

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. (Reversion 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 Council, 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.