

MINUTE ITEM

This Calendar Item No. 18
was approved as Minute Item
No. 18 by the State Lands
Commission by a vote of 3
to 0 at its 3/23/89
meeting.

CALENDAR ITEM

A 34

18

03/23/89
PRC 7035
N. Smith

S 25

SALVAGE PERMIT PRC 7035

APPLICANT: Maurice A. Enderle
dba The Enderle Group
P.O. Box 989
Tustin, California 92681-0989

AREA, TYPE LAND AND LOCATION:
A 2-acre parcel of sovereign land from the bed
of Owens Lake, vicinity of Bartlett, Inyo
County.

LAND USE: Salvage of silver and artifacts from a sunken
vessel, or vessels, at Owens Lake.

TERMS OF ORIGINAL PERMIT:

Initial period: One year beginning January 1,
1987.

Renewal options: One successive period of one
year each.

Public liability insurance: Combined single
limit coverage of \$500,000.

Consideration: \$1,000 per annum.

TERMS OF PROPOSED PERMIT:

Initial period: One year beginning January 1,
1989.

Surety bond: \$5,000.

Public liability insurance: Combined single
limit coverage of \$500,000.

CALENDAR ITEM NO. 18 (CONT'D)

CONSIDERATION: \$50 per annum, and 25 percent of the aggregate net salvage value of \$25,000 or less and 50 percent of the aggregate net salvage value in excess of \$25,000.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and first years rent have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 2, Div. 3;
Title 14, Div. 6.

AB 884: 07/23/89.

OTHER PERTINENT INFORMATION:

1. The Permittee has experienced delays in their proposed salvage operations due to corrosive lake bed conditions, which have caused frequent failure of equipment, and difficult transportation to the work site.
2. The Permittee has conducted exploratory salvage work and limited the salvage work site to two acres to justify thus reducing minimum rent.
3. The Permittee has complied with the Commission's permit requirements by submitting regular status reports, and cooperating with local agencies and parties affected by the project.
4. The salvage activity is situated within an area under extractive lease (PRC 5464) to Lake Minerals Corporation, and Lessee does not object to the continued issuance of this lease.
5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15025), the staff originally prepared and circulated a proposed Negative Declaration identified as

CALENDAR ITEM NO. 18 (CONT'D)

EIR ND 410, State Clearinghouse No. 86111003 and received no objection to the permit issuance. This Negative Declaration was re-circulated to all interested parties with notification of this proposed extension and no objections have been raised.

APPROVALS OBTAINED:

Lake Minerals Corporation, Commission's primary lessee on the proposed salvage site.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. Approval Letter from Lake Minerals.
- D. ND 410.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 410, STATE CLEARINGHOUSE NO. 86111003, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. DETERMINE THAT THE PROJECT, AS REVISED AND APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. THIS ACTIVITY INVOLVES LANDS WHICH HAVE NOT BEEN IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, et seq. HOWEVER, THE COMMISSION HAS DECLARED THAT ALL TIDE AND SUBMERGED LANDS ARE "SIGNIFICANT" BY NATURE OF THEIR PUBLIC OWNERSHIP (AS OPPOSED TO "ENVIRONMENTAL SIGNIFICANT"). SINCE SUCH DECLARATION OF SIGNIFICANCE IS BASED UPON THE REQUIREMENTS AND CRITERIA OF P.R.C. 6370, et seq., USE CLASSIFICATIONS FOR SUCH LANDS HAVE NOT BEEN DESIGNATED. THEREFORE, THE FINDING OF THE PROJECT'S CONSISTENCY WITH THE USE CLASSIFICATION AS REQUIRED BY 2 CAL. CODE REGS. 2954 IS NOT APPLICABLE.
4. AUTHORIZE ISSUANCE TO MAURICE A. ENDERLE, dba THE ENDERLE GROUP, OF A ONE-YEAR SALVAGE PERMIT, BEGINNING JANUARY 1, 1989; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$50, AND 25 PERCENT OF THE AGGREGATE NET SALVAGE VALUE OF \$25,000 OR LESS AND 50 PERCENT OF THE AGGREGATE NET SALVAGE VALUE IN EXCESS OF \$25,000. PROVISION OF A \$5,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$500,000; FOR SALVAGE OF SILVER AND ARTIFACTS FROM A SUNKEN VESSEL ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

PRC 7035.1

A parcel of land in the bed of Owens Lake, Inyo County, California, described as follows:

The NW 1/4 of the NW 1/4 of the NW 1/4 of the SE 1/4 of projected section 15, T 17 S,
R 37 E, MDM.

