

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Capitol, Sacramento, at 10:00 o'clock A. M., November 13, 1940.

Present were:

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

Absent was:

Ellis E. Patterson, Member.

Mr. A. P. Ireland of the Sacramento office of the State Lands Commission presented to the Commission a letter from the State Mineralogist as follows:

"If your '5% royalty' is calculated on the net value after the allowable deductions listed, it can be considered a fair figure. Otherwise, I would suggest 10% on the gross value before deductions."

bearing upon bids heretofore received by the Commission from Paul Kraft and Harold Tripp for leases to extract manganese from lands of the State in Stanislaus County.

Upon motion of Mr. Riley, seconded by Mr. Killion, and unanimously carried, a resolution was adopted rejecting said bids of Paul Kraft and Harold Tripp for leases to extract manganese from lands of the State of California described as follows:

Paul Kraft - NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 36, T. 4 S.,
R. 5 E., M. D. M., and NW $\frac{1}{4}$ of SW $\frac{1}{4}$
of Section 36, T. 4 S., R. 5 E.,
M. D. M.,

Harold Tripp - SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 36, T. 4 S.,
R. 5 E., M. D. M., and SE $\frac{1}{4}$ of NW $\frac{1}{4}$
of Section 36, T. 4 S., R. 5 E.,
M. D. M.,

and the Executive Officer was directed to advise said bidders that the Commission would again authorize the publication of notice for bids should the applicants so desire.

The State Lands Commission was informed of a request from one W. A. Leeper, 2095 Genevieve Street, San Bernardino, California, that the hereinafter described lands of the State of California in San Bernardino County be offered for leases to extract tungsten therefrom, and that it appeared from evidence furnished by W. A. Leeper that said lands, or portions thereof, contain tungsten in commercial quantities and should, therefore, be classified as containing commercially valuable mineral deposits, that the Executive Officer thereupon proceeded to give notice of intention of the State Lands Commission to invite bids for leases.

Upon motion of Mr. Riley, seconded by Mr. Killion, and un-animously carried, a resolution was adopted in confirmation of action taken by the Executive Officer, in words and figures as follows, to wit:

RECITAL:

The State Lands Commission is authorized by the "State Lands Act of 1938" to lease lands belonging to the State which have been classified by the Commission as lands containing commercially valuable mineral deposits to the highest responsible bidder by competitive bid in areas not exceeding 80 acres and tracts which will not exceed in length two and one-half times the width;

NOW THEREFORE BE IT RESOLVED That it appears to, and is hereby the determination of, the State Lands Commission, that tungsten is known to be contained in the hereinafter described lands of the State of California and said lands are hereby classified as containing a commercially valuable mineral deposit;

That it is the determination of the Commission that such action be taken in the manner contemplated and authorized by the "State Lands Act of 1938" to lease the hereinafter described lands of the State of California;

That each bid submitted pursuant to this notice shall be accompanied by a certified or cashier's check of a responsible bank in California payable to the Treasurer of the State of California in the sum of \$200, as a deposit of evidence of good faith, and except in the case of the successful bidder or bidders will be returned to the respective bidders. Should the successful bidder fail or refuse to execute the lease within fifteen days of the award thereof by the Commission, 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, be refunded to the lessee;

That bids received pursuant to this notice will be publicly opened at 10 o'clock A. M., November 13, 1940, at Room 336 State Capitol, Sacramento, California, or at such later time, date and place as the Commission shall determine;

That a form of lease prepared by the Commission entitled "State Mineral Lease No. ____" is hereby adopted by the Commission and shall constitute the form of bid for each of the parcels of the hereinafter described lands of the State of California;

That the Executive Officer of this Commission be, and as is hereby, authorized and directed to publish notice of intention to offer said parcels of the hereinafter described lands of the State of California for the purpose of extraction of tungsten therefrom, in words and figures as follows, to wit:

NOTICE OF INTENTION OF THE STATE LANDS COMMISSION
TO RECEIVE OFFERS TO ENTER INTO LEASES FOR

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THE EXTRACTION OF MANGSTEN FROM CERTAIN LANDS OF THE
STATE SITUATE IN SAN BERNARDINO COUNTY, CALIFORNIA.

