

Staff Report 48

PARTY:

California State Lands Commission

PROPOSED ACTION:

Authorize a temporary three-year moratorium on accepting and considering mineral prospecting permits and lease applications on 480 acres of school land where the surface estate is privately owned but the mineral estate is owned by the State; authorize staff to conduct a needs assessment of this subject parcel; and consider a resolution supporting a map amendment to the National Register of Historic Places that would add the parcel to an archaeological district established in 2002.

AREA, LAND TYPE, AND LOCATION:

Approximately 480 acres of State-owned, 100 percent reserved mineral interest school land (State Parcel Number 049-514; Assessor's Parcel Number 009-140- 007), located within the Southwest 1/4 and the East 1/2 of Section 16, Township 5 North, Range 25 East, Mountain Diablo Baseline and Meridian, about 15 miles northeast of the town of Bridgeport and 5 miles north of Bodie State Historic Park, Mono County (see Exhibits A and B, attached).

BACKGROUND:

Archaeological and historic context

The State Lands Commission manages roughly 458,843 acres of school lands held in fee ownership and the reserved mineral interests (RMI) on roughly 790,000 acres of school lands where the surface estate has been sold. The 480-acre parcel of reserved mineral interests (RMI) in question is located in Bodie Hills in an area known as the Dry Lakes Plateau (hereinafter referred to as the "Bodie Hills RMI parcel"). This parcel and the surrounding land are areas of deep cultural significance to the Paiute people. The Dry Lakes Plateau is a high elevation mesa surrounded by the

Bodie Wilderness Study Area, which is managed by the Bureau of Land Management (BLM). In 2002, a National Register of Historic Places district designation (02001394) was approved for 3,340 acres of BLM land on the Dry Lakes Plateau, pursuant to the National Historic Preservation Act of 1966. The National Register of Historic Places, administered by the National Park Service, is the official list of the Nation's historic places worthy of preservation and is part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources. An Archaeological Property is defined as "the place or places where the remnants of a past culture survive in a physical context that allows for the interpretation of these remains." Archeological remains usually take the form of artifacts (e.g., fragments of tools or ceramic vessels), features (e.g., remnants of walls, cooking hearths, or middens), and ecological evidence (e.g., pollens remaining from plants that were in the area when the activities occurred). Archaeological Properties can also include landscapes and areas that have an important association with events in the historic context.

The Dry Lakes Plateau is a unique area with a rich and varied plant base that supported reliable hunting and gathering throughout the Holocene era despite significant variability of the hydroclimate. There are several springs, as well as two creeks, Rough and Bodie, bracketing the Plateau. As a result of the reliable water sources, the archaeological district contains a high number of complex sites indicated by paleo botanical material in and around the Bodie Hills RMI parcel, the significant number of archaeological sites around water sources, and identified rock art and ceremonial sites provide evidence of continuous human reliance on the Plateau for hunting and gathering dating back 8,000 to 10,000 years and continuing today. In addition to the known sites and features, the Bodie Hills RMI parcel holds great potential for further scientific research.

The surface estate of the 480-acre Bodie Hills parcel was previously determined to be eligible for inclusion in the archaeological district during the nomination process leading up to the 2002 listing but was ultimately excluded because the previous landowner of the surface estate (Hilton Corporation) objected. However, in 2018, Hilton Ranch sold the surface estate to Hunewill Livestock Company (Hunewill). On October 1, 2021, the Commission received a letter from the President of Hunewill Land and Livestock company, Mr. Jeffrey Hunewill, requesting that the surface estate overlying the Commission's Bodie Hills RMI parcel be protected from mining (Exhibit C), which stands in stark contrast to the previous landowner's objection. Moreover, Mr. Hunewill has made clear that he would not object to the inclusion of the 480-acre surface estate being added to the archaeological district as part of the proposed map amendment. The proposed map amendment would complete

the character and integrity of the previously listed archaeological district by including all the Plateau landform that encompasses areas of archaeological, paleobotanical, and tribal spiritual significance.

