

A meeting of the State Lands Commission was held in Room 306 State Capitol, Sacramento, California, January 29, 1942, at 2 o'clock P. M.

Present George Killion, Chairman
 Harry B. Riley, Member

Absent Ellis E. Patterson, Member

Minutes of the meeting of November 7, 1941, were, upon motion of Mr. Riley, seconded by Mr. Killion, unanimously approved and confirmed as submitted.

The action of December 11, 1941 of Harold L. Ickes, Petroleum Coordinator for National Defense, in approving the plan formulated by the Production Committee for District No. 5 relating to the regulation of the oil industry, was considered. Inasmuch as this plan has received the qualified approval of the Department of Justice and can be enforced by the several Federal agencies, and as the regulation of production, marketing and refining of petroleum products appears essential for the proper conduct of the War, upon motion of Mr. Riley, seconded by Mr. Killion, and unanimously carried, the following resolution was adopted:

WHEREAS, the successful prosecution of the War with Germany, Japan and Italy, makes necessary united cooperation in the conservation and production of essential War products; and

WHEREAS, petroleum products are of this class and their production is vital to the welfare of our Country; and

WHEREAS, the State of California owns lands in which considerable quantities of such products are found; and

WHEREAS, a plan designed by the oil industry to assure maximum recovery of petroleum and related products has received the approval of the Petroleum Coordinator for National Defense.

NOW THEREFORE IT IS RESOLVED AND ORDERED:

That the affairs of the State Lands Commission be conducted so as to accomplish the objectives outlined by said plan; and

That, although the application of the program approved by the Petroleum Coordinator for National Defense may conflict in certain respects with existing agreements, plans and activities of the State Lands Commission in the administration of State laws, no action be taken by the Commission, its officers, or employees, which may tend to involve waste or inefficient use of critical materials or otherwise impede the orderly production or distribution of petroleum products.

The Commission reconsidered its previous action in regard to the procurement of a drill site for the purpose of obtaining bids for the development of certain oil property in the Elwood Field. In view of the shortage of steel and lack of facilities for the transportation of oil from the Elwood Field resulting from the War program,

it was, upon motion of Mr. Riley, seconded by Mr. Killion, unanimously resolved that, even though the Dos Pueblos Rancho had indicated its willingness to grant a drill site upon a two percent royalty basis, the Commission rescind its former action in regard to this matter and that for the time being no further effort be made to lease the property in question.

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was un-animously adopted approving revisions of allotments to State's land under Agreement for Easement No. 415, Rio Vista, as follows:

13th revision	-	11.948
14th	"	11.237
15th	"	10.756,

subject to the condition that the average figures used in the calculations shall be adjusted to conform to the basic acreage figures to be agreed upon.

The Commission was informed that a field inspection has disclosed that the operator of Agreements for Easements Nos. 314 and 315 (Beloil Corporation) has for some time produced oil from Beloil #2 well and has transferred this oil to storage, credited and reported a considerable portion of it as production from Beloil #1 well. During this period the #1 well has been off production. It appears that false returns have been filed with the Division of Oil and Gas. The announced purpose of this deception was to continue a fictitious rate of production which the #1 well was incapable of making in order to mislead those in charge of the voluntary production curtailment plan. Computations of the oil and gas due to this apparent fraud has resulted in some loss to the State.

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was un-animously adopted that the following actions be taken:

(a) Collect oil royalty from February 21, 1941 (the effective date of the Commission's order requiring separate royalty accounting on Easements Nos. 314 and 315) on the basis of oil shipped during that period was produced by Beloil #2;

(b) Disallow dehydration costs heretofore claimed for production from Beloil #1;

(c) Collect royalty on dry gas at a valuation of \$0.75 per m.c.f. used for fuel on Easement 314 from February 21, 1941, to date;

(d) Demand that the operator file correct production reports for the respective wells;

(e) Authorize the disclosure of this information to the Division of Oil and Gas;

(f) Inform the office of the Attorney General of this apparent fraud in order that proper action may be taken.

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was adopted that a contract be entered into with Asa M. Stokes of Ventura for the removal of the pier on the premises described in State Oil and Gas Lease No. 16 (cancelled) for the salvage recovered upon the condition that Mr. Stokes post a \$2,000 performance bond.

Upon being informed that operations on Well "Jones" No. 1 described in Agreement for Easement No. 318, and Well "H.B." No. 1 described in Agreement for Easement No. 314, both operated by the Beloil Corporation, Ltd., were suspended for an excessive period with no attempt to repair either well, a resolution was unanimously adopted that required notice be given and the respective easements cancelled unless the defaults under the agreements were corrected within a period of thirty days.

Upon motion of Mr. Riley, seconded by Mr. Killion, and unanimously carried, it was resolved that the quitclaim deeds tendered by the Honolulu Oil Corporation, Ltd., and Neil C. Needham, relating to a portion of the lands described in State Oil and Gas Leases Nos. 90 and 57, respectively be accepted provided an opinion were received from the office of the Attorney General that the phrase "legal subdivision" contained in the law under which said leases were issued did not preclude such acceptance.

It was resolved and ordered that the State Lands Commission should support the claim made to the State Board of Control by Honolulu Oil Corporation, Ltd., for a refund of \$122.98, royalty payment paid under the "May 1 rule" under protest.

Consideration was given to the request of the W. K. Company to redrill the abandoned well under Agreement for Easement No. 336, Huntington Beach. Upon motion duly made and carried, it was resolved that action on the matter be deferred pending receipt of an opinion from the Attorney General as to the effectiveness of the cancellation of said easement and as to the authority of the Commission to effect its reinstatement.

The Commission was informed that one Russell Williams had contracted with the Becker Estate to purchase all of the machinery, tools and equipment located on the pier (State Oil and Gas Lease No. 16, Cancelled) in Sumnerland; that the lease under which the Estate was in possession of the pier provided that title to all permanent fixtures would, upon termination of the lease, revert to the State; that, as a result of the purchase of such items by Mr. Williams, equipment and fixtures having a value of \$301.80 were removed; that machinery and equipment not permanently attached to the real property and appraised at \$892.50 remained on the pier; that Mr. Williams had applied to the State for a lease which, however, was never executed and delivered to him; that he had waived any interest which he might have to the property remaining on the pier; in consideration of the State permitting him to retain the equipment which he had removed. After considering these facts, it was resolved and ordered that the offer submitted by Mr. Williams be accepted.

To enable the War Department to use said properties for military purposes, the Commission, on motion duly made and carried, authorized the immediate occupancy by the Federal Government, and approved an exchange under the Taylor Grazing Act of the State lieu lands hereinafter described for other lands to be selected. The lands in question are:

SIERRA ORDNANCE DEPOT - LASSEN COUNTY

E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 20,
S $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 24,
S $\frac{1}{2}$ of E $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 25,
SE $\frac{1}{4}$ of Section 26,
SE $\frac{1}{4}$ of Section 28,
N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 33,
W $\frac{1}{2}$ and SE $\frac{1}{4}$ of Section 34,
N $\frac{1}{2}$, E $\frac{1}{2}$ of SW $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 35,
all in T. 28 N., R. 16 E., M. D. B. & M.

W $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 1,
Lots 2 and 3 of Section 2,
Lots 1, 2, 3, 4 S $\frac{1}{2}$ of N $\frac{1}{2}$, SE $\frac{1}{4}$, N $\frac{1}{2}$
of SW $\frac{1}{4}$ and SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 4,
NW $\frac{1}{4}$ of NW $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 9,
NW $\frac{1}{4}$, E $\frac{1}{2}$ of SW $\frac{1}{4}$ and NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 10,
N $\frac{1}{2}$, N $\frac{1}{2}$ of SE $\frac{1}{4}$, SW $\frac{1}{4}$ of SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of Section 11,
N $\frac{1}{2}$, N $\frac{1}{2}$ of SE $\frac{1}{4}$, SW $\frac{1}{4}$ of SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of Section 12,
All of Section 13,
All of Section 14,
Lot 1, N $\frac{1}{2}$ of NW $\frac{1}{4}$, SE $\frac{1}{4}$ of NW $\frac{1}{4}$ and NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of
Section 15,
Lots 1 and 2 of Section 16,
NE $\frac{1}{4}$ of Section 22,
All of Section 23,
All of Section 24,
All of Section 27,
All of Section 34,
All of Section 35,
all in T. 27 N., R. 16 E., M. D. B. & M.

Lots 3, 4 and Portion of Lot 2, S. of R. R. of
Section 19,
Lots 1, 2, 3, 4, E $\frac{1}{2}$ of W $\frac{1}{2}$ and SE $\frac{1}{4}$ of Section 30,
Lots 1, 2, 3, 4, E $\frac{1}{2}$ of W $\frac{1}{2}$ and E $\frac{1}{2}$ of Section 31,
all in T. 28 N., R. 17 E., M. D. B. & M.

