

MINUTE ITEM
This Calendar Item No. C23
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 3
to 0 at its 3/26/87
meeting.

CALENDAR ITEM
C23

A 61

S 25

03/26/87
PRC 5906
Pelka

APPROVAL OF ASSIGNMENT AND EXTENSION OF PERMIT TO
PROSPECT FOR MINERALS OTHER THAN OIL AND GAS,
GEOTHERMAL RESOURCES AND SAND AND GRAVEL,
SAN BERNARDINO COUNTY

ASSIGNOR: Duval Corporation
Pennzoil Place
P. O. Box 2967
Houston, Texas 77252

ASSIGNEE: Mountain States Mineral Enterprises, Inc.
4370 South Fremont Avenue
Tucson, Arizona 85714

ASSIGNEE AGENT: Ernest E. Riffenburgh
Greshman, Varner, Savage,
Nolan and Tilden Law Offices
600 North Arrowhead Avenue
San Bernardino, California 92401

PROPOSED AUTHORIZATION:
Approval of assignment and extension of a
permit to prospect for borates and other
valuable minerals other than oil and gas,
geothermal resources and sand and gravel, on
approximately 269 acres of land located in
San Bernardino County.

TERM OF EXTENSION:
January 1, 1987 through December 31, 1987.

AREA, TYPE OF LAND AND LOCATION:
Patented State school land with minerals
reserved to the State - SE 1/4 of the NW 1/4,
S 1/2 of NE 1/4, and SW 1/4, Sec 36, T8N R5E,
SBM, San Bernardino County, 37 miles southeast
of Barstow.

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(ADDED 03/18/87)

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PREREQUISITE ITEMS:

1. Assignment forms have been executed.
2. Assignee is qualified to hold a State prospecting permit.
3. Application for extension submitted by assignee.
4. Statutory filing fees and processing fees have been submitted by assignee.

OTHER PERTINENT INFORMATION:

1. Mineral prospecting permit PRC 5906 was approved for issuance to Duval Corporation by the Commission on November 29, 1984, effective January 1, 1985.
2. Permitted prospecting activities include conducting fluid level measurements, logging of thermal fluctuations, and periodic sampling of well solutions (0.5 liter per sample) at three existing wells (drilled and capped by the applicant under a previous prospecting permit). During the term of the permit, activity has been mainly centered on the small scale pilot plant in adjacent section 25. Preliminary results indicate that solution borate mining is economically viable. However further work including filtration, washing and recrystallization process tests to produce boric acid crystals are planned.
3. Mountain States Mineral Enterprises, Inc. purchased all rights to the project from Duval Corporation in October 1985. Since Mountain States Mineral Enterprises, Inc. did not purchase the entirety of Duval Corporation's assets, an assignment of this permit is required. In addition to the assignment Mountain States Mineral Enterprises, Inc. also requests a one year extension of the mineral prospecting permit in order to determine the commerciality of the project.

STATUTORY REFERENCES:

- A. P.R.C.: Div. 6, Sections 6804, 6891.

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S. Cal. Adm. Code: Title 2, Section 2200.

AB 884:

N/A.

ENVIRONMENTAL 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 because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has again determined that the permitted activities are exempt from the requirements of CEQA as a categorically 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.

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 the applicant would have a preferential right to a lease for a maximum of 269 acres embraced within the permit. Said right shall be subject to all necessary environmental approvals. The permit will not affect the discretion of the Commission in granting or denying such environmental approvals.

EXHIBITS:

- A. Land Description.
- B. Site Map.
- C. State Prospecting Permit Assignment, Acceptance and Approval Form.

(ADDED 03/18/87)

CALENDAR ITEM NO. 023 (CONT'D)

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 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE ASSIGNMENT OF MINERAL PROSPECTING PERMIT PRC 5906 TO MOUNTAIN STATES MINERAL ENTERPRISES, INC. BY THE PERMITTEE DUVAL CORPORATION.
3. FIND THAT THIS EXTENSION IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION, 2 CAL. ADM. CODE 2905.
4. PURSUANT TO SECTION 6891 OF THE P.R.C., AUTHORIZE THE EXTENSION THROUGH DECEMBER 31, 1987, OF PROSPECTING PERMIT PRC 5906 ASSIGNED TO MOUNTAIN STATES MINERAL ENTERPRISES, INC. TO PROSPECT FOR ALL MINERALS OTHER THAN OIL AND GAS AND GEOTHERMAL RESOURCES; ALL TERMS AND CONDITIONS OF THE PERMIT ARE TO REMAIN IN FULL FORCE AND EFFECT.

(ADDED 03/18/87)

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EXHIBIT "A"

LAND DESCRIPTION

PRG 8000

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

$\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$, and the SW $\frac{1}{2}$ of section 36, T8N, R5E, S8M.

END OF DESCRIPTION

PREPARED OCTOBER 4, 1984, BY BOUNDARY AND TITLE UNIT.

