

**CALENDAR ITEM  
C86**

A 34  
S 17

02/22/13  
PRC 6375.2  
C. Hudson

**ASSIGNMENT OF LEASE AND CONTINUATION OF RENT**

**LESSEE/ASSIGNOR:**

Molycorp, Inc.  
HC1 Box 224  
Mountain Pass, CA 92366

**ASSIGNEE:**

Molycorp Minerals, LLC  
HC1 Box 224  
Mountain Pass, CA 92366

**AREA, LAND TYPE, AND LOCATION:**

5.48 acres, more or less, of State school land in a portion of Section 16, Township 16 North, Range 13 East, SBM, near the unincorporated community of Mountain Pass, San Bernardino County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing 14-inch diameter potable water line.

**LEASE TERM:**

49 years, beginning January 20, 1983.

**CONSIDERATION:**

\$668 per year with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**OTHER PERTINENT INFORMATION:**

1. On January 27, 1983, the Commission authorized a General Lease – Right-of-Way Use to Molycorp, Inc. That lease will expire on January 19, 2032. In 2005, Chevron acquired Unocal, the parent company of Molycorp. Molycorp, Inc. became a wholly-owned subsidiary of Chevron. On September 30, 2008, Molycorp Minerals, LLC, acquired the Mountain Pass facility from Chevron Mining, as a foundation to build an integrated

CALENDAR ITEM NO. **C86** (CONT'D)

rare earth products and technology company. Molycorp Minerals, LLC is now applying for an assignment of all interest.

2. This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be continued at \$668 per year, effective January 20, 2013.
3. The staff recommends that the Commission find that the subject lease assignment and continuation of rent do not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and are, therefore, not projects in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

**EXHIBITS:**

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

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the subject lease assignment and continuation of rent are not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activities are not a projects as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

1. Authorize the Assignment of Lease No. PRC 6375.2, a General Lease – Right-of-Way Use, of State school land as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof, from Molycorp, Inc. to Molycorp Minerals, LLC, effective February 22, 2013.
2. Approve the continuation of rent for Lease No. PRC 6375.2 at \$668 per year, effective January 20, 2013.

EXHIBIT "A"

LAND DESCRIPTION

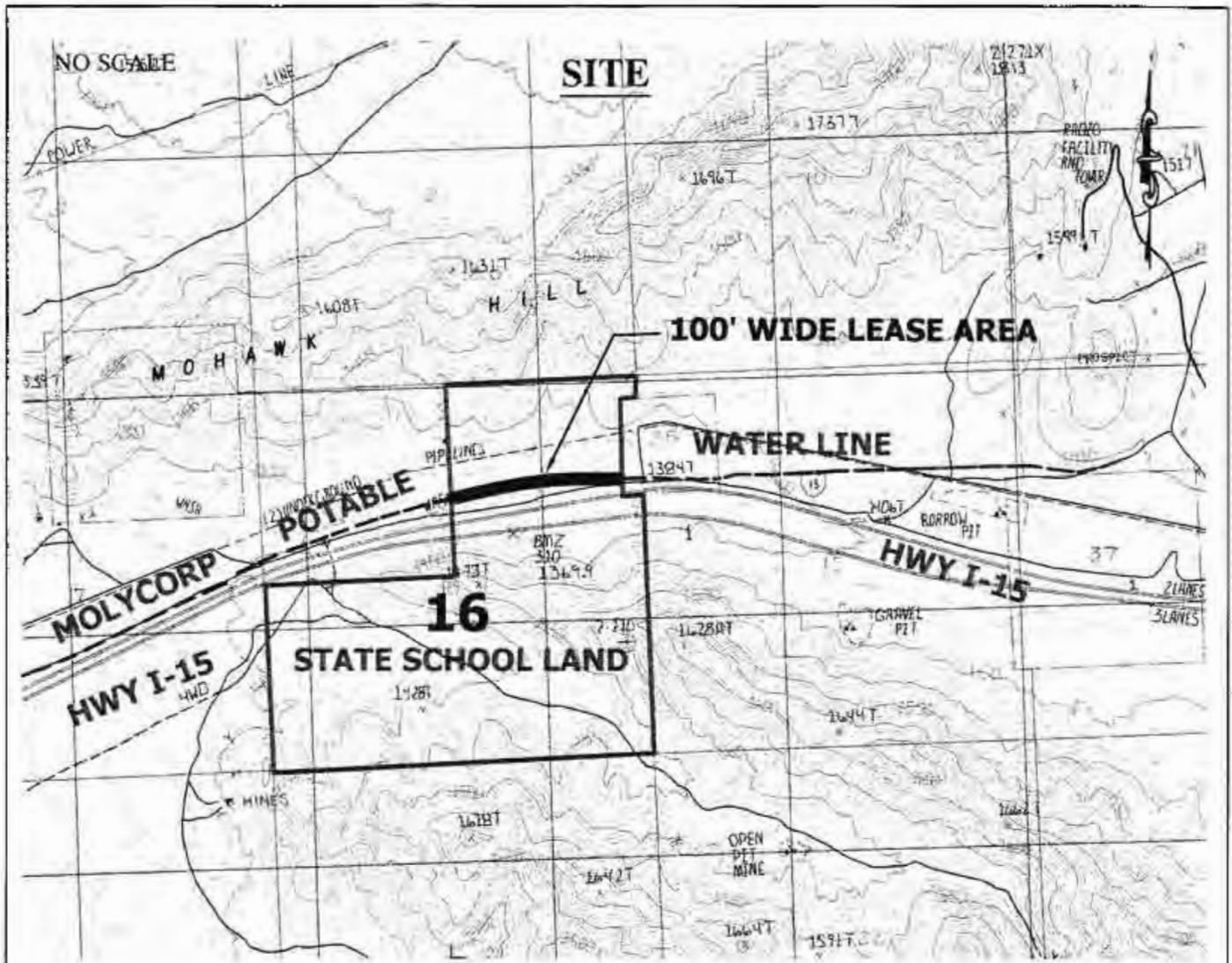
PRC 6375.2

A strip of State school lands 100 feet wide in Section 16, T16N, R13E, SBM, San Bernardino County, State of California, said strip lying 50 feet on each side of the following described centerline:

COMMENCING at a witness corner bearing N 0° 17' 25" E 6.60 feet from the East 1/4 corner of said Section 16; thence along the east line of said Section 16, N 0° 17' 25" E 932.39 feet to the south line of Tract 38 of said Township; thence along the boundary of said Tract 38, S 89° 54' 29" W 264.16 feet; thence N 00° 06' 26" W 168.17 feet to the TRUE POINT OF BEGINNING; thence westerly 24.26 feet along a curve concave to the south, said curve having a radius of 6150 feet, a radial bearing of N 4° 21' 00" W at the beginning of said curve, through a central angle of 0° 13' 34"; thence non-tangent to said curve N 88° 27' 40" W 2361.11 feet to a point on the west line of the NE 1/4 of said Section 16 and the end of the herein described line.

END OF DESCRIPTION

REVISED NOV. 30, 1982 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.



WATER TRANSPORTATION LINE, MOLYCORP



MAP SOURCE: USGS QUAD

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.

**Exhibit B**  
 PRC 6375.2  
 MOLYCORP MINERALS, LLC  
 GENERAL LEASE -  
 RIGHT-OF-WAY USE  
 SAN BERNARDINO COUNTY

