

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT THE OFFER OF MR. EDWARD KLEIM OF ROYALTY PAYMENT OF $\frac{1}{2}$ ¢ PER CUBIC YARD ON THE ESTIMATED QUANTITY OF 76,229 CUBIC YARDS OF MATERIAL REMOVED FROM THE BED OF THE TUOLUMNE RIVER, IN SETTLEMENT OF THE STATE'S CLAIM FOR MATERIAL REMOVED FROM STATE LANDS PRIOR TO SEPTEMBER 30, 1954 WITHOUT AUTHORIZATION.

4. (APPLICATION FOR MINERAL LEASE, L. B. SPAULDING, ET AL., SAN DIEGO COUNTY - W.O. 1922, P.R.C. 1443.2.) An application for preferential lease on 160 acres of area included in Prospecting Permit P.R.C. 1231.2, covering the NW $\frac{1}{4}$ and the N $\frac{1}{2}$ of the SW $\frac{1}{4}$, Section 16, T. 16 S., R. 6 E., S.B.B. & M., containing 240 acres in San Diego County, has been received from L. B. Spaulding, L. B. Spaulding, Jr., and H. W. Meador, the permittees. Field inspection of the development work on a deposit of tungsten ore undertaken pursuant to the prospecting permit has shown that commercially valuable deposits of tungsten have been discovered. Approximately 965 lbs. of tungsten concentrate valued at \$1,878 have been shipped and sold, with royalty paid in accordance with the terms of the permit. Pursuant to Section 14 of Prospecting Permit P.R.C. 1231.2, the permittee, upon demonstration of the discovery of commercially valuable deposits of minerals, is entitled to a preferential mineral lease at the royalty rate specified in the subject permit issued December 17, 1951 and extended December 9, 1953. The minimum royalty under the specified schedule will be \$1.50 per ton for tungsten ore extracted and shipped. Prospecting Permit P.R.C. 1231.2 covers 240 acres. Under Section 6895, Public Resources Code, the permittee is entitled to a lease of up to 160 acres of the area within the permit. For this purpose the applicants have selected the NW $\frac{1}{4}$ of Section 16, T. 16 S., R. 6 E., S.B.B. & M., containing 160 acres. X
10/11/54

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO L.B. SPAULDING, L. B. SPAULDING, JR., AND H. W. MEADOR A PREFERENTIAL MINERAL LEASE IN THE STANDARD FORM AUTHORIZED UNDER THE PUBLIC RESOURCES CODE, COVERING 160 ACRES IN THE NW $\frac{1}{4}$ OF SECTION 16, T. 16 S., R. 6 E., S.B.B. & M., SAN DIEGO COUNTY, HERETOFORE INCLUDED IN PROSPECTING PERMIT P.R.C. 1231.2, AT THE ROYALTY RATE SPECIFIED IN THE SUBJECT PROSPECTING PERMIT, AT AN ANNUAL RENTAL OF \$160, SUBJECT TO THE DEPOSIT BY THE LESSEES OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000.

5. (BID FOR MINERAL EXTRACTION LEASE, TUOLUMNE RIVER, STANISLAUS COUNTY - W.O. 1463(1), P.R.C. 1444.1.) One bid for a lease to permit extraction of sand and gravel from a portion of the Tuolumne River has been received from Mr. Edward Kleim, in accordance with an offer for standard lease bid, pursuant to the Rules and Regulations and authorization by the Commission. The lease offer required a minimum bid of 1¢ per cubic yard for all sand and gravel extracted, in conformance with the established policy of the Commission for areas where dredging is done at private cost so as to have concurrent benefits to navigation and flood control (Minute Page 1472) and in conformance with the prior mineral extraction lease authorized for issuance in the same general area of the Tuolumne River (P.R.C. 794.1, Minute Pages 1776-77). The bidder has offered the minimum royalty of 1¢ per cubic yard for all sand and gravel extracted under the lease. X 10/11/54

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

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO MR. EDWARD KLEIM A MINERAL EXTRACTION LEASE FOR A TERM OF TWENTY YEARS TO PERMIT THE REMOVAL OF SAND AND GRAVEL FROM A PORTION OF THE BED OF THE TUOLUMNE RIVER, LYING BETWEEN THE NORTHERLY AND SOUTHERLY LINES OF LOW WATER IN THE NW $\frac{1}{4}$ OF SECTION 2, T. 4 S., R. 10 E., M.D.B. & M., STANISLAUS COUNTY, CONTAINING 15 ACRES, MORE OR LESS, UPON PAYMENT OF AN ADVANCE ANNUAL RENTAL OF \$15, AND SUBJECT TO ROYALTY OF 1¢ PER CUBIC YARD FOR ALL SAND AND GRAVEL EXTRACTED UNDER THE LEASE. A PERFORMANCE BOND IN THE PENAL SUM OF \$1,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVATION OF ALL CONDITIONS OF THE LEASE. THE LEASE SHALL PROVIDE THAT IT MAY BE CANCELLED BY THE STATE UPON 30 DAYS' NOTICE TO THE LESSEE IF IT SHOULD BE DETERMINED BY THE STATE THAT THE REMOVAL OF SAND AND GRAVEL HAS RESULTED, OR WILL RESULT, IN PERMANENTLY DAMAGING EFFECT TO THE LANDS LITTORAL TO THE DEMISED PREMISES, OR ADVERSE EFFECTS TO THE REGIMEN OF THE RIVER.

6. (SALE OF VACANT SCHOOL LAND, APPLICATION NO. 4984, SACRAMENTO LAND DISTRICT, NAPA COUNTY, WALTER E. QUINN - S.W.O. 5730.) An offer has been received from Walter E. Quinn of Davis, California, to purchase all of fractional Section 36, T. 10 N., R. 5 W., M.D.M., containing 607.58 acres in Napa County. Mr. Quinn made an offer of \$1,518.95, or \$2.50 per acre.

The Assessor of Napa County has assessed land in the vicinity at \$2.50 per acre, thus indicating its appraised value to be \$5 per acre.

A second application for the purchase of said Section 36 was received from John Peter Karavos of San Francisco, California, on April 21, 1954, Application No. 5020, S.W.O. 5793. Mr. Karavos made an offer of \$1,676.93, or \$2.76 per acre.

An inspection and appraisal was made by a member of the Staff on April 21, 1954. The appraisal, on file with the Commission, establishes the value at \$3 per acre.

Before the land was advertised for sale Mr. Quinn and Mr. Karavos were advised that the minimum appraised value was \$3 per acre. Mr. Quinn, the first applicant, posted the necessary amount to meet the appraised value of \$1,822.74.

The land was advertised for sale with the stipulation that no offer of less than \$1,822.74 would be accepted. During the 30 day period following the date of publication Mr. Karavos, the second applicant, increased the offer under his original application to \$3.76 per acre, or a total of \$2,284.51. No other application for said land was received pursuant to the advertising. By letter dated August 23, 1954, Mr. Quinn, the first applicant, requested cancellation of his application which was accomplished on August 24, 1954.

On July 26, 1954 an application for a prospecting permit (W.O. 1901) covering the E $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$ and W $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$, containing 40 acres, of said Section 36 was received from Claude D. Meagher. The applicant for the