Lots 1, 2, 3, 4, 5, 6, 7, of Section 6,
Lots 1, 2, 3, 4, of Section 7,
Lots 1, 2, 3, 4, E $\frac{1}{2}$ of W $\frac{1}{2}$ and E $\frac{1}{2}$ of Section 18,
Lots 1, 2, 3, 4, E $\frac{1}{2}$ of W $\frac{1}{2}$ and E $\frac{1}{2}$ of Section 19,
Lot 4 of Section 30,
N $\frac{1}{2}$ of N $\frac{1}{2}$, S $\frac{1}{2}$ of NW $\frac{1}{4}$, N $\frac{1}{2}$ of SW $\frac{1}{4}$ and S $\frac{1}{2}$ of S $\frac{1}{2}$ of
Section 29,
Lots 1, 2, 3, and that portion of Lot 4 lying
North of and adjacent to the Western Pacific
Railroad R/W, E $\frac{1}{2}$ of NW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ of SE $\frac{1}{4}$ and
that portion of the S $\frac{1}{2}$ of SE $\frac{1}{4}$ lying North of
and adjacent to the Western Pacific Railroad
R/W, NE $\frac{1}{4}$ of SW $\frac{1}{4}$ and that portion of the SE $\frac{1}{4}$
of SW $\frac{1}{4}$ lying North of and adjacent to the
Western Pacific Railroad R/W, N $\frac{1}{2}$, N $\frac{1}{2}$ of S $\frac{1}{2}$ and
that portion of the S $\frac{1}{2}$ of S $\frac{1}{2}$ lying North of and adjacent
to the Western Pacific Railroad R/W. all in T. 27 N.,
R. 17 E., M. D. B. & M.

MOJAVE ANTI-AIRCRAFT FIRING
RANGE - SAN BERNARDINO COUNTY

Sections 16 and 36, T. 15 N., R. 1 E.,
E $\frac{1}{2}$ Section 16, all Section 36, T. 16 N., R. 1 E.,
S $\frac{1}{2}$ Section 36, T. 17 N., R. 1 E.,
Sections 16 and 36, T. 13 N., R. 2 E.,
Section 16, S $\frac{1}{2}$ of Section 36, T. 14 N., R. 2 E.,
Section 16, T. 15 N., R. 2 E.,
Sections 16 and 36, T. 16 N., R. 2 E.,
N $\frac{1}{2}$ Section 16, T. 17 N., R. 2 E.,
Section 36, T. 18 N., R. 2 E.,
Section 16, T. 12 N., R. 3 E.,
Sections 16 and 36, T. 15 N., R. 3 E.,
Section 16 and SW $\frac{1}{4}$ of Section 36, T. 14 N., R. 3 E.,
Section 36, T. 15 N., R. 3 E.,
S $\frac{1}{2}$ of Section 36, T. 16 N., R. 3 E.,
Section 16, T. 17 N., R. 3 E.,
Sections 16 and 36, T. 13 N., R. 4 E.,
NW $\frac{1}{4}$ Section 16, T. 14 N., R. 4 E.,
Sections 16 and 36, T. 15 N., R. 4 E.,
NW $\frac{1}{4}$ Section 16 and N $\frac{1}{2}$ Section 36, T. 16 N., R. 4 E.,
Section 16, T. 13 N., R. 5 E.,
Sections 16 and 36, T. 14 N., R. 5 E.,
Sections 16 and 36, T. 15 N., R. 5 E.,
NE $\frac{1}{4}$ and SW $\frac{1}{4}$ Section 16, all Section 36, T. 16 N.,
R. 5 E.,
Section 16, T. 14 N., R. 6 E.,
Section 16, T. 15 N., R. 6 E.,
NW $\frac{1}{4}$ and S $\frac{1}{2}$ Section 16, T. 16 N., R. 6 E.,
S. B. B. & M.,

HUNTER LIGGETT MILITARY RESERVATION
MONTEREY COUNTY

Lot 3 of Section 16, T. 23 S., R. 7 E.,
Lot 4 of Section 36, T. 23 S., R. 8 E.,
M. D. B. & M.

*Action recorded
by State 33, p. 1543
of 4/1/52*

The resolution further authorized the execution of any instruments necessary to effect such occupancy and exchange.

Upon being informed that the United States Department of the Interior desired to acquire the fee title by condemnation to Section 16, T. 47 N., R. 3 E., M. D. M., on Lower Klamath Lake for the purpose of creating a Wild Life Reserve, it was resolved that no action be taken to oppose the condemnation proceeding.

Authorization was granted to lease Section 36, T. 6 N., R. 8 W., S. B. M., Los Angeles County, to the United States Engineer's office, for use as auxiliary landing fields, Victorville Military Airport, for the sum of \$1.00 per year, with the understanding that title to improvements made thereon by the Government would remain in the Government at end of the period. Confirmation was given of execution of "Agreement to Lease" executed December 19, 1941, stating that lease for this property would be entered into for period December 20, 1941, to June 30, 1942, renewable annually for 24 years.

Acting upon information and the acceptance of the State's mineral rights in T. 9 N., R. 9 W., S. E. 1/4 of Section 16, Dry Lake, was authorized.

Attorney General, the Government as settlement of the property is known as Muroc

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was unanimously adopted to recess the meeting for the day and to resume on January 30, 1942, at 9:15 o'clock A. M.

At 9:15 o'clock A. M., January 30, 1942, the meeting of January 20, 1942, was resumed in Room 306 State Capitol, Sacramento.

Present George Killion, Chairman,
Harry B. Riley, Member

Absent Ellis E. Patterson, Member.

On motion duly made and carried, the application of the Natural Gas Corporation of California for a ten year pipe line easement twenty feet wide and 589.3 feet in length across Three Mile Slough in Sacramento County between Sherman and Twitchell Islands, was granted upon condition that the applicant should pay a consideration of \$1,000.00 for such easement, said considerations to be paid either in a lump sum or at the rate of \$100.00 per annum. In addition, the Commission instructed that the \$50.00 deposited by the applicant now carried in Suspense be disbursed as follows:

\$20.00 credited to the State Lands Act Fund to cover the Commission's costs;

\$30.00 refunded to the applicant.

After being informed that the Attorney General had ruled that a political subdivision may be charged only actual cost for such work, instructions were issued to support before the Board of Control the claim of the City of Seal Beach in the sum of \$377.61. The amount in question consists of an overpayment of a fee in connection with the construction of a groin in 1937.

The application of Oxnard Harbor District for an easement for twelve years to cover the laying of an outfall sewer at Hueneme, Ventura County, was, on motion duly made and carried, granted upon condition that said District should pay at least \$15.00 to cover costs.

The Commission issued instructions that demand be made upon the City of Seal Beach to pay the charges which will be incurred in connection with establishing the line of ordinary high water mark in connection with its pending application to construct certain jetties. Conditioned upon receipt of said funds, authorization was given to make the necessary survey to establish said line of ordinary high water mark.

Approval was given for execution of a lease in favor of Robert S. Baldwin covering 59.62 acres of land in Contra Costa County for the term of twenty years at an annual rental of \$120.00.

Acting on the recommendation of the State Mineralogist, and upon motion duly made and carried, authorization was given to execute a modification agreement relating to State Mineral Lease No. 427, said modification agreement to provide for 500 shifts per year rather than 1,000 shifts per year, and to provide for the termination of the lease at the option of the lessee.

Upon motion duly made and carried, the Commission authorized the release of the surety under State Mineral Lease No. 266 (cancelled November 13, 1940) upon payment of the sum of \$240.00 to cover delinquent rental.

Upon motion of Mr. Riley, seconded by Mr. Killion, resolution was unanimously adopted authorizing the following actions:

Application 1001

Approved issuance of grazing lease on $N\frac{1}{2}$ of $NE\frac{1}{4}$ and $SE\frac{1}{4}$ of $NE\frac{1}{4}$ of Section 16, T. 14 S., R. 27 E., M. D. M., consisting of 120 acres in Fresno County to O. M. Burk, Squaw Valley, California, for period of three years at a rental of 10 cents per acre per year.

Application 1002

Approved issuance of grazing lease on Lots 1, 2, 6, 7 and 8, of Section 8, and $NE\frac{1}{4}$ of $NE\frac{1}{4}$ of Section 17, T. 10 N., R. 3 W., M. D. M., consisting of 288.06 acres in Yolo County to Thornton E. Wood, Capay, California, for a period of 5 years at a rental of 25 cents per acre per year. Please note the rental fixed is 25 cents per acre per year whereas Thornton E. Wood offered 20 cents.

Application 1003

To be kept on file pending acceptance of lease under 1002 by Thornton E. Wood.

Application 1004

Approved issuance of grazing lease on Section 16, T. 33 N., R. 3 W., M. D. M., containing 640 acres in Shasta County to Fred Meyer of Bella Vista, California, for a period of 5 years on and from December 15, 1941, at an annual rental of \$75.00 per year.

