

MINUTE ITEM

This Calendar Item No. C118 was approved as Minute Item No. 118 by the California State Lands Commission by a vote of 3 to 0 at its 6-19-98 meeting.

**CALENDAR ITEM
C118**

A 34
S 25

06/19/98
WP 7729.2
E. Kruger

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

APPLICANT:

Naxos Resources (U.S.A.), Ltd.
Attn.: Gregory John, Project Manager
P. O. Box 12
Death Valley Junction, California 92328

AREA, TYPE LAND AND LOCATION:

Approximately 640 acres of vacant, State-owned school land described as Section 36, T25N, R5E, SBM about three miles south of Death Valley Junction, Inyo County.

TERMS OF PROPOSED PROJECT:

The primary term of the mineral prospecting permit shall be two years. The Commission, at its discretion, may extend the term for an additional period not to exceed one year. In no event shall the term of any permit exceed three years.

ROYALTY:

Royalty payable under this permit shall be 20 percent 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.

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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 regard to transportation or processing of the State's royalty share of production. The determination of the charges against the State's royalty shall be at the discretion of the Commission and set forth in the lease.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section: Division 6, Section 6891.
- B. California Code of Regulations: Title 2, Section 2200.

OTHER PERTINENT INFORMATION:

1. A Mitigated Negative Declaration (SCH # 97082087) was prepared and adopted for this project by the Inyo County Planning Department. The California State Lands Commission's staff has reviewed this document.
2. A Mitigation Monitoring Program was adopted by Inyo County and is included in its approval of the Mitigated Negative Declaration. A copy of this document, including the project description, is attached as Exhibit B.
3. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating the lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its land use classification.
4. Pursuant to Public Resources Section 6895, upon establishing to the satisfaction of the Commission that a commercially valuable mineral deposit has been discovered within the limits of the permit, Permittee would have a preferential right to a lease for a maximum of 640 acres embraced within the permit. This right shall be subject to all necessary environmental approvals. The issuance of this permit shall not affect the discretion of the Commission in granting or denying such a lease because of environmental conditions.
5. This mineral prospecting permit shall 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 additional exploratory drilling, is proposed by the Applicant.

CALENDAR ITEM NO. C118 (CONT'D)

APPROVALS OBTAINED:

Pursuant to Public Resources Code 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.

EXHIBITS:

- A. Site Map
- B. Mitigation Monitoring Program and Notice of Determination, and Resolution

PERMIT STREAMLINING ACT DEADLINE:

August 3, 1998.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE INYO COUNTY PLANNING DEPARTMENT AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE MITIGATION MONITORING PROGRAM AS CONTAINED IN EXHIBIT B, ATTACHED.
3. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.
4. DETERMINE THAT THE LANDS DESCRIBED IN THE PERMIT ARE NOT PRESENTLY KNOWN TO CONTAIN COMMERCIALY VALUABLE MINERAL DEPOSITS.

AUTHORIZATION:

AUTHORIZE THE ISSUANCE OF A MINERAL PROSPECTING PERMIT TO NAXOS RESOURCES (U.S.A.), LTD. FOR A PRIMARY TERM OF

CALENDAR ITEM NO. C118 (CONT'D)

TWO YEARS FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES AND SAND AND GRAVEL ON SECTION 36, TOWNSHIP 25 NORTH , RANGE 5 EAST, SBM, 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 LANDS, 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 THE ROYALTY AND THE CHARGES SHALL BE AT THE DISCRETION OF THE COMMISSION.

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 168 North Edwards Street
 Post Office Drawer L
 Independence, California 93526

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DRAFT MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT

PROJECT TITLE Reclamation Plan # 97-1/ Amended Conditional Use Permit 94-3/ General Plan Amendment 97-4/ Zone Reclassification 97-5/Franklin Lake Exploration Project/ Naxos Resources (USA)

PROJECT LOCATION:

Project is located in portions of Sec 25, ³⁶~~26~~, Township 25N, Range 5E; Sec 1, 12, Township 24N, Range 5E; Sec 29, 30, 31, 32 Township 25N, Range 6E; Sec 5, 6, 7, Township 24 N, Range 6E. Project is located on Franklin Playa, South of Death Valley Junction and North of Eagle Mountain East of Highway 127. The land is administered by the BLM. One section is owned by State Lands. Project processing plant is located at Death Valley Junction. The processing plant area is owned by Amargosa Opera House.

