

MINUTE ITEM

This Calendar Item No. C42
was approved as Minute Item
No. 42 by the State Lands
Commission by a vote of 3
to 0 at its 8-2-94
meeting.

CALENDAR ITEM

C42

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08/03/94
W 40709
Kruger
PRC7782

**CONSIDER A PROSPECTING PERMIT FOR MINERALS
OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES,
SAND AND GRAVEL ON 640 ACRES OF STATE LANDS,
TEHAMA COUNTY**

APPLICANT:

Eagle Explores
Attn: Ms. Olive White
44 Hartnell Avenue, #109
Redding, California 96002

AREA, TYPE LAND AND LOCATION:

Approximately 640 acres of State-owned school land described as Section 16, T25N, R7W, MDM on the east side of the Coast Ranges in western Tehama County, about 25 miles west of Red Bluff, California.

BACKGROUND:

Eagle Explores proposes to conduct mineral prospecting activity for precious metals and related minerals. The proposed project consists of conducting a preliminary phase of surface sampling throughout the entire section. Surface sampling activity will include using hand tools to obtain a maximum of 400 samples each weighing two to three pounds. Samples collected will be taken offsite for testing.

During this phase of the project, there will be minimal surface disturbance. Two people will be working on this phase of the project. One four-wheel drive vehicle will be utilized for access and will be limited to existing dirt roads. Any activity in roadless areas will be conducted on foot.

Exploration results will be interpreted after this preliminary phase. Should these results prove to be positive and further exploratory work, including additional sampling, is warranted, the Applicant may then apply for a permit amendment providing for such activity. This would be subject to the CEQA review process and further approval by the Commission acting solely in its discretion.

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The basis for Eagle Explores' prospecting permit application is the geologic association of precious metals and related minerals such as the platinum group with chrome-rich rock material as has been known to occur within Section 16. If approved, Eagle Explores' prospecting permit will be for precious metals including gold and silver and minerals in the platinum group. Therefore, Commission staff believe that the minerals sought by Eagle Explores are not known to occur in Section 16 in commercially valuable quantities.

TERMS OF PROPOSED PERMIT:

The primary term of a mineral prospecting permit shall be one year. The Commission in its discretion may extend the term for additional periods not to exceed one year each. In no event shall the term of any permit exceed three years.

ROYALTY:

Royalty payable under this permit shall be 20 percent (20%) of the gross value of the minerals secured from the permitted area and sold, or otherwise disposed of or held for sale or other disposition.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

1. Required filing fee, processing fee and acreage deposit have been submitted by the Applicant.
2. The subject parcel is not known to contain commercially valuable mineral deposits.
3. Royalty payable under any preferential lease issued shall not be less than ten percent (10%) of the gross value of all mineral production from the leased land, less any charges approved by the Commission made or incurred with regard to transportation or processing of 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 the lease.

STATUTORY AND OTHER REFERENCES:

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

AB 884:

10/01/94

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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 this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 6, Information Collection, the collection of data for information purposes where minimal disturbance of State property is involved, 2 Cal. Code Regs. 2905(e)(3).

Authority: P.R.C. 21084, 14 Cal. Code Regs. 15306, and 2 Cal. Code Regs. 2905.

2. 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 limit of the permitted acres, the Applicant would have a preferential right to lease a maximum of 640 acres embraced within the permit, if the Commission elects to issue such a lease. This right shall be subject to all necessary environmental approvals. The issuance of this permit shall not affect the discretion in granting or denying such a lease because of environmental considerations.
3. This activity involves land identified as possessing significant environmental values pursuant to P.R.C. 6370, et. seq. Based on Commission staff's consultation with the agency nominating such lands and it is the Commission staff's opinion that the project, as proposed, is consistent with its use classification.
4. The subject parcel is not within BLM wilderness study areas and not within crucial plant or animal habitats.
5. This mineral prospecting permit shall not provide for a performance bond or other security device in favor of the State until such time as the extent of further prospecting activity including significant surface activity is proposed by the Applicant.

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APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the prospecting permit document has been approved by the Office of the Attorney General as to compliance with the applicable provisions of the law.