END OF DESCRIPTION

PREPARED JANUARY 12, 1989 BY BIU 1.

CALENDAR PAGE	95
MINUTE PAGE	797

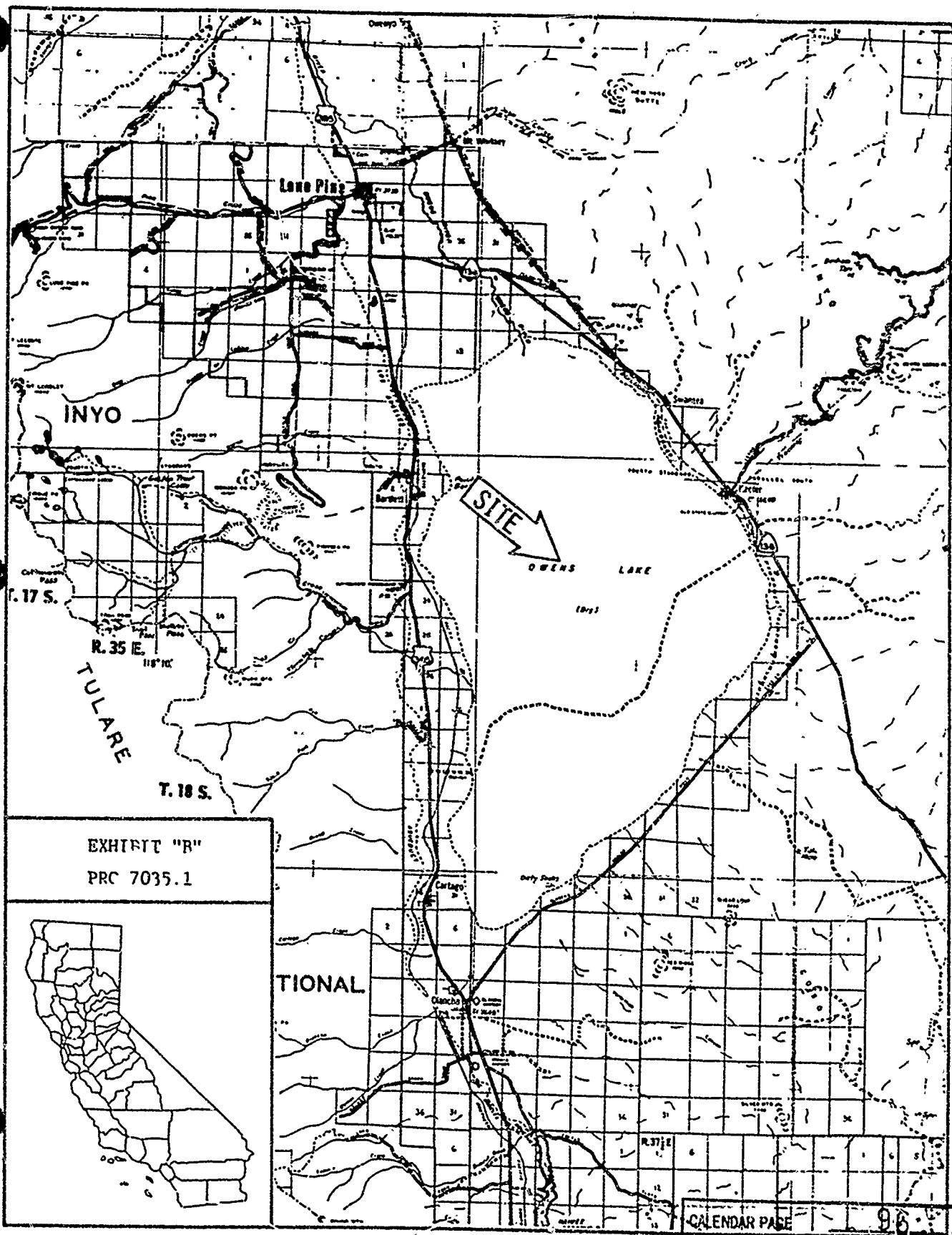


EXHIBIT "B"
 PRC 7035.1

An inset map of California is located in the bottom left corner of the main map's frame. It shows the state's county boundaries. A rectangular box is drawn around the southeastern portion of the state, indicating the geographic area covered by the main map.

Lake Minerals Corporation • A Subsidiary of Cominco American Incorporated
P.O. Box 37 • 209 N. Main Street • Lone Pine, CA 93545 • Tel. (619) 876-4775

EXHIBIT "C"

February 2, 1989



Nanci Smith
Land Agent
State Lands Commission
1807 13th Street
Sacramento, CA 95814

Dear Ms. Smith,

Lake Minerals Corporation does not object to Mr. Enderle continuing his search on Owens Lake on our mineral leases. The only requirement is that Mr. Enderle obtain insurance that names Lake Minerals Corporation as co-insured against any loss that might occur.

