

plant site by removal of Union Oil Company's occupancy of the land under this lease for which the Columbia Steel Company was to provide the Union Oil Company with similar property as set forth in the prior item.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to approve the assignment of Lease No. 26, issued pursuant to Chapter 69/29 from the Union Oil Company to the Columbia Steel Company subject to receipt of the statutory filing fee and assumption of all obligations under this lease by Columbia Steel Company and release of Union Oil Company of obligations of this lease. Columbia to file a surety bond in the amount of \$2,000.00 to guarantee performance of the terms of the lease and the removal of any structures at the expiration of the lease.

30. (APPLICATION FOR PROSPECTING PERMIT - OSCAR L. HOERNER - SAN BERNARDINO COUNTY - W. O. 628 - P. R. C. 501) Application has been received from Mr. Oscar L. Hoerner of Newberry, for a permit to prospect for uranium and kindred metals on the 160 acres of vacant State school land in the SW $\frac{1}{4}$ of Section 16, T. 9 N., R. 6 E., S. B. B. & M., San Bernardino County. No data are available from the records of the Division of Mines as to any known mineral deposits on the subject area. However, field inspection by the State Lands Division has shown the existence of radioactive ore on the subject property. A commercial assay laboratory analysis furnished by the applicant indicates that the source of radioactivity is uranium oxide. Additional samples taken by the State Lands Commission indicate that there may also be other radioactive source materials. These samples have been transferred to the Division of Mines for further analysis and classification. The manner of occurrence of the radioactive ore, the currently limited surface exposure on the subject properties, and the low concentration of uranium oxide reported for the assayed sample, establish the conclusion that the deposit for which application has been made cannot be classified as containing commercially valuable minerals without the expenditures of further prospecting effort.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to execute and issue a two-year prospecting permit to Mr. Oscar J. Hoerner, for 160 acres of vacant State school land in the SW $\frac{1}{4}$ of Section 16, T. 9 N., R. 6 E., S. B. B. & M., San Bernardino County, pursuant to the Public Resources Code, with royalty payable under any preferential lease, issued upon development of a commercially valuable mineral deposit, to be in accordance with the following schedule: On all ore produced and sold up to 100 short tons per month, 5% of the gross selling price; above 100 short tons per month and up to 500 short tons per month, 10% of the gross selling price; 12 $\frac{1}{2}$ % of the gross selling price on all tonnage in excess of 500 short tons per month, which gross selling 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.

31. (PATENTED LANDS IN THE SE $\frac{1}{4}$ OF SECTION 33, T. 21 N., R. 7 E., S.B.M., INYO COUNTY - BLOSS ELIAS - W.O. 615) The Commission was informed that at the meeting of the State Lands Commission on June 14, 1949, a resolution was adopted authorizing the Executive Officer to hold a public hearing in the vicinity of Tecopa Hot Springs, California, for the purpose of inquiring into the transactions relating to the sale of lands in the SE $\frac{1}{4}$ of Section 33, T. 21 N., R. 7 E., S.B.M., Inyo County, to Mr. Bloss A. Elias. In compliance with these instructions a public hearing was held on November 15 and 16, 1949, at Shoshone, California, a few miles distant from the properties involved. A large number of persons attended and

thirty witnesses appeared in support of or in opposition to the transaction. At the conclusion of the hearing, the property was inspected, the source of water under controversy was measured as to quantity of discharge and temperature, and samples of water were taken which were subsequently analyzed by a testing laboratory. The official records of the Division of State Lands have also been examined in detail as well as copies of certain records of the Bureau of Land Management, Department of Interior.

A complete report on this transaction has been prepared in detail and is attached hereto. The following findings are made therein:

1. There has been a source of hot water (temperature in excess of 100° Fahrenheit) on the property since 1911 which can be classed as a man made waterhole. The water was used intermittently by the public for bathing or other purposes until Mr. Elias moved on the property in 1947 when it was converted to his own use. No conclusive evidence has been presented or is available to the effect that the waters are of curative value.

2. Mr. Elias knew of these conditions at the time he applied for the property; he reported the existence of the waterhole in his affidavit but failed to describe it fully, as required, by omitting reference to its temperature.

