

MINUTE ITEM

This Calendar Item No. C39 was approved as Minute Item No. 39 by the California State Lands Commission by a vote of 3 to 0 at its 2/2/04 meeting.

CALENDAR ITEM

C39

A 34

02/02/04

S 18

PRC 2976.1

S.Young

REVISION OF RENT

LESSEE:

U.S. Borax, Inc.
26877 Tourney Road
Valencia, CA 91355

AREA, LAND TYPE, AND LOCATION:

204 acres, more or less, of sovereign lands on the west side of the dry lake bed of Owens Lake, south of Lone Pine, Inyo County.

AUTHORIZED USE:

Continued use and maintenance of five parcels of sovereign land for a mineral processing site and access roads used in conjunction with the Lessee's mineral lease at Owens Lake.

LEASE TERM:

Ten years, beginning August 1, 1998.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$8,736 per year to \$10,116 per year, effective August 1, 2004.

The recommended adjustment of rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

OTHER PERTINENT INFORMATION:

1. Lease No. PRC 2976.1 was originally issued to Morrison & Weatherly Chemical Products (Morrison and Weatherly) effective January 24, 1963. Morrison & Weatherly subsequently assigned this lease and related Right-of-Way Lease No. PRC 3511.1 to Lake Minerals Corporation (Lake

CALENDAR ITEM NO. C39 (CONT'D)

Minerals) on January 24, 1980. On August 1, 1978, Lake Minerals, through a competitive bid, was awarded Mineral Extraction Lease No. PRC 5464.1 that is served by PRC 2976.1 and PRC 3511.1. In 1998, Lake Minerals subsequently assigned 100% of its interest in these leases to U.S. Borax, Inc.

2. PRC 2976.1 is for existing access roadways and a mineral-processing site which are located on five contiguous parcels totaling 204 acres of sovereign lands on the west side of the dry lake bed of Owens Lake, south of Lone Pine, Inyo County. This lease serves Mineral Extraction Lease No. PRC 5464.1 from which the Lessee is authorized to extract the industrial mineral trona from the dry lakebed of Owens Lake. The trona is processed at the mineral-processing site covered under PRC 2976.1. Trona is used in refining boron minerals for the manufacture of glass, paint, soaps and other products.