PROJECT DESCRIPTION:

The project is a mining exploration project along with a processing feasibility study (Experimental plant). With this plant the applicant is trying to find a metallurgical process to recover precious metals. The processing lab is in a building zoned C-5 (only the building) with a General Plan classification of Commercial Resort Recreational. The remainder of the parcel is zoned OS-40. This project will require a general plan amendment and zone reclassification for the building. The general plan designation needs to be amended to Open space natural resources. The Zone need to be reclassified to Open Space forty acres minimum. The processing plant and lab along with the office building and storage areas requires a conditional use permit. The entire site including the acreage on the playa and access roads requires a reclamation plan. The project is expected to last two and a half years. If the exploration project shows a viable ore body, and the processing lab finds a metallurgical process to extract the ore, the applicant will resubmit applications for new a Conditional Use Permit and Reclamation Plan.

Reclamation will consist of plugging drill holes and obliterating the roads and vehicle tracks on the playa. Because of the lack of vegetation, revegetation will not be considered. Reclamation will also consist removing all structures at the processing site except the old gas station used as the processing lab.

FINDINGS:

An Initial Study and an Evaluation of Potential Impacts has been prepared by the Planning Department (attached). The Initial Study, including an environmental checklist, indicated that the

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proposed project, as mitigated, will **not** have a significant adverse impact on the environment for the following reasons:

- A. The proposed project is consistent with the goals and objectives of the Inyo County General Plan. Therefore, the project is consistent with the adopted General Plan Land Use designation of "Open Space - Natural Resources."
- B. The proposed reclamation plan is consistent with the requirements of the Inyo County Zoning Ordinance and the OS-40 (Open space-40 acre minimum) zone.
- C. The proposed Reclamation Plan is consistent with the requirements of Chapter 7.70 of the Inyo County Code.
- D. Existing public and private services are adequate to meet the requirements of the proposed project without the need for their expansion.
- E. Based upon the information submitted, and the mitigation measures which will be required as a result of the Initial Study, it has been found that the project does not have the potential to create a significant adverse impact on the following:

- 1. Water
- 2. Flora or fauna
- 3. Air Quality

This constitutes a Negative Finding for the Mandatory Findings required pursuant to Section 15065 of the California Environmental Quality Act (CEQA) Guidelines. Mitigation measures that will be required are as follows:

1. WATER:

PROBLEM: Drill holes may contaminate ground water.

MITIGATION MEASURES: Exploration reclamation will be performed by the operator to reclaim those areas with surface disturbance.

- 1. Drill holes shall be plugged with bentonite as soon as the sampling is complete.

MITIGATION LEVEL: Mitigate to a less than significant level.

LEAD AGENCY: Inyo County Planning Commission

FUNDING SOURCE: Mining Operator/Applicant shall directly implement these measures at their expense.

IMPLEMENTING AGENCY: Mining Operator/Applicant.

TIMING: Mitigation measures are to be implemented at the conclusion of each phase of mining.

2 PLANT and ANIMAL LIFE:

PROBLEM: Nitrophila mohavensis, a state and federally listed endangered plant, is found in the Carson Slough.

MITIGATION MEASURE: Conditions of approval shall include the following mitigation measures:

1. The area shall be surveyed for the presence of the plant by qualified botanist. Habitat where the plant is found shall be avoided.
2. Roadways shall be mapped and flagged on the ground and strictly followed. Roadways shall be no greater than ten feet wide.

MITIGATION LEVEL: Mitigate to a less than significant level.

LEAD AGENCY: Inyo County Planning Commission

FUNDING SOURCE: Mining Operator/Applicant shall directly implement these measures at their expense.

IMPLEMENTING AGENCY: Mining Operator/Applicant.

TIMING: Mitigation measures are to be implemented at the conclusion of each phase of mining.

3. AIR QUALITY

PROBLEM: Exploration and reclamation activities shall create dust.

MITIGATION MEASURE: Conditions of approval shall include the following mitigation measures:

1. During exploration, and reclamation activities that occur during high wind events where sustained winds are greater than 35 miles per hour exploration or reclamation activities on the playa shall be suspended.

MITIGATION LEVEL: Mitigate to a less than significant level.

