

MINUTE ITEM

This Calendar Item No. 12
was approved as Minute Item
No. 12 by the State Lands
Commission by a vote of 3
to 0 at its 5/23/91
meeting.

CALENDAR ITEM

A 61

12

05/23/91

S 25

PRC 7367

Kruger

APPROVE AMENDMENT OF A MINERAL PROSPECTING PERMIT
TO INCLUDE AN EXPLORATORY DRILLING PROGRAM
FOR VALUABLE MINERALS OTHER THAN OIL, GAS,
GEOTHERMAL RESOURCES, AND SAND AND GRAVEL,
SAN BERNARDINO COUNTY

APPLICANT:

Bond Gold Colosseum, Inc.
P. O. Box 94078
Las Vegas, Nevada 89199

AGENT:

Bond Gold Exploration, Inc.
Attn: Karl Burke
4600 S. Ulster Street, Suite 300
Denver, CO 80237

AREA, TYPE LAND AND LOCATION:

Approximately 640 acres of vacant, State-owned school land
further described as Section 16, T17N, R13E, SBM and located
in the Clark Mountains of eastern San Bernardino County,
about 45 miles east of Baker, California.

PROPOSED PROJECT:

The Permittee has completed geologic mapping and surface
hand sampling activities in Section 16. Based on an
analysis of these data, the Permittee proposes an
exploratory drilling program to obtain subsurface samples
and determine if precious metals are present in economic
grades and sufficient tonnage.

The proposed exploratory drilling program would be an
amendment of the existing mineral prospecting permit
(PRC 7367), and includes drilling 20, 5-1/4 inch diameter
drill holes to total depths of 1,000 feet. Existing roads
will be used to the maximum extent possible for both access
routes and drill sites. Approximately 1,150 feet of off-
road travel will be required to complete the proposed
drilling program. Disturbed areas will be returned to
original contour and natural state to the maximum extent possible.

EIR ND 493, SCH #8902 0007 was prepared and circulated for Bond Gold's previous application to conduct geologic mapping and surface hand sampling activity on the subject parcel. The project description was amended prior to the circulation of the environmental document to include additional mitigation measures for the protection of desert bighorn sheep during the exploratory drilling program. No comments were received as a result of the public circulation of the proposed Negative Declaration.

The proposed authorization is to approve an amendment of the existing mineral prospecting permit to include an exploratory drilling program.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

1. Required filing fee and Permit Processing fee have been submitted by the applicant.
2. Royalty payable under the permit shall be 20 percent of the gross value of the minerals secured from the permit area, and sold or otherwise disposed of or held for sale or other disposition.
3. Royalty payable under any preferential lease will not be less than 10 percent of the gross value of all mineral production from the leased lands, less any charges approved by the Commission for transporting or processing of the State's royalty share of production.
4. At this time, the subject parcel is not known to contain commercially valuable mineral deposits.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Section 6891.
- B. Cal. Code Regs.: Title 2, Section 2000.

AB 884:

09/22/91.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines, staff prepared a proposed Amended Negative Declaration EIR ND 493. Such proposed Amended Negative Declaration was circulated

CALENDAR ITEM NO. 12 (CONT'D)

for public review pursuant to the provisions of CEQA. A copy of the environmental document is attached as Exhibit "C".

There is no substantial evidence that the project, as amended, will have a significant effect on the environment [14 Cal. Code Regs. 15074(b)].

2. Pursuant to P.R.C. 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, the applicant would have a preferential right to a lease for a maximum of 640 acres embraced within the permit. Said right shall be subject to all necessary environmental approvals. The amendment of this permit shall not affect the discretion of the Commission in granting or denying such a lease because of environmental or other conditions.
3. In the permit amendment, staff has recommended a performance bond in the amount of \$5,000 as security for reclamation of the project area.
4. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370. Based on staff consultation with persons nominating such lands and through the CEQA review process, staff concludes that the exploratory drilling program is consistent with the parcel's land use classification.
5. The subject parcel is situated in the Bureau of Land Management's East Mojave National Scenic Area and the area subject to proposed California desert protection legislation. The prospecting permit provides that if the subject parcel is included in a protected area, the Commission may require the Permittee to quitclaim the prospecting permit or mineral extraction lease. The permit also provides that the processing of any mined material under the permit or mineral extraction lease may not include the use of open ponds on State property containing leachate solutions for the recovery of valuable products.

CALENDAR ITEM NO. 12 (CONT'D)

APPROVALS OBTAINED:

Pursuant to P.R.C. Section 6890, the permit amendment has been approved by the Office of the Attorney General for compliance with the applicable law.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. Negative Declaration.
- D. Prospecting Permit Amendment.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT AMENDED NEGATIVE DECLARATION EIR ND 493, SCH NO. 89020007, WAS CIRCULATED FOR THE AMENDED PROJECT PURSUANT TO THE PROVISIONS OF CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION.
2. DETERMINE THAT THE PROPOSED PROJECT, AS AMENDED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. AUTHORIZE AMENDMENT OF THE MINERAL PROSPECTING PERMIT AS DESCRIBED IN EXHIBIT "D" TO BOND GOLD COLOSSEUM, INC. FOR ALL MINERALS OTHER THAN OIL, GAS, GEOTHERMAL RESOURCES, AND SAND AND GRAVEL ON SECTION 16, T17N, R13E, SBM, SAN BERNARDINO COUNTY CONTAINING APPROXIMATELY 640 ACRES. ALL OTHER TERMS AND CONDITIONS OF THE PERMIT ARE TO REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

PRC 7367.2

LAND DESCRIPTION

A parcel of California State School Land in San Bernardino County, California, described as follows:

Section 16, T17N, R13E, SBM.