As of February 2, 1989, Lake Minerals Corporation has not received notice of the required insurance.

If you have any questions, please call me at the above telephone number.

Sincerely,

William C. McClung
William C. McClung
General Superintendent

cc: Mr. M.A. Enderle

CALENDAR PAGE	97
MINUTE PAGE	799

STATE LANDS COMMISSION
1807 13TH STREET
SACRAMENTO, CALIFORNIA 95814



PROPOSED NEGATIVE DECLARATION

EIR ND 410

File Ref.: W 23539

SCH#: 86111003

Project Title: Salvage Permits for Remains of "Molly Stevens"

Project Proponent: The Enderle Group

Project Location: Owen's Dry Lake, in Inyo County

Project Description:

The Enderle Group requests a permit to authorize the salvage of valuable cargo supposedly lost from the steamer "Molly Stevens" in Owen's Lake. See the attached Initial Study for more details.

Contact Person: Goodyear K. Walker Telephone: (916) 322-0530
Division of Research and Planning

This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Administrative Code), and the State Lands Commission regulation (Section 2901 et seq., Title 2, California Administrative Code).

*See attached sheet.

Based upon the attached Initial Study, and this Proposed Negative Declaration, it has been found that:

**See attached sheet.

the project will not have a significant effect on the environment.

mitigation measures included in the project will avoid potentially significant effects.

*See attached sheet.

CALENDAR PAGE	98
MINUTE PAGE	800

INITIAL STUDY
SALVAGE PERMIT AT OWENS LAKE
(W 23539)

Project Description

The Enderle Group proposes to salvage cargo from the steamship MOLLY STEVENS from beneath the dry bed of Owen's Lake in Inyo County, California.

After determining subsurface structure and cargo location with a hand-held core drill, the surface will be staked out in a 50 foot circle. Corregated iron casings six feet in diameter and four feet tall will be lowered over the cargo location and all soda brine solution within the casings pumped out. Plywood will be installed as a flooring within the casings. During the estimated six months on site, sandbags may be placed on the site, as well as inflated or other supported wind protection.

Following the completion of the proposed salvage, all surface materials will be removed, including any casing reaching the surface of the lake bed. The excavation will be refilled with the spoil removed and the lake bed surface returned to its previous contours and condition. Subsurface casings will remain in place but will ultimately be dissolved by the caustic brine.

The proposed project will take place within Section 15 of Township T.17.S, R.37.E, MDM. This location is on the dry lake bed of Owen's Lake and is part of the State's ungranted sovereign lands.

Environmental Setting

Owen's Lake was initially a closed basin at the southern end of the Owen's Valley, with a water level fluctuating with the amount of sparse rain received in the mountain, to the east and west. Generally, the lake was 23 miles long by 14 miles wide and reached an ultimate depth (in 1982) of about 50 feet. The water was highly mineralized.

With the transfer of water from the Owen's Valley to the Los Angeles basin, the lake began to dry out, a process that was virtually complete by 1935. The lake bed that remains is a virtually flat (less than 30 feet of elevation change over the entire surface) sand and alkali desert. Beneath this stable surface is a soda-brine mud that extends to the original bottom of the lake. This caustic mud is from 12 to 40 feet thick, depending on the distance of the location from the original shore line.

CALENDAR PAGE	99
MINUTE PAGE	801

Currently, the lake bed has very little use with the exception of some salt wells, e.g. there is no agricultural use, etc..

Environmental Effects

- A. Geology - The project area is within a seismically active region, with major earthquakes recorded from 1872 up to the present. Due to the nature of the lake bed surface the major potential risk would be from liquefaction.

The project does not pose any risk to the geological environment itself because of its temporary nature, the relatively shallow depth of excavation, and the fact that all spoil will be returned to its point of origin. No structures (except tents) will be erected on the site so any seismicly induced liquefaction would have only the temporary effect of filling in the excavation.

