

**CALENDAR ITEM  
C72**

A 26  
S 8

08/19/15  
PRC 5464.1  
V. Perez

**CONSIDER ACCEPTANCE OF A PARTIAL QUITCLAIM DEED OF  
STATE MINERAL EXTRACTION LEASE NO. PRC 5464.1,  
OWENS LAKE, INYO COUNTY**

**LESSEE:**

U.S. Borax Inc.  
Attn.: Mr. Paul Lamos  
P. O. Box 37  
Lone Pine, CA 93545

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

State Mineral Extraction Lease No. PRC 5464.1 contains approximately 15,700 acres of State sovereign land located on the dry lake bed of Owens Lake in west central Inyo County. The State lands on Owens Lake are located east of U.S. Highway 395, approximately five miles south of Lone Pine (see Exhibit A and Exhibit B, attached for reference).

**BACKGROUND:**

State Mineral Extraction Lease No. PRC 5464.1, (Lease) was originally issued to Lake Minerals in 1978, for an initial term of 20 years, with an option to renew for three (3) successive periods of 10 years each. The Lease was amended in 1980, which led to an increase of the leased acreage from 7,440 acres to 16,120 acres; an increase of the performance bond to \$30,000; and an increase of the minimum annual royalty from \$80,000 to \$120,000. In 1998, Lake Minerals assigned the Lease to U.S. Borax Inc. (Lessee), and the Lease was renewed for a 10-year period ending July 31, 2008.

In November 2004, the California State Lands Commission (Commission) authorized amendment of the Lease to provide for four (4) renewal periods of 10 years each. On August 1, 2008, the Lease was placed in holdover status pending the Lessee's request to exercise its option to renew the lease for another 10-year period. On December 17, 2009, the Commission approved the first of four (4) possible 10-year renewals, and an amendment, which reduced the leased acreage from 16,120 to 15,700 acres. The acreage was reduced to allow the City of Los Angeles Department of Water and Power (LADWP) to use a portion of those lands for dust abatement. The Lease amendment also resulted in a modification of the royalty. The renewal extended the existing Lease for a

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10-year term, retroactive from August 1, 2008, through July 31, 2018.

**QUITCLAIM:**

Pursuant to Public Resources Code section 6804.1 and Lease paragraph 28, the Lessee may quitclaim all rights under the Lease, or of any portion of the leased lands, at any time during the Lease term. The quitclaim is effective upon filing with the State, subject to the continued obligation of the Lessee and its surety to pay any accrued rental and/or royalty payments.

The Lessee filed a partial Quitclaim Deed on June 22, 2015, dated June 19, 2015, for approximately 157 acres of the 15,700 acres within the area described in Exhibit A. This document quitclaims all of the Lessee's right, title, and interest in that part of the leased lands. The 157 acres have all been properly reclaimed. Following the acceptance of the quitclaim, the amended Lease area will contain approximately 15,543 acres.

The 157 acres will be included as part of the Phase 9/10 Dust Mitigation Project. Phase 9/10 is required to comply with the 2014 Stipulated Judgment between the Great Basin Unified Air Pollution Control District and LADWP, as filed with the California Superior Court. The dust control project must be completed by December 31, 2017. LADWP has submitted an application to amend Lease No. PRC 8079.1.

**STATUTORY AND OTHER REFERENCES:**

- A. Public Resources Code section 6804.1
- B. Mineral Extraction Lease No. PRC 5464.1, Lease paragraph 28.

