

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 $\frac{1}{4}$ , 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 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