

THE EXTRACTION OF PERLITE FROM THE SUBJECT LANDS AT A ROYALTY OF NOT LESS THAN 5% OF THE REASONABLE MARKET VALUE OF THE MINERAL.

37. (APPLICATION FOR PREFERENTIAL MINERAL LEASE, PROSPECTING PERMIT P.R.C. 382, J. E. HICKS) The Commission was informed that an application has been received from Mr. J. E. Hicks, pursuant to the Public Resources Code, for a preferential mineral lease on the SW $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 36, T. 31 S., R. 44 E., M.D.B. & M., San Bernardino County, containing 40 acres. Mr. Hicks is the permittee under Prospecting Permit P.R.C. 382, issued December 6, 1948, for a term of two years to cover prospecting for gold, silver and non-metallic minerals on the subject property. Under Section 6895 of the Public Resources Code and the terms of the permit, upon establishment to the satisfaction of the Commission that commercially valuable deposits of minerals have been discovered within the limits of the permit, the permittee shall be entitled to a lease. Field inspection of the permit area by this Division has shown that the prospecting work has uncovered deposits of good grade perlite, with the indications that such deposits are extensive.

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. J. E. HICKS COVERING THE SW $\frac{1}{4}$  OF SW $\frac{1}{4}$  OF SECTION 36, T. 31 S., R. 44 E., M.D.B. & M., CONTAINING 40 ACRES, FOR A TERM OF TWENTY YEARS WITH THE OPTION ON THE PART OF THE LESSEE TO RENEW FOR AN ADDITIONAL PERIOD OF TEN 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 TO BE IN ACCORDANCE WITH THE SCHEDULE AS SPECIFIED IN PROSPECTING PERMIT P.R.C. 382 AS FOLLOWS:

5% ON ALL ORE PRODUCED UP TO \$20.00 PER TON ASSAY VALUE.  
SLIDING SCALE FROM 5% AT \$20.00/TON VALUE TO 30% AT  
\$100.00/TON VALUE AS DETERMINED FROM FORMULA:

$$R = KV^N$$

where R = Royalty rate in percent

K = Constant 0.00390625

V = Assay Value of ore (\$/ton-above \$20.00)

N = 2;

the maximum royalty rate to be 50%

38. (REQUEST FOR SUSPENSION OF OPERATION REQUIREMENTS UNDER MINERAL LEASE P.R.C. 50, W.O. 595 - TULAR E. WARNER) The Commission was informed that a letter request has been received from Mr. Tular E. Warner, lessee under State Mineral Lease P.R.C. 50 covering portions of the abandoned channel of the Tuolumne River, for permission to suspend dredging operations, required by the lease, until June 1, 1953. Lease P.R.C. 50 was issued October 23, 1942 for a term of 20 years with the preferential right in the lessee to renew for successive periods of ten years upon such conditions as may be prescribed at the time of renewal. No operations were carried on under the lease from 1942 to 1946 because of Federal orders suspending gold mining. On October 29, 1947 the Commission approved the suspension of operations until March 1, 1948. The lessee has reported that he has been unable to secure production since that date for the reason that his privately owned fee land and the land leased from the State are included in a development contract to the Yuba Consolidated Gold Fields. This organization has reported that the high cost of

material, repairs and labor, together with the fixed price for gold would still make it unprofitable to conduct the dredging operations, even though a dredge boat for such operations has been constructed and is upon the property. The minimum annual rental under the lease of \$65.10 has been paid by the lessee for each lease year.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SUSPENSION OF OPERATIONS UNDER LEASE P.R.C. 50 BY MR. TULAR E. WARNER FROM MARCH 1, 1948 TO JUNE 1, 1951, SUBJECT TO THE CONDITION THAT THE MINIMUM ANNUAL RENTAL OF \$1.00 PER ACRE FOR THE LEASED LANDS BE PAID BY THE LESSEE.

39. (PHOTOSTATING SERVICES, 1950-51 FISCAL YEAR - W.O. 720) The Commission was informed that in order to provide for necessary photostating and blueprinting services used by the Operations and Engineering Sections, a contractual agreement has been drawn with the Frederick Post Company for the 1950-51 Fiscal Year in the amount of \$2,250.00. Bids were received from four companies providing these services in the Los Angeles area. After review of the bids submitted, it was decided that the Frederick Post Company should be awarded the contract for the reason that said company is the low bidder with sufficient equipment to provide the required services.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH THE FREDERICK POST COMPANY FOR NECESSARY BLUEPRINTING AND PHOTOSTATING SERVICES FOR THE 1950-51 FISCAL YEAR IN AN AMOUNT NOT TO EXCEED \$2,250.00.

40. (CITY OF LOS ANGELES, DEPARTMENT OF WATER AND POWER, APPLICATION TO PURCHASE A RIGHT OF WAY THROUGH SECTION 36, T. 18 S., R. 36 E., M.D.B. & M., - SAC. T.O. 5249) The Commission was informed that the City of Los Angeles, Department of Water and Power, have informally requested permission to purchase a right of way 250 feet in width through portions of Section 36, T. 18 S., R. 36 E., M.D.M., containing approximately 31.365 acres, for the use of their new high tension electric power line from the Owens River Gorge Plants to Los Angeles.

The City of Los Angeles is not interested in acquiring the whole 200 acres of vacant State school land remaining in this section. Furthermore, the balance of the land may be valuable as a site for possible expansion of the chemical industry, at Owens Lake, which this section adjoins.

Staff appraisal of this land indicates it to have a value of \$25.00 per acre. The land is to be used only for right of way purposes. The right of way divides some 200 acres of vacant school land into two parts and since the law requires that the State reserve rights of way through the land sold to reach other State lands, it has been concluded that the best procedure would be to sell the land to the City with a right of way reservation and other statutory reservations including minerals. The City of Los Angeles has, subject to Department of Water and Power Commission confirmation, agreed to pay the State \$25.00 per acre for the land requested and to bear the Commission's costs of appraisal and filing and patent fees.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE TO THE CITY OF LOS ANGELES, DEPARTMENT OF WATER AND POWER, WITHOUT ADVERTISING A STRIP OF LAND 250 FEET IN WIDTH THROUGH THE NW $\frac{1}{4}$  AND THE W $\frac{1}{4}$  OF SW $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 36 E., M.D.B. & M., AND CONSISTING OF 31.365 ACRES AT A PRICE OF \$784.13 PLUS THE COMMISSION'S COSTS OF APPROXIMATELY \$40.00 AND SUBJECT