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

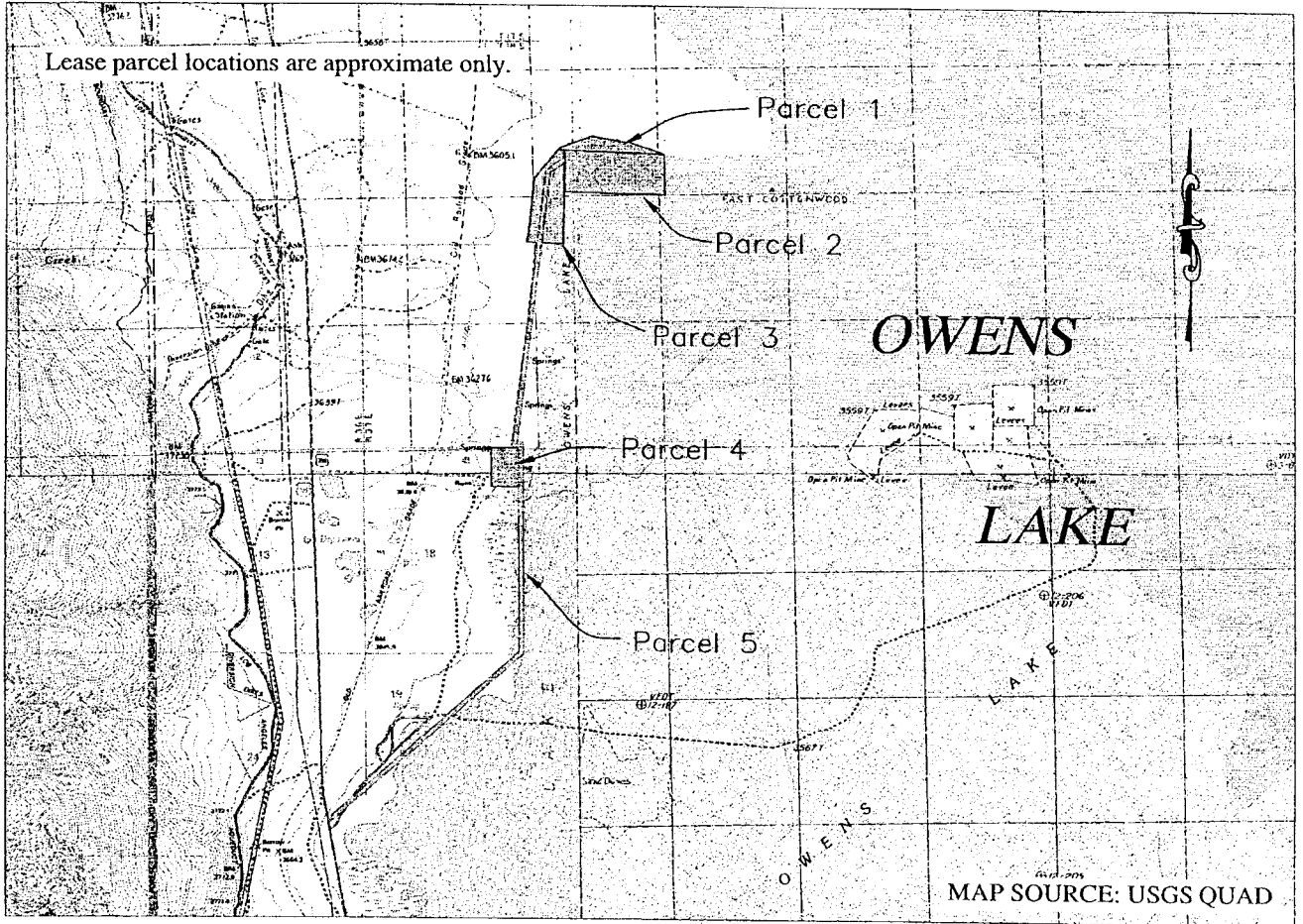
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 2976.1 FROM \$8,736 PER YEAR TO \$10,116 PER YEAR, EFFECTIVE AUGUST 1, 2004.

NO SCALE

SITE



U.S. BORAX, INC.

NO SCALE

LOCATION

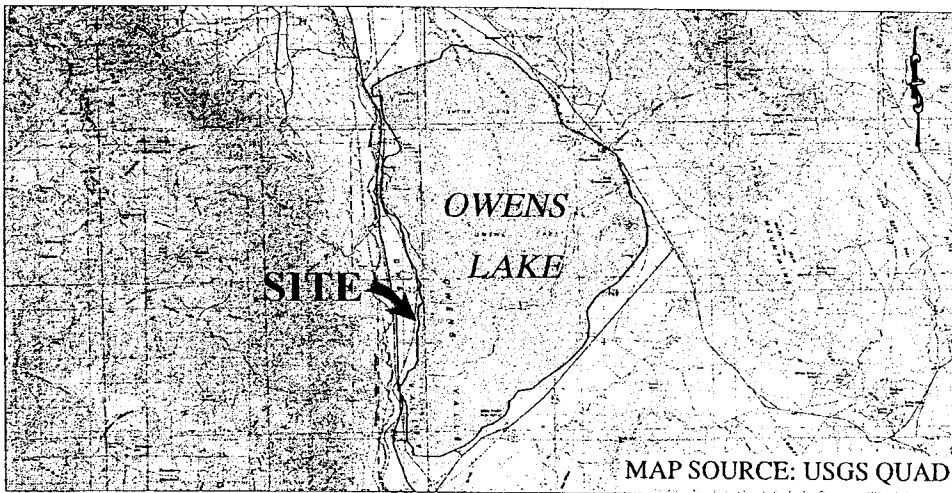


Exhibit A

PRC 2976.1

GENERAL LEASE
INDUSTRIAL USE

OWENS LAKE
INYO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

MMB 01/08/04

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CALENDAR PAGE

000205

MINUTE PAGE