END OF DESCRIPTION

PREPARED APRIL 14, 1991 BY D.L.B.

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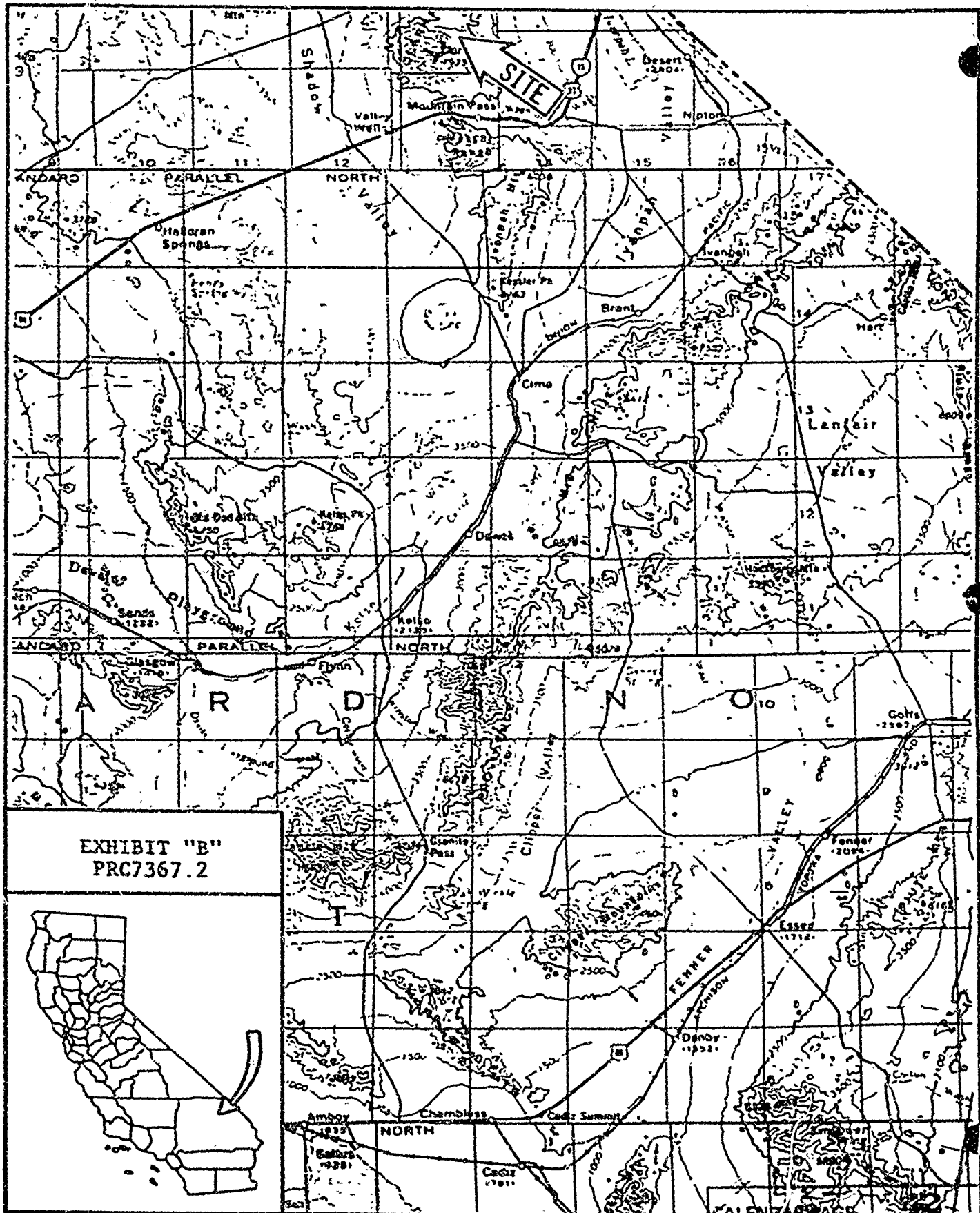


EXHIBIT "B"
 PRC7367.2



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Exhibit "C"

STATE OF CALIFORNIA

PETE WILSON, Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, *Lieutenant Governor*

RAY DAVIS, *Controller*

THOMAS W. HAYES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814

CHARLES WARREN
Executive Officer

April 17, 1991
File Ref.: PRC 7367
EIR ND: 493

NOTICE OF PUBLIC REVIEW OF AN AMENDED NEGATIVE DECLARATION (SECTION 15073 CFR)

A Negative Declaration has been 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 Code Regulations), and the State Lands Commission Regulations (Section 2901 et seq., Title 2, California Code Regulations) for a project currently being processed by the staff of the State Lands Commission.

