

MINUTE ITEM

2/27/75  
JFS

9. AWARD OF MINERAL EXTRACTION LEASE, SOVEREIGN LAND IN OWENS LAKE, INYO COUNTY; MORRISON AND WEATHERLY CHEMICAL PRODUCTS - W 9514, PRC 4996.

After consideration of Calendar Item 7 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE ISSUANCE OF A MINERAL EXTRACTION LEASE TO MORRISON AND WEATHERLY CHEMICAL PRODUCTS, THE HIGHEST QUALIFIED BIDDER, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE; ON 4,120 ACRES OF SOVEREIGN LANDS IN OWENS LAKE, INYO COUNTY, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; AT A ROYALTY DETERMINED IN ACCORDANCE WITH THE FORMULA  $R = 0.10 (C - 0.04M)$  1.0 PER TON FOR ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE PROPOSED LEASE AREA ON OWENS LAKE. THE MINIMUM ROYALTY SHALL BE NINETY CENTS (\$0.90) PER TON, AND THE ANNUAL RENTAL SHALL BE \$2.50 PER ACRE.

Attachment:

Calendar Item 7 (3 pages)

CALENDAR ITEM

7.

2/75  
JFS  
W 9514

AWARD OF MINERAL EXTRACTION LEASE

APPLICANT: Morrison and Weatherly Chemical Products.

AREA, TYPE LAND AND LOCATION:  
4,120 acres of sovereign land in Owens Lake, Inyo County.

MINERAL: Trona.

BID OPENING DATE: December 20, 1974.

SUCCESSFUL BIDDER: Morrison and Weatherly Chemical Products.

BID: B = 1.0 to be applied to the royalty formula.

R = 0.10 (C - 0.04M) 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.

The minimum royalty payment to the State shall be \$0.90 per ton for all materials extracted and sold from the proposed lease area on Owens Lake. The minimum extraction shall be 10,000 tons per year.

The Morrison and Weatherly bid was the only bid received.

OTHER PERTINENT INFORMATION:

1. At the Commission meeting of November 21, 1974 (Minute Item 29, page 1054), the Commission made a finding that a mineral extraction lease in the area under application would not have a significant effect on the environment (EIR 162).
2. A notice inviting bids was published twice in the Los Angeles Daily Journal on November 29, 1974, and December 6, 1974, and twice in the Inyo Register on November 28, 1974, and December 5, 1974.

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3. The Office of the Attorney General has reviewed and approved the bid of Morrison and Weatherly Chemical Products as to compliance with the Commission's proposal to enter into a mineral extraction lease on those specified sovereign lands in Owens Lake and as to compliance with applicable provisions of law and the rules and regulations of the Commission.

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

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ISSUANCE OF A MINERAL EXTRACTION LEASE TO MORRISON AND WEATHERLY CHEMICAL PRODUCTS, THE HIGHEST QUALIFIED BIDDER, IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 6 OF THE PUBLIC RESOURCES CODE; ON 4,120 ACRES OF SOVEREIGN LANDS IN OWENS LAKE, INYO COUNTY, MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF; AT A ROYALTY DETERMINED IN ACCORDANCE WITH THE FORMULA  $R = 0.10 (C - 0.04M) 1.0$  PER TON FOR ALL MINERALS EXTRACTED AND/OR PRODUCED AND/OR SOLD FROM THE PROPOSED LEASE AREA ON OWENS LAKE. THE MINIMUM ROYALTY SHALL BE NINETY CENTS (\$0.90) PER TON, AND THE ANNUAL RENTAL SHALL BE \$2.50 PER ACRE.

Attachment: Exhibit "A"

EXHIBIT "A"

W 9514

ALL MDM

1. NE $\frac{1}{4}$  NW $\frac{1}{4}$  & NW $\frac{1}{4}$  NE $\frac{1}{4}$  & W $\frac{1}{2}$  W $\frac{1}{2}$  - Section 36, T 17 S, R 37 E
2. E $\frac{1}{2}$  & SW $\frac{1}{4}$  - Section 35, T 17 S, R 37 E
3. NE $\frac{1}{4}$  NE $\frac{1}{4}$  & W $\frac{1}{2}$  NE $\frac{1}{4}$  & NW $\frac{1}{4}$  & SW $\frac{1}{4}$  SW $\frac{1}{4}$  - Section 2, T 18 S, R 37 E
4. E $\frac{1}{2}$  & SW $\frac{1}{4}$  - Section 3, T 18 S, R 37 E
5. N $\frac{1}{2}$  & SW $\frac{1}{4}$  - Section 10, T 18 S, R 37 E
6. All of Section 9, T 18 S, R 37 E
7. All of Section 8, T 18 S, R 37 E
8. N $\frac{1}{2}$  - Section 17, T 18 S, R 37 E
9. N $\frac{1}{2}$  - Section 16, T 18 S, R 37 E
10. NW $\frac{1}{4}$  - Section 15, T 18 S, R 37 E

EXCEPTING THEREFROM the following portions of Sections 8, 9, 17, T 18 S, R 37 E, that comprise the greater portion of PRC 2967.

Situated in the County of Inyo, State of California, parcels of land 100 feet wide, 50 feet on each side of the following-described centerlines:

PARCEL No. 1:

BEGINNING at the southeast corner of the northeast quarter of the southeast quarter of Section 5, T 18 S, R 37 E, MDM, and running thence S 33° 07' E, a distance of 5,000 feet.

PARCEL No. 2:

BEGINNING at a point which bears S 33° 07' E, 500 feet and S 26° 32' W, 57.94 feet from the southeast corner of the northeast quarter of the southeast quarter of Section 5, T 18 S, R 37 E, MDM, and running thence S 26° 32' W, a distance of 6,942.06 feet.

PARCEL No. 3:

BEGINNING at a point which bears S 33° 07' E, 3,400 feet and S 26° 32' W, 57.94 feet from the southeast corner of the northeast quarter of the southeast quarter of Section 5, T 18 S, R 37 E, MDM, and running thence S 26° 32' W, a distance of 6,942.06 feet.

The total length of the above-described centerlines is 18,884.12 feet. The total area of lands defined is 43.35 acres, more or less.