Application 1005

Approved issuance of grazing lease on 1440 acres in Lassen County as follows:

$NE\frac{1}{4}$ of $NW\frac{1}{4}$, $NW\frac{1}{4}$ of $NE\frac{1}{4}$, $S\frac{1}{2}$ of $N\frac{1}{2}$, $N\frac{1}{2}$ of $S\frac{1}{2}$, $SE\frac{1}{4}$ of $SW\frac{1}{4}$, and $SW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 36, T. 30 N., R. 14 E., M. D. M., $NE\frac{1}{4}$ of $NW\frac{1}{4}$, $NW\frac{1}{4}$ of $NE\frac{1}{4}$, $S\frac{1}{2}$ of $N\frac{1}{2}$, $N\frac{1}{2}$ of $S\frac{1}{2}$, $SE\frac{1}{4}$ of $SW\frac{1}{4}$ and $SW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 36, T. 30 N., R. 15 E., M. D. M., $NE\frac{1}{4}$ of $NW\frac{1}{4}$, $NW\frac{1}{4}$ of $NE\frac{1}{4}$, $S\frac{1}{2}$ of $N\frac{1}{2}$, $N\frac{1}{2}$ of $S\frac{1}{2}$, $SE\frac{1}{4}$ of $SW\frac{1}{4}$ and $SW\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 36, T. 32 N., R. 13 E., M. D. M., to J. J. Fleming Company, Wendel, California, for a period of 5 years on and from January 10, 1942, at an annual rental of 11 cents per acre per year.

Application 1006

Approved issuance of Grazing Lease no Section 36, T. 29 N., R. 13 E., M. D. M., containing 640 acres in Lassen County to Zella J. Giraldo of Standish, Calif., for a period of five years on and from January 10, 1942, at an annual rental of 11½ cents per acre per year. Please note the rental fixed is ½ cent higher than offered by Mrs. Giraldo.

Application 1009

Ralph Bass, Janesville, Calif. application to be kept on file pending possible rejection of lease by Zella J. Giraldo for same land. In case of rejection lease to be issued to Ralph Bass at 11½ cents per acre per year for five years.

On the application of W. A. Bullis, authorization was given to invite bids for a mineral lease for the development of talc for the property described as the SE¼ of NE¼ of Section 36, T. 18 S., R. 39 E., M. D. M., Inyo County, and instructions given to publish the following notice as required by law:

NOTICE OF INTENTION OF THE STATE
LANDS COMMISSION TO RECEIVE OFFERS TO ENTER INTO
LEASES FOR THE EXTRACTION OF TALC FROM CERTAIN LANDS OF THE
STATE SITUATE IN INYO COUNTY, CALIFORNIA

Notice is hereby given by the State Lands Commission, acting pursuant to Division 6 of the Public Resources Code, of intention to enter into leases for the purpose of extraction of talc upon those certain parcels of real property situate in the County of Inyo, State of California, and more particularly described as follows, to wit:

SE¼ of NE¼ of Section 36, T. 18 S., R. 39 E., M. D. M.

Each bid submitted pursuant to this notice shall be accompanied by certified or cashier's check of a responsible bank in California payable to the State of California in the sum of \$200.00 as a deposit of good faith, and except in the case of the successful bidder or bidders will be returned to the respective bidder. Each bid submitted shall be accompanied by citizenship qualifications or other qualifications required under Division 6 of the Public Resources Code. Should the successful bidder or bidders fail or refuse to execute the lease within fifteen (15) days of the award thereof by the Commission, and fail to file with the Commission a good and sufficient corporate surety bond in the sum of \$1,000.00, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental for the first year and the balance, if any, refunded to the lessee.

All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to the State Lands Commission, Room 302 California State Building, Los Angeles, California, on or before 12 o'clock M. of the 25th day of February, 1942. Upon the sealed envelope containing such bid shall be written "Bid of (name of bidder) made pursuant to notice of intention of the State Lands Commission to enter into lease for extraction of talc from State lands in the County of Inyo, State of California."

Bids received pursuant to this notice will be publicly opened at 10 o'clock A. M., February 26, 1942, in Room 302 California State Building, Los Angeles, California, or at such other place, time and date, as the Commission shall determine.

Form of bid entitled "State Mineral Lease No. _____", may be obtained at the office of the Commission, Room 302 California State Building, Los Angeles, California.

The Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION

By

J. M. CLIFFORD,
Executive Officer.

On the application of T. Mart Regan, Marion Krekler and Eileen M. Regan, authorization was given to invite bids for mineral leases for the development of fluorspar, feldspar, silica, alumina, and other non-metallic minerals, on the property described as SW $\frac{1}{4}$ of Section 16, T. 16 S., R. 6 E., S. B. M., San Diego County, and instructions given to publish the following notice as required by law:

NOTICE OF INTENTION OF THE STATE LANDS
COMMISSION TO RECEIVE OFFERS TO ENTER INTO LEASES FOR THE
EXTRACTION OF FLUORSPAR, FELDSPAR, SILICA,
ALUMINA AND OTHER NON-METALLIC MINERALS FROM CERTAIN LANDS OF THE
STATE SITUATE IN SAN DIEGO COUNTY,
CALIFORNIA.

Notice is hereby given by the State Lands Commission, acting pursuant to the Division 6 of the Public Resources Code of intention to enter into leases for the purpose of extraction of fluorspar, feldspar, silica, alumina and other non-metallic minerals upon those certain parcels of real property situate in the County of San Diego, State of California, and more particularly described as follows, to wit:

Section 16, T. 6 S., R. 6 E., S. B. M.

Each bid submitted pursuant to this notice may include not more than eighty acres and shall be accompanied by certified or cashier's check of a responsible bank in California payable to the State of California in the sum of \$200.00 as a deposit of good faith, and except in the case of the successful bidder or bidders will be returned to the respective bidder. Each bid submitted shall be accompanied by citizenship qualifications or other qualifications required under Division 6 of the Public Resources Code. Should the successful bidder or bidders fail or refuse to execute the lease within fifteen (15) days of the award thereof by the Commission, and fail to file with the Commission a good and sufficient corporate surety bond in the sum of \$1,000.00, the deposit shall be forfeited to the State of California, otherwise the amount of said deposit shall be applied upon the annual rental for the first year and the balance, if any, refunded to the lessee.

All bids made pursuant to this notice shall be addressed to the State Lands Commission, sealed and delivered to the State Lands Commission, Room 302 California State Building, Los Angeles, California, on or before 12 o'clock M. of the 25th day of February, 1942. Upon the sealed envelope containing such bid shall be written "Bid of (name of bidder) made pursuant to notice of intention of the State Lands Commission to enter into lease for extraction of fluorspar, feldspar, silica, alumina and other non-metallic minerals, from State lands in the County of San Diego, State of California."

Bids received pursuant to this notice will be publicly opened at 10 o'clock A. M., February 26, 1942, in Room 302 California State Building, Los Angeles, California, or at such other place, time and date, as the Commission shall determine.

Form of bid entitled "State Mineral Lease No. ___", may be obtained at the office of the Commission, Room 302 California State Building, Los Angeles, California.

The Commission reserves the right to reject any and all bids received pursuant to this notice.

STATE LANDS COMMISSION,

By

J. M. CLIFFORD,
Executive Officer.

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was unanimously adopted directing that the following actions in regard to applications to purchase State school lands be taken:

1. Decline to sell the S $\frac{1}{2}$ of Section 36, T. 44 N., R. 13 E., M.D. ~~to~~, to L. F. Link of Alturas, California, for which he had offered \$320.00;
2. Decline to sell 200 acres of school land in Tulare County for the sum of \$2.00 an acre to Raymond Bisconer;
3. Sell 40 acres of school land in Imperial County to Mrs. Rena V. Foster for the sum of \$2.00 an acre.

Authority was granted for execution of Certificate of Restitution whereby C. Earl Moore would receive a \$200.00 refund paid to the State for 40 acres of lieu land in Application 10271, Los Angeles Land District, which had been cancelled by General Land Office.

A request from the Division of Highways that the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 27, T. 30 N., R. 5 E., M. D. B. & M., in Lassen Volcanic National Park, be conveyed for \$260.00 for use in exchange with United States, was considered. A resolution was unanimously adopted directing that the land be retained by the Division of State Lands for exchange with the United States and that the tract desired by the Division of Highways be included in the lands to be selected from the United States.

Permission was given to accept annual rental in the sum of \$25.00 from Robert M. Sherwood, lessee of Fish Canyon Lease No. 693, up to February 15, 1942, provided such rental was paid before that date.

Upon motion of Mr. Riley, seconded by Mr. Killion, a resolution was unanimously adopted confirming the following acts;

1. Execution of contract with Petroleum Supply Co., Inc., in a sum not to exceed \$2900.00 covering abandonment of Well 170-1 at Rincon.
2. Execution of contract with Division of Highways in a sum not to exceed \$140.00 for survey of ordinary high water mark at Manhattan Beach.

