

As stated above, there is a good size wharf existing on the area, and additional structures are contemplated under the lease. It has been estimated that it might cost the State as much as \$75,000 to remove this wharf in case of default.

The proposed lease has the approval of the Attorney General's Office as to form.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO THE AMERICAN SMELTING AND REFINING COMPANY A LEASE COVERING 69.3 ACRES OF TIDE AND SUBMERGED LANDS ADJACENT TO THE SELBY SMELTER IN CONTRA COSTA COUNTY, AT THE ANNUAL RENTAL OF \$1,067.55, WITH PAYMENT AT THE TIME OF EXECUTION OF THE LEASE OF THE SUM OF \$8,540.00, COVERING THE PERIOD FROM THE DATE THE LEASE IS TO BECOME EFFECTIVE, NAMELY OCTOBER 24, 1944, TO OCTOBER 23, 1961; THAT TITLE TO THE SLAG DEPOSITED ON THE LANDS SHALL VEST IN THE STATE UPON TERMINATION OF THE LEASE; THAT THE LEASE PROVIDE FOR 30 DAYS' NOTICE OF DEFAULT FROM THE STATE; THAT THE TIME FOR COMPLETION OF IMPROVEMENTS SHALL BE EXTENDED BEYOND THE THREE YEARS FROM DATE IN CASE OF DELAYS CAUSED BY MATTERS BEYOND THE CONTROL OF THE LESSEE; THAT THE BOND REQUIRED BY THE LEASE BE SET AT \$75,000.00, WITH AN OPTION IN THE LESSEE TO DEPOSIT IN LIEU THEREOF ITS PERSONAL BONDS SECURED BY U. S. TREASURY BEARER BONDS, WHICH SHALL BE DEPOSITED WITH THE STATE TREASURER, SUBJECT TO INSTRUCTIONS OF THE COMMISSION; THAT THE LESSEE BE GIVEN THE LEASE FOR A PERIOD OF FIFTEEN YEARS FROM OCTOBER 24, 1944, AND FOR THE FIRST TEN-YEAR RENEWAL PERIOD, AT THE FIXED RENTAL ABOVE STATED, AND THAT THE LESSEE BE GIVEN THE OPTION TO RENEW FOR TWO ADDITIONAL PERIODS OF TEN-YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE OR ANY SUCCESSOR IN INTEREST THERETO MIGHT IMPOSE.

25. (DIVISION OF HIGHWAYS, REQUEST FOR APPROVAL OF RIGHT OF WAY, MODOC COUNTY - W.O. 411, P.R.C. 819.) The Division of Highways has requested approval of a right of way for highway purposes across the south half of Section 36, T. 44 N., R. 13 E., M.D.M., Modoc County. The proposed right of way is 2966 feet in length and approximately 125 feet to 250 feet in varying width, adjacent to the Southern Pacific Company railway right of way. Section 6210.3 (1st) Public Resources Code provides that the Commission may grant easements and rights of way to the Department of Public Works to or over any of the public lands of the State for the purpose of rights of way for highways.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO APPROVE A RIGHT OF WAY 2966 FEET IN LENGTH AND 125 FEET TO 250 FEET IN VARYING WIDTH ACROSS THE SOUTH HALF OF SECTION 36, T. 44 N., R. 13 E., M.D.M., MODOC COUNTY, ADJACENT TO THE SOUTHERN PACIFIC COMPANY RAILWAY RIGHT OF WAY, SUCH RIGHT OF WAY TO BE USED BY THE STATE DIVISION OF HIGHWAYS FOR THE CONSTRUCTION OF A HIGHWAY, PURSUANT TO SECTION 6210.3 (1st) OF THE PUBLIC RESOURCES CODE, NO FEE AND NO RENTAL TO BE REQUIRED.

