



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: March 11, 2010

Agenda Item No. 3: Acceptance of California Geological Survey's Special Report 214 on Classification of Mineral Lands, Wilson Ranch-Walltown Quarry Project, Sacramento County, California.

INTRODUCTION: The Surface Mining and Reclamation Act of 1975 provides, under Public Resources Code (PRC) Section 2761, for the State Geologist to identify specific areas of the State that contain valuable mineral resources, and to classify those mineral resources according to guidelines developed by the State Mining and Geology Board (SMGB). One method by which the SMGB is made aware of areas for potential mineral classification is through the petition process, whereby a person may petition the SMGB to have specific lands undergo a mineral classification review. Petitions for mineral classification received by the SMGB are transmitted to the State Geologist for preliminary review. If the State Geologist believes sufficient information is available to conduct a mineral study, it will be recommended that the SMGB accept the petition and authorize the State Geologist to commence the study. Following submittal of a petition to the SMGB for mineral land classification of the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento, the SMGB accepted the petition, and the State Geologist subsequently commenced the study. The SMGB is considering accepting California Geological Survey Special (CGS) Special Report 214 for the classification of mineral resource land for Portland Cement Concrete (PCC) - grade aggregate for this project.

On behalf of Angelo and Katherine Tsakopoulos, the State Mining and Geology Board (SMGB) received a petition for mineral lands classification from Mr. Kerry Shapiro, legal counsel with Jeffer, Mangels, Butler, & Marmaro, LLP, dated May 13, 2009, for mineral land classification of the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento. At its July 9, 2009 regular business meeting, the SMGB accepted, based on recommendations from the State Geologist, a petition. The SMGB is considering accepting the classification report.

REGULATORY ASPECTS: The SMGB has developed guidelines to help implement SMARA by providing the State Geologist with direction in carrying out mineral resource classification of lands in California (Guidelines for Classification and Designation of Mineral Lands). These guidelines are supported by statute. 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...*"



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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.”

Pursuant to PRC Section 2761(d), “The State Geologist shall transmit the information to the board for incorporation into the state policy and for transmittal to lead agencies.”

BACKGROUND: On behalf of Angelo and Katherine Tsakopoulos, the State Mining and Geology Board (SMGB) received a petition for mineral lands classification from Mr. Kerry Shapiro, legal counsel with Jeffer, Mangels, Butler, & Marmaro, LLP, dated May 13, 2009, for mineral land classification of the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento (Figure 1). The site consisted of about 1,360 acres located approximately 6 miles south-southeast of the City of Folsom in eastern Sacramento County. The property is currently classified as a Mineral Resource Zone 3 (MRZ-3) for portland cement concrete (PCC)-grade aggregate per California Geological Survey’s (CGS) *Open-File Report 99-09* (Dupras, 1999). The petitioner has requested that the State Geologist reclassify the property as MRZ-2 for PCC-grade aggregate.

