

**CALENDAR ITEM
C30**

A 34
S 18

12/17/09
WP 2976.1
S.Young

GENERAL LEASE - INDUSTRIAL USE

APPLICANT:

U.S. Borax, Inc.
P.O. Box 37
Lone Pine, CA 93545

AREA, LAND TYPE, AND LOCATION:

50.04 acres, more or less, of sovereign lands on the west side of the dry lake bed of Owens Lake, south of the town of Lone Pine, Inyo County.

AUTHORIZED USE:

Continued operation, use, and maintenance of a mineral processing site, water wells, an access road, solar evaporating ponds, and an electrical transmission facility.

LEASE TERM:

20 years, beginning August 1, 2008.

CONSIDERATION:

\$2,500 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Comprehensive general liability and property damage insurance in the amount of no less than \$2,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.
2. On January 24, 1963, the Commission authorized the issuance of Lease No. PRC 2976.1 to Guy L. Weatherly for a road and mineral processing site. The initial lease term was for a period of 15 years with three ten-year renewal options. The lease was amended and renewed for an additional ten-year

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term on September 26, 1979. On January 24, 1980, the Commission approved the assignment of the lease to Lake Minerals Corporation (Lake Minerals), along with related Right-of Way Lease No. PRC 3511.1 and Mineral Extraction Leases PRC 4754.1, 4996.1, and 2967.1. The three Mineral Extraction Leases were subsequently incorporated into Mineral Extraction Lease No. PRC 5464.1, which had previously been issued to Lake Minerals. On June 19, 1998, the Commission approved the assignment of Lease No. PRC 2976.1 to U.S. Borax, Inc. (U.S. Borax), along with Lease numbers PRC 3511.1 and PRC 5464.1. Lease No. PRC 2976.1 expired on July 31, 2008. U.S. Borax is now applying for a new lease for the existing facilities.

3. Lease No. PRC 2976.1 was issued for the various existing improvements including a mineral processing site, water wells, access road, solar evaporating ponds which are all located on the west side of the dry lake bed of Owens Lake. This lease serves Mineral Lease No. PRC 5464.1, which authorizes US Borax to extract trona, which is a mineral used in refining boron minerals for the manufacture of glass, paint, soaps and other products. Once the trona is extracted from the lake bed, it is then processed at the mineral-processing site. Under a separate Calendar Item, the Commission is considering the renewal of Lease No. PRC 5464.1.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 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 1, Existing Facilities; Title 2, California Code of Regulations, section 2905(a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

5. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et. seq. However, the Commission has declared that all lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code Sections 6370, et. seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification

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as required by Title 2, California Code of Regulations, Section 2954 is not applicable.

EXHIBITS:

- A. Location and Site Map
- B. Land Description

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

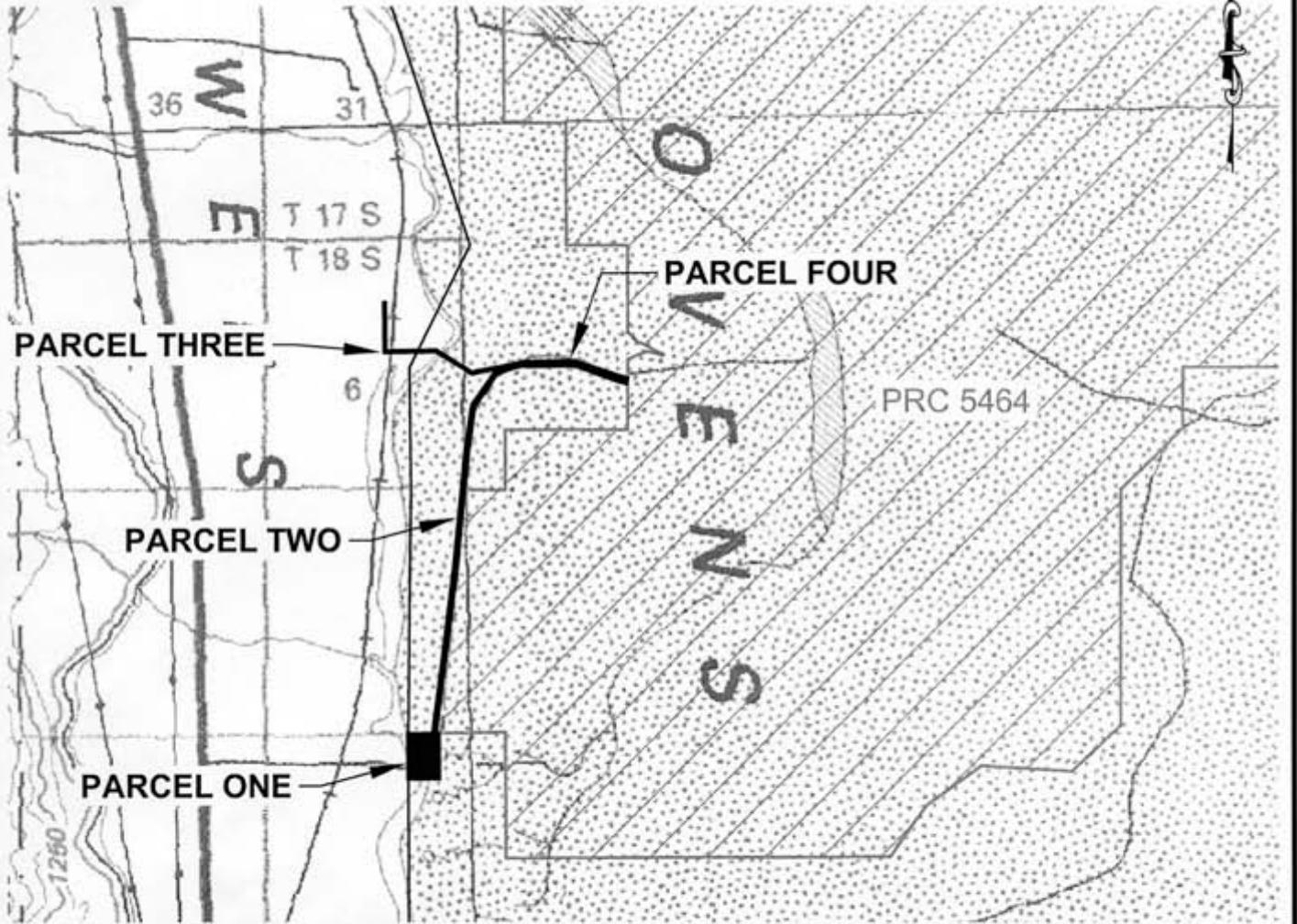
FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