Mineral Prospecting Interest and Applications

Mining companies have expressed interest in mineral prospecting and development of the Bodie Hills RMI parcel over the years, as summarized below. Before 1984, interested applicants applied for mineral prospecting permits, though none were ever issued.

- In January 1984, the Commission issued a 2-year mineral prospecting permit to Homestake Mining Company for geologic mapping, hand sampling, and exploratory drilling. The drilling authorization was obtained following the completion of a Negative Declaration (#347), SCH# 82080203 ([Item 19, January 23, 1984](#)). Records indicate, however, that no drilling occurred either during the term of the permit or during its 1-year extension, which expired in April 1987.
- In April 1999, the Commission issued a 1-year mineral prospecting permit (Permit 8071.2) to Deloro Minerals Ltd. for precious metals ([Item 61, April 13, 1999](#)). The activities authorized by the permit were limited to hand sampling, geologic mapping, and geophysical surveys.
- In February 2007, the Commission issued a 1-year mineral prospecting permit (Permit 8742.2) to Enigma Resources LLC for precious metals ([Item 40, February 5, 2007](#)), which was assigned 4 months later to Cougar Gold LLC ([Item 60, June 28, 2007](#)). Cougar Gold LLC held the permit through its 1st year and obtained two more 1-year permit extensions. Permit activities during the 3-year period consisted of geologic mapping and rock hand-sample collection to further delineate targeted geologic formations to help draw conclusions regarding a proposed project's economic viability. At the end of the permit term, Enigma declined to reapply or continue their permitting activities.
- In 2014, the Commission issued a mineral prospecting permit (Permit 9145.2) to Gerald Baughman ([Item 64, August 15, 2014](#)). Gerald Baughman later submitted a lease quitclaim deed that staff received on June 7, 2017, during the 3rd year of the extended permit period. The document quitclaimed back to the Commission all of Gerald Baughman's right, title, and interest in the permitted lands. Several assay reports conducted under the Permit were submitted by Gerald Baughman during the term of his permit.

- Radius Gold (U.S.) Inc. was the last applicant who held a mineral prospecting permit (Permit 9419) on the parcel. It expired on August 31, 2019 ([Item 69, August 17, 2017](#)). The permit was issued to prospect for precious metals (gold and silver). Samples were taken from rock outcrops and soil that yielded anomalously high levels of gold, silver, and other trace minerals associated with the formation of precious metal deposits. Specific areas that exhibited high potential for further exploration were targeted by Radius Gold (U.S.) Inc. for drilling of up to nine bore holes. In July 2019, Radius Gold (U.S.) Inc. begun their application with Mono County for a conditional use permit for the drilling, but the application was never completed, and the drilling never occurred. On May 20, 2021, Radius Gold (U.S.) Inc. requested that Commission staff close their state application.

Tribal Consultation

In December 2019, Commission staff began government to government consultation with the Bridgeport Indian Colony (BIC) related to its objection to the above-described mining interest from Radius Gold (U.S.) Inc. In September 2021, staff received a letter from the BIC requesting additional consultation related to the Tribe's desire to have a permanent restriction on mining activities and requesting the Commission's support to include Bodie Hills RMI parcel on the National Register of Historic Places via a proposed map amendment process (Exhibit D).

The current surface owner, the Hunewill family, has lived in Mono County for generations and developed deep connections to the landscape and the preservation of its cultural heritage. The Hunewill family has represented to Commission staff in a letter dated October 1, 2021 (Exhibit C), that the family does not object to the proposed map amendment and supports a restriction on mining activities on the Bodie Hills RMI parcel. On January 19, 2022, staff met with Alison Harvey, representing the BIC, BIC Tribal Chairman Herbert Glazier, and Jeffrey Hunewill, the surface owner, to discuss the Tribe's request that the Bodie Hills RMI parcel be protected from mining activities that could irreparably harm the cultural significance and value of the Dry Lakes Plateau.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1 and 6890; California Code of Regulations, title 2, sections 2000 and 2003.

