

12 $\frac{1}{2}$ % of gross sales price up to 1,999 long tons per month
15% of gross sales price on 2,000 to 3,999 long tons per month
17 $\frac{1}{2}$ % of gross sales price on 4,000 to 5,999 long tons per month
20% of gross sales price on all tonnage in excess of 6,000 long tons per month,
which gross sales price shall be not less than the reasonable market value of
all the minerals secured from the land and sold or otherwise disposed of or held
for sale or other disposition.

25. (CANCELLATION OF AUTHORIZATION FOR PROSPECTING PERMIT, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY, J. RUSSELL PEERY - W.O. 579, P.R.C. 486) The Commission was informed that on November 21, 1949, (Minute Page 1032-1033, Item 46) the Commission authorized the Executive Officer to issue a two-year permit to Mr. J. Russell Peery for 40 acres of tide and submerged land in Santa Barbara County, for prospecting for gold and platinum. Forms of prospecting permit were forwarded to Mr. Peery on December 1, 1949, for execution, together with the request for the statutory permit fee. No reply has been received from Mr. Peery.

Upon motion duly made and unanimously carried, a resolution was adopted rescinding the authorization granted on November 21, 1949, for the issuance of a prospecting permit to Mr. J. Russell Peery for 40 acres of tide and submerged lands in Santa Barbara County, and authorizing the Executive Officer to cancel the application for said permit.

26. (TERMINATION OF MINERAL PROSPECTING PERMIT, LLOYD D. ADAMS, SAN BERNARDINO COUNTY, P.R.C. 345) The Commission was informed that Mineral Prospecting Permit P.R.C. 345, issued for a term of two years on February 2, 1948, for prospecting for clay and other non-metallic minerals on Lots 7 and 8, Section 36, T. 9 N., R. 4 E., S.B.B. & M., San Bernardino County, provides that the Commission may, in its discretion, extend the term of the permit for an additional period not exceeding one year. The permittee has not submitted any of the reports required by the permit or requested an extension of the permit. Field inspection by the Division has shown that no substantial work has been performed and that there has been no development of a commercially valuable mineral deposit.

Upon motion duly made and unanimously carried, a resolution was adopted not to extend the Prospecting Permit No. P.R.C. 345 beyond the expiration date of February 2, 1950, and authorizing the Executive Officer to inform Mr. Lloyd D. Adams, the permittee, accordingly.

27. (APPLICATION FOR PREFERENTIAL MINERAL LEASE - PROSPECTING PERMIT - P.R.C. 392 - ROBERT LIVINGSTONE) The Commission was informed that an application has been received, pursuant to the Public Resources Code, from Mr. Robert Livingstone, permittee under Prospecting Permit P.R.C. 392, covering the right to prospect for volcanic cinders in Section 16, T. 6 N., R. 10 E., S.B.B. & M., San Bernardino County, for a preferential mineral lease on the SE $\frac{1}{4}$ of NW $\frac{1}{4}$, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$ and NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of said Section 16, containing 160 acres. Under Section 6895 Public Resources Code upon establishing to the satisfaction of the Commission that commercially valuable deposits of minerals have been discovered within the limits of any permit, the permittee shall be entitled to a lease for not more than 160 acres of the land embraced in the prospecting permit, if there be that number of acres within the permit. Prospecting permit P.R.C. 392 covering 640 acres was issued February 25, 1949. The application of the permittee reports the survey and

sampling in place of extensive deposits of volcanic cinders. The application states further that by research development and application of sales effort market demand for the mineral has been created. The survey and testing of the mineral deposit and development of a commercial market constitute the discovery of commercially valuable deposits of minerals within the limits of the permit. Such discovery is required by the Public Resources Code as a condition precedent to the issuance of a preferential mineral lease. Field inspections and office studies by this Division substantiate the statements in the application.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to issue a preferential mineral lease pursuant to the Public Resources Code to Mr. Robert Livingstone covering the SE $\frac{1}{4}$ of NW $\frac{1}{2}$, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{2}$ and NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 6 N., R. 10 E., S.B.B. & M., containing 160 acres for a term of 20 years with the option on the part of the lessee to renew for an additional period of 10 years under such terms and conditions as the State may determine at the time of renewal. The royalty rate payable under the preferential mineral lease is to be \$.02 per ton of 2,000 pounds for all volcanic cinders mined and shipped from the land as specified in Prospecting Permit P.R.C. 392.

28. (ASSIGNMENT OF LEASE P.R.C. 431 - COLUMBIA STEEL COMPANY TO THE UNION OIL COMPANY - W.O. 648) The Commission was informed that an application has been received from the Columbia Steel Company for Commission's permission to assign Lease P.R.C. 431 covering approximately one-half acre of State tide and submerged lands in New York Slough easterly of the City limits of Pittsburg. This lease was issued on July 26, 1949, for a period of fifteen years with a right of renewal for an additional ten years with annual rental of \$50.00, bond in the amount of \$2,000 having been furnished. In consolidating its plant site, the Columbia Steel Company proposes to exchange this lease for one of similar nature held by the Union Oil Company on 0.293 acres in the vicinity of the lands covered by P.R.C. 431. (The Union Oil Company are correspondingly requesting assignment of their Lease (26-69/29) to the Columbia Steel Company). (See next item).

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the assignment of Lease P.R.C. 431 from the Columbia Steel Company to the Union Oil Company subject to receipt of the statutory filing fee, and to relieve the Columbia Steel Company of all liabilities under this lease provided that the Union Oil Company assumes all the liabilities and obligations of the lease including the filing of a \$2,000.00 surety bond.

29. (APPLICATION FOR ASSIGNMENT OF LEASE 26, CHAPTER 69, STATUTES OF 1929 FROM THE UNION OIL COMPANY TO COLUMBIA STEEL COMPANY - W.O. 650) The Commission was informed that an application has been received from the Union Oil Company for approval by the State Lands Commission of an assignment of Lease 26, issued pursuant to Chapter 69, Statutes of 1929, from the Union Oil Company to the Columbia Steel Company. This lease was entered into by the State on June 8, 1933 and covers 0.293 acres of tide and submerged lands in New York Slough, Contra Costa County. The lease was issued for a term of 40 years with the right of renewal for an additional twenty-five years with an annual rental of \$31.75. There was no bond for a performance or removal of facilities built on the property required with this lease. As stated in the previous item, the purpose of this assignment is to permit the Columbia Steel Company to consolidate its