

MINUTE ITEM

10/26/72  
RGN

13. AUTHORIZATION FOR FIVE-YEAR RENEWAL OF MINERAL EXTRACTION LEASE PRC 3842.1, SAN JOAQUIN RIVER NEAR ANTIOCH; THOMSEN-TIDEWATER - W 9529, PRC 3842.1.

After consideration of Calendar item 11 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE RENEWAL, FOR A PERIOD OF FIVE YEARS, FROM OCTOBER 26, 1972, TO OCTOBER 25, 1977, OF MINERAL EXTRACTION LEASE PRC 3842.1, HELD BY THOMSEN-TIDEWATER, LESSEE, WITH THE ROYALTY RATE FOR ALL MATERIAL EXTRACTED TO CONTINUE TO BE ESCALATED AT FIVE PERCENT PER YEAR, OVER AND ABOVE THE RATE EXISTING ON OCTOBER 26, 1972, SUCH RENEWAL TO BE CONDITIONAL TO THE RENEWAL OF PERMISSION FOR THE WORK BY THE CORPS OF ENGINEERS.

Attachment:

Calendar Item 11 (1 page)

CALENDAR ITEM

10/72

RGN

W 9529

11.

REQUEST FOR STATE LEASE RENEWAL

LEASE: Mineral Extraction Lease PRC 3842.1.  
LESSEE: Thomsen-Tidewater.  
LOCATION: On San Joaquin River near Antioch.  
INITIAL TERM: October 26, 1967, to October 25, 1972.  
REQUESTED RENEWAL PERIOD:  
Five years, October 26, 1972, to October 25, 1977.

PERTINENT INFORMATION:

1. Under the subject lease, paragraph 16: "Lessee shall have the preferential right to renew this lease for two (2) successive periods not exceeding five (5) years each upon such reasonable terms and conditions as the State, or any successor in interest thereto, might impose."
2. Lessee has made application for a Department of the Army permit to dredge. Renewal of State lease will be contingent upon issuance of the permit.
3. Lessee production from the lease averages approximately 100,000 cubic yards per year. Production which is used entirely for sale as commercial aggregates has increased over past 12 month period.
4. Royalty rate escalated by 5% per year. Initial royalty of \$0.0832 per cubic yard; current royalty is \$0.1011 per cubic yard. Such five percent escalation to continue into proposed renewal period.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE RENEWAL, FOR A PERIOD OF FIVE YEARS, FROM OCTOBER 26, 1972, TO OCTOBER 25, 1977, OF MINERAL EXTRACTION LEASE PRC 3842.1, HELD BY THOMSEN-TIDEWATER, LESSEE, WITH THE ROYALTY RATE FOR ALL MATERIAL EXTRACTED TO CONTINUE TO BE ESCALATED AT FIVE PERCENT PER YEAR, OVER AND ABOVE THE RATE EXISTING ON OCTOBER 26, 1972, SUCH RENEWAL TO BE CONDITIONAL TO THE RENEWAL OF PERMISSION FOR THE WORK BY THE CORPS OF ENGINEERS.