

63. WITHDRAWAL OF 640 ACRES SCHOOL LAND IN SAN BERNARDINO COUNTY FROM PUBLIC SALE BECAUSE OF MINERAL POTENTIAL; CANCELLATION OF APPLICATIONS AND REFUND OF DEPOSITS TO RICHARD MERRIAM AND GILDRED BUILDING COMPANY - S-8108.

During consideration of Calendar Item No. 8 attached, the Executive Officer informed the Commission that a letter had been received from Philip L. Gildred, President of the Gildred Building Company, dated November 6, 1969, stating "It is our hope that a decision in our favor will be made by the Commission inasmuch as the mineral rights of the land in question are reserved for the State. In any case, such land as is known to have mineral content could be segregated and the balance of the land on the application could be allotted to us." The Executive Officer pointed out that any encumbrance of the surface of the land would be a detriment to mineral development.

Richard Merriam an applicant for the land, appeared personally, indicated that he especially wanted the North Half of the section in question, and asked if it would be possible to withdraw only the South Half from sale and award sale of the North Half to him. Here again, the Executive Officer pointed out that the surface of the land would be needed for possible mineral development.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, IN THE BEST INTERESTS OF THE STATE:

1. AUTHORIZES CANCELLATION OF APPLICATION 11676, LOS ANGELES LAND DISTRICT, AND AUTHORIZES FULL REFUND OF DEPOSITS TO THE APPLICANT, RICHARD MERRIAM.
2. AUTHORIZES CANCELLATION OF APPLICATION 11677, LOS ANGELES LAND DISTRICT, AND AUTHORIZES FULL REFUND OF DEPOSITS TO THE APPLICANT, GILDRED BUILDING COMPANY.
3. WITHDRAWS SECTION 16, T. 17 N., R. 13 E., S.B.M., FROM PUBLIC SALE TO ALLOW MAXIMUM REALIZATION OF ITC MINERAL POTENTIAL.

Attachment

Calendar Item 8 (2 pages)

WITHDRAWAL OF VACANT SCHOOL LAND FROM PUBLIC SALE

On December 11, 1961, Mr. Richard H. Merriam filed an application to purchase State school land described as all of Section 16, T. 17 N., R. 13 E., S.B.M., containing 640 acres in San Bernardino County. On January 10, 1962, an application to purchase the same land was filed by Gildred Building Company, a California corporation. Each applicant offered \$2 per acre, or a total of \$1,280, plus the expense deposit and filing fee of \$105 required under the Commission's regulations. These two applications were the continuation of a series of applications that were on record for the parcel at the time the Commission's moratorium on land sales became effective May 24, 1960. An earlier application, which was filed May 10, 1960, was withdrawn by the applicant on July 15, 1963.

While appraising the land under the earliest application, it was discovered that a mining operation for extraction of fluorite ore was being conducted, indicating a possible trespass and unauthorized removal of minerals from State land. Accordingly, the Commission, at its meeting held September 14, 1961, directed the Executive Officer to request the Attorney General to proceed with such legal action as might be necessary to clear the trespass. The applicants were notified and given information as to the probable length of time that would be required to resolve the trespass problem. The two applicants elected to have their applications continue in good standing pending outcome of the litigation, and have left the money on deposit with the State.

A quiet title action was brought in the Superior Court of San Bernardino County, and a request for a patent was made to the Bureau of Land Management. The State was successful in the quiet title action and has now received the United States patent.

Investigations made to aid in the litigation revealed that the property has mineral potential. The following is an excerpt from a report made by the Mineral Resources Staff of the Division.

"Within the easterly portion of the section is an exposure of fluorspar which strikes in a north-south direction. In the vicinity of the old Pacific Fluorite operation (which worked the deposit) is an exposure of fluorspar which is approximately 10 feet thick and 100 feet long. An estimation is that there exists at least 10,000 tons of high grade (45% CaF_2) fluorspar and 20,000 tons of low grade (35% CaF_2) fluorspar. There are 30,000 proven tons and approximately 100,000 tons in place."

"According to Eisenhauer Laboratories, the ore from this vicinity runs 35% to 45% CaF_2 on the average. Pacific Fluorite during their operation had enriched this ore to acid grade (97%) to be used commercially."

"The presence of this deposit of fluorspar within the section and the exposure of the Goodsprings Dolomite, which itself has commercial value, classifies the area as one having reasonable mineral potential. Further highway construction is under consideration which would make the section more accessible to the market."

CALENDAR ITEM 8. (CONTD.)

The Mineral Resources Staff advises that a sale of the land would not be in the best interests of the State and recommends that the land be withdrawn from public sale.

IT IS RECOMMENDED THAT THE COMMISSION, IN THE BEST INTERESTS OF THE STATE:

1. AUTHORIZE CANCELLATION OF APPLICATION 11676, LOS ANGELES LAND DISTRICT, AND AUTHORIZE FULL REFUND OF DEPOSITS TO THE APPLICANT, RICHARD MERRIAM.
2. AUTHORIZE CANCELLATION OF APPLICATION 11677, LOS ANGELES LAND DISTRICT, AND AUTHORIZE FULL REFUND OF DEPOSITS TO THE APPLICANT, GILDRED BUILDING COMPANY.
3. WITHDRAW SECTION 16, T. 17 N., R. 13 E., S.B.M., FROM PUBLIC SALE TO ALLOW MAXIMUM REALIZATION OF ITS MINERAL POTENTIAL.