

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE OF LOT 1 (BEING A FRACTION IN THE NE $\frac{1}{4}$ OF SE $\frac{1}{4}$) AND LOT 4 (BEING A FRACTION IN THE SOUTHEAST CORNER OF SW $\frac{1}{4}$ OF SE $\frac{1}{4}$) OF FRACTIONAL SECTION 8, T. 14 S., R. 23 E., M.D.M., TO THE SINGLE BIDDER MRS. JULIA E. JONES AT A CASH PRICE OF \$250.00, SUBJECT TO ALL STATUTORY RESERVATIONS, INCLUDING MINERALS.

29. (AUTHORITY TO EXECUTE CONTRACTS, S.D. ACCOUNTING) The Commission was informed that at its meeting held December 21, 1949, the State Lands Commission granted the Executive Officer authority to execute contracts for the performance of necessary services in connection with the Division of State Lands work in an amount not to exceed \$2,000.00. This authorization was to expire at the date of the Commission meeting nearest to June 21, 1950, or at the date of the next vacancy in the office of the Executive Officer, whichever occurred first.

The action taken by the Commission has proved beneficial in that the Division of State Lands has been able to perform its work without the delays previously experienced, where the performance of projects had to await Commission action on contractual agreements. The authority has been used to conclude an agreement with the Division of Audits, a Supplementary Agreement with Remington Rand Inc., providing for an extension of time in which to complete the Proprietary Lands Indexing System, and a Supplementary Agreement with the Department of Justice in the amount of \$1500.00, providing additional funds for the prosecution of the Owens Lake Damage Action.

Inasmuch as this authority was expiring, a recommendation for its renewal was placed before the Commission.

UPON MOTION DULY MADE AND CARRIED, A RESOLUTION WAS ADOPTED TO CONTINUE IN FORCE FROM THE DATE OF THIS MEETING UNTIL JUNE 30, 1951, OR THE DATE OF THE NEXT VACANCY OF THE OFFICE OF THE EXECUTIVE OFFICER WHICHEVER OCCURS FIRST, THE AUTHORITY GRANTED THE EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE ANY AND ALL CONTRACTS FOR AND ON BEHALF OF THE STATE LANDS COMMISSION, IN AN AMOUNT NOT TO EXCEED \$2,000.00, PROVIDED THAT SERVICES TO BE RENDERED ARE FOUND TO BE NECESSARY, AND THAT SUCH CONTRACTS ARE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE DEPARTMENT OF FINANCE. THE VOTE TAKEN UPON THIS MATTER WAS AS FOLLOWS: CHAIRMAN DEAN, AYE; MEMBER KNIGHT, AYE; MEMBER KUCHEL, NO.

30. (AUTHORITY TO ENTER INTO CONTRACTS WITH THE ATTORNEY GENERAL FOR LEGAL SERVICES - W.O. 721, N-5043 and S.D.) The Commission was informed that the following appropriations have been granted the State Lands Commission for the Fiscal Year 1950-51 for the purpose of defending the State's interests in its properties:

Budget Item No. 138 -- Defense of State's Interest in its Tide and Submerged Lands.....	\$70,000.
Budget Item No. 139 -- For the Continuation of the Prosecution of Litigation between the State and the Department of Water and Power, City of Los Angeles.....	\$10,000.
Budget Item No. 140 - Expenses in connection with the Defense of Quiet Title Actions filed in accordance with law.....	\$15,000.

The Department of Justice is continuing to defend the interests of the State Lands Commission and the State in each of these categories. Services are rendered on.

a contractual basis, inasmuch as the State Lands Commission is a Special Fund Agency.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE CONTRACTS WITH THE ATTORNEY GENERAL FOR SERVICES TO BE RENDERED AS FOLLOWS:

FOR DEFENSE OF THE STATE'S INTEREST IN ITS TIDE AND SUBMERGED LANDS..\$25,000.

FOR CONTINUATION OF THE PROSECUTION OF LITIGATION, DEPARTMENT OF WATER AND POWER, CITY OF LOS ANGELES..... \$ 5,000.

FOR DEFENSE OF QUIET TITLE ACTIONS FILED IN ACCORDANCE WITH LAW... \$10,000.,

SAID CONTRACTS TO PROVIDE FOR SERVICES FOR THE 1950-51 FISCAL YEAR AND SHALL BE ENCUMBRANCES AGAINST SPECIAL APPROPRIATION ITEMS 138, 139 AND 140.

31. (REQUEST OF THE KAISER ALUMINUM AND CHEMICAL CORPORATION TO SUSPEND PRODUCTION REQUIREMENTS, LEASES NOS. P.R.C. 273 AND P.R.C. 356) The Commission was informed that in January of 1947 and May of 1948, the State Lands Commission authorized the letting of mineral extraction leases to the Permanente Metals Corporation (now the Kaiser Aluminum and Chemical Corporation) at Owens Lake, California. These leases were let for the extraction of soda ash and other minerals from the brines of Owens Lake. At the time of issuance of these leases the lessee was vitally interested in securing a supply of soda ash for use in the processing of aluminum. In this period soda ash was generally in very short supply. Subsequent thereto and particularly in 1949 the demand for soda ash fell off with a resultant drop in price. The lessee found that soda ash could be purchased f.o.b. their aluminum plant at Baton Rouge, Louisiana, at a considerably lower cost than the cost of producing and transporting their own product. As a result, the Kaiser Company closed down its Owens Lake plant during 1949.

Both of the leases provide for a minimum annual production of 500 tons of minerals per acre of land leased. With the closing of the plant this minimum requirement was not met. The Division of State Lands pointed out to the lessee that it would be necessary to report to the State Lands Commission that the leases were in default unless authorization was secured for the suspension of the production requirements. As a result the lessee has paid currently, royalty to the State in an amount equal to that which would have been paid had minimum annual tonnages of minerals been produced. The Kaiser Aluminum and Chemical Corporation has requested by letter dated May 23, 1950, that the State Lands Commission suspend the minimum annual mineral production requirement of the leases, for the lease years 1949 and 1950, provided that the lessee pay to the State, royalty equal to that which would have been received had minerals been produced. This request is based on three conditions:

1. That the Company is desirous of holding the plant as a possible source of supply for its own operations, and is willing to pay a premium of the minimum annual royalty for this right.
2. That the plant will be put back in production if it is economically feasible, i. e., if new or additional western markets are developed or other markets for the product present themselves.