

MINUTE ITEM

10/26/67

34. AUTHORIZATION TO OFFER MINERAL EXTRACTION LEASE, OWENS LAKE, INYO COUNTY (MORRISON AND WEATHERLY CHEMICAL PRODUCTS, APPLICANT) - W.O. 6412.

After consideration of Calendar Item 50 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE OFFERING FOR LEASE, PURSUANT TO COMPETITIVE PUBLIC BIDDING, OF THE AREA OF LAND IN THE BED OF OWENS LAKE, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A", AT AN ANNUAL RENTAL OF \$2.50 PER ACRE AND AT A MINIMUM ROYALTY RATE OF SEVENTY CENTS (\$0.70) PER TON FOR ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE PROPOSED LEASE AREA ON OWENS LAKE.

ROYALTY PAYMENT UNDER THE LEASE WILL BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

$$R = \lfloor 0.70 + 0.10 (C - 8.75) \rfloor B$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF MATERIAL

C = WEIGHTED AVERAGE OF GROSS SALES PRICE PER TON DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE MATERIAL SOLD ON A QUARTERLY BASIS

B = BID FACTOR (EXPRESSED AS 1.0, 1.1, 1.2, ETC.)

THE MAXIMUM ROYALTY SHALL NOT EXCEED 25 PERCENT OF THE AVERAGE GROSS SALES PRICE OF THE MATERIAL.

THE MINIMUM ROYALTY SHALL BE \$0.70 PER TON.

Attachment

Calendar Item 50 (3 pages)

CALENDAR ITEM

10/67
W.O. 6412

50.

TO OFFER
MINERAL EXTRACTION LEASE

APPLICANT: Morrison and Weatherly Chemical Products

LOCATION: Owens Lake, California

DESCRIPTION AND ACREAGE:
See Exhibit "A"

MINERAL: Trona, a thin crust of sodium sesquicarbonate

PROPOSED METHOD OF MINING:
"Harvesting" from surface of lake

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Sec. 6871.3
- b. Administrative Code: Sec. 1902(d)
- c. Commission policy: Minute Item 22, p. 889, 8/21/67

OTHER PERTINENT INFORMATION:

- a. Approved by:
 - 1. Office of the Attorney General
- b. Statement of nonobjection by:
 - 1. Department of Fish and Game
 - 2. Department of Parks and Recreation, Division of Beaches and Parks

EXHIBITS: A. Legal description B. Location map

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE OFFERING FOR LEASE, PURSUANT TO COMPETITIVE PUBLIC BIDDING, OF THE AREA OF LAND IN THE BED OF OWENS LAKE, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A", AT AN ANNUAL RENTAL OF \$2.50 PER ACRE AND AT A MINIMUM ROYALTY RATE OF SEVENTY CENTS (\$0.70) PER TON FOR ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE PROPOSED LEASE AREA ON OWENS LAKE.

ROYALTY PAYMENT UNDER THE LEASE WILL BE IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

$$R = \sqrt{0.70 + 0.10 (C - 8.75)} B$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF MATERIAL

C = WEIGHTED AVERAGE OF GROSS SALES PRICE PER TON DETERMINED BY THE ACTUAL GROSS SALES VALUE OF THE MATERIAL SOLD ON A QUARTERLY BASIS

B = BID FACTOR (EXPRESSED AS 1.0, 1.1, 1.2, ETC.)

CALENDAR ITEM 50. (CONTD.)

THE MAXIMUM ROYALTY SHALL NOT EXCEED 25 PERCENT OF THE AVERAGE GROSS SALES PRICE OF THE MATERIAL.

THE MINIMUM ROYALTY SHALL BE \$0.70 PER TON.

Attachment: Exhibit "A"

EXHIBIT "A"

The northwest quarter of Section 31, T. 17 S., R. 38 E., M.D.M., containing 160 acres.

The south half and the northeast quarter of the northeast quarter, and the north half and the southwest quarter of the southeast quarter, and the east half of the southwest quarter, and the southeast quarter of the northwest quarter of Section 36, T. 17 S., R. 37 E., M.D.M., containing 360 acres.

The west half of the northeast quarter, and the north half and the southwest quarter of the southwest quarter, and the northwest quarter of Section 1, T. 18 S., R. 37 E., M.D.M., containing 360 acres.

The southeast quarter of the northeast quarter, and the east half of the southwest quarter, and the southeast quarter of Section 2, T. 18 S., R. 37 E., M.D.M., containing 280 acres.

The east half of the northwest quarter, and the west half and the northeast quarter of the northeast quarter of Section 11, T. 18 S., R. 37 E., M.D.M., containing 200 acres.

Total of above: 1,360 acres.