

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

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

royalties due for minerals previously extracted, produced and sold,

24. (APPLICATION FOR MILLSITE LEASE, VACANT SCHOOL LAND, TEHAMA COUNTY, CONCONULLY MINING & MILLING CO. - W.O. 1309, P.R.C. 1309.2.) An application has been received from the Conconully Mining & Milling Co. for the lease of 8.5 acres of vacant school land in Section 16, T. 25 N., R. 7 W., M.D.B. & M., Tehama County, for use as a millsite for operations in connection with Mineral Extraction Lease P.R.C. 1263.2, also held by Conconully Mining & Milling Co. The lease has been requested for a period of ten years on 8.5 acres of land lying adjacent to the southerly bank of the north fork of Elder Creek in the NW $\frac{1}{4}$ of SE $\frac{1}{4}$, Section 16, T. 25 N., R. 7 W. The surrounding lands are not currently in use or under lease for any purpose except as to the adjoining State mineral extraction lease. Regulation 2005(b) requires that where the annual rental is less than \$25 per year the full rental for the entire lease term must be paid in advance. Therefore, the total rental of \$85 at the recommended rate of \$1 per acre per year would be payable upon issuance of the lease. Due to the remote and isolated location of the lands to be leased, it is not felt that the contemplated use of such lands as a millsite will result in any structures for which a removal bond should be required. Filing fee and expense deposit have been paid by the applicant.

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

The Executive Officer is authorized to issue to Conconully Mining & Milling Co. a lease of 8.5 acres of vacant school land in Section 16, T. 25 N., R. 7 W., M.D.B. & M., Tehama County, for use as a millsite and for other operations in connection with Mineral Extraction Lease P.R.C. 1263.2, for a term of ten years, at an annual rental of \$8.50, with the total rental of \$85 payable upon issuance of the lease. The lease is to provide for the removal of any structures on the demised premises at the termination of the lease with an option on the part of the State to accept title to the structures at no cost. No performance bond is to be required.

25. (REVISION OF LEASE P.R.C. 758.1, SAUSALITO, MARIN COUNTY, NUNES BROS. - W.O. 1282.) On September 30, 1952, the Commission authorized the issuance of a lease covering tide and submerged lands at Sausalito, Marin County, to Nunes Bros. The purpose of the lease was the construction and maintenance of a yacht harbor, period of lease to be fifteen years at an annual rental of \$418.84, with right of renewal for two periods of ten years each at such terms as may be determined prior to each renewal date. Due to the death of one of the partners and time required for probate of his estate, the firm has been unable to execute the lease and start construction. We have now been advised that the probate proceedings have progressed to a point making execution of the lease and start of construction possible. Because of the above-noted delay, it is now requested that the effective date of Lease P.R.C. 758.1 be changed from September 30, 1952 to April 1, 1953.

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