LEAD AGENCY: Inyo County Planning Commission

FUNDING SOURCE: Mining Operator/Applicant shall directly implement these measures at their expense.

IMPLEMENTING AGENCY: Mining Operator/Applicant.


TIMING: Mitigation measures are to be implemented concurrently with mining and reclamation.

The review period for this Negative Declaration expires on September 24, 1997. Inyo County is not required to respond to any comments received after this date.

Additional information is available from the Inyo County Planning Department. Please contact Project Planner, Earl H. Gann, if you have any questions regarding this project.

INYO COUNTY PLANNING DEPARTMENT

8-22-97
Date


Peter Chamberlin
Planning Director

References Cited: Knight, Teri A, Ph-D, A Survey for Nitrophila Mohavensis Munz & Roos on the Naxos Trespass Area, Inyo County, Henderson Nv. 89016, August 1990.

Liburn Corporation, Baseline Biological Survey of Section 16, Township 26 North, Range 5 East and Section 36, Township 25 North, Range 5 East, Including Naxos Resources Ltd, proposed Drill Sites, San Bernardino, August 1993.

Attachments: Initial Study,
Evaluation of Potential Impacts
Vicinity Map

Date	Reviewer	Initials
8/22/97	Project Planner	ELG
8/22/97	Review Planner	(CS)
	Planning Director	
	Secretary	

Notice of Determination

From: (Public Agency) INYO PLANNING

P.O. DRAWER L

(Address) INDEPENDENCE, CA 93526

FILED

FEB 03 1998



BEVERLY J. HARRY
INYO COUNTY CLERK
DEPUTY

Subject: MROPER

Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title NAYOS RESOURCES EXPLORATION PROJECT AND PROCESSING FEASIBILITY STUDY

State Clearinghouse Number 97092087 (If submitted to Clearinghouse)
Lead Agency INYO COUNTY PLANNING DEPT. EARL GANN
Area Code/Telephone/Extension (760) 978-0263
Contact Person

Project Location (include county) DEATH VALLEY JUNCTION + FRANKLIN LAKE PLAYA, INYO COUNTY

Project Description: MINE EXPLORATION PROJECT, AND PROCESSING FEASIBILITY STUDY
CONDITIONAL USE PERMIT AND RECLAMATION PLAN TO RECLAIM
PLAYA AFTER EXPLORATION IS COMPLETE.

This is to advise that the INYO COUNTY BOARD OF SUPERVISORS has approved the above described project on Lead Agency Responsible Agency

FEB 3, 1998 and has made the following determinations regarding the above described project:
(Date)

1. The project (will will not) have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures (were were not) made a condition of the approval of the project.
4. A statement of Overriding Considerations (was was not) adopted for this project.
5. Findings (were were not) made pursuant to the provisions of CEQA.

This is to certify that the final ^{NEG DECLARATION} ~~PER~~ with comments and responses and record of project approval is available to the General Public at: INYO COUNTY COURT HOUSE AVENUE 161 NORTH EDWARDS, INDEPENDENCE, CA 93526

Earl B Gann 2/3/98 MINE RECLAMATION PLANNER
Signature (Public Agency) Date Title

Date received for filing at OPR:

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NOTICE OF FEE EXEMPTION

De Minimus Impact Finding

Project Title: Naxos Resources Exploration Project and Processing Feasibility Study

Lead Agency: Inyo County Planning Department

Location (Include County): Death Valley Junction and Franklin Lake Playa in various sections in Township 25N, Range 5E, SBB&M, Inyo County

Name and address of Project Proponent: Naxos Resources Ltd.
P. O. Box 12
Death Valley Junction, CA 92328
(760) 852-4444

Project Description: A Conditional Use Permit (94-3 amended) for mine exploration Project and Processing Feasibility Study and reclamation Plan to reclaim the playa after Exploration is complete (RP 97-1).

Findings of Exemption:

1. The site has been subject to previous surface mining activity.
2. Any surface disturbance as a result of future reclamation measures will not result in a significant loss of native vegetation or wildlife habitat.
3. Any degradation to vegetation and wildlife habitat as a result of project approval, as conditioned, would be less than significant, and therefore *de minimus*.