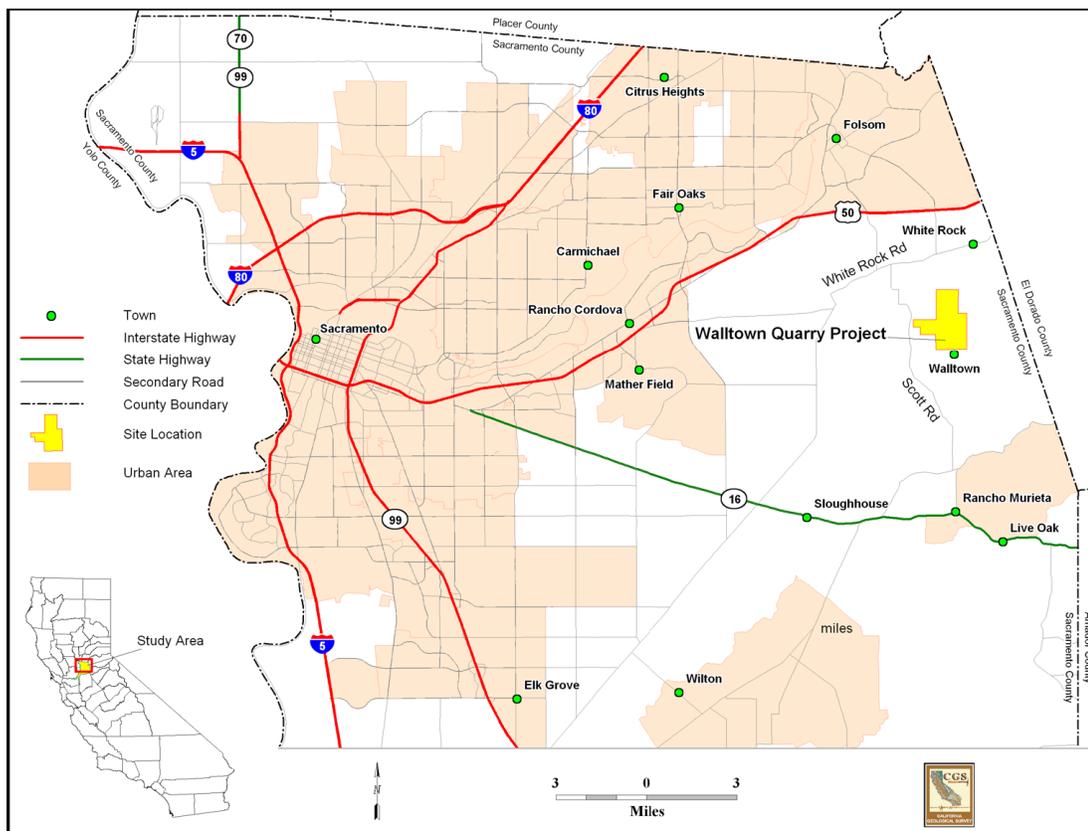


Figure 1. Location of the Wilson Ranch – Walltown Quarry Site

The petition application was reviewed by the CGS Minerals Resources Unit using the revised criteria for consideration of petitions, which were adopted by the SMGB in May 1994. At its July 9, 2009, regular business meeting, the SMGB accepted the petition, based on recommendations from the State Geologist. Located about 6 miles south – southeast of the City of Folsom, commercial/residential development is slowly encroaching on the proposed quarry site from the north-northeast direction. This urban encroachment constitutes a potential threat to the intended mining of the mineral resources on the property.

The following conclusions as set forth in CGS Special Report 214 (Exhibit A) were made:

- Aggregate test results provided by the petitioner and analyzed by CGS staff indicate that the material present on the Wilson Ranch – Walltown Quarry site meet the specifications for a variety of construction aggregate uses up to and including PCC-grade aggregate.
- Aggregate resources present at the Wilson Ranch – Walltown Quarry site exceed the minimum threshold value of \$17.11 million 2009-dollars established by the SMGB.
- Approximately 414 acres of the 1,346-acre Wilson Ranch – Walltown Quarry site have been reclassified MRZ-2 from MRZ-3 for construction aggregate (Figure 2).



