

7. OFFER OF MINERAL EXTRACTION LEASE, OWENS LAKE, CALIFORNIA - W 7205.

After consideration of Calendar Item 5 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 87 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, A MINERAL EXTRACTION LEASE IN THE AREA UNDER APPLICATION WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.
2. 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", ATTACHED AND BY REFERENCE MADE A PART HEREOF, AT AN ANNUAL RENTAL OF \$2.50 PER ACRE AT A MINIMUM ROYALTY OF NINETY CENTS (\$.90) PER TON OF ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE PROPOSED LEASE AREA IN OWENS LAKE.

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

$$R = 0.10 (C - 0.04 M) B$$

WHERE R = ROYALTY IN DOLLARS AND CENTS PER TON OF MATERIAL EXTRACTED AND/OR PRODUCED AND/OR SOLD

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

M = ONE WAY MILES FROM THE LEASE PREMISES TO THE POINT OF SALES

B = BID FACTOR (EXPRESSED AS 1.0, 1.1, 1.2, ETC., AND IN NO EVENT LESS THAN 1.0)

THE MINIMUM ROYALTY SHALL BE NINETY CENTS (\$.90) PER TON.

Attachment:

Calendar Item 5 (3 pages)

CALENDAR ITEM

2/73
JFS
W 7205

5.

TO OFFER MINERAL EXTRACTION LEASE

LOCATION: Owens Lake, California.
ACREAGE: 4480. (See Exhibit "A")
MINERAL: Trona deposited as a thin crust of sodium sesquicarbonate.

OTHER PERTINENT INFORMATION:

1. Pursuant to Section 6371 of the Public Resources Code, Environmental Impact Report No. 87 has been prepared by the State Lands Division, a copy of which is on file in the office of the Commission and is by reference made a part hereof, and is available for public review. The report concludes that the proposed mineral extraction lease would not have a significant detrimental environmental effect.
2. All interested agencies and persons have reviewed the environmental impact report and have indicated that they have no objections to the proposed lease.
3. The application has been approved by the Attorney General's Office.

EXHIBIT: A. Legal Description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 87 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, A MINERAL EXTRACTION LEASE IN THE AREA UNDER APPLICATION WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.
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CALENDAR ITEM NO. 5. (CONTD)

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

M = ONE WAY MILES FROM THE LEASE PREMISES TO THE POINT OF SALES

B = BID FACTOR (EXPRESSED AS 1.0, 1.1, 1.2, ETC., AND IN NO EVENT LESS THAN 1.0)

THE MINIMUM ROYALTY SHALL BE NINETY CENTS (\$.90) PER TON.

Attachment: Exhibit "A"

EXHIBIT "A"

W 7205

Section 14, 15, 23, 24, 25, the $N\frac{1}{2}$ of Section 22 and $E\frac{1}{2}$ Section 26 all
in T. 17 S., R. 37 E., M.D.M. Inyo County, some 4480 acres.