

Discussions have been held with the Department of Finance on this problem, and an agreement has been drafted transferring jurisdiction of the Department of Finance lands to the State Lands Commission. The total acreage involved in the three tracts is 70.8 acres.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the entering into of an agreement with the Department of Finance for 70.8 acres of land under Finance jurisdiction in San Joaquin County on Tinsley Island and on Morrison's Island, San Joaquin County whereby jurisdiction of the lands involved shall be transferred to the State Lands Commission, said lands being encumbered with rights of way heretofore granted by the Department of Finance for the purpose of spoils deposits and construction of levees.

11. (Application Permanente Metals Corporation right of way for water line, W. O. 290) The Commission was informed that application has been received from the Permanente Metals Corporation for a right of way upon which to drill a fresh water well, produce fresh water and construct a water line to be used in connection with their existing soda plant at Owens Lake. This right of way is requested over Sections 24 and 25, T. 18 S., R. 36 E., and Sections 18 and 19, T. 18 S., R. 37 E., M.D.M. within the bed of Owens Lake.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the issuance of a right of way easement to Permanente Metals Corporation for drilling and producing a fresh water well and construction of a water line across Sections 24 and 25, T. 18 S., R. 36 E., and Sections 18 and 19, T. 18 S., R. 37 E., M.D.B. & M. at an annual rental of \$40.00 plus 2 cents per lineal foot in accordance with the established policy of the Commission. Concurrent with the issuance of the right of way easement the Permanente Metals Corporation is to deposit a \$1,000.00 surety bond to guarantee performance under the lease and removal of the line at the expiration of the term or any extension thereof.

12. (Bids for lease of Owens Lake land, Permanente Metals Corporation, W.O. 272) The Commission was informed that on April 4, 1948, pursuant to application of the Permanente Metals Corporation for a lease of additional lands in Owens Lake, authorization was given for the advertisement of a notice of intention to receive bids. This notice was published in the Lone Pine Valley Progress Citizen on April 23, 1948, and April 30, 1948, and in the Los Angeles Daily Legal Journal on April 28, 1948. Pursuant to this notice a single bid was received from the Permanente Metals Corporation wherein they offered 50 cents per ton or 2 per cent of the average bulk value received F.O.B. plant at Owens Lake, whichever is the greater, for all minerals extracted from the 4.7 acres of State land in Owens Lake that was advertised. The bid form requires a minimum of 500 tons of minerals to be extracted each year from each acre contained in the area to be leased.

Upon motion duly made and unanimously carried, a resolution was adopted accepting the bid of the Permanente Metals Corporation and authorizing the issuance of a twenty year lease to them on 4.7 acres of land in Owens Lake at a royalty of 50 cents per ton or 2 per cent of the average bulk value received F.O.B. the plant at Owens Lake, whichever is greater, for all minerals extracted and sold from the lands to be leased subject to filing of a \$5,000 surety bond to guarantee performance under the lease.

13. (Audit of Owens Lake mineral Leases) The Commission was informed that examination of mineral royalty statements made by the Pittsburgh Plate Glass Co., Natural Soda Products Company and the Permanente Metals Corporation, all of whom hold Mineral Extraction Leases located at Owens Lake, has raised the question as to whether or not royalty payments made by said Companies for the period from November 1, 1946 to December 31, 1947, accurately represent the total royalties due the State. For this reason, and because the Division of Audits has unofficially recommended that these lease accounts be audited, the Division of State Lands is undertaking the project of performing such audit.

Since this work is highly specialized it was deemed advisable to enter into a contractual agreement with the Division of Audits, Department of Finance for the performance of the work, the estimated cost of which shall not exceed \$1,000.00.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to execute a contract with the Division of Audits, Department of Finance for the performance of an audit of the royalties due the State under mineral lease agreements Nos. 659, 738, P.R.C. 210, 257, 273 and 274, for the period November 1, 1946 through December 31, 1947, at a cost not to exceed \$1,000.00.

14. (Recision of authority to acquire from United States lands littoral to Mono Lake -W.O.153) The Commission was informed that at the June 12, 1947, meeting in Sacramento incident to California Senate Resolution No. 81 of the 1947 session, in regard to acquisition of Federal lands in Inyo and Mono Counties by the Los Angeles Bureau of Water and Power, the Commission authorized sending a letter to the Secretary of Interior requesting that sale of any or all of the approximately 23,000 acres of Federal public lands applied for by the City of Los Angeles under application Sacramento No. 036130 be deferred, pending ultimate action by Congress on Bills S 36 and H.R. 727, and further authorizing the Acting Executive Officer on behalf of the State Lands Commission to make application under its authority for acquisition of all Federal public land within one mile of the meander line of Mono Lake, California, as heretofore established by the Federal Government for Mono Lake, Mono County, California.

The Commission will further recall that after protracted conferences and hearings between Attorneys for the Bureau of Water and Power, the Attorney General's office, the State Lands Commission, the Legislative Counsel, the Senate Interim Committee on Local Government, and the officials of Inyo and Mono Counties, that a satisfactory bill for consideration of Congress has now been worked out. The Commission has so advised the Senate Interim Committee and the City of Los Angeles, Bureau of Water and Power.