1. A change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours?	[]	[]	[X]
2. A change in scenic views from existing residential areas or public lands or roads? ...	[]	[]	[X]
3. A change in pattern, scale or character of the general area of the project?	[]	[]	[X]
4. Significant effect on plant or animal life?	[]	[]	[X]
5. Significant amounts of solid waste or litter?	[]	[]	[X]
6. A change in dust, ash, smoke, fumes or odors in the vicinity?	[]	[]	[X]
7. A change in ocean, bay, lake, stream or ground water quality or quantity, or an altering of existing drainage patterns?	[]	[]	[X]
8. A change in existing noise or vibration levels in the vicinity?	[]	[]	[X]
9. Construction on filled land or on a slope of 10 percent or more?	[]	[]	[X]
10. Use or disposal of potentially hazardous materials such as toxic or radioactive substances, flammables or explosives?	[]	[]	[X]
11. A change in demand for municipal services (e.g., police, fire, water, sewage)?	[]	[]	[X]
12. Increase in fossil fuel consumption (e.g., electricity, oil, natural gas)?	[]	[]	[X]
13. A larger project or a series of projects?	[]	[X]	[]

Depends on exploration results.

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ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

Form 13.20 (7/82)

File Ref: W40499

I. BACKGROUND INFORMATION

A. Applicant: Arnavi Mining Company, LTD
16000 Ventura Boulevard, Suite 908
Encino, California 91436

B. Checklist Date: 10 / 31 / 86

C. Contact Person: Gregory J. Pelka, State Lands Commission
Telephone: (213) 590-5201

D. Purpose: Prospect for gold and other valuable minerals.

E. Location: Section 16, Township 18 North, Range 6 East, SRM, San Bernardino County,
640 acres. See attached maps.

F. Description: Applicant proposes to prospect for placer gold and other valuable
minerals by conducting a multiphased exploration program.
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Disruptions, displacements, compaction, or overcovering of the soil?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Change in topography or ground surface relief features?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. The destruction, covering, or modification of any unique geologic or physical features?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Any increase in wind or water erosion of soils, either on or off the site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, or similar hazards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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T. *Cultural Resources.*

Yes Maybe No

- 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 project environmental data.

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: / /

For the State Lands Commission

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III Discussion of Environmental Evaluation

- A 2. Disruption, displacement, compaction, and overcovering of the soil will occur in the vicinity of the drill sites and backhoe trench.
- A 5. An increase in wind and water erosion of the disturbed soil may take place during wind and rain storms at the drill sites and backhoe trench.
- C 6. Withdrawal of a maximum of 75,000 gallons of water may temporarily decrease the subsurface flow of the Amargosa River.
- C 7. Withdrawal of water from the water well may temporarily reduce the quantity of ground water flow of the Amargosa River.
- F 1. The cable tool drilling, backhoe work, vehicle traffic, etc. will temporarily increase existing noise levels.

PART V
CERTIFICATION

I certify that all information and materials furnished in this application are true and complete to the best of my knowledge and belief. I recognize that this application and the project it addresses are subject to all laws of the State of California and the regulations and discretionary policies of the State Lands Commission.

- Applicant -

ARMAVI MINING COMPANY, LTD.

By its General Partner
ARMAVI EXPLORATION COMPANY, LTD.

By its General Partners:
HARMET ASSOCIATES, INC.

By its Executive Vice President:


Charles T. Foscue

8-1/86
Date

and

RICHLAINE CORPORATION

By its President


Richard F. Moe

8-1-86
Date

- Agent -

RICHLAINE CORPORATION

By:


Richard F. Moe, President

8-1-86
Date