

MINUTE ITEM
This Calendar Item No. C29
was approved as Minute Item
No. C29 by the State Lands
Commission by a vote of 2
to 0 at its 10/29/90
meeting.

CALENDAR ITEM

C 2 9

A 80

S 37

10/29/90

W 40611

Kruger

PRC 7468

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

APPLICANT:

American Girl Mining Joint Venture
P. O. Box 879
Winterhaven, California 92283

AREA, TYPE LAND AND LOCATION:

State-owned school lands further described as
Section 36, T14S, T20E, SBM and located in the
Cerro Muchacho Mountains of southeast Imperial
County, about 15 miles northwest of Winterhaven.

PREREQUISITE CONDITIONS, FEES, AND EXPENSES:

Filing fee of \$25.00 and a processing fee of
\$250.00 and the acreage deposit of \$640.00, for
\$915.00 total, have been submitted by the
Applicant.

The subject parcel is not known to contain
commercially valuable mineral deposits.

PROPOSED PROJECT:

The Applicant proposes to conduct mineral prospecting
activities for precious metals. The proposed activities
include geologic mapping and surface sampling.

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There will be no new surface disturbance during the proposed prospecting activities. A 4-wheel drive vehicle will be used for access and be limited to existing dirt roads.

Geologic interpretation and mapping on State property will include a cursory examination of virtually the entire section. Reconnaissance of the off-road areas will be conducted on foot.

Surface sampling will take place mostly in the west half of the section since the rugged topography of the property precludes sampling throughout the entire section. Samples obtained for analysis will be removed from the surface by conventional hand sampling methods utilizing a rock pick and maul (a type of chisel). The samples will be analyzed off-site for precious metals.

After completion of these activities, results will be examined to determine whether an exploratory drilling program is warranted. The permittee would then apply for a prospecting permit amendment. At that time, the appropriate environmental documentation would be prepared and circulated for certification.

TERMS OF PROPOSED PERMIT:

Initial period: The primary term of this mineral prospecting permit is one year. In its discretion, the Commission may grant two one-year extensions.

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

Royalty payable under any preferential lease will not be less than ten percent (10%) of the gross value of all mineral production from the leased lands, less any charges approved by the Commission incurred while transporting and processing the State's royalty share of production.

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STATUTORY REFERENCES:

- A. P.R.C.: Div. 6, Section 6891.
- B. Cal. Code Regs.: Title 2, Section 2200.

AB 384:

03/04/91.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that the proposed activity is exempt from the requirements of the CEQA as a categorically exempt activity. The activity is exempt under Class 6, Information Collection, where minimal disturbance of State lands is involved. 2 Cal. Code Regs 2905(e)(3).
Authority: P.R.C. 2108A, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905.
2. The proposed activity involves lands identified as possessing significant environmental values (P.R.C. 6370 et. seq.) with a land use classification of Class A - restricted use. Based on the staff's conferring with the agency nominating these lands and through the environmental review process, the staff concludes that this project, as proposed, is consistent with the land use classification of the parcel.
3. Pursuant to P.R.C., Section 6895, upon establishing to the satisfaction of the Commission that commercially valuable mineral deposits have been discovered within the limits of the permit area, the Applicant would have a preferential right to a lease for a maximum of 640 acres embraced within the permit area, if the Commission elects to issue a lease. The issuance of this permit will not affect the discretion of the Commission to grant or deny a lease based on environmental considerations.

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4. The mineral prospecting permit will not provide for a performance bond or other security device in favor of the State until such time as an exploratory drilling program is proposed by the Applicant.
5. The subject parcel is not within current S-11 boundaries and not within a BLM Wilderness Study Area.

APPROVALS OBTAINED:

Pursuant to P.R.C., Section 6890, the prospecting permit form 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 PROPOSED ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA, PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION, 2 CAL. CODE REGS. 2905(e)(3). THE PROJECT WILL INCLUDE THIS PROSPECTING PERMIT AND ANY EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE PROJECT AS DESCRIBED IN THIS PERMIT. ANY EXTENSION WILL NOT EXCEED ONE YEAR.
2. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE MINERAL DEPOSITS.
3. AUTHORIZE THE ISSUANCE OF A MINERAL PROSPECTING PERMIT TO THE AMERICAN GIRL MINING JOINT VENTURE FOR A TERM OF ONE YEAR, FOR ALL MINERALS OTHER THAN OIL AND GAS, GEOTHERMAL RESOURCES OR SAND AND GRAVEL ON SECTION 36, T14S, R20E, SBM, IMPERIAL COUNTY, CONTAINING APPROXIMATELY 640 ACRES, IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALY VALUABLE MINERAL DEPOSITS WILL NOT BE LESS THAN 10 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

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TRANSPORTING OR PROCESSING THE STATE'S ROYALTY SHARE OF
PRODUCTION. THE DETERMINATION OF THE ROYALTY AND CHARGES
WILL BE AT THE DISCRETION OF THE COMMISSION.

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EXHIBIT "A"
LAND DESCRIPTION

W 40611

That State owned school land near Yuma, Imperial County, California, described as follows:
All of Section 36, T14S, R20E, SBM.

END OF DESCRIPTION

PREPARED SEPTEMBER 6, 1990 BY LLB.

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