The document is attached for your review. Comments should be addressed to the State Lands Commission, 245 West Broadway, Suite 425, Long Beach, California 90802, with attention to the undersigned. All comments must be received by May 18, 1991.

Should you have any questions or need additional information, please call the undersigned at (213) 590-5218.

Eric Kruger
ERIC KRUGER
Leasing Section

Attachment

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STATE LANDS COMMISSION

LEO T. McCARTHY, Lieutenant Governor
 GRAY DAVIS, Controller
 THOMAS W. HAYES, Director of Finance

EXECUTIVE OFFICE
 1807 - 13th Street
 Sacramento, CA 95814

CHARLES WARREN
 Executive Officer

AMENDED PROPOSED NEGATIVE DECLARATION

EIR ND: 493
 File: PRC 7367
 SCH No.: 89020007

Project Title: Bond Gold Colosseum, Inc. -- Mineral Prospecting Permit Amendment, Drilling

Proponents: Bond Gold Colosseum, Inc.

Project Location: Section 16, T17N, R13E, SBM, San Bernardino County, approximately 7 miles north of the Mountain Pass area.

Project Description: Proposal to drill 20 exploratory holes from sites along existing dirt roads and jeep trails. Method of drilling is reverse circulation, and no mud pits will be required. The maximum total depth will be 1,000 feet (although most will be 700 feet or less). The drilling equipment to be utilized is designed to be environmentally sensitive, track-mounted and compact. There will be minimal surface disturbance. The sites will not require any pad preparation and no new road construction is necessary.

Contact Person: Eric Kruger Telephone: 213/590-5218

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 Code Regulations), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code Regulations).

Based upon the attached Initial Study, it has been found that:

- this project will not have a significant effect on the environment.
- mitigation measures included in the project will avoid potentially significant effects.

Date: Mar. 22, 1991

File: PRC 7367.2

PROPOSED NEGATIVE DECLARATION

KIWISAR CANYON PROJECT

Initial Study Introduction

The State Lands Commission has received an application from Bond Gold Colosseum, Inc. for amendment of its mineral prospecting permit to include an exploratory drilling program. Currently, the permit document allows geologic mapping and surface hand sampling activities only. PRC 7367.2 was effective January 1, 1990 and will expire December 31, 1991. The permit amendment application was submitted on November 21, 1990 and was considered to be complete January 22, 1991. Bond Gold modified the permit amendment application to include additional information on March 20th, and the modified permit amendment application was considered complete on March 22, 1991.

The subject lands are located within Section 16, T17N, R13E, SBM, San Bernardino County. This section is situated on the north flank of the Clark Mountain Range near Kiwisar Canyon. The project area is within the northern part of the East Mojave National Scenic Area, and is also within the BLM's Clark Mountain Wilderness Study Area (WSA-227), which was recommended nonsuitable for wilderness designation.

A site inspection of Section 16 was conducted January 3, 1991. The proposed project area is about 45 miles east of Baker, CA and about 25 miles west of Yates Well Road, the last exit off Interstate 15 before the Nevada state line. The general area of the proposed project is uninhabited.

This Initial Study includes an Introduction, a Detailed Project Description, an Environmental Setting, maps of the project area, the State's Environmental Impact Assessment and a mailing list.

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Detailed Project Description

Section 16 is accessible by travelling Bond Gold's Colosseum Mine access road west from the mine office area for about a mile, and then just before entering the State parcel turning on to Green's Well Road which traverses the central part of the section approximately east-west, and will provide the main access for drilling equipment to be used during the proposed project. Kiwisar Canyon Road and Curtis Canyon Road will also be used to provide access for equipment to various work sites, as well as an existing jeep trail meandering south from the main access near the mouth of Kiwisar Canyon. These access ways may require minor maintenance work to allow for the safe passage of personnel and equipment. This maintenance will be accomplished with a track-mounted bladed dozer. Work consists of blading a ramp into and out of washed out areas or smoothing impassable areas if necessary. The maintenance will not alter the alignment, width, gradient, size or character of the existing roads, and will not create any new surface disturbance. The portions of road which may have to be reworked will be kept to a minimum.

Bond Gold is proposing further mineral prospecting activity that consists of drilling 20 exploratory holes from sites along existing dirt roads and jeep trails. The drilling equipment to be utilized is designed for operations in environmentally sensitive areas, track-mounted and compact. This equipment minimizes environmental impact in rugged terrain, while delivering representative samples. Accessory equipment such as the air compressor is usually mounted on the drill rig as an on-board component, or is mounted on tracks separately. Approximately 200 feet of compressor hose extends the working range of the drill without having a compressor immediately alongside. The tracks of the drill rig are made with the minimum number of smooth cleats for positive traction, and thereby reducing the evidence of passage. This also distributes the ground weight more evenly, and makes this equipment the least surface disturbing of any drilling equipment available. Support equipment will include the minimum number of vehicles necessary to transport personnel and equipment, and will be restricted to existing dirt roads.

The method for drilling each hole will be reverse circulation employing a 5-1/4 inch bit, and drilled to a maximum total depth of 1,000 feet although most will be less than 700 feet in depth. Maximum displacement of subsurface material will be approximately

333 cubic yards if all 20 holes were to be drilled to the maximum total depth. No mud pits or drilling fluids are required, and there will be no hazardous materials used on-site. Should any water zones be encountered during the drilling activity, these will be sealed off in accordance with State Department of Water Resources regulations. Subsurface samples will be collected about every five feet and assayed off-site for precious metals. Drill holes will be abandoned by backfilling each hole with drill cuttings, and removing any casing or drill pipe left in the hole.

