

The initial term of Prospecting Permit P.R.C. 561 expires November 19, 1952. The permit provides that the Commission may, in its discretion, extend the term of the permit for an additional period not exceeding one year.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO GRANT AN EXTENSION OF TERM OF ONE YEAR TO PROSPECTING PERMIT P.R.C. 561 TO TERMINATE NOVEMBER 19, 1953.

24. (AMENDMENT OF GAS CONTRACT, SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, SACRAMENTO RIVER LANDS, SACRAMENTO COUNTY, NATURAL GAS CORPORATION OF CALIFORNIA - P.R.C. 190.) By agreement of February 21, 1945, The Reclamation Board transferred control and possession to the State Lands Commission of Sacramento and San Joaquin Drainage District land on Wood and Duck Islands in the Sacramento River, Sacramento County, to permit administration of the mineral rights in these lands in conjunction with the other operations of the State Lands Commission in the Rio Vista area. The lands as transferred were subject to a continuing gas lease issued to the Natural Gas Corporation of California by the Sacramento and San Joaquin Drainage District on June 12, 1939. Pursuant to this lease, the Natural Gas Corporation has proposed a modification of the royalty provisions to provide conditions comparable with those offered in leases being negotiated currently. The Natural Gas Corporation has proposed a substitution for the computation of the royalty value of gas sold under the subject lease to be computed on the basis of the weighted average price received for gas sales in the Rio Vista Field in lieu of the fixed price of 8¢ per thousand cubic feet specified previously. Such amendment, together with proportionate participation in any future cost of necessary compression of gas for delivery, would approximately triple current royalty payments under the lease to an estimated average of \$90 per month, and would provide a proper basis for future royalty calculations related to the market value of the gas produced.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO APPROVE THE MODIFICATION OF PARAGRAPH 5 OF OIL AND GAS LEASE P.R.C. 190, DATED JUNE 12, 1939, BETWEEN THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT THROUGH THE RECLAMATION BOARD AND THE NATURAL GAS CORPORATION OF CALIFORNIA, IN THE FORM PRESENTED BY THE NATURAL GAS CORPORATION OF CALIFORNIA ON NOVEMBER 7, 1952.

25. (APPLICATION FOR PROSPECTING PERMIT, INYO COUNTY, D. HILBERG AND W. E. CUMMINGS - W.O. 1330, P.R.C. 780.1.) An application has been received from Mr. D. Hilberg and Mr. W. E. Cummings of San Fernando and Los Angeles, California, respectively, for permission to prospect for gold, silver, other metallic minerals, and buried treasure on a portion of Owens Lake in Section 23, T. 18 S., R. 37 E., M.D.M., Inyo County. Prior field reconnaissance by the Staff of the Owens Lake area has not shown that the area for which application has been made can be classified at this time as known to contain commercially valuable deposits of metallic minerals. The statutory filing fee of \$5 has been paid, and the permit fee of \$20 has been deposited by the applicants.

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. D. HILBERG AND MR. W. E. CUMMINGS FOR TWENTY ACRES OF VACANT STATE SCHOOL LAND IN THE SE $\frac{1}{4}$  OF SE $\frac{1}{4}$  OF SECTION 23, T. 18 S., R. 37 E., M.D.M.,

WITHIN THE MEANDER LINE OF OWENS LAKE, INYO COUNTY, PURSUANT TO THE PUBLIC RESOURCES CODE, WITH ROYALTY PAYABLE UNDER ANY PREFERENTIAL LEASE ISSUED UPON DISCOVERY OF COMMERCIALY VALUABLE DEPOSITS OF MINERALS TO BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

1. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, AND RADIOACTIVE MINERALS:

$$R = 2.00 + 0.01 (C-20.00)^2$$

2. FOR NONPRECIOUS METALLIC MINERALS:

$$R = 1.50 + 0.20 (C-20.00)$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON

C = WEIGHTED AVERAGE GROSS SALES PRICE PER TON DETERMINED AT THE END OF THE FIRST YEAR OF THE LEASE AND EVERY FOUR YEARS THEREAFTER.

THE MAXIMUM ROYALTY SHALL NOT EXCEED 50% OF THE AVERAGE GROSS SALES PRICE OF THE ORE FOR GOLD, SILVER, OTHER PRECIOUS MINERALS AND RADIOACTIVE MINERALS. THE MAXIMUM ROYALTY SHALL NOT EXCEED 25% OF THE AVERAGE GROSS SALES PRICE OF THE ORE FOR ALL OTHER NONPRECIOUS METALLIC MINERALS.

3. FOR GOLD, SILVER, OTHER PRECIOUS MINERALS, GEMS, AND TREASURE-TROVE FOUND NOT IN PLACE BUT BURIED OR OTHERWISE STORED IN THE DEMISED PREMISES, THE ROYALTY SHALL BE ONE-HALF OF THE GROSS MARKET VALUE FOR ALL MATERIAL REMOVED FROM THE DEMISED PREMISES.

26. (AMENDMENT OF PERMIT P.R.C. 642, ALBERT J. EVERS, LAKE TAHOE - W.O. 1334.) Albert J. Evers has requested that he be permitted to construct a sunshade boat shelter adjacent to the pier now under permit. The permit was issued on August 20, 1951, for two years at a fee of \$20. No additional fee except filing fee, which has been paid, is considered necessary.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO AMEND THE DESCRIPTION OF AREA IN LAKE TAHOE UNDER PERMIT P.R.C. 642, ISSUED TO ALBERT J. EVERS, ET AL., TO INCLUDE A SUNSHADE FOR A BOAT AT THE LAKEWARD END OF THE DESCRIBED AREA.

27. (APPLICATION FOR MINERAL LEASE, P.R.C. 1250.2, ANDREW THICKSTUN, FRESNO COUNTY - P.R.C. 1258.2.) An application for preferential lease on 151 acres of the 227.78 acres total area included in Mineral Prospecting Permit P.R.C. 1250.2 in the Southeasterly Quarter of Section 36, T. 18 S., R. 12 E., M.D.M., Fresno County, has been received from Mr. Andrew Thickstun, the permittee under the subject prospecting permit. Field inspection of the development work undertaken pursuant to the prospecting permit has shown that commercially valuable deposits of chrome ore have been uncovered. Pursuant to Section 14 of Prospecting Permit P.R.C. 1250.2, the permittee, upon demonstration of the discovery of commercially valuable deposits of minerals, is entitled to a preferential mineral lease at the royalty rates specified in the subject prospecting permit as authorized by the Commission on August 21, 1952 (Minute Page 1606, Item 23).