STATE'S BEST INTERESTS:

Under the School Land Bank Act, the Commission has a general duty to develop school lands for revenue-generating purposes for the benefit of the State Teachers' Retirement Fund (CalSTRS). However, the Commission has also acknowledged that a portion of its school land base is not producing revenue due to a variety of factors including that many parcels are located in isolated, landlocked parcels within federal Wilderness, National Parks and Preserves, and other protected areas recognized for their environmental and cultural values. These factors make development proposals less likely and make the regulatory and permitting burden more difficult to meet for those who may be interested in development. The Commission also balances its duty under the School Land Bank Act with its other policies and management responsibilities, including its Environmental Justice Policy, Tribal Consultation Policy, and 2021-2025 Strategic Plan. In addition, the State of California has enacted certain policies related to protecting cultural resources and tribal heritage, including Executive Order [N-15-19](#) and a [Statement of Administration Policy on Native American Ancestral Lands](#). When the Commission is faced with competing or conflicting interests on its school lands, as is the case with the Bodie Hills RMI parcel, it must carefully weigh and balance the respective uses and interests. This includes weighing the cultural and environmental impacts to the surface estate against the likelihood of successful mineral development given logistical constraints such as access or geographic isolation and regulatory challenges due to high environmental and cultural values. The history of prospecting permits, as described above, but the lack of any further development or extraction, exemplifies these challenges.

Staff believes that a temporary three-year moratorium on accepting and considering mineral prospecting permits and lease applications for the Bodie Hills RMI parcel is in the State's best interest because it will allow the Commission time to conduct a needs assessment to fully evaluate the utility of the property for future use and to better understand the full spectrum of the cultural landscape. Additionally, the moratorium will allow the Commission to pursue an analysis of the legal considerations relevant to determining the future use and value of the Commission's mineral interests. The moratorium will also ensure that projects won't be prioritized over cultural concerns in the immediate term. The assessment will help balance the preservation of an area with deep cultural significance to the Paiute people and the potential for future revenue for CalSTRS.

Staff recommends the Commission authorize a temporary three-year moratorium on consideration of mineral prospecting permits and lease applications related to the Bodie Hills RMI parcel. This moratorium would allow staff time to conduct a needs assessment of the Bodie Hills RMI parcel in the context of the Commission's

overall management of school lands, considering other cultural, environmental, and statewide policy needs, to determine the best interests of the state at this location. Staff further recommends the Commission adopt the Resolution, attached as Exhibit E, supporting the proposed map amendment to the 2002 National Register of Historic Places archaeological district designation, due to the parcel possessing significant cultural value to the local tribes, as well as a large collection of archaeological deposits that are likely to yield important information about the region's history and associated cultures in history and pre-history.

OTHER PERTINENT INFORMATION:

1. The Commission has broad discretion in all aspects of leasing when acting in the best interest of the State. Pursuant to Public Resources Code sections 6005, 6216, 6301, and 6501.1, and California Code of Regulations, title 2, section 2000, the Commission has the authority to place a temporary moratorium on consideration of mineral prospecting permits and lease applications for State Parcel Number 049-514 and Assessor's Parcel Number 009-140- 007, located about 15 miles northeast of the town of Bridgeport and 5 miles north of Bodie State Historic Park, Mono County.
2. This action is consistent with the "Partnering with Sovereign Tribal Governments and Communities" and "Committing to Collaborative Leadership" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.
3. The temporary moratorium on permit and lease applications, development of a needs assessment, and the adoption of a resolution supporting a map amendment are not projects as defined by the California Environmental Quality Act because they are administrative actions that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBITS:

- A. Land Description
- B. Location Map
- C. Letter from Mr. Hunewill to Lieutenant Governor Kounalakis dated October 1, 2021
- D. Letter from Herbert Glazier, Chairman of the Bridgeport Indian Colony, to Lieutenant Governor Kounalakis dated September 23, 2021

- E. Proposed Resolution Supporting a Map Amendment to the 2002 National Register of Historic Places District Designation (02001394) of Dry Lakes Plateau, located in Mono County

RECOMMENDED ACTION:

It is recommended that the Commission:

STATE'S BEST INTERESTS:

Find that the proposed temporary moratorium, needs assessment, and adoption of the resolution is in the best interests of the state.