3. Settlement with Joe Cesa of terms of lease on the basis of \$146.35 per year for the first eleven years covering past use of premises rather than \$100.00 as originally agreed, plus \$60.00 per acre per year for current use, of certain tide and submerged lands at Antioch, Contra Costa County, California.

4. Execution of lease with Benjamin Franklin Life Assurance Company for a period of one year from January 1, 1942, at a monthly rental of \$25.00, covering office space at Santa Barbara.

5. Approval of a map showing ungranted or sovereign lands of the State of California in Section 28, T. 16 N., R. 17 W., M. D. M., required for the construction of the Albion River Bridge by the Department of Public Works.

6. The cancellation of State Oil and Gas Lease No. 82 following an opinion from the office of the Attorney General to the effect that the application of the Rincon Oil Company for preliminary injunction and restraining order issued by the Superior Court of Ventura County ceased to have any legal force or effect.

Letter was read from the State Controller in which he stated that the sum of \$225,000.00 should be transferred from the State Lands Act Fund to the General Fund and State Park Maintenance and Acquisition Fund in percents of 30 and 70, respectively.

Upon motion of Mr. Riley, seconded by Mr. Killion, and unanimously carried, a resolution was adopted directing the transfer from the State Lands Act Fund in accordance with the suggestion of the State Controller.

Upon a motion duly made and carried, it was resolved that an additional sum of \$500.00 should be allocated to cover costs incurred by the Department of Public Works in connection with its services relating to the case of People vs. City of Los Angeles. The Commission further authorized the execution of a contract with that department to cover this amount.

Following the appearance of Mr. Burdett Daniels, Esq., Deputy Attorney General, the Commission approved the filing of an action against the City of Los Angeles to recover damages incurred by the State of approximately \$100,000.00 due to the flooding of Owens Lake. The Commission further authorized the office of the Attorney General to immediately file an injunction action against the city to prevent further damage to the lake.

Action on the recommendation of the Division of Budgets and Accounts that the land records in the Sacramento office of the Commission be completely audited and indexed was deferred pending further study. The Commission was informed that the cost of installing a modern index system would be approximately \$50,000.00.

The Commission authorized the construction of a cabinet for engineering equipment to be placed in the basement garage of the State Building at Los Angeles with the understanding that the cost of such cabinet would be approximately \$90.00.

A resolution was adopted granting salary increase to Sam W. Jarvis, Intermediate Account Clerk, as follows:

\$10.00 increase effective April 1, 1941
\$10.00 " " January 1, 1942

The resignation of Charles W. Moore, Oil Gauger, effective 12 M. December 26, 1941, was accepted.

The Commission on motion duly made and carried, and pursuant to the provisions of Division 6 of the Public Resources Code, adopted the following rules and regulations:

RULES AND REGULATIONS

ARTICLE 1. DEFINITIONS

RULE 100. DEFINITIONS OF TERMS USED IN THE RULES AND REGULATIONS.

(a) As used in the rules and regulations prescribed by the State Lands Commission pursuant to the provisions of Division 6 of the Public Resources Code, unless the context otherwise requires -

(1) The term "Commission" means the State Lands Commission.

(2) The term "Rules and Regulations" refers to all rules and regulations adopted by the Commission pursuant to Division 6 of the Public Resources Code.

(3) The term "Person" includes any individual, firm co-partnership, private corporation, municipal corporation, public or quasi-public corporation, county, city and county, district, political subdivision, department or other instrumentality of government.

(4) The term "Lease" includes a permit, easement or license.

(5) The term "Structure" means any type of construction including pipe lines, transmission lines, wharves, piers, slips, warehouses or units designed to act as groins, jetties, seawalls, breakwaters, or bulkheads.

(6) The term "Submerged lands" includes the beds of navigable rivers, streams, lakes, bays, estuaries, inlets and straits.

(7) The term "Applicant" includes any person who files an application or any person named as lessee, grantee, permittee or licensee.

ARTICLE 2. GENERAL PROVISIONS

RULE 101. OFFICE OF THE COMMISSION.

The principal office of the Commission is California State Building, Los Angeles, California

RULE 102. MEETINGS.

Unless the date and place of meeting are, upon due notice, otherwise designated by at least two members, the Commission shall meet at its principal office on the last Thursday of each month.

RULE 103. APPEARANCES BEFORE COMMISSION.

Persons desiring to appear before the Commission shall file a written notice of such intent at least ten days before the next regular meeting date.

RULE 104. RESERVATION OF RIGHT OF REFUSAL.

Whenever it appears that such action is in the public interest, the Commission may reject any application or bid or refuse to approve any work or to execute any lease, easement, permit or other instrument.

RULE 105. EXECUTION AND DELIVERY OF DOCUMENTS.

The Commission may execute, and deliver, any instrument in such form as it deems appropriate to accomplish the desired purposes but no such instrument in whatever form shall be construed as conveying a fee title to tide or submerged lands owned by the State.

RULE 106. APPLICATION TO PRINCIPAL OFFICE.

Unless otherwise indicated in the rules and regulations, all applications shall be addressed to the Commission at its principal office.

R E G U L A T I O N A
RULES RELATING TO THE OCCUPANCY OR USE OF SWAMP
OVERFLOWED, MARSH, TIDE OR SUBMERGED LANDS.

ARTICLE 1. QUALIFICATIONS OF
AND EXCEPTION TO APPLICATION OF REGULATION

RULE 200. MINERAL LEASES EXCEPTED.

This regulation does not apply to leases for the extraction of minerals, including oil, or gas or hydrocarbons, from tide or submerged lands. All leases granted pursuant to this regulation are subject to the right of the State to grant leases for the extraction of minerals including oil or gas from the lands involved.

RULE 201. CONSTRUCTION OF GROINS, JETTIES, ETC. LIMITED TO LITTORAL APPLICANT.

Authority to construct or maintain groins, jetties, seawalls, breakwaters or bulkheads, will be granted to private persons only if applicant is a littoral owner.

ARTICLE 2. APPLICATION
REQUIREMENTS

RULE 210*. APPLICATION, MAPS, PLANS AND SPECIFICATIONS, PHOTOGRAPHS,
FEDERAL DRAWINGS.

Any person desiring to occupy or use swamp, overflowed, marsh, tide or submerged lands, or construct, maintain, or alter, structures, or deposit materials

thereon, or remove materials therefrom, shall file with the Commission the following:

(a) A written application containing -

- (1) Name, address and quality of applicant.
- (2) Description of State lands involved.
- (3) A statement of the work proposed, together with an estimate of its cost.
- (4) A statement as to ownership of the littoral lands.
- (5) Any other pertinent information.

(b) A map in triplicate based upon an actual field survey of the property lines defining the littoral holdings and such other properties as the proposed occupancy or work may affect. The map shall indicate:

- (1) Tie to a monument of record.
- (2) Connections with a record survey by courses and distances.
- (3) A tie to a line of a net of U. S. Coast and Geodetic triangulation.
- (4) The outline of each structure, appropriately identified.
- (5) The position of the identification marker.
- (6) The positions from which photographs were taken and directions thereof.
- (7) The approximate locations of near-by existing structures.
- (8) The elevations of a sufficient number of points to facilitate contouring of the foreshore between mean lower low water and extreme reach of the seas, together with elevation and designation of bench mark and its relation to published tidal reference data.
- (9) Such other topographical features, existing improvements and highways as come within the limits of the mapped area.
- (10) In the case of applications for alteration or removal of structures, current physical conditions contrasted against such conditions as they existed at the time of erection of the structure.

(c) Plans and specifications in triplicate which shall include -

- (1) Detailed plan view, side elevation and sections of each structure showing:
 - (A) Construction details.
 - (B) Sufficient topographical features to identify position of each structure on map.

(C) Heights and sub-soil depths.

(D) Former, existing and expected ground lines.

(E) Sub-soil sample data.

(d) Three photographic views, not less than $3\frac{1}{4}$ x $4\frac{1}{2}$ inches nor more than 8 x 10 inches, of the site of each proposed structure including one longitudinal view and two taken from points on opposite sides of the site. Each view shall be taken at as low a tidal stage as suitable lighting effects can be obtained and shall bear the name of the photographer and the date, hour and position from which taken.

(e) A copy of any drawings which may have been required by the Federal Government.

*Note: (In the case of an application not involving the construction, alteration, or removal of a structure, the provisions of this rule relating to such matters need not be included provided a statement is inserted in lieu thereof that such particular data are not applicable.)

ARTICLE 3. BONDS, FEES AND DEPOSITS.

RULE 220. BOND.

Each applicant for authority to construct, alter, or remove, a structure, shall furnish a performance bond containing such terms and conditions as may be satisfactory to the Commission and executed by a qualified corporate surety in an amount to be fixed by the Commission but in no case less than \$1,000.00.

RULE 221. FEES AND DEPOSITS TO COVER COSTS.

