

A meeting of the State Lands Commission was held in Room 306, State Capitol, Sacramento, on July 18, 1946 at 9:30 A. M.

Present: Hon. James S. Dean, Chairman
Hon. Thomas H. Kuchel, Member

Absent: Hon. Frederick F. Houser, Member.

-1-

(Notice of Intention of the State Lands Commission to Receive Offers to Lease Lands in Owens Lake for the Extraction of Minerals) The Commission was informed that one bid had been received pursuant to the advertising of the Notice of Intention to Receive Offers to lease lands in Owens Lake for the extraction of minerals. The royalty provisions of this bid, submitted by the Pittsburgh Plate Glass Company, are as follows:

1. Fifty cents (50¢) per ton on such minerals extracted and sold from the date of the lease throughout the balance of the calendar year 1946;
2. In the event the Legislature of the State of California does not, during the year 1947, increase the royalty payable to the State for minerals covered by Section 6966 of the Public Resources Code of said State, the State shall refund to Lessee the difference between the amount of royalty paid by Lessee to the State on account of minerals taken and sold hereunder during the year 1946 and the amount of such royalties computed at the rate prescribed by said section of said Code;
3. Commencing January 1, 1947 and continuing thereafter throughout the term of this lease and any renewal or renewals thereof, such royalty shall be at a rate per ton equivalent to the rate from time to time prescribed by Section 6966 of the Public Resources Code of the State of California or any lawful enactment in lieu thereof with respect to leases or renewals thereunder; provided, however, that such royalty shall not exceed the greater of (a) the sum of 50¢ per ton or (b) 2% of the weighted average sales price per ton f.o.b. Lessee's plant at Bartlett, California, of the aggregate of all minerals and mineral products extracted from the leased premises and sold; provided, further that in no event shall such royalty exceed the lowest royalty due or to become due to the State under any lease for taking minerals from the waters of any stream or lake or from any lands withdrawn from sale by Section 6962 of the Public Resources Code.

Upon motion duly made and unanimously carried, the Commission authorized the execution and issuance to Pittsburgh Plate Glass Company of lease No. P.R.C. 210 for a period of twenty years with option to renew at such terms and conditions as may be prescribed by law at the time of renewal, for the extraction of minerals from Owens Lake.

The annual rental under this lease is to be \$207.19, such rental payments to be a credit against the royalties as they accrue, the royalties to be in accordance with the bid submitted. The lessee is to file with the Commission a surety bond in the amount of \$5,000.00 to guarantee performance under the lease and removal of structures built on the leased land during the term of the lease or any extension thereof.

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