**OTHER PERTINENT INFORMATION:**

The staff recommends that the Commission find that the subject approval of a quitclaim deed does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project 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. Quitclaim Deed with Land Description
- B. Location Map

CALENDAR ITEM NO. **C72** (CONT'D)

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the approval of a quitclaim deed is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

1. Accept from U.S. Borax Inc. the partial Quitclaim Deed for State Mineral Extraction Lease No. PRC 5464.1, dated June 19, 2015, effective June 22, 2015 (the date of filing), wherein the Lessee quitclaims back to the State all right, title, and interest, in approximately 157 acres of the leased lands described in Exhibit A, attached hereto.
2. Release U.S. Borax Inc. from all obligations under the quitclaimed portion of the State Mineral Extraction Lease No. PRC 5464.1, accruing after June 22, 2015, with the exception of those continuing obligations, if any, which are identified in paragraph 28 of the Lease.
3. Authorize the Executive Officer or her designee to execute any documents necessary to implement the Commission's action.

**EXHIBIT A**

PRC 5464.1

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED MAIL TO:  
**STATE OF CALIFORNIA**  
State Lands Commission  
200 Oceangate, 12<sup>th</sup> floor  
Long Beach CA 90802  
Attn: Vanessa Perez

**STATE OF CALIFORNIA**  
**OFFICIAL BUSINESS**  
Document entitled to free recordation  
pursuant to Government Code Section 27383

No Tax Due

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**LEASE QUITCLAIM DEED  
FOR STATE MINERAL EXTRACTION LEASE**

State Mineral Extraction Lease No. PRC 5464.1 (Lease), covering certain State lands located in  
Inyo County (ies), State of California, was issued by the State of California, acting through  
the California State Lands Commission (State), on August 1, 2008.

U.S. Borax Inc. (Lessee) is the present holder of the Lease.

Pursuant to the terms of the Lease and Section 6804.1 of the Public Resources Code, the Lessee may at any time make  
and file with the State a written quitclaim or relinquishment of all rights under the Lease or of any portion of the Lease comprising a  
10-acre parcel or multiple thereof in compact form, or of any separate or distinct zone or geological horizon thereof underlying such  
10-acre parcel or multiple thereof.

Acting in accordance with such terms, the **Lessee** does hereby release, remise and forever quitclaim unto the **State of  
California** all of its right, title and interest in and to the State lands or that portion of the State lands held by virtue of the Lease,  
which lands are or portion is described in the attached Exhibit A.

IN WITNESS WHEREOF, this Quitclaim Deed is executed this 19<sup>th</sup> day of June, 2015.

LESSEE: U.S. Borax Inc

~~Owens Lake Operations, P. O. Box 37, Lone Pine CA 93545~~

By: [Signature]

(Signature)  
Derek C West

(Name of Officer)  
Chief Counsel

(Title)

Acknowledgment

**Exhibit A**  
**Portion of PRC 5464, U.S. Borax, Inc.**  
**Quit Claim Legal Description**

A **Portion** of the California State Lands Commission Lease PRC 5464, being wholly on State-owned land in the bed of Owens Lake, in the County of Inyo, State of California, more particularly described as follows:

COMMENCING at the southernmost, easterly corner of said PRC 5464 boundary as shown on Sheet 1 of 1 of the California State Lands Commission, PRC 5464.1 U.S. BORAX, INC., SUPPLIMENTAL LEASE BOUNDARY INFORMATION map, dated 03-08-2007, as labeled with CCS83 (1986) Zone 4 Coordinates, U.S. Survey Feet, "N 2019162.31, E 6867560.97"; thence North 00°02'10" East, along said boundary, 1313.52 feet to boundary angle point labeled "N 2020475.83, E 6867561.80"; thence North 89°50'12" East, along said boundary, 1318.87 feet to boundary angle point labeled "N 2020479.59, E 6868880.66"; thence North 00°03'57" East, along said boundary, 1242.26 feet to the intersection with the southerly boundary line of Parcel T10-3-L1 of the City of Los Angeles, Department of Water and Power, Owens Lake Dust Mitigation Program Phase 10 and the TRUE POINT OF BEGINNING, from whence Mineral Monument No. 58, a white marble stone monument with a metal plate cross stamped "MM #58", as said monument is shown on that map filed in Book 11, of Record of Surveys at Page 7, Official Records of the County of Inyo, State of California, bears North 26°42'14" East, a distance of 47,411.43 feet; thence continuing North 00°03'57" East, along said PRC 5464.1 boundary, 5336.45 feet to boundary angle point labeled "N 2027058.30, E 6868888.23"; thence North 45°13'11" East, along said PRC 5464.1 boundary toward boundary angle point labeled "N 2028372.66, E 6870212.71", 947.60 feet to the intersection with the northerly boundary line of said Parcel T10-3-L1; thence, leaving said PRC 5464.1 boundary, along the following described courses of said T10-3-L1:

