

The acreage here involved adjoins the meander line of Owens Lake. The land itself is covered with sage brush, some willows and tules, which vegetation is supported by springs during the wetter part of the year.

The applicant has offered \$.30 per acre per year.

Appraisal by the Commission's staff indicates that the offer made for grazing purposes is adequate.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THAT A FIVE YEAR GRAZING LEASE BE ISSUED TO MR. BEV HUNTER AT AN ANNUAL RENTAL OF \$.30 PER ACRE AND THAT THE APPLICANT BE REQUIRED TO PAY THE FIRST AND LAST YEARS' RENTAL AT THE TIME OF EXECUTION OF THE LEASE.

14. (GRAZING LEASE APPLICATION NO. P.R.C. 1206, INYO COUNTY, BEV HUNTER - SAC. W.O. 5225) The Commission was informed that application has been received from Mr. Hunter of Olancho, California, for a grazing lease for a term of five years on the following described land:

Commencing at the U. S. meander corner of Sections 7 and 18, T. 18 S., R. 37 E., M.D.M.; thence S. 89° 14' E., 700 feet along the projected section line of Sections 7 and 18 to the true point of beginning; thence S. 89° 14' E., 26 feet to the easterly quarter-quarter corner on the projected north line of Section 18; thence S. 0° 15' W., 5280 feet along the easterly quarter-quarter section line to the projected south line of Section 18; thence N. 89° 14' W., 726 feet along said south line to the U. S. meander corner of Sections 18 and 19; thence N. 0° 15' E., 4280 feet to the southwest corner of the area embraced in State Lands Commission lease designated "P.R.C. 306"; thence S. 89° 14' E., 700 feet; thence N. 0° 15' E., 1000 feet to the true point of beginning, containing 71.93 acres, said area being a portion of the E $\frac{1}{2}$ of W $\frac{1}{2}$ of E $\frac{1}{2}$ of Section 18, T. 18 S., R. 37 E., M.D.M., within the meander line of Owens Lake, Inyo County. The land has been advertised for lease and no other applications have been received. We are informed by the Assessor of Inyo County that this land if assessed, would receive an assessment of \$2.00 per acre for grazing purposes; thus appraising it at \$4.00 per acre. The applicant has offered twenty cents per acre per year.

The land herein described is lakeward of the meander line of Owens Lake. The vegetation is sagebrush, willows, and some coarse graze, which is supported by springs that flow during the winter and early spring. It cannot be used for year-around grazing.

Appraisal by the Commission's staff, indicates the offer made for grazing purposes is adequate.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THAT A FIVE YEAR GRAZING LEASE BE ISSUED TO MR. HUNTER AT AN ANNUAL RENTAL OF TWENTY CENTS PER ACRE AND THAT THE APPLICANT BE REQUIRED TO PAY THE FIRST AND LAST YEARS' RENTAL AT THE TIME OF EXECUTION OF THE LEASE.

15. (APPLICATION FOR LEASE VACANT SCHOOL LAND, INYO COUNTY, MERLE F. OTTO - W.O. 694, P.R.C. 516) The Commission was informed that an application has been received from Mr. Merle F. Otto of Trona, for the lease of 90 acres of vacant school land in Section 36, T. 23 S., R. 42 E., M.D.B. & N., Inyo County, for use as a camp and mill site and for other operations in connection with Mineral Lease P.R.C. 224, also held by Mr. Otto. The lease is requested for the W $\frac{1}{2}$ of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$, the S $\frac{1}{2}$ of the

NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$, the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$, the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ and the N $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, all in Section 36, T. 23 S., R. 42 E., M.D.M., containing approximately 90 acres, for an initial term of one year with an option on the part of the Lessee to renew annually for 11 additional periods of one year each. The land applied for is sand wash and barren hillside without any developed water, with a probable maximum surface value of \$5.00 per acre. Based on this figure the computed annual rental would be \$27.00 and therefore the regulatory annual minimum rental of \$50.00 would apply to the lease issued. Due to the remote and isolated location of the lands to be leased, it is not felt that the contemplated use of such lands as a camp and mill site will result in any structures for which a removal bond should be required.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO MERLE F. OTTO A LEASE OF 90 ACRES OF VACANT SCHOOL LAND IN SECTION 36, T. 23 S., R. 42 E., M.D.B. & M., INYO COUNTY, IN ACCORDANCE WITH THE ABOVE DETAILED APPLICATION, FOR USE AS A CAMP AND MILL SITE AND FOR OTHER OPERATIONS IN CONNECTION WITH MINERAL LEASE P.R.C. 224, FOR AN INITIAL TERM OF ONE YEAR, AT AN ANNUAL RENTAL OF \$50.00 AND THE OPTION ON THE PART OF THE LESSEE TO RENEW THE LEASE ANNUALLY FOR 11 ADDITIONAL PERIODS OF ONE YEAR EACH. THE LEASE IS TO PROVIDE FOR REMOVAL OF ANY STRUCTURES ON THE DEMISED PREMISES AT THE TERMINATION OF THE LEASE OR THE OPTION ON THE PART OF THE STATE TO ACCEPT TITLE TO THE STRUCTURES AT NO COST. NO PERFORMANCE BOND IS TO BE REQUIRED.

16. (PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, GUADALUPE AREA, SAN LUIS OBISPO AND SANTA BARBARA COUNTIES - W.O. 296) The Commission was informed that on December 21, 1949 (Minute Item 16, Page 1046) the Commission authorized staff review of all factors, and submission of a recommendation as to any further action relative to lease of tide and submerged lands in the Guadalupe area. The factors of current poor market and prices for low gravity oil reported on December 21, 1949, as contributory to the lack of bidding for a State oil and gas lease, have continued. The additional factor that the then developer of the adjoining uplands was desirous of disposing of the upland holdings because of the unsatisfactory economic conditions has resulted in the quitclaim by the Continental Oil Company of the upland lease as of November 25, 1949, and the sale of all well equipment as of March 3, 1950. At the time of quitclaim all well production was suspended, the average at that time having been approximately six barrels per well per day. The purchasers of the well equipment (Thornbury Drilling Company and W. Geis) are attempting to recondition the wells and restore them to production. This group have secured production rights from the upland owners as to the existing wells but do not have any rights for additional area development or slant drilling into adjoining tide and submerged lands. Mr. W. Geis has reported that his group would have only a casual interest in the event that the area of tide and submerged lands previously offered for lease were again offered for bid.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THAT FURTHER ACTION ON THE PROPOSED OIL AND GAS LEASE ON TIDE AND SUBMERGED LANDS IN THE GUADALUPE AREA, SAN LUIS OBISPO AND SANTA BARBARA COUNTIES, BE DEFERRED UNTIL DEVELOPMENT APPEARS TO BE WARRANTED BY REASON OF DRAINAGE OF THE TIDE AND SUBMERGED LANDS FROM THE ADJOINING UPLAND IN A MAGNITUDE SUFFICIENT TO JUSTIFY ECONOMICAL DEVELOPMENT OF THE ADJOINING TIDE AND SUBMERGED LAND.

17. (REQUEST FOR DISCHARGE OF ACCOUNTABILITY RE THE FOLLOWING LEASE: LEASE NO. 735, CHAPTER 493/17, HERMAN AKERS, GRAZING LEASE - W.O. 358) The Commission was informed that Lease 735, Chapter 493/17, Herman Akers, was cancelled by the State Lands Commission June 25, 1945, for failure to pay the third annual rental of \$16.00 when due. The office of the Attorney General has made efforts to collect this rental