AUTHORIZATION:

1. Authorize a temporary three-year moratorium on accepting and considering mineral prospecting permits and lease applications on 480 acres of Section 16 (T5N, R25E), northeast of the town of Bridgeport in Mono County, where the mineral estate is owned by the State (the Bodie Hills RMI parcel).
2. Direct staff to conduct a needs assessment of the Commission's mineral interests in the Bodie Hills RMI parcel.
3. Adopt the Resolution supporting the proposed map amendment to add the Bodie Hills RMI parcel to the 2002 Dry Lakes Plateau archaeological district, attached substantially in the form as Exhibit E.

EXHIBIT A

LAND DESCRIPTION

That certain parcel of State School Land in Mono County, State of California, more particularly described as follows:

Southwest $\frac{1}{4}$ and East $\frac{1}{2}$ of Section 16, Township 5 North, Range 27 East, Mount Diablo Meridian, as shown on the Official U.S. Government Township Plat approved May 17, 1879.

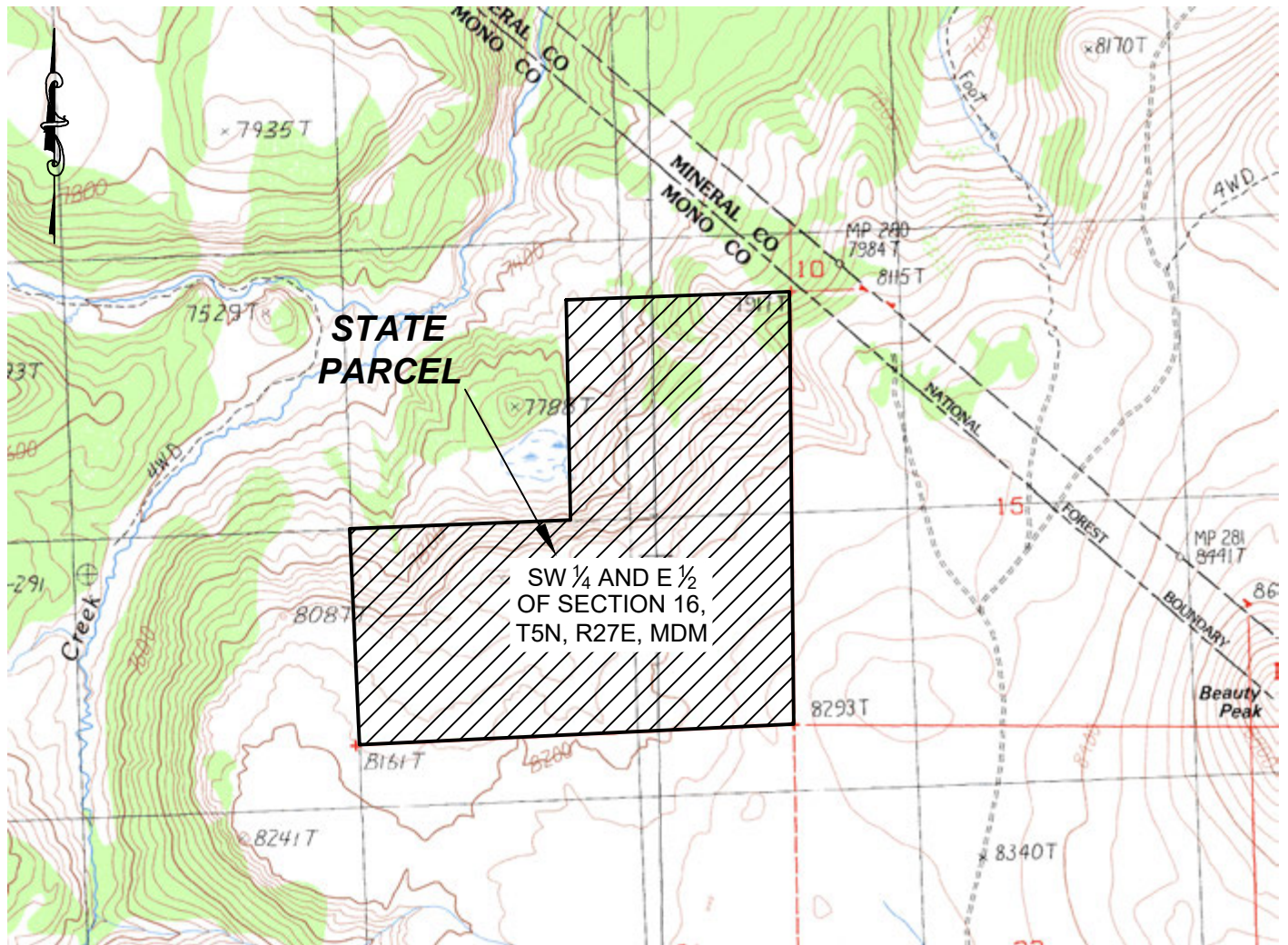
END OF DESCRIPTION

Prepared 01/24/2022 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE



SW 1/4 AND E 1/2 OF SECTION 16, T5N, R27E, MDM

NO SCALE

LOCATION

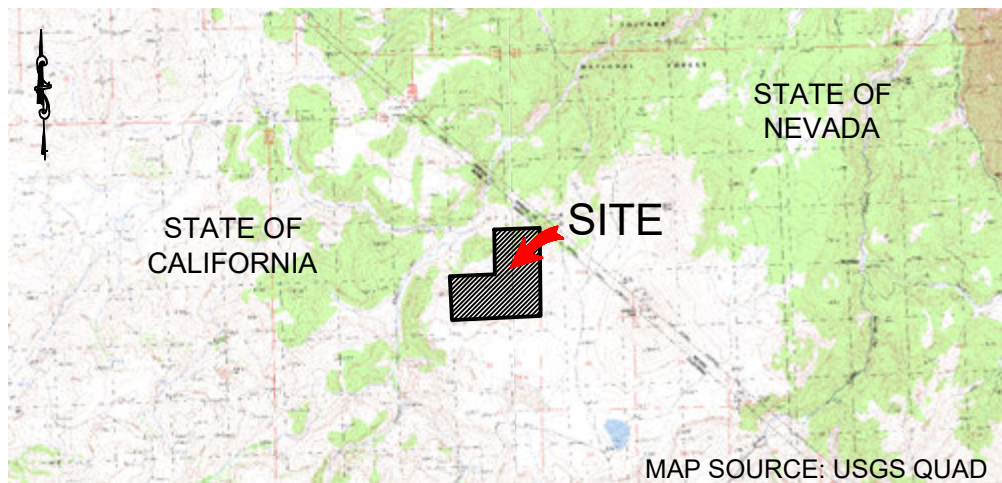


Exhibit B

APN 009-140-002
STATE PARCEL
MONO 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.

Jeffrey B. Hunewill, President
Hunewill Land and Livestock Co., Inc.
195 Hunewill Lane
Wellington, NV 95825

October 1, 2021

Honorable Eleni Kounalakis, Chair
Members, California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento CA 95825

RE: Protection for a school lands section from mining activities in Mono County

Dear Lieutenant Governor Kounalakis:

The Hunewill Land and Livestock Company is requesting that the State Lands Commission take steps to protect Section 16 (T5N, R25E) in Mono County from future mining proposals. The Hunewill Land and Livestock Company owns the surface rights to this 480-acre parcel (APN 009-140-002-000), but the subsurface rights were retained by the State when it was sold in the 1950s.

Our Company is working jointly with the Bridgeport Indian Colony in making this request.

A recent application to conduct exploratory drilling by a Canadian company, Radius Gold, is apparently on hold. But it is the fifth application in recent years to search for minerals and then potentially mine Section 16.

The impacts of any one of these proposals on the people of the Bridgeport Indian Colony, the Hunewill Land and Livestock Company, and the public's best interest would be enormous.