3. The Bureau of Land Management of the Department of Interior had not withdrawn the subject lands by reason of existence of hot springs or waters of curative value. Field representatives of the Bureau knew of the existence of the source of hot water before the selection was allowed and took no adverse action.

4. There is no conclusive evidence of adverse occupancy and there are no valid claims to leaseholds.

5. Mr. Elias had occupied the lands and placed some improvements upon them before title passed to the State and he had excluded others therefrom.

6. The State's actions throughout the entire transaction were in strict accordance with the law except for the one fact that the interrogatories required by Section 7701 of the Public Resources Code, were taken after approval of the sale by the Commission on March 4, 1947. It had been construed by the staff of the Division that the authority for sale carried with it the authority to receive and approve the interrogatories.

7. Though not required by law, no physical inspection or field appraisal of the property was made by the State until long after the patent was issued.

8. There was a lack of official exchange of information and of cooperation between the State and the Federal Government with respect to the complaints received prior to the completion of the transaction.

9. At the request of this office, Mr. Elias was asked what he was prepared to do by way of effecting restoration to the public of the use of the facilities available at the time he acquired the property. He has recently advised in writing that, on or before September 1, 1950, he will provide, operate, and maintain, public bathing facilities equivalent to those previously existing. They will be placed on his property at a readily accessible location.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing: 1. That a copy of this report be transmitted to the Bureau of Land Management, Department of Interior for its information. 2. That the Commission adopt the policy of withholding approval of sales of lands, whether they be school, lieu, or exchange lands until all affidavits are filed, examined, and found to be correct and adequate, and an appraisal has been made after field examination by the State or one of its agents, and also until after the five weeks period of publication of notice has expired: furthermore, that no certificates of purchase be issued until after such final approval by the Commission. 3. That the Commission instruct the staff of the State Lands Division to take prompt and positive action with respect to any complaints received regarding the conduct of its affairs. 4. That Mr. Elias' offer to restore to public use waters and facilities equivalent to those in existence at the time he acquired the property be approved, and the case be terminated.

32. (PATENTED LANDS IN THE NE $\frac{1}{4}$ OF NW $\frac{1}{4}$ AND THE N $\frac{1}{2}$ OF NE $\frac{1}{4}$ OF SECTION 4, T. 20 N., R. 7 E., S.B.B. & M., INYO COUNTY, HARRY W. ROSENBERG - F.O. 615) The Commission was informed that at the meeting of the State Lands Commission July 26, 1949, a resolution was adopted authorizing the Executive Officer to extend the scope of inquiry at the public hearing proposed to be held in connection with the sale of lands to Mr. Bloss A. Elias near Tecopa Hot Springs, California, so as to cover other sales of lands in that locality in which the State Lands Commission might have been involved. Investigation indicated that the only other sale of State lands in that immediate vicinity was that to Mr. Harry W. Rosenberg for the purchase of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ and N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 4, T. 20 N., R. 7 E., S.B.B. & M., at a price of \$5.00 per acre, patent having been issued to Mr. Rosenberg for the lands involved on November 1, 1943. As in the case of the investigation of the sale of lands to Mr. Bloss A. Elias (See Minute Item No. 31), this matter was heard on November 16, 1949, at Shoshone, California, following which the property was inspected, the water measured, sampled, and analyzed and official records of the Division of State Lands examined. A more complete report of this transaction is attached hereto. The following findings are made:

1. Prior to applying for the property on March 18, 1941, Mr. Rosenberg had prospected it and had excavated a waterhole which produced a small flow of hot water. He filled in the excavation shortly prior to applying for the purchase of the property.
2. Mr. Rosenberg knew of the possibilities of developing water on the property at the time of execution of his application and the accompanying affidavits but made no mention of this fact.
3. There is no evidence of adverse occupancy with respect to the lands purchased, nor of any withdrawal by the Federal Government by reason of the existence of hot springs or waters possessing curative values, nor is there any evidence of claims of leaseholds by others.
4. No complaints have been registered in the case of this transaction.
5. There is no evidence of prior use of waters on the property by the public or by any individuals.