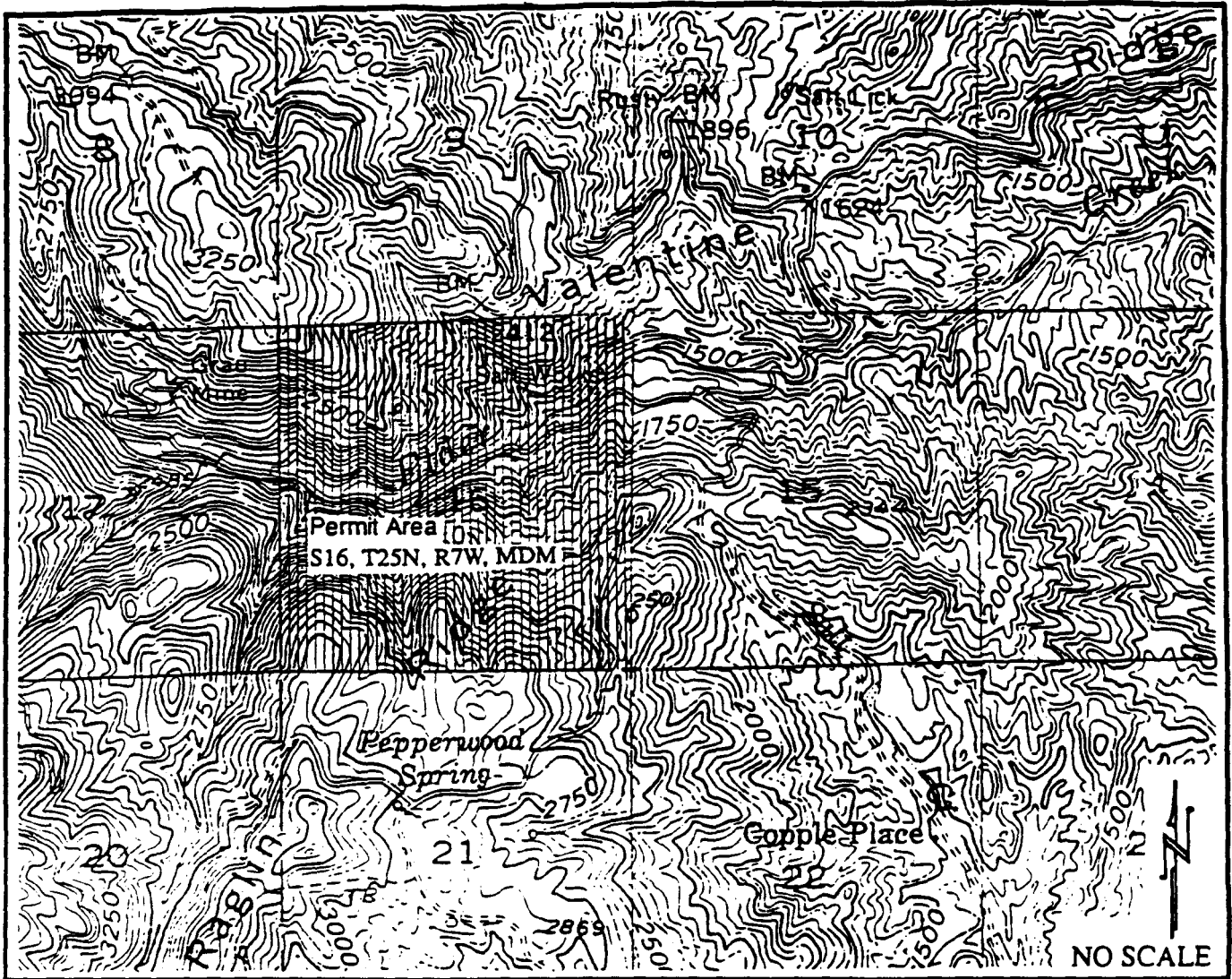
EXHIBIT:

A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE 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 SHALL INCLUDE THIS PROSPECTING PERMIT AND ANY OTHER EXTENSION THE COMMISSION MAY GRANT IN ITS DISCRETION FOR THE PROJECT AS DESCRIBED IN THE PERMIT. ANY EXTENSION SHALL NOT EXCEED ADDITIONAL PERIODS OF ONE YEAR EACH. IN NO EVENT SHALL THE TERM OF A PERMIT EXCEED THREE YEARS.
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 EAGLE EXPLORES FOR A PRIMARY TERM OF ONE YEAR FOR MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES OR SAND AND GRAVEL ON SECTION 16, T25N, R7W, MDM, TEHAMA COUNTY, CONTAINING APPROXIMATELY 640 ACRES, MORE OR LESS, IN ACCORDANCE WITH THE STANDARD FORM OF PERMIT. ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON THE DISCOVERY OF COMMERCIALY VALUABLE MINERAL DEPOSITS SHALL BE NOT LESS THAN TEN PERCENT OF THE GROSS VALUE OF ALL MINERAL PRODUCTION FROM THE LEASED LAND, LESS ANY CHARGES APPROVED BY THE COMMISSION MADE OR INCURRED WITH REGARD TO THE TRANSPORTATION OR PROCESSING OF THE STATE'S ROYALTY SHARE OF PRODUCTION. THE DETERMINATION OF SAID ROYALTY AND CHARGES SHALL BE AT THE DISCRETION OF THE COMMISSION.

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LOCATION MAP

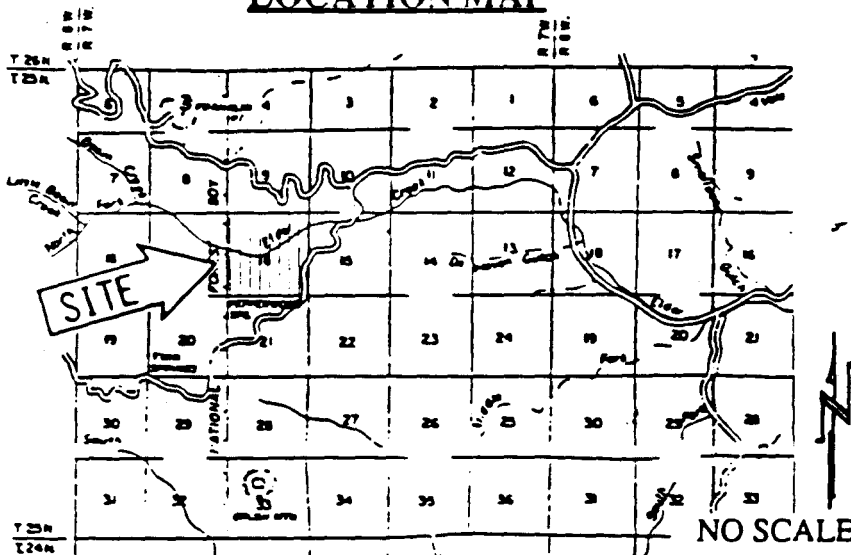


EXHIBIT "A"

W 40709

Mineral Prospecting
Permit Application

Sec. 16, T25N, R7W, MDM

TEHAMA COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

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