North 76°03'09" West, 66.68 feet;  
North 38°36'31" West, 256.39 feet;  
South 20°24'09" West, 178.37 feet;  
South 61°48'10" West, 297.76 feet;  
South 47°25'23" West, 279.03 feet;  
South 30°56'37" West, 134.07 feet;  
South 21°45'57" West, 159.12 feet;  
South 79°22'27" West, 141.91 feet;

South 32°03'55" West, 268.23 feet;  
South 29°56'09" West, 212.95 feet;  
South 52°57'31" West, 378.81 feet;  
South 25°14'18" West, 506.21 feet;  
South 55°06'18" East, 123.63 feet;  
South 27°30'52" East, 324.90 feet;  
South 51°17'39" East, 184.13 feet;  
South 80°18'49" East, 131.33 feet;  
South 19°49'15" East, 397.94 feet;  
South 67°46'36" West, 211.60 feet;  
South 62°29'13" West, 99.69 feet;  
North 77°43'12" West, 112.97 feet;  
South 53°40'25" West, 140.10 feet;  
South 07°30'45" East, 185.99 feet;  
South 19°45'18" West, 303.80 feet;  
South 65°48'26" West, 151.93 feet;  
South 40°52'58" West, 158.39 feet;  
South 23°08'55" East, 155.83 feet;  
South 80°22'18" East, 273.34 feet;  
South 47°28'01" West, 225.02 feet;  
South 32°34'09" West, 203.27 feet;  
South 26°59'35" West, 228.56 feet;  
South 00°31'55" East, 304.15 feet;  
South 13°44'35" West, 55.48 feet;  
South 00°30'46" East, 163.15 feet;  
South 03°22'59" East, 105.15 feet;  
South 00°24'28" East, 204.49 feet;  
South 00°36'01" West, 296.46 feet;  
South 89°57'01" West, 150.12 feet;  
South 40°13'18" West, 68.21 feet;  
South 02°28'30" East, 281.87 feet;  
South 03°47'15" East, 79.97 feet;  
South 04°05'51" East, 154.15 feet;  
South 03°00'20" East, 73.91 feet;  
South 03°36'36" West, 68.25 feet;  
South 17°26'31" West, 62.61 feet;  
South 20°12'45" East, 693.37 feet;  
South 24°28'59" West, 39.95 feet;  
South 19°40'47" East, 202.93 feet;  
North 77°14'33" East, 219.15 feet;  
North 52°54'44" East, 867.08 feet;

North 47°46'39" East, 431.58 feet to the TRUE POINT OF BEGINNING.

Containing 156.484 acres, more or less.

The Bearings used in this description are on the California Coordinate System, NAD83, (CCS83/92), Zone 4. The Coordinate values, in U.S. Survey Feet, of said Mineral Monument No. 58, also known as Triangulation Station "Keeler" are: Northing 2,064,076.37, Easting 6,890,187.91. All distances shown herein are grid distances in U.S. Survey Feet. To obtain ground surface distances, multiply the distances shown by 1.000228742.