(a) Except in the case of a political sub-division or governmental agency, each application shall be accompanied by a filing fee of \$5.00.

(b) Each application for authority to construct, alter, or remove a structure shall be accompanied by a deposit of \$75.00 plus $\frac{1}{2}$ of 1% of the estimated cost of the proposed work to defray the actual cost to the Commission of examination of the application, plans and specifications, and such inspection as the Commission deems desirable.

(c) If it appears the data submitted are insufficient, the Commission may, at the expense of the applicant, make or cause to be made any survey or investigation it deems necessary. Upon written notice the applicant shall deposit with the Commission such additional sum as may be specified to cover the cost of such survey or investigation.

RULE 222. REFUND OF DEPOSIT.

Upon rejection of an application, or upon completion of the work to the satisfaction of the Commission, the performance bond shall be released and a refund made of the balance, if any, of monies deposited by the applicant under subdivisions (b) and (c) of Rule 221.

ARTICLE 4. LIABILITY OF APPLICANTS.

RULE 230. INSPECTIONS.

Field inspections of construction, alteration, maintenance and removal of structures may be made by representatives of the Commission. Applicants and permittees shall provide such means of access and other reasonable facilities as will enable the representatives to make the inspections, but such inspections shall not relieve the applicants or permittees of full responsibility to construct, alter, maintain or remove structures in accordance with approved plans or the terms of the permits or leases.

RULE 231. LIABILITY FOR SAFETY OF PERSONS.

Each applicant for authority to construct, alter, or remove a structure, and each person to whom a lease, permit, license, or easement for maintenance of a structure is issued, will be held responsible for the safety of all persons in the lawful occupation or use of or passage over structures and appurtenances constructed or maintained by him.

ARTICLE 5. REVOCATION AND REPAIR.

RULE 240. REVOCATION OF LEASES.

The Commission reserves the right to revoke any lease, easement, license, or permit issued under this regulation when, in its judgment, it is to the best interest of the public so to do.

RULE 241. REPAIR OF DAMAGED STRUCTURES.

Nothing in this regulation shall be construed to hinder or prevent the immediate repair of damaged structures for which authorizations have been issued, provided such repair or replacement does not deviate from the approved plans of the structure. Prompt notice of intention to repair or replace damaged structures shall be given the Commission.

ARTICLE 6. SIGNS AND MARKERS.

RULE 250. MARKER.

There shall be installed on the center line of each structure, with the face horizontal and in a position sheltered from the waves but visible without excavation, a substantial brass marker not less than 2½ inches in diameter inscribed "State Lands Commission (application file number), (Structure letter), (type of structure)".

RULE 251. WARNING SIGN.

Warning signs and appropriate markers to define the existence of partially or wholly submerged structures shall be installed and maintained at the seaward end thereof.

ARTICLE 7. PROCEDURE FOLLOWING
APPROVAL OF APPLICATION.

RULE 260. APPROVAL OF PLANS.

The Commission may fix a date for the completion of any proposed work and may approve or disapprove any plans and specifications submitted. Approval of plans and specifications shall be indicated by endorsing "Approved _____ (date) conditioned upon completion on or before _____ (date). STATE LANDS COMMISSION, STATE OF CALIFORNIA, BY _____ Executive Officer" thereon.

RULE 261. EXECUTION AND DELIVERY OF LEASE.

Upon approval of the application, the Commission shall fix the amount of bond, determine the term of occupancy, amount of rental or other consideration, and shall, subject to the deposit of a satisfactory bond and the payment of all fees, costs, rental or other consideration, authorize the execution and delivery of an appropriate instrument containing such terms and conditions as the Commission deems for the best interest of the State, and authorizing occupation of the land for the approved purposes. Such instrument shall be accepted in writing by the applicant prior to its execution and delivery by the State.

The Commission further voted to repeal those rules contained in Chapter I of the Rules and Regulations adopted November 7, 1941..

The Commission authorized the purchase of a mimeograph machine from the State Relief Administration for the sum of \$50.00 and a golden oak table from the Veterans' Welfare Board for the sum of \$15.00.

Permission was granted for the expenditure of an amount not to exceed \$250.00 for typists and materials to be used in the compilation of a card file relating to United States Coast and Geodetic Survey data.

The Commission authorized the Executive Officer to make a trip to Washington, D. C. and allocated the sum of \$350.00 to cover the expenses of such trip.

There being no further business to come before the Commission, the meeting was adjourned.

APPLICATION TO LEASE STATE LANDS.

Lease Application No. _____

TO THE DIVISION OF STATE LANDS, STATE LANDS COMMISSION,
DEPARTMENT OF FINANCE,
SACRAMENTO, CALIFORNIA:

_____ of _____

hereby applies to lease from the State of California under the provisions of Chapter 1, Part 2, Division VI, of the Public Resources Code, and the rules and regulations of the State Lands Commission, the

Following described land in _____ County,

to wit: _____

Section _____, Township _____, Range _____ Meridian,
containing _____ acres.

(a) I desire to lease said land for the period of _____
years for the purposes of _____.

(b) I hereby offer _____ \$ per acre per year as rental
for said land.

Dated _____

Signed in the presence of _____

Post Office address _____

Witness

Each application must be accompanied by the filing fee of \$5.

If application is for a grazing lease it must also be accompanied by a deposit of \$5.00 to cover cost of publication. Read carefully the rules of the State Lands Commission before executing application.

Insert the number of years for which the land is desired to be leased, and after the words "purposes of" for what purposes the land will be used if leased.

If application is for composite lease, do not fill out line "(b)."

LEASE APPLICATION NO. _____

Sec. _____, Twp. _____

Range _____, Meridian,

containing _____ acres,

Applicant

Filed _____, 19____

State Lands Commission

By _____

Approved _____, 19____

By State Lands Commission

Lease executed _____, 19____

Annual rental \$ _____

Term of lease _____ years

County of _____

STATE OF CALIFORNIA

DIVISION OF STATE LANDS
STATE LANDS COMMISSION
SACRAMENTO, CALIFORNIA

LEASE OF STATE LANDS
(Chapter 1, Part 2, Division 6, Public Resources
Code, and the Rules and Regulations of the
State Lands Commission.)

Parties

THIS INDENTURE OF LEASE, Made and entered into this
_____ day of _____, 19_____,
by and between State of California, through the State Lands
Commission, hereinafter called the State, and

of the City of _____, County of _____,
_____ State of California, hereinafter
called the Lessee, without distinction as to number or
gender, under and pursuant to Chapter 1, Part 2, Division 6,
of the Public Resources Code, and to the rules and regu-
lations of the State Lands Commission,

WITNESSETH: That the State for and in consideration
of the covenants, conditions, agreements and stipulations
of the Lessee hereinafter expressed, does hereby demise and
lease unto the Lessee and the Lessee hereby hires from the
State that certain real property hereinafter referred to
as the demised premises, situate in the County of _____
_____, State of California, and more
particularly described as follows, to wit:

Description

TO HAVE AND TO HOLD The demised premises unto the
Lessee for the term of _____ years (unless
so ner t rminated as hereinafter provided) commencing on
the _____ day of _____, 19_____, and
ending on the _____ day of _____, 19_____,
at a total rent of _____ Dollars,
payable as follows:

The State and Lessee hereby covenant and agree as follows:

Use

1. That the demised premises shall be used during the term hereof for _____ ("grazing or agricultural," or "campsite or recreational") purposes or both, and for no other purpose;

Re-entry
by State

2. That the Lessee will pay the said rent reserved to the State at _____, without deduction, default or delay; and that in the event of the failure of the Lessee so to do, or in the event of a breach of any of the other covenants, or failure to observe conditions, herein contained, on the part of the Lessee to be kept, performed and observed, it shall be lawful for the State to re-enter into and upon the demised premises, every part thereof, and to remove all persons and property therefrom, and to re-possess and enjoy the demised premises as in the first and former estate of the State, anything to the contrary herein contained notwithstanding;

Assignment
and Sub-
letting

3. That the Lessee shall not transfer or assign this lease, and shall not sublet the demised premises or any part thereof except upon the prior written consent of the State first had and obtained;

Right to
Grant Ease-
ments,
Mineral Pros-
pecting Per-
mits or Leases,
etc.

4. That there is hereby reserved to the State the right to grant over and across the demised premises, easements and/or rights-of-way for any purpose authorized by law and also the right to grant prospecting permits, leases, and easements to extract minerals and oil and gas as provided by law and the rules and regulations of the State Lands Commission.