No new access roads will be constructed, and there will be minimal new surface disturbance. The drill sites will not require any pad preparation. Drill sites 1-17 are clustered together in the northeast quarter of the section. These are accessible by Green's Well Road traversing east-west through the center of the section and by Kiwisar Canyon Road leading north. Drill sites 18 and 19 are accessible from an existing jeep trail in the west half of the southeast quarter. Drill site 20 is accessible from Curtis Canyon Road in the east half of the southeast quarter.

Drill sites 19 and 20 will have to be reached by going off-road with the track-mounted drill rig for a total distance of about 1,150 feet over open areas. The surface of these off-road areas are covered by some bushes, unsorted cobbles, coarse sands and gravel. There were no large shrubs or other obstructions noted along the proposed off-road areas during the site inspection. The narrow access capability of the track-mounted drill rig (11 feet maximum width) will be advantageous in this type of terrain. The slopes where the drilling activity will take place, are at less steeper elevations than those found in other areas of the parcel, and should not impede the access of drilling equipment. Every effort will be made to avoid any negative impact to the environment during the drilling program, especially while off-road for the short distance proposed. Bond Gold will return any disturbed area to the original contour and its natural state to the extent possible.

Section 16 is identified as Parcel #00-204-021 in the Commission's "Significant Lands Inventory of 1975". This parcel was nominated for big horn sheep habitat, and has been assigned a restricted land use classification. Bond Gold personnel believe that the Kiwisar Canyon Project can be completed without any major impact to the environment. The following proposed mitigation

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Section 15 is identified as Parcel #00-204-021 in the Commission's "Significant Lands Inventory of 1975". This parcel was nominated for big horn sheep habitat, and has been assigned a restricted land use classification. Bold Gold personnel believe that the Kiwisar Canyon Project can be completed without any major impact to the environment. The following proposed mitigation

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measures would provide for a workable compromise for protecting bighorn sheep from any effects associated with the proposed exploratory drilling program:

- (1) Complete the proposed activity within 30-60 days after the issuance of the permit amendment; reclamation of disturbed areas would begin in September.
- (2) Limit entry to the project area to only those Bond Gold personnel necessary to safely complete the proposed drilling program.
- (3) Limit entry of all vehicles to the minimum, and maintain very low speeds of 15 miles per hour or below while in Section 16.
- (4) Use environmentally sensitive drilling equipment throughout the proposed project.
- (5) Consolidate the work sites of the proposed drilling program to the smallest area possible, and continue this practice throughout the span of the project.
- (6) Schedule drilling of the 20 exploratory drill holes in a specific order: Drill holes 1-10 first, then drill holes 11-17 and lastly drill holes 18-20.
- (7) Employment of a bighorn sheep monitor who would be on site during the proposed drilling program, and would be responsible for the safety of bighorns in the project area.
- (8) Implement a Bighorn Sheep Monitoring Program, the purpose of which would be to study the possible effects of Bond's exploratory drilling on the bighorn sheep; Bond Gold's Colosseum Mine Environmental/Safety Coordinator will be responsible for the monitoring program:
 - a. The monitor will conduct a field survey of the project area once per day during the proposed drilling program, and specifically inspect the drill sites once per day for a week prior to commencement of drilling and for a week after the drilling has been completed.
 - b. The monitor will keep a log book and record sightings and activities of the sheep as well as all human activity.
 - c. The monitor will make an effort to photograph any bighorn sheep sighted.

- d. The monitor will utilize reports from California Department of Fish and Game's concurrent study of 30 collared sheep in the same area.
 - e. The monitor will send biweekly reports to Vern Bleich of the Department of Fish and Game.
 - f. The monitor will share unusual sheep behavior immediately.
- (9) Drilling activities will be modified to ensure that the sheep are not harmed.

Environmental Setting

The terrain of the project area is typical Mojave high desert. A canyon floor traverses the section approximately east-west and divides the parcel in half. Rising slopes north and south vary in elevation from about 3,870 feet along the north boundary to about 5,520 feet on the south. The canyon floor along the central part of the section is about 5,000 feet in elevation.

Two types of plant communities are to be found in the project area. Vegetation along the canyon floor consists of desert wash scrub bush and some pines including Juniper and Pinyon. The vegetation in the surrounding upland areas consists of greasewood and creosote bush as well as some cactus plants including yucca, barrel and mound cactus.

A vegetative study of Bond Gold's proposed drilling areas in Section 16 was completed on January 13, 1991. The study consisted of analyzing categories of plants observed and recommendations. The analysis indicated that none of the plant species observed are included on the threatened or endangered listings of federal and state agencies. Only two of the plant species observed are considered to be sensitive, the pigmy agave and spike pappus grass. The study recommends salvaging these plant species. In a cover letter to this study, Bond Gold specifies a track-mounted drill rig can maneuver around sensitive plants like the agave, or that these plants can be salvaged and replanted as part of the reclamation effort. Other plants such as the spike grass are too small and numerous to avoid, but should spring back if tread upon by the rig.

