

A regular meeting of the State Lands Commission was held in Room 5100 State Capitol, Sacramento 14, California, on Thursday, October 7, 1954, at 9:15 a.m.

Present: Robert C. Kirkwood, Chairman
John M. Peirce, Member
Harold J. Powers, Member

Staff Members in Attendance:

Rufus W. Putnam, Executive Officer
J. Stuart Watson, Assistant Executive Officer
F. J. Hortig, Mineral Resources Engineer
Julia T. Stahl, Secretary

Others in Attendance:

Richard N. Little, Administrative Assistant,
Office of the Controller

For Item 13 - Submarine Geophysical Exploration
J. G. Leovy, Western Gulf Oil Company

For Item 15 - Redlock Corporation, Application to
Purchase Federal Lands
Wallace K. Downey, Redlock Corporation

1. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE MINUTES OF THE MEETING OF THE STATE LANDS COMMISSION HELD IN LOS ANGELES ON AUGUST 25, 1954, WERE CONFIRMED AS SUBMITTED.

2. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE COMMISSION DEFERRED SETTING A DATE FOR THE NEXT MEETING, THIS TO BE AT THE CALL OF THE CHAIRMAN, PROBABLY ABOUT NOVEMBER 15, 1954.

3. (EXTRACTION OF SAND AND GRAVEL, TUOLUMNE RIVER, STANISLAUS COUNTY, MR. E. KLEIM - W.O. 1463(1), GEO.-STANISLAUS COUNTY.) In conjunction with a bid for a mineral extraction lease (following minute item), Mr. Edward Kleim has offered to pay a royalty of $\frac{1}{2}\%$ per cubic yard on 76,229 cubic yards of sand and gravel removed without authorization from the bed of the Tuolumne River during the period July 1, 1950 through September, 1954. This payment of \$381.12 is offered in settlement for material removed from State lands under the assumption by Mr. Kleim that such material removal was authorized under his lease from a land owner adjoining the Tuolumne River. The offered amount corresponds approximately with the rate of $\frac{1}{2}\%$ per ton approved by the Commission in settlements heretofore with the Santa Fe Rock and Sand Company and Ukropina-Polich Kral, another construction contractor, for similar unauthorized material removal from the Tuolumne River.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT THE OFFER OF MR. EDWARD KLEIM OF ROYALTY PAYMENT OF $\frac{1}{2}$ ¢ PER CUBIC YARD ON THE ESTIMATED QUANTITY OF 76,229 CUBIC YARDS OF MATERIAL REMOVED FROM THE BED OF THE TUOLUMNE RIVER, IN SETTLEMENT OF THE STATE'S CLAIM FOR MATERIAL REMOVED FROM STATE LANDS PRIOR TO SEPTEMBER 30, 1954 WITHOUT AUTHORIZATION.

4. (APPLICATION FOR MINERAL LEASE, L. B. SPAULDING, ET AL., SAN DIEGO COUNTY - W.O. 1922, P.R.C. 1443.2.) An application for preferential lease on 160 acres of area included in Prospecting Permit P.R.C. 1231.2, covering the NW $\frac{1}{4}$ and the N $\frac{1}{2}$ of the SW $\frac{1}{4}$, Section 16, T. 16 S., R. 6 E., S.B.B. & M., containing 240 acres in San Diego County, has been received from L. B. Spaulding, L. B. Spaulding, Jr., and H. W. Meador, the permittees. Field inspection of the development work on a deposit of tungsten ore undertaken pursuant to the prospecting permit has shown that commercially valuable deposits of tungsten have been discovered. Approximately 965 lbs. of tungsten concentrate valued at \$1,878 have been shipped and sold, with royalty paid in accordance with the terms of the permit. Pursuant to Section 14 of Prospecting Permit P.R.C. 1231.2, the permittee, upon demonstration of the discovery of commercially valuable deposits of minerals, is entitled to a preferential mineral lease at the royalty rate specified in the subject permit issued December 17, 1951 and extended December 9, 1953. The minimum royalty under the specified schedule will be \$1.50 per ton for tungsten ore extracted and shipped. Prospecting Permit P.R.C. 1231.2 covers 240 acres. Under Section 6895, Public Resources Code, the permittee is entitled to a lease of up to 160 acres of the area within the permit. For this purpose the applicants have selected the NW $\frac{1}{4}$ of Section 16, T. 16 S., R. 6 E., S.B.B. & M., containing 160 acres. X
10/11/54

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO L.B. SPAULDING, L. B. SPAULDING, JR., AND H. W. MEADOR A PREFERENTIAL MINERAL LEASE IN THE STANDARD FORM AUTHORIZED UNDER THE PUBLIC RESOURCES CODE, COVERING 160 ACRES IN THE NW $\frac{1}{4}$ OF SECTION 16, T. 16 S., R. 6 E., S.B.B. & M., SAN DIEGO COUNTY, HERETOFORE INCLUDED IN PROSPECTING PERMIT P.R.C. 1231.2, AT THE ROYALTY RATE SPECIFIED IN THE SUBJECT PROSPECTING PERMIT, AT AN ANNUAL RENTAL OF \$160, SUBJECT TO THE DEPOSIT BY THE LESSEES OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000.

5. (BID FOR MINERAL EXTRACTION LEASE, TUOLUMNE RIVER, STANISLAUS COUNTY - W.O. 1463(1), P.R.C. 1444.1.) One bid for a lease to permit extraction of sand and gravel from a portion of the Tuolumne River has been received from Mr. Edward Kleim, in accordance with an offer for standard lease bid, pursuant to the Rules and Regulations and authorization by the Commission. The lease offer required a minimum bid of 1¢ per cubic yard for all sand and gravel extracted, in conformance with the established policy of the Commission for areas where dredging is done at private cost so as to have concurrent benefits to navigation and flood control (Minute Page 1472) and in conformance with the prior mineral extraction lease authorized for issuance in the same general area of the Tuolumne River (P.R.C. 794.1, Minute Pages 1776-77). The bidder has offered the minimum royalty of 1¢ per cubic yard for all sand and gravel extracted under the lease. X 10/11/54