Certification:

I hereby certify the lead agency has made the above findings of fact and that based upon the above findings and, the project will not individually or cumulatively have any significant adverse impact on wildlife resources, as defined in Section 711.4 of Fish and Game Code.



Inyo County Planning Department

Date: February 3, 1998

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BEFORE THE PLANNING COMMISSION, COUNTY OF INYO

RESOLUTION NO. 97-6

A RESOLUTION OF THE PLANNING COMMISSION OF THE COUNTY OF INYO,
STATE OF CALIFORNIA, RECOMMENDING TO THE BOARD OF SUPERVISORS
APPROVAL OF GENERAL PLAN AMENDMENT No. 97-4,
ZONE RECLASSIFICATION No. 97-5,
AMENDED CONDITIONAL USE PERMIT 94-3 AND
RECLAMATION PLAN 97-1/NAXOS
ON PROPERTY LOCATED IN DEATH VALLEY JUNCTION AND FRANKLIN LAKE PLAYA
EAST SIDE OF STATE HIGHWAY 127 AND NORTH OF EAGLE MOUNTAIN

WHEREAS, the Board of Supervisors has delegated the task to the Planning Commission to serve as an effective guide for orderly growth and development (Section 65400 of Government Code); and

WHEREAS, on August 7, 1984, the County of Inyo adopted the Land Use Element of the Inyo County General Plan; and

WHEREAS, the Planning Commission is required to conduct a public hearing on the proposed general plan amendment and zone reclassification and make a recommendation to the Board of Supervisors thereto (Sections 65854 and 65855 of Government Code); and;

WHEREAS, the Inyo County Planning Commission held a public hearing on December 17, 1997, to consider a request to amend the Land Use Element of the Inyo County General Plan from "*Commercial Resort recreational*" to "*Open Space/ Park Recreational*". Change the zoning from C-5 (General Commercial - 10,000 square foot minimum) to OS -40 (Open space-forty acre minimum) on property located on the east side of Death Valley Junction: Reclamation Plan 97-1 located on Franklin Lake Playa south of Death Valley Junction and East of Highway 127. unincorporated area of Inyo County as shown in "Exhibit A"; and

WHEREAS, at the December 17, 1997 hearing the Planning Commission considered the report of staff and all oral and written comments regarding these proposals; and

WHEREAS, the Planning Commission finds and determines that the proposed General Plan Amendment and Zone Reclassification will act to further the orderly growth and development of the County; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Planning Commission of the County of Inyo has reviewed the proposed request to amend the Land Use Element of the 1984 Inyo County General Plan from "*Commercial Recreational*" to "*Open Space/Park recreational*" and to change the zoning from C-5 to OS-40 and;

BE IT FURTHER RESOLVED that the Planning Commission makes the following findings and recommendations to the Board of Supervisors as follows;

- A. Based upon the Initial Study and all written and verbal comments received, adopt the Mitigated Negative Declaration of Environmental Impact and certify the requirements of the California Environmental Quality Act have been satisfied.

[Evidence: In accordance with the requirements of the California Environmental Quality Act, an Initial Study and Draft Mitigated Negative Declaration of Environmental Impact were prepared and circulated for public comment.]

- B. Find that the processing plans would be consistent with the proposed Open Space designation of the Land Use Element of the Inyo County General Plan.

[Evidence: proposed use is specifically identified within the scope of the land use designation.]

- C. Find that existing public facilities and services are adequate for the needs of the proposed general plan designation.

[Evidence: Notice of the project was circulated to service providers and no comments expressing concerns were received.]

- D. Find the proposed Processing Plant use would be consistent as a conditional use in the OS-40 (Open Space -40 acres minimum) Zone.

[Evidence: Proposed use is identified as a conditional use in the Inyo County Zoning Ordinance.]

- F. Find the existing public facilities and services are adequate for the needs of the proposed OS - 40 zone designation.

[Evidence: Notice of this project was circulated to service providers and no comments expressing concerns were received.]

- G. The site has been subject to previous surface mining activity, and any surface disturbance as a result of future reclamation measures will not result in a significant loss of native vegetation or wildlife habitat. Any degradation to vegetation and wildlife habitat as a result of project approval, as conditioned, would be less than significant, and therefore, *de minimus*.