On the day of the site inspection, January 3rd, the only animals encountered were a few rabbits and some birds. Other animals be-

lieved to inhabit this area include the bighorn sheep, mule deer, small rodents, lizards and snakes. Due to the high elevation, the desert tortoise should not be present in the project area. Bond Gold is fully aware that this parcel is within desert bighorn sheep habitat, and has conducted several environmental studies in the general area of the project. Bond has also worked along with government agencies and private organizations dedicated to the conservation and protection of these animals.

The Clark Mountain area has been the background for both historic and prehistoric periods of human activity according to cultural resource reports conducted in this locality. The reports have included surveys of Section 16 that resulted in the discovery of several cultural resource sites. These sites were inventoried and reexamined December 27, 1990 in connection with Bond Gold's proposed exploratory drilling program. This report states that no cultural resources were found along the access routes or at the 20 proposed drill sites. The report also declares that the cultural resources already noted in Section 16 are in no danger of any direct or indirect impact from the proposed drilling.

The geology of the Clark Mountain Range comprises a structurally complex region of faulted Precambrian and Paleozoic formations. Lithologies in the project area include Cambrian-Devonian shales and dolomites. The central part of Section 16 is covered by Quaternary alluvium. The primary land use in the project area has been historically for mining, as evidenced by the numerous prospect pits and abandoned mine works. Remnants of the Pacific fluorite mine are still intact including the foundation of the mill works used in fluorite processing. Bond Gold's Colosseum Mine in sections 10 and 15, immediately adjacent to the State parcel, produces about 70,000 ounces of gold and about 30,000 ounces of silver per year. Both the mine area and Section 16 are in the Clark Mountain Mining District. This district has produced substantial quantities of precious metals and other valuable minerals since the 1860s.

Conclusions

The proposed exploratory drilling program as set forth in the Detailed Project Description has no significant environmental impacts, and the proposed mitigation measures should be sufficient to negate any adverse effects to the bighorn sheep.

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Bond Gold Colosseum is a responsible company, and has endeavored to become familiar with the environmental concerns in the general area of Clark Mountain. The overall impression of Bond Gold's operation observed during the site inspection of January 3rd was positive. The mine area is clean and well kept, and the mineral development has been well planned. Those areas of the mine that are already reclaimed show excellent results.

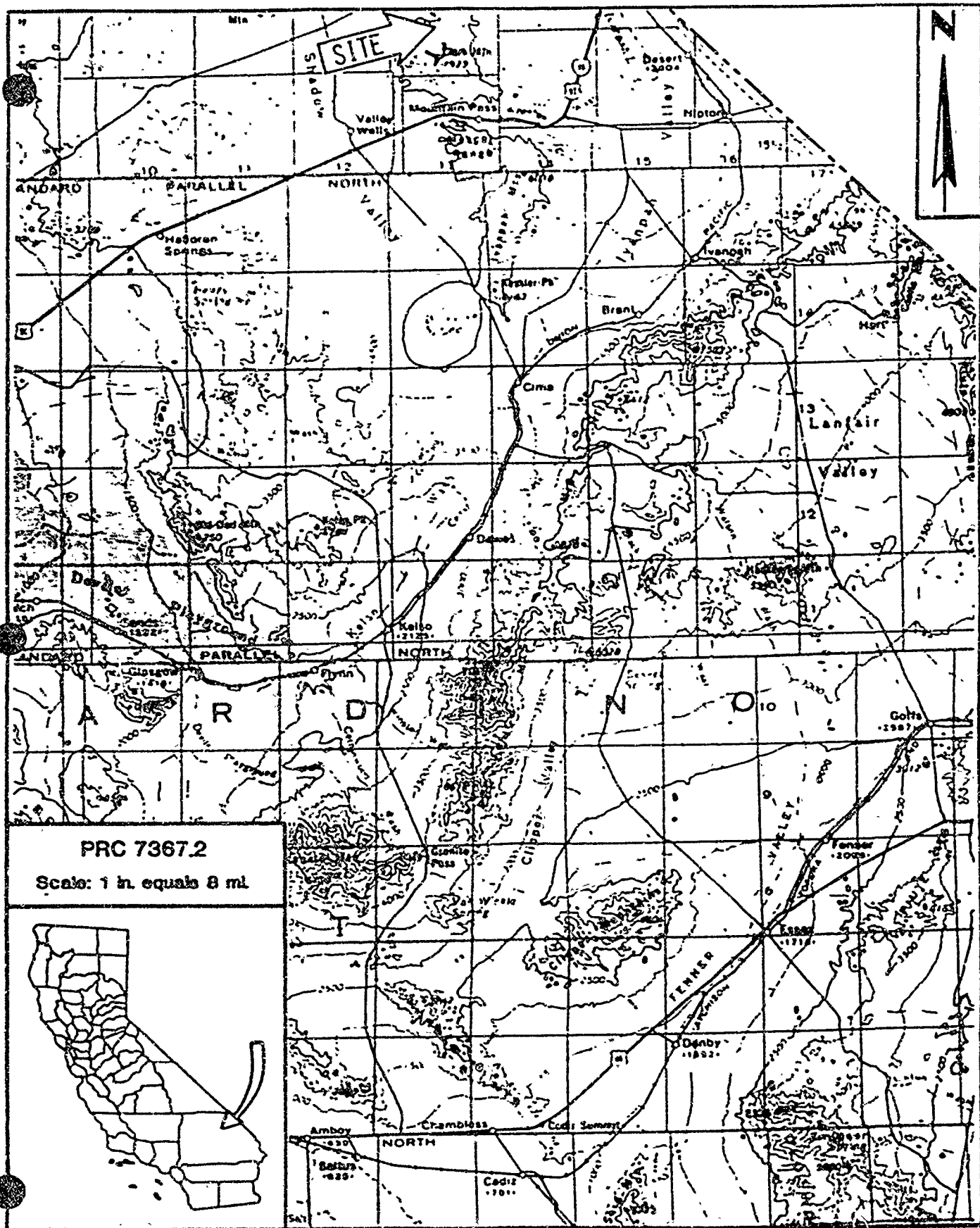
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Environmental Impact Assessment Checklist:

