

MINUTE ITEM
This Calendar item No. C15
was approved as Minute item
No. 15 by the State Lands
Commission by a vote of 2
to 0 at its 4/23/87
meeting.

CALENDAR ITEM

A 34
S 25

C15

04/23/87
PRC 736
Pelka

RENEWAL AND AMENDMENT OF MINERAL
EXTRACTION LEASE PRC 736

LESSEE: U. S. Borax & Chemical Corporation
3075 Wilshire Boulevard
Los Angeles, California 90010

AGENT: Dennis Boyle
U. S. Borax & Chemical Corporation
3075 Wilshire Boulevard
Los Angeles, California 90010

PROPOSED AUTHORIZATION:

Approval of a five-year Renewal and Amendment
of Mineral Extraction Lease PRC 736, effective
May 1, 1987, for the extraction of borate
bearing ore. Modification of terms and
conditions of the lease pertaining to renewal
period, annual rental and calculation of
interest and penalties.

LOCATION AND TYPE OF LAND:

A 160-acre parcel of State school land in the
NW 1/4 S16, T22N R7E, SBM, Inyo County,
approximately three miles northeast of Shoshone.

TERM OF ORIGINAL LEASE:

May 11, 1952 to May 10, 1962.

TERM OF FIRST RENEWAL AND AMENDMENT:

May 11, 1962 to May 10, 1972.

TERM OF SECOND RENEWAL:

May 11, 1972 to May 10, 1982.

CALENDAR ITEM NO. 815 (CONT'D)

TERM OF THIRD RENEWAL:

May 1, 1982 to April 30, 1987.

TERM OF PROPOSED RENEWAL:

May 1, 1987 to April 30, 1992.

PREREQUISITE ITEMS:

Lessee has made a written request for renewal. There are no filing fees or deposits required due to the economic benefit to the State from rentals and royalties under terms of the lease.

STATUTORY REFERENCES:

P.R.C., Div. 6, Sections 6898, 6899.

PERTINENT INFORMATION:

1. Under the terms of the original lease and subsequent amendments and renewals, the lessee has the right to renew said lease for additional periods not to exceed five years each. The lessee seeks to exercise a renewal option for a period of five years.
2. As a condition of renewal, the following modification of terms of the lease is recommended:
 - a. The lease renewal period shall commence May 1, 1987 and end April 30, 1992.
 - b. Annual rental shall be \$4 per acre of leased lands or \$640 per year.
 - c. Minimum annual production requirements shall remain unchanged at 500 tons per year whether or not the material is extracted. At current borate prices, the minimum annual royalty will be \$10,930.00.
 - d. Interest penalty shall be increased to 1 1/2 percent per month in accordance to revised statute PRC 6224.

CALENDAR ITEM NO. P. 15 (CONT'D)

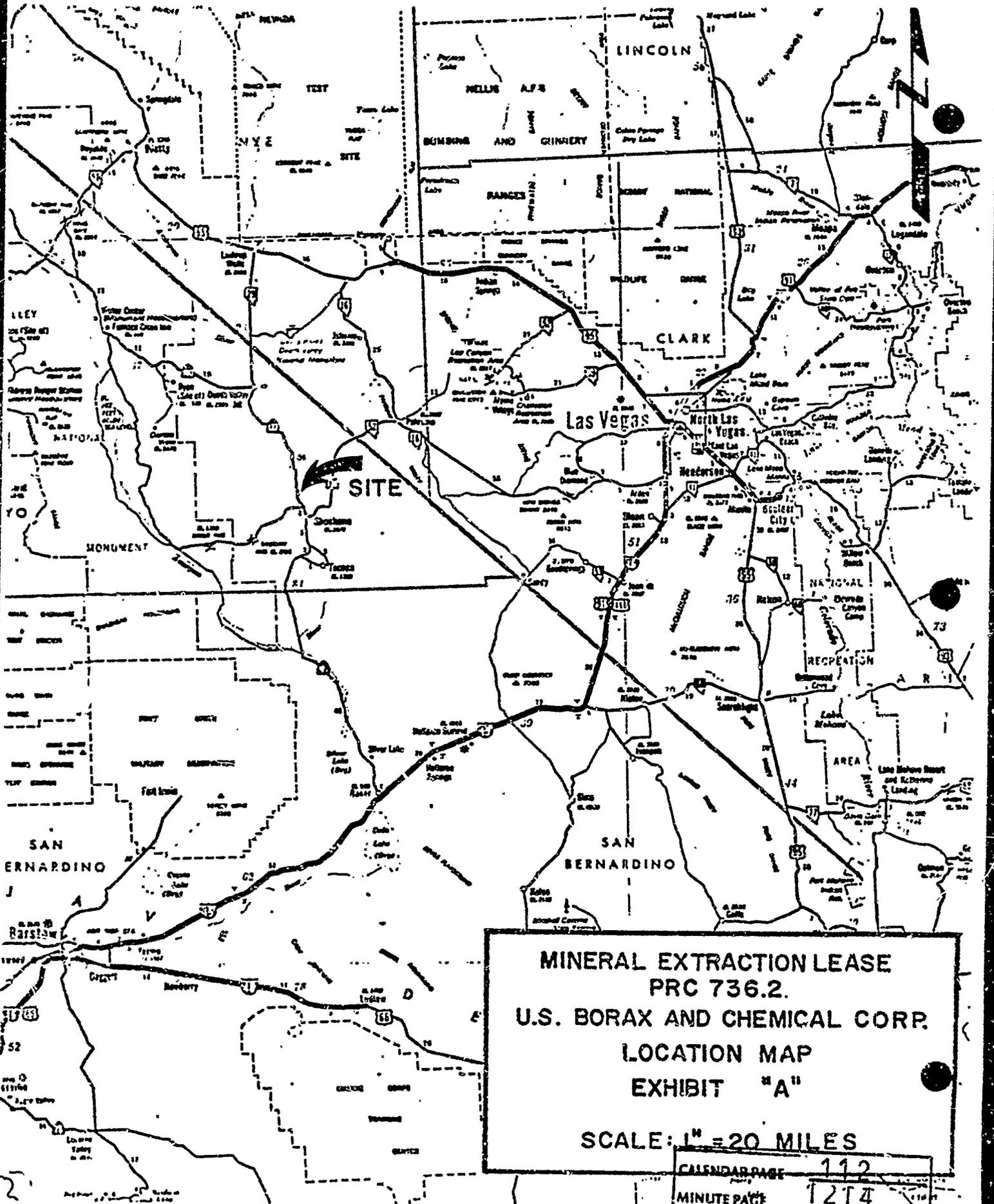
3. This project is exempt from CEQA because it involves an "ongoing project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. Div. 13, Section 21169,
14 Cal. Adm. Code Section 15261.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A STATUTORY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE 21169 AND 14 CAL. ADM. CODE 15261, AN ACTIVITY INVOLVING AN ONGOING PROJECT.
2. AUTHORIZE THE RENEWAL AND AMENDMENT OF MINERAL EXTRACTION LEASE PRC 736 FOR A FIVE-YEAR TERM COMMENCING ON MAY 1, 1987, WHICH INCLUDES THE CHANGES IN TERMS STATED ABOVE.



MINERAL EXTRACTION LEASE
PRC 736.2.
U.S. BORAX AND CHEMICAL CORP.
LOCATION MAP
EXHIBIT "A"
SCALE: 1" = 20 MILES

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