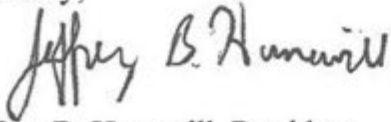
The Hunewill Land and Livestock Company owns the water rights to the nearby springs, including those on Section 16, and to water from Rough and Bodie Creeks, which bracket the Dry Lakes Plateau. The State has no water rights attached to its subsurface interest, and there are no available water rights to supply the water needs for either drilling or mining. Rough Creek provides the irrigation water for our pastures, and mining poses a significant risk of contamination. Indeed, the Lahontan Regional Water Quality Control Board has confirmed mining exploration in section 16 is within the discharge range of Rough Creek.

Surface access to Section 16 is only possible through the Hunewill Land and Livestock Company's private property to the west or through the adjacent federal land to the east designated as a Wilderness Study Area and archaeological district listed on the National Register of Historic Places.

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Section 16 remains the only location on the Dry Lakes Plateau eligible for mining, which is why it has been a mining company target. Hunewill Land and Livestock is prepared to consider ways in which it can be protected in perpetuity, and along with the Bridgeport Indian Colony, we request a meeting with you and the SLC staff to consider next steps.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey B. Hunewill". The signature is written in a cursive style with a large initial "J".

Jeffrey B. Hunewill, President
Hunewill Land and Livestock Company

CC: Commissioners
Jennifer Lucchesi, Executive Officer
Marina Voskanian, Chief, Mineral Resources Management Division
Jennifer Mattox, Tribal Liaison



Bridgeport Indian Colony
P.O. Box 37
355 Sage Brush Drive
Bridgeport, CA 93517
Phone: 760- 932-7083 Fax: 760-932-7846

September 23, 2021

Honorable Eleni Kounalakis, Chair
Members, California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento CA 95825

RE: Mono County mineral exploration drilling project

Dear Lieutenant Governor Kounalakis:

On behalf of the members of the Bridgeport Indian Colony, a federally recognized Indian Tribe in Mono County, I am writing to request that the State Lands Commission act to end the possibility of mining and subsurface disturbances in the State's portion of Section 16 (T5N, R25E) in Mono County.

This 480-acre parcel (APN 009-140-002-000) is a split estate, with surface rights owned by the Hunewill Land and Livestock Company and subsurface rights retained by the State.

The Bridgeport Indian Colony is making this request jointly with the Hunewill Land and Livestock company.

I met with the Land Commission's senior staff and with your staff member who handles Commission matters two years ago when there was a pending proposal to explore for minerals on this parcel of state school land. Radius Gold, a Canadian company, was proposing to drill five exploratory holes on the northern edge of Section 16 adjacent to a BLM Wilderness Study Area where mining is not allowed. This proposal has been withdrawn, and now is the time to stop further applications for mining activity on the parcel.

Section 16 is part of the Dry Lakes Plateau, an extraordinary high-elevation mesa that is both a Wilderness Study Area and an archaeological district listed on the National Register of Historic Places. Section 16 was found to be eligible for inclusion on that National Register listing, and it would have been included had not the previous surface rights owner objected.

The members of the Bridgeport Indian Colony and the other Indian people of this area are deeply connected to the Dry Lakes Plateau. Our ancestral lands have been ravaged by mines. Our food

resources were depleted by the people who came with them. The pinyon pines were cut to fuel the stamp mills, the game was killed off by indiscriminate hunting, and the creeks were polluted with sludge and toxic chemicals. The Bridgeport Indian Colony considers the Dry Lakes Plateau to be a Tribal Cultural Landscape and a Sacred Place pursuant to Public Resources Code Section 21074.

New mining applications are abundant in the area surrounding the Dry Lakes Plateau, but most of the Plateau, except for Section 16, is protected by its status as a Wilderness Study Area/National Register of Historic places archaeological district. The State Lands Commission can correct this omission by removing Section 16 from mining and subsurface disturbance considerations. We are open to options for how to protect this area, and we request a meeting with you to discuss the possibilities.