Discussion of Environmental Evaluation

- A2. There will probably be minimal displacement of surface material during the proposed drilling program. However, this should be a short-term condition as Bond Gold will return any disturbed area to the original contour and its natural state to the extent possible during reclamation.
- A5. There may also be soil erosion in areas of surface material displacement. Reclamation of the proposed project area is to begin shortly after the completion of exploratory drilling, so that any erosional conditions caused by surface disturbance would be short-term.
- E4. There may be some deterioration of wildlife habitat in the immediate area of the proposed drill sites while the drilling rig is at work. This is a temporary condition that will not extend past 30-60 days to complete the exploratory drilling program. Mitigation measures have also been incorporated into the project description to ensure that animals are not harmed.
- F1. The proposed exploratory drilling program will result in an increase to noise levels at the drill sites while the rig is in operation. This is a temporary condition that will not extend past 30-60 days needed to complete the proposed drilling program.



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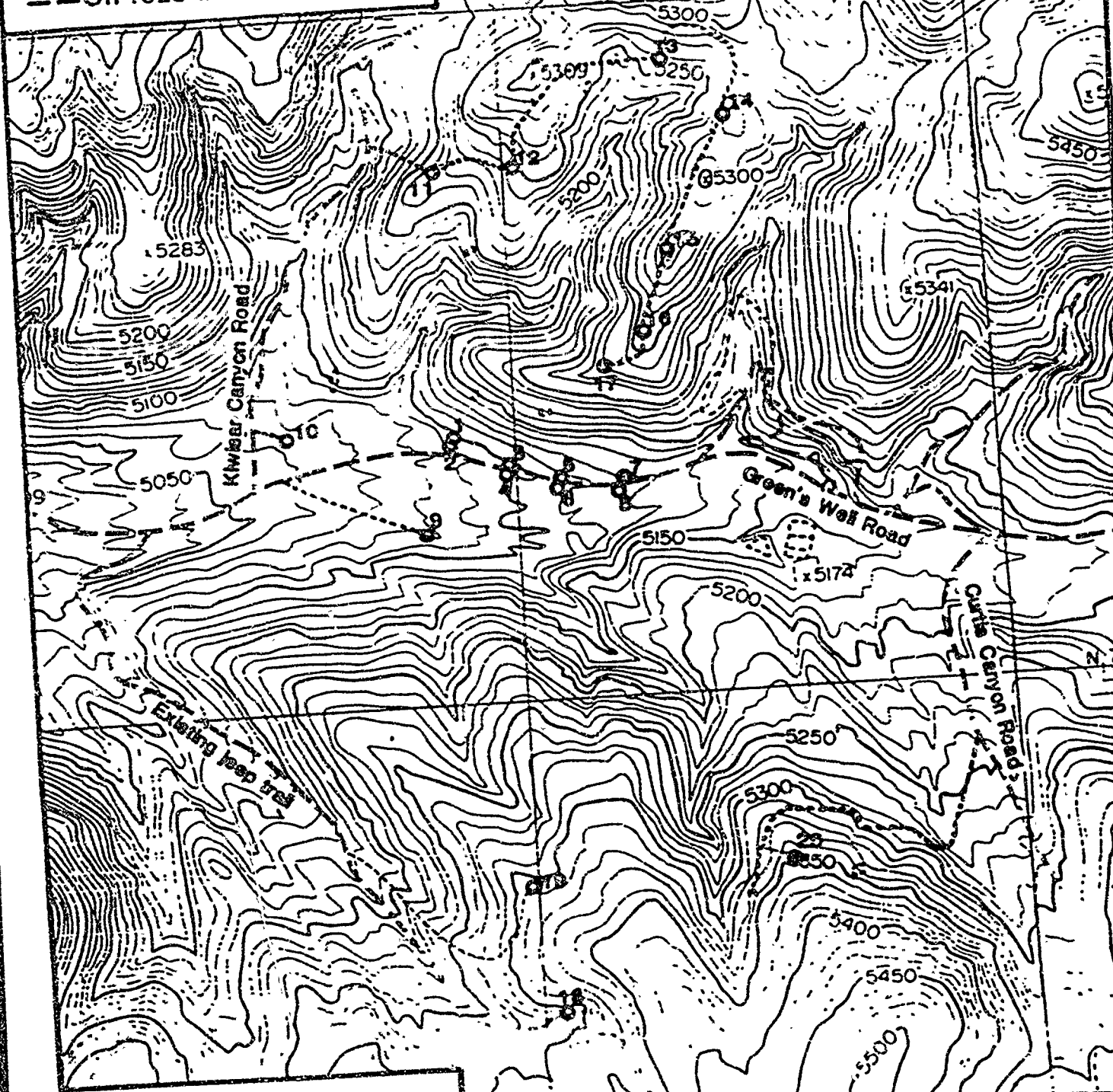
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PRC 7367.2
Bond Gold Colosseum, Inc.
Proposed Exploratory
Drilling Program
Section 16, T17N, R13E, SBM.