- B. Biology - Because of the extreme alkalinity of the surface and subsurface soils there is no plant or animal life at the project site. Some birds transit the area, but the temporary salvage operations will not have any effect on them.
- C. Air Quality - Near constant winds, often of high velocity, and blowing sand and dust are a natural feature of the site. (See the State Lands Commission's report of 1984, "Final Report: Research Plots at Owens Dry Lake") When excavation begins, it is possible that there will be a slight, but insignificant increase in fugitive dust. The wet spoil from the excavation will, however, be less likely to blow around than the soil upon which it rests. The operation will be supported by two or three vehicles which will cause an insignificant increase in emissions to the area compared to those generated by nearby Highway 395.
- D. Water Quality - There are no surface waters in the project area, and the subsurface water is completely unusable, being extremely alkaline and very mineralized.
- E. Land Use - The project site is on sovereign State lands and is not being used for any purpose at the present time. It is completely unsuitable for construction, agricultural, or industrial use. There is some salt and soda ash recovery from the

Southern end of the lake, but this project will not interfere with the possible future expansion of such efforts because the site will be restored to its previous appearance.

- F. Visual Impacts - The project site is relatively flat and there is no relief, no structures, and no plant life. The project will involve a large tent, two or three vehicles and a spoils pile. These objects will be on site for up to six months, and then the site will be returned to its previous condition. This project will take place 5 miles from Keeler, the nearest town and 4 1/2 miles from Highway 395. The size and temporary nature of the change in view makes this an insignificant effect.
- G. Cultural Impacts - There are no anticipated impacts to Native American or historical sites from this project as the affected area was covered by water up until 1935. The sole potential impact is damage to the remains of the MOLLY STEVENS.

Various applications have been made to salvage the MOLLY STEVENS' cargo. These applications have cited dates and causes for the sinking of the vessel (by storm, by cargo shifting, or by sabotage) from 1863 through the present application's June 10, 1878. The large bulk of these stories can be discounted as the MOLLY STEVENS was not launched until 1877.

The Cerro Gordo Freighting Company was organized in 1873, primarily to ship silver and silver ore from the Cerro Gordo mines to the railhead at the south end of the valley. They soon acquired the steamer BESSIE BRADY to shorten delivery times of the precious metal. The MOLLY STEVENS was built by the Inyo Lumber and Coal Company to ferry lumber and charcoal across the lake from Cottonwood Creek to the smelter at Swansea. According to the records, she was never used to haul silver.

All available records indicate that the BESSIE BRADY was taken out of service and beached at Ferguson's Landing in 1879. Some accounts indicate that the MOLLY STEVENS was beached with her; others indicate that she was dismantled at this time. With the construction of a ten-stamp mill at Keeler there again was a need for transport ships and owners of the mill bought both the BESSIE BRADY and the MOLLY STEVENS (or her remains). Under this account the BESSIE was refitted with the engines from the MOLLY STEVENS, which were more powerful. But shortly

before her intended launching, the BESSIE BRADY was destroyed by fire on May 1, 1882. She was not rebuilt. From these records it is clear that: 1) both the BESSIE BRADY and the MOLLY STEVENS were accounted for from the beginning to the end of their careers; and 2) neither of them sank, with or without a cargo of silver.

Rumors and legends persist, however, that the silver was lost. The two most persistent stories, after the actual sinking, are that a cargo wagon full of silver broke loose and went overboard, or that a "barge" being towed capsized and sank. If, in fact, either case was true, the salvage project could still proceed with no significant damage to cultural resources. The lake bottom muds into which either the wagon or a barge would have settled became more and more concentrated with soda lime as the lake dried up. The alkalinity of the mud beneath the stable soil at the present time is such that all wood and iron pieces of such "vessels" will have been totally eaten away. It is even possible, that, if the cargo was lost in an area of high chloride content in the soil, the silver itself has been converted to worthless silver chloride. It is possible that major pieces of metal, such as boilers or engines, could have survived, but these are all accounted for and never sank.

Based on staffs review, it is not apparent that there are any significant environmental effects from this project. Some short-term visual impairment will be caused and there is the possibility of a minor increase in blowing sand during the first part of the project. Furthermore, information available to staff indicates that no part of the MOLLY STEVENS would be affected by the proposed salvage operation. Therefore, there will be no significant effects on cultural resources.

Mitigations

Mitigation necessary to avoid any potentially significant impacts have already been incorporated into the proposed project. These are: 1) complete restoration of the original site appearance; return of all spoils to the excavation; and 3) covering the excavation during periods of excessive wind. If any unexpected artifacts are discovered during excavation, digging will be halted and the State Office of Historic Preservation will be notified.

CALENDAR PAGE	102
MINUTE PAGE	804

Consistency with Local Zoning

The bed of Owens Lake has been zoned for "open space," and this temporary use does not conflict with such zoning.

Initial Study Preparation

This document was prepared by Goodyear K. Walker, Environmental Specialist, Division of Research and Planning, State Lands Commission (916/322-0530).