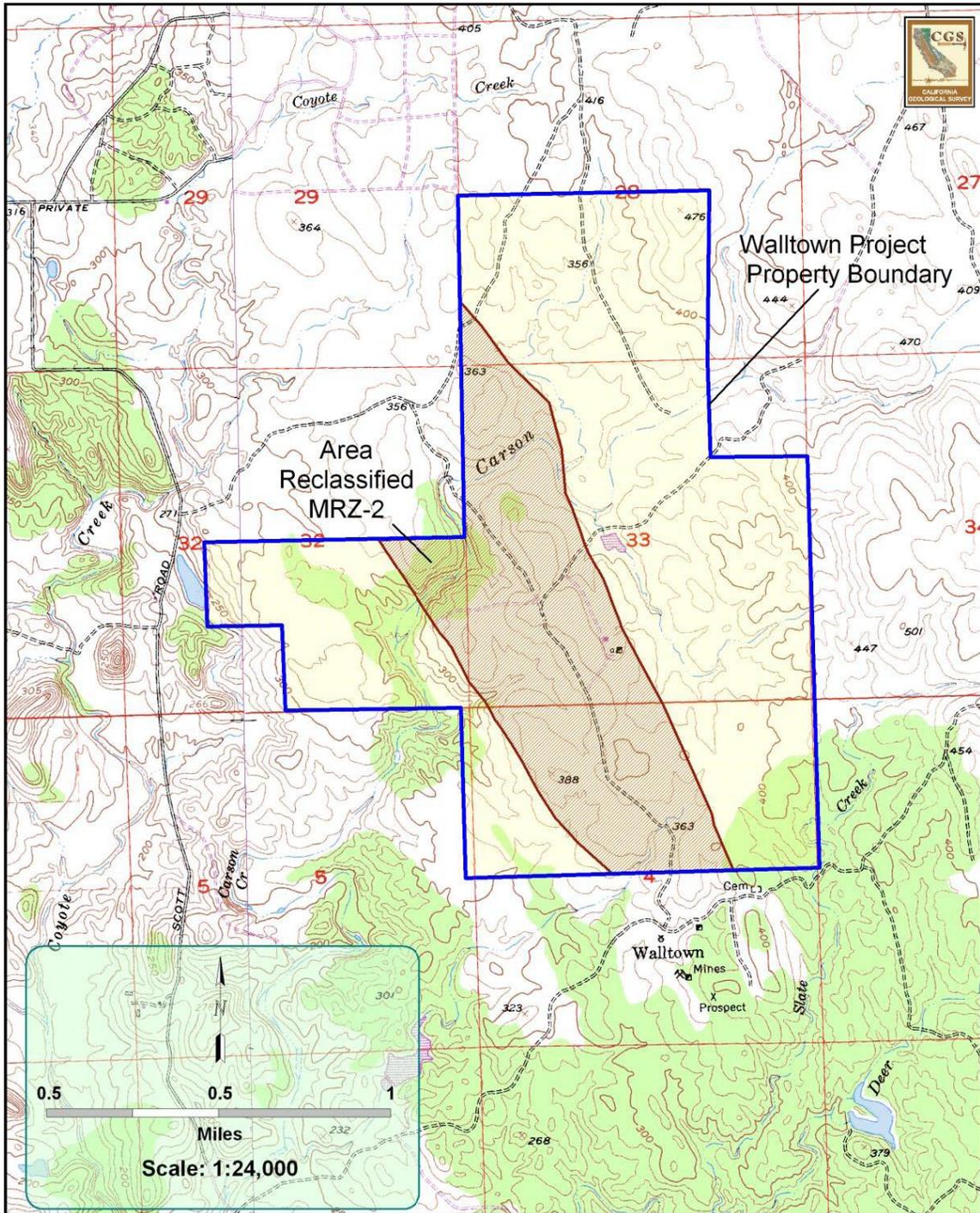


Figure 2. Mineral Land Classification of the Wilson Ranch – Walltown Quarry Site for construction aggregate.

EXECUTIVE OFFICER'S RECOMMENDATION: The Executive Officer has reviewed the CGS Special Report 214, and its analysis and conclusions, and finds that the report has been prepared in accordance with the SMGB's Mineral Classification and Designation Guidelines and the Surface Mining and Reclamation Act (SMARA; PRC Section 2710 et seq.). The Executive Officer recommends that the SMGB accept CGS's Special Report 214 and forward copies to Sacramento County and to other affected lead agencies.

SUGGESTED MOTION LANGUAGE:

To Accept CGS Special Report 214:

Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move that the Board find that California Geological Survey Special Report 214, "Mineral Land Classification of the Wilson Ranch-Walltown Quarry Project, located in the City of Folsom, Sacramento County", has been prepared in accordance with the SMGB's guidelines and policies, and that the SMGB accepts the Report and instructs the Executive Officer to transmit the Report to Sacramento County and other affected lead agencies.

Respectfully submitted:

Stephen M. Testa
Executive Officer



EXHIBIT A
CGS SPECIAL REPORT 214