END OF DESCRIPTION



*Pat R. Maddock*  
6-15-15

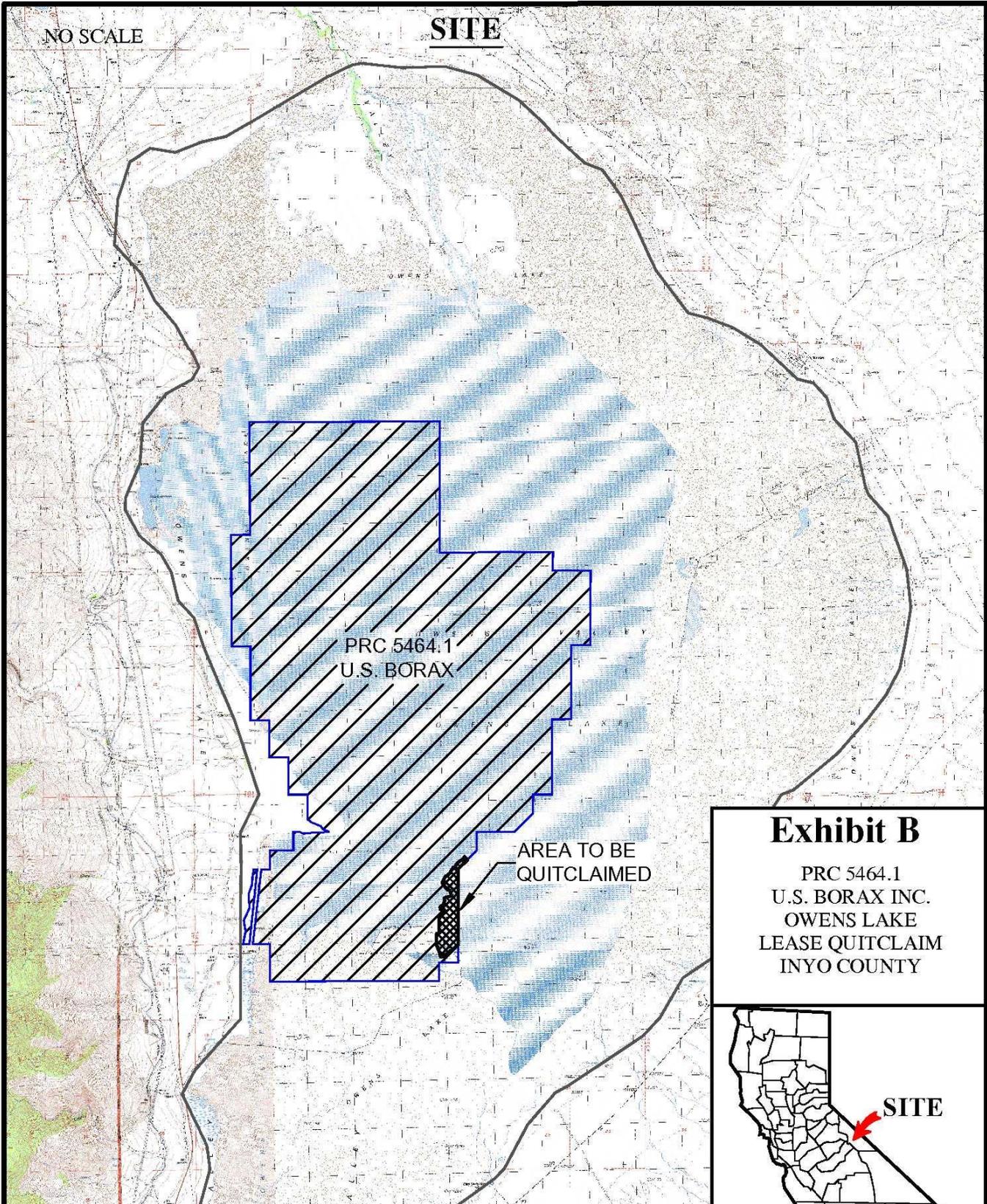
PRM

Lgl Desc Exhb A Rio Tinto Quit Claim at DWP OLDMP Parcel T10-3-L1 Ph10 6-15-15 Final prm.docx

EX-3

NO SCALE

**SITE**



**Exhibit B**

PRC 5464.1  
U.S. BORAX INC.  
OWENS LAKE  
LEASE QUITCLAIM  
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.