Sincerely,



Herbert Glazier, Tribal Chairman

CC: Commissioners
Jennifer Lucchesi, Executive Officer
Marina Voskanian, Chief, Mineral Resources Management Division
Jennifer Mattox, Tribal Liaison

Exhibit E

RESOLUTION BY THE CALIFORNIA STATE LANDS COMMISSION SUPPORTING A PROPOSED MAP AMENDMENT TO THE 2002 NATIONAL REGISTER OF HISTORIC PLACES DISTRICT DESIGNATION (02001394) OF DRY LAKES PLATEAU, LOCATED IN MONO COUNTY

WHEREAS, the State of California acquired hundreds of thousands of acres of “school lands” from the United States Congress in 1853, which, as it did with other newly admitted states, transferred federal lands to California for the specific purpose of providing support for public schools; and

WHEREAS, the California State Lands Commission (Commission) manages school lands on behalf of the State; and

WHEREAS, the State Legislature declared that it is in the best interest of the State that school lands be managed as a revenue source for the State Teachers’ Retirement Fund; and

WHEREAS, the Commission must balance consideration of any development on lands within its jurisdiction with its commitment to protect the State’s unique and sensitive environmental and cultural resources; and

WHEREAS, a 480-acre portion of Section 16 (T5N, R25E) (APN 009-140-002-000) is a split estate, with surface rights owned by the Hunewill Land and Livestock Company and subsurface mineral rights owned by the State; and

WHEREAS, Section 16 is part of the Dry Lakes Plateau, an extraordinary high-elevation mesa that is both a wilderness study area and previously found to be eligible for inclusion on the National Register of Historic Places (NHPA), is culturally significant to the Native American tribes historically affiliated with the area, and contains numerous culturally important sites and artifacts that would be at risk if mineral extraction or other development activities were allowed to occur; and

WHEREAS, the NHPA, authorized by the National Historic Preservation Act of 1966, as amended, is the official list of the Nation's historic places worthy of preservation and is part of a national program to coordinate and support public

Exhibit E

and private efforts to identify, evaluate, and protect America's historic and archeological resources; and

WHEREAS, in 2002, the Dry Lakes Plateau was listed as an archaeological district pursuant to the NHPA, with the exception of the 480-acre portion of Section 16 and portions of Section 28 due to objections by the previous owner of the surface estate; and

WHEREAS, the current owner of the surface estate, Hunewill Land and Livestock Company, has submitted a letter to the Commission in support of the addition of Sections 16 and 28 to the 2002 archaeological district; and

WHEREAS, the Commission has consulted with the Bridgeport Indian Colony in a government to government relationship, and such consultation has resulted in the Commission's support of the proposed map amendment to the 2002 archaeological district; and

WHEREAS, the Commission believes the proposed map amendment to the Dry Lakes Plateau archaeological district to add Sections 16 and 28 is an appropriate recognition of the significance of this landscape that additionally holds spiritual value to the Bridgeport Indian Colony and other Native American tribes for its traditional cultural use and its known and undiscovered archeological sites that could reveal important historic or prehistoric information; and

WHEREAS, pursuant to its Tribal Consultation Policy and its 2021-2025 Strategic Plan, the Commission is committed to respecting the sovereign authority and the valuable knowledge and history of Native American tribes, and in recognition of the tribes' unique experiences and resources present on the Dry Lakes Plateau, the Commission recommends that pursuit of a map amendment to the National Register listing would accomplish these goals in the most objective and practical manner to ensure maximum consideration and protection of irreplaceable cultural resources; now therefore, be it

RESOLVED BY THE CALIFORNIA STATE LANDS COMMISSION that it supports a submittal by the Bridgeport Indian Colony to the National Register of Historic Places of a map amendment that would add the previously excluded portions

Exhibit E

of the Dry Lakes Plateau to the previously listed archaeological district because of its past and present value to and use by the tribes and its ability to reveal unique and important archaeological information about the paleobotany and human habitation in the region; and be it further

RESOLVED, that the Commission's Executive Officer transmit copies of this resolution to the Governor of California's Tribal Advisor, the geographically and culturally affiliated tribes, State Historic Preservation Officer, and each State Senator and Representative from the Bridgeport, Mono County District.