Sale of
Demised
Premises and
Termination

5. That the State reserves the right to sell or otherwise dispose of the demised premises, or any portion thereof as provided for by law and by the rules and regulations of the State Lands Commission, and thereby terminate this lease without advance notice to the Lessee;

Commit
Waste

6. That the Lessee shall not, during the period of this lease cut down any timber growing or standing upon the demised premises, or take away from the demised premises timber, trees, wood or material, or suffer or cause same to be done, or commit waste, but the lessee may cut and use non-merchantable timber for lessee's necessary household consumption;

Entry by
State to
Inspect

7. That the State through its authorized agents, shall have the right at all times to go upon the demised premises for the purpose of inspecting the same;

Quiet
Possession

8. That the State does hereby covenant and agree with the Lessee that the Lessee keeping and performing the covenants, conditions and agreements herein contained on

the part of the Lessee to be kept and performed, shall at all times during said term peaceably and quietly, have, and hold and enjoy the demised premises, without suit, trouble or hindrance from the State;

Surrender of Possession

9. That the Lessee will on the last day of said term or sooner termination of this lease peaceably and quietly leave, surrender and yield up to the State all and singular the demised premises in good order, condition and repair, reasonable use and wear thereof and damage by act of God or the elements excepted;

Holding Over

10. Any holder over after the expiration of said term by the Lessee, with the consent of the State, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, as far as applicable;

Notices

11. That all notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, registered and postage prepaid, addressed as follows: To the State Lands Commission, Sacramento, California,

and to the Lessee at _____; the address to which the notices shall or may be mailed as aforesaid to either party, shall or may be changed by written notice given by such party to the other, as herein provided; but nothing herein contained shall preclude the giving of any such notice by personal service.

Time of the Essence, Binding Upon Heirs, etc.

12. Time is the essence of each and all the terms and provisions of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto. If more than one Lessee is named herein the obligations of said Lessees herein contained shall be joint and several.

*13. That the lessees of other camp sites upon State lands in the vicinity shall have a right of way over the land hereby leased, and the same is hereby reserved, for the purpose of ingress and egress, to and from their camp sites or to and from any neighboring stream or body of water, such right of way, however, to be used in such manner as to not seriously interfere with the use of the land hereby leased.

*14. The State reserves the right and power to cancel this lease at any time during the term hereof upon notice in writing to the lessee of not less than ninety (90) days next prior to the date such cancellation shall become effective, and the lessee hereby agrees, upon receipt of such written notice, that lessee will vacate the demised premises on or before such cancellation date.

(* these paragraphs to be deleted from grazing leases.)

IN WITNESS WHEREOF, This indenture has been executed in duplicate by State of California and Lessee hereto as of the date first above written, and the State of California has caused the same to be executed and sealed by the State Lands Commission, and the Lessee hereunto set hand and seal, and the Lessee has caused the same to be executed in its corporate name by its President, and attested and sealed by its Secretary.

STATE OF CALIFORNIA

STATE LANDS COMMISSION

Attest:

Lessee

Approved:

Lessee

Rules and Regulations of the State Lands Commission,
Relating to the Administration, Sale, Leasing or Other
Disposition of Lands Owned by the State or Inuring to
It by Virtue of Its Sovereignty, Adopted Pursuant to
the Provisions of Division 6 of the Public Resources Code.

Chapter 1. Definitions and General Provisions.

Sec. 1.1. As used in these rules, unless the context otherwise requires:

- (a) "Commission" means the State Lands Commission.
- (b) "Section" means a section of these rules and regulations.
- (c) "Submerged lands" include the beds of navigable rivers,

streams, lakes, bays, estuaries, inlets, and straits.

(Pub. Res. C., sec. 6108.)

Sec. 1.2. The matter in parenthesis following each rule consists of a citation of the statutory authority pursuant to which the rule, or any part thereof was adopted.

(Pub. Res. C., sec. 6108. See also Pol. C., Art. 21, Title 1, Part 3, as added by Chapter 628, Statutes of 1941.)

Sec. 1.3. In all cases to which these rules are applicable, the commission reserves the right to reject any application or bid, and to refuse to execute a lease, easement, permit, or other instrument whenever it appears to the commission that such action is for the best interests of the state.

(Pub. Res. C., Secs. 6106, 6301, 6321, 6897 and 6992.)

Chapter 2. Use and Occupancy of Tidelands
and Submerged Lands.

Sec. 2.1. (a) Leases of tidelands and submerged lands, including leases for the construction and maintenance of wharves, piers, slips, warehouses, or any other structure or use which has for its primary purpose a commercial feature rather than protective, will be granted by the Commission pursuant to Chapter 1, Part 2, Division 6 of the Public Resources Code and to this Chapter.

(b) This chapter does not apply to applications by littoral owners for authority to construct and maintain groins, jetties, seawalls, breakwaters, or bulkheads pursuant to Article 2, Chapter 4, Part 1, Division 6, of the Public Resources Code. Leases may be granted as provided in this chapter to persons other than littoral owners for the purpose of constructing and maintaining groins, jetties, seawalls, breakwaters, or bulkheads on tidelands or submerged lands, in which case all of the rules of the commission relating to the construction and maintenance of such structures by littoral owners shall apply to and govern the construction and maintenance of such structures under any lease granted pursuant to this chapter.

(c) This chapter does not apply to lease for the extraction of oil and gas or other hydrocarbons, or to leases for the extraction of minerals from tidelands or submerged lands.

(Pub. Res. C., secs. 6109, 6301 and 6501.2.)

Sec. 2.2. (a) As used in this chapter, "person" includes any individual, firm, copartnership, private corporation, this state, or any department or other instrumentality thereof, any county, city and county, district, or other political subdivision thereof, and any municipal, public or quasi-public corporation.

(b) As used in this chapter, "lease" includes a permit, easement, or license. In any case where an application under these rules is accepted, the commission will execute and deliver to the applicant an agreement in such form as it deems most appropriate to accomplish the desired purposes and in the best interests of the state, but no such agreement, in whatever form or however denominated, shall be construed as vesting in or conveying to the applicant the fee title to tidelands or submerged lands owned by the state.

(Pub. Res. C., secs. 6108 and 6301. See also secs. 6501 and 6501.2.)

Sec. 2.3. (a) Any person desiring to lease tidelands or submerged lands shall make written application to the commission at the California State Building, Los Angeles. The application need not be in any particular form but must include the following:

1. Name, address, and quality of applicant.
2. Description of tidelands and submerged lands sought to be leased.

3. Use or use _____ and any structure erected or to be erected thereon would be put.

4. Term desired.

(b) The application shall be accompanied by a map or plat of the lands and with plans and specifications for any structure or structures proposed to be erected on the lands.

(c) If the applicant, or one of the applicants, is not the owner of the littoral lands adjacent to the tidelands or submerged lands described in the application, the commission may require the applicant to present evidence satisfactory to the commission that he has, or possesses the ability to obtain, all necessary rights-of-way, easements, or other legal right of access to the tidelands or submerged lands for all operations contemplated under the proposed lease.

(d) In addition to the \$5 filing fee required by section 6502 of the Public Resources Code, each application shall be accompanied by a deposit of \$50 to cover the cost to the commission of examination of the plans and specifications. Upon the approval or rejection of the application the commission shall determine such cost, and the balance, if any, of the deposit will be returned to the applicant.

(e) If upon an examination of the description of the land sought to be leased, or the map or plat thereof accompanying the application, it appears to the commission that the description, map or plat is insufficient, the commission shall

survey, or cause to be surveyed, the lands so sought to be leased, at the expense of the applicant. Upon written notice to the applicant from the commission, the applicant shall deposit with the commission such sum as may be specified in the notice to cover the cost of the survey.

(Pub. Res. C., secs. 6108, 6218, 6301, and 6501.2.)

Sec. 2.4. Whenever deemed desirable by the commission, hearings will be held to determine whether the approval of the application and the issuance of a lease by the commission would be for the best interests of the state.

(Pub. Res. C., secs. 6108 and 6301.)

Sec. 2.5. If the description of the lands and the plans and specifications for the proposed structure are satisfactory, the commission will appraise the lands and fix the annual rental or other consideration therefor. In no case, however, will any parcel of tidelands or submerged lands be leased by the state to any individual, firm, copartnership, or private corporation for a rental of less than \$100 per year, or the equivalent.

(Pub. Res. C., secs. 6108 and 6301. See also sec. 6503.)

Sec. 2.6. Upon the acceptance by the commission of an application for a lease under this chapter, a form of lease prepared by the commission in duplicate shall thereupon be delivered to the applicant. Upon the return of such lease to the commission, executed in duplicate by the applicant, and the payment of the first annual rental or other consideration, as provided in section 6504 of the Public Resources Code, one

copy thereof shall thereupon be executed on behalf of the commission by its executive officer and shall be delivered to the lessee and the other copy shall be filed with the commission.

(Pub. Res. C., secs. 6108 and 6301. See also sec. 6504.)

Chapter 4. Leases of School Lands and Other
Uplands for Grazing, Agricultural,
or Recreational Purposes.

Article 1. Rules regulating only to Grazing
or Agricultural Leases.

Sec. 4.1. (a) The commission may lease any lands under its jurisdiction that are suitable therefor for grazing or agricultural purposes. Lands of known mineral character may be leased for grazing purposes, subject to the right of the state to grant permits to prospect for minerals other than oil and gas, and to grant leases and easements to extract minerals, including oil and gas, upon and from the leased lands and without compensation to the lessee.

