

15. (WITHDRAWAL FROM SALE, SCHOOL LANDS ADJACENT TO OWENS LAKE AND MONO LAKE, INYO AND MONO COUNTIES - GEN. DATA, OWENS LAKE, AND W.O. 153.)

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE WITHDRAWAL FROM SALE OF SCHOOL LANDS IN:

$E\frac{1}{2}$ OF $N\frac{1}{2}$, $SW\frac{1}{4}$ OF $SW\frac{1}{4}$, $NE\frac{1}{4}$ AND $E\frac{1}{2}$ OF $SE\frac{1}{4}$ OF SECTION 16, T. 2 N., R. 26 E., M.D.M., MONO COUNTY, CONTAINING 360.00 ACRES;

$N\frac{1}{2}$ OF SECTION 36, T. 3 N., R. 26 E., M.D.M., MONO COUNTY, CONTAINING 320.00 ACRES;

ALL OF FRACTIONAL SECTION 19, T. 17 S., R. 37 E., M.D.M., INYO COUNTY, CONTAINING 15.45 ACRES;

LOT 1 (FRACTIONAL $NW\frac{1}{4}$ OF $NW\frac{1}{4}$) AND FRACTIONAL $NE\frac{1}{4}$ OF $SW\frac{1}{4}$ OF SECTION 30, T. 17 S., R. 37 E., M.D.M., INYO COUNTY, CONTAINING 51.00 ACRES;

FRACTIONAL $W\frac{1}{2}$ OF $E\frac{1}{2}$ OF SECTION 7, T. 18 S., R. 37 E., M.D.M., INYO COUNTY, CONTAINING 76.00 ACRES;

PENDING ULTIMATE CONCLUSION OF THE OWENS LAKE LITIGATION BETWEEN THE STATE AND THE CITY OF LOS ANGELES.

From time to time, and again on November 29, 1951, the Department of Water and Power of the City of Los Angeles has made informal application to purchase State school lands adjacent to Mono Lake and Owens Lake. The application contemplates that the land would be sold to the City of Los Angeles without advertising for competitive bids. These lands are possible plant sites for extraction of chemicals from the waters of Owens and Mono Lakes, and, in fact, the land in Section 30, T. 17 S., R. 37 E., M.D.M., is presently leased for grazing purposes. The whole purpose of the acquisition by the Department of Water and Power of the City of Los Angeles is to reduce possible liability for the possible further flooding of Owens Lake or for the further recession of the water level in Mono Lake due to diversion to the Los Angeles Aqueduct of streams that empty into Mono Lake. This matter has been discussed with the Attorney General's Office, and they concur in the withdrawal of this land from sale pending ultimate conclusion of the litigation. Land such as this, when acquired by the City of Los Angeles, would not be taxable under present State law by the respective county.

16. (SUPPLEMENTAL AGREEMENT WITH ATTORNEY GENERAL, CONTRACT NO. LC 21, \$15,000 - DEFENSE OF TIDELANDS - W.O. 721.)

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH THE ATTORNEY GENERAL SUPPLEMENTING AGREEMENT NO. LC 21, DATED JULY 1, 1951, AND PROVIDING THAT THE ALLOTMENTS SET FORTH IN SAID AGREEMENT BE INCREASED BY AN AMOUNT OF \$15,000.

The Attorney General has advised by letter dated December 13, 1951, that encumbrances placed against Contract No. LC 21, Defense of the State's Interest in its Tide and Submerged Lands, have exceeded the allotments of \$25,000 established in that contract by an amount of \$2,120. The item which resulted in this over-encumbrance was a payment of \$7,420, being one-half of the amount awarded by Order of the Supreme Court of November 26, 1951, for expenses and services of the

Special Master, W. N. Davis. Further hearings are anticipated under the Supreme Court Order of December 3, 1951, to the Special Master appointed by the Court, on the following questions:

"Question 1. What is the status (inland waters or open sea) of particular channels and other water areas between the mainland and offshore islands, and, if inland waters, then by what criteria are the inland water limits of any such channel or other water area to be determined?

"Question 2. Are particular segments in fact bays or harbors constituting inland waters and from what landmarks are the lines marking the seaward limits of bays, harbors, rivers and other inland waters to be drawn?

"Question 3. By what criteria is the ordinary low water mark on the coast of California to be ascertained?"

Since these hearings will result in further undetermined expenses, the Attorney General has requested that additional funds in the amount of \$15,000 be allotted for continuing the tideland case.

17. (APPLICATION FOR SUSPENSION OF PRODUCTION REQUIREMENTS, LEASES P.R.C. 273 AND P.R.C. 356, KAISER ALUMINUM AND CHEMICAL CORPORATION, OWENS LAKE.) The Commission has authorized heretofore the suspension of requirements for the production of minerals from leases P.R.C. 273 and P.R.C. 356 (Minute Pages 1155-1156, Item 31, two years' suspension, and Minute Pages 1379-1380, Item 26, one year's suspension). These suspensions were granted on the condition that the lessee pay to the State, on a quarterly basis, royalty equal to that which the lessee would pay had the minimum required tonnage of mineral been produced and sold from the lease, that the annual rentals be paid, and that the lessee perform all other conditions required under the respective leases. The lessee has again applied for an extension of the deferment of the production requirements under the aforesaid leases for an additional period of one lease year each. The lessee has also previously reported in conjunction with the prior deferment application that the expansion in the aluminum industry, which in turn will require increased quantities of raw materials, might not mature in the form of actual plants and operations until 1952.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO SUSPEND THE REQUIREMENTS FOR THE PRODUCTION OF MINERALS FROM LEASES P.R.C. 273 AND P.R.C. 356, AS SET FORTH IN PARAGRAPH (D), SECTION 2, OF THE AFORESAID LEASES, FOR THE LEASE YEARS JANUARY 8, 1952, TO JANUARY 7, 1953, AND MAY 19, 1952, TO MAY 18, 1953, FOR LEASES P.R.C. 273 AND P.R.C. 356 RESPECTIVELY, SUBJECT TO THE FOLLOWING CONDITIONS:

1. THAT THE LESSEE PAY TO THE STATE, ON A QUARTERLY BASIS, ROYALTY EQUAL TO THAT WHICH THE LESSEE WOULD PAY HAD THE MINIMUM REQUIRED TONNAGE OF MINERALS BEEN PRODUCED AND SOLD FROM THE LEASES.
2. THAT THE LESSEE PAY THE ANNUAL RENTALS REQUIRED UNDER THE LEASES, WHICH PAYMENTS ARE TO BE CONSIDERED AS A CREDIT AGAINST THE MINIMUM ROYALTY PAYMENTS SO MADE, IN ACCORDANCE WITH THE LEASE TERMS.
3. THE GRANT OF DEFERMENT SHALL NOT BE CONSTRUED AS RELIEVING THE LESSEE FROM ANY OF THE LESSEE'S OTHER CONTINUING OBLIGATIONS PROVIDED FOR IN LEASES P.R.C. 273 AND P.R.C. 356.