

39. (CORRECTION TO MINUTES OF MEETINGS OF JULY 16, 1951, ITEM 12, PAGE 1414, AND OF OCTOBER 24, 1951, ITEM 20, PAGE 1473 - REVIEW AND SUGGESTED REVISION OF RENTAL RATES AND ROYALTIES - W.O. 1087.) Corrections to these items are necessary because of a typographical error showing the amount of the automatic increase of appraised value every five years for Commercial and Industrial Leases under the new Rental Rates and Royalties to be "100%" instead of "10%".

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED CORRECTING THE MINUTES OF THE MEETING OF JULY 16, 1951, ITEM 12, MINUTE PAGE 1414, AND OF THE MEETING OF OCTOBER 24, 1951, ITEM 20, MINUTE PAGE 1473, UNDER THE "REMARKS" COLUMN FOR ITEM (3), TO READ: "AMT. OF BOND FIXED BY REMOVAL COST. APPRAISED VALUE AUTOMATICALLY INCREASED BY 10% EVERY FIVE YEARS."

40. (REQUEST FOR RENEWAL AND EXTENSION OF MINERAL LEASE #15 (303/1921), UNITED STATES BORAX CO., INYO COUNTY - W.O. 674.) The extension of the term of Mineral Lease #15 (303/1921), authorized July 1, 1940, effective May 10, 1942, for a period of ten years, provides that the lessee shall have the preferential right to again renew said mineral lease for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Commission, unless otherwise provided by law, at the time of the expiration of such periods. Section 6898 of the Public Resources Code, relating to leases for minerals other than oil and gas, provides currently that such leases shall contain the preferential right in the lessee to renew the lease for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Commission. The United States Borax Company, lessee under Lease #15 (303/1921), has requested renewal and extension of the lease for a period of ten years, and has stated willingness to accept the renewal and extension in the form of the proposed lease. Authorization of the proposed lease will result in a simplification of administration and accounting procedures because such renewal would conform to the standard form of mineral lease authorized heretofore by the Commission, and would include the standard royalty schedule authorized by the Commission on October 24, 1951 (Minute Page 1471, Item 20). This schedule would produce a royalty of \$1.55 per ton of ore produced and sold during the first year of the extension of the lease, with increased rates for any increased values of production. The minimum royalty under the schedule in the future will be \$1.27 per ton, which is equal to the average royalty paid during the nine years of operation under the present lease extension.

Mr. Frank Buren, Attorney, submitted a written protest on behalf of the Suckow Borax Mines Consolidated, Inc., against the renewal or any extension of Mineral Lease #15, based on the grounds that the United States Borax Co. is a monopoly. In addition, Mr. Paul O. Tobeler, Secretary, protested orally on the grounds that the United States Borax Co. does not meet the necessary qualifications as to citizenship.

Mr. Ray J. Coleman, Attorney, appeared on behalf of his client, the United States Borax Co., stating that this company has not been adjudicated a monopoly in any sense of the word, or prevented from leasing properties of the United States Government, and claiming that his client can justify its qualifications as far as citizenship is concerned.