

The Executive Officer is authorized to approve the proposed Grant No. 65027, as presented by the State Division of Highways, of "Right to Take Borrow for Highway Purposes", to permit the removal within a period of five years from the date of the Agreement of a maximum quantity of 10,000 cubic yards of soil from the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 15 S., R. 27 E., M.D.B. & M., Tulare County, at no cost to the Commission, subject to the specific agreement by the Division of Highways to relocate existing fences in a manner satisfactory to the present State lessee.

21. (SUPPLEMENTAL AGREEMENT WITH ATTORNEY GENERAL, AUGMENTATION CONTRACT NO. LC-42, DEFENSE OF TIDE AND SUBMERGED LANDS, \$15,000 - W.O. 721.)

The Attorney General has advised by letter dated March 4, 1953, that recent large expenditures relative to the tide and submerged lands litigation have reduced the balance of Contract No. LC-42, providing for services in connection with said litigation, to approximately \$4000. It is his estimate that an additional \$15,000 will be required to provide for necessary services from now until June 30, 1953.

Funds are available for this purpose in Budget Item No. 147, Ch. 3/52, "Defense of Title to Tide and Submerged Lands".

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to execute a supplemental agreement to Contract No. LC-42, dated July 1, 1952, for the purpose of augmenting the funds provided by said agreement in the amount of \$15,000.

22. (APPLICATION FOR PROSPECTING PERMIT, SAN BERNARDINO COUNTY, WILLIAM R. LAW - W.O. 1304, P.R.C. 1308.2.) An application has been received from Mr. William R. Law of South Pasadena for permission to prospect for iron ore and other minerals on the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 6 N., R. 4 E., S.B.B. & M., San Bernardino County, containing 40 acres. Field reconnaissance and record review by the Staff 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 minerals. The statutory filing fee of \$5 has been paid and the permit fee of \$40 has been deposited by the applicant.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to execute and issue a two-year prospecting permit to Mr. William R. Law for 40 acres of vacant State school land in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 6 N., R. 4 E., S.B.B. & M., San Bernardino County, pursuant to Public Resources Code, with royalty payable under any preferential lease issued upon discovery of commercially 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.

23. (TERMINATION OF MINERAL EXTRACTION LEASES 659, 738, P.R.C. 274, OWENS LAKE, INYO COUNTY, NATURAL SODA PRODUCTS COMPANY - W.O. 659.) The Natural Soda Products Company, lessee under Mineral Extraction Leases 659, 738 and P.R.C. 274, Owens Lake, Inyo County, has heretofore requested termination of the leases effective December 31, 1952. No operations have been conducted under the subject leases subsequent to the requested termination date, but a field review has shown that unprocessed minerals extracted from Owens Lake remain in storage on property owned by the State's lessee. Therefore, a request has been made that the lessee pay the royalties which would have been due under the respective leases had the minerals extracted and stored been processed and sold prior to the disestablishment of the lessee's processing plant. While precipitated salts and brine are in storage on the lessee's fee property the salts do not appear to have any current commercial value because there is no economically feasible method for processing these salts even with a soda ash plant in existence. However, it has been estimated that the maximum royalties payable on soda ash produced from the brine storage could be \$3,750. The lessee has offered a cash settlement of \$1,875. In consideration of the lack of processing facilities, no current market for the raw material at Owens Lake, and the deterioration of value of the brine with time, it is felt that the offer is equitable.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

The Executive Officer is authorized to:

1. Accept the payment of \$1,875 from the Natural Soda Products Company in final settlement of any claims for royalties due by reason of storage of salts and brine removed from Owens Lake and stored on lands not owned by the State.
2. Approve termination, effective December 31, 1952, of Leases 659, 738 and P.R.C. 274, and release the surety bonds filed in connection therewith upon completion of payment of all