(Evidence: Based upon past surface disturbance and the photographs entered into record, any degradation to existing vegetation and wildlife habitat from proposed reclamation measures would be less than significant and therefore de minimus, as stated in Fish and Game Code 711.4)

- H. Find the proposed reclamation plan conforms and meets the requirements of Chapter 7.70 (Mining & Reclamation) of Inyo County Code and State Mining Reclamation Act of 1976.

[Evidence: Conditions imposed on the project will affect compliance with the statutes.]

- I. Adopt the attached resolution recommending approval of General Plan Amendment No. 97-4 from Naxos to the Board of Supervisors.
- K. Adopt the attached resolution recommending approval of General Plan amendment No 97-4/ Naxos to the Board of Supervisors.
- L. Recommend the Board of Supervisors approve Amended Conditional Use Permit 93-4/ Naxos Death Valley Processing Experimental Processing Plant subject to the following Conditions:

COMPLIANCE WITH COUNTY CODE

- 1. The applicant shall conform to all applicable provisions of Inyo County Code.

HOLD HARMLESS

- 2. As a condition of approval for Conditional Use Permit #94-3, the applicant shall defend, indemnify and hold harmless Inyo County (County), or its agents, officers and employees from any claim, action or proceeding against the county or its agents, officers, or employees to attack, set aside, void or annul any approval of the County, its advisory agencies, its appeals board, or its legislative body concerning Conditional Use Permit # 94-3, as amended. The County reserves the right to prepare its own defense.

TIME LIMIT ON THE CONDITIONAL USE PERMIT

- 3. Because of the experimental nature of this project, Conditional Use Permit #94-3 shall expire July 1, 2000.

RECLAMATION OF PROCESSING SITE

- 4. At the termination of Conditional Use Permit # 94-3, the applicant shall remove all buildings, structures, scrap material, waste piles, stockpiles and equipment from the parcel and dispose of said material in the proper licensed landfill. The applicant shall have six months to accomplish the above, or no later than January 1, 2001.

CHANGE IN OPERATIONS

- 5. Any change, expansion, alteration of the operation authorized her in shall require approval of an amendment to this Conditional Use Permit.

ROADS

- 6. All access roads shall be maintained no wider than 10 feet. Contractors shall be required to travel established routes and not create any routes other than those outlined on the access maps.

CONDITIONS AND LIMITATIONS

- 7. Once any portion of the conditional use permit is utilized, all of its conditions and limitations shall be operative, and the violation of any part shall constitute a violation of the conditional use permit and Title 18 of the Inyo County Code.

M. Approve Reclamation Plan No.97-1/Franklin Lake Exploration Project subject to the following conditions of approval:

Term of Plan and Timing of Reclamation

1. The term of the reclamation plan shall not exceed two and a half years from the date of approval. A one year extension may be granted by the Planning Commission upon receipt of a written request prior to the expiration date.
2. Exploration is estimated to take two and a half years. Final reclamation shall take place within one year of the end of operations. Reclamation shall be deemed complete when performance standards are satisfied.
3. If the exploration proves to be negative, reclamation shall take place within one year of the conclusion of exploration.
4. If exploration proves inconclusive and additional exploration is necessary, the applicant will submit an amended reclamation plan and receive an approved amended reclamation plan to continue exploration beyond the original 41 five acres plots.
5. If a "viable mineable" ore body is found and the applicant wishes to mine said ore body, the applicant will submit a new application for a reclamation plan. If mining is to occur, the portion of the exploration project not under the footprint of the mining facilities shall be reclaimed within one year after approval of the mining project.
6. If a "viable mineable" ore body is found and a mining reclamation plan application is not filed within one year of the conclusion of exploration, the applicant shall have one year for reclamation to take place.

Mapping

7. Naxos shall provide the Inyo County with an existing aerial photograph of the site. Post exploration monitoring shall include an aerial photograph taken five years after earthwork has been completed to show the extent of reclamation. If the performance standards stated in condition # 16 have not been met, then both parties shall agree on a time period for another aerial photo to be taken. Financial assurances shall not be released until performance standards are met.

Erosion Control

8. Where roadways cross the river channels, the roadways shall be hand raked to insure the river channels remain intact.

Earthwork

9. All roadways and vehicle tracks on the playa shall be obliterated by first scarifying and then dragging. The operator shall work towards the exit. Any drill site that has reclaimed itself shall remain undisturbed during the reclamation process.