26. (APPLICATION FOR SUSPENSION OF PRODUCTION REQUIREMENTS, LEASES NOS. P.R.C. 273 AND P.R.C. 356, KAISER ALUMINUM AND CHEMICAL CORPORATION, OWENS LAKE.) The Commission was informed that on July 6, 1950 (Minute Page 1155, Item 51), it authorized the suspension of requirements for the production of minerals from Leases Nos. P.R.C. 273 and P.R.C. 356 for two years each (lease years 1949, 1950), provided that the Lessee pay to the State, on a

quarterly basis, royalty equal to that which the Lessee would pay had the minimum required tonnage of minerals been produced and sold from the leases. Royalties have been paid on shipments made from the affected leases in September, October, and November, 1950, and February and March, 1951. However, an application has again been received from the Kaiser Aluminum and Chemical Corporation, Lessee, for an extension of the deferment of the production requirements under the subject leases, for an additional period of one year. This deferment is requested on the basis that the increase in defense requirements during the past year has caused the aluminum industry to perfect plans for considerable expansion which, in turn, will require increased quantities of raw materials, except that these plans will not mature in the form of actual plants or operations until late 1951 and 1952. Therefore, the basic conditions presented in the original request for suspension of production have not yet been altered markedly.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO SUSPEND THE REQUIREMENTS FOR THE PRODUCTION OF MINERALS FROM LEASES P.R.C. 273 AND P.R.C. 356 AS SET FORTH IN PARAGRAPH D, SECTION 2, OF THE AFORESAID LEASES, FOR THE LEASE YEARS JANUARY 8, 1951, TO JANUARY 7, 1952, AND MAY 19, 1951, TO MAY 18, 1952, FOR LEASES P.R.C. 273 AND P.R.C. 356 RESPECTIVELY, PROVIDED THAT THE LESSEE PAY TO THE STATE, ON A QUARTERLY BASIS, ROYALTY EQUAL TO THAT WHICH THE LESSEE WOULD PAY HAD THE MINIMUM REQUIRED TONNAGE OF MINERALS BEEN PRODUCED AND SOLD FROM THE LEASES. ANNUAL RENTALS PAID ARE TO BE CONSIDERED AS A CREDIT AGAINST THE MINIMUM ROYALTY PAYMENTS SO MADE, IN ACCORDANCE WITH THE LEASE TERMS. THE GRANT OF DEFERMENT IS ALSO TO BE SUBJECT TO THE CONDITION THAT SUCH ACTION SHALL NOT BE CONSTRUED AS RELIEVING THE LESSEE FROM ANY OF THE LESSEE'S OTHER CONTINUING OBLIGATIONS PROVIDED FOR IN LEASES P.R.C. 273 AND P.R.C. 356.

27. (SALE OF VACANT SCHOOL LAND, APPLICATION NO. 4766, SACRAMENTO LAND DISTRICT, PLACER COUNTY - LEROY J. HALL - S.W.O. 5304.) An offer has been received from Mr. Hall of Sacramento, California, to purchase the SW $\frac{1}{4}$  of SW $\frac{1}{4}$  of Section 16, T. 15 N., R. 10 E., M.D.M., containing 40 acres, in Placer County.

Mr. Hall has made an offer of \$220.00 or \$5.50 per acre. The Assessor of Placer County has assessed contiguous land at \$1.00 to \$9.00 plus per acre, thus indicating an appraised value of the land of \$2.00 to \$18.00 plus per acre. An appraisal by the Commission's staff indicates that the offer as made is adequate, for the reason that there was a fire through the subject land during September of 1950; also, the contiguous land has timber and mining claims thereon.

The land was advertised for sale with a stipulation that no offer of less than \$220.00 would be accepted. Mr. Hall bid \$220.00.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED A RESOLUTION WAS ADOPTED AUTHORIZING THE SALE OF THE SW $\frac{1}{4}$  OF SW $\frac{1}{4}$  OF SECTION 16, T. 15 N., R. 10 E., M.D.M., TO THE SINGLE BIDDER MR. HALL AT A CASH PRICE OF \$220.00, SUBJECT TO ALL STATUTORY RESERVATIONS, INCLUDING MINERALS.