1. PERIOD OF PERMIT TO BE FOR A FIVE YEARS' MAXIMUM.

2. FILING FEE OF FIVE DOLLARS AND CONSIDERATION OF $15.00 TO COVER THE PERMIT TERM SHALL BE PAID AT TIME OF RECEIPT OF FORMAL APPLICATION.

3. NO BOND REQUIREMENTS.

4. WATERS OCCUPIED TO BE KEPT FREE OF POLLUTION AND CONTAMINATION.

5. LESSEE TO REMOVE ANY STRUCTURES AT TERMINATION OR EXPIRATION OF PERMIT AT HIS EXPENSE.

6. ALL OTHER APPLICABLE PROVISIONS OF STANDARD LEASE FORM.

27. (APPLICATION TO PURCHASE MINERAL RESERVATION, STANDARD PAPER BOX CORPORATION AND MADSEN RANGE COMPANY, LOS ANGELES COUNTY - W.O. 676) The Commission was informed that an application has been made by the Standard Paper Box Corporation and the Madsen Range Company, Incorporated, to purchase the mineral reservation of the State of California in the following described land:

Lots 12, 13, 14 and 15, Block J of the Day Star Tract in the City of Vernon as per map recorded in Book 25, Page 66 Miscellaneous Records, County Recorder of Los Angeles.

The application is made pursuant to Section 6406 of the Public Resources Code which authorizes the Commission to sell such reservation made heretofore. The subject lands were seized by the State and sold by the Controller to the Standard Paper Box Corporation July 19, 1945, pursuant to Section 7891 of the Revenue and Taxation Code, which section concerns seizure of land for delinquencies in payment of the Motor Vehicle License Tax. The deed from the State Controller to the Standard Paper Box Corporation specifies that it "excepts and reserves to the State of California all deposits of minerals, including oil, gas, and other hydrocarbons in said real property and the right of the State of California or persons authorized by the State of California to prospect for, mine, and remove such deposits from said real property."

The sale of these lands from the Standard Paper Box Corporation to the Madsen Range Company, Inc., is now in escrow. The mineral potentialities of the subject land in surrounding area have been reviewed by the Staff with the following conclusions:

1. Seven wild cat wells drilled between 1923 and 1948, between 1 and 5 miles from the subject property, have failed to demonstrate any commercial oil and gas production.

2. The Baldwin Hills oil field 7½ miles west of Vernon, and the Los Angeles City field 5 miles north of Vernon, have been the closest localities of commercial production of oil and gas.

3. The surface material in the area is alluvium deposited by the Los Angeles River consisting of sands, clay and gravel. These deposits have been mined elsewhere in the locality.

4. The city of Vernon adopted Ordinance 412 July 1928, stating, "It is unlawful to erect, maintain, or construct any derrick, machine or device for the drilling or bringing to the surface oil or gas, other than those already existing at the time this ordinance was passed."

5. The subject area has no known particular mineral value except for sand and gravel which value is eliminated practically by the industrial concentration in the city of Vernon and the utilization of the subject lands as a manufacturing site.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE A GRANT DEED, PURSUANT TO SECTION 6406 PUBLIC RESOURCES CODE, FOR THE SUM OF $10.00, TO THE STANDARD PAPER BOX CORPORATION FOR THE MINERAL RESERVATION PREVIOUSLY MADE BY THE STATE CONTROLLER ON JULY 19, 1945, IN THE CONVEYANCE OF LOTS 12, 13, 14 AND 15 OF BLOCK J OF DAY STAR TRACT, CITY OF VERNON, AS PER MAP RECORDED IN BOOK 25, PAGE 66 MISCELLANEOUS RECORDS, COUNTY RECORDER OF LOS ANGELES COUNTY. THE GRANT DEED IS TO BE ISSUED IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED BY THE COMMISSION FOR THE DISPOSITION OF RESERVED MINERAL RIGHTS IN LANDS NOT KNOWN TO CONTAIN MINERALS.

28. (APPLICATION FOR LEASE OF TIDE AND SUBMERGED LANDS, BEN C. GERWICK, INC., PETALUMA CREEK, SONOMA COUNTY - W.O. 664, P.R.C. 517) The Commission was informed that Ben C. Gerwick, Inc. of San Francisco has applied for lease of approximately 4.10 acres of tide and submerged lands in Petaluma Creek adjacent to McDonough Island, Sonoma County, for the installation of dolphins and mooring of barges. Very little of the area has a water depth greater than six feet. The land has been appraised by the staff of the Division at so low a value as to require the minimum annual rental of $50.00. Permit from the littoral owner has been received.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO BEN C. GERWICK, INC., A LEASE COVERING APPROXIMATELY 4.10 ACRES OF TIDE AND SUBMERGED LANDS IN PETALUMA CREEK ADJACENT TO McDONOUGH ISLAND, SONOMA COUNTY, FOR FIFTEEN YEARS AT AN ANNUAL RENTAL OF $50.00 WITH RIGHT OF RENEWAL FOR ONE ADDITIONAL PERIOD OF TEN YEARS AT SUCH RENTAL AS MAY BE DETERMINED PRIOR TO RENEWAL, THE LEASED AREA TO BE USED FOR THE INSTALLATION OF DOLPHINS AND MOORING OF BARGES, PERFORMANCE BOND OF $2,000. TO BE FURNISHED.

29. (APPLICATION OF UNITED STATES TO PURCHASE SCHOOL LANDS, PINE FLAT DAM AND RESERVOIR, TRACT NO. 41, FRESNO COUNTY - SAC. W.O. 5243) The Commission was informed that the Corps of Engineers, in connection with the construction of Pine Flat Dam and Reservoir on Kings River, have submitted to the Commission an option to purchase the SE¼ of Section 36, T. 12 S., R. 24 E., M.D.M., containing 160 acres.

Appraisal of this particular parcel of land has been made by the State Division of Forestry in connection with the proposed large acquisition heretofore presented to the Commission, (Minute Item 21). However, this particular piece of land has been excluded from the proposed exchange for the benefit of Forestry because it will be required in the construction of the Pine Flat Dam. The Division of Forestry's report is as follows:

> Appraised at a value of $800.00 for the entire 160 acres, being $5.00 per acre. 92 acres are grass and woodland in the national forest and 68 acres reservoir site. The ground is steep, slopes to reservoir and has a low recreational value because of the steep slopes and fluctuating water level and insufficient ground cover. Grazing value is only fair Spring range, with a cover of wild oats, burr clover and weeds.