Notice is hereby given by the State Lands Commission, acting pursuant to the "State Lands Act of 1938" (Chapter 5, Statutes of California, 1938, extra session), of intention to enter into leases for the purpose of extraction of tungsten upon those certain parcels of real property situate in the County of San Bernardino, State of California, and more particularly described as follows, to wit:

N $\frac{1}{2}$ of Section 36, T. 14 N., R. 15 E., S. B. 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 Treasurer of 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. Should the successful bidder or bidders fail or refuse to execute the lease within fifteen (15) days of the award thereof by the commission, 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 554 Business & Professions Building, Sacramento, on or before 5 o'clock P. M., of the 12th day of November, 1940. Upon the sealed envelope containing such bids 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 tungsten from State lands in the County of San Bernardino, State of California".

Leases may be issued to qualified applicants in areas not exceeding 80 acres and in tracts which shall not exceed in lengths two and one-half times the widths.

Bids received pursuant to this notice will be publicly opened at 10 o'clock A. M., November 13, 1940, in Room 306 State Capitol, Sacramento, 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 Webb Shadle,
Executive Officer.

That those certain parcels of lands of the State of California situate in the County of San Bernardino, State of California, are more specifically described as follows, to wit:

N $\frac{1}{2}$ of Section 36, T. 14 N. - R. 15 E., S. B. M.

Mr. A. P. Ireland of the Sacramento office of the State Lands Commission presented four bids for leases to extract tungsten from lands of the State of California described as follows:

W. A. Leeper

W $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 36,

T. 14 N., R. 15 E., S. B. M.,

Mrs. Margie Word

W $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 36,

T. 14 N., R. 15 E., S. B. M.,

Mrs. Grace Leeper

E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 36,

T. 14 N., R. 15 E., S. B. M.,

S. A. Leeper

E $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 36,

T. 14 N., R. 15 E., S. B. M.,

and requested consent of the Commission to publicly open said bids.

Upon motion of Mr. Riley, seconded by Mr. Killion, and un-animously carried, resolution was adopted authorizing and directing Mr. Ireland to open said bids and to read same to the Commission. Thereupon Mr. Ireland opened said bids and reported to the Commission as follows:

That W. A. Leeper for W $\frac{1}{2}$ of NE $\frac{1}{4}$.

Mrs. Margie Word for W $\frac{1}{2}$ of NW $\frac{1}{4}$,

Mrs. Grace Leeper for E $\frac{1}{2}$ of NW $\frac{1}{4}$, and

S. A. Leeper for E $\frac{1}{2}$ of NE $\frac{1}{4}$, of said Section 36,

had each bid royalties as follows:

5% of the gross value on ore analyzing up
to 1% WO_3 ;

10% of the gross value on ore analyzing above
1% to and including 2% WO_3 ;

15% of the gross value on ore analyzing above
2% WO_3 .

A letter from the State Mineralogist was read to the Commission as follows:

"Answering your question in our verbal conference of today concerning a fair royalty on low-grade tungsten ore on state land which you desire to lease in eastern San Bernardino County, I would suggest some such a graded schedule as the following:

5% of gross value on ore analyzing up to 1% WO_3 .
10% of gross value on ore analyzing from 1% to 2% WO_3 .
15% of gross value on ore analyzing above 2% WO_3 .

Upon motion of Mr. Riley, seconded by Mr. Killion, and unanimously carried, a resolution was adopted awarding leases to the bidders and at the royalties hereinbefore mentioned, and in accordance with the "State Lands Act of 1938" and rules and regulations of the Commission, and the Executive Officer was directed to execute said leases in the name of the State of California upon behalf of the State Lands Commission and to do such other things as are required to consummate said transactions.

Mr. L. J. Brunel, Vice President-General Manager of the Bishop Oil Company, and H. C. Maginn, General Manager of the Calaveras Cement Company, requested permission to present an offer to the State Lands Commission upon behalf of the Calaveras Cement Company for gas pipe line easement over navigable streams of the State for the purpose of transporting gas from the Rio Vista Gas Field to San Andreas, the site of the plant of the Calaveras Cement Company. According to these applicants, in this offer the State Lands Commission would receive 6% of all the gas transported through such pipe lines which would be in addition to 12½% royalty heretofore agreed to be paid to the Reclamation Board. The Commission requested that Mr. Brunel and Mr. Maginn present the offer in the form of a memorandum in order that it might be considered by the Commission.

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