10. All roads in the area where vegetation occurs shall be scarified and then dragged. The road along the Tonopah Tidewater Railroad bed need not be reclaimed.

Noxious Weed Control

11. During mining and reclamation activities and during idle periods noxious weeds shall be controlled on site.

Nitrophila mohavensis

12. Drill pads, scraping sites and access roads that are in Section 25 Township 25N, Range 5E; Section 30 Township 25N, Range 6E; Section 12, Township 24N, Range 6E. shall be surveyed for Nitrophila by a qualified botanist before disturbance is done on these sections. If Nitrophila is found then the drill sites and roads shall be moved to avoid the plant.

Equipment and Trash Removal

13. At the conclusion of reclamation all equipment and trash shall be removed from the area.

Drill Holes

14. Drill holes shall be abandoned in accordance in the manner the BLM desires. The entire length of hole shall be filled with commercial bentonite.

Scarped Areas

15. The edges of the scarped areas shall sloped to blend these areas into the playa. The area shall be decompacted (scarified) and dragged.

Performance Standard

16. Reclamation will not be considered successful or complete until disturbance on the lake is shown to be 75% of the undisturbed portions of the playa.. This shall be verified based upon visual calculations on sample plots and substantiated by past photographs of the site including off site photographs of the surrounding undisturbed lands. These photos can be aerial photos as required in condition #7.

Monitoring

17. Monitoring inspections shall take place within one week of when reclamation work is accomplished and a follow up several months after reclamation is complete. These inspections shall not disturb the playa by driving on the playa. Aerial Photographs would be the best way to determine performance standards. The reason for the first visit is to document any further disturbance on the playa by another entity during subsequent inspections.

Monitoring shall continue until the performance standards are met. Financial assurances shall not be returned until performance standards are met.

Reporting and Annual Inspections

18. Each year the applicant shall file an annual mining report with the State. These reports shall be filed until financial assurances are released. Monitoring activities will continue

until the County is satisfied that performance standards have been met. In accordance with SMARA Section 2774 (b), Inyo County as the Lead Agency, shall inspect the site and file annual inspection reports with the State.

Reclamation Responsibility Statement

19. The applicant shall submit a notarized statement to the Inyo County Planning Department accepting responsibility for reclaiming lands as per the conditions specific herein.

Financial Assurances

20. Prior to mining, financial assurances in the sum of \$58,452.00 are required in the form of a surety bond, irrevocable letter of credit, cash or certificate of deposit prior to mining. Government agencies may also use budget set asides, or pledge of revenue to post their financial assurances. Financial assurances shall be posted with the Inyo County Planning Department. Said assurances shall be made payable to the County of Inyo and the Director of the California Department of Conservation and The Bureau of Land Management.

Financial Assurance Recalculation

21. Financial assurances shall be recalculated each year in accordance with Section 2773.1(a)(3) of SMARA and Inyo County Code. This shall occur at the time of annual inspection.

Release of Financial Assurances

22. As required reclamation standards are achieved, that portion of financial assurances covering the completed activity may be released. The remainder of financial assurances covering revegetation and monitoring shall not be released until the performance standards are met.

Conditions and Limitations

23. Once any portion of this Reclamation Plan is implemented by commencing of mining, all of its conditions and limitations shall be operative, and violation of any part shall constitute a violation of this reclamation plan and Chapter 7.70 of Inyo County Code.

Hold Harmless

24. The applicant, landowner, and operator shall defend, indemnify and hold harmless Inyo County, its agents, officers and employees from any claim, action, or proceeding against the County, its agents, officers and employees to attack, set aside, void, or annul any approval of the County, its advisory agencies, appeal boards, or its legislative body concerning Reclamation Plan No. 97-1/ Franklin Lake Exploration Project.

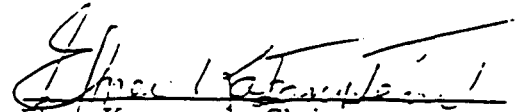
ACTIONS PASSED AND ADOPTED THIS 17th DAY OF DECEMBER, 1997.

AYES:

NOES:

ABSTAIN:

ABSENT:


Elmer Katzenstein, Chairman
Inyo County Planning Commission

ATTEST:


Sandra Miller
Planning Commission Secretary