AUTHORIZATION:

AUTHORIZE ISSUANCE OF A GENERAL LEASE - INDUSTRIAL USE TO U.S. BORAX, INC. BEGINNING AUGUST 1, 2008, FOR A TERM OF 20 YEARS, FOR CONTINUED OPERATION, USE, AND MAINTENANCE OF A MINERAL PROCESSING SITE, WATER WELLS, ACCESS ROAD, SOLAR EVAPORATING PONDS AND AN ELECTRICAL TRANSMISSION FACILITY AS SHOWN ON EXHIBIT A (FOR REFERENCE PURPOSES ONLY) AND AS DESCRIBED ON EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$2,500, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE WITH COVERAGE OF NO LESS THAN \$2,000,000.

NO SCALE

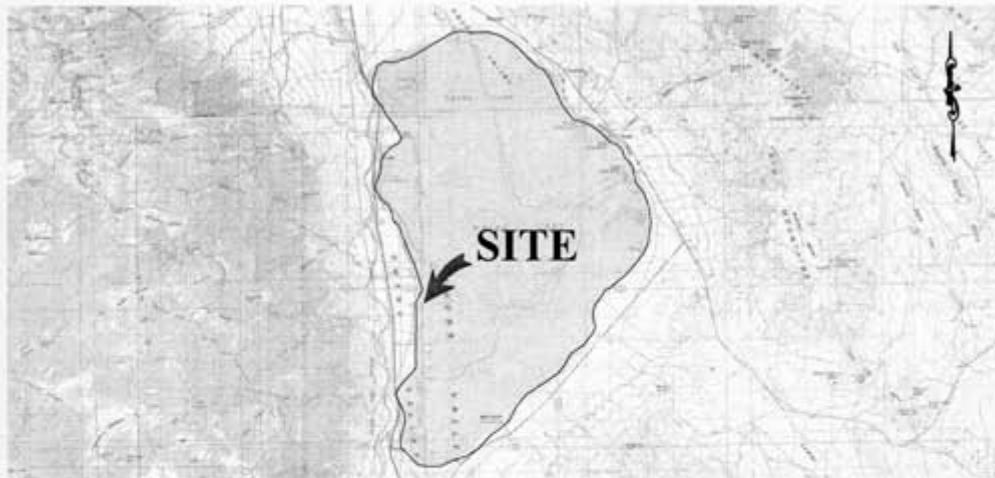
SITE



MAINTENANCE OF A ROADWAY, ELECTRICAL TRANSMISSION FACILITY, MINERAL PROCESSING SITE, WATER WELLS & SOLAR EVAPORATING PONDS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 2976.1
U.S. BORAX INC.
GENERAL LEASE
INDUSTRIAL USE
OWENS LAKE
INYO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties 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.