(b) A grazing or agricultural lease will be issued for a term not to exceed five years.

(Pub. Res. C., secs. 6108 and 6501.2.)

Sec. 4.2. (a) In addition to the \$5 filing fee required by section 6502 of the Public Resources Code, an application for a grazing or agricultural lease shall be accompanied by a deposit of \$5 to cover the cost of publication of notice, as provided in paragraph (c) of this rule.

(b) When an application for a grazing or agricultural lease is received by the commission, the executive officer of the commission or the supervising land title abstractor of the Division of State Lands shall determine, in accordance with

such information as may be available, the amount to be set forth in the notice to be published as provided in paragraph (c) as the minimum annual rental per acre for such lands. The rental shall not be less than that offered by the applicant in his application. If the rental offered by the applicant is less than the minimum annual rental to be set forth in the notice, the application will be rejected and the deposit to cover the cost of advertising returned unless, within 15 days after written notice from the commission, the applicant amends his application to increase the amount he offers to pay as rental to an amount at least equal to such minimum rental. The amendment may be in the form of a letter addressed to the commission.

(c) When an application for a grazing or agricultural lease has been filed, notice of the filing will be published as promptly as possible in one issue of a newspaper of general circulation in the county in which the land is situated. The notice shall contain substantially the following:

STATE OF CALIFORNIA

LEASE OF STATE LANDS

NOTICE IS HEREBY GIVEN that application to lease the following described lands for grazing or agricultural purposes has been filed with the State Lands Commission, Sacramento:

SECTION _____, CONTAINING _____
ACRES IN _____ COUNTY.

During a period of 10 days from date of publication of this notice, any other applicant may apply for a lease of said lands. Any such application must be in the form prescribed by the commission and must be filed with the commission before the expiration of the 10 day period:

_____ PER ACRE PER YEAR

is the minimum rental at which this land will be leased by the State. Terms are cash within 15 days after receipt of lease by the lessee.

STATE LANDS COMMISSION

Sacramento, California

Date of Publication:

_____, 194__.

Write for form
of application

(d) During the period of 10 days from and after the date of publication of notice as provided in paragraph (c), any other person may file an application with the commission at Sacramento to lease the same lands, subject to the rights of the prior applicant, as set forth in these rules.

(e) Subsequent to said 10 day period, the commission will fix the annual rental per acre for the lands in an amount not less than the highest amount set forth in any pending application for lease of the lands. A lease therefor, providing for payment of the rental so fixed by the commission shall thereupon be delivered to the first applicant. If the first applicant fails to execute and return the lease and pay the first annual rental specified as provided by section 6504 of the Public Resources Code and in accordance with these rules, his right to a lease shall forthwith terminate, and a lease for the lands at the rental so fixed shall thereupon be delivered to the next applicant in order of precedence.

(f) The successful applicant for a grazing or agricultural lease will be required to pay the cost of publication of the notice.

If the deposit to cover the cost of publication has been advanced by an unsuccessful applicant, such deposit shall then be returned to him.

(g) If an application is filed subject to the rights

of a prior applicant and the prior applicant makes payment the fee for filing the subsequent application cannot be returned. (Pub. Res. C., secs. 6106, 6108 and 6218. See also secs. 6501.2, 6502, 6503, and 6504.)

Article 2. Rules relating only to Recreational or Campsite Leases.

Sec. 4.3. (a) Recreational or campsite leases will be executed only for lots in Fish Canyon, section 16, T 1 N., R.10 N., S.E.B.M., Los Angeles County.

(b) A recreational or campsite lease will be issued for a term of not to exceed ten years. (Pub. Res. C., secs. 6108 and 6501.2.)

Sec. 4.4. The annual rentals for recreational or campsite leases are hereby fixed as follows:

(a) For lots on which there is no cabin:

1. All cabin sites in $SE\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 16 - \$30.00 per year;
2. All cabin sites in $NE\frac{1}{4}$ of $SE\frac{1}{4}$ of Section 16 - \$25.00 per year;
3. All cabin sites in $SE\frac{1}{4}$ of $NE\frac{1}{4}$ of Section 16 - \$20.00 per year;
4. All cabin sites in $NE\frac{1}{4}$ of $NE\frac{1}{4}$ of Section 16 - \$15.00 per year.

(b) For any lot on which there is a cabin at the time of execution of a lease, \$30.00 per year.

(Pub. Res. C., 6108 and 6503.)

Article 3. Rules Applicable to All Leases
Under this Chapter.

Sec. 4.5. Applications for leases will be received by the commission at its office in Sacramento. Forms for applications may be obtained at that office.

If more than one application is received for the same parcel of land, such applications shall take precedence in the order of their actual receipt by the commission.

(Pub. Res. C., sec. 6108.)

Sec. 4.6. Upon the acceptance by the commission of an application for a lease, a form of lease prepared by the commission in duplicate shall thereupon be delivered to the applicant. Upon the return of such lease to the commission, executed in duplicate by the applicant, and the payment of the first annual rental as provided in section 6504 of the Public Resources Code, one copy thereof shall be executed on behalf of the commission by its executive officer and shall be delivered to the lessee, and the other copy shall be filed with the commission.

(Pub. Res. C., secs. 6108 and 6501.2.)

Sec. 4.7. (a) Any lease shall terminate upon the sale of the leased land, or any portion thereof by the state, and the lessee shall be notified by registered mail by the commission upon the sale of the land. The date of the termination

of the lease shall be on the date the certificate of purchase or patent is issued to the purchaser of the land from the state, except that when a lease embraces land suitable for cultivation and an application from an actual settler to purchase the land is received and filed by the commission, the lease shall terminate on the date the application is filed. The lessee shall be notified by registered mail of the filing of the application to purchase the land, or any portion thereof, and of the termination of the lease.

(b) Possession under any lease subject to these rules shall not be held to be adverse to that of any person who becomes an actual settler upon any portion of land described in such lease with intent to purchase it in the manner provided by law.

(c) Any lease for lands or any portion thereof which are now or may hereafter be included within the exterior boundaries of a national reservation or of a reserve, or within the exterior boundaries of land withdrawn from public entry, shall terminate whenever the state designates the lands as bases for indemnity selections. The lessee shall be notified by the commission by registered mail whenever the state so designates the land.

(d) If a lease is terminated as provided herein, the lessee shall receive a refund of the unearned rental upon

surrender of the lease to the State Lands Commission. If all the land described in the surrendered lease has not been disposed of by the state, the lessee shall be entitled, without the payment of any additional fee, to a new lease for the remaining area of land for the balance of the unexpired term of the surrendered lease at the same annual rental per acre. (Pub. Res. C., sec. 6108 and 6501.2.)

February 17, 1942

Chapter 5. Leases and Prospecting Permits for
Minerals Other than Oil and Gas.

Sec. 5.1. The rules in this chapter govern: (a) the issuance of prospecting permits and mineral leases, pursuant to Chapter 3, Part 2, Division 6, of the Public Resources Code; (b) the issuance of leases for the extraction of minerals, other than oil and gas, from tide and submerged lands; and (c) the issuance of leases for taking minerals from streams or lakes and from certain lands, pursuant to Chapter 4.1, Part 2, Division 6, of said code.

(Pub. Res. C., secs. 6891, 6897, 6900 and 6992.)

Sec. 5.2. (a) Prospecting permits or leases will not be issued for lands owned by the state and dedicated to a public use.

(b) Prospecting permits will not be issued for tide or submerged lands, or for lands subject to lease under Chapter 4.1, Part 2, Division 6, of the Public Resources Code.

(Pub. Res. C., secs. 6891, 6897, 6900 and 6992.)

Sec. 5.3. Prospecting permits and leases will be issued only to applicants having the qualifications specified in section 6801 of the Public Resources Code.

(Pub. Res. C., secs. 6891, 6897 and 6992.)

Sec. 5.4. (a) Applications for prospecting permits shall be made to the Commission at the California State Building, Los Angeles, California.

Each application shall be accompanied by a filing fee of \$5.00.

(b) No specific form of application for a prospecting permit is required. The application shall be acknowledged before a notary public and shall include the following:

1. The name and address of the applicant. If a corporation, the proper corporate name and the name of the president and secretary shall be stated.

2. A description of the lands desired to be included in the permit, described by legal subdivisions if in surveyed territory. The beginning point of the description of the lands for which a permit is desired must be connected with some record survey by courses and distances.

3. The nature of the mineral deposits or ores for which a prospecting permit is desired.

4. Sufficient information to show that the applicant is qualified to receive a permit, as provided by law.

5. Three references as to the applicant's reputation and business standing.

6. If the applicant has posted a notice on the lands and recorded a copy thereof, as provided by section 6892 of the Public Resources Code, the application shall so state, describing the monument erected on the lands, giving the location thereof, and stating the dates of posting and recording. The recorded copy of the notice shall be attached to the

application.

