



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: April 9, 2009

Agenda Item No. 2: Acceptance of a Petition for Re-Classification of Mineral Resource Zone (MRZ) Lands from MRZ-3 to MRZ-2, White Rock Road Properties - Mangini Property, Sacramento County.

INTRODUCTION: In accordance with the “*Guidelines for Classification and Designation of Mineral Lands*”, the State Geologist reviews mineral land classification petitions. Should certain criteria be met, the State Geologist may recommend acceptance of the petition by the SMGB. Teichert Aggregates has submitted a petition to the State Mining and Geology Board (SMGB) dated December 16, 2008, for mineral land classification of the White Rock Road Properties, Mangini Property, located in Sacramento County. The SMGB is considering accepting the petition for the re-classification of mineral resource land for this property.

REGULATORY ASPECTS: Pursuant to PRC 2761(b), “*the State Geologist shall classify, on the basis solely of geologic factors, and without regard to existing land use and land ownership... any area for which classification has been requested by a petition which has been accepted by the board...*” Pursuant to PRC 2761(c), “*The State Geologist shall require the petitioner to pay the reasonable costs of classifying an area for which classification has been requested by the petitioner.*”

Prior to acceptance of a petition by the SMGB, and in accordance with the “*Guidelines for Classification and Designation of Mineral Lands*” (Section III, Guidelines for Classification of Mineral Lands (1)(A)(1), “*Petitions will be preliminarily reviewed by the State Geologist to determine if the deposit meets the threshold value and other criteria required to qualify as MRZ-2a or MRZ-2b as in Section 1.2. If these criteria are met, the State Geologist will recommend acceptance of the petition by the SMGB.*”

BACKGROUND: A petition to the SMGB for classification of mineral lands, dated December 16, 2008, for the White Rock Road Properties – Mangini Property, located in eastern Sacramento County, was submitted by Teichert Aggregates. The project consists of about 380 acres located approximately 25 miles east of the City of Sacramento. The property is also situated five miles south of the City of Folsom, and about 2.3 miles from the City’s sphere of influence. Potential urban encroachment of this area constitutes a threat to the intended mining of the mineral resources on the property.

The property is currently classified as MRZ-3 (known mineral occurrence of undetermined resources significance) for Portland Cement Concrete-grade aggregate (PCC) as reported in California Geological Survey (CGS) Open-File Report 99-09. The petitioner has requested that the State Geologist reclassify the property as MRZ-2 (significant resources present).



Executive Officer's Report

The petition application was reviewed by CGS's Minerals Resource Unit staff using revised criteria for consideration of petitions adopted in 1994 by the SMGB. The following determinations were made:

- Based on test information provided by the petitioner, the material likely will meet the quality specifications for PCC aggregate.
- Preliminary calculations based on information provided by the petitioner indicate that the parcel contains aggregate resources in excess of the threshold value of \$12,550,000 (1998 dollars), or \$17,157,910 (2008 dollars), required for classification as MRZ-2a and MRZ-2b.

Based on this preliminary review, the State Geologist has recommended acceptance of the petition by the SMGB. The petitioner has submitted a check for \$5,000 to cover the cost of the preliminary evaluation. Actual cost incurred to perform the preliminary assessment was \$1,000, and it is estimated that the cost to complete the classification study for the petition will total \$13,275. Should the SMGB accept the petition, the petitioner will be requested to submit an additional \$9,275 to cover the cost of performing the full classification study. This work can commence immediately following receipt of the additional funds. After completion of the classification report, any funds not used would be returned to the petitioner.

EXECUTIVE OFFICER'S RECOMMENDATION: Based on the information presented by the Petitioner, and the results of the preliminary review and recommendation provided by the State Geologist, the Executive Officer recommends that the SMGB accept the petition for mineral land re-classification.

SUGGESTED MOTION LANGUAGE:

To Accept the Petition for Re-Classification:

Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move that the Board accept the petition for re-classification of Mineral Resources Zone Lands for the White Rock Road Properties – Mangini Property area, Sacramento County.

Respectfully submitted:

Stephen M. Testa
Executive Officer