- Drill Sites
- == Access Routes
- - - Off road travel



Scale: 1 in. equals 500 ft.

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ENVIRONMENTAL IMPACT ASSESSMENT CHECKLIST - PART II

Form 13.20 (7/82)

File Ref.: PRC 7367.2

I. BACKGROUND INFORMATION

- A. Applicant Bond Gold Colosseum, Inc.
HC-1 Box 260
Nipton, CA 92364
Attention: John Trimble, General Manager
- B. Checklist Date: 03 / 28 / 91
- C. Contact Person: Eric Kruger
Telephone: (213) 590-5201
- D. Purpose: proposed exploratory drilling program is to further prospect for
precious metals and other valuable minerals.
- E. Location Section 16, T17N, R13E, SBM, San Bernardino County,
approximately 45 miles east of Baker, CA.
- F. Description: Bond Gold proposes further mineral prospecting activity that
consists of drilling 20 exploratory holes from sites along
existing dirt roads and jeep trails.
- G. Persons Contacted: Vern Blich - Department of Fish and Game
407 W. Line St., Room 8
Bishop, CA 93514

II. ENVIRONMENTAL IMPACTS. (Explain all "yes" and "maybe" answers)

- A. *Earth.* Will the proposal result in:
- | | Yes | Maybe | No |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 1. Unstable earth conditions or changes in geologic substructures? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Disruptions, displacements, compaction, or overcovering of the soil? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Change in topography or ground surface relief features? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. The destruction, covering, or modification of any unique geologic or physical features? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Any increase in wind or water erosion of soils, either on or off the site? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet, or lake? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Exposure of all people or property to geologic hazards such as earthquakes, landslides, mudslides, ground failure, or similar hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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- B. Air** Will the proposal result in:
1. Substantial air emissions or deterioration of ambient air quality? .X
 2. The creation of objectionable odors? .X
 3. Alteration of air movement, moisture or temperature or any change in climate, either locally or regionally? .X
- C. Water** Will the proposal result in:
1. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters? .X
 2. Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? .X
 3. Alterations to the course or flow of flood waters? .X
 4. Change in the amount of surface water in any water body? .X
 5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity? .X
 6. Alteration of the direction or rate of flow of ground waters? .X
 7. Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations? .X
 8. Substantial reduction in the amount of water otherwise available for public water supplies? .X
 9. Exposure of people or property to water-related hazards such as flooding or tidal waves? .X
 10. Significant changes in the temperature, flow or chemical content of surface thermal springs? .X
- D. Plant Life** Will the proposal result in:
1. Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)? .X
 2. Reduction of the numbers of any unique, rare or endangered species of plants? .X
 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? .X
 4. Reduction in acreage of any agricultural crop? .X
- E. Animal Life** Will the proposal result in:
1. Change in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)? .X
 2. Reduction of the numbers of any unique, rare or endangered species of animals? .X
 3. Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? .X
 4. Deterioration to existing fish or wildlife habitat? .X
- F. Noise** Will the proposal result in:
1. Increase in existing noise levels? .X
 2. Exposure of people to severe noise levels? .X
- G. Light and Glare** Will the proposal result in:
1. The production of new light or glare? .X
- H. Land Use** Will the proposal result in:
1. A substantial alteration of the present or planned land use of an area? .X
- I. Natural Resources** Will the proposal result in:
1. Increase in the rate of use of any natural resources? .X
 2. Substantial depletion of any nonrenewable resources? .X

- J. Risk of Upset.** Does the proposal result in:
- | | Yes | Maybe | No |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. A risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals, or radiation) in the event of an accident or upset conditions? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Possible interference with emergency response plan or an emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- K. Population.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. The alteration, distribution, density, or growth rate of the human population of the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- L. Housing.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Affecting existing housing, or create a demand for additional housing? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|
- M. Transportation/Circulation.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Generation of substantial additional vehicular movement? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Affecting existing parking facilities, or create a demand for new parking? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Substantial impact upon existing transportation systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Alterations to present patterns of circulation or movement of people and/or goods? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Alterations to waterborne, rail, or air traffic? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- N. Public Services.** Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Parks and other recreational facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Maintenance of public facilities, including roads? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Other governmental services? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- O. Energy.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. Use of substantial amounts of fuel or energy? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Substantial increase in demand upon existing sources of energy, or require the development of new sources? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- P. Utilities.** Will the proposal result in a need for new systems, or substantial alterations to the following utilities:
- | | | | |
|------------------------------|--------------------------|--------------------------|-------------------------------------|
| 1. Power or natural gas? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Communication systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Water? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Sewer or septic tanks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Storm water drainage? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Solid waste and disposal? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- Q. Human Health.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. Creation of any health hazard or potential health hazard (excluding mental health)? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Exposure of people to potential health hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- R. Aesthetics.** Will the proposal result in:
- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 1. The obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|
- S. Recreation.** Will the proposal result in:
- | | | | |
|---|--------------------------|--------------------------|-------------------------------------|
| 1. An impact upon the quality or quantity of existing recreational opportunities? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|