(Pub. Res. C., sec. 6891. See also secs. 6892 to 6896, incl.)

Sec. 5.5. (a) Upon receipt of an application for a prospecting permit, the commission shall determine the royalty rate or rates that will be required to be paid under any preferential lease that may be entered into with the applicant for any portion of the lands proposed to be included in the permit. In determining such royalty rate or rates the commission shall take into consideration the kind of mineral deposit which it is anticipated may be developed, the probable cost of extraction thereof, the availability of transportation facilities, the cost of transportation to probable markets, and such other factors as may affect the value of the lease. The royalty rate or rates shall be fixed in such amount as the commission considers represents a fair rate of compensation to the state under the known and anticipated circumstances.

(b) All applications shall be held by the commission for not less than thirty days and for such longer period as may be necessary or desirable. Thereafter the commission shall notify the applicant by mail of the acceptance or rejection of his application.

(c) If the application is accepted, the notice shall state that the prospecting permit will be delivered to the applicant upon the payment by him of a sum equal to one dollar an acre for each acre included in the permit.

The notice shall also set forth the royalty rate or rates that will be required to be paid under the preferential lease to which the holder of the permit is entitled.

The notice shall state that unless the applicant pays the permit fee and delivers a surety bond in the sum of \$1000, conditioned upon the faithful performance by the permittee of all the terms and conditions of the permit, issued by a surety company approved by the commission, on or before thirty days after the date of the notice, the application will thereupon be cancelled and that any rights which the applicant may have by reason of making the application will then terminate.

(d) Upon payment to the commission at its office in Los Angeles of the amount required and delivery of the surety bond within the time specified in the notice, the commission will deliver the permit to the applicant. If the payment is not so made, the application for the permit shall forthwith be cancelled and any rights of the applicant shall terminate.

(Pub. Res. C., sec. 6891.)

Sec. 5.6. (a) At any time after the issuance of a prospecting permit, and during the life of the permit, the permittee may apply for a preferential lease of not to exceed 40 acres of the lands included in the permit, as provided by section 6895 of the Public Resources Code. The application need not be in any specific form, but shall contain a sufficient

description of the lands sought to be leased.. If the lands are unsurveyed, the application shall declare that such sum of money or security as the commission may require will upon demand be deposited with the commission in advance, to reimburse the commission for the expense of surveying the lands. A lease will not be issued to an applicant unless the lands leased have been surveyed and the entire cost of the survey paid to the commission.

The application shall be accompanied by an affidavit of the permittee or of any other person having knowledge of the facts averring that a commercially valuable mineral deposit has been discovered within the limits of the permit.

Upon the receipt of such an application and affidavit the commission may, in its discretion, require additional evidence of the discovery of a commercially valuable mineral deposit.

(b) When the commission is satisfied that a commercially valuable mineral deposit has been discovered and that the applicant is entitled to a preferential lease, a form of lease prepared by the commission in duplicate shall thereupon be delivered to the applicant, and notice shall be sent to the applicant that, upon the execution by him of the lease in duplicate, the payment to the commission of the annual rental for the first year, and the delivery to the commission of a good and sufficient corporate surety bond in the sum of one

thousand dollars conditioned upon the faithful performance by the lessee of all the terms and conditions of the lease, the lease will be executed by the commission.

(c) Upon the execution of the lease by the applicant, the payment of the rental for the first year and the delivery to the commission of a satisfactory bond, a copy of the lease executed by the commission shall be delivered to the applicant.

(Pub. Res. C., sec. 6891. See also secs. 6895 and 6896.)

Sec. 5.7. (a) Lands which have been classified by the commission as known mineral lands and lands embraced within a prospecting permit which are not subject to preferential lease will be leased as provided in Section 5.8.

(b) Leases for extraction of minerals other than oil and gas from tidelands and submerged lands will be issued as provided in Section 5.8 whenever the commission, after public hearing, determines that the issuance thereof is for the best interests of the state. In addition to the deposit required by section 5.8 to cover cost of advertising for bids, the commission will require the applicant to deposit not less than \$25.00 and such additional amount as may be necessary with the commission to cover the cost of such investigation as the commission deems necessary to determine whether commercially valuable deposits of minerals appear to exist within the described tide or submerged lands, and to cover the cost

of publication of such notice as the commission deems appropriate of the public hearing on the advisability of leasing the lands.

(c) Leases for taking minerals from waters and certain lands, as provided in Chapter 4.1, Part 2, Division 6, of the Public Resources Code, will also be issued as provided in section 5.8.

(Pub. Res. C., secs. 6218, 6301, 6897, 6900 and 6992.)

Sec. 5.8. (a) Lands will be offered for lease under this section upon the request of any person who is qualified to be a lessee. The request shall sufficiently describe the lands requested to be offered for lease. The request may include any number of acres, not in excess of 80 acres, but the commission may include areas in excess of 80 acres should the commission determine that such excess acreages contain commercially valuable mineral deposits.

(b) The requestor shall deposit with his request the sum of \$50.00 to cover the cost of advertising for bids. The successful bidder or bidders shall be charged the cost of such advertising, and if the requestor is not the successful bidder, or the successful bidder for all the parcels if more than one parcel is leased, his deposit or a proportionate share thereof shall be returned to him.

(c) Upon the receipt of such a request, the commission shall divide the lands into parcels of such size and shape as it may determine and shall prepare a form of lease. It shall

also determine the amount to be deposited by each bidder as security for the execution of the lease.

(d) Within sixty days after receipt of the request, the commission shall cause notice to be published of intention to offer the lands described in the request for lease. The notice shall be published at least once in a newspaper of general circulation published in the county in which the lands are situated and at least once in a newspaper of general circulation published in the City of Los Angeles or San Francisco. The notice shall sufficiently describe the parcel or parcels to be offered for lease so that they may be identified and shall state the time for receiving and opening of bids and that forms for bidding (which shall be in the form of a lease) may be obtained at the office of the commission.

The notice shall also state the amount required to be deposited by each bidder as security for the execution of a lease as provided by his bid.

(e) At the time and place specified in the notice the commission shall publicly open the sealed bids and shall award the lease for each parcel to the highest responsible, qualified bidder, unless in the opinion of the commission, the acceptance of the highest bid for any parcel or parcels is not for the best interests of the state, in which event the commission may reject the bids for such parcel or parcels. Thereupon new

bids may be called for, for such parcels or the commission may by resolution refuse to call for new bids therefor until a new request is made and a new deposit to cover cost of advertising is deposited with the commission. The commission expressly reserves the right to reject the bid of any person if it appears that such person may be unable, because of lack of experience, equipment or financial assets, adequately to carry out the provisions of a lease under this chapter. The commission may require any bidder to submit information regarding his experience, equipment and financial status.

(f) Upon the awarding of a lease, the successful bidder shall, within fifteen days after notice to him from the commission, execute a copy thereof and deliver it to the commission, and shall thereupon pay to the commission the annual rental for the first year as required by the lease and shall also pay the cost of advertising for bids for such lease, or his proportionate share of such cost. The lessee shall also deposit with the commission a good and sufficient corporate surety bond in the sum of one thousand dollars, conditioned upon the faithful performance by the lessee of all the terms and conditions of the lease. Thereupon, a copy of such lease, executed by the commission, shall be delivered to him.

(Pub. Res. C., secs. 6108, 6218, 6301, 6897, 6900 and 6992.)

Sec. 5.9. In any notice of intention to lease tidelands or submerged lands for extraction of minerals other than oil and gas, and in any notice of intention to lease lands as

provided in Chapter 4.1, Part 2, Division 6, of the Public Resources Code, the commission, if it is deemed desirable, may include a requirement that any prospective bidder, as a condition precedent to the consideration of his bid, shall present evidence satisfactory to the commission of his present ability to furnish all necessary sites and rights-of-way for all operations contemplated under the provisions of the proposed lease. In such event, the commission shall reject the bids of all bidders who fail to qualify as provided in this section.

(Pub. Res. C., secs 6301, 6897, 6900 and 6992.)

Sec. 5.10. On or before the 15th day of each month, each permittee and each lessee shall deliver to the commission a statement in such form as the commission may prescribe, showing the work performed upon the area described in the permit or lease, the amount, quality, and value of all mineral produced, shipped or sold during the preceding calendar month. The commission may permit longer intervals for such reports and longer periods to be covered thereby for any lessee or permittee, but such permission shall be granted only in writing and may be revoked or changed at any time upon notice to the permittee or lessee.

(Pub. Res. C., secs. 6108, 6301, 6891, 6897 and 6992.)

Sec. 5.11. Any member of the commission or representative of the commission shall be permitted free access to all parts of the property of any permittee or lessee when in the performance of duties required by the commission, and may at any time inspect any and all books, records, and accounts of any permittee or lessee.

(Pub. Res. C., secs. 6108, 6301, 6891, 6897 and 6992.)