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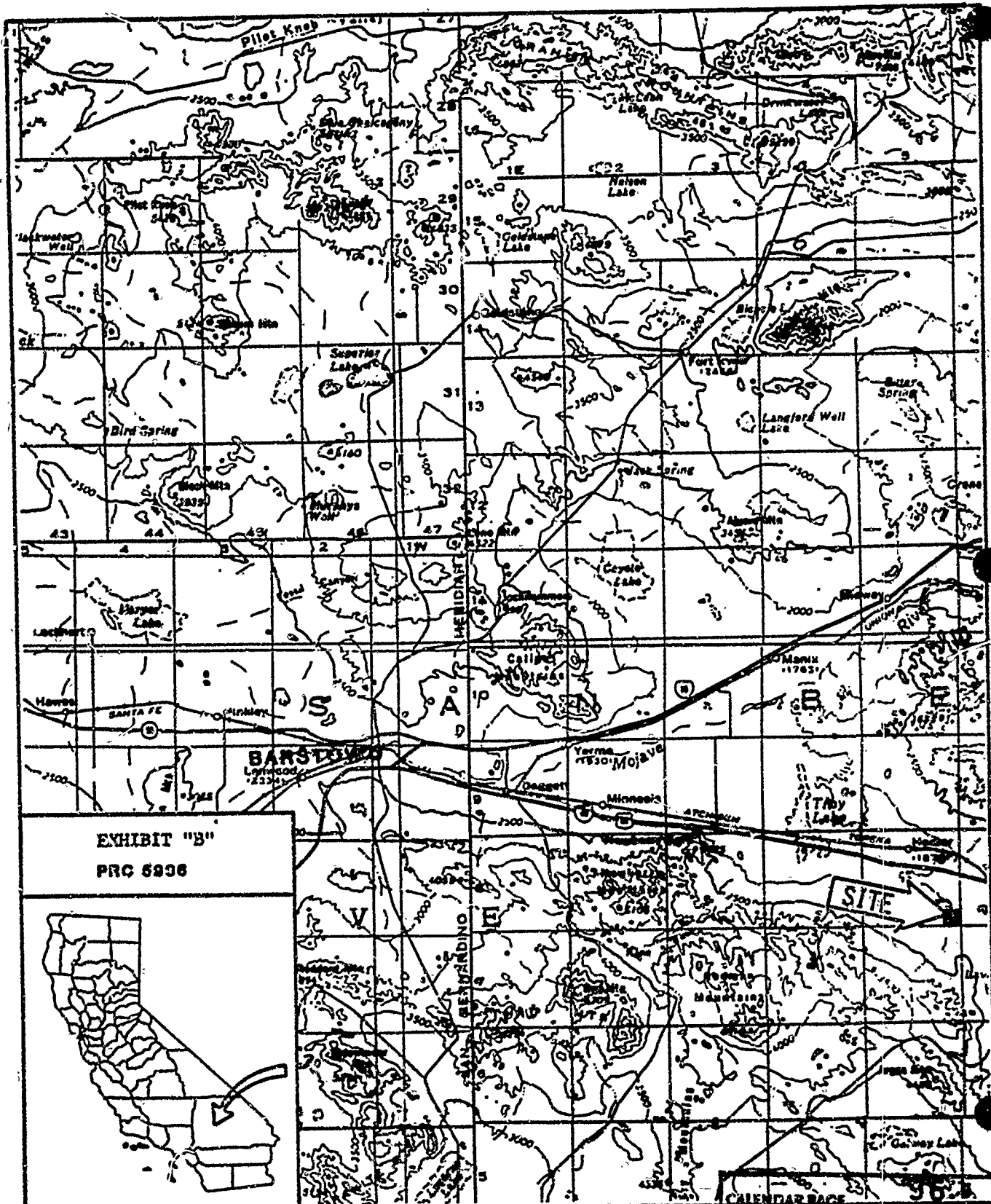


EXHIBIT "B"
 PRC 6996



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EXHIBIT C

STATE OF CALIFORNIA
STATE LANDS COMMISSION

STATE PROSPECTING PERMIT ASSIGNMENT,
ACCEPTANCE AND APPROVAL

Duval Corporation (Assignor), as the holder of State
Prospecting Permit PRC 5906.2, issued on January 1, 1985, hereby
assigns all its right, title and interest under this permit to
Mountain States Mineral Enterprises, Inc. (Assignee).

Mountain States Mineral Enterprises, Inc. (Assignee) hereby
accepts the assignment of this prospecting permit and agrees to
perform in the manner provided in the permit the conditions,
covenants and agreements to be kept and performed by the permittee
and to be bound by the terms of the permit to the same extent as
if it were the original permittee, any conditions in the
assignment agreement to the contrary notwithstanding.

ASSIGNOR:

ASSIGNEE:

Duval Corporation
Name of Assignor

Mountain States Mineral Enterprises, Inc.
Name of Assignee

700 Milan Street
Address

4370 South Frenont Avenue
Address

Houston, TX 77002
City, State, Zip Code

Tucson, AZ 85714
City, State, Zip Code

By: [Signature]
Signature

By: [Signature]
Signature

J. M. LeFan
Name of Officer

Edward S. Frohling
Name of Officer

Vice President
Title

President
Title

Feb. 24, 1987
Date

February 25, 1987
Date

All signatures must be acknowledged.

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EXHIBIT C

STATE OF TEXAS)
)
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared J. M. LeFan, as Vice President of Duval Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated and as the authorized act and deed of said corporation.

24th GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the day of February, 1987.

Christine Griffin
NOTARY PUBLIC in and for
Harris County, Texas

My Commission Expires:
Nov. 12, 1990

CHRISTINE GRIFFIN
Notary Public in and for Harris County, Texas
My Commission Expires 11-12-90

STATE OF ARIZONA)
)
COUNTY OF PIMA)

BEFORE ME, the undersigned authority, on this day personally appeared Edward S. Frohling, as President of Mountain States Mineral Enterprises, Inc., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated and as the authorized act and deed of said corporation.

25th GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the day of February, 1987.

Roberta A. Pucery
NOTARY PUBLIC in and for
Pima County, Arizona

My Commission Expires:
April 9, 1987

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