

MINUTE ITEM
This Calendar Item No. C13
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 3
to 0 at its 10/28/96
meeting.

CALENDAR ITEM
C13

A 34

10/28/96

S 17

PRC3511

WP 3511.1

B. Dugal

**RENEWAL AND AMENDMENT OF
A GENERAL LEASE - RIGHT-OF-WAY USE**

LESSEE:

Lake Minerals Corporation
P. O. Box 37
Lone Pine, California 93545

LOCATION:

131 acres, more or less, of sovereign land located at Owens Lake, Inyo County.

LAND USE:

Continued use and maintenance of existing access roadways and drainage ditches located in the dry lake bed of Owens Lake.

TERMS OF PREVIOUS LEASE:

Lease Term:

Ten years beginning July 12, 1986.

Renewal Options:

One period of ten years and one additional period of nine years.

Consideration:

\$3,857 per annum.

TERMS OF PROPOSED RENEWAL AND AMENDMENT:

Lease Term:

Ten years beginning July 12, 1996.

Renewal Options:

One period of nine years.

Lease Description:

The land description contained in Section 4 of the lease is deleted and replaced by the land description attached and identified as Exhibit "A."

Consideration:

\$5,797 per annum.

CALENDAR ITEM NO. C13 (CONT'D)

EXHIBITS:

- A. Legal Description B. Site Map

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code: Div. 6, Parts 1 and 2; Div. 13.
B. Cal. Code Regs.: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. On July 22, 1976, the Commission approved issuance of a ten-year General Lease - Right-of-Way Use, effective July 12, 1976, to Morrison and Weatherly Chemical Products. On January 24, 1980, the Commission approved the assignment of Lease No. PRC 3511.1 to Lake Minerals Corporation. The lease terms provided the right to renew for two successive periods of ten years and one additional period of nine years. On October 23, 1986, the Commission approved the first lease renewal effective July 12, 1986. The Lessee notified staff of their desire to renew for the second ten-year period. One nine-year renewal period remains.
2. Lease No. PRC 3511.1 provides access to the Lessee's mining operation on adjacent State lands. The mineral lease with the State was reconfigured which resulted in Lease No. PRC 3511.1 no longer connecting to the mineral lease. The Lessee requested the current land description be amended to include these additional lands and to correct minor errors contained in the description.
3. The recommended adjustment of rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). Application of the CPI to adjust rents at this time is an interim measure necessitated by budget constraints and resultant staff losses, and does not obligate the Commission to use the CPI to adjust rents other than as specifically set forth herein.

CALENDAR ITEM NO. C13 (CONT'D)

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities, (14 Cal. Code Regs. 15301)

Authority: Public Resources Code Section 21084 and 14 Cal. Code Regs. 15300.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA

FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 14 CAL. CODE OF REGS. 15301.

SIGNIFICANT LANDS

INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE OF A RENEWAL AND AMENDMENT, EFFECTIVE JULY 12, 1996, TO GENERAL LEASE - RIGHT-OF-WAY USE, LEASE NO. PRC 3511.1 TO: (1) EXERCISE THE SECOND TEN-YEAR RENEWAL OPTION; (2) DELETE SECTION 4 OF THE LEASE AND REPLACE IT WITH THE LAND DESCRIBED IN THE ATTACHED EXHIBIT "A" AND (3) ANNUAL RENT IS AMENDED TO \$5,797. ALL OTHER TERMS AND CONDITIONS OF LEASE NO. PRC 3511.1 REMAIN IN FULL FORCE AND EFFECT.

EXHIBIT "A"

LEGAL DESCRIPTION

PRC 3511

All that interest of the State of California, by virtue of its sovereignty, within the following described property.

Four (4) strips of land, 100 feet wide, in the bed of Owens Lake, Inyo County, State of California, said strips of land, lying 50 feet on each side of the following described center lines:

PARCEL 1

BEGINNING at a point on the north boundary line of projected Section 16, Township 17 South, Range 38 East, M.D.M., which is distant easterly along the section line 406 feet from the northwest corner of Section 16, Township 17 South, Range 38 East, M.D.M.; thence southwesterly approximately 10,340 feet, more or less, to a point which is 3,165 feet east and 400 feet north of the southwest corner of projected Section 18, Township 17 South, Range 38 East, M.D.M.; thence southerly 11,394 feet, more or less, to a point on the north boundary line of projected Section 31, Township 17 South, Range 38 East, M.D.M., which is distant easterly along the section line 1,477 feet from the northwest corner of said Section 31, Township 18 South, Range 37 East, M.D.M. and the end of the herein described centerline.

PARCEL 2

COMMENCING at the northwest corner of Section 31, Township 17 South, Range 38 East, M.D.M., thence east 1,477 feet to the POINT OF BEGINNING; thence 10,560 feet, more or less, along said centerline to a point 2,640 feet due South of the northwest corner of Section 1, Township 18 South, Range 37 East, M.D.M.; thence west 2,640 feet to the end of the herein described centerline.

PARCEL 3

BEGINNING at a point which is 2,640 feet east and 2,640 feet south from the northwest corner of Section 15, Township 18 South, Range 37 East, M.D.M.; thence 5,800 feet, more or less, along said centerline to a point 2,650 feet east and 160 feet north from the southwest corner of Section 16, Township 18 South, Range 37 East, M.D.M., and the beginning of a non-tangent curve, concave to the northwest and having a radius of 1,823 feet, a radial point located at 890 feet east and 280 feet south of the northwest corner of Section 21, Township 18 South, Range 37 East, M.D.M., with a delta angle of 89°35'; thence southeasterly 3,180 feet, more or less, along said curve, to a point 1,260 feet east and 2,020 feet south of the northwest corner of Section 21, Township 18 South, Range 37 East, M.D.M.; thence 1,000 feet, more or less, to a point 2,480 feet south and 400 feet east of the northwest corner of Section 21, Township 18 South, Range 37 East, M.D.M.; thence 7,440 feet, more or less, to a point 1,580 feet west and 990 feet south of the northeast corner of Section 19, Township 18 South, Range 37 East, M.D.M.; thence 800 feet, more or less, to a point 2,270 feet east and 530 feet south of the northwest corner of Section 19, Township 18 South, Range 37 East, M.D.M.; thence 1,500 feet, more or less, to a point 3,460 feet west and 1,460 south of the northeast corner of Section 19, Township 18 South, Range 37 East, M.D.M. and the end of the herein described centerline.

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PARCEL 4

BEGINNING at a point which is 2,112 feet east and 2,640 feet south of the northwest corner of Section 16, Township 18 South, Range 37 East, M.D.M.; thence southeasterly 2,376 feet, more or less, to a point which is 2,650 feet east and 160 feet north from the southwest corner of Section 16, Township 18 South, Range 37 East, M.D.M. and the end of the herein described centerline.

END DESCRIPTION

PREPARED by CRIS N. PEREZ L.S. #5169 on AUGUST 20, 1996



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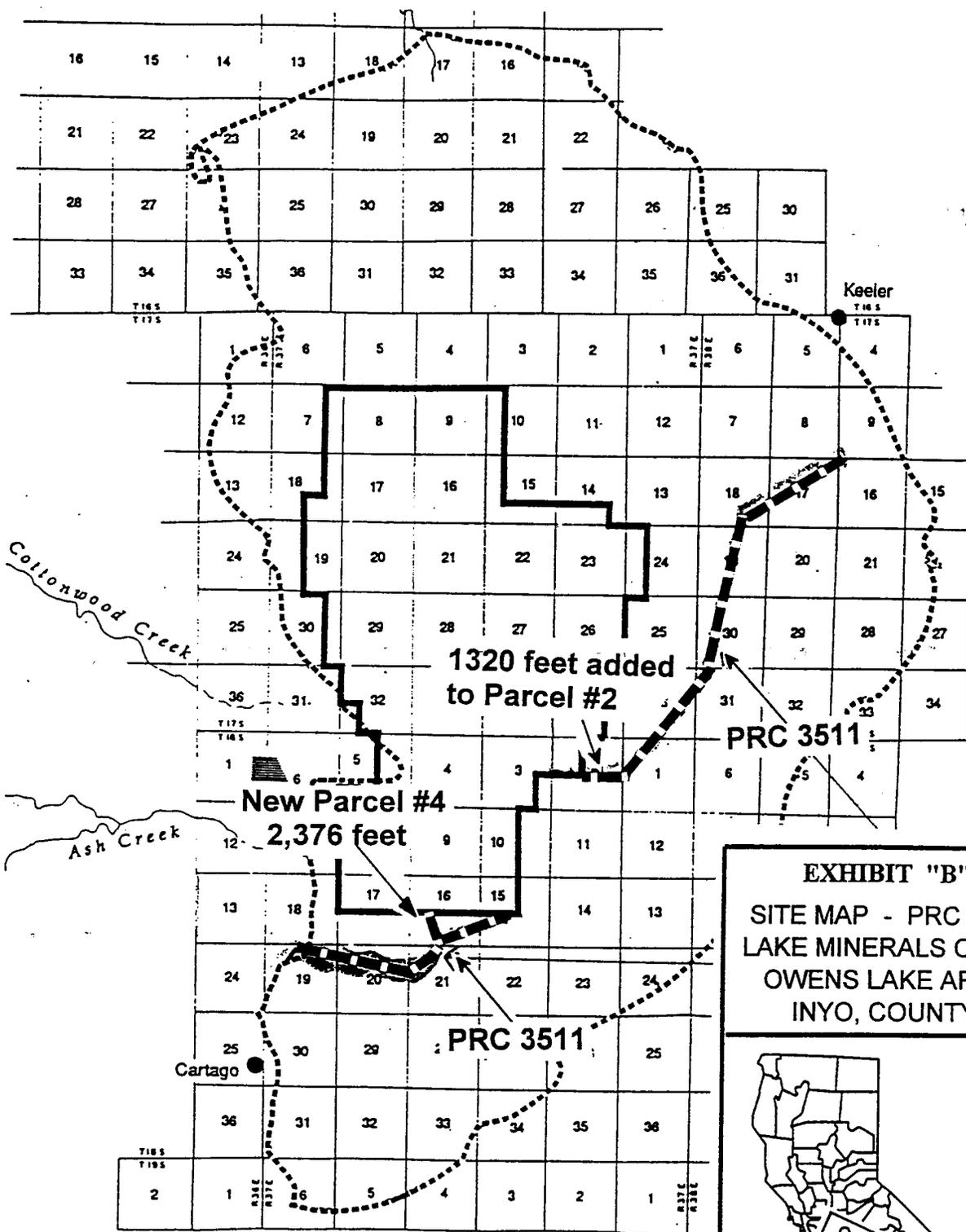


EXHIBIT "B"
 SITE MAP - PRC 3511
 LAKE MINERALS CORP.
 OWENS LAKE AREA
 INYO, COUNTY