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Yes Maybe No

T Cultural Resources

- 1 Will the proposal result in the alteration of or the destruction of a prehistoric or historic archeological site?
- 2 Will the proposal result in adverse physical or aesthetic effects to a prehistoric or historic building, structure, or object?
- 3 Does the proposal have the potential to cause a physical change which would affect unique ethnic cultural values?
- 4 Will the proposal restrict existing religious or sacred uses within the potential impact area?

U Mandatory Findings of Significance

- 1. Does the project have the potential to degrade the quality of the environment, reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- 2. Does the project have the potential to achieve short term, to the disadvantage of long-term, environmental goals?
- 3. Does the project have impacts which are individually limited, but cumulatively considerable?
- 4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

III. DISCUSSION OF ENVIRONMENTAL EVALUATION (See Comments Attached)

See Discussion of Environmental Evaluation on Page 8 of the Initial Study.

IV. PRELIMINARY DETERMINATION

On the basis of this initial evaluation:

- I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION will be prepared.
- I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Date 03/ 28 / 91

E. Kruger
 Eric L. Kruger
 Associate Mineral Resources Engineer
 For the State Lands Commission

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Exhibit "D"

PRC 7367.2

MINERAL PROSPECTING PERMIT AMENDMENT

Mineral prospecting under this amendment shall be that described in Amended Negative Declaration EIR ND 493. In addition to the provisions of Exhibit "A" of the permit, the following stipulations are applicable to the additional prospecting activity:

1. Complete the exploratory drilling activity within 30-60 days after issuance of the permit amendment; reclamation of disturbed areas will begin in September 1991.
2. Limit entry into the project area to only Bond Gold personnel necessary to safely complete the exploratory drilling.
3. Limit entry of all vehicles into the project area to a minimum, and maintain very low speeds of 15 miles per hour or less while in the project area.
4. Use environmentally sensitive drilling equipment throughout the prospecting activity.
5. Consolidate all work sites of the exploratory drilling to the smallest area possible, and continue this practice throughout the span of the drilling program.
6. Schedule completion of the 20 exploratory drill holes in a specific order: drill holes 1-10 first, drill holes 11-17 next and drill holes 18-20 last.
7. Employment of a bighorn sheep monitor who will be on site during the span of the drilling program, and who will be responsible for safety of the sheep in the project area.
8. Implement a "Bighorn Sheep Monitoring Program", the purpose of which will be to study the possible effects of the exploratory drilling on the sheep; Bond Gold Colosseum Mine

1.

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Environmental/Safety Coordinator will be responsible for the monitoring program:

- (a) the monitor will conduct a field survey of the project area once per day during the drilling program, and will specifically inspect the drill sites once per day for a week prior to commencement of drilling and for a week after drilling has been completed.
- (b) the monitor will keep a log book and record sightings and activity of the sheep as well as all human activity.
- (c) the monitor will make an effort to photograph any sheep sighted.
- (d) the monitor will utilize reports from the California Department of Fish and Game's concurrent study of 30 collared sheep in the same area.
- (e) the monitor will send biweekly reports to Vern Bleich, Associate Wildlife Biologist, at the Department of Fish and Game's office in Bishop, CA.
- (f) the monitor will share unusual sheep behavior immediately.

9. Exploratory drilling activities will be modified to ensure that the sheep are not harmed.
10. Archaeological surveys have resulted in the discovery of several cultural resource sites in Section 16. If any cultural resource is discovered during the course of the exploratory drilling program, an archaeologist shall be summoned to examine the site. Prospecting activity shall not be resumed until cleared by the archaeologist.
11. A vegetative study of the project area indicated that two of the plant species observed are considered to be sensitive. When encountered, sensitive plant species are to be avoided by the drilling equipment. If disturbed, the species shall be replanted as part of the reclamation effort.

Within thirty (30) days of the approval of this permit amendment by the State Lands Commission, the Permittee shall furnish, and maintain until released by the State, a bond or other security device acceptable to the State, in the sum of \$5,000.00 and in favor of the State for its exclusive use and benefit, guaranteeing the faithful performance by Permittee of all terms and conditions of the permit including those in this amendment. This requirement shall be in addition to any other bonding requirements under state laws and regulations.

This amendment shall be effective June 1, 1991 and shall prevail over any provisions of the permit which may be contrary to or inconsistent with it.

STATE OF CALIFORNIA
STATE LANDS COMMISSION:

DATE

PERMITTEE:

DATE

By _____

Title

Address

City and State

Approved as to form:

DANIEL E. LUNGREN
Attorney General, State of California

By _____
